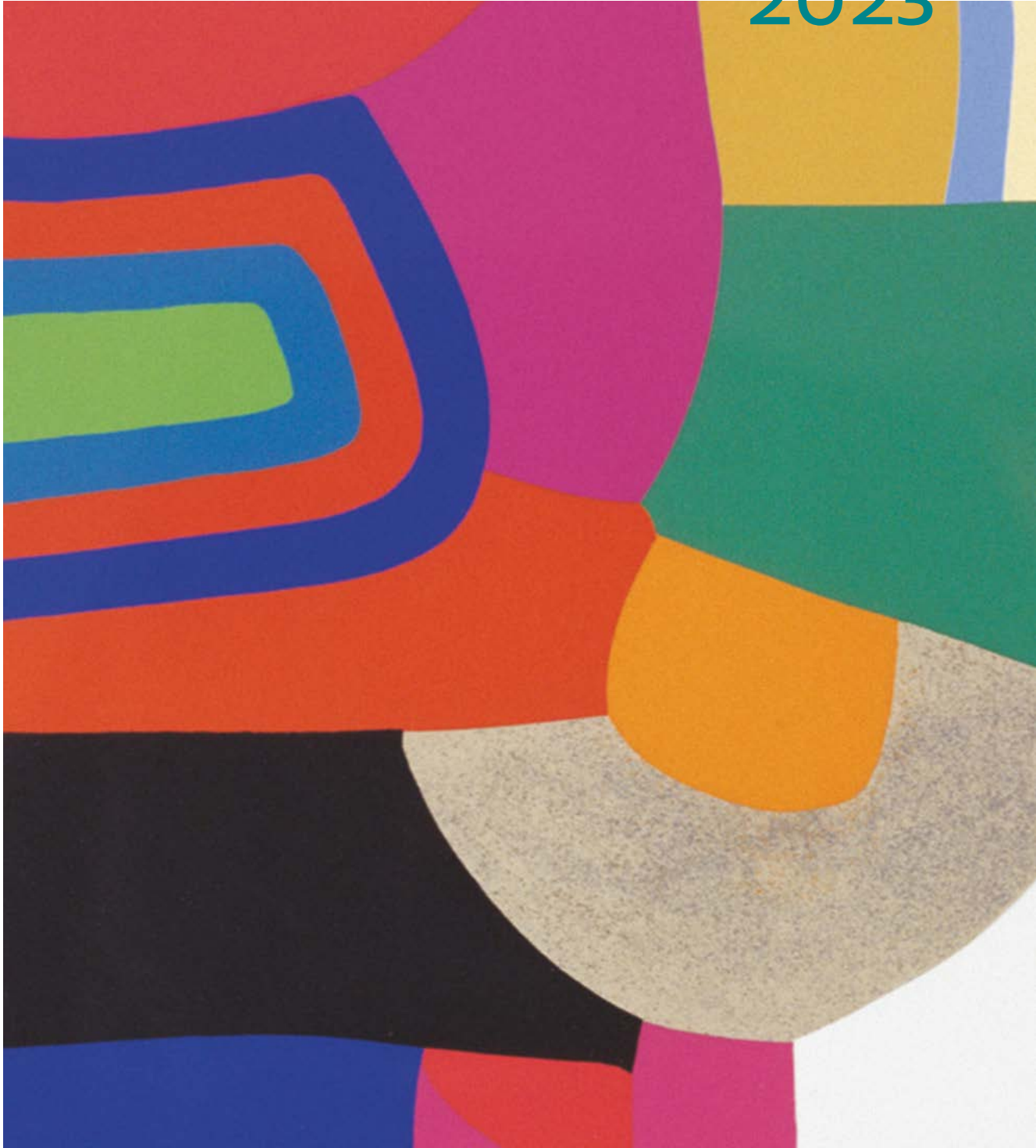


Consolidated
Non-Financial Disclosure

2023



The works of art reproduced in this report were created by the artist Alberto Burri, and they are part of BFF's contemporary art collection.

The entire collection of about 250 works from the post-war period to the early 2000s created by artists such as Valerio Adami, Enrico Baj, Alberto Burri, Hsiao Chin, Mario Schifano, Arnaldo Pomodoro and Joe Tilson is permanently on display at BFF's Italian offices in Milan and Rome.

In 2019 the Bank launched a project to digitize and recondition the collection, resulting in several initiatives, including a traveling exhibition in Europe, accompanied by English-language publications to promote Italian culture and Italian art abroad.

In addition, from January 2023 a new volume is being distributed that draws inspiration from the collection: *Italian and American Art – An Interaction – 1930s–1980s*, dedicated to the mutual fascination between Italian art and American art.

The new phase of the project intends to follow up on the European leg of the traveling exhibition with new stops also in the United States in 2024, ending in the museum area at the Bank's new headquarters under construction in Milan.

BFF's commitment to culture is the result of its sense of responsibility towards the community and Italy's artistic heritage, and the desire to give part of the value that BFF generates back to society, in line with the Group's social and sustainability policies.

www.art-factor.eu

BFF Bank S.p.A.

Parent of the BFF Banking Group

Registered Office in Milan - Via Domenichino 5

Share Capital Euro 144,157,893.80 (fully paid-in)

Milan Company Register,

Tax Code and VAT No. 07960110158

Consolidated
Non-Financial Disclosure

2023



Italian Legislative Decree No. 254/2016 implemented EU Directive 2014/95 of the European Parliament and of the Council dated October 22, 2014 concerning the disclosure of non-financial and diversity information by certain large companies and groups. In Italy, this decree made it compulsory to prepare a non-financial disclosure covering “environmental, social and employee-related issues, respect for human rights, and the fight against corruption and bribery”.

The BFF Banking Group (hereinafter also referred to as the “BFF Group or the “Group”) has prepared the fifth edition of the Consolidated Non-Financial Disclosure (hereinafter also referred as the “NFS” or “Disclosure”) pursuant to Article 4 of Italian Legislative Decree 254 of December 30, 2016.

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Letter to Stakeholders



Salvatore Messina

Dear Shareholders,

in 2019 we voluntarily initiated the publication of our non-financial statement with the understanding that we are embarking on a journey that aims not so much to reach a definitive goal but rather to enact continuous improvement.

It is always with great satisfaction that each year we look back on the past 12 months, retracing the new milestones we have reached in our sustainability journey, but also with the awareness that the goal is never definitive: we want to continuously increase our commitment, taking responsibility for all the environmental and social impacts that are a daily consequence of our decisions.

Reporting on these impacts in the Non-financial Statement is an integral part of this responsibility. We therefore want to strive to always build strong, lasting and trusting relationships – with customers and all our stakeholders – and to generate a positive and ongoing impact on the communities we operate in through responsible and sustainable practices.

The directives guiding the Group in the coming years are dictated by the new Business Plan up to 2028, to be and act "Ever more a bank like no other", presented in June 2023.

From the perspective of **governance**, the Group wants to continue to be aligned with the best practices in the market, maintaining the current diversity among the members of the Board of Directors with its 56% independent and 44% female directors, 22% foreigners, and 78% with international experience.

Thanks to this and other characteristics, during the past year several **rating** agencies have recognized BFF as deserving a positive evaluation.

The ESG rating attributed to the Group by MSCI – a leading international ESG rating company that analyzes about 3,000 companies globally – rose from BBB to AA, placing BFF in the highest bracket compared to global peers for governance issues.

Two of the Bank's strengths underscored by MSCI were its Board of Directors, consisting of a majority of independent directors, and the division of roles between the Chair and CEO, resulting in strong oversight of management. The company's rating also recognized the value of BFF's talent management initiatives.

Standard Ethics Ltd, an independent sustainability rating agency, also upgraded the Bank's Corporate Standard Ethics Rating (SER) to "E+" from the previous "E," assigning an outlook of "Positive."

Finally, as further confirmation of our sustainability efforts, in early 2024 Morningstar Sustainalytics improved BFF's ESG rating, assigning the group a score of 17.0 and confirming the company's inclusion in the "Low Risk" category.

Also in 2023, BFF was the first operator in its industry to publish a **Social Bond Framework**, certified by an independent body. The Social Bond Framework defines the Bank's commitment to sustainable finance, with a special focus on social issues, further strengthening the link between sustainability and the Group's financial strategies.

Turning now to our social commitment, in 2023 the Bank continued to listen and dialog with its more than 800 employees of more than 20 different nationalities.

With the aim of further developing its human capital, the Group has always been committed to the care and growth of its people through actions that ensure wellbeing and equal opportunities. Among the tools deployed for this purpose in 2023, the creation of the **Inclusion Board** is particularly worthy of note, established to gather suggestions from employees on key inclusion needs.

The objective of this new body is to promote diversity and inclusion within the Group, ensuring equal growth opportunities for all and eliminating both overt and covert obstacles and prejudices.

The cornerstone of "**Casa BFF**" was also laid during the past year, the Bank's new headquarters in Milan scheduled to be completed in 2024.

The new office, which has been extensively discussed elsewhere, will have LEED Platinum and WELL Gold certification, thus bringing more than 80% of the Group's employees to work in LEED-certified offices, and 69% of employees to work in WELL-certified buildings.

Moreover, with its 2,400 square meters of solar panels "Casa BFF" will contribute to the Group's goal of nullifying CO2 emissions by the year 2026 through the use of low-impact buildings.

Day after day we have proudly watched this project grow, which aims to be a meeting place dedicated not only to all Group employees but – with the museum that will house the art collection and the surrounding outdoor spaces – also to the general public. We are happy to be able to contribute in this way also to the regeneration and new development of one of Milan's historic areas.

BFF's initiatives in the area of **culture** also continued in 2023, in keeping with the Group's social and sustainability policies.

The "Art Factor" exhibition visited two new European cities, Madrid and Lisbon, following last years' stops in Athens, Warsaw, and Bratislava.

Furthermore, BFF's project to promote Italian culture and contemporary art entered an important new phase. At the end of the year we previewed the new volume *Italian and American Art – An Interaction – 1930s-1980s*. Dedicated to the interaction and mutual fascination between Italian art and American art, the book draws on the artworks that the Bank began collecting in the second half of the 1980s.

The initiative will allow us to follow up on the traveling exhibition held in Europe in the past two years, continuing in 2024 with new stops in the US, in New York and Washington DC.

The richness of these initiatives is a source of inspiration for us. BFF has always recognized art's ability to teach everyone the importance of imagination, creativity and innovation, indispensable tools to accompany the growth of a person, a business, and society in general.

Finally, in the past year BFF committed itself to supporting the new purpose of **Fast Forward Foundation**, which aims to promote the development of integrated welfare, understood as a combination of three main, closely related areas, namely healthcare, supplementary pensions, and digital payments for financial inclusion. Established by BFF Bank in 2004, the Foundation presented itself last October in Brussels in a new guise, with the goal of fostering sustainable change in welfare to protect individuals and communities.

This Non-Financial Statement details these and all the other activities that characterized BFF's sustainable growth in 2023. With these initiatives we continue to strive to constantly improve our impact on the world around us.

Salvatore Messina

Chairman of the Board of Directors
of BFF Bank S.p.A.

Executive summary

CLIMATE CHANGE



2023 — **962** tCO₂e = ~1,160 kgCO₂e per employee
 2022 — **871** tCO₂e = ~1,034 kgCO₂e per employee

Scope 1
and
Scope 2

Note that the increase is not due to a rise in consumption, which as can be seen from the data reported in GJ decreased by 12%, from 13,233 GJ in 2022 to 11,695 in 2023, but rather from the updating of conversion factors (gCO₂e/Kwh), which for 2023 have undergone considerable changes resulting from the change in energy mix applied to the relevant countries.

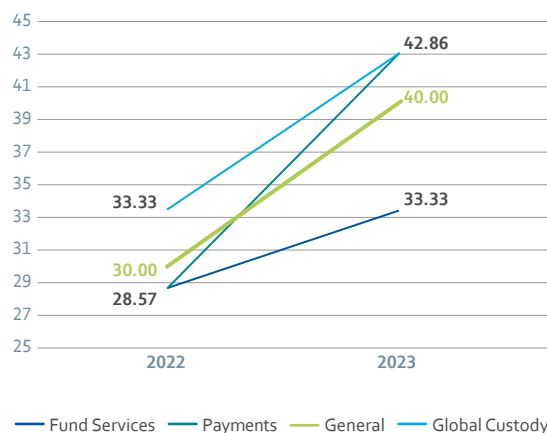
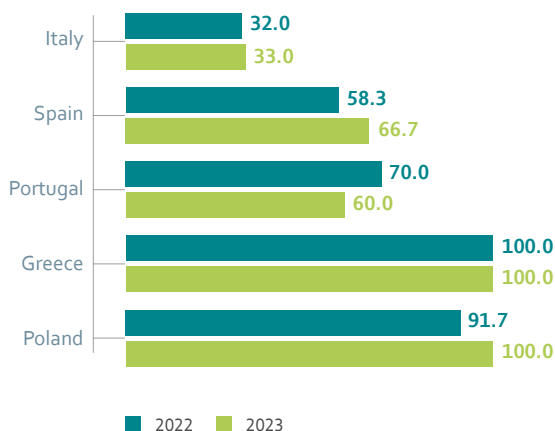


7.79t
of paper,
10 kg per employee
as in 2022

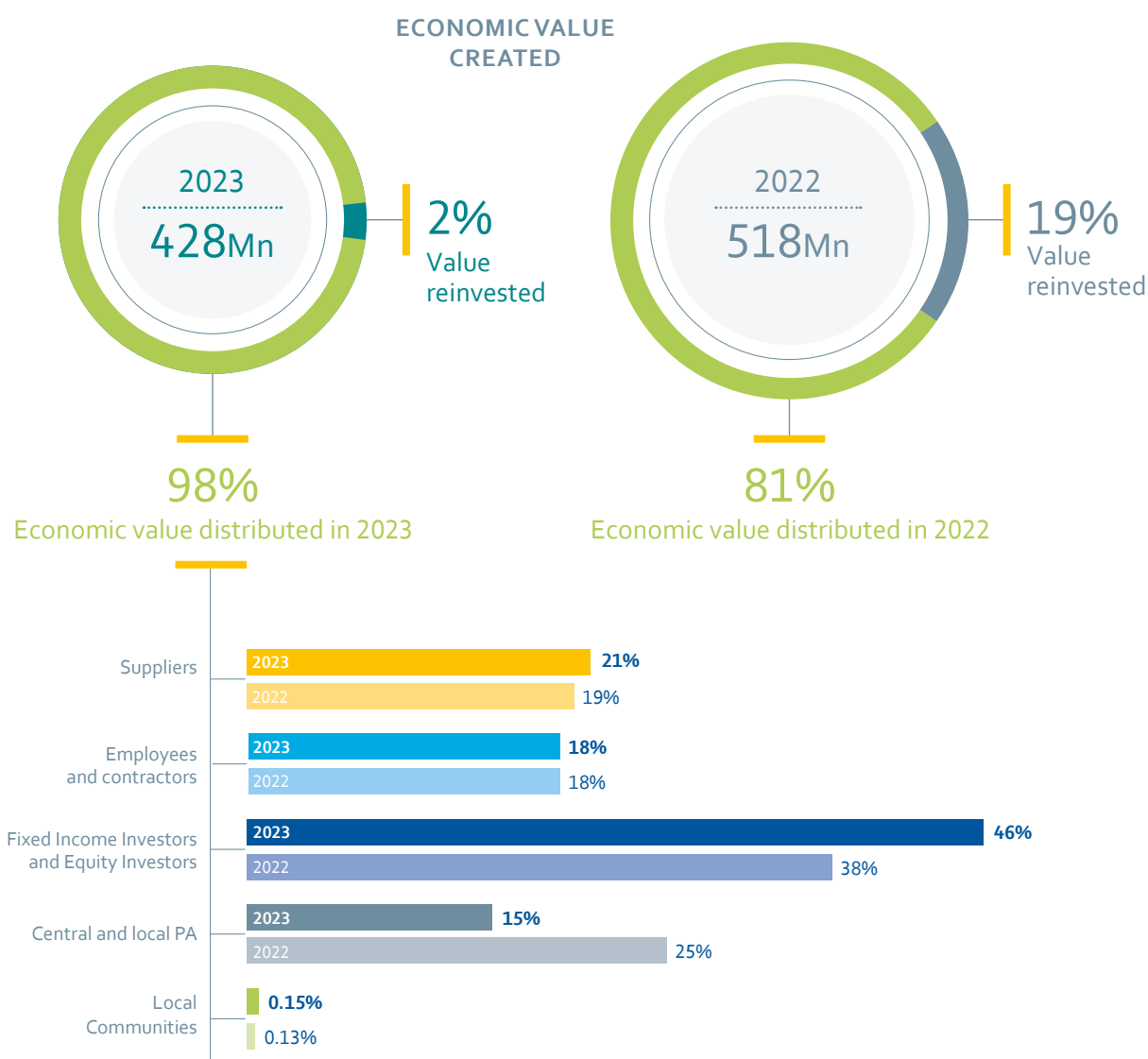


47%
employees
in *Green Buildings*
as in 2022

CUSTOMER SATISFACTION



ECONOMIC PERFORMANCE

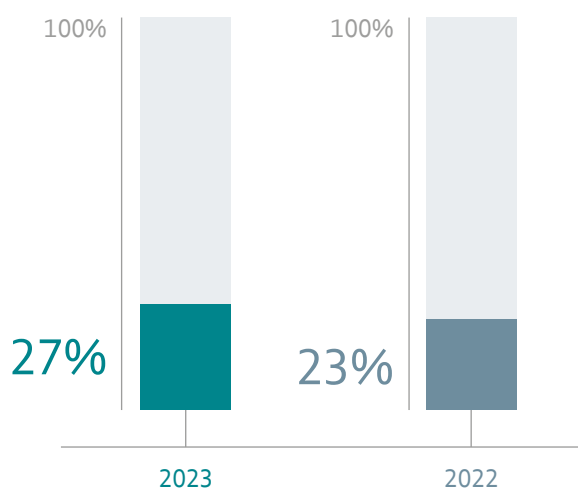


The reduction compared to 2022 is due to the fact that the previous year's result was positively affected by some extraordinary items, most notably the accounting of 50% of the fund related to the lump-sum indemnity for credit recovery (so-called "40 euro") for 119.4 million euros and the combined effect of the increase in the percentage estimated recovery of late payment interest from 45% to 50% and the increase in days expected for the relative collection for 29.3 million euros.

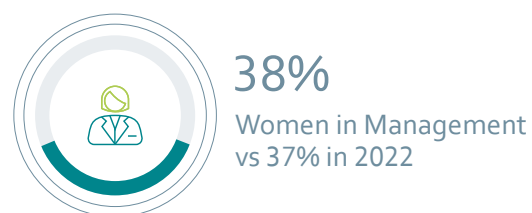
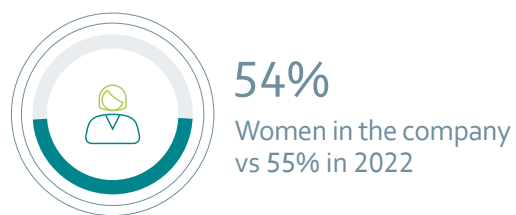
DEVELOPMENT OF HUMAN CAPITAL



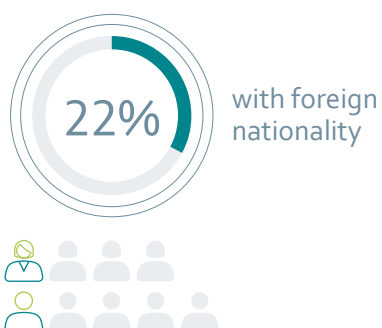
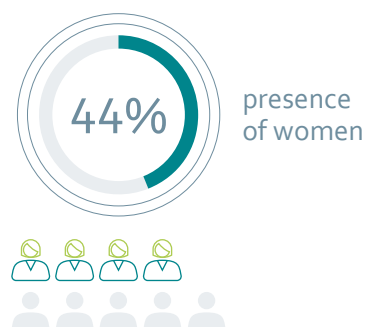
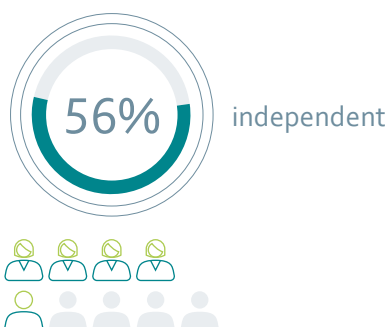
ACCESS TO LONG-TERM EMPLOYEE INCENTIVE PLANS



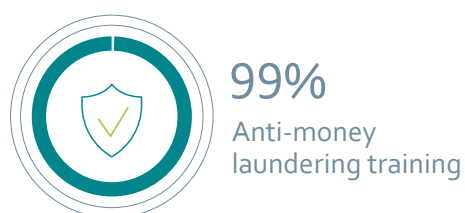
DIVERSITY AND INCLUSION



GOVERNANCE: CHARACTERISTICS OF THE BOD



ETHICS AND INTEGRITY



Methodological Note

The Consolidated Non-Financial Disclosure (hereinafter referred to as “**Disclosure**” or “**NFS**”) of the BFF Group (hereinafter also referred to as “**BFF**” or the “**Bank**”), drawn up in accordance with Article 4 of Legislative Decree No. 254/2016, contains information regarding environmental, social and employee-related issues, respect for human rights, and the fight against corruption and bribery. It aims to provide an understanding of the activities carried out by the Group, their progress, and the results and impact achieved.

This document is prepared in accordance with the GRI Universal Standards 2021 under the “in accordance” option. With reference to the correlation table between the chapters of this Disclosure and the GRI reference indicators, reference should be made to the GRI Content Index provided at the end of this Disclosure.

The issues covered in the Disclosure are included in accordance with the **principle of materiality** as foreseen by the relevant legislation and as required by the GRI Standards. In fact, the issues described were identified as significant following the Materiality Analysis process described on page 62. Therefore, this Disclosure contains information that was deemed relevant to the Group, the business model, and the methods that the Group uses to create value.

Published on an annual basis, the NFS includes a range of qualitative and quantitative indicators defined in accordance with GRI Standards. The qualitative and quantitative data and information relate to the performance of the BFF Group and refer to 2023 (from January 1 to December 31). The indicators for FY 2022 and 2021 are also provided for the purpose of comparing information and identifying trends in sustainability performance, as was done in last Consolidated Non-Financial Disclosure published (that of 2022).

The reporting scope of this Disclosure and the indicators monitored refer to the Parent Company BFF Bank S.p.A., and to the following fully-consolidated subsidiaries as at December 31, 2022:

- ▶ BFF Polska S.A. (hereinafter also referred to as “BFF Polska”);
- ▶ BFF MEDfinance S.A. (hereinafter also referred to as “BFF MEDFinance”);
- ▶ BFF Česká Republika s.r.o. (hereinafter also referred to as “BFF Ceska Republika”);
- ▶ BFF Central Europe s.r.o. (hereinafter also referred to as “BFF Central Europe”);
- ▶ BFF Finance Iberia S.A.U. (hereinafter also referred to as “BFF Finance Iberia”);
- ▶ BFF Techlab S.r.l.

With regard to the latter, note that in light of its size, indicators related to personnel, energy consumption, and GHG emissions were considered for reporting purposes.

It should be noted that the companies BFF Immobiliare S.r.l., Komunalny Fundusz Inwestycyjny Zamknięty, MEDICO Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty, Kancelaria Prawnicza Karnowski i Wspólnik sp.k. and Restrukturyzacyjna Kancelaria Prawnicza Karnowski i Wspólnik sp.k. were not included within the reporting scope because their performance as regards sustainability was deemed to be not material.

It should be noted that the Parent Company BFF Bank S.p.A. has branches in Portugal, Spain, Poland and Greece; however the data has been presented by country and not by company. For the purposes of the report the individual countries in which the Group operates have been defined as a “regions” therefore the data relating to Spain includes information regarding the Spanish branch and the subsidiary company; the data regarding Poland includes information regarding the Polish branch and the subsidiary company. Furthermore the information regarding the Fast Forward Foundation, which is not included in the scope of the Group’s consolidated financial statements, is useful for understanding the attention paid to the social context.

As regards the methodology used to collect the data and information reported in this Disclosure, in 2023 the working group tasked with preparing the document (the "**Working Group**") equipped itself with a tool for data collection and their consolidation, which all the leads of the various business functions involved contributed to. The data regarding Italy was provided by the functions of the Parent Company; the respective country representatives were responsible for collecting the data regarding "regions" of Spain, Portugal, Poland and Greece.

For the purpose of ensuring accurate reporting on the scope of "Accountability to people", the following professional categorization was defined: (i) Senior Executives/Executives (hereinafter also referred to as "Top Management"); (ii) Managers/Middle Managers/ Coordinators (hereinafter also referred to as "Middle Management"); (iii) Specialists/Professionals (hereinafter also referred to as "Staff").

Any omissions in the scope have been duly noted in this document and reported in the "GRI Content Index" section.

The main calculation methods used are shown below:

- ▶ the recordable work-related injury rate was calculated by dividing the number of recordable work-related injuries by the hours worked multiplied by 1,000,000;
- ▶ for the purpose of calculating direct GHG emissions (Scope 1) and indirect GHG emissions (Scope 3) related to business travel (Category 6: Business Travels GHG Protocol), UK Government GHG Conversion Factors for Company Reporting 2023 defined by the UK government's Department for Environmental and Rural Affairs (DEFRA) were used;
- ▶ for the purpose of calculating indirect GHG emissions (Scope 2) Location-Based on electricity consumption, the emission factors of the International Energy Agency (IEA) 2023 – IEA Emission Factors 2023 were used. The 2022 and 2021 data for indirect GHG emissions (Scope 2) Location-Based have therefore been restated in order to ensure consistency and comparability. With regard to the calculation of indirect GHG emissions (Scope 2) Market-Based emission factors related to the "residual mix" (Source: AIB - 2022 European Residual Mix) were used. The 2023 UK Government GHG Conversion Factors for Company Reporting set by the UK Government's Department for Environmental and Rural Affairs (DEFRA) were used to calculate the GHG Indirect emissions (Scope 2) arising from thermal energy consumption.

The Auditing Firm's opinion and related audits did not cover the disclosure related to the process of determining "financial materiality" and related output, carried out in anticipation of the requirements of the Corporate Sustainability Reporting Directive (see the chapter "BFF Group 2023 Materiality Analysis"). The information required by Article 8 of Regulation EU 2020/852 included in the section "Disclosure under the Taxonomy of the European Union (EU Regulation 2020/852)" was also excluded from the verification activities of the Auditing Firm.

Any requests for clarification and questions regarding the information contained in the BFF Group's Consolidated Non-Financial Disclosure should be addressed to: sostenibilita@bff.com.



01

Group
Overview

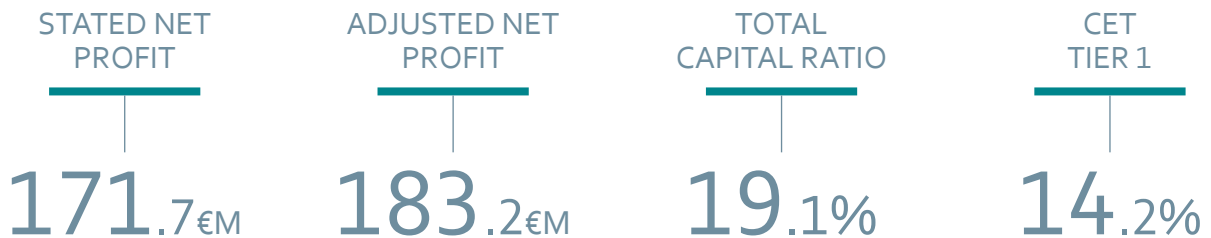
Profile

BFF is the largest specialized finance operator in Italy, as well as the leader in Europe in the management and non-recourse factoring of trade receivables due from Public Administrations.

The Group operates in Italy, Croatia, France, Greece, Spain and Portugal, where it engages in non-recourse factoring and credit management activities with respect to the Public Administration. It also has operations in Poland, the Czech Republic and Slovakia, offering a diversified range of financial services designed for ensuring access to credit as well as providing liquidity and solvency support to the private system of companies that interface with the Public Administration.

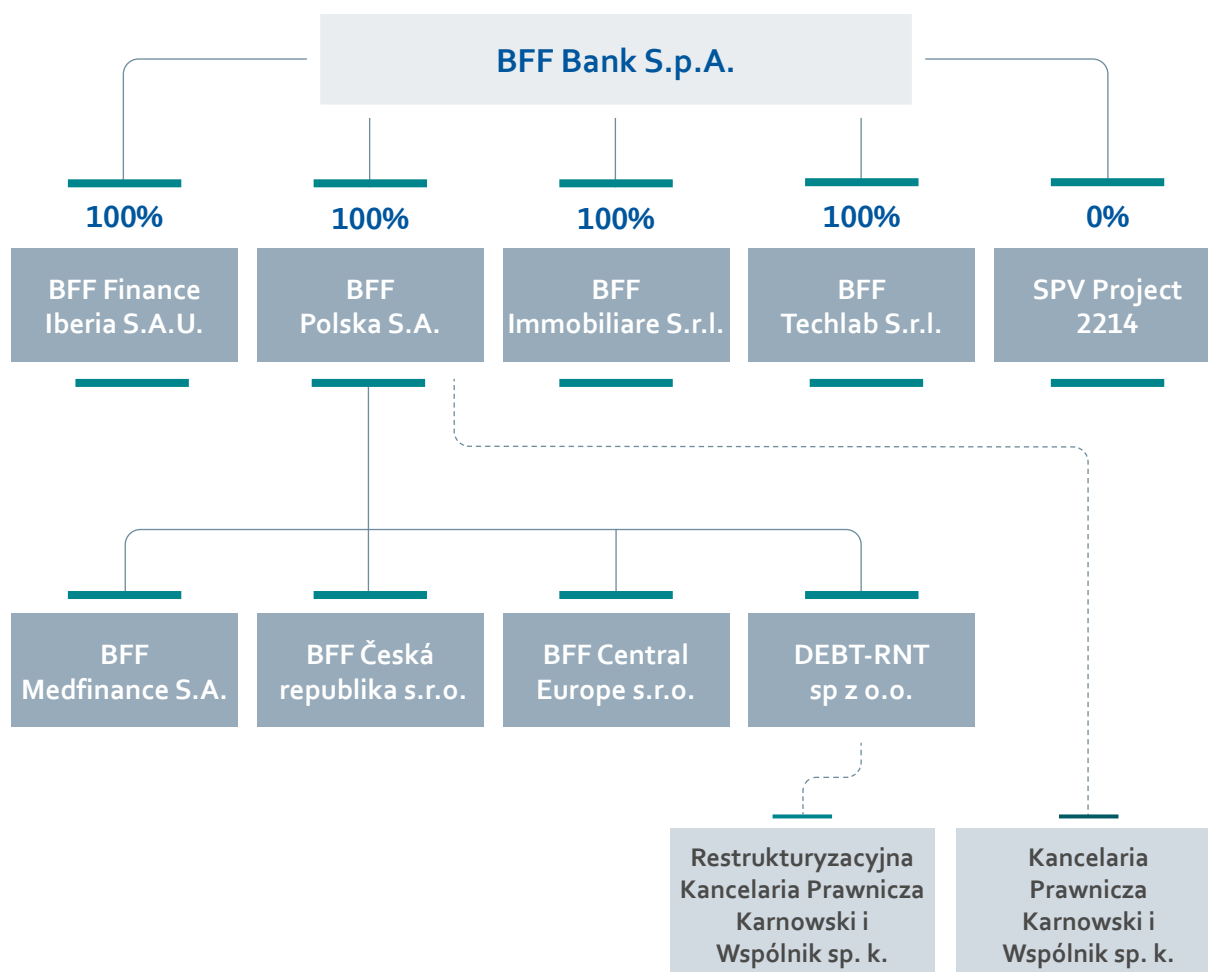
As well as providing the Factoring & Lending services mentioned above the Group is a leader in Italy in Securities Services and banking payment services. It provides these services to more than 400 clients including investment funds, banks, payment and money institutions, large corporations and Public Administrations.

In 2023 the Group reported Adjusted Net Income of €183.2 million, +25.4% year on year, Accounting Net Income of €171.7 million, with a Common Equity Tier 1 ("CET1") Group ratio as of 12/31/2023 of 14.2%, and a Total Capital Ratio of 19.1%.





Group structure as of 12.31.2023¹



1) Please note that the structure shown does not correspond to the reporting scope of the 2023 NFS. For more information please refer to the Methodological Note.

At December 31, 2023, BFF Banking Group included the Parent BFF Bank S.p.A. and the following companies:

Company name	Registered and operating office	Relationship type ⁽¹⁾	Participation rate		Voting rights % ⁽²⁾
			Held by	Holding %	
COMPANIES CONSOLIDATED LINE-BY-LINE					
1. BFF Immobiliare S.r.l.	Milan - Via Domenichino 5	1	BFF Bank S.p.A.	100%	100%
2. BFF Techlab S.r.l.	Brescia - Via C. Zima 4	1	BFF Bank S.p.A.	100%	100%
3. SPV Project 2214	Milan - Corso Vittorio Emanuele II 24/28	4	BFF Bank S.p.A.	0%	0%
4. BFF Finance Iberia. S.A.U.	Madrid - Paseo de la Castellana 81	1	BFF Bank S.p.A.	100%	100%
5. BFF Polska S.A.	Łódź - Jana Kilińskiego 66	1	BFF Bank S.p.A.	100%	100%
6. BFF Medfinance S.A.	Łódź - Jana Kilińskiego 66	1	BFF Polska S.A.	100%	100%
7. BFF Česká republika s.r.o.	Prague - Roztylská 1860/1	1	BFF Polska S.A.	100%	100%
8. BFF Central Europe s.r.o.	Bratislava - Mostova 2	1	BFF Polska S.A.	100%	100%
9. Debt-Rnt sp. Z O.O.	Łódź - Jana Kilińskiego, 66	1	BFF Polska S.A.	100%	100%
10. Komunalny Fundusz Inwestycyjng Zamknięty	Warsaw - Plac Dąbrowskiego 1	4	BFF Polska S.A.	100%	100%
11. MEDICO Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty	Warsaw - Plac Dąbrowskiego 1	4	BFF Polska S.A.	100%	100%
12. Kancelaria Prawnicza Karnowski i Wspólnik sp.k.	Łódź - Jana Kilińskiego 66	4	BFF Polska S.A.	99%	99%
13. Restrukturyzacyjna Kancelaria Prawnicza Karnowski i Wspolnik sp.k.	Łódź - Jana Kilińskiego 66	4	Debt-Rnt sp. Z O.O.	99%	99%

Key:

(1) Type of relationship: 1 = having the majority of voting rights at ordinary shareholders' meetings, 2 = dominant influence at the ordinary shareholders' meeting, 3 = arrangements with other shareholders, 4 = other forms of control.

(2) Voting rights at ordinary shareholders' meetings, distinguishing between actual and potential voting rights or percentage of shares.

As far as points 10 and 11 are concerned, voting rights refer to the investors' right to vote at the Meeting.

The companies in points 12 and 13 above are limited partnerships and are consolidated according to the equity method since their total asset figures are not significant.

BFF Bank also holds a 24% stake in Unione Fiduciaria S.p.A., which is consolidated with the equity method (and not in its entirety), as it is a company subject to significant influence.

As of December 31, 2023, the Bank consolidated the securitization vehicle SPV Project 2214, held through the subscription of shares in the FPAM1 closed-end investment fund. The subscription of the shares of the fund in question, then reinvested in SPV Project 2214 is part of the new factoring operation to enable Italian SMEs to access the service of assigning non-recourse receivables through onboarding on digital platforms and with fast turnaround times (c.d. "Digital Platform"), launched in September 2023.

The measurement criteria are adopted with a view to a going concern and comply with the principles of accruals, relevance and materiality of accounting information and the precedence of economic substance over legal form.

BFF: Sustainable leader in specialized finance

1985-2009

BFF is born and establishes itself in the market

Founded by a group of **pharmaceutical companies** to respond to their needs of managing and collecting receivables from the healthcare system, BFF immediately became a **leader in the market**.

2010-2014

Resilient during the crisis, the process of internationalization and transformation begins

Expansion into **new European countries**: in **Spain** in 2010; in **Portugal** in 2014.

BFF products and services are offered to **all suppliers of public bodies**, always in line with the needs of their customers.

It becomes a bank in 2013.

2015-2020

Listing and European leadership

BFF grows in **Central and Eastern Europe** through a major acquisition in Poland (2016), and is listed on the **Italian stock exchange** (2017).

The international offer is also present in **Greece, Croatia and France**.

The business in Spain is consolidated with the acquisition of **IOS Finance** (2019).

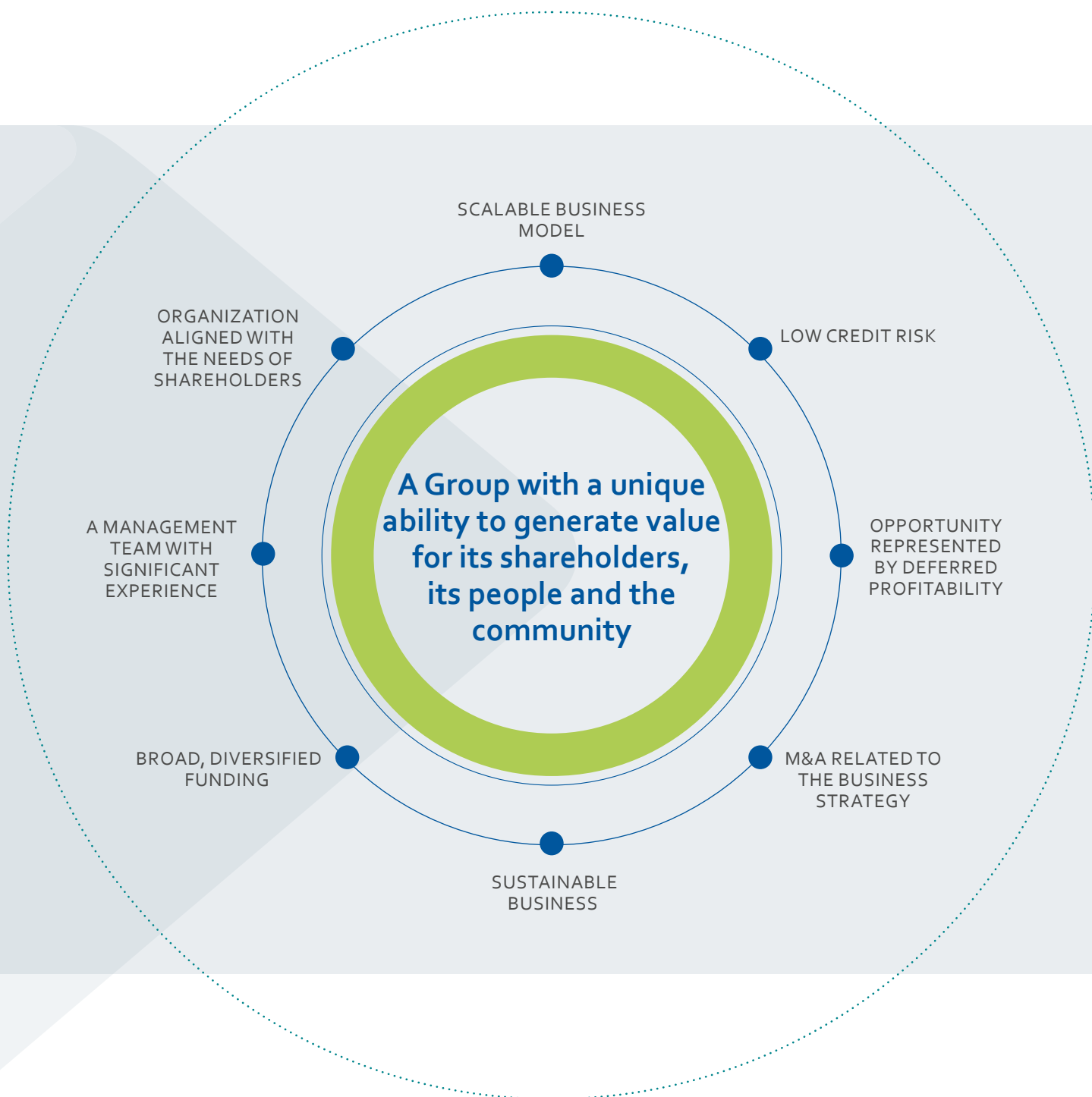
TODAY

Leader in specialized finance

BFF is the only pan-European platform – present in nine countries – specialized in the management and non-recourse purchase of trade receivables from the public administration and national health systems.

In 2021, through the merger with DEPObank, it also affirmed its leadership in securities services, as the only Italian custodian bank, and in payment services, distributed to more than 100 banks and PSPs in Italy.

In 2023, as part of the new business plan, it confirmed its willingness to grow in its core business and continue on the path of value creation vis-à-vis its shareholders and all stakeholders.



BFF 2028: ever more a bank *like no other*

BFF is the largest specialized finance operator in Italy, as well as one of the leaders in Europe in the management and non-recourse factoring of trade receivables due from Public Administrations, Securities Services and payment services.





Business Model and Strategy

Business Model

The Group operates in Italy, Croatia, France, Greece, Spain and Portugal, where it engages in non-recourse factoring and credit management activities with respect to the Public Administration. It also has operations in Poland, the Czech Republic and Slovakia, offering a diversified range of financial services designed for ensuring access to credit as well as providing liquidity and solvency support to the private system of companies that interface with the Public Administration.

As well as providing the Factoring & Lending services mentioned above the Group is a leader in Italy in Securities Services and banking payment services. It provides these services to more than 400 clients including investment funds, banks, payment and money institutions, large corporations and Public Administrations.

Below is a representation of the services offered and their benefits to customers.

BFF manages operational complexity, facilitates cost reduction and eliminates risks for customers, including through:

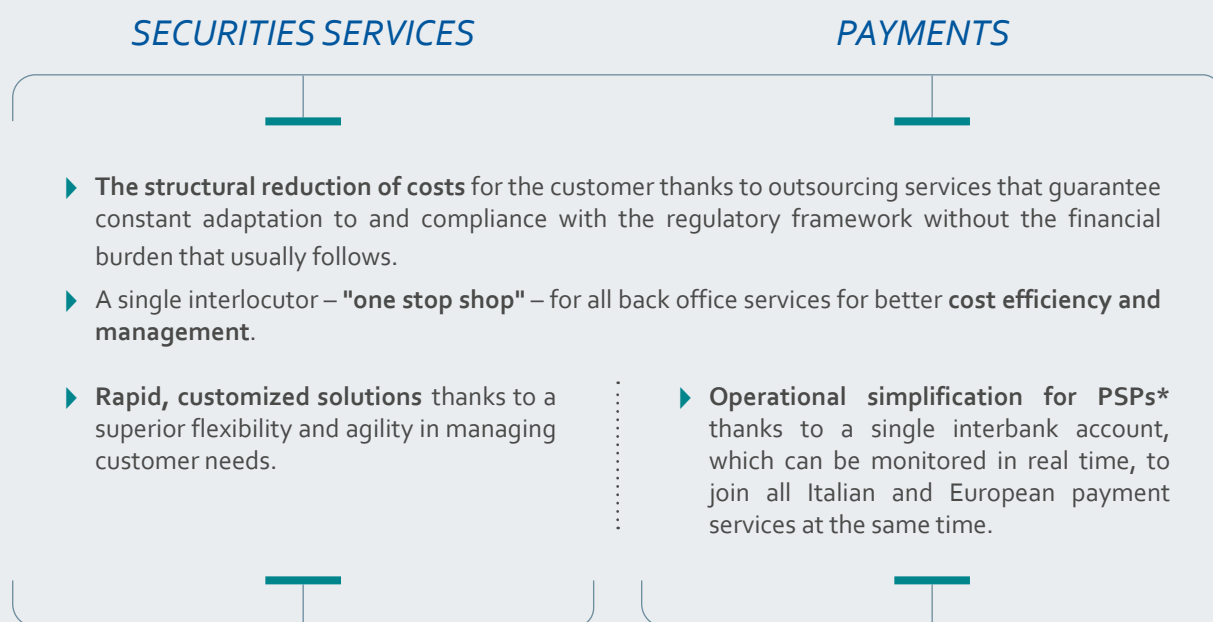
FACTORING & LENDING

- ▶ **The optimization of liquidity** and the management of working capital of private businesses operating with the Public Administration.
- ▶ **Planning and maintenance of a target collection time**, irrespective of the actual payment times of the Public Administrations.
- ▶ **Improvement in financial statement ratios**, thanks to the possibility of definitively deconsolidating exposure to public agencies.
- ▶ **Reduction in operating costs**, thanks to revolving agreements for the assignment of trade receivables and an integrated business model that combines non-recourse factoring and credit management services to guarantee the best possible performance on loans and receivables.
- ▶ **Direct funding of public bodies** in Central and Eastern Europe, with vendor finance solutions and loans for medium/long-term investments.
- ▶ **Multi-country operations**, for a better and more efficient management of country risk and the exposure of multinationals to the nine European countries that the Group operates in.

The business model described above is based on core values, such as:

- ▶ honesty,
- ▶ transparency,
- ▶ respect for people,
- ▶ enhancement of resources,

ensuring leadership in innovation and execution in BFF's target markets.



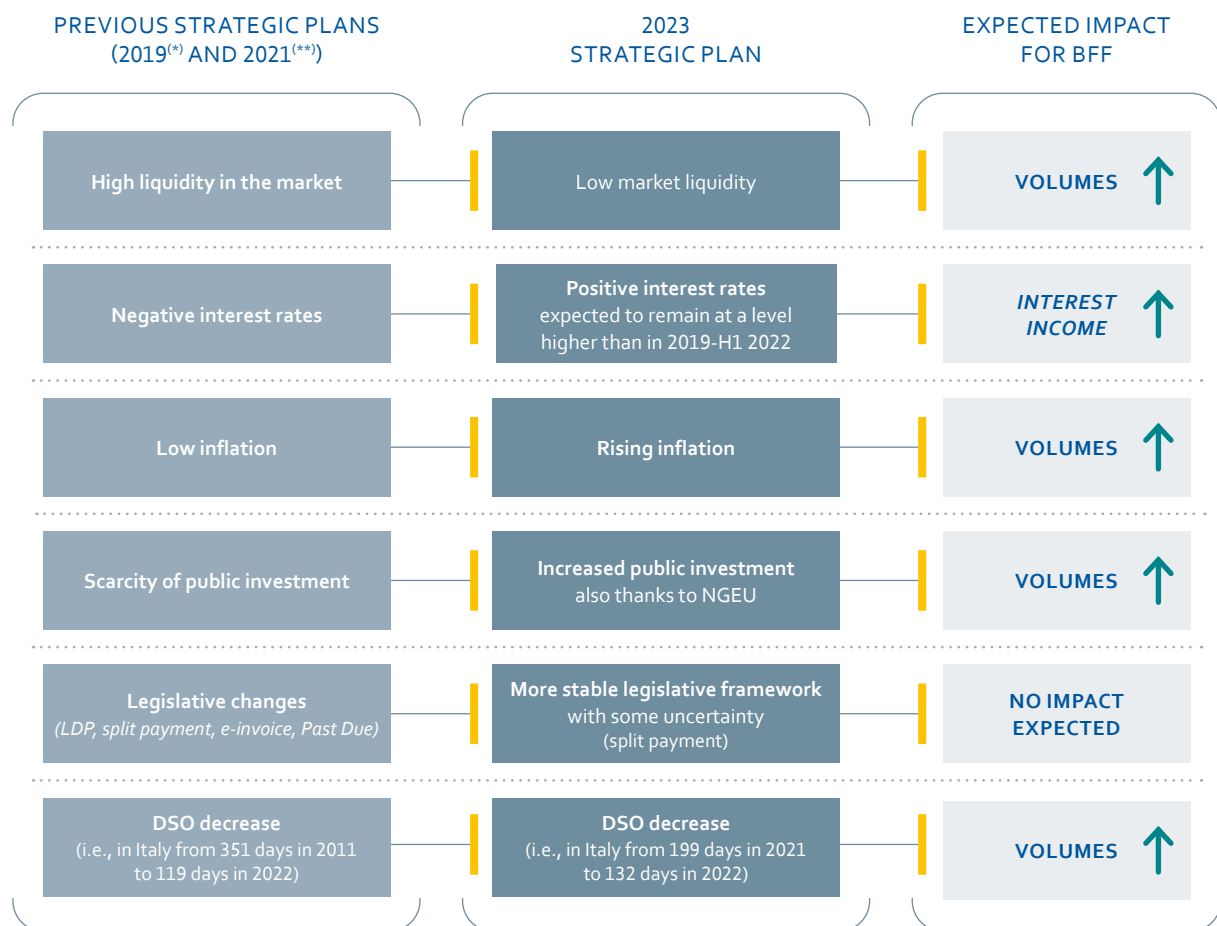
* Payment Services Providers

The business model described above is based on core values, such as honesty and transparency, respect for and enhancement of resources, ensuring leadership in innovation and execution in its target market.

In June 2023 the Bank approved the five-year strategic plan to 2028: "Ever more a bank like no other" and 2026 financial targets.

Thanks to its strong capital position, low risk profile, and resilience demonstrated by the business model, BFF generates high value for its shareholders. The dividend policy, which provides for the distribution of net income only in excess of the amount necessary to maintain a 12% threshold of the CET1 ratio² (well above the minimum regulatory requirement), aims to protect capital while allowing generous distribution to shareholders.

In fact, BFF is positively positioned in the new macroeconomic environment outlined as of July 2022 with respect to the change in context, as shown below:



(*) "BFF 2023" Strategy

(**) BFF 2023 Investors Day

2) In addition to TCR > 15%, as long as required by the European Central Bank.

Our Mission

Work with honesty and transparency, respecting and valuing people, maintaining leadership in innovation, customer service and execution in the markets, with a low risk profile and high operational efficiency.

Our Vision

Be a leader in specialty finance thanks to a value proposition that is unique in its target markets: a highly specialized and sustainable bank like no other.

Our Values

Meritocracy, ownership, pursuit of excellence (continuous improvement), results oriented, respect.

Our strategy³

The five-year strategic plan approved by BFF's Board of Directors on June 29, 2023 ("Ever more a bank like no other" or the "Plan") lists the following as the Group's goals to 2028:

- 1) Continue to develop the current core businesses, in which BFF is a market leader:
 - a. Factoring e Lending: continue to lead in the development of the purchase of public receivables in Europe in a growing and underpenetrated market, through i) strong growth of the customer portfolio in current markets and in new regions, including through the opening of a branch in France, and ii) the consolidation of our operational competitive advantage including through the new Factoring IT system and increased efficiency of the legal process related to collections;
 - b. Transaction Services: further strengthen the role of "Second-Tier Bank"⁴, while generating a steady revenue stream and ample operating deposits to the Group;
- 2) invest further in operational infrastructure to support growth opportunities, managing operational risks, and to benefit from further efficiencies;
- 3) further optimize funding and capital;
- 4) provide shareholders with returns on capital and dividends that are among the highest in the market;
- 5) maintain the Group's low risk profile by efficiently managing past due and calendar provisioning;
- 6) continue to provide our management team with opportunities for growth and development while maintaining strong incentive alignment with BFF stakeholders;
- 7) further increase BFF's positive impact socially, environmentally and for all stakeholders, along with zero net goals and doubling investment in social impact initiatives, through a dedicated ESG strategy.

3) For further details on the Group's strategy, reference should be made to the document called – "BFF 2023" Strategy – available at <https://investor.bffgroup.com/en/presentations-and-conference-call-audios>
 4) Second-tier bank, that is, a bank that offers services to other banks.

Our ESG strategy

BFF Banking Group pays particular attention to topics linked to sustainability, assessing the impacts that its business and conduct generate in terms of environmental, social and good governance aspects. In fact, in recent years BFF embarked on a challenging path toward sustainability, achieving important results.

The Plan "Ever more a bank like no other," unveiled in June 2023, among other things confirms this commitment, declaring equally challenging goals for the Plan's time horizon.

In fact, in the area of the Environment important targets have been set to reduce emissions, in terms of eliminating them completely (Scopes 1 and 2), as well as a commitment to consider future initiatives for its own indirect emissions.

In the Social area, BFF continues to reaffirm the value of its human capital, promoting a corporate culture based on meritocracy, responsibility, and respect, and is committed to generating well-being for the community it operates in by promoting all the actions necessary to support the implementation of the Fast Forward Foundation's Strategic and Operational Plan, as well as to promote Italian culture and contemporary art, giving part of the value that BFF generates back to society.

Finally, with regard to Governance, the Group continues to maintain the best market standards and its efforts aimed at ensuring high accountability vis-à-vis stakeholders through the improvement of rating and ESG indices (both in terms of score and coverage).

In setting its goals, BFF has taken an approach aimed at integration with the Plan's individual workstreams while taking into account as best it can the potential risks and opportunities arising from the rapidly changing framework.

Below are BFF's ESG goals, which, starting from those stated in the previous version of the NFS, have been integrated with those of the Plan:

ENVIRONMENT



Area	Ambition	Target
CLIMATE RISKS AND THE CREDIT PROCESS	Integrate climate risks into the Group's business, operations, and credit processes	Full integration of climate risks and environmental issues in the organization by 2025
TOWARDS CARBON NEUTRALITY	Improve the environmental performance of the Group's properties in terms of energy and material consumption and mitigation and offsetting of CO ₂ emissions	More than 80% of employees in LEED buildings – by 2025
		Relocate the headquarters to a green building by 2024
		Maintenance of low levels of paper consumption
		Elimination of own emissions (Scopes 1 and 2) – by 2026
ENVIRONMENTAL DISCLOSURE	Ensure transparent reporting of the Group's sustainability performance	Alignment with the recommendations of the Task Force on Climate - Related Financial Disclosures (TCFD) by 2026

SOCIAL



Area	Ambition	Target
DIVERSIFICATION OF THE TALENT POOL	Promote diversity within the work environment	Increase the number of employees belonging to underrepresented groups (e.g., gender, nationality, age) in key roles
GENDER PAY GAP	Promote diversity within the work environment	Reduction of the gender pay gap with specific target provided for certain figures in the Remuneration Policy
DISTRIBUTION OF THE VALUE CREATED	Continue to distribute value created in the organization through the LTI program	–
FAST FORWARD FOUNDATION	Promote the new purpose of the Foundation, supporting the execution of the strategy, increasing its contribution	–
SOCIAL BOND	Fund projects with high social impact, in keeping with the Group's ESG strategy	Emission of a Social bond based on the Social Bond Framework published in 2023

GOVERNANCE



Area	Ambition	Target
ESG TRAINING OF TOP MANAGEMENT	Promote the culture of sustainability within the Board and raise top management's awareness of ESG issues	Delivery of specific ESG-related training sessions for the Board of Directors
BUSINESS ETHICS	Monitor, measure and mitigate negative impacts related to the Group's operations, in accordance with regulatory developments	Review of the procurement process in order to include ESG metrics in supplier evaluations
ACCOUNTABILITY	Obtain ESG Ratings with the goal of aligning with best market practices and improving sustainability performance	Maintain a low-risk ESG profile
PRINCIPLES FOR RESPONSIBLE BANKING	Join international initiatives and/or alliances with the aim of improving sustainability performance and ensuring transparent reporting	Endorsement of PRBs
POLICY	Formalize the good sustainable practices adopted by the Group in order to maintain high levels of transparency	Drafting of a Sustainability Policy for the entire BFF Group Adoption of an Environmental Policy

Ratings, Acknowledgments & Awards

Ratings

BFF has continued to develop its dialog with the leading ESG rating agencies with the goal of pursuing the continuous improvement of its performance in the most accredited ESG ratings and an increase in coverage. This approach, which led to an upgrade in various ESG risk ratings, represents further encouragement for BFF to continue on its path of sustainable growth. The BFF Group currently has the following sustainability ratings.

On February 6, 2024, the Carbon Disclosure Project (CDP) rating agency awarded the BFF Group a rating of C (on a scale of A to F). The Group's assessment testifies to the path taken in terms of integrating climate factors into the Group's business, operations, and risk framework and lays the foundation for the continued strengthening of the commitments and safeguards adopted.



On January 29, 2024, as part of an independent assessment related to the whole Group, the Sustainalytics rating agency upgraded BFF's ESG risk rating from 18.1 to 17, thus confirming the Group's placement in the "Low Risk" category⁵.



On January 25, 2024 **MSCI** – a leading international ESG rating company that analyzes about three thousand companies globally – confirmed BFF's ESG rating of AA.



On November 21, 2023, **Standard Ethics Ltd.** ("Standard Ethics") – an independent sustainability rating agency – at the end of the analysis process conducted for the first time in a solicited form, increased the Bank's Corporate Standard Ethics Rating (SER) to "E+" from the previous "E," assigning a "Positive" outlook⁶.



5) For more details, please refer to the press release available at the following link: [Press Releases - Investors - BFF Banking Group](#)

6) For more details, please refer to the press release available at the following link: [Press Releases - Investors - BFF Banking Group](#)

On September 22, 2023, as part of the survey conducted annually by Institutional Investor ("II"), the BFF Group was ranked first in the category "**Best ESG Metrics - Small Cap**"⁷.



1st place
for the "Best ESG Metrics - Small Cap" award

The 2023 edition of the final report published by The European House Ambrosetti (the "Ambrosetti Report"), as part of the Corporate Governance observatory, now in its 19th edition, whose objective is to promote the achievement of excellence in the governance systems of Italian companies, in which **BFF Bank ranked second** among so-called "top" companies in the 2023 GE Index (Governance Excellence Index), in the MidCap segment. Specifically, BFF Bank ranked first for: i) Shareholder structure and representation and ii) Composition and operation of the BoD. It ranked second for Remuneration and incentive mechanisms.



2nd place
among the top companies in the GE Index

7) Small cap: company with a market capitalization of less than €2 bn.

02

Governance and Risk Management

The Board of Directors also set up the Related Party Transactions Committee (the “**RPT Committee**”), composed of three independent directors, pursuant to Article 148, paragraph 3 of the Consolidated Law on Finance and Article 2 of the Corporate Governance Code, with a view to ensuring an efficient information and advisory system enabling the Board of Directors to better assess transactions with related parties, in accordance with the provisions set forth in the Regulations governing transactions with related parties issued by CONSOB (the National Commission for Listed Companies and the Stock Exchange) with Resolution No. 17221 of 2010, as amended from time to time, and Bank of Italy Circular No. 285 of December 17, 2013, as amended from time to time - the “*New regulations for the Prudential Supervision of Banks*”.

In order to guard against the risk that the possible closeness of certain persons to the Bank's decision-making bodies could compromise the objectivity and impartiality of decisions relating to transactions with those persons, and potentially distort the process of allocation of resources, the exposure of the Bank to risks not adequately measured or supervised, and any potential damage for Shareholders and stakeholders, the Board of Directors approved the “*Regulation of the Banca Farmafactoring Banking Group for the Management of Transactions with Persons in Conflict of Interest*” (the “**RPT Regulation**”).

The Board of Directors also approved the “*Policy on Internal Controls adopted by the BFF Banking Group for the Management of Conflicts of Interest*” (the “**RPT Policy**”). The aim being to establish guidelines to ensure that BFF Group's organizational structure and the Internal Control System guarantee constant compliance with the prudential limits and decision-making procedures laid down by the applicable regulations.

The composition of BFF's Board of Directors meets the diversity and gender criteria recommended by the Corporate Governance Code as set out in the Corporate Bylaws the *Board of Directors' Regulations*¹⁰ and the *Board of Directors' Diversity Policy* approved by the Board of Directors most recently on July 28, 2021. This Policy describes the optimal composition of the Board of Directors, covering aspects such as age, gender composition, education and professional background, so that the Board of Directors may effectively carry out its duties, making its decisions on the basis of a varied, qualified and diverse points of view. This Policy is subject to review and, if required, is updated at least once a year, if necessary external professionals proposed by the Appointments Committee can assist. Revisions are aligned with the outcome of the self-assessment process which is carried out on an annual basis in line with the Supervisory Provisions for banks (the “**Self-Assessment**”). Revisions are designed to detect and anticipate changes in the Company so that the identification of the requirements for the composition of the Board is consistent with these developments.

The Self-Assessment concerns aspects related to the composition and functioning of the Board and its internal Committees, taking into account, among other, the qualitative and quantitative composition, size, degree of diversity and professional expertise of its members, presence of non-executive and independent members, and the adequacy of the appointment process and selection criteria in order to verify and guarantee the most correct functioning over time and the consequent effectiveness of the body with strategic supervision function and the board committees, as well as to guarantee the effectiveness of governance that is duly based on the principles of sound and prudent management¹¹.

10) The document is available at the following link on the corporate website: <https://investor.bff.com/en/board-of-directors-regulation>

11) For more information please refer to the chapter of the 2023 Report on Corporate Governance and Ownership Structure, available at: <https://investor.bff.com/en/shareholders-meeting-documentation>

At present, the diversity Policy is applied only to the Parent Company¹².

The current Board of Directors has nine members (4 women and 5 men), of whom one holds an executive position and 5 are independent; of these, 6 are resident in Italy, 2 are resident in European countries and 1 is resident in non-European country. Of the 9 members of the Board of Directors, 2 have been in office for 2 years, 3 have been in office for 3 years, and the remaining have been in office for 8, 10, 14, and 17 years, respectively (it should be noted that the tenure of board members is calculated by considering the date of appointment as the date of commencement of the term of office).

Please also refer to the Report on Corporate Governance and Ownership Structure of the Group for more detailed information on the criteria for the appointment and selection of the highest governing body.

COMPOSITION OF THE BOARD OF DIRECTORS¹³

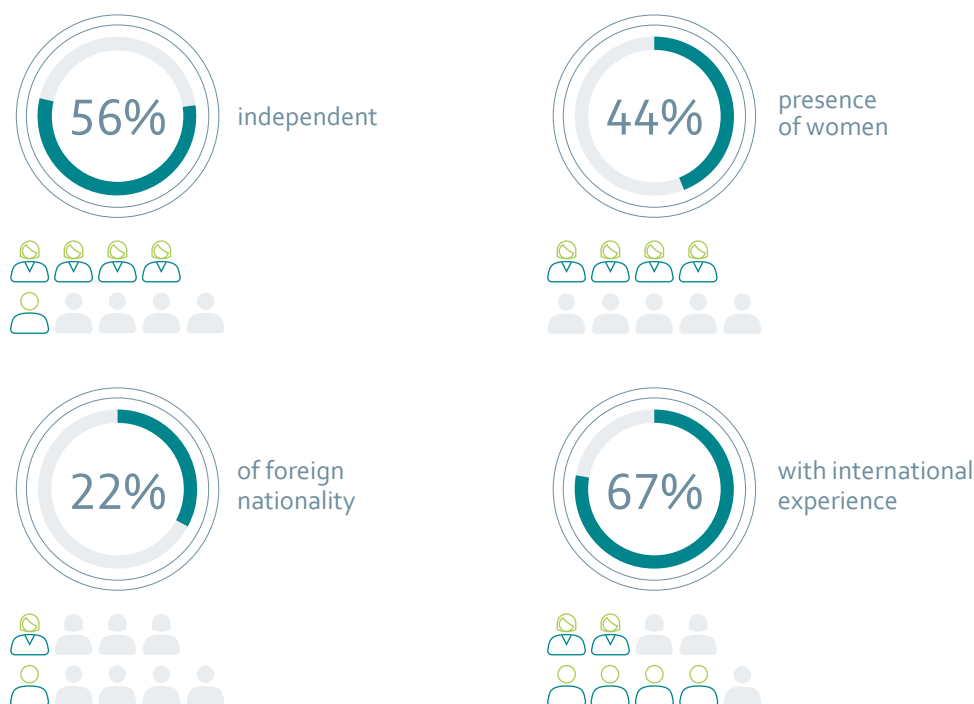
		12.31.2023			12.31.2022			12.31.2021		
BFF S.p.A.	UoM	Women	Men	Total	Women	Men	Total	Women	Men	Total
30-50	no.	0	1	1	1	1	2	1	1	2
50-60	no.	3	2	5	2	2	4	2	2	4
>60	no.	1	2	3	1	2	3	1	2	3
Total	no.	4	5	9	4	5	9	4	5	9

		12.31.2023			12.31.2022			12.31.2021		
BFF S.p.A.	UoM	Women	Men	Total	Women	Men	Total	Women	Men	Total
30-50	%	0%	100%	11%	50%	50%	22%	50%	50%	22%
50-60	%	60%	40%	56%	50%	50%	44%	50%	50%	44%
>60	%	33%	67%	33%	33%	67%	33%	33%	67%	33%
Total	%	44%	56%	100%	44%	56%	100%	44%	56%	100%

12) For more information please refer to chapters 4.3 and 7 of the 2023 Report on Corporate Governance and Ownership Structure, available at <https://www.bffgroup.com/en/shareholders-meeting-documentation>

13) In order to provide a more accurate representation of the age range of the members of the Board of Directors, the bank has adopted the following age brackets: i) 30-50; ii) 50-60; iii) >60

Currently BFF's Board of Directors has an optimal composition in terms of professional experience, gender, international profile and independence¹⁴:



In 2017 the Board of Directors adopted a succession plan for the Chief Executive Officer.

During 2023, the Board of Directors met 19 times (compared to 22 in 2022), recording a participation rate of 95.91%, up 3.8% from 2021.

ATTENDANCE AT BOARD MEETINGS

BFF S.p.A.	UoM	12.31.2023	12.31.2022	12.31.2021	Chg % 2023-2021
Number of Board meetings	no.	19	22	23	-17.4%
Participation rate	%	95.91%	94.70%	92.40%	3.8%

The Board of Statutory Auditors, composed of three auditors (two men and one woman), also complies with the legal provisions on gender balance and has adopted its own diversity policy, in accordance with the provisions of Article 2 Recommendation 8 of the Corporate Governance Code and Article 123-bis, paragraph 2, letter d-bis of the Consolidated Law on Finance, with account being taken, inter alia, of the outcome of

14) It should be noted that, effective January 14, 2022, the Chairman of the Board of Directors is a non-executive and also not independent Director

the 2023 self-assessment process. This policy describes the optimal characteristics of the composition of the supervisory body including aspects such as age, gender composition, and educational and professional background so that it may exercise its supervisory duties in the most effective manner, making decisions that benefit from the contribution of a range of qualified and diverse points of view, making it possible to consider the issues under discussion from different perspectives.

The Board of Statutory Auditors undergoes a periodic self-assessment process regarding its size, composition and functioning, as well as the eligibility of its members for the performance of their duties, in compliance with the provisions of the Supervisory Provisions for Banks, which require that *“the body discharging control duties also conducts a self-assessment regarding its composition and functioning, based on the purposes listed above and according to criteria and methods consistent with its characteristics”*. This process, therefore: *i)* pertains to the adequacy of the body as a whole and the contribution that individual members make to its proceedings, as well as the eligibility of its members; *ii)* is carried out at least annually; *iii)* is conducted by the staff identified by the Chair of the Board of Statutory Auditors.

COMPOSITION OF THE BOARD OF STATUTORY AUDITORS¹⁵

BFF S.p.A.	UoM	12.31.2023			12.31.2022			12.31.2021		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
30-50	no.	0	0	0	0	0	0	1	0	1
50-60	no.	0	2	2	1	2	3	0	2	2
>60	no.	1	0	1	0	0	0	0	0	0
Total	no.	1	2	3	1	2	3	1	2	3

BFF S.p.A.	UoM	12.31.2023			12.31.2022			12.31.2021		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
30-50	%	0%	0%	0%	0%	0%	0%	100%	0%	33%
50-60	%	0%	100%	67%	100%	100%	100%	0%	100%	67%
>60	%	100%	0%	33%	0%	0%	0%	0%	0%	0%
Total	%	100%	100%	100%	100%	100%	100%	100%	100%	100%

In FY 2023 the percentage of attendance of the members of the Board of Statutory Auditors at the meetings of the Board of Directors was 82.46%.

15) In order to provide a more accurate representation of the age range of the members of the Board of Directors, the bank has adopted the following age brackets: i) 30-50; ii) 50-60; iii) >60

Corporate Bodies at December 31, 2023

BOARD OF DIRECTORS

Chairman	Salvatore Messina
Chief Executive Officer	Massimiliano Belingheri
Vice Chairman	Federico Fornari Luswergh
Directors	Anna Kunkl Michaela Aumann Piotr Henryk Stępnik Domenico Gammaldi Monica Magri Giovanna Villa

The Board of Directors will remain in office until the Shareholders' Meeting that will approve the financial statements at December 31, 2023.

ROLE OF MEMBERS OF THE BOARD OF DIRECTORS AND INDEPENDENCE REQUIREMENTS¹⁶

NAME	OFFICE HELD IN BFF	EXECUTIVE	NON-EXECUTIVE	INDEPENDENCE
Salvatore Messina	Chairman		✓	
Federico Fornari Luswergh	Deputy Chairman		✓	
Massimiliano Belingheri	Chief Executive Officer	✓		
Anna Kunkl	Director		✓	✓
Michaela Aumann	Director		✓	✓
Piotr Henryk Stępnik	Director		✓	
Domenico Gammaldi	Director		✓	✓
Monica Magri	Director		✓	✓
Giovanna Villa	Director		✓	✓

BOARD OF STATUTORY AUDITORS

Chairwoman	Nicoletta Paracchini
Standing Auditors	Fabrizio Riccardo Di Giusto Paolo Carbone
Alternate Auditors	Carlo Carrera Francesca Masotti

The Board of Statutory Auditors will remain in office until the Shareholders' Meeting that will approve the financial statements as of December 31, 2023.

¹⁶) For more information see the following page on the institutional website: <https://investor.bff.com/en/the-governance-structure>.

that it will make use of the option expressly envisaged in Art. 15 of the Bank's Bylaws to submit its own slate of candidates, also making it known that the Chair of the BoD, Mr Salvatore Messina, informed the Bank of his desire not to be included in the slate being prepared for the next three-year term, having already served nine years in office, thus resulting in the loss of the formal requirement of independence required by the best practices of corporate governance.

In its capacity as the Parent Company of BFF Group, the Bank discharges management and coordination duties while performing bank-wide control over subsidiaries BFF Finance Iberia and BFF Polska¹⁷, BFF Immobiliare and BFF TechLab. To this end, the Board of Directors also approved:

- ▶ the “*Intragroup Regulation*” which sets out the organizational architecture, objectives and content of management, control and coordination activities. The purpose of this Regulation is to ensure the implementation of the Group’s unified business plan along with the development of the business, through the performance by the Parent Company of its role of governance over its subsidiaries, thus ensuring their management, coordination and control. As part of this activity, BFF promotes the empowerment of the individual subsidiaries and of the Group as a whole, gearing development policies and management based on objectives that pursue operational efficiency and sustainable profitability over time. The management of the subsidiaries contributes in point of fact to the achievement of the Group’s objectives;
- ▶ the “*Group Regulation on Internal Regulations*” which governs the regulatory sources of the Bank and its subsidiaries, defining the hierarchy and methods for adopting and updating such sources.

Each subsidiary of BFF Group has its own Corporate Bye-laws in which the corporate organizational model is defined. If required by local regulations a subsidiary can adopt a business model other than the traditional one adopted by the Parent Company. However, subsidiaries must:

- ▶ follow the guidelines and instructions of the Parent Company;
- ▶ provide the Parent Company with timely information on any events that could have a negative impact on the Group;
- ▶ comply with the provisions set forth in Group regulations.

The regulations set by the Parent Company consist of the governance regulation documents (the purpose of which is to set the corporate guidelines and general rules that fall within the sphere of action of each of the Group companies) and the operating regulations (that govern company processes and operations). The guidelines set by the Parent Company include the following documents:

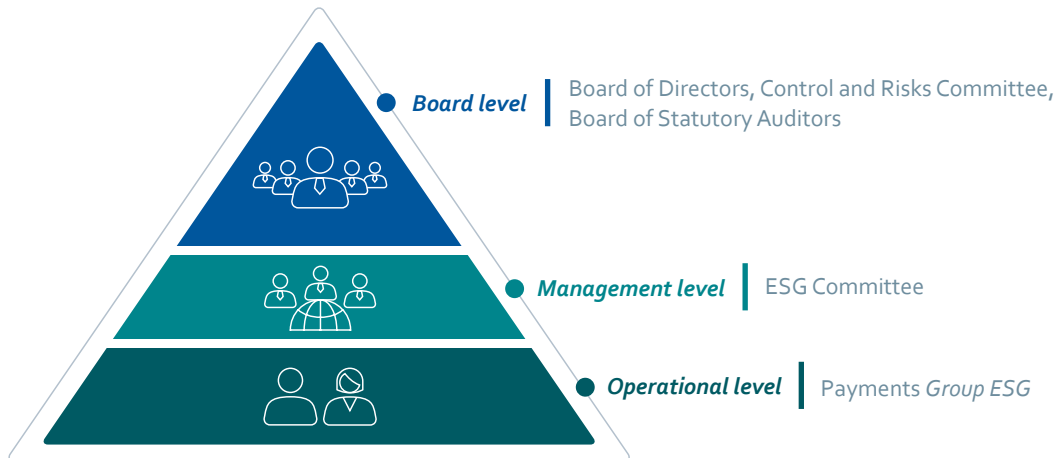
- ▶ the Code of Ethics, which sets out the Group’s ethical principles and values;
- ▶ Policies, which provide guidelines based on the Code of Ethics;
- ▶ Regulations, which govern specific business areas, defining roles and responsibilities;
- ▶ other Board documents, subject to approval by the Board of Directors, drafted in accordance with the provisions of the laws that regulate various areas of the business¹⁸.

17) Pursuant to the provisions of Part 1, Title I, Chapter 2, Section II, of Circular No. 285 issued by the Bank of Italy regarding supervisory provisions applicable to banks.

18) Examples include the RAF - Framework for the Prevention of Money Laundering and the ICAAP Internal Capital Adequacy Assessment Process.

ESG Governance

BFF structured its ESG Governance by defining additional roles and responsibilities within the Group, as shown below.



The Board of Directors:

- ▶ sets Group-wide guidelines, targets and strategies on sustainability issues;
- ▶ ensures the integration of ESG risks into business strategies, governance, processes, procedures, and the system of controls;
- ▶ approves the materiality analysis, the NFS, and major policies within its purview;
- ▶ supervises the proper oversight of these issues.

In this context, the Board of Directors guides the Bank by pursuing its sustainable success, and directs its activities with a view to integrating sustainability progressively into the definition of strategies and remuneration policy, including on the basis of a materiality analysis of factors that may affect the generation of value in the long term.

The Control and Risks Committee to which - as of 2020 - the Board of Directors has assigned responsibilities in the area of ESG, has:

- ▶ fact-finding, proposal and advisory functions and, more generally, supports the Board of Directors on sustainability issues (having regard to ESG parameters);
- ▶ responsibility for the periodic review of updates on the progress of sustainability interventions.

During 2023, the Control and Risks Committee, and consequently the Board of Directors, met 4 times to deal with ESG-related topics.

The Board of Statutory Auditors, which is entrusted with oversight, *i)* monitors compliance with the provisions stipulated in the standard; *ii)* verifies compliance with the principles of the law with regard to appointments of external parties to issue NFS attestation of compliance; *iii)* reports to the Shareholders' Meeting in the Annual Report.

The ESG Committee is a body of a managerial nature with propositional and advisory functions to the Chief Executive Officer regarding assessments and decisions relating to sustainability issues – commonly known as Environment, Social & Governance ("ESG") – connected to the Bank's and the Group's business operations and its dynamics of interaction with all stakeholders, approving its Rules.

More specifically, the Committee has investigative duties vis-à-vis sustainability matters to be submitted to the CEO, supporting the latter in managing all social responsibility issues and ensuring the Group's positioning on these matters in the various areas of reference.

The establishment of the ESG Committee:

- ▶ testifies to the importance BFF attaches to integrating sustainability issues into its business operations, and to promoting a culture of sustainability within the organization;
- ▶ enables the cross-sectoral management and integration of sustainability issues within the business, ensuring the commitment and participation of all functions;
- ▶ allows the effective, homogeneous and coordinated management of sustainability-related processes and initiatives;
- ▶ enables the development of a defined and shared governance for the identification of strategic management priorities, so that they are measurable and verifiable for all functions;

The ESG Committee met 3 times in 2023.

The Group ESG OU plays a leading, coordinating, and monitoring role in sustainability activities and initiatives.

Statutory audit

The Shareholders' Meeting of Banca Farmafactoring S.p.A. (now BFF Bank S.p.A.) held on April 2, 2020 appointed the auditing firm KPMG S.p.A. to audit the financial statements from 2021 to 2029, pursuant to the provisions of Article 2409-bis of the Italian Civil Code and Italian Legislative Decree 39/2010.

The Risk Management System

BFF Group's Internal Control and Risk Management System is based on the provisions of the Prudential Supervisory Regulations, which are mainly governed by the regulations of the Bank of Italy and in compliance with European Community regulations. It is structured in such a way as to ensure the effectiveness, efficiency and appropriateness of business processes, as well as compliance with the regulations themselves¹⁹.

The organizational structure of the Group's Internal Control System is based on three levels of control:

- ▶ **first-level controls** (also called line controls) the purpose of which is to ensure that transactions are carried out correctly, and are performed also with the support of IT procedures and are constantly monitored by the relevant function managers;
- ▶ **second-level controls** the purpose of which is to ensure the correct implementation of the risk management process and compliance with the regulatory framework, including the risk of money laundering and terrorism financing. They are entrusted to the Risk Management Function and the Compliance and AML Function of the Parent Company;
- ▶ **third-level controls** consist of internal audit activities carried out by the Group's Internal Audit Function reporting directly to the Board of Directors. The Internal Audit Function assesses the overall functioning of the Internal Control System, underscoring any areas for improvement, with particular reference to the Risk Appetite Framework ("RAF") and the risk measurement and control management process. The Head of the Internal Audit function has the necessary autonomy and is independent of the operating structures, in compliance with Bank of Italy's regulation on Internal Controls, the Corporate Governance Code and internal regulations.

For the year 2023, the Internal Audit Function carried out the testing activities that were established in the Group's multi-year 2022-2024 Audit Plan by carrying out follow-up activities and reporting on the results of its testing on a quarterly basis to the Bank's governance and control bodies as well as performing independent controls for the subsidiaries BFF Finance Iberia and BFF Polska and its subsidiaries.

Using a risk-based approach, the Compliance Function presides over the management of the risk of non-compliance with regard to all company operations, making sure that internal procedures are adequate to prevent this risk. To this end, among other things the Compliance Function: i) continuously identifies the regulations applicable to the bank; ii) proposes organizational and procedural changes aimed at ensuring adequate control of identified non-compliance risks; iii) conducts follow-up audits of the effectiveness of organizational adjustments (structures, processes, procedures, including operational and business) adopted to prevent the risk of non-compliance with regulations. The follow-up audits are conducted on the basis of an Annual Plan approved by the Board of Directors, which in 2023 also included verification of the progress of actions planned under the Supervisory Expectations on climate and environmental risks.

In accordance with prudential supervisory provisions, BFF, in its capacity as Parent Company, has prepared the "ICAAP/ILAAP Report" on internal processes for determining adequacy of capital and liquidity risk governance and management systems. This report identifies the scope of the risks whose significance is to be assessed, the assessment itself and the list of the risks that have been revealed. To identify the relevant risks, the Risk Management Function carries out an analysis that takes into account at least the risks set out in Annex A of Circular No 285, Part One, Title III, that is credit and counterparty risk, market risk, operational risk, country

19) For more information on the Internal Control and Risk Management System, please refer to section 9 of the 2023 Report on Corporate Governance and Ownership Structure, available at: <https://investor.bff.com/en/shareholders-meeting-documentation>

risk, transfer risk, basis risk, interest rate risk, residual risk, securitization risk, excessive leverage risk, strategic and business risk, reputational risk, conduct risk, cyber risk, money laundering and terrorist financing risk. This list is not exhaustive, the Risk Management Function also evaluates whether any further risk factors related to the specific operations of the Banking Group should be identified.

In this context, following the publication by the Bank of Italy of the 12 supervisory expectations regarding the integration of climate-environmental risks, the BFF Group identified more structured solutions in order to define the risk management target process for climate and environmental risks and the different ways and methods it could take action. The risk management target process includes at least the following steps, based on which the main initiatives of the Plan have been defined:

- ▶ identification and mapping of risk drivers, analysis of their materiality, and selection of the final short list of drivers to be considered;
- ▶ database integration and verification of data quality;
- ▶ reconstruction of the short list of drivers of traditional risks, identifying areas of impact (e.g., credit risk, liquidity risk) and relative quantification of impacts;
- ▶ integration of stress test exercises and any other actions;
- ▶ definition of appropriate summary metrics (KPIs / KRIs) and integration of monitoring and reporting processes;
- ▶ Assessment of possible risk mitigation actions.

In this regard, consistent with the plan in 2023, the Risk Management Function has:

- ▶ integrated the Risk Identification process within internal regulations (e.g., the Group Risk Management Policy);
- ▶ mapped the drivers of ESG risk defined as the risks arising from the current or prospective impacts of ESG factors on counterparties or invested assets and which take the form – given the possible impacts such factors may have – of traditional categories of financial risks (credit risk, market risk, operational and reputational risks, liquidity and funding risks);
- ▶ defined the methodology for identifying material risks.

In parallel, the Risk Management Function conducted an assessment of ESG components within the "ICAAP/ILAAP Report" by integrating it with the results of its materiality analysis of Climate and Environmental ("C&E") risks in terms of exposure, hazard, and vulnerability.

Consistent with its business plan, the Group will continue on the path of integrating the risk framework of the Group with the specific risk factors related to climate change, providing for the inclusion of such factors in its risk management processes.

The table below shows the main risks identified in relation to the Group's non-financial issues and the related management methods.

CORRELATION TABLE ITALIAN LEGISLATIVE DECREE NO. 254/2016, BFF GROUP ISSUES, RISKS AND MANAGEMENT METHODS

Areas covered by Italian Legislative Decree No. 254/16 ANTI-CORRUPTION			
Material topics	NFS Section	Risks identified	Risk management methods
BUSINESS ETHICS	ETHICS AND INTEGRITY	Risks related to corruption, risks of sanctions arising from the occurrence of incidents of corruption, risks related to money laundering and terrorist financing.	<p>Corruption risks are managed and mitigated by:</p> <ul style="list-style-type: none"> - Adopting the Organization, Management and Control Model pursuant to Italian Legislative Decree No. 231/2001; - the Code of Ethics; - the Whistleblowing policy; - BFF Group's Anti-Corruption Policy (hereinafter also referred to as the "Anti-Corruption Policy"); - delivering training and awareness-raising activities for employees; - Implementing dedicated control measures, in accordance with the regulations in force. <p><i>For further information about how this issue is managed please refer to the "Ethics and Integrity" section.</i></p>
Areas covered by Italian Legislative Decree No. 254/16 ISSUES CONCERNING STAFF AND RESPECT FOR HUMAN RIGHTS			
Material topics	NFS Section	Risks identified	Risk management methods
GROUP WORKFORCE MIX AND DIVERSITY	ACCOUNTABILITY TO PEOPLE	Risk of non-compliance with the regulations for governing bodies regarding diversity.	<p>This risk is monitored and mitigated by adopting the Diversity Policy for the governance bodies, that is the Board of Directors, the Board of Statutory Auditors and the Supervisory Body; of the human rights policy.</p> <p><i>For further information about how this issue is managed please refer to the "Governance" section.</i></p>
PROFESSIONAL DEVELOPMENT OF HUMAN CAPITAL	ACCOUNTABILITY TO PEOPLE	Risk of being unable to fill vacancies both internally, due to lack of specific skills, and externally, due to difficulties in finding suitable candidates for the position that is vacant.	<p>The Group manages and mitigates this risk through:</p> <ul style="list-style-type: none"> - the implementation of an internal coverage project consisting of succession plans; - specific training activities; - the Remuneration Policy; - Corporate welfare system. <p><i>For further information about how this issue is managed please refer to the "Accountability to People" section.</i></p>
HEALTH AND SAFETY AT WORK	ACCOUNTABILITY TO PEOPLE	Risks related to the possibility for employees to be injured in the workplace and suffer from occupational diseases, as well as damage arising from inadequate safety and/or health conditions of workplaces or work equipment.	<p>The Group mitigates the risks relating to employees' health and safety by ensuring compliance with the applicable laws in every country in which it operates. With specific reference to the Parent Company, the following measures are used:</p> <ul style="list-style-type: none"> - Risk Assessment Document in accordance with Italian Legislative Decree 81/08 and related activities for the mitigation of the risks that have been identified; - policy on the Health and Safety Management System. <p><i>For further information about how this issue is managed in the countries where the Group operates please refer to the "Workers' Health and Safety" section.</i></p>

(CONT'D)

CORRELATION TABLE ITALIAN LEGISLATIVE DECREE NO. 254/2016, BFF GROUP ISSUES, RISKS AND MANAGEMENT METHODS

Areas covered by Italian Legislative Decree No. 254/16

ISSUES PERTAINING TO EMPLOYEES AND HUMAN RIGHTS

Material topics	NFS Section	Risks identified	Risk management methods
RESPECT FOR HUMAN RIGHTS	ACCOUNTABILITY TO PEOPLE	Reputational risk and risk of non-compliance with the regulations.	<p>The Group mitigates this risk through:</p> <ul style="list-style-type: none"> - compliance with current legislation in relation to child and forced labor; - the Whistleblowing policy; - compliance with the Group Code of Ethics both by employees and suppliers (for certain specific activities contractors are required to follow a specific procedure and comply with the provisions of the Code of Ethics and the Organization, Management and Control Model pursuant to Italian Legislative Decree No. 231/2001); - the establishment of a human rights policy. <p><i>For further information about how this issue is managed, reference should be made to the "Ethics and Integrity", "Accountability to People" and "Responsible Supply Chain Management" chapters.</i></p>

Areas covered by Italian Legislative Decree No. 254/16

Material topics	NFS Section	Risks identified	Risk management methods
RESPONSIBLE MANAGEMENT OF ENVIRONMENTAL IMPACTS	ENVIRONMENTAL RESPONSIBILITY	Risk of non-compliance with environmental regulations and risk of acceptance of receivables and invoices from customers who do not comply with certain standards related to environmental regulations, with the consequent risk of not being paid by the public.	Currently the Group does not have any environmental risk management procedure or policy in place. <i>For further information about how this issue is managed please refer to the "Environmental Responsibility" section.</i>
RESPONSIBLE MANAGEMENT OF ENVIRONMENTAL IMPACTS	THE RISK MANAGEMENT SYSTEM	Climate and Environmental Risks.	The BFF Group has identified specific actions in order to define the risk management target process for climate and environmental risks. The target risk management process includes at least the following steps, based on which the main initiatives of the Plan have been defined: (i) identification and mapping of risk drivers, analysis of their materiality, and selection of the final short list of drivers; (ii) integration of the database and verification of data quality; (iii) reconstruction of the short list of drivers of traditional risks, identifying areas of impact and relative quantification of impacts; (iv) integration of stress test exercises; (v) definition of appropriate summary metrics and integration of processes; (vi) assessment of any risk mitigation measures. In this regard, in 2023 the Risk Management Function took the following actions: (i) integration of the Risk Identification process within internal regulations; (ii) mapping of ESG risk drivers through traditional financial risk categories; (iii) definition of the methodology for identifying material risks.

(CONT'D)

CORRELATION TABLE ITALIAN LEGISLATIVE DECREE NO. 254/2016, BFF GROUP ISSUES, RISKS AND MANAGEMENT METHODS

Areas covered by Italian Legislative Decree No. 254/16 SOCIAL ISSUES			
Material topics	NFS Section	Risks identified	Risk management methods
SOCIAL IMPACT OF OPERATIONS	SOCIAL RESPONSIBILITY	Reputational risk related to Fast Forward Foundation operations.	<p>This risk, which can be considered as moderate, is managed and mitigated by:</p> <ul style="list-style-type: none"> - having the Board of Directors select and approve research projects and grant scholarships on topics of scientific relevance; - completion of self-assessment questionnaires. <p><i>For further information about how this issue is managed please refer to the "Social Responsibility" section.</i></p>
RESPONSIBLE SUPPLY CHAIN MANAGEMENT	RESPONSIBLE SUPPLY CHAIN MANAGEMENT	<p>Risk of disclosure of confidential information and personal data;</p> <p>Supplier restructuring risk;</p> <p>Risk of the contract executed with the supplier becoming partially or totally null and void;</p> <p>Reputational risk associated with the supplier's business;</p> <p>Risk of corruption.</p>	<p>Mitigation of supply chain management risks is managed by:</p> <ul style="list-style-type: none"> - inclusion of specific clauses within contracts; - the Code of Ethics; - adopting the Organization, Management and Control Model pursuant to Italian Legislative Decree No. 231/2001; - ensuring compliance with the regulations of listed companies. <p><i>For further information about how this issue is managed please refer to the "Ethics and Integrity" and "Responsible Supply Chain Management" sections.</i></p>
QUALITY OF SERVICE	QUALITY OF SERVICE AND TRUST-BASED RELATIONS	Reputational risk related to the possibility of losing customers due to dissatisfaction with the quality of the service delivered	<p>The reputational risk related to the quality of service is mitigated by:</p> <ul style="list-style-type: none"> - deploying assignor and debtor assessment mechanisms; - implementing action plans based on the results of Customer Satisfaction surveys. <p><i>For further information about how this issue is managed please refer to the "Quality of Service and Trust-based Relations" section.</i></p>
TRUST AND TRANSPARENCY IN THE RELATION WITH CUSTOMERS	QUALITY OF SERVICE AND TRUST-BASED RELATIONS	Risk of non-compliance with the regulations for data processing and respect of privacy.	<p>This risk is managed by:</p> <ul style="list-style-type: none"> - implementing the group-wide privacy policy that conforms with the GDPR provisions - Regulation EU 2016/679; - updating the Personal Data Processing Notice form and, where necessary, the consent form; - the procedures regarding the destruction of documents. <p><i>For further information about how this issue is managed please refer to the "Quality of Service and Trust-based Relations" section.</i></p>
CYBER SECURITY AND TECHNOLOGICAL INNOVATION	QUALITY OF SERVICE AND TRUST-BASED RELATIONS	ICT risk, i.e., the risk of incurring financial losses, loss of customers' personal data, reputational and market share losses due to the use of Information and Communication Technology (ICT).	<p>In order to ensure constant compliance with provisions of the law, and the corporate privacy and security policies the Parent Company requires that an annual risk analysis of the company's ICT systems is conducted to assess, taking into account the regulatory, organizational and system changes as well as technological advances, the level of residual risk for the company's data and assets. The purpose of the risk analysis activity is, most notably, to identify and assess possible threats that could lead to the interruption or malfunctioning of business processes and the loss or alteration of data.</p> <p><i>For further information about how this issue is managed please refer to the "Cyber Security and Technological Innovation" section.</i></p>

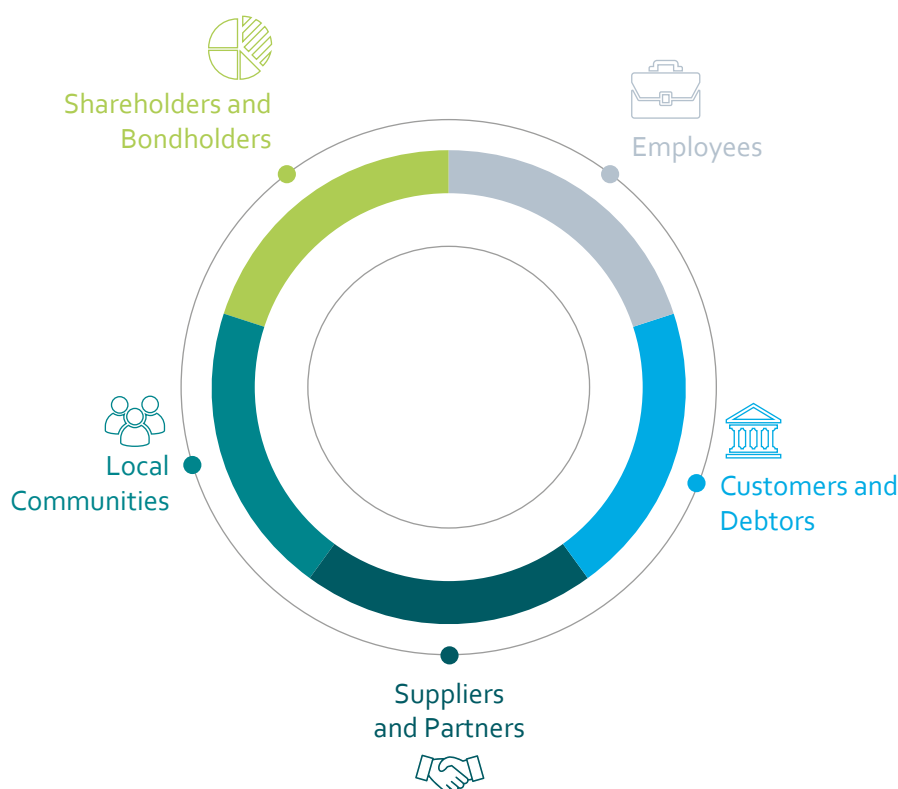
03

Stakeholders
and Materiality

Stakeholders of the BFF Group

The GRI Standards reporting standards require an organization to take into account the importance of the expectations of its stakeholders. The dialog with stakeholders in their capacity as representatives of interests whose opinions or decisions, attitudes or behaviors can objectively have an impact on the achievement of a specific objective of the organization plays a key role in achieving company goals. Having a dialog with these parties allows us to understand their needs and expectations, enabling BFF to respond to their needs and create shared value over time.

In light of the above the Group has identified the main stakeholders by engaging the Working Group to undertake targeted interviews and also a benchmark analysis of industry peers and competitors, following the GRI Standards guidelines, the requirements set out in Italian Legislative Decree No. 254/2016 and BFF Group's public documentation.



STAKEHOLDERS	METHODS OF ENGAGEMENT
Shareholders and bondholders	<p>The Group's investors are constantly kept up to date through earnings calls, conference calls, analyst presentations, participation in financial events and various discussions, including on ESG issues. In addition the Group is asked by investors to complete questionnaires in order to provide information on specific issues. BFF also engages with its investors through independent surveys intended to analyze the financial community's perception of the comprehensiveness and effectiveness of financial documentation as well as the Bank's engagement in the context of ESG.</p>
Employees	<p>The Group constantly aligns and engages its employees with various listening and discussion sessions throughout the year, repeated at least quarterly at quarterly closure plenary meetings aimed at sharing achievements during the period and looking together at future aspirations. Surveys are also given on a bi-yearly basis to measure the inclusion and engagement of all resources, and gather tips that they deem useful for improving company performance and strategic objectives.</p>
Customers (including depositors) and Debtors	<p>Working to ensure a consistently high level of customer service is an integral part of the company's mission; this clearly involves listening to customers and engaging in continuous dialogue with them. Furthermore every year the Group carries out specific customer satisfaction surveys to establish the degree of customer satisfaction and draw up an appropriate action plans for its improvement. The total number of customers and the scope has been expanded as the survey is now also carried out in Italy, Spain and Portugal and, as of 2020, it also includes several questions linked to ESG issues. The Group aims to progressively involve all its subsidiaries in this type of analysis in order to gain the broadest possible point of view of its customers.</p>
Suppliers and Partners	<p>Suppliers and Partners are engaged by the Group through participation in events organized or promoted by the Company at a local level.</p>
Local Communities	<p>The Group is always attentive to the communities where it operates, even listening indirectly to their concerns through its employees. Where possible, it implements initiatives to encourage discussion and sharing of experiences through cultural, social and economic projects.</p> <p>Thanks in part to the Fast Forward Foundation, which operates through co-creation and multi-stakeholder workshops in Italy and Europe, today BFF is able to identify and support social and economic needs impacting society, with a focus on the most fragile individuals.</p>

Regarding the stakeholder category “Equity Investors”, it should be noted that in 2023 BFF continued to be one of the few public companies in Italy with a free float of 93.75%²⁰. The capital held by BFF’s Chief Executive Officer and other Top Management is approximately 5.98%²¹. Treasury shares amount to 0.26%²².

The Board of Directors approved the “Share Ownership Guidelines” on February 8, 2024, which take effect concurrently with the approval of the Remuneration Policy by the Bank’s Shareholders’ Meeting on April 18, 2024, and which define minimum levels of share ownership for relevant recipients. The guidelines were developed following a thorough analysis of best practices applied nationally and internationally.

TOTAL NUMBER OF SHARES ISSUED AT 12.31.2023: 186,944,029



BFF is mindful of the importance of constant alignment between the Bank and its investors as well as the need for active engagement with investors and analysts. To achieve this and ensure constant improvement BFF encourages and cultivates transparent and constructive dialog as much as possible, both during institutional events as well as at other meetings. This commitment was also acknowledged externally through the recognition received on September 22, 2023, as part of the survey conducted annually by Institutional Investor (“II”), where BFF Group was ranked first for the “**Best ESG Metrics -Small Cap**” award, as also mentioned in the “Ratings, Acknowledgments & Awards” section.

20) Source: Forms 120A - 120B - 120D and Internal Dealing communications. Percentage is calculated based on the total number of shares issued at 12/31/2023. As of 12/31/2023 Capital Research and Management Company held 9.7 million BFF shares, for a quota equal to 5.2% of the share capital. As of 12/31/2023 JPMorgan Asset Management Holdings Inc. held 5.9 million BFF shares, for a quota equal to 3.2% of the share capital.

21) As of 12/31/2023 the Chief Executive Officer Massimiliano Belingheri and his Closely Related Persons (Bray Cross Ltd., Scalve S.à. r.l., The Bali Trust, The Bomi Trust and Bomi S.a.r.l.) held 10.88 million BFF shares, for a quota equal to 5.82% of the share capital. The remaining quota of the management refers to the BFF shares held by the 4 vice presidents in office at that date and by their respective Closely Related Persons.

22) Source: Forms 120A - 120B - 120D and Internal Dealing communications. Percentage is calculated based on the total number of shares issued at 12/31/2023.

During 2021 the Board of Directors of BFF Bank S.p.A. approved the "*Policy for managing dialog with the shareholders and bondholders as a whole*" (the "**Engagement Policy**"), in compliance with the provisions of the Corporate Governance Code, approved in January 2020 by the Corporate Governance Committee established by the business associations (ABI, ANIA, Assonime, Confindustria) and the professional investors association (Assogestioni) and Borsa Italiana S.p.A (Italian Stock Exchange).

The Engagement Policy aims to increase the level of transparency and dialog with stakeholders, also taking into account engagement practices developed at a national and international level, in order to increase the level of understanding of the activities carried out by the Bank and the Group.

The Policy has been drafted in compliance with the principles of: *i)* transparency and clarity: the manner in which the dialog is conducted must allow parties to make informed assessments through the provision of clear, complete, correct and truthful information, avoiding any form of unjustified selective reporting; *ii)* timeliness: answers to questions and comments must be provided promptly, in a manner and time frame appropriate to the case, and in line with the regulations in force for listed companies and the internal policy on the management of important privileged information; *iii)* equal treatment: all communications must be managed in full respect of equal treatment in order to protect against discrimination, ensuring equal conditions between Shareholders in the same position. The task of organizing and managing the dialog is delegated to the CEO of BFF Bank, who draws on the operational support of the Investor Relations Function for organizational aspects and content. The Chair of the Board of Directors ensures that the Board of Directors is informed about the development and important content of the dialog with Stakeholders, coordinating with the CEO for this purpose.

During 2023 we continued our engagement by organizing institutional meetings, which were only partially conducted virtually (as had been done since March 2020), as many investors began to request more effective face-to-face meetings, which mainly took the form of the events listed below. The calendar of events is made public in various sections of the Investors page of the BFF Group's website ([Home page](#), [Results > Financial Results](#), [PR & Presentations > Events Calendar](#) and [PR & Presentations > Roadshows & Conferences](#)).

The events held included:

- ▶ 4 earnings calls, that is teleconferences in English during which the quarterly, half-yearly, nine-monthly and annual financial results were presented. These were held in on February 9, May 11, August 3, and November 9, 2023. Participation was open to all, subject to prior registration. Audio recordings of these conference calls are available in the [Investors > Results > Financial Results](#) section of the BFF Group website;
- ▶ 4 post-results non-deal equity roadshows, that is meetings for equity investors not related to specific transactions, with video conferences held over a period of 5-6 trading days, not necessarily consecutive days, immediately following the publication of the financial results for the period;
- ▶ 1 *Capital Market Day* 2023;
- ▶ 1 non-deal equity roadshow following the publication of *Strategy to 2028: Ever more a bank like no other, and 2026 financial targets*, in London, Milan, and Paris in June and July 2023;
- ▶ 1 fireside chat following the release of the results of the first nine months of 2023, in London;
- ▶ 11 equity conferences (for equity investors) organized in Milan, London, Paris and New York by leading market operators, brokers and investment banks. It should be noted that the annual calendar of equity conferences varies from year to year, some events may be canceled and others organized from scratch in relation to cost-opportunity assessments of individual investment houses. It should be noted that 1 debt conference was attended during 2023, given the small amount of BFF bonds still outstanding.

- ▶ 35 one-to-one (not group) audio/video conferences on Microsoft Teams, Zoom, or other similar platforms;
- ▶ 17 in-person meetings not related to the roadshows and conferences mentioned above mainly at BFF's offices in via Domenichino.

BFF also (i) undertook pre-meeting activities for the Bank's main shareholders and their teams responsible for Corporate Governance, ESG and Proxy voting, and (ii) had discussions with the Proxy Advisors (ISS, Glass Lewis and Gir Canada).

- a) sending e-mails with the convocation notices and instructions for participating in the Meeting;
- b) **14 one-to-one video conferences** on Microsoft Teams in March and the beginning of April 2023, followed by emails with further clarification and explanations;
- c) corresponding, again by e-mail, providing clarification on specific issues;
- d) drafting – sometimes with the support of Morrow Sodali – and publishing of presentations on the main items on the agenda, available in the section [Investors > PR & Presentations > Presentations & Audio](#) and in the section [Governance > Meeting Documents](#) of the Group’s website;
- e) sending the Rebuttal Letter on the reports and recommendations of the Proxy Advisors;

COURTESY TRANSLATION

SHAREHOLDER PARTICIPATION

Shareholders' Meeting - April 13, 2023

453 shareholders attended representing, either on their own, or by proxy, 116,272,021 shares



62.63%

of the share capital with voting rights

Shareholders' Meeting - March 31, 2022

351 shareholders attended representing, either on their own, or by proxy, 101,690,235 shares



54.87%

of the share capital with voting rights

Shareholders' Meeting - March 25, 2021

282 shareholders attended representing, by proxy, 112,176,351 shares



60.74%

of the share capital with voting rights, of which 7.604% pertaining to Equinova UK Holdco Limited

RELATIONS WITH INVESTORS



~290

Investors met during roadshows and conferences in **2023**

~264

Investors met during roadshows and conferences in **2022**

~250

Investors met during roadshows and conferences in **2021**

BFF Banking Group Materiality Analysis

In order to identify the environmental, social, and economic aspects that are relevant and therefore worthy of note when making strategic decisions and drafting the Consolidated Non-financial Statement, in 2022 the Group conducted the materiality analysis process in alignment with the 2021 GRI Universal Standards, which introduced the concept of impact materiality. During 2023, as detailed below, the Group initiated the process of updating the list of impacts, while keeping the outcomes of the materiality analysis – i.e., the list of material topics – unchanged.

GRI Standard 3 - Material Topics requires organizations to identify material topics starting from the identification and assessment of the impacts of business operations on the economy, environment, society, and human rights ("Inside-Out" or Impact Materiality perspective).

On a voluntary basis, the Group has carried out a preliminary financial materiality determination exercise, in advance of the application of the 'double materiality' provided for by the CSRD.

The analysis to update the Group's outward impacts was, as a consequence, accompanied by an analysis of sustainability risks and opportunities that may affect the Group's financial performance and results and thus create or erode the company's corporate value in the short, medium, or long term ("Outside-In" or Financial Materiality perspective²³).

The process that led to the definition of material topics for BFF consisted of:

- a) **understanding of the organization's context:** conducting a preliminary analysis of benchmarks and relevant ESG frameworks, aimed at identifying a list of potentially material sustainability topics from the reference context in which the Group operates, particularly the reporting of market peers and applicable sustainability regulations. In addition, a regulatory analysis was carried out to identify, from the list defined by the benchmark and framework analysis, the material core issues, which are considered relevant and therefore included in the non-financial disclosure because this is so required by national and international rules and regulations;
- b) **identification of current and potential impacts:** conducting preliminary mapping aimed at integrating the analysis of benchmarks and relevant frameworks with the goal of mapping the main impacts to which potentially relevant topics are related, starting with the UN Sustainable Development Goals (UN SDGs) framework;
- c) **impact materiality assessment:** evaluation of the importance assumed by potentially material issues for the categories of stakeholders relevant to BFF Bank, according to "Inside-Out" or "Outside-In" perspectives, and in particular: (a) impact materiality, aimed at identifying the main potential and actual impacts related to the sustainability issues being analyzed, assessing their relevance in terms of magnitude, perimeter and irretrievability, and establishing their priority in determining the material topics being reported on; (b) financial materiality, useful for understanding the implications that sustainability issues entail or may entail in terms of the Group's exposure to prudential risk categories, and in particular operational, strategic and reputational risk;

23) The auditing firm's opinion and related audits did not cover the disclosure related to the process of determining "financial materiality" and related output, carried out in anticipation of the requirements of the Corporate Sustainability Reporting Directive.

- d) **prioritization of significant impacts to be reported:** for the purpose of data aggregation, a priority level of each stakeholder was established. Hence the assessments of the different stakeholder categories contributed in different ways to defining the final score for each and its prioritization. The final judgment of the significance of a topic was determined by aggregating the individual ratings given by each stakeholder for each potentially material topic.

In 2023, in response to changes in its internal and external environment, BFF initiated a process of updating the list of identified impacts from an "Inside-Out" perspective.

Specifically, the update involved the following:

- ▶ elimination of 5 impacts due to their inapplicability to BFF's changing context;
- ▶ revision of 4 impacts in order to faithfully represent the impact produced by BFF;
- ▶ addition of 2 new impacts to refine the "Inside-Out" perspective of the impacts produced by BFF in its operations.

The remainder of the identified impacts were left unchanged because they faithfully represent the effects produced by BFF on the environment and society. The updated list of impacts is presented in tabular format on page 161 in the section "Reconciliation table between material topics and related impacts identified through the SDGs."

As a result of the updating of the materiality analysis, there were no changes in the material topics identified in 2022. Accordingly, the material topics of the BFF Group are as follows:

- i) Economic performance;
- ii) Climate change and the transition to a sustainable economy;
- iii) Business ethics and fighting corruption;
- iv) Supply chain;
- v) Governance and decision-making processes;
- vi) Occupational Health and Safety;
- vii) Diversity, inclusion, equality of opportunity and remuneration;
- viii) Human rights;
- ix) Privacy and data security;
- x) Human resources management;
- xi) Customer satisfaction and transparency of information about products and services;
- xii) Protection of labor and workers' rights;
- xiii) Innovation and technology;
- xiv) Energy.

Material topics 2023 for BFF Bank

- Innovation and technology

MATERIALITY OF IMPACT

- Privacy and data security
- Human resources management
- Customer satisfaction and transparency of information about products and services
- Protection of labor and workers' rights

IMPACT AND FINANCIAL MATERIALITY

- ▶ Economic performance
- ▶ Climate change and the transition to a sustainable economy
- ▶ Business ethics and fighting corruption
- ▶ Supply chain
- ▶ Governance and decision-making processes
- ▶ Occupational health and safety
- ▶ Diversity, inclusion, equality of opportunity and remuneration
- ▶ Human rights

CORE TOPICS

- Energy

FINANCIAL MATERIALITY

As in 2022, in consideration of the initiatives and attention given by the Group to “Local Communities” and to the use of “Materials”, BFF has also included in its performance analyses – in addition to the above – the impacts connected with the aforementioned topics which, although not significant, are still of great interest to the Group and in line with the more general reporting requirements envisaged by Italian Legislative Decree no. 254/2016. The results of the materiality analysis update carried out for FY 2023 are consistent with the work done in FY 2022.

04

Sustainable Performance

Economic value created and distributed

BFF Banking Group operates in the market to create long-term sustainable wealth for its stakeholders and for all the countries where it has operations. The table below shows that the value created by the Group in 2023 totals €428 million, 98% of which was redistributed to its stakeholders.

The remaining 2% was reinvested by the Group, and the reduction compared to 2022 is due to the fact that the previous year's result was positively affected by some extraordinary items, most notably the accounting of 50% of the fund related to the lump-sum indemnity for credit recovery (so-called "40 euro") for 119.4 million euros and the combined effect of the increase in the percentage estimated recovery of late payment interest from 45% to 50% and the increase in days expected for the relative collection for 29.3 million euros.

This is made up of non-dividend profits, deferred tax assets and liabilities and depreciation and amortization for the year and totals around €10 million.

In view of the extraordinary items mentioned above, for a more timely and transparent disclosure for 2022 it was deemed appropriate to represent the economic value generated and distributed adjusted for 2022 and 2023, according to which the economic value reinvested turns out to be about 4% for 2023 compared to 2% in 2022.

(amounts shown in €)

Added value - Reported	2023	2022 ²⁵	2021
A. Total Economic Value Created	428,435,481	517,628,058	389,491,716
190 b) Other administrative expenses	104,136,380	96,251,239	97,131,985
<i>net of indirect taxes and duties</i>	<i>(16,853,291)</i>	<i>(16,170,303)</i>	<i>(16,006,833)</i>
<i>net of donations</i>	<i>(631,630)</i>	<i>(527,897)</i>	<i>(589,251)</i>
Economic Value Distributed to Suppliers	86,651,459	79,553,039	80,535,901
190 a) Personnel costs	75,979,911	74,351,758	73,233,590
Economic Value Distributed to Employees and Associates (pre-tax)	75,979,911	74,351,758	73,233,590
<i>Interest expense on our PCA bonds</i>	265,856	3,176,226	12,384,643
<i>Interest AT1 liabilities</i>	8,812,500	8,377,911	-
<i>cf proposed profit distribution submitted to the shareholders' meeting on April 18, 2024</i>	183,152,369	146,029,730	125,280,399
Economic Value Distributed to Fixed Income Investors (including AT1) and Equity Investors	192,230,725	157,583,867	137,665,042
<i>300. Income taxes for the year on current operations (for the portion relating to current taxes, the change in current taxes for previous years and the reduction in current taxes for the year)</i>	45,996,892	89,956,050	20,606,296
190 b) Other administrative expenses (indirect taxes and duties)	16,853,291	16,170,303	16,006,833
Economic Value Distributed to central and local PA	62,850,183	106,126,353	36,613,129
190 b) Other administrative expenses (donations)	631,630	527,897	589,251
Economic Value Distributed to Community	631,630	527,897	589,251
B. Total Economic Value Distributed	418,343,908	418,142,914	328,636,913
C. Total Economic Value Reinvested	10,091,574	99,485,144	60,854,804

25) Note that the figures for 2022 were revised in view of a change in method, according to which the Economic Value Distributed to Fixed Income Investors and Equity Investors now includes the interest expense paid against the issuance of the Additional Tier 1 Perpetual NC2027, on January 19, 2022.

Value Added - Adjusted ²⁶	2023	2022
A. Total Economic Value Created	428,435,481	376,172,220
190 b) Other administrative expenses	102,123,988	89,988,174
<i>net of indirect taxes and duties</i>	<i>(16,853,291)</i>	<i>(16,170,303)</i>
<i>net of donations</i>	<i>(631,630)</i>	<i>(527,897)</i>
Economic Value Distributed to Suppliers	84,639,067	73,289,974
190 a) Personnel costs	67,020,191	69,520,751
Economic Value Distributed to Employees and Associates (pre-tax)	67,020,191	69,520,751
<i>Interest expense on our PCA bonds</i>	265,856	3,176,226
<i>Interest AT1 liabilities</i>	8,812,500	8,377,911
<i>cf proposed profit distribution submitted to the shareholders' meeting on April 18, 2024</i>	183,152,369	146,029,730
Economic Value Distributed to Fixed Income Investors (including AT1) and Equity Investors	192,230,725	157,583,867
<i>300. Income taxes for the year on current operations (for the portion relating to current taxes, the change in current taxes for previous years and the reduction in current taxes for the year)</i>	48,118,709	50,926,375
190 b) Other administrative expenses (indirect taxes and duties)	16,853,291	16,170,303
Economic Value Distributed to central and local PA	64,972,000	67,096,678
190 b) Other administrative expenses (donations)	631,630	527,897
Economic Value Distributed to Community	631,630	527,897
B. Total Economic Value Distributed	409,493,613	368,019,167
C. Total Economic Value Reinvested	18,941,867	8,153,053

26) Normalized value added is not reported for 2021 as the values would be difficult to compare in light of the extraordinary transaction involving the acquisition of DEPOBank.

Disclosure under the taxonomy of the European Union (Regulation EU 2020/852)

The European Taxonomy consists of the European Union's classification system for environmentally sustainable economic activities, introduced in June 2020 through the adoption of EU Regulation 2020/852 (Taxonomy Regulation) by the Council and the European Parliament. The European Taxonomy represents one of the main initiatives defined under the European Union Action Plan on Sustainable Finance outlined by the European Commission aimed at fostering the development of investments towards sustainable activities in an effort to achieve the goals set out in the European Green Deal. Indeed, EU Regulation 2020/852 aims to create a financial system within which investors have the necessary tools to assess and compare the sustainability performance of organizations operating in the same sector, particularly with regard to the environmental objectives defined by the European Union:

- ▶ Climate change mitigation;
- ▶ Adaptation to climate change;
- ▶ Sustainable use and protection of water and marine resources;
- ▶ Transition to a circular economy;
- ▶ Pollution prevention and reduction;
- ▶ Protection and restoration of biodiversity and ecosystems.

The European Taxonomy offers businesses, investors, and consumers an innovative solution to foster transparency by providing a common language for evaluating economic projects and activities with significant positive impacts on the climate and the environment more generally. Through the publication of delegated acts, the classification introduced by the Taxonomy Regulation identifies a set of economic activities and sectors that are considered eligible to make a substantial contribution to the achievement of at least one of the six environmental objectives. Furthermore, the delegated acts establish a framework for assessing the environmental sustainability of eligible economic activities conducted by organizations. Specifically, in order to be eco-sustainable (or aligned) an eligible economic activity must:

- ▶ contribute substantially to the achievement of one or more of the above six environmental objectives defined by the European Commission;
- ▶ not cause significant harm (DNSH – Do not significant harm) to any of the other environmental objectives;
- ▶ be carried out in full compliance with the minimum safeguards defined for compliance with social and governance standards.

In order to evaluate compliance with the first two criteria, the European Taxonomy introduces technical screening criteria against which the eligible economic activity in question must be evaluated for the purpose of disclosure. In fact, Regulation EU 2020/852 stipulates that organizations within the scope of application of EU Directive 2014/95 (Non-Financial Reporting Directive or NFRD) include a segment within their non-financial reporting dedicated to the European Taxonomy containing evidence of the alignment of their businesses with the evaluation criteria and defined by the delegated acts and the methods adopted for the calculation. The contents and structure of the EU Taxonomy disclosure are regulated by Delegated Act 2021/2178, which provides for different ways of reporting and processing data based on the nature of the business conducted.

- ▶ EU Delegated Regulation 2021/2139 (Delegated Regulation on Climate), which defines the list of eligible economic activities and their technical screening criteria with respect to the first two climate objectives, mitigation and adaptation to climate change (respectively in Annex I and Annex II);
- ▶ EU Delegated Regulation 2021/2178 (Delegated Regulation Art. 8) containing provisions on the presentation of information to be reported by financial and non-financial organizations regarding the method used for disclosure under the EU Taxonomy. For credit institutions in particular, reference is made to Annexes V, VI, and XI for the qualitative disclosure;
- ▶ EU Delegated Regulation 2022/1214 amending the previously mentioned Delegated Regulation on Climate and Delegated Regulation on Art. 8 by including provisions on the eligibility and alignment of economic activities related to electricity generation in the gas and nuclear sectors;
- ▶ EU Delegated Regulation 2023/2485 amending the previous Delegated Regulation on Climate by establishing additional technical screening criteria;
- ▶ Delegated Regulation 2023/2486 (Regulations on the remaining environmental objectives), which supplements the body of regulations in the European Taxonomy with the list of economic activities eligible under the four non-climatic environmental objectives and introduces the relevant technical screening criteria for assessing eligibility.

KPI calculation methods and qualitative information

The gross assets considered for the calculation of the indicators presented within the disclosure were obtained from the consultation of the gross assets resulting from FINREP as of December 31, 2023, related to the BFF Group's prudential supervisory scope, while the assets covered under the European Taxonomy regulation (covered assets) are calculated as a difference between the total of the same gross assets and the exclusions envisaged in Delegated Regulation 2021/2178 for exposures to central governments, central banks, supranational issuers and for the trading book²⁷.

COURTESY TRANSLATION

In compliance with current regulatory requirements and the timelines set forth in the Regulations, within the previous versions of its non-financial statement (pertaining to fiscal years 2021 and 2022), the European Taxonomy disclosure published by BFF Group presented only the share of eligible economic activities for the total covered assets, as required by Art.10, point 3, of Delegated Regulation 2021/2178. The eligibility analysis conducted in previous years was substantially based on estimates due to the lack of availability of information regarding the eligibility and alignment of counterparties within the portfolio of loans and advances, debt securities, and equity instruments held by Group companies. Having sought to gradually improve the quality of the information presented in the disclosure outlined by EU regulations, to calculate the data presented for fiscal year 2023 unlike in previous years no estimates were used regarding the eligibility and alignment of counterparties. Indeed, the analysis was limited to the use of the information published by the counterparties themselves during the previous reporting period according to Taxonomy Regulations. For this reason, the information presented in this disclosure differs significantly from that of previous years as a result of the methodological refinement just described. Specifically, the share of assets covered by the Regulation as a proportion of total gross assets saw a significant reduction mainly due to the exclusion of all exposures to local governments for which the use of proceeds associated with the exposure is not known with the detail required by Delegated Regulation 2021/2178²⁸.

In compliance with the above regulatory requirements, for the year ended December 31, 2023, BFF Group publishes the level of alignment with the European Taxonomy with reference to the two climate objectives (mitigation and adaptation), with respect to the key performance indicators (hereinafter also KPIs) defined within Annex V of Delegated Regulation 2021/2178 provided for credit institutions, and in accordance with the templates defined within Annexes VI and XII of said Delegated Regulation. Regarding the disclosure related to the remaining four environmental objectives under the Taxonomy, the respective sections have not been filled in because “actual” data on eligible economic activities will be made available by non-financial counterparties from the next reporting period²⁹.

The key performance indicators that the BFF Group is required to report within its EU Taxonomy disclosure with reference to fiscal year 2023 by virtue of its nature as a credit institution are as follows:

- ▶ the Green Asset Ratio (GAR) KPI, which is the ratio of exposures in loans and advances, debt securities, and equity instruments to the Total Assets considered when calculating the denominator (so-called assets covered);
- ▶ the Financial Guarantees (FinGAR) KPI, which is the ratio of exposures in granted financial guarantees to total granted financial guarantees;
- ▶ the Assets Under Management (AuM) KPI, i.e., the ratio of exposures of assets managed (both debt and equity instruments) to total assets managed.

28) The exclusion of such exposures from the share of covered assets for the purposes of calculating the ratios required of lending institutions was clarified in the draft FAQ published by the European Commission on December 21, 2023, question no. 47.

29) At the time of the preparation of this disclosure, the only information available regarding the eligibility and alignment data of BFF Group counterparties pertains to the climate change mitigation and adaptation targets due to the entry into force of Delegated Regulation 2023/2486 on the remaining four environmental targets scheduled for January 1, 2024. Consequently, adopting a conservative approach, the eligibility ratio of BFF's exposures with respect to the four non-climate targets was considered zero.

In the absence of sufficiently detailed information regarding the use of proceeds associated with the exposures of BFF Group's management portfolios, in accordance with the provisions defined by Delegated Regulation 2021/2178 the numbering of all the KPIs just mentioned was calculated by weighting the exposure to the individual counterparty by the eligibility data and alignment with the European Taxonomy published by it with reference to 2022 for the indicators of turnover and CapEx, where the counterparty was subject to mandatory disclosure. Also in keeping with what is defined in Delegated Regulation Art. 8, in all cases where the counterparty was not subject to the obligation to publish a non-financial disclosure the respective eligibility and alignment were conservatively considered to be zero. Moreover, for all the above KPIs BFF Group is required to present the information in two versions (discussed in more detail later in the disclosure):

- ▶ stock: considering active exposures at the end of the fiscal year under review (December 31, 2023 in the specific case of BFF);
- ▶ flow: considering exposures activated throughout fiscal year 2023. For the purpose of indicator reporting, BFF Group therefore considered all exposures activated during the fiscal year and still active at the end of the year.

In accordance with what is defined by Delegated Regulation 2021/2178, for the Taxonomy disclosure for the 2023 fiscal year BFF Group reported the indicators applicable to credit institutions using the templates provided in Annex VI. More specifically, in this disclosure BFF has included the following templates:

- ▶ template 0 - summary of KPIs: used to provide a summary overview of all indicators applicable to credit institutions under Article 8 of Regulation 852/2020;
- ▶ template 1 - detail of assets for GAR KPI calculation: overall view of the Group's exposures as of December 31, 2023, with the breakdowns related to the share of eligible, aligned, enabling, transition exposures and with use-of-proceeds noted for each of the six environmental targets, in gross carrying amount;
- ▶ template 2 - GAR - sector information: exposures held by the Group in sectors considered eligible by the Taxonomy (with reference to NACE codes) in accordance with the definition of Delegated Regulations 2021/2139 and 2023/2486, in gross carrying amount;
- ▶ template 3 - GAR Stock KPI: summary of GAR stock as a percentage value to total covered assets calculated on the basis of the information reported in template 1;
- ▶ template 4 - GAR Flow KPI: summary of GAR flow as a percentage value to total covered assets calculated based on the information reported in template 1;
- ▶ template 5 - off-balance sheet exposure KPI: set of off-balance sheet exposures with details for financial collateral and financial assets under management, as a percentage of related total gross carrying amounts.

Furthermore, as anticipated, this disclosure also incorporates the 5 templates under the Delegated Regulation on Gas and Nuclear³⁰ (G&N) defined by Annex XII of Delegated Regulation 2021/2178, specifically:

- ▶ G&N template 1: summary of the presence of exposures to assets related to the gas and nuclear sectors;
- ▶ G&N template 2: representation of economic activities aligned with the Taxonomy with respect to the denominator of applicable KPIs;
- ▶ G&N template 3: representation of economic activities aligned with the Taxonomy with respect to the numerator of applicable KPIs;

30) In order to ensure a correct reading of the results presented, it is specified that for the calculation of the percentages entered in the G&N templates the Total GAR Asset value was used in the denominator (as in template 1 line 48). The only exception is template 3 "Taxonomy-aligned economic activities" where the value in cell A8 of the respective templates was used in the denominator.

- ▶ G&N template 4: representation of economic activities eligible but not aligned with the Taxonomy with respect to the denominator of applicable KPIs;
- ▶ G&N template 5: representation of ineligible economic activities with respect to the denominator of the applicable KPIs.

If there were material exposures under template 1, all templates from Annex XII were duplicated to provide representation with respect to the information reported for each of the indicators applicable to credit institutions. Furthermore, similar to what was done with the templates defined in Annex VI of the Delegated Regulation, each template in Annex XII was duplicated in order to represent the Turnover-based and CapEx-based KPIs.

All the templates described in the previous section, except for the one related to sector information, are duplicated in order to represent the KPIs based on turnover (turnover-based) and capital expenditures (CapEx-based). Moreover, consistent with the requirements of the Regulations and related Delegated Acts, template 5 concerning the eligibility and alignment of off-balance sheet exposures was duplicated further to provide the indicator information from both stock and flow perspectives.

Note that since this year is the first year for reporting alignment with the Taxonomy and use of the templates above, the columns referring to the period "T-1" were included without filling in the information.

Eligibility and alignment KPI results

In this section BFF Group provides an overview of the organization's main achievements with respect to the indicators required by Delegated Regulation 2021/2178. As can be inferred from the table below, the main KPI regarding the Group's alignment with the criteria defined by the Taxonomy is the Green Asset Ratio (GAR). The FINGAR and AuM indicators regarding financial guarantees granted by the Group and Financial Assets Under Management, respectively, reported an eligibility and alignment rate of zero due to the secondary importance of these activities for BFF.

TEMPLATE 0. SUMMARY OF KPIS (SHOWN IN €)

MAIN KPI	Total eco-sustainable assets	Turnover-based KPIs	Capex-based KPIs	Coverage % (of total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3), and point 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1), and point 1.2.4 of Annex V)
GAR (green asset ratio) for the stock	Turnover-based: 535,036.66 Capex-based: 1,755,929.08	0.02%	0.08%	18.83%	85.69%	81.17%
ADDITIONAL KPIS	Total eco-sustainable assets	Turnover-based KPIs	Capex-based KPIs	Coverage % (of total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3), and point 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1), and point 1.2.4 of Annex V)
GAR (flow)	Turnover-based: 404,395.95 Capex-based: 1,540,876.69	0.02%	0.07%	18.83%	85.69%	81.17%
Trading portfolio						
Financial guarantees	-	-%	-%			
Financial assets managed	-	-%	-%			
Financial assets managed						

For more details on the BFF Group's results during FY 2023, see the Annex containing all the templates required by Del. Reg. 2021/2178.

- ▶ numerator: includes loans, advances, debt securities, equity investments, and repossessed collaterals that finance economic activities aligned with the taxonomy;
- ▶ denominator: includes total loans, advances, debt securities, equity investments, and repossessed collateral, as well as all other covered assets on the balance sheet.

Therefore, in accordance with the definition in Article 7 and Annex V of Delegated Regulation 2021/2178, the following items of the Group's balance sheet remain excluded from the calculation of the ratio:

- ▶ exposures to central governments, central banks and supranational issuers, excluded from the numerator and denominator calculations;
- ▶ assets held for trading (so-called trading book or trading portfolio), excluded from the calculation of the numerator and denominator;
- ▶ derivatives, excluded from the numerator;
- ▶ exposures to companies not required to publish non-financial statements under Article 19-bis or 29-bis of Directive 2013/34/EU, excluded from the numerator;
- ▶ on-demand interbank loans, excluded from the numerator;
- ▶ cash and cash assets, excluded from the numerator;
- ▶ other categories of assets (e.g., goodwill, goods, etc.), excluded from the numerator.

Furthermore, Delegated Regulation Art. 8 requires the GAR to be broken down into:

- ▶ enabling activities³¹ and transition activities³², as well as for specialized funding (hereafter also funding with known use-of-proceeds) presented in templates 1 and 3 adopting a stock perspective and in template 4 adopting a flow perspective;
- ▶ exposures to sectors covered by the taxonomy, using the relevant NACE (Statistical Classification of Economic Activities in the European Community) codes presented in template 2 - GAR - sector information.

In the absence of the availability of sufficiently detailed specific information regarding the use of proceeds associated with the Group's exposures, in accordance with the definition of Delegated Regulation 2021/2178 these were considered exposures with general purpose use of proceeds. For this reason, the assessment of the eligibility and alignment of BFF Group's portfolio of exposures was carried out by analyzing the European Taxonomy information published by individual counterparties. More specifically, details of the main types of counterparties analyzed are given below.

Financial and non-financial companies subject to the NFRD requirement

With regard to exposures to financial and non-financial counterparties subject to disclosure requirements under Articles 19-bis and 29-bis of Directive 2013/34/EU (rows 2 to 23 of the tables presented in reference to template 1), loans and advances, debt securities, and equity instruments were considered. These exposures are calculated using timely data published by counterparties, based on turnover and capital expenditures.

31) Economic activity that directly enables other activities to make a substantial contribution to one or more of the six objectives, provided that: a) it does not result in dependence on assets that compromise long-term environmental objectives, taking into account the economic life of such assets; and b) it has a significant positive impact on the environment, based on life-cycle considerations.

32) Economic activity for which there are no technologically and economically feasible low-carbon alternatives, but which supports the transition to a climate-neutral economy consistent with a pathway intended to limit the global temperature increase to 1.5°C above pre-industrial levels.

For the non-financial counterparties reference was made to the Turnover and CapEx KPIs for eligibility and alignment with respect to climate change mitigation and adaptation targets published by the counterparties in accordance with the provisions defined in Annexes I and II of Delegated Regulation 2021/2178. Given the structure of the templates outlined in Annex II of the Regulation, note that even for the analysis of non-financial counterparties in cases where it was not possible to clearly identify the environmental objective against which the counterparty under analysis was assessing eligibility, the entire eligibility percentage was considered with respect to the climate change mitigation objective. Conversely, the effectiveness of the template in reporting the targets considered for the alignment quota allowed the Group to use the detailed data reported by the individual counterparties.

Retail exposures (rows 24 to 27 of the tables presented in reference to template 1) include loans on residential real estate to households and consumer credit for car purchases, and are not a significant category for BFF Group.

Local public administrations

To date, however, BFF does not collect and maintain sufficiently detailed information regarding the use of proceeds associated with such loans. As a result, in line with the conservative approach taken at all stages related to the preparation of this disclosure, for fiscal year 2023 the Group has decided to consider these exposures as not eligible for the European Taxonomy.

KPIs for off-balance sheet exposures

The KPIs of off-balance sheet exposures (or OBS KPIs) detail the level of alignment with the taxonomy of off-balance sheet exposures through which the Group manages, or helps direct, capital flows toward sustainable economic activities. Specifically, the parameters for measuring off-balance sheet exposures are as follows:

- ▶ the FinGAR KPI, representing financial guarantees given, calculated as the ratio of financial guarantees backing debt instruments to finance economic activities aligned with the taxonomy to the entire amount of financial guarantees for corporate debt securities.
- ▶ the AuM KPI, which measures financial assets under management, calculated as the ratio of financial assets under management (comprising debt and equity instruments) by firms financing economic activities aligned with the taxonomy to total financial assets under management (both debt and equity instruments).

Similar to the method adopted for calculating the GAR KPI, both KPIs for off-balance sheet exposures must be presented with respect to the stock and flow view, and must include details on the enabling and transitional economic activities.

The financial guarantees considered under the calculation of Taxonomy performance indicators (FinGAR KPIs) represent a secondary instrument in BFF Group's portfolio of assets under management (approximately 15 million euros), and to date do not include eligible or aligned assets. Likewise, KPI AuM represents a non-applicable indicator (reported with an eligibility and alignment value of 0) for activities carried out by Group companies.

Exposures in economic activities related to nuclear and fossil gas

As anticipated in the section "KPI calculation methods and qualitative information," starting with the disclosure related to FY 2023³³ financial firms publish five templates related to their exposures to counterparties active in the nuclear and fossil gas sectors.

The templates require the reporting of the following KPIs:

- ▶ Amount and percentage of economic activities aligned based on the denominator of the applicable KPI.
- ▶ Amount and percentage of economic activities aligned based on the numerator of the applicable KPI.
- ▶ Amount and percentage of economic activities eligible but not aligned based on the denominator of the applicable KPI.
- ▶ Amount and percentage of unaligned economic activities

For a more comprehensive view of all KPIs, please refer to the Annex to this Non-Financial Statement where the full templates have been published, as required by Annex VI of Regulation 2178 of 2021.

33) Although the regulation came into effect in 2023, financial organizations have only been able to publish these templates since this reporting year due to the need to wait for detailed data published by counterparties.



05

Ethics and integrity

Business Ethics

Ethics and integrity are the pillars of BFF's governance. The Group Code of Ethics³⁴ as well as the Code of Conduct, 231 Model, the Anti-Corruption Policy and the Human Rights Policy are the elements with which these two areas are overseen, as well as the Anti-Money Laundering Policy.

Aware of the need to ensure conditions of lawfulness, fairness and transparency in the conduct of its business and company operations, and also to protect its position and image, shareholders' expectations and employees' jobs, the Board of Directors of the Parent Company approved the "Group Code of Ethics", last updated on December 21, 2023 and subsequently implemented by the Subsidiaries.

The Code is intended to bind the conduct of all those who at BFF and any other Group company, in all countries where the Group operates, hold representative, administrative, or managerial positions, or who exercise management and control of the legal entity they belong to, shareholders, all employees without exception, suppliers, consultants, and anyone else who establishes a collaborative relationship with the Group in any capacity.

The above-mentioned Code is part of a broader project aimed at giving the Group an ethical identity, and it sets out the values that must be reflected and pursued in all activities undertaken by those to whom it applies.

"Managing our business responsibly in accordance with the principles of integrity, including the fight against corruption."

34) The document is available at the following link on the corporate website: <https://investor.bff.com/en/Corporate-Documents>

Recipients of the Code are placed in a position to be familiar with its contents, and employees are called upon to actively contribute to its scrupulous observance to the extent it pertains to them.

The Bank also adopted a “Code of Conduct”, which applies to all individuals who establish a continuous or occasional employment relationship with the Bank. In particular the Code of Conduct is an integral part of the individual employment contract or, where applicable, other type of work contract, and aims to ensure that work is carried out under appropriate conditions, in the interest of the Bank and its employees, and that a high level of professional conduct is maintained.

In 2015, the Bank adopted a Whistleblowing procedure which, in compliance with the applicable legislation and with a view to strengthening the process for identifying events of various kinds related to non-compliance with Group regulations, defines the principles for reporting irregularities and violations that occur in the Bank. In accordance with the provisions set forth in the procedure, the Board of Directors of the Bank appointed a person responsible for the internal Whistleblowing procedure who manages the acceptance, review and evaluation of concerns, in a manner consistent with the principle of proportionality. The Head of the Internal Audit Function has been, given his independent position in the hierarchy, made responsible for managing the internal Whistleblowing procedure, and is therefore required to receive and evaluate whistleblowing reports and provide information about them to the Corporate Bodies. The Bank guarantees the confidentiality and protection of the personal data and the identity of complainants and alleged perpetrators of a violation. The protection given under this procedure does not apply to reports made that do not fall within the scope of the procedure.

The organizational procedure was updated as a result of the issuance of Italian Legislative Decree No. 24 of March 10, 2023, which transposed into national law Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019, laying down provisions regarding the protection of persons who report violations of national laws. The internal regulations, approved by the Board of Directors, have been made available to all staff. In addition, the annual Whistleblowing Report is published on the corporate intranet.

Note that in 2023 one whistleblower report was received via the dedicated IT channel regarding the Parent Company BFF Bank.

Similar Whistleblowing procedures have been adopted by the Parent and its subsidiaries.

There are special information flows within the Group to the corporate bodies from all units, including the corporate control functions, regarding critical issues found during the activities and/or audits conducted.

In 2023 no reports were received regarding critical concerns about matters having actual or potential negative impacts on stakeholders.

Note that in 2023 there were no legal actions related to anti-competitive behavior, trust activities or monopolistic practices.

231 Model and Anti-corruption

In addition to the Group Code of Ethics mentioned above the Bank adopted an “Organization, Management and Control Model pursuant to Italian Legislative Decree No. 231/2001” (hereinafter also referred to as the “**231 Model**”), most recently approved by the Board of Directors on December 22, 2022. The 231 Model is applicable to the Bank and all its branches overseas. Its purpose is to:

- ▶ identify the potential risks, i.e., in which sectors or business areas and in what manner events that could prove detrimental to the objectives set out in the aforementioned Decree might occur;
- ▶ define a system of rules and procedures aimed at preventing, to the extent as reasonably possible, the perpetration of offenses;
- ▶ prohibit conduct that may constitute one or more types of offense;
- ▶ make all recipients of Law 231 Model aware of the consequences that may arise from any conduct that does not comply with certain rules and procedures and, in particular, clarify that any violation of Italian Legislative Decree 231/2001, the provisions contained in Law 231 Model and the principles set out in the Group Code of Ethics may cause sanctions to be inflicted, including against the Bank;
- ▶ prevent and/or counter the perpetration of offenses with timeliness, including by relying on a constant monitoring of the appropriate implementation of the internal control system.

The 231 Model, therefore, is designed to make all recipients aware of compliance with the rules of law, the regulations defined by the Bank and reflected in the Model itself and in the Group’s Code of Ethics, as well as compliance with company rules and procedures, gearing their behavior towards fairness and transparency.

As set out in Article 6, paragraph 1, letter b) of Italian Legislative Decree 231/2001, the Supervisory Body is responsible for supervising the functioning and compliance with the 231 Model, as well as updating it, discharging its duties by virtue of its independent powers of action and supervision, consistent with the provisions of the aforementioned Decree.

Contracts with customers, suppliers and other third parties include a specific clause requiring them to familiarize themselves with the Bank’s 231 Model and to adopt all appropriate and/or necessary measures to prevent the perpetration of the crimes provided for in Italian Legislative Decree No. 231/2001. BFF’s counterparties in the conduct of business are contractually committed to compliance with the Group’s Code of Ethics and adherence to corruption prevention practices.

With regard to the Bank’s Italian subsidiaries, in accordance with the Group’s policies BFF Immobiliare has adopted an Organization, Management, and Control Model and at the same time appointed a one-person Supervisory Body. BFF Techlab, on the other hand, is in the process of finalizing its 231 Model and related protocols.

With regard to the Bank’s overseas subsidiaries, BFF Finance Iberia adopted a compliance program pursuant to Article 31-bis of the Spanish Criminal Code, while BFF Polska S.A. approved a document containing guidelines on corporate criminal liability, which is also applicable to its subsidiaries.

Moreover, aware of the negative effects of corrupt practices on economic and social development in the areas in which it operates, the Parent Company is committed to combating corruption proactively and preventing and countering the occurrence of wrongdoing in the performance of its activities in the sector in which it operates. To this end, the Group promotes, among all its stakeholders, integrity and ways of doing business that are beyond corruption. In this regard, the Group is committed to investing in the training of its staff.

The policies are available in the repository of the Group's internal regulations and are the subject matter of periodic training to Group employees. The Group also makes every effort to prevent bribery by third parties or parties related to them.

The Group reserves the right to refrain from doing business with a third party when there is any doubt that acts of bribery may have been committed by said party.

Specifically, BFF Bank S.p.A. offers banking and financial products related to: *i)* factoring, payments services, securities services aimed at corporate customers and banking and financial counterparties; *ii)* deposit account offered to retail and corporate customers.

During the reporting period, there were no cases of corruption or particular situations that could have a negative impact on the Bank and its subsidiaries. In this context, BFF Bank S.p.A. has adopted the "Group Anti-Corruption Policy"³⁵, effective as of December 22, 2021, which defines the principles on anti-corruption, roles and responsibilities for managing the risk of corruption within the activities carried out by the Bank and its subsidiaries, and identifies the activities and areas most at risk of corruption.

The purpose of the Policy is, therefore, to: *i)* set out the Group's commitment both to the fight against corruption and to compliance with the anti-corruption provisions in force; *ii)* communicate clearly to all Group personnel and to all those who work, in Italy and abroad, for or on behalf of the Bank, the principles and rules to be followed to ensure compliance with regulatory and internal provisions; *iii)* define the principles for the detection and prevention of potential corruption incidents in order to protect the Group's integrity and reputation; and *iv)* provide the general framework for the Group's anti-corruption program.

The Policy states:

- ▶ the duties and responsibilities of the Group anti-corruption officer and local anti-corruption officers appointed at subsidiaries and branches who carry out relevant activities under the guidance and coordination of the Group anti-corruption officer. Specifically, anti-corruption officers should: *i)* monitor anti-corruption regulations and make necessary adjustments to the Group's internal processes; *ii)* define and implement relevant anti-corruption programs; *iii)* support and monitor the implementation of the Group's minimum anti-corruption standards; and *iv)* provide advice and opinions on major anti-corruption issues;
- ▶ the general principles by which the Group's activities are guided in its dealings with government authorities, public officials and third parties, as well as in the provision of gifts and gratuities, in personnel management activities and in the context of extraordinary operations;
- ▶ the channels created for sending reports of alleged or confirmed violations of current anti-corruption regulations and the provisions contained in the Policy to the anti-corruption officers;
- ▶ the contents of the annual anti-corruption program, which includes the following essential elements, which collectively set the minimum standard for the program of individual Group companies: *i)* personnel training; *ii)* internal regulations; *iii)* controls and organizational framework; *iv)* information flows; and *v)* recording and filing;
- ▶ red flags, i.e. examples of possible circumstances or events or conduct that are alarm signals for corruption risk.

35) The document is available at the following link on the corporate website: <https://investor.bff.com/en/Procedures-and-Regulations>

During 2023, the organization's anti-corruption policies and procedures were notified to 100% of the Group's employees, in line with previous years, as shown in the tables below.

NOTIFICATION OF ANTI-CORRUPTION POLICIES AND PROCEDURES AS AT 12.31.2023

	BFF Group		Italy		Spain		Portugal		Poland		Slovakia		Czech Rep.		Greece	
Professional category	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%
Top Management	29	100%	22	100%	1	100%	1	100%	4	100%	0	N/A	0	N/A	1	100%
Middle Management	160	100%	96	100%	15	100%	2	100%	40	100%	5	100%	0	N/A	2	100%
Staff	641	100%	425	100%	48	100%	10	100%	141	100%	8	100%	2	100%	7	100%
Total	830	100%	543	100%	64	100%	13	100%	185	100%	13	100%	2	100%	10	100%

NOTIFICATION OF ANTI-CORRUPTION POLICIES AND PROCEDURES AS AT 12.31.2022

	BFF Group		Italy		Spain		Portugal		Poland		Slovakia		Czech Rep.		Greece	
Professional category	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%
Top Management	28	100%	23	100%	1	100%	1	100%	3	100%	0	N/A	0	N/A	0	N/A
Middle Management	156	100%	92	100%	13	100%	2	100%	42	100%	4	100%	0	N/A	3	100%
Staff	658	100%	455	100%	39	100%	7	100%	138	100%	11	100%	2	100%	6	100%
Total	842	100%	570	100%	53	100%	10	100%	183	100%	15	100%	2	100%	9	100%

NOTIFICATION OF ANTI-CORRUPTION POLICIES AND PROCEDURES AS AT 12.31.2021

	BFF Group		Italy		Spain		Portugal		Poland		Slovakia		Czech Rep.		Greece	
Professional category	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%
Top Management	26	100%	21	100%	1	100%	1	100%	3	100%	0	N/A	0	N/A	0	N/A
Middle Management	154	100%	93	100%	15	100%	1	100%	38	100%	4	100%	0	N/A	3	100%
Staff	682	100%	466	100%	41	100%	8	100%	147	100%	12	100%	3	100%	5	100%
Total	862	100%	580	100%	57	100%	10	100%	188	100%	16	100%	3	100%	8	100%

With reference to training on corruption issues, in 2023 the Group delivered specially designed courses to 99% of the entire workforce. Most notably, to 100% of the Top Management category, 99% of the Middle Management category, and 99% of the Staff category, totaling 825 employees out of 830.

ANTI-CORRUPTION TRAINING AS AT 12.31.2023

	BFF Group		Italy		Spain		Portugal		Poland		Slovakia		Czech Rep.		Greece	
Professional category	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%
Top Management	29	100%	22	100%	1	100%	1	100%	4	100%	-	N/A	-	N/A	1	100%
Middle Management	159	99%	96	100%	15	100%	2	100%	40	100%	4	80%	-	N/A	2	100%
Staff	637	99%	423	99.5%	48	100%	10	100%	141	100%	6	75%	2	100%	7	100%
Total	825	99%	541	99.6%	64	100%	13	100%	185	100%	10	77%	2	100%	10	100%

ANTI-CORRUPTION TRAINING AS AT 12.31.2022

	BFF Group		Italy		Spain		Portugal		Poland		Slovakia		Czech Rep.		Greece	
Professional category	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%
Top Management	26	93%	21	91%	1	100%	1	100%	3	100%	-	N/A	-	N/A	-	N/A
Middle Management	147	94%	91	99%	12	92%	2	100%	35	83%	4	100%	-	N/A	3	100%
Staff	635	97%	447	98%	36	92%	6	86%	131	95%	8	73%	2	100%	5	83%
Total	808	96%	559	98%	49	92%	9	90%	169	92%	12	80%	2	100%	8	89%

ANTI-CORRUPTION TRAINING AS AT 12.31.2021

	BFF Group		Italy		Spain		Portugal		Poland		Slovakia		Czech Rep.		Greece	
Professional category	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%
Top Management	19	73%	14	67%	1	100%	1	100%	3	100%	-	N/A	-	N/A	-	N/A
Middle Management	139	90%	87	94%	13	87%	1	100%	31	82%	4	100%	-	N/A	3	100%
Staff	617	90%	442	95%	40	98%	8	100%	114	78%	6	50%	2	67%	5	100%
Total	775	90%	543	94%	54	95%	10	100%	148	79%	10	63%	2	67%	8	100%

Anti-money laundering and countering terrorist financing

The Group is aware of the importance of fighting money laundering and terrorism financing.

The Bank is responsible for managing the risk of money laundering and terrorism financing at a Group level, it follows a “decentralized” approach, where, given the different business models and types of clientele of the various entities, each company has primary responsibility for monitoring internally the risk of money laundering and terrorism financing, in compliance with the standards of the “Host Member State”, as the rules applicable to overseas organizations are those of the country in which the branch/subsidiary is established.

In this regard, the Bank has adopted an Anti-Money Laundering - Anti-Terrorism Policy, which takes into account the peculiarities of the different components of the Group and the risk inherent in the activities carried out, in accordance with the principle of proportionality and the actual exposure to the risk of money laundering.

This Policy takes into account the peculiarities and complexities associated with the operations of the Bank and other Group companies, the products and services offered, the type of customers, the distribution channels used for the sale of products and services, and foreseeable developments in these areas.

Based on these principles, the Policy governs:

- ▶ the general principles of the anti-money laundering and terrorism financing risk management model and related strategic guidelines which the Bank deemed it necessary to adopt and which, without prejudice to the specific provisions set out in local regulations, where more stringent, must also be implemented and observed at a Group level;
- ▶ the responsibilities and tasks of corporate bodies and corporate functions;
- ▶ the operational methods for managing the risk of money laundering and terrorism financing.

In particular, the Policy aims to:

- ▶ make all Group staff accountable;
- ▶ define clearly, at the different organizational levels, the roles, tasks and responsibilities in this area;
- ▶ establish appropriate reporting mechanisms covering the relevant control activities.

The Policy is approved by the Board of Directors of the Bank and is sent to all Group entities so that it is implemented by them. It is continually updated by the Compliance and AML Function of the Parent Company and it is made available to all Group staff. The Compliance and AML Function of the Parent Company takes steps to ensure that amendments to the Policy are included in the training courses planned for the relevant financial year.

Each Group entity has its own internal rules (procedures, manuals, etc.), which are based on the Policy and reflect the principles set out therein and the regulatory provisions applicable at a local level.

Note that – in order to incorporate the provisions of certain relevant AML regulatory provisions that came into effect in 2023 – the Policy was approved by the Board of Directors in its last update on October 26, 2023.

We wish to highlight that the regulatory and procedural system put in place complies with the tax requirements set by the Bank of Italy and follows the principles of conduct reflecting the highest standards of vigilance in this field as recommended by the OECD.

The responsibility for applying these principles to tax decisions and related administrative activities is the responsibility of the Chief Executive Officer and the Group Chief Financial Officer.

At an operational level, the combination of organizational controls and procedures, with the allocation of roles and responsibilities, ensures that the information provided in tax returns, tax payments and communications to financial administrations is correct.

First-level controls are implemented by all the units involved in the process and are governed by specific internal operating rules approved by the Chief Executive Officer based on proposals from the organizational units and verified by the Risk Management Function, and the Compliance and AML Function. Second and third-level controls are implemented by the corporate control functions, i.e. the Compliance and AML Function, the Risk Management Function and the Internal Audit Function.

Quarterly meetings are held between the tax specialist presidium and the Compliance and AML Function during which the activities carried out in tax matters during the year are explained and updates on those in progress are provided.

Any tax irregularities resulting from errors or negligence are included in the annual assessment of the persons responsible. The Board of Directors is promptly informed about the most important and complex tax issues and if any disputes arise.

This is without prejudice to management's decision-making, at all times after adequate assessment of potential tax impacts, including through discussion with the relevant internal functions, in order to ensure complete and proper management of any tax issues at the Group level.

Finally, the Group makes use of external tax experts in order to have a continuous update aimed at an ever more precise monitoring of what is defined and carried out in tax matters.

Tax returns are also reviewed, audited and signed off by the independent auditors.

The Group therefore acts in a proper, transparent and responsible manner and carries out its activities in compliance with all applicable regulations, following the highest ethical standards, in order to prevent acts of active and passive corruption.

During 2023, the Group paid 51.9 million euros in taxes and set aside 63.2 million euros for the year. Note that in Italy, against 104.8 million euros to be paid as tax, 76.9 million euros were offset against other tax credits the Bank had available, and 28 million euros were paid in cash.

YEAR 2023

(In € millions)

Country ³⁶	Name	Activity ³⁷	No. of Employees	Revenues from Third parties	Revenues from the Group ³⁸	Profit (Loss) Before Tax	Tangible Assets	Tax Paid	Tax Accrued
Italy	1. BFF Bank S.p.A. ³⁹ 2. BFF Techlab S.p.A. 3. BFF Immobiliare S.r.l.	A-B-E	543	279.7	3.8	156.9	55.8	-28.0	-44
Spain	1. BFF Bank S.p.A. - Spanish Branch 2. BFF Finance Iberia S.A.U.	A-B	64	-8.1	52.1	33.4	1.1	-9.9	-8.7
Portugal	BFF Bank S.p.A. - Portuguese Branch	A-B	13	19.6	-8.4	8.1	1.1	-5.9	-2.2
Greece	BFF Bank S.p.A. Greek Branch	A	10	14.3	-6.1	6.8	0.3	-1.5	-1.9
Poland	1. BFF Bank S.p.A. Polish Branch 2. BFF Polska S.A., 3. BFF Medfinance S.A., 4. Debt-Rnt sp. Z O.O., 5. Komunalny FunduszInwestycyjnyZamknięty, 6. MEDICO Niestandaryzowany Sekurytyzacyjny FunduszInwestycyjnyZamknięty	A-B-C-D	185	70.7	-31.86	26.2	2.4	-3.3	-4.3
Czech Republic	BFF Česká Republika s.r.o.	A-C	2	0.2	-0.16	-0.2	0.0	-	-
Slovakia	BFF Central Europe s.r.o.	A-C	13	15.9	-9.41	3.8	0.2	-3.3	-2.1

YEAR 2022

(In € millions)

Country ⁴⁰	Name	Activity ⁴¹	No. of Employees	Revenues from Third parties	Revenues from Group ⁴²	Profit (Loss) Before Tax	Tangible Assets	Tax Paid	Tax Accrued
Italy	BFF Bank S.p.A. ⁴³	A-B-E	570	258.8	37.9	243.3	51.3	-3.6	-77.1
Spain	1. BFF Bank S.p.A. - Spanish Branch 2. BFF Finance Iberia S.A.U.	A-B	53	19.3	2.0	34.5	1.3	-3.0	-8.8
Portugal	BFF Bank S.p.A. - Portuguese Branch	A-B	10	12.5	-2.5	14.6	0.1	-1.8	-3.5
Greece	BFF Bank S.p.A. Greek Branch	A	9	8.1	-1.4	10.0	0.1	-0.6	-2.4
Poland	1. BFF Bank S.p.A. Polish Branch 2. BFF Polska S.A., 3. BFF Medfinance S.A., 4. Debt-Rnt sp. Z O.O., 5. Komunalny FunduszInwestycyjnyZamknięty, 6. MEDICO Niestandaryzowany Sekurytyzacyjny FunduszInwestycyjnyZamknięty	A-B-C-D	183	63.1	-32.91	15.6	1.4	-4.7	-4.1
Czech Republic	BFF Česká Republika s.r.o.	A-C	2	0.1	-0.12	-0.3	0.0	-	-
Slovakia	BFF Central Europe s.r.o.	A-C	15	18.3	-2.94	13.5	0.2	-5.2	-3.3

YEAR 2021
(In € millions)

Country ⁴⁴	Name	Activity ⁴⁵	No. of Employees	Revenue from Third Parties	Revenues from the Group ⁴⁶	Profit (Loss) Before Tax	Tangible Assets	Tax Paid	Tax Accrued
Italy	BFF Bank S.p.A. ⁴⁷	A-B-E	580	186.2	9.8 ⁴⁸	144.6	32.1	-3.2	8.8
Spain	1. BFF Bank S.p.A. - Spanish Branch 2. BFF Finance Iberia S.A.U.	A-B	57	17.3	6.6	15.2	1.7	-5.1	-3.7
Portugal	BFF Bank S.p.A. - Portuguese Branch	A-B	10	9.8	-1.9	6.1	0.1	-1.5	0.4
Greece	BFF Bank S.p.A. Greek Branch	A	8	4.6	-0.8	2.9	0.2	-0.2	0.2
Poland	1. BFF Bank S.p.A. Polish Branch 2. BFF Polska S.A., 3. BFF Medfinance S.A., 4. Debt-Rnt sp. Z O.O., 5. Komunalny FunduszInwestycyjnyZamknięty, 6. MEDICO Niestandaryzowany Sekurytyzacyjny FunduszInwestycyjnyZamknięty	A-B-C-D	188	33.6	-11.23	11.9	1.8	-4.3	-1.6
Czech Republic	BFF Česká Republika s.r.o.	A-C	3	0.1	-0.02	-0.2	0.1	-	-0.0
Slovakia	BFF Central Europe s.r.o.	A-C	16	20.4	-2.43	16.1	0.6	-2.0	-3.4

36) Consolidated values by tax jurisdiction have been provided in the table.

37) Type of activity: **A:** performance of factoring activities by purchasing receivables on a non-recourse basis, as well as credit management service. The Group is specialized in the sale of receivables due from the National Healthcare System and the Public Administrations in the countries in which it operates. **B:** performance of funding activities for the public through online deposit accounts for retail customers and businesses. In Spain, this activity is carried out through the Bank's Spanish branch which also operates in Germany, the Netherlands and Ireland, under the freedom to provide services, a product dedicated only to retail investors is provided. In Poland, this activity is carried out through the Bank's Polish branch. **C:** financing the working capital of suppliers to the government authorities of existing and future receivables, of public sector and healthcare investments. **D:** performance of leasing activity. **E:** providing securities services and payment services.

38) It should be noted that "Turnover" is the intermediation margin stated in item 120 of the Income Statement and Consolidated Income Statement. It should also be noted that this column does not include intra-group transactions within the same jurisdiction.

39) Please note that BFF Bank S.p.A. performs factoring activities in Italy as well as under the freedom to provide services in Croatia and France, while its branch in Spain carries out funding activities with the public through the online deposit account, also in Germany, the Netherlands and Ireland.

40) Consolidated values by tax jurisdiction have been provided in the table.

41) Type of activity: **A:** performance of factoring activities by purchasing receivables on a non-recourse basis, as well as credit management service. The Group is specialized in the sale of receivables due from the National Healthcare System and the Public Administrations in the countries in which it operates. **B:** performance of funding activities for the public through online deposit accounts for retail customers and businesses. In Spain, this activity is carried out through the Bank's Spanish branch which also operates in Germany, the Netherlands and Ireland, under the freedom to provide services, a product dedicated only to retail investors is provided. In Poland, this activity is carried out through the Bank's Polish branch. **C:** financing the working capital of suppliers to the government authorities of existing and future receivables, of public sector and healthcare investments. **D:** Performance of leasing activity. **E:** providing securities services and payment services.

42) It should be noted that "Turnover" is the intermediation margin stated in item 120 of the Income Statement and Consolidated Income Statement. It should also be noted that this column does not include intra-group transactions within the same jurisdiction.

43) Please note that BFF Bank S.p.A. performed factoring activities in Italy as well as under the freedom to provide services in Croatia and France, while its branch in Spain carried out funding activities with the public through the online deposit account, also in Germany, the Netherlands and Ireland.

44) Consolidated values by tax jurisdiction have been provided in the table.

45) Type of activity: **A:** performance of factoring activities by purchasing receivables on a non-recourse basis, as well as credit management service. The Group is specialized in the sale of receivables due from the National Healthcare System and the Public Administrations in the countries in which it operates. **B:** performance of funding activities for the public through online deposit accounts for retail customers and businesses. In Spain, this activity is carried out through the Bank's Spanish branch which also operates in Germany, the Netherlands and Ireland, under the freedom to provide services, a product dedicated only to retail investors is provided. In Poland, this activity is carried out through the Bank's Polish branch. **C:** financing the working capital of suppliers to the government authorities of existing and future receivables, of public sector and healthcare investments. **D:** Performance of leasing activity. **E:** providing securities services and payment services.

46) It should be noted that "Turnover" is the intermediation margin stated in item 120 of the Income Statement and Consolidated Income Statement. It should also be noted that this column does not include intra-group transactions within the same jurisdiction.

47) Please note that BFF Bank S.p.A. performed factoring activities in Italy as well as under the freedom to provide services in Croatia and France, while its branch in Spain carried out funding activities with the public through the online deposit account, also in Germany, the Netherlands and Ireland.

48) The value for the Italian tax jurisdiction has been calculated by subtracting the amounts from the Group's other tax jurisdictions, as these are intra-group transactions whose total amount is zero.

06

Quality of Service and
Trust-based Relations

A responsible product for superior quality

Over the years the key to a sustainable product has been the maintenance of a continuous dialog with customers and the relationship of trust built up over time, both in the field of Factoring & Lending and in Transaction Services.

As a leader in Italy in the custody of Pension Funds, beginning May 2021 the BFF Indices were launched with the aim of making available to Pension Fund managers some indicators capable of summarizing the performance of an increasingly important sector in the Italian financial landscape⁴⁹.

Pension Funds managers can compare the performance of their lines with traditional market benchmarks and the BFF Indices relating to the same types of investment to understand how they are positioned with respect to the other Pension Funds.

With a view to always operating for the benefit of its customers, BFF has a monthly reporting service that could be consulted immediately. It includes **personalized details on the ESG metrics of the individual portfolios** such as, for example, the production of a summary ESG rating of the individual portfolio and the identification of the best and worst instruments based on their ESG rating with relative weighting with respect to the investment, and also a report on corporate securities exposed to disputes such as: Gambling, GMO, Arms, etc. With this new service, BFF has confirmed its ability to carve out a central role for itself in the evolution of ESG in the Asset Management sector.

The sustainable finance disclosure regulation (SFDR) aims to supplement and standardize the reporting requirements of ESG investment processes, while also improving investment transparency requirements for mutual fund and pension fund subscribers.

The objective is to make a correct and appropriate classification of ESG financial instruments by comparing different players market by producing reports that capture the portfolio's aggregate rating and a variety of detailed metrics including the degree of exposure to controversial sectors, the presence of ESG instruments (e.g., Green Bonds and Sustainability Linked Bonds), positioning with respect to specific environmental issues (Coal, fossil fuels, water, and clean technologies), and reworking CO₂ Intensity. The in-depth examination of individual positions is carried out between Corporate and Governmental issuers, for which the top 10 securities by weight and quality (high and low) are highlighted.

The distinguishing characteristics of the service include comparing the ESG positioning of individual portfolios against that of the specific benchmark they pertain to, thus facilitating the identification of the elements that contribute to the deviations (positive and negative), and the integration of the Look-Through data of the UCIs. The service is modular and thus allows ESG representation to be obtained at the aggregate Fund level, by individual sector and financial manager.

The method is built on real investment decisions as it aggregates data from ESG agencies, investor opinions and choices, and public information.

With this service, BFF has confirmed its ability to carve out a central role for itself in the evolution of ESG in the Asset Management sector.

⁴⁹⁾ See Methodological Note and the monthly commentary are available on the BFF website: <https://it.bff.com/it/indici-bff>.

Finally, in the field of Factoring & Lending, BFF joined and actively participates in the **“ESG for Factoring” Working Group**, which was established by Assifact (Italian Factoring Association) in the first half of 2021 and with the purpose of drafting common guidelines for all factors.

The Working Group has drafted a public document outlining the potential impacts of ESG issues in the factoring world and possible approaches to be used to embark on a path of adaptation that is value-creating and not solely cost-creating for factors.

In this context, BFF actively participated in all specific working groups (governance, risk management, business) created for the preparation of the guidelines. BFF also participated as a speaker at the guidelines presentation event with a speech in which the Group Chief Financial Officer presented the adaptation process that has already been carried out and the views of possible interpretations related to the EU Regulation 2020/852 establishing the Taxonomy.

With the aim of continuing on the path of integrating sustainability - also in the light of what has been achieved over more than 35 years - BFF offers responsible products and quality services, in compliance with the distribution strategy previously defined, through which the Bank guarantees the constant adequacy of its product marketing methods based on the characteristics of the target market and the products themselves, as set forth in the “Policy addressing governance of and control over retail banking products.”

Furthermore, in this regard, it should be noted that the Bank also has a specific “Remuneration policy for relevant persons, staff in charge of handling complaints, and the staff responsible for credit ratings”, as described in more detail in the Accountability to People section. The aim of this policy is to incentivize the sales team and to ensure that a responsible product is offered, the quality of which increases over time.

BFF’s ability to intervene promptly in support of its clients with customized solutions, the Group’s reliability and expertise in dealing with public authorities, its constant dialog with counterparts, in order to understand both their specific needs and those related to the sector in which they operate, are among the most appreciated distinguishing characteristics of BFF’s offer and also underpin the long-lasting trust-based relationship established with so many clients over the years. To this can be added the regular training of the sales force, at all times in line with best practices, both within the company and through external, specialized channels. In addition to the relationships established with major entities such as, for example, Ca’ Foscari University for its informative and analytical contribution on the state of Italian municipalities, the AGICI - Corporate Finance Observatory, which produces an important analysis of the utilities sector, and Confindustria, the sales force is proactively involved in participating in events and workshops promoted by leading counterparties (e.g., ACMI, AITI, ANDAF, IKN, etc.), which, along with traditional training, allow them to stay abreast of trends in the industries that BFF’s customers compete in and to better understand their needs in order to propose innovative and timely solutions.

BFF guarantees prompt action supporting customer requirements thanks also to the efficient and timely manner which the Bank is capable of designing a highly inclusive and responsible product, through the flexible internal processes that are oriented to satisfy business financial and operational requirements and also guarantee a reduced risk profile for the Group.

Indeed, the product development process is subject to a risk assessment phase by the second-level control functions, which make it possible to verify, with high-level, punctual expertise, that the product is constantly aligned with the Group’s Risk Appetite Framework.

The customer satisfaction survey and the follow-up plans linked to it, which are designed to constantly improve our response to the requirements of our corporate clients, further strengthen the relationship of trust and transparency. This is an integral part of the Group’s mission and, as such, the responsibility for its fulfillment lies not only with Management, but with every employee.

Quality of service

The Group's commitment to providing its customers with the best product on the market is reflected in the quality of the service and the trust-based relationship that BFF establishes with them.



“Ensuring high standards of service for BFF’s customers, in line with market needs and developments.”

The Group's offer, which is developed along two lines of business - Factoring & Lending and Transaction Services, which includes the Security Services and Payments Business Units ("BU") - is articulated differently depending on the geographical areas in which BFF operates, since the sector is highly influenced by local regulations.

The Factoring & Lending BU represents the original business of the banking group and it provides its services through products such as non-recourse factoring, lending and credit management to bodies of the public administration, the National Health Service, and private hospitals.

Securities Services is the BU which deals with custodian banking for investment funds and related services such as global custody, fund accounting and transfer agents for national managers and banks and for various investment funds such as pension funds, mutual funds and alternative funds. This business is focused on the Italian market.

The Payments BU is the business unit that provides intermediary services for payments, corporate payments, and checks and bills and has Italian banks, payment and e-money institutions, medium-large companies, and public administrations as customers. The BU has decades of experience in the international and domestic payments industries.

Details of the Group's offer can be found at <https://www.bff.com/en/services>.

It is precisely the high level of reliability and the ability to interpret and anticipate scenarios, provision of a high level of support, including extremely personalized support, in matters of legislation and regulations, that have contributed over time, both in Factoring & Lending and in Transaction Services, to establishing and maintaining a solid trust-based relationship with our customers.

In particular, it should be noted that over the years BFF has always carried out qualitative and quantitative surveys on Factoring & Lending clients in order to enhance the quality of its services. As a result of the extension of operations to Transaction Services, the good practice of the annual Customer Survey was also extended to encompass this segment from 2022.

Customer Satisfaction

The Group constantly strives for to satisfy its customers, completing and implementing action plans and strategies on the basis of the results arising from customer satisfaction efforts. Customer satisfaction results are also part and parcel of the variable compensation of some employees.

Italy, Spain and Portugal and Poland and Greece (from 2021), annually undertake a survey of a representative panel of customers in order to gauge their degree of satisfaction with respect to their expectations in terms of the products, operations and processes, and their propensity to promote BFF services (Net Promoter Score), with the aim of supporting and promoting the Bank's external recognition and values, in line with business and customer management. The survey is conducted through a questionnaire and open interview on a representative sample of customers in terms of size, product and industry; from 2022 the survey was conducted separately for the two businesses Factoring & Lending and Transaction Services.

Each year new customers are added to the existing historical sample, the latter being included to ensure continuity in line with the objective of monitoring the business and expanding the panel.

The survey carried out through the administration of questionnaires includes the analysis of two dimensions: the level of satisfaction measured according to the SERVQUAL method⁵⁰ and the Net Promoter Score (NPS)⁵¹. Following collection of the results of the survey, action plans are prepared to improve service delivery and the ways in which the bank's services are communicated externally.

CUSTOMER SATISFACTION

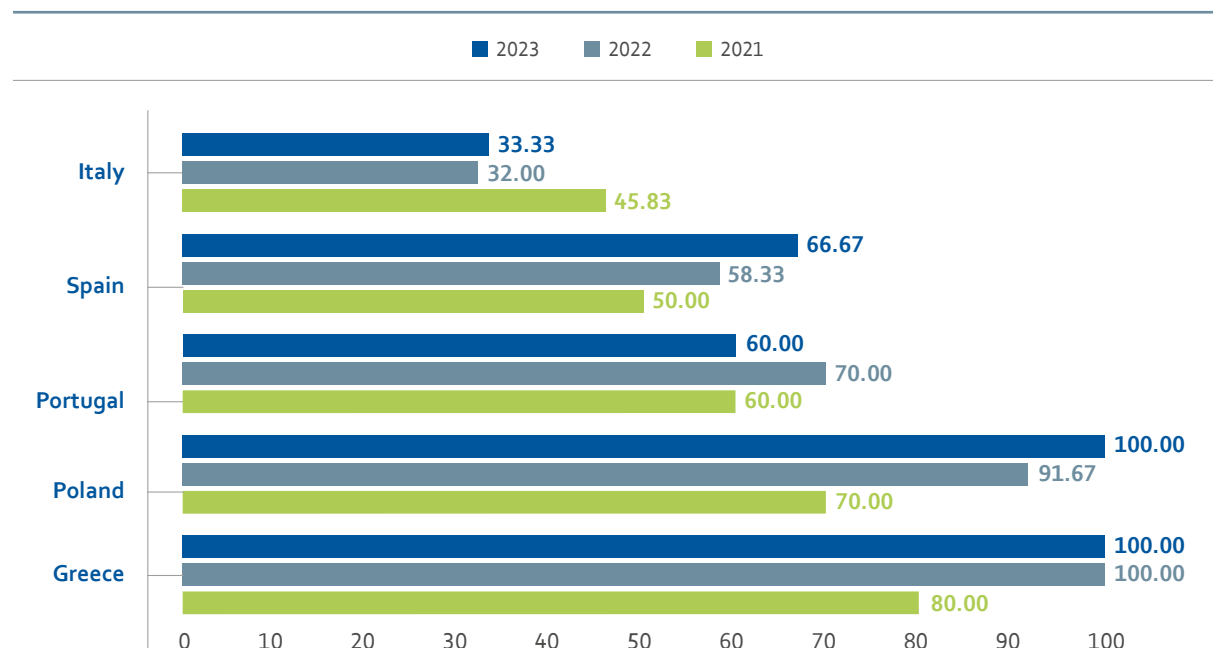
	UoM	2023		2022		2021 F&L	2020 F&L
		TS	F&L	TS	F&L		
Total number of customers who were administered the questionnaire	no.	20	68	20	69	71	45
Total number of satisfied customers who were administered the questionnaire	no.	19	67	20	67	67	45
Percentage of satisfied customers who were administered the questionnaire	%	95%	98.5%	100%	97%	94%	100%

The table shows that the panel identified is satisfied with the service offered.

The total number of satisfied customers is the sum of "promoters" and "neutral" customers analyzed using the NPS index.

With regard to the Factoring & Lending business, in 2023 the NPS index was equal to: 33.33 in Italy, 66.67 in Spain, 60 in Portugal, 100 in Poland, and 100 in Greece.

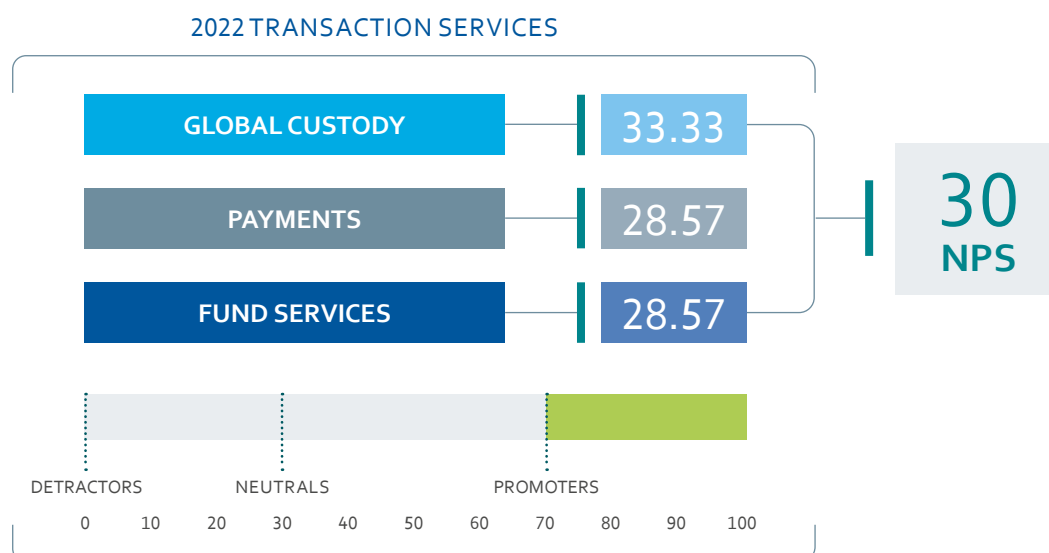
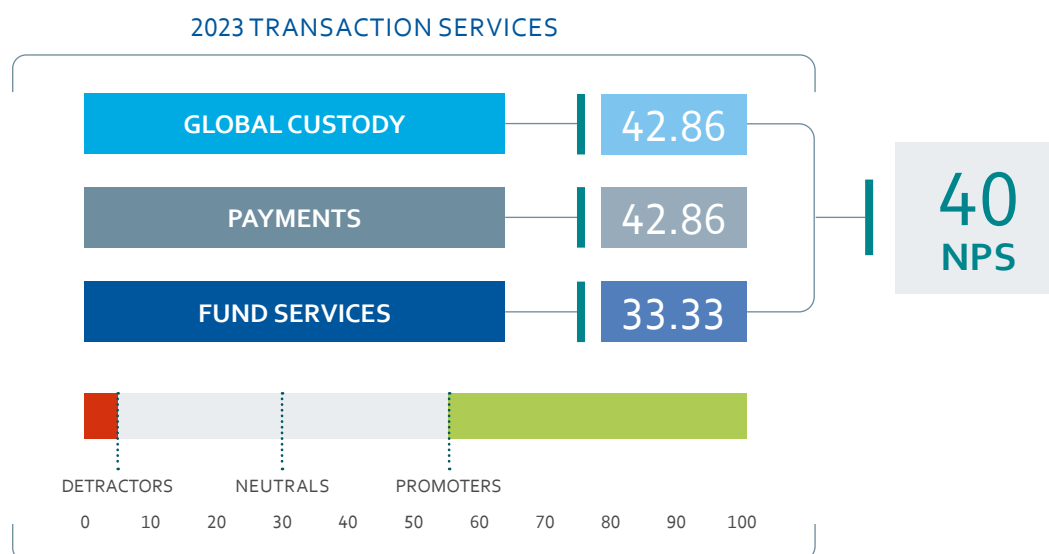
NET PROMOTER SCORE (NPS)



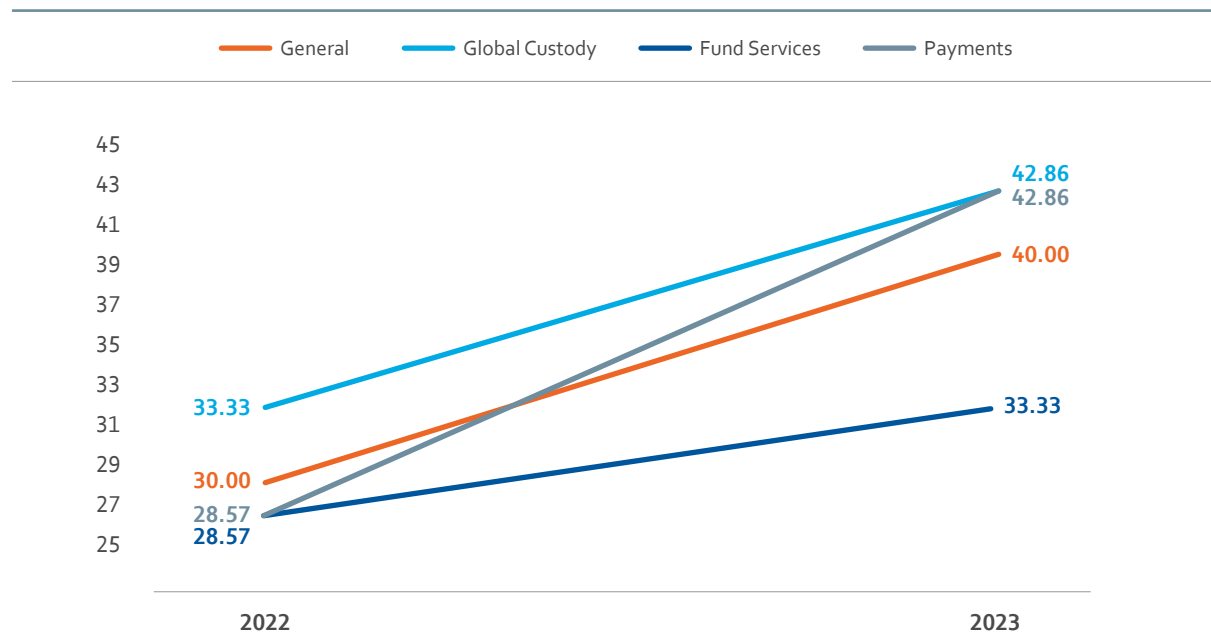
50) This model makes it possible to measure the quality of service provided by a given firm by benchmarking expectations against perceptions.

51) A management tool that can be used to assess loyalty in a business-to-customer relationship, based on the assumption that customers can be divided into "promoters", "neutral" and "detractors" depending on their propensity to reuse or recommend the Bank's services.

During 2023, with reference to the Transaction Services business, an NPS index of 40 was recorded in Italy (compared to 30 recorded in 2022).

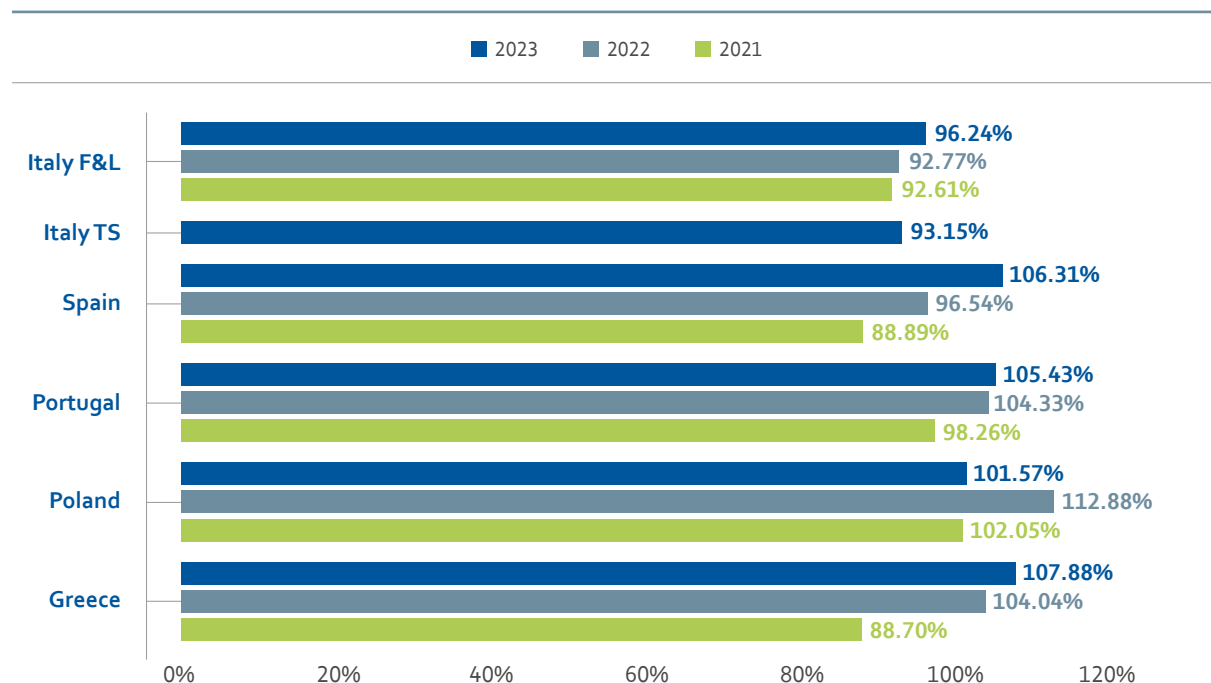


EVOLUTION OVER TIME (NPS)



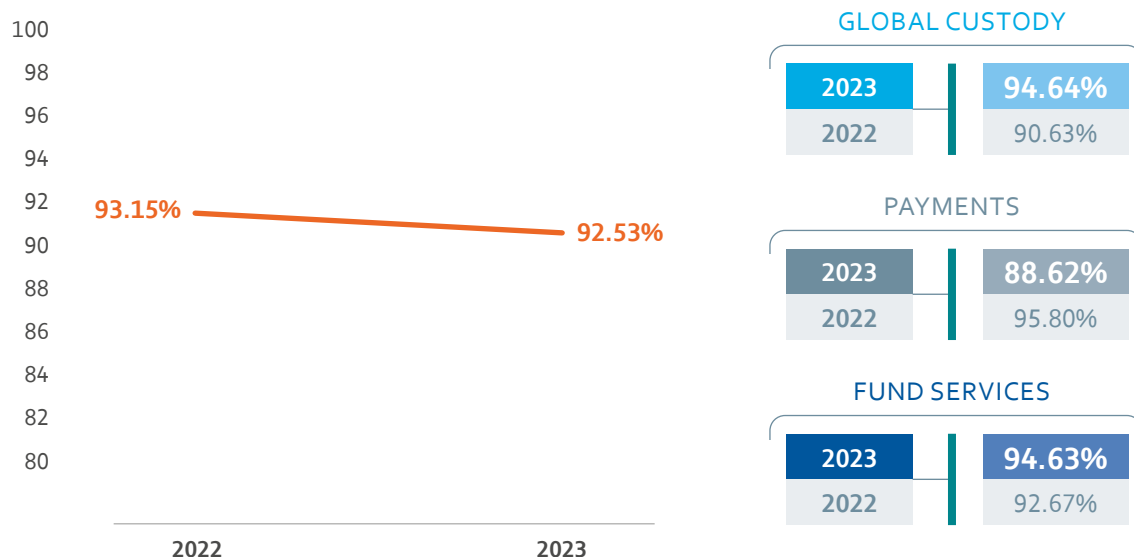
With reference to the level of satisfaction, the figure below shows the specific results emerging from the surveys carried out in the 2021-2023 three-year period by individual country for the F&L area.

DEGREE OF SATISFACTION (%)



With reference to the level of satisfaction, the figure below shows the specific results emerging from the Surveys carried out in the 2022-2023 two-year period by individual Division of the Transaction Services area.

GS IN PERCENTAGE 2022-2023



The Survey establishes whether the company's distinctive traits are visible and if BFF's core values are understood, and it also gives an insight into the level of customer satisfaction of the products and services used. Furthermore, the survey assesses customers' opinions on important changes or new developments such as, for example, the relationship at the personal and operational levels, international development, prospects for the future, and sustainability.

Since BFF offers dedicated services in the various markets in which it operates, the year-on-year comparison in the same market is particularly noteworthy, while the comparison between individual markets is affected by the different types of services offered and the level of maturity and expectations of customers in the individual market.

Compared to 2022, there is a growing involvement in all countries on ESG issues. Indeed, in Italy there is an increased focus on sustainability issues, due in part to increased expectations based on the size and relevance of BFF in the domestic market. In general, there is a greater emphasis on sustainability issues and greater interest in learning about BFF's ESG efforts in all countries.

In Italy, 24 F&L customers were interviewed, 15 of whom were also interviewed in 2022, specifically 16 National Health Service suppliers and 8 government authority providers.

The Bank's reliability and solidity, in-depth knowledge of the target market, and ability to offer services consistent with specific customer needs, together with a level of expertise not found among competitors have been identified and recognized as distinctive elements of BFF's offering.

Trust and transparency in relations with customers

The management of customer relationships is central for BFF, which undertakes to always perform this duty effectively and proactively, as also shown by the results of the surveys and level of retention. The Group's extensive experience contributes to boosting the financial performance of its clients, and it supports the liquidity of companies operating in the complex dynamics linked to supplies to public administrations. Also for these reasons, the Group is continuously committed to efficiently managing any customer complaints and facilitating the process of managing reports by clearly defining:

- ▶ the interactions between the function responsible for handling complaints and the other functions involved in the complaint handling process;
- ▶ the company's standards for answers to ensure that timely and exhaustive replies are given to customers;
- ▶ the frequency, methods and recipients of the relevant reports.

In addition, BFF is supervised by the Bank of Italy and must meet the transparency requirements laid down by the regulations in force. In this regard, the Bank has special transparency procedures in place to govern the contents of product disclosures, as well as procedures for making contracts, forms and/or documentation available to the public in accordance with current legislation.

BFF's Subsidiaries and Branches adopt the Parent Company's guidelines and implement the provisions of the Group Code of Ethics.

As proof of the Group's compliance with the law and complete transparency of its disclosures, in the course of 2023, no complaints were filed in relation to cases of false advertising or misleading marketing practices.

“Consolidating relationships based on transparency and trust, with special emphasis on the continuity and stability of customer’s operations and transactions between market players.”

The Group has adopted internal policies approved by the Board of Directors and by the corresponding corporate bodies of the Subsidiaries, updated on a periodic basis in compliance with the requirements of EU Regulation 2016/679:

- ▶ **Group Policy on the Exercise of the Right to the Portability of Personal Data:** this policy governs the right to the portability of personal data pursuant to Art. 20 of Regulation (EU) 2016/679, which constitutes a supplement to the right of access as an instrument whereby the “data subject” manages and reuses the personal data fully autonomously. It facilitates the circulation, copying or transfer of personal data from one IT environment to another without any impediments, promoting innovation and the sharing of personal data between the Parent Company and/or the Subsidiaries and other data controllers completely securely and under the control of the “data subject”.
- ▶ **Group Privacy by Design-Default Policy:** the Policy regards the implementation of adequate technical and organizational measures to protect personal data starting from the design phase (privacy by design) and also throughout the data lifecycle as a predefined setting (privacy by default).
- ▶ **Group Policy for Exercising the Rights of Data Subjects:** this policy governs the rights over the personal data provided, as set out in Regulation (EU) 2016/679, which consist of:
 - right of access;
 - right of rectification;
 - right to erasure or “right to be forgotten”;
 - right to restrict processing;
 - right to personal data portability;
 - right to object.

The Group has set up a system to manage data subjects’ requests to exercise their rights, which enables the Data Controller or their Delegate to provide a prompt, accurate and transparent response, without undue delay, adequately justifying any intention not to accept such requests.

- ▶ **Group Policy for the Management of Data Breaches:** the security policy adopted by the Group establishes that adequate technical and organizational measures are put in place to guarantee and demonstrate that personal data processing is performed in compliance with the Data Protection Regulation (Regulation (EU) 2016/679). When however, despite such measures, a data breach takes place, the Parent Company/ the Branches/the Subsidiaries must respond promptly in order to guarantee respect for the four security objectives:
 - availability: guaranteeing access to information and network services to responsible personnel in relation to work requirements and the rights and fundamental freedoms of the data subjects;
 - confidentiality: guaranteeing the prevention of abusive or unauthorized access to information, services and systems;
 - integrity: guaranteeing that information has not been altered by incidents or abuses;
 - resilience: a system’s capacity to adapt to changes.

Cyber security and technological innovation

Safeguarding the security of its information system and protecting the confidentiality, integrity and availability of the information produced, collected or otherwise processed, from any intentional or accidental threat, whether internal or external, is a top priority for BFF.

In this context, the BFF Group has undertaken a number of initiatives aimed at harmonizing the degree of automation of Group operations, listed below.

BFF has moved from a traditional approach to cybersecurity to an innovative one based on the following four characteristics:

- ▶ **Dynamic approach:** based on footprint and enterprise technology change to limit exposure to vulnerabilities thereby reducing the surface of attack;
- ▶ **Diffuse security approach:** trust zones are created based on data, users, devices and networks. Segregation then facilitates lateral movement to be limited and isolates threats at the lowest level;
- ▶ **Visibility-oriented approach:** active defense technologies, such as anomaly detection, that help provide greater real-time visibility of suspicious activities;
- ▶ **Proactive and resilient approach:** an agile approach to defense that leverages automation and organizational capabilities to act proactively, quickly containing the threat and reducing exposure during an attack scenario.

From a strategic point of view, BFF has implemented an enhancement of its cybersecurity posture – such as the set of data regarding the security status of a corporate network, the ability to organize its defenses and the efficiency in responding to attacks – by strengthening people, technologies and processes through specific actions.

Specifically:

- ▶ **Governance Model:** make the operating model more effective to implement cybersecurity initiatives better and strengthen cooperation with the business. In particular, the security operating model provides for segregation from the operational machinery of the IT area;
- ▶ **Risk Culture:** improve the risk management process by fostering information exchange, clarifying responsibilities and avoiding overcovering by adopting a more protective approach to go-to-market;
- ▶ **Extended Enterprise:** strengthen third-party security management and control tools, creating an extended and resilient structure capable of better protecting its borders;
- ▶ **Technology Program:** upgrade the infrastructure and simplify architectures by adopting a zero-trust approach to create an effective prevention, defense, containment and response capability against both external and internal threats using better technologies. In addition, in view of the growth directions outlined in the “BFF 2023” business plan, and the strategic objective related to the growth of the target customer base, with particular reference to technological innovation, in 2022 the Group undertook further initiatives aimed at streamlining and homogenizing the degree of automation of its operations, progressing toward an architecture of scalable IT products and services adaptable to an evolving and expanding business. In this regard, a multi-year project was launched aimed at creating a new and innovative Group platform to support the core business of Factoring & Lending, through the revision and remodeling of the underlying processes; investments were made in information systems and existing processes aimed at managing new types of ancillary services to non-recourse factoring requested by customers in different countries; initiatives have been launched to introduce robotization mechanisms (RPA) in back office and administrative processes in order to reduce processing times and increase automatic controls by improving the level of service to customers; the use of electronic signatures has also been extended to all legal entities in the group to streamline and speed up the process of signing contracts with both customers and suppliers. Finally, in order to support the evolution of the ICT operating model, an initiative focused on the review and alignment with the Information Technology Infrastructure Library (“ITIL”) of internal ICT management and user relationship processes and tools.

From a Business Continuity Management point of view, BFF is constantly improving its Business Continuity Management System (BCMS), which includes the following steps:

- ▶ Business Impact Analysis;
- ▶ Risk analysis;
- ▶ Strategies and continuity solutions;
- ▶ Business Continuity Plan;
- ▶ Maintenance and control.

The BCMS implemented by BFF consists of a set of processes, procedures, structures and solutions that define ways to deal with events or incidents that could cause serious disruptions to its operations and its ability to provide products and services at a level deemed acceptable.

Cyber risk is one of the most impactful risks to which banks are exposed. One can just imagine the growing number of threats and the increased sophistication of attacks that require the adoption of appropriate security safeguards.

This type of risk can be caused by external threats, such as hacking activities aimed at data theft, but also by actors within organizations:

- ▶ External threats, attacks by cyber criminals perpetrated with the aim of committing financial fraud, which, depending on the type of clientele, could cause substantial economic damage due to the significance of the individual transactions handled. In this scenario, special attention must be paid to the evolving external environment influenced by the presence of new threats based on the use of sophisticated combinations of social engineering, phishing, and malware that target the illicit transfer of funds, and from emerging technologies, new methods of hacking such as deep fakes, used in social engineering to gain access to corporate data or to cause reputational damage, or 5G, which, with its rapid deployment and the resulting increase in data rates will foster the growth of increasingly rapid and discrete attacks. Furthermore, the spread of generative artificial intelligence platforms enables the production of increasingly refined and convincing fake visuals and text, making it extremely difficult for users to be able to distinguish phishing messages from real operational and business communications. Finally, advancements in quantum computing technologies will progressively render current encryption algorithms ineffective for transmitted and stored information, jeopardizing the protection of the business and customer data managed.
- ▶ Internal threats, inherent in business operations, arising from unconscious or unlawful behavior of employees or contractors, exacerbated by operational changes (e.g. pandemic-related changes) that have resulted in increased exposure of banks to internal threats.

The aim of the Information Security Policy is to manage risk to an acceptable level, through the design, implementation and maintenance of an "Information Security Management System" (ISMS) in line with the cyber risk appetite defined at company level according to the Risk Management Regulation.

In line with this objective and in compliance with the applicable regulatory requirements in the field, in implementation of the 40th update of Bank of Italy Circular 285 and in view of the entry into force of the European DORA regulation (Digital Operational Resilience Act), a revision of the relevant body of documents has been initiated, consisting of the operational procedures that make up the Information Security Policy, structuring the communication flows to the ICT risk control function within a defined process in order to ensure effective and standardized governance and monitoring of corporate security aspects and the cyber risk level.

BFF Bank has initiated a number of initiatives (e.g. Penetration Testing, Vulnerability Assessment, Logical Access Control) with the goal of increasing corporate security posture by proactively strengthening systems and reducing the organization's attack surface.

In addition, BFF Bank relies on the use of largely outsourced IT components to deliver its services. The result is therefore a strong dependence with respect to the security solutions to be implemented and the consequent need to provide and define governance and control tools as well. Depending on the business provided, BFF Bank is exposed to reputational, regulatory and financial risks.

In order to ensure adequate security management, BFF Bank has an organizational model which specifies corporate roles, competencies and responsibilities for security, and for the identification and control of measures to prevent and protect the confidentiality, integrity and availability of managed information.

In order to mitigate these risks further, BFF Bank has taken out a cyber insurance policy to transfer part of the risk to the insurance markets, with the aim of protecting the company from the financial consequences of cyber damage. The cyber policy provides coverage for the following areas:

- ▶ Business interruption;
- ▶ Costs and expenses;
- ▶ Protection of personal data;
- ▶ Defense costs and penalties resulting from an investigation;
- ▶ Contractual penalties;
- ▶ Cyber extortion;
- ▶ Security breach and breach of confidentiality of personal data;
- ▶ Responsibility arising from the media.

To ensure adequate levels of efficiency and protection, BFF Bank has adopted policies and related protection measures that are subject to analysis and review as part of relevant audits by the Bank's Internal Control Functions, and, with a view to managing supply chain-related security risks, it has defined audit activities for outsourced IT systems and applications to ensure that vendors are operating in accordance with contractual agreements and applicable regulations.

To verify the effectiveness of the security measures in place and its plans, BFF Bank conducts specific risk analysis activities of all the resources that make up the information management system, in order to understand vulnerabilities, assess possible threats and prepare the necessary countermeasures, as well as identify protection criteria according to the specific needs of the business, with the ultimate goal of ensuring that security objectives are met. The Information Security Management System is audited periodically and when there are influential changes to the Bank's information system or structure with the aim of:

- ▶ reviewing the outcomes of risk analysis activities;
- ▶ checking the effectiveness of the security policies in place;
- ▶ evaluating the risk management plan and any countermeasures to be taken;
- ▶ analyzing the budget available for security investments in line with business priorities.

Annually, various entities (i.e. certifiers, regulators) internal and external to BFF carry out different verifications in the area of security aimed at certifying the adequacy of the level of systems and information management (e.g. financial statement auditors, payment circuit certification activities, Internal Audit activities, as required by the regulator).

To verify that the measures taken to ensure business continuity are effective and capable of responding in a structured and timely manner to the occurrence of a disaster situation, Business Continuity/Disaster Recovery Tests are conducted annually.

Finally, taking into account the complex environment in which BFF operates and the constant evolutions to which the Group is subjected, with the aim of guarding against and mitigating cybersecurity risks, the latter has long been on a path of improvement at various levels aimed at increasing the ability not only to prevent such risks, but also to respond appropriately when they occur. In order to raise awareness of security risks among its employees, BFF organized:

- ▶ mandatory courses on business continuity (i.e. Business Continuity Management) so as to ensure proper response to the occurrence of a disaster (related to Bank of Italy scenarios);
- ▶ online training courses on the BFF Academy platform concerning the main security risks (e.g. malware, Social Engineering; Phishing, Data Breach, etc.).

Furthermore, in addition to raising the awareness of its employees as internal stakeholders, there are specific contractual clauses with both customers and suppliers in which the principles of safety and business continuity within the supply chain are guaranteed.



The background is an abstract composition of three large, textured color blocks. A large yellow block occupies the top-left portion, a blue block is in the top-right, and a large green block covers the bottom half of the image. The textures are slightly grainy, giving it a hand-painted or paper-like appearance.

07

Accountability
to People

Accountability to people

The Group constantly invests in the development of its staff and is committed to creating a positive working environment, geared towards maximum mutual collaboration, teamwork and goal sharing, where everyone feels free to express their potential. Taking ownership of the company's objectives and the creation of a system of communication between stakeholders based on principles of truthfulness and fairness constitute some of the qualities that are important when working for BFF.

In the Parent Company, commitment and results are rewarded through a structured and sustainable incentive system, based on merit and indicators such as the risk-adjusted EBTDA, which represents an efficient sustainability parameter over time, as it provides an indication of the economic results achieved, mitigating them of the effect of riskiness linked not only to the quality but also to the growth of the assets that produce those results as well as customer satisfaction, as a quantitative indicator of a non-financial nature for the Bank's Employee Personnel, which represents a valid indicator of the level of sustainability of the Group over time, since it measures customer satisfaction with respect to the service offered. This system is outlined in the following documents:

- ▶ Remuneration policy and related Report on compensation paid;
- ▶ Performance Management procedure, which describes how to apply an effective performance management system in line with the requirements of current legislation, based on objectively measurable KPIs to guarantee an objective, non-discretionary assessment that rewards merit, and the objectives of which are:
 - a) encourage sharing and steer all employees towards achieving the company's objectives;
 - b) align organizational behavior with company values and with support for medium-term and long-term objectives;
 - c) encourage dialog between each manager and his/her staff, the development of resources, teamwork, integration and cooperation between functions;

“Defining professional growth and talent management paths for the Group's employees, including benefits and compensation.”

- ▶ a long-term stock option plan that favors talent retention within the Group;
- ▶ support the remuneration policy for relevant persons, personnel responsible for handling complaints and the personnel responsible for credit ratings;
- ▶ support the Group Training Procedure, in force from 2021, which promotes the development of the skills of employees throughout the Group, through unified methods and processes;
- ▶ Diversity & Inclusion Policy, effective from 2022, which sees the values of diversity and inclusion as key resources stimulating the Bank's growth in productivity and sustainability.

At local level, the subsidiaries operate according to the guidelines of the Parent Company, however they organize initiatives specifically for local employees using the procedural framework in place. Poland, for example, has the following documents:

- ▶ Organizational regulations, which define the relationships within the organization, the organizational structure and the scope of responsibilities within each O.U.;
- ▶ Labor regulations, i.e., statutory local regulations, which define the most important employment rules;
- ▶ Remuneration policy;
- ▶ Regulation governing the granting of financial aid to employees;
- ▶ Performance management;
- ▶ Remuneration regulations;
- ▶ Recruitment procedure;
- ▶ Onboarding process (at the Parent Company level);

The Spanish subsidiary has the following body of procedures in place:

- ▶ Resignation or dismissal policy – This policy requires the HR department to complete a checklist when employment with the company is terminated;
- ▶ Remuneration policy; this policy defines the internal bodies and committees that take part in the remuneration decision-making process.

Group workforce mix and Diversity

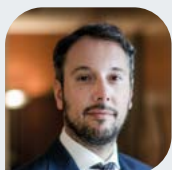
Aware of the importance of an Executive Team that is capable of successfully handling extraordinary difficulties, thinking strategically and, at the same time, bringing concrete results in the immediate term, over the years BFF has invested in the creation of an inclusive, international team that can provide contributions and useful perspectives to colleagues and for the organization's involvement in shared objectives.

Chief Executive Officer



Massimiliano Belingheri

Vice Presidents



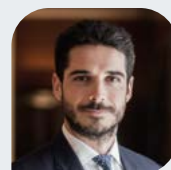
Michele Antognoli
Factoring & Lending



Piergiorgio Bicci
Finance & Administration



Massimo Pavan
Technology & Processes
Improvement



Enrico Tadiotto
Transaction Services

Country Heads



Marek Duban
Slovakia,
Czech Republic



Nuno Francisco
Portugal



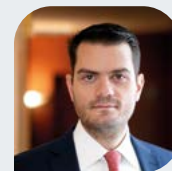
Krzysztof Kawalec
Poland



Javier Molinero
Spain



Mariya Terzieva
Croatia, France



Christos Theodossiou
Greece

An executive team that provides the right balance of experience, innovation and cultures represented, to think strategically, act concretely and effectively and engage others to achieve lasting success, anticipating market developments, working with discipline and speed and being always open to learning.

“Implementing policies to fight discrimination and promote diversity among employees.”

Directors



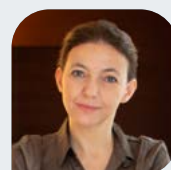
Alessia Barrera
Communications
& Institutional Relations



Caterina Della Mora
Investor Relations,
Strategy and M&A



Michela Della Penna
Compliance & AML



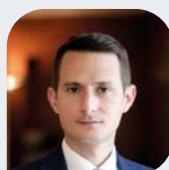
Marilena Ferri
HR & Organizational
Development



Mario Gustato
General Counsel &
Business Legal Affairs



Alessandro Mayer
Chief of Staff



Marco Piero
Risk Management



Gianluca Poletti
Internal Audit

The Group's workforce consists of a total of 830 staff, down around 1% compared to 2022, of whom 449 are women and 381 men.

About 65% of the total workforce is employed in Italy, about 22% in Poland and the remaining 13% in the other countries where the Group operates.

96% of the staff are employed on permanent contracts, about 53% of whom are women.

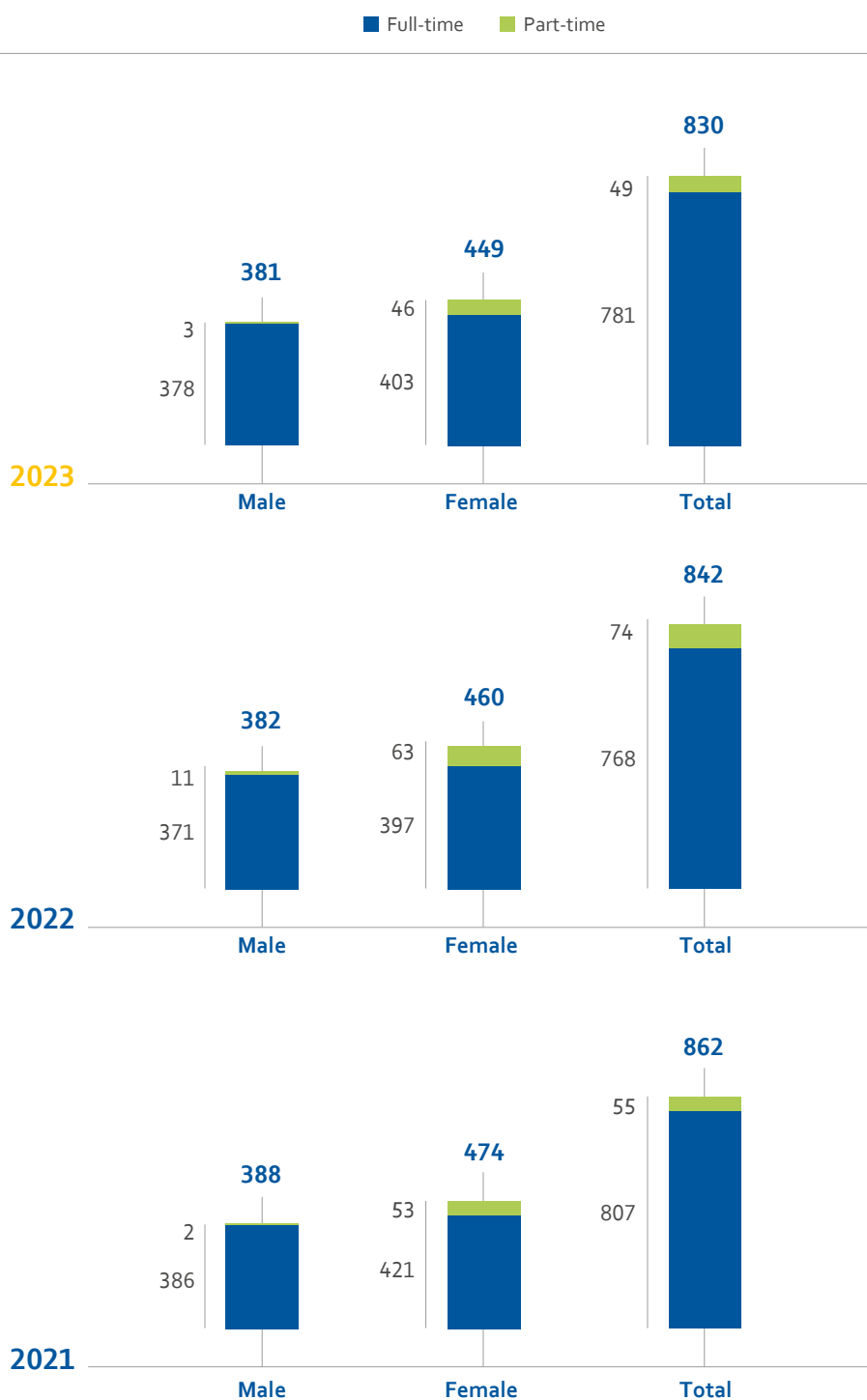
EMPLOYEES

	12.31.2023			12.31.2022			12.31.2021		
Country	Male	Female	Total	Male	Female	Total	Male	Female	Total
<i>Permanent</i>	373	421	794	372	432	804	378	435	813
<i>Temporary</i>	8	28	36	10	28	38	10	39	49
<i>Non-guaranteed hours employees</i>	-	-	-	-	-	-	-	-	-
<i>Full-time</i>	378	403	781	371	397	768	386	421	807
<i>Part-time</i>	3	46	49	11	63	74	2	53	55
Total BFF Group	381	449	830	382	460	842	388	474	862

Regarding the type of employment, in 2023 about 6% of employees had a part-time contract, of which 6% were men and 94% women. More specifically, 45 employees were hired on a part-time basis in Italy, 2 in Poland and 2 in Spain.

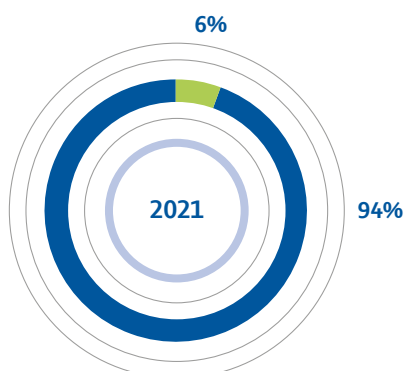
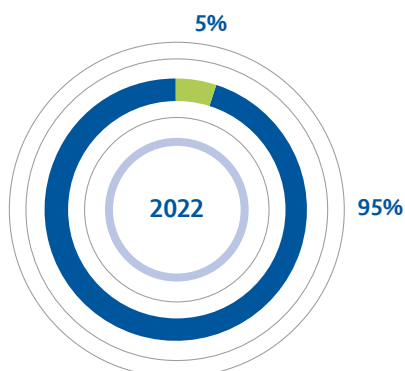
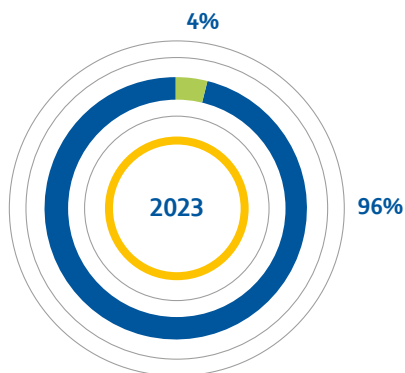
In addition to permanent staff, in 2023 there were 23 workers, including 3 temporary staff, employed to fill uncovered and/or temporary organizational positions, and 20 interns, with training projects on specific company activities or projects, whose purpose was the development of professional skills.

GROUP EMPLOYEES BY TYPE OF CONTRACT



TYPES OF EMPLOYEES OF BFF GROUP

■ Permanent ■ Fixed-time



As can be seen from the table below, in 2023 women accounted for approximately 54% of employees, almost in line with the previous year.

With specific reference to professional categories, about 4% belonged to Top Management (women accounting for about 17%, up by 3 percentage points compared to the previous year), about 19% of employees were part of Middle Management (women accounting for 41%), while the remaining 77% consisted of Staff (women accounting for 59%).

COMPOSITION OF THE GROUP'S WORKFORCE BY PROFESSIONAL CATEGORY, GENDER AND AGE GROUP 2023

PROFESSIONAL CATEGORY	Male					Female					Totals				
	<30	30-50	>50	Total	% of total category	<30	30-50	>50	Total	% on total category	<30	30-50	>50	Total	%
Top Management	0	13	11	24	83%	0	3	2	5	17%	0	16	13	29	4%
Middle Management	0	56	38	94	59%	0	52	14	66	41%	0	108	52	160	19%
Staff	26	142	95	263	41%	53	199	126	378	59%	79	341	221	641	77%
Total	26	211	144	381	46%	53	254	142	449	54%	79	465	286	830	100%

COMPOSITION OF THE GROUP'S WORKFORCE BY PROFESSIONAL CATEGORY, GENDER AND AGE GROUP 2022

PROFESSIONAL CATEGORY	Male					Female					Totals				
	<30	30-50	>50	Total	% on total category	<30	30-50	>50	Total	% on total category	<30	30-50	>50	Total	%
Top Management	0	10	14	24	86%	0	3	1	4	14%	0	13	15	28	3%
Middle Management	0	62	30	92	59%	2	49	13	64	41%	2	111	43	156	19%
Staff	18	159	89	266	40%	43	231	118	392	60%	61	390	207	658	78%
Total	18	231	133	382	45%	45	283	132	460	55%	63	514	265	842	100%

COMPOSITION OF THE GROUP'S WORKFORCE BY PROFESSIONAL CATEGORY, GENDER AND AGE GROUP 2021

PROFESSIONAL CATEGORY	Male					Female					Totals				
	<30	30-50	>50	Total	% on total category	<30	30-50	>50	Total	% on total category	<30	30-50	>50	Total	%
Top Management	0	12	10	22	85%	0	2	2	4	15%	0	14	12	26	3%
Middle Management	0	61	26	87	56%	0	53	14	67	44%	0	114	40	154	18%
Staff	17	178	84	279	41%	49	251	103	403	59%	66	429	187	682	79%
Total	17	251	120	388	45%	49	306	119	474	55%	66	557	239	862	100%

75% of the Group's employees are covered by collective labor agreements, with the exception of Greece, Poland, the Czech Republic, and Slovakia, where these types of contracts are not envisaged in local laws.

The Group ensures that all its employees have the right to freely associate and join labor organizations, as envisaged in the Code of Ethics.

With regard to the Parent Company, it is represented by ABI, the Italian Banking Association and applies the relevant national contract stipulated with the most representative workers' unions nationwide, and therefore the only one guaranteeing both adequate remuneration and regulatory standards.

The Group has chosen to apply the relevant national collective bargaining agreements in each country where such contracts exist, regardless of the presence of union representation within the company, testifying to BFF's commitment to compliance with the rules that protect its employees.

In 2023, out of the Group's total workforce of 830 employees, 252 were registered with trade unions, most of them in the Parent Company, within which four of the five unions that signed the collective contract with ABI (FABI, FISAC-CGIL, FIRST-CISL, UNISIN) are represented.

In the Parent Company, the relationship with the trade unions led to the signing of a harmonization agreement following the incorporation of Depobank into BFF, as well as the signing by company representatives of all four labor organizations of a groundbreaking agreement aimed at managing redundancies caused by the loss of two major customers following the acquisition of DEPObank.

Therefore, BFF recognizes these trade unions as legitimate representatives of the interests of its member workers, as well as natural counterparts in company discussions on issues mandated by national bargaining in respect of their mutual prerogatives and attributions.

The Group considers the creation and maintenance of a positive working environment as a priority, with a view to encouraging maximum mutual collaboration, teamwork and the achievement of common goals. The workplace is the place where everyone can express their potential. Therefore, the Group considers it essential to:

- ▶ promote harmony at all levels of business, encouraging behavior based on mutual fairness and expressly prohibiting any conduct that could generate resentment or discontent, or imply an abuse of one's position of authority;
- ▶ ensure that everyone is clearly and transparently informed about the tasks to be carried out and the objectives to be pursued;
- ▶ guide each employee towards the achievement of the objectives assigned, supporting the objectives of their team and respecting company assets, and motivate them to consider common objectives as their own;
- ▶ encourage communication processes and flows based on principles of truthfulness and accuracy not only within the Group but also with all the Bank's stakeholders;
- ▶ ensure the physical, cultural and moral integrity of people, providing an open and safe environment.

The Group Code of Ethics requires that the working environment be free from acts involving racism, discrimination and abuse. The Code of Ethics, together with the Code of Conduct and the Group's recruitment and management policy, provides guidelines on corporate policies and the values of transparency, fairness and integrity shared by all Group employees:

- ▶ people-centric approach, resulting in protection of human dignity, equal opportunities, safeguarding employees' safety, respect for the values of interrelation with others;
- ▶ safeguarding and promoting diversity, fostering dialogue within the organization;
- ▶ diligence, professional attitude and promotion of human resources through professional empowerment;
- ▶ moral integrity, legality and honesty.

In Italy, in the case of major restructuring and/or reorganization or in the case of the need to proceed with collective redundancies, collective bargaining in the Credit sector provides for procedures for advance notice and consultation of workers' representatives with a maximum duration varying from 35 to 50 days. If no agreement is reached here and up to 200 redundancies are made, the next phase is governed by the rules set forth in Articles 4 and 24 of Italian Law 223/1991, which has a maximum duration of 75 days. In other countries it can range from a minimum of one month up to six months, depending on the country, and the reason for the restructuring.

Following the loss of two important customers in the Securities Services business, and specifically the Transfer Agent, whose terminations had been announced in 2021 and whose outgoing migrations were completed during 2022, there was a significant reduction in some operations within the Securities Services business unit. In consultation with union representatives, the Bank initiated actions aimed at redefining the organizational structure, adjusting it to the changed needs of the business, deciding to eliminate 49 jobs.

On November 4, 2022 the trade union Information and Consultation Procedure began, pursuant to Article 22 of the Credit National Collective Labor Agreement, concerning the management of the resulting redundant employees. After the aforementioned procedure was concluded without agreement, in January 2023, following what was described above, a collective dismissal procedure was initiated, pursuant to Articles 4 and 24 of law no. 223 of July 23, 1991 on a reduced number of positions (from the 49 originally planned to 23 positions), as a result of voluntary departures and internal replacements on positions that became vacant in the meantime.

This procedure was concluded on April 11, 2023 with a report of administrative union agreement pursuant to Art. 4, para. 7, Italian Law no. 223 of July 23, 1991. With this agreement, which was quite innovative for the credit world, the parties agreed to: (i) the reduction of the number of redundancies to 22, including 8 early retirements; (ii) the conditions for voluntary access to the redundancy management program; (iii) an incentive paid to the workers who opted for the voluntary exit; (iv) the intervention of the income support mechanisms provided for the credit sector (e.g. Solidarity Fund, Emergency Fund); (v) the timing for the termination of employment of any redundant workers who had not accepted the provisions in (ii) above.

To support these professionals, BFF established a collaboration with i) an outplacement agency and with an innovative digital skills training and development company, offering a course on digital skills and data analysis. The process, which concluded with the issuance of a certification of the new skills, is proceeding with one-to-one follow-up meetings with each participant to gather their observations two months into the course and get a better understanding of the training. The participants continue to have access to the campuses and their services.

The dialog with the trade unions has also resulted in a lower number of redundancies, but more importantly, given the characteristics of the workers involved – rather young and far from retirement age – solutions were identified aimed at flanking the classic redundancy management tools, mostly related to welfare, with other innovative solutions aimed at improving their chances of finding a new job, using tools voluntarily made available by BFF, such as programs for career management or training and the development of digital skills. Notably, already two of the people involved in the procedure have found new jobs, while 8 had access to early retirement. This leaves 12 people of the initial 49 redundancies who are still looking for new employment.

As regard to diversity and equal opportunities, the Group is consistent with its Code of Ethics, policies, and regulations, as it:

- ▶ ensures that the employment relationship is based on the equal dignity of the parties and respect for the rights of others and the legitimate expectations of employees;

- ▶ values and respects diversity, at all stages of the employment relationship, avoiding any form of discrimination based on gender, sexual orientation, age, nationality, health status, political opinions, race and religious beliefs;
- ▶ promotes a culture based on mutual respect, transparency and clear communication, through an open and clear exchange of views;
- ▶ avoids all forms of discrimination or favoritism both at the recruitment stage and in the management of the employment relationship.

The Group recognizes the values of diversity and inclusion as veritable key resources aimed at innovation and the growth of the productivity and sustainability of the Bank and its Subsidiaries. Indeed, the diversity of skills, experiences, ideas and viewpoints fosters a better understanding of customer needs and greater competitiveness in the marketplace. The Bank understands that plurality and diversity help improve business performance, as well as meet stakeholder expectations on ESG (Environmental, Social, Governance) issues. The Group believes that the enhancement of sustainable success in the long run cannot be separated from the enhancement of diversity and the recognition of the importance of inclusion, believing them to be a key pillar in guiding the Bank's operations, in the interest of all the Group's stakeholders.

During the reporting period, there were no cases of discrimination or issues that could have a negative impact on the Bank and its subsidiaries.

The Group adopted the Diversity & Inclusion Policy⁵² in December 2022. The Policy defines the guiding principles to promote diversity and inclusion continuously and progressively within the Group thereby fostering an inclusive work environment for staff and sustaining the commitment to diversity and inclusion as a factor that exerts positive effects on all the Bank's stakeholders. Underlying the Policy is the idea that the ultimate goal to support diversity is to make sure that every single person has access to the same opportunities and equal treatments and thus, ultimately, that everyone has the opportunity to be evaluated on the basis of his or her own values, abilities and merits, regardless of race ethnicity, age, gender, disability or other characteristics (such as marital and/or parental status) that could represent a discriminating factor. In this way, the Bank can, at the Group level, welcome and grow the best talent who can be hired on the basis of objective, non-discriminatory and, of course, meritocratic criteria.

The Policy is communicated to all recipients, i.e. personnel and all persons who work on behalf of and/or in the interest of BFF and the Group, or who have business relationships or collaborations of another nature with them (e.g. suppliers, consultants, collaborators, and brokers). Specifically for BFF personnel, knowledge of the Policy is also fostered through appropriate and specific awareness-raising and training initiatives, proportionate and calibrated to the roles, responsibilities and functions of each area of operation.

As part of the process of drafting and/or updating the Group Business Plan, upon the proposal of the Chief Executive Officer, and after consultation with the Human Resources and Organizational Development Function, in coordination with the Group ESG & Financial Reporting Officer Support Organizational Unit, the Bank's Board of Directors establishes the Operational Plan for defining the actions and interventions necessary to achieve the objectives set forth in the Diversity & Inclusion Policy. Annually, the Bank's Chief Executive Officer provides the Board of Directors with an update on the Operational Plan's execution in terms of (i) periodic monitoring of both qualitative and quantitative results and (ii) preparation of any corrective actions,

52) The document is available at the following link on the corporate website: https://edge.sitecorecloud.io/bffbanking-yt799fde/media/Project/BFFWebsites/investorrelations/Eng-PDF/Governance/Diversity-e-inclusion-policy/BFF_Diversity--Inclusion-Policy---ENG.pdf

with indication of the relevant Corporate Functions. Reporting of activities undertaken and goals achieved are reported in the NFS.

The Policy is disclosed by publication on the websites and intranets of Group companies, and is brought to the attention of newly hired individuals through the delivery of the “welcome kit”, to foster a solid awareness of its setting, as well as for the purpose of transparency to the market with regard to the principles and values that are an integral part of the cultural heritage of the Bank and the Group. In particular, an e-learning initiative (in both Italian and English) based on the content of the policy and intended for all Group employees was launched in December 2023, now included among the set of mandatory courses.

One of the initiatives planned to concretely support the implementation of the policy that is particularly worthy of note is the establishment of the Inclusion Board.

The Inclusion Board is a committee composed of Bank employees, an expression of the various Legal Entities of the Group, selected on the basis of self-nominations, with the following tasks:

- ▶ collect and represent inclusion issues within the Group;
- ▶ initiate discussions with the leadership team and set priorities for actions to be taken;
- ▶ using a clear, transparent approach, promote the initiatives and actions put in place at the Group level having to do with inclusion and participation in corporate life;
- ▶ propose measures to avoid diversity-related biases, both in hiring processes and in the subsequent phases of professional development and promotions;
- ▶ promote inclusion across countries and national cultures where the Bank has a presence at the Group level.

In September 2023 the application collection process was initiated, and in November 2023 the Committee was established, consisting of 9 members of 3 nationalities, with an employee from the HR&OD function serving as facilitator and ensuring the proper functioning of the Council, taking care of transposing the details of each Committee meeting by collecting objectives, actions, timelines and conclusions.

The Inclusion Board is therefore responsible for promoting a culture of diversity and inclusion through a process of listening and feedback to BFF People, the Human Resources and Organizational Development function, and Top Management.

The Committee will play a crucial role in fostering inclusion by providing a diverse representation of perspectives and expertise to enable more inclusive decisions and bring new perspectives, promoting the creation of a fair, inclusive, and opportunity-rich work environment for all people in the Group and equity and equal opportunities for growth, including economic growth.

Reporting of activities undertaken and goals achieved will be reported in the NFS.

The commitment to adopt a proactive approach in fostering equal opportunities at all levels is further formalized in the Policy, starting from the selection and hiring phase of BFF People based only on objective and meritocratic criteria up to the enhancement of the propensities and talents of each individual, again on a meritocratic basis.

In Poland, diversity and equal opportunities are strictly governed by local labor law. In particular, equal treatment with regard to employment is based on the following assumptions:

- ▶ regardless of the type and terms of employment, employees must be treated equally with respect to gender, age, disability, race, religion, nationality, political opinions, ethnic origin, religious beliefs, sexual orientation;
- ▶ equal treatment in employment means not discriminating in any way, directly or indirectly, against the worker's life within the organization, including his or her professional development until employment terminates.

The BFF Group offers, on a gender-neutral basis, remuneration in line with the market, benefits and additional incentive schemes designed both to improve people's quality of life and value their performance based on merit.

In order to ensure constant monitoring of remuneration gaps and gender neutrality as part of the overall governance of policies, and in compliance with the provisions of the update of **Circular 285/13 on remuneration and incentive policies and practices** of November 24, 2021 and the **EBA Guidelines**⁵³ (July 2, 2021), BFF has activated specific safeguards to ensure the gender neutrality of remuneration policies. In detail:

- ▶ an annual report for the Remuneration Committee and Board of Directors is produced on the trend of the gender pay gap ("Average Pay Gap" and "Pay Equity Gap") and gender gaps as a whole, generally between June and October, in any case in time to ensure the integration of any monitoring measures in the remuneration policy for the following year;
- ▶ where there are pay differentials at individual role level of more than 10%, the detailed revision of the HR processes of growth and salary adjustment through the inclusion of "control steps" in pay review processes;
- ▶ in the event of particularly significant gaps, consideration is given to the allocation of dedicated budgets (a non-gender neutral remuneration policy in favor of the discriminated gender), always within the overall budget approved by the Board of Directors.

The ambition of pay equity (gender neutrality and equal opportunity) has also been incorporated into the 2023 remuneration policy.

Analyses conducted for 2023 show a Gender Pay Gap of 88.4% unchanged from the previous year for the Board of Directors (excluding the Chair). The gender pay gap remained unchanged from the previous year because there were no changes in either the composition of the BoD and board committees or in the members' compensation.

The containment of the Pay Equity Gap between 2023 and 2022 in all countries highlights a non-discriminatory gender pay policy that is in line with the Diversity & Inclusion Policy.

The Group is also implementing a review of its recruiting, growth and staff retention processes, with a special focus on the gender gap. To achieve this goal, analysis and monitoring tools, including those based on numerical indicators, are being used so as to assess any situations of wage inequality accurately and take appropriate corrective measures.

53) The provisions introduced by Directive 2019/878/EU (CRD V), taken up by the EBA, have the objective of reinforcing the application of the principle of equal pay for male and female workers for equal work or work of equal value provided for in Article 157 of the Treaty on the Functioning of the European Union (TFEU).

AVERAGE TOTAL SALARY OF EMPLOYEES⁵⁴

ITALY	UoM	2023			2022			2021		
		Men	Women	%	Men	Women	%	Men	Women	%
Top Management	€	156,497	143,750	92%	151,764	141,250	93%	158,250	133,750	85%
Middle Management	€	84,403	68,713	81%	80,029	63,471	79%	80,390	62,363	78%
Staff	€	54,941	49,223	90%	51,342	45,991	90%	50,061	44,353	89%

AVERAGE TOTAL REMUNERATION OF EMPLOYEES⁵⁵

ITALY	UoM	2023			2022			2021		
		Men	Women	%	Men	Women	%	Men	Women	%
Top Management	€	204,296	197,870	97%	222,708	202,045	91%	216,660	192,848	89%
Middle Management	€	104,245	80,340	77%	100,988	79,047	78%	99,740	73,865	74%
Staff	€	60,908	52,951	87%	58,649	48,229	82%	57,355	46,647	81%

RATIO OF THE ANNUAL TOTAL REMUNERATION OF THE PERSON RECEIVING THE HIGHEST REMUNERATION TO THE MEDIAN ANNUAL TOTAL REMUNERATION OF ALL EMPLOYEES

	2023	2022	2021
BFF Banking Group	51.71	56.85	40.60

As the Chief Executive Officer's total compensation decreased between 2022 and 2023, the ratio of the percentage increase in the annual total compensation of the person receiving the highest compensation to the percentage increase in the median annual total compensation of all employees was negative. Note that the data on: i) the ratio of the annual total compensation of the person receiving the highest compensation to the median annual total compensation of all employees, ii) the ratio of the percentage increase in the annual total compensation of the person receiving the highest compensation to the percentage increase in the median annual total compensation of all employees, in contrast with the contents of the Report on Remuneration and Compensation Paid, are calculated following the cash principle.

With regard to protected categories, there are 23 employees in Italy subject to current local regulations and belonging to the staff category⁵⁶.

All in all the Group recorded 107 new hires in 2023, with an inbound turnover of 13%, up 4 percentage points versus 2022, which saw an inbound turnover of 9%.

In 2023, BFF continued to grow in size due to business development in Italy and in new markets.

54) "Note that the data were reported with reference to BFF Bank SpA, an important site for the Group in terms of number of resources. In fact, the number of resources at BFF Bank SpA represents about 65% of the Group's total workforce.

55) "Note that the data were reported with reference to BFF Bank SpA, an important site for the Group in terms of number of resources. In fact, the number of resources at BFF Bank SpA represents about 65% of the Group's total workforce.

56) It is not possible to compare this figure with other countries as the definition of "legally protected groups" varies according to local legislation.

EMPLOYEES WHO JOINED BFF GROUP BY GENDER

	12.31.2023			12.31.2022			12.31.2021		
COUNTRY	Male	Female	Total	Male	Female	Total	Male	Female	Total
Italy	28	19	47	16	20	36	16	11	27
Spain	11	6	17	4	4	8	6	7	13
Portugal	4	1	5	1	1	2	2	0	2
Poland	8	28	36	10	19	29	7	25	32
Slovakia	1	0	1	1	1	2	0	3	3
Czech Rep.	0	0	0	1	0	1	1	0	1
Greece	1	0	1	1	0	1	0	2	2
Total BFF Group	53	54	107	34	45	79	32	48	80

TURNOVER RATES OF EMPLOYEES WHO JOINED BFF GROUP BY GENDER

	12.31.2023			12.31.2022			12.31.2021		
COUNTRY	Male	Female	Total	Male	Female	Total	Male	Female	Total
Italy	10%	7%	9%	6%	7%	6%	6%	4%	5%
Spain	32%	20%	27%	16%	14%	15%	23%	23%	23%
Portugal	40%	33%	38%	14%	33%	20%	29%	N/A	20%
Poland	15%	22%	19%	17%	15%	16%	12%	19%	17%
Slovakia	17%	N/A	8%	20%	10%	13%	N/A	27%	19%
Czech Rep.	N/A	N/A	N/A	100%	N/A	50%	100%	N/A	33%
Greece	17%	N/A	10%	20%	N/A	11%	N/A	50%	25%
Total BFF Group	14%	12%	13%	9%	10%	9%	8%	10%	9%

EMPLOYEES WHO JOINED BFF GROUP BY AGE GROUP

	12.31.2023				12.31.2022				12.31.2021			
COUNTRY	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Italy	17	28	2	47	8	25	3	36	2	18	7	27
Spain	4	11	2	17	3	5	0	8	5	8	0	13
Portugal	1	4	0	5	0	1	1	2	0	2	0	2
Poland	25	9	2	36	13	16	0	29	17	13	2	32
Slovakia	0	1	0	1	0	2	0	2	1	2	0	3
Czech Rep.	0	0	0	0	0	1	0	1	0	1	0	1
Greece	0	1	0	1	0	1	0	1	1	1	0	2
Total BFF Group	47	54	6	107	24	51	4	79	26	45	9	80

TURNOVER RATES OF EMPLOYEES WHO JOINED BFF GROUP BY AGE GROUP

COUNTRY	12.31.2023				12.31.2022				12.31.2021			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Italy	89%	10%	1%	9%	89%	8%	1%	6%	20%	5%	3%	5%
Spain	40%	25%	20%	27%	50%	13%	N/A	15%	125%	17%	N/A	23%
Portugal	100%	36%	N/A	38%	N/A	13%	100%	20%	N/A	25%	N/A	20%
Poland	52%	7%	14%	19%	30%	12%	N/A	16%	35%	10%	25%	17%
Slovakia	N/A	10%	N/A	8%	N/A	15%	N/A	13%	50%	15%	N/A	19%
Czech Rep.	N/A	N/A	N/A	N/A	N/A	50%	N/A	50%	N/A	33%	N/A	33%
Greece	N/A	11%	N/A	10%	N/A	13%	N/A	11%	100%	14%	N/A	25%
Total BFF Group	59%	12%	2%	13%	38%	10%	2%	9%	39%	8%	4%	9%

In terms of departures, however, overall the Group recorded 119 exits during 2023, registering an outbound turnover of 14%, practically the same as in 2022.

The departures were driven by needs expressed by the resources in terms of: new opportunities for professional growth, the search for a different work-life balance, and in some cases needs to reconnect with their families, as well as the restructuring mentioned above following the loss of two major customers.

In any case, consider that the outbound turnover percentages for the years 2021 and 2023 were affected by the extraordinary events that took place, respectively the acquisition of Depobank and the organizational restructuring, which resulted in outflows that would not have otherwise occurred. Specifically, in 2021, excluding synergies from the acquisition, the turnover outflow would have been 10% – in Italy 5% – and in 2023, excluding outflows from the restructuring, it would have been 12% – in Italy 10%.

Finally, note that the reduction in turnover in Poland from 2021 to the present is the result of the policies of retention and attraction implemented in recent years.

EMPLOYEES WHO LEFT BFF GROUP BY GENDER

COUNTRY	12.31.2023			12.31.2022			12.31.2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Italy	39	35	74	28	26	54	19	28	47
Spain	2	4	6	5	7	12	7	7	14
Portugal	1	1	2	1	1	2	1	1	2
Poland	12	22	34	12	22	34	16	27	43
Slovakia	0	3	3	1	2	3	0	0	0
Czech Rep.	0	0	0	1	1	2	0	0	0
Greece	0	0	0	0	0	0	0	0	0
Total BFF Group	54	65	119	48	59	107	43	63	106

TURNOVER RATES OF EMPLOYEES WHO LEFT BFF GROUP BY GENDER

	12.31.2023			12.31.2022			12.31.2021		
COUNTRY	Male	Female	Total	Male	Female	Total	Male	Female	Total
Italy	14%	13%	14%	10%	9%	10%	7%	10%	8%
Spain	6%	13%	9%	20%	25%	23%	27%	23%	25%
Portugal	10%	33%	15%	14%	33%	20%	14%	33%	20%
Poland	22%	17%	18%	20%	18%	19%	27%	21%	23%
Slovakia	N/A	43%	23%	20%	20%	20%	N/A	N/A	N/A
Czech Rep.	N/A	N/A	N/A	100%	100%	100%	N/A	N/A	N/A
Greece	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total BFF Group	14%	14%	14%	13%	13%	13%	11%	13%	12%

EMPLOYEES WHO LEFT BFF GROUP BY AGE GROUP

	12.31.2023				12.31.2022				12.31.2021			
COUNTRY	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Italy	4	44	26	74	2	42	10	54	6	27	14	47
Spain	0	6	0	6	1	11	-	12	3	9	2	14
Portugal	1	0	1	2	1	1	-	2	0	2	0	2
Poland	12	22	0	34	12	21	1	34	12	29	2	43
Slovakia	1	2	0	3	1	2	-	3	0	0	0	0
Czech Rep.	0	0	0	0	-	2	-	2	0	0	0	0
Greece	0	0	0	0	-	-	-	-	0	0	0	0
Total BFF Group	18	74	27	119	17	79	11	107	21	67	18	106

TURNOVER RATES OF EMPLOYEES WHO LEFT BFF GROUP BY AGE GROUP

	12.31.2023				12.31.2022				12.31.2021			
COUNTRY	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Italy	21%	16%	10%	14%	22%	14%	4%	10%	60%	8%	6%	8%
Spain	N/A	14%	N/A	9%	17%	28%	N/A	23%	75%	19%	33%	25%
Portugal	100%	N/A	100%	15%	100%	13%	N/A	20%	N/A	25%	N/A	20%
Poland	25%	18%	N/A	18%	28%	16%	13%	19%	26%	22%	25%	23%
Slovakia	N/A	20%	N/A	23%	100%	15%	N/A	20%	N/A	N/A	N/A	N/A
Czech Rep.	N/A	N/A	N/A	N/A	N/A	100%	N/A	100%	N/A	N/A	N/A	N/A
Greece	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total BFF Group	23%	16%	9%	14%	27%	15%	4%	13%	32%	12%	8%	12%

Professional development of human capital

The Group provides training to staff, in order to develop their skills, aptitudes and abilities, and to keep up to date with the regulatory requirements relevant to the business and industry trends.

BFF Academy is both a physical and virtual environment where knowledge, skills, techniques and ideas are shared and developed to advance our workforce and thereby also the growth of the company.

The training offered by BFF Academy aims to create a common and distinctive knowledge of BFF Group's identity which, combined with the transfer of knowledge, aspires to boost performance, placing major emphasis on understanding the meaning of specific internal procedures and the reasons for adopting them. This gives rise to the following pay-off: "Common Behaviors + Knowledge Transfer = Fast Business Results."

To achieve this goal, BFF Group decided to focus on a training and development path that has made it possible to:

- ▶ define a Group approach (BFF Group Academy);
- ▶ align the training plan with the BFF Group strategy;
- ▶ integrate personal development plans with the training plan;
- ▶ provide greater support to the development of each professional role;
- ▶ optimize costs;
- ▶ Organize a streamlined and more consistent governance of training processes;
- ▶ use the LMS (Learning Management System) as the Group management tool that supports training.

The overall objective of the Academy is, therefore, to ensure the professional development of staff and to pass on various professional skills, using a variety of activities, subjects and training methods.

To achieve this goal, BFF Academy has set up a:

A. Comprehensive Linear Training Structure consisting of four macro-areas into which all training is categorized and organized, at parent company as well as local level, or customized for each individual Country.

The four macro-areas that make up the Academy's structure are described below:

1. Onboarding Journey: this process is fully aligned with the company's goals, its primary objective being to make new recruits and others aware of the products and services offered by the Group and the BFF Value Chain. In line with the Group's strategy, from 2019 an additional dedicated customized transversal induction process for all new recruits was introduced based on their specific professional requirements. In line with the assumption that "much of what we learn, we learn thanks to others", this induction process includes on job training alongside a specialist to illustrate the organizational context and the people within it, with the aim of welcoming, facilitating and speeding up the new employee's entry into the company, as well as the assimilation of the corporate culture and the purpose of the specific job.

2. Business Area: it seems essential to provide employees not only with a general overview of all the specialized factoring, credit management and financial services provided by BFF Group to Healthcare and Public Administration suppliers, but also with more in-depth knowledge of the regulations that underpin the Group's business. Therefore, specific training has been developed concerning the Business macro-area, within which significant space is given to courses covering specific topics depending on the business area or activity, such as budgeting, bond and derivative trading, internal audit, credit risk, corporate governance and legal, financial and administrative training.

3. Cross Tool & Processes: this area addresses soft skills related to both general work tools as well as processes specific to BFF Group which are indispensable to increase efficiency and productivity, such as Project Management, the Office suite, technical updating on cross-cutting tools and processes, etc., as well as studying and perfecting foreign languages. This macro-area also includes:

3.a) Statutory training

This cluster includes for the most part compliance issues, focusing mainly on privacy, conflict of interest management, banking transparency, code of ethics and whistleblowing, anti-money laundering and anti-terrorism, insider trading, as well as Information Technology issues such as personal data processing, following the introduction of the GDPR, as well as cyber security.

3.b) Training regarding health and safety at work

Information in the provision of training and the relative attestations on occupational health and safety reflect the professional roles required by regulations in force: (i) employees, managers and supervisors; (ii) those responsible for the risk prevention and protection service (RSPP) and those with specific duties; (iii) employers.

4. Soft skills: this training aims to ensure an adequate understanding of the role that such skills play in the working life of each individual employee. Actions also include the spreading of the Group's core values, such as teamwork value, in the belief that a fair working climate, where generational diversity is also valued, will have a positive impact on the discharge of all work-related tasks and on the process for the integration of all employees. Soft skills training covers a variety of topics, such as negotiation skills, time and stress management, public speaking and team building. This macro-area also includes managerial training.

B. Diversified training methods within the various training plans and areas:

1. Online - includes events, webinars and Open training courses, available throughout the entire BFF Group, as well as local courses specific to each country provided in e-learning mode.

2. Classroom Based - standard training method involving in person interaction between the employee and the instructor.

3. Virtual Classroom - virtual training paths through relationship and interaction activities, using multimedia and interactive approaches, with a view to providing an educational assisted by technology.

4. Blended - integrates traditional classroom training with online training.

C. Training type divided between:

1. Internal Training - includes courses transversal to the entire BFF Group and local courses in each country, the design, organization, management and provision of which is handled by the Group's Human Resources and Organizational Development Function and the local Human Resources organizational units, always aligned with the business strategy.

2. External Training - includes training courses proposed by BFF Group employees, requested from outside the training offer and the standard courses available in each country. This category may also include participation in professional training courses, seminars, conventions and business workshops.

3. Personal Training – includes training organized externally to the BFF Group and financed by the Employee himself, thus proving the Bank to be nimble and flexible in capturing the training needs of its people. This category may also include participation in master's degree courses.

4. Individual Training - includes training courses taken individually ("one to one"). This category may also include language or technical courses.

5. Group Training - includes training courses taken by uniform groups in terms of their baseline level (such as Office) and Training Needs and Objectives.

In addition to the above, focusing on the development and personal empowerment of all people in the Group, a partnership with GoodHabitZ began in November 2023, an interactive e-learning and assessment platform that helps develop skills related to business, behavior, digital technology, languages, diversity, wellness, and others.

The platform is available 24/7 from both fixed and mobile devices and allows for targeted choices among the courses offered based on the various assessments available, which help people gain greater self-awareness and thus choose the most suitable courses designed to foster the development of both current and future skills with respect to their professional goals/areas of improvement.

The platform also provides access to a list of courses aimed at wellness and mental health, offering tools to combat stress and thus increase job satisfaction.

The approach is based on the realization that constant learning has become a necessity today: we no longer train only in the classroom, but through continuous experience in the course of our daily lives, both on and off the job. Finally, unlike the "traditional" training model, people are responsible for what they learn, how they learn, and the situations and context in which they choose to learn.

In addition, a new training area was launched in 2023 dedicated to the topics of Mental Health and Wellbeing, as key elements in strengthening engagement and the ability to effectively manage change. This will continue in 2024 with micro-meditation initiatives and a dedicated communication plan.

Also in 2023, a workshop was held with Stimulus, a company specializing in these issues, to raise employee awareness of the above issues and the support service available free of charge online to all Italian employees.

Similar services are also available in many of the other countries where the Group operates, reaching Group-wide coverage in 2024.

During 2023, the Group delivered a total of 33,714 hours of training to its employees, an increase of about 60% compared to the previous year, of which about 18,821 to women and about 14,892 to men, with an average of about 41 hours per employee.

Below are the tables containing the figures by gender and professional category for 2023, 2022 and 2021.

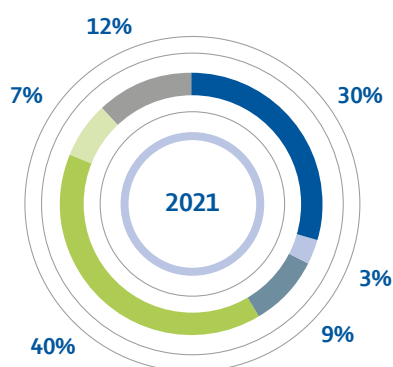
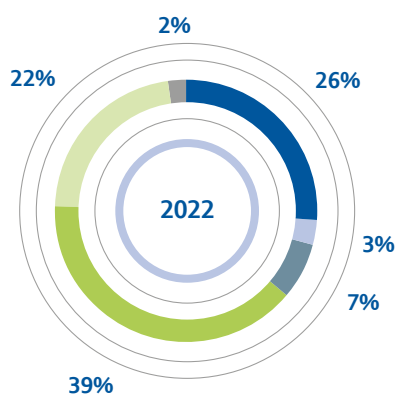
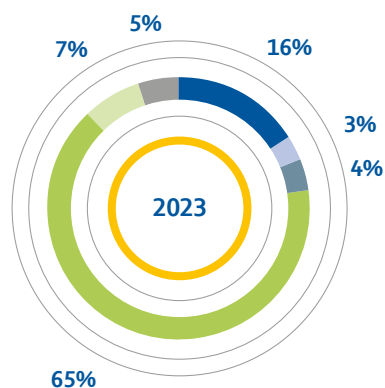
AVERAGE TRAINING HOURS OF BFF BANKING GROUP BY GENDER AND PROFESSIONAL CATEGORY (IN HOURS)

PROFESSIONAL CATEGORY	12.31.2023			12.31.2022			12.31.2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<i>Top Management</i>	28	32	29	15	18	16	21	14	19
<i>Middle Management</i>	44	37	41	17	28	22	37	37	37
<i>Staff</i>	38	43	41	26	26	26	35	40	38
Total	39	42	41	23	26	25	35	40	37

In general, training is divided into 4 separate categories by subject area, as described above. In order to provide more detailed information regarding training, the data below is broken down into the following categories: Statutory Training and Health and Safety, Soft Skills, Cross Tool & Processes, Business, Onboarding.

PERCENTAGE OF GROUP-WIDE TRAINING AREAS

■ Statutory training
 ■ Health and safety
 ■ Soft Skills
 ■ Cross Tools & Processes
 ■ Business
 ■ On boarding



In general, in terms of training provided in the course of 2023, the greatest increase compared to 2022 was seen in the following categories: Onboarding, Mandatory Training and Soft skills.

1. Onboarding Training

In line with the Group's strategy, an additional training category, onboarding journey, was already planned in 2019. Compared to the past, it now includes a customized cross-cutting induction path based on specific professional skills and is intended for all new recruits. This induction involves more structured field training delivered in the first few weeks alongside a specialist in order to facilitate entry into the company through assimilation of the company culture and quick access to tools, processes, and procedures typical of the new resource's work area.

At the Group level 3,997 hours were provided, a sharp increase compared to previous years, partly due to the strengthening of this category of training.

HOURS OF ONBOARDING TRAINING BROKEN DOWN BY GENDER AND PROFESSIONAL CATEGORY (IN HOURS)

PROFESSIONAL CATEGORY	12.31.2023			12.31.2022			12.31.2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<i>Top Management</i>	50	0	50	6	0	6	16	5	21
<i>Middle Management</i>	238	129	367	45	44	89	160	99	259
<i>Staff</i>	1,503	2,078	3,581	119	193	312	659	818	1,477
Total	1,791	2,206	3,997	170	237	407	835	922	1,757

2. Specific Training covering Business Areas

This training covers specific topics linked to the reference area or activity, such as basic factoring, corporate governance, credit risk management and "workout" budget analysis.

A Group training initiative was launched in 2021 which was dedicated to the sales team of the Factoring & Lending Function and aimed at unifying the customer acquisition and retention process, continued in 2022 with training activities on soft skills. In 2022, the initiative was also extended to other groups within the Factoring & Lending department (Top Debtors, Collection). The initiative continued in 2023 with a focus on the International Credit Management group, with the aim of formalizing and increasing the effectiveness of the credit management process, strengthening the "Debtor Experience" approach throughout the Group.

At a Group level, 2,219 hours were delivered in 2023, approximately 4,618 hours in 2022 and 2,203 hours in 2021, a decrease of 52% over the previous year. This decrease is mainly due to the importance the other training categories had during the year.

HOURS OF BUSINESS AREA SPECIFIC TRAINING DELIVERED BROKEN DOWN BY GENDER AND PROFESSIONAL CATEGORY (IN HOURS)

PROFESSIONAL CATEGORY	12.31.2023				12.31.2022				12.31.2021			
	Male	Female	Total	Average hours	Male	Female	Total	Average hours	Male	Female	Total	Average hours
Top Management	55	16	71	2	116	-	116	4	26	0	26	1
Middle Management	215	138	352	2	475	226	701	4	266	169	434	3
Staff	459	1,338	1,797	3	1,601	2,200	3,801	6	683	1,060	1,743	3
Total	728	1,491	2,219	3	2,192	2,426	4,618	5	975	1,228	2,203	3

3. Cross-cutting Processes and Tools

This training covers various areas, such as studying and improving knowledge of foreign languages, Project Management and the Microsoft Office suite.

At the Group level, 13,349 hours were delivered in 2023, an increase of 61% compared to 2022, when 8,270 hours were delivered in the cross tools and processes category. In 2023 the Group focused its training activities on cross-country and transversal training in order to foster international alignment and the dissemination of shared skills and best practices, also thanks to the GoodHabitz e-learning platform, available in multiple languages.

HOURS OF TRAINING DELIVERED ON CROSS-CUTTING TOOLS AND PROCESSES BROKEN DOWN BY GENDER AND PROFESSIONAL CATEGORY (IN HOURS)

PROFESSIONAL CATEGORY	12.31.2023				12.31.2022				12.31.2021			
	Male	Female	Total	Average hours	Male	Female	Total	Average hours	Male	Female	Total	Average hours
Top Management	218	42	260	9	74	48	121	4	210	4	214	8
Middle Management	2,129	1,007	3,136	20	467	716	1,183	8	2,090	1,671	3,761	24
Staff	3,556	6,398	9,953	16	2,609	4,357	6,966	11	5,989	11,021	16,910	25
Total	5,902	7,447	13,349	16	3,149	5,120	8,270	10	8,190	12,695	20,886	24

3. a) Statutory Training

Compliance topics were dealt with for the most part. During 2023, courses were provided in relation to: i) privacy, ii) conflict of interest management, iii) transparency, complaints and usury, iv) market abuse, v) internal dealing, vi) administrative liability of entities, vii) code of ethics and whistleblowing, viii) anti-money laundering and anti-terrorism and ix) data protection issues such as personal data processing, following the introduction of the GDPR, x) cyber security and the Business Continuity Plan topics, xi) Diversity & Inclusion.

At a Group level, approximately 10,047 hours were provided in 2023 and approximately 5,531 hours in 2022, an increase of 82% over the previous year. This increase is mainly attributable to the addition of specific training in the D&I field and the provision of specific additional training sessions in the Information Security field, as well as periodic communication campaigns on mandatory courses.

STATUTORY TRAINING HOURS DELIVERED BY BFF BANKING GROUP BROKEN DOWN BY GENDER AND PROFESSIONAL CATEGORY (IN HOURS)

PROFESSIONAL CATEGORY	12.31.2023				12.31.2022				12.31.2021			
	Male	Female	Total	Average hours	Male	Female	Total	Average hours	Male	Female	Total	Average hours
Top Management	163	50	213	7	124	17	141	5	132	27	159	6
Middle Management	1,073	781	1,855	12	443	279	723	5	533	377	910	6
Staff	3,336	4,643	7,979	12	2,012	2,655	4,667	7	1,877	2,351	4,228	6
Total	4,573	5,474	10,047	12	2,579	2,952	5,531	7	2,541	2,755	5,296	6

3. b) Occupational Health and Safety

Training on occupational health and safety is provided through the “Company Safe Course”, which is held in all the Group’s subsidiaries. At a Group level, approximately 980 hours were delivered in 2023 and around 707 hours in 2022, an increase of 39% over the previous year.

HEALTH AND SAFETY TRAINING HOURS DELIVERED BY BFF BANKING GROUP BROKEN DOWN BY GENDER AND PROFESSIONAL CATEGORY (IN HOURS)

PROFESSIONAL CATEGORY	12.31.2023				12.31.2022				12.31.2021			
	Male	Female	Total	Average hours	Male	Female	Total	Average hours	Male	Female	Total	Average hours
Top Management	46	32	78	3	41	6	47	2	47	18	65	3
Middle Management	74	90	164	1	64	40	104	1	53	28	81	1
Staff	389	349	738	1	385	171	556	1	305	386	690	1
Total	509	471	980	1	490	217	707	1	405	432	836	1

4. Soft Skills

Soft skills training covers a variety of topics, such as negotiation skills, time and stress management, effective communication and cross cultural integration.

At a Group level, approximately 3,122 hours were delivered in 2023 and 1,542 hours in 2022, an increase of 102% over the previous year. This increase is attributable both to the introduction of the GoodHabitZ e-learning platform that offered a wide range of courses belonging to this category, as well as to a strengthening of the development part within the performance management process, which envisaged the provision of specific training both on process issues and on soft aspects related to the culture of feedback, which made it possible to structure so-called “Development talks,” that is, the interim and annual evaluation interviews focused on aspects of resource development.

HOURS OF TRAINING DELIVERED ON SOFT SKILLS BROKEN DOWN BY GENDER AND PROFESSIONAL CATEGORY (IN HOURS)

PROFESSIONAL CATEGORY	12.31.2023				12.31.2022				12.31.2021			
	Male	Female	Total	Average hours	Male	Female	Total	Average hours	Male	Female	Total	Average hours
Top Management	137	20	157	5	5	0	5	0	20	0	20	1
Middle Management	398	303	701	4	61	502	563	4	96	122	218	1
Staff	854	1,410	2,264	4	253	721	974	1	436	605	1,041	2
Total	1,389	1,733	3,122	4	319	1,223	1,542	2	552	727	1,279	1

The Performance Management process

BFF's incentive system, strictly linked to long-term sustainability, consists of several elements, available depending on the employee's role within the company structure, and it includes, but is not limited to:

- ▶ short-term incentive plans (MBO);
- ▶ long-term incentive plan, stock option plans;

The Performance Management process encompasses the set of activities, approaches and tools adopted by the Group to achieve its targets in an efficient and timely manner. It also involves the implementation of the Management by Objectives (MBO) scheme, the Group's annual short-term incentive.

BFF Group's Performance Management model is aligned and integrated with strategic objectives and has a multi-stakeholder approach, it spans four main areas: Financial view; Process view; People view; Customer view⁵⁷.

Based on this model, a process has been developed that:

- ▶ has, as a common objective for all the company's staff - apart from the Control Functions, the CFO and the Human Resources & Organizational Development Function - the parameter of the EBTDA RA (Risk Adjusted), which clearly shows the strong link with profitability but also gives significant attention to risk, ensuring the Bank's sustainable growth in the long term;
- ▶ includes a diversity driver (both gender and nationality) for hiring to managerial positions among the personal objectives of the staff reporting directly to the BoD. This facilitates more women or foreigners being appointed to key positions of the Group by requiring that at least 50% of the shortlists for posts becoming available during the year include women or people of a different nationality than that of the country for which the selection is being made. This operational KPI is within the scope of Diversity Equity & Inclusion and also finds strategic and programmatic correspondence with the approval of the new Diversity and Inclusion Policy by the Bank's Board of Directors;

57) For further details, please refer to the "2023 Remuneration and Incentive Policy for Members of the Strategic Supervision, Management and Control Bodies and the Personnel of the BFF Banking Group" available on the website: <https://investor.bff.com/en/Shareholders-Meeting-13-April-2023>

- ▶ includes Customer Satisfaction as a non-financial quantitative indicator for the Bank's employees, this is a valid marker of the level of sustainability of the Group over time, as it measures the satisfaction of customers with the service offered;
- ▶ includes within the 2023 remuneration policy three ESG KPIs in the MBO of the Chief Executive Officer in order to support the sustainability of the business through a quality relationship with customers, a positive impact on society thanks to a new strategic plan for the foundation and a commitment towards equality and inclusion to guarantee equal opportunities for everyone.

The exercise of options is linked to the achievement of KPIs (EBITDA RA, EPS, C/I, ESG-Carbon Footprint, ESG- Customer Satisfaction), which also determine the number of options vested. More specifically, upon reaching the "minimum" level, a percentage of vested options equal to 50% of the total options connected to the individual KPI is envisaged and then, with linear growth, one can achieve vesting of all the options connected to that KPI upon reaching the "target" level, and go as far as achieving, again with linear growth, the vesting of 150% of the options linked to the single KPI with the achievement of the "maximum" level of performance.

Attention to sustainability parameters, which is therefore considered a key and strategic element for the medium-long term development of the Group, involves raising the awareness of staff of an increasingly inclusive and sustainable corporate culture aimed at attracting, developing and retaining talent.

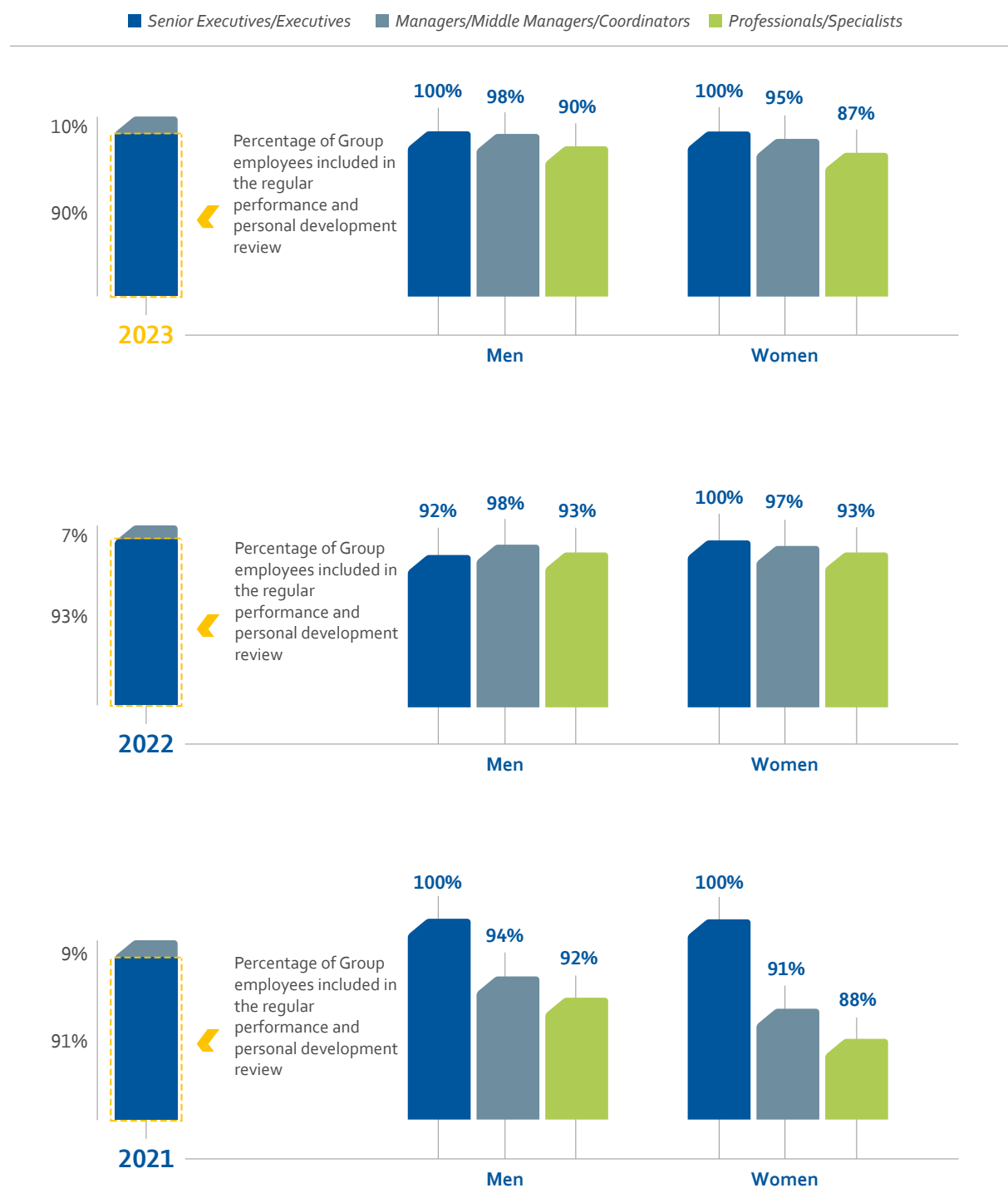
In this context, as part of its incentive policies, the bank has stock option plans that consist of the allocation of options that entitle the holder to receive ordinary shares of the Bank. The aim of this is to encourage the integration of staff, allowing them to share in the company's results, and raise their awareness of the creation of value for the Group and the shareholders, and thereby promoting the Bank's sustainability in the medium-long term.

As of December 31, 2023, 27% of employees had access to stock options.

These plans are disseminated to the corporate population defined as eligible and distributed on the basis of meritocracy criteria, regardless of professional rank, thus promoting a corporate culture aimed at constantly improving the Bank's performance in the long term.

As can be seen from the chart below, in 2023, 90% of employees - including non-eligible staff - received a regular review of their performance and professional development; the remaining 10% did not undergo any review process because they had been with the company for less than six months.

PERCENTAGE OF EMPLOYEES WHO RECEIVED A REGULAR PERFORMANCE AND PROFESSIONAL DEVELOPMENT REVIEW



Group Initiatives in support of its employees

Teleworking

Following the experiments with remote working carried out during the COVID-19 emergency, BFF launched its own teleworking program in 2022, addressed to all Group employees in the same manner. To date, 86% of employees have opted to take advantage of teleworking for an average of about 4,300 remote work days per month.

Underlying the agreement is the belief that allowing greater flexibility in managing one's time, better reconciling work and personal life, has a positive impact on people's motivation, as well as the desire to positively impact the environment by reducing air pollution and traffic in cities.

The agreement includes the possibility of working two days a week – chosen from Monday, Wednesday, and Friday – from one's home, while three days are worked in the office.

While working from home can increase the focus on work, to preserve sociality and alignment among people the Bank has chosen to establish two days – Tuesdays and Thursdays – when everyone works in the office. Certain categories of workers, also depending on what is envisaged locally in the various regulations, have access to more extensive programs to ease their work-life balance, for example parents with children under 14 or people with frail health.

CRAL (Employees' Recreational Facility)

The contribution that the Bank makes every year to the "BFF Bank S.p.A. Staff Cultural, Recreational and Sports Club" (CRAL) is a further example of the commitment that BFF Bank has for the well-being of its employees. This club organizes activities for its members, in keeping with the Bank's desire to stimulate and respond more effectively to the aspirations of its staff, and to provide a wider and more practical fulfillment of the needs of its employees. The activities are in a whole range of fields, including culture, sport, tourism, entertainment and leisure, and are intended to promote social and cultural formation through a healthy and profitable use of free time.

During 2023, the CRAL made a number of donations in favor of charitable associations operating throughout the country: to Associazione PEBA Onlus, which supports the removal of architectural barriers in public buildings, for the delivery of 100 panettoni to the parishes of Milan; Fondazione De Marchi, which fulfills the desires of children and young people with serious problems, and to Opera San Francesco, to give comfort to people in need. A fundraiser for the earthquake in Syria and Turkey was also organized in cooperation with BFF Bank SpA, to provide concrete help for this serious emergency situation. An initiative was also launched with the non-profit Tree of Life, through which cookies were donated as a gift to shareholders. In addition, surplus Christmas gifts were donated to the homeless in Milan.

Corporate Welfare

The Bank believes that the welfare of its employees is important for the achievement of the Group's objectives. In this regard, welfare plans have been developed in the various countries, consistent with the different needs of employees. Among the various schemes in place in Italy are:

- ▶ supplementary contributions to pension funds;
- ▶ meal vouchers;
- ▶ health coverage that can be extended to include family members.

The following schemes are in place in Portugal, Slovakia and Spain:

- ▶ meal vouchers;
- ▶ healthcare coverage, this package includes dental care, vaccinations and other tests.

Finally, extensive healthcare coverage is available in Poland, including both compulsory medical check-ups and additional check-ups. The package includes dental care, vaccinations and other tests.

Town hall meetings, Group conventions and other events

Continuous dialog with employees is central to the company's strategy. In order to promote a culture of transparency and exchange, BFF develops a dedicated Internal Communication plan against which it activates a series of initiatives, throughout the year aimed at ensuring moments of sharing, teamwork and coordination.

Plenary meetings, for example, involve all employees and are conducted on a quarterly basis to share achievements during the period and look together at future aspirations.

Also during 2023, as in the past, plenary meetings were held in **February, May, July** (with a session entirely dedicated to the business plan), **September** and **November**.

A special edition was devoted to the Business Plan, which, presented to the market on June 29, was also shared with employees so that they could further explore the Group's strategy for the years ahead.

These are online sessions that give all employees the opportunity to speak, ask questions and discuss the main issues that arose during the reporting period and during the specific event.

Sessions dedicated to questions and debate have an average duration of 40 -60 minutes.

For each plenary meeting, employees have the choice of connecting to the Italian or English language version. The two meetings are identical in their representation of data and strategy. They differ only in the question and discussion phase, which is entirely left to the needs of employees.

Recordings of plenary meetings, including Q&A sessions, are accessible on the Group Intranet beginning from a few days after the meeting. The attendance rate at plenary meetings averages 85%.

The **Group Convention**, which is organized every two years, was held in October in Poland, in October 2023, for the purpose of fostering exchange and collaboration among international teams. The theme of the 2023 Group Convention, "**BFF Unconventional**", sought to draw employees' attention to the identity of "bank like no other" that characterizes BFF's vision and confirms its willingness to be an active part of innovation processes and an engine of growth, always acting with responsibility and a readiness for sustainable change.

Indeed, the Convention is one of the moments when the Group as a unified whole celebrates the daily commitment of its employees, the goals achieved and future objectives, alternating social moments with team building and culture.

The days of the Convention are dedicated to celebrating BFF's corporate culture and emphasizing the Group's founding values.

Dates	Time	Q&A	Event	Attended*
10-Feb-23	9:00 am	55	Plenary Meeting	505
10-Feb-23	11:00 am	20	Town Hall INTL	251
11-May-23	4:00 pm	31	Plenary Meeting	451
12-May-23	9:30 am	5	Town Hall INTL	92
4-Jul-23	9:00 am	25	Plenary Meeting	650
8-Sep-23	9:00 am	28	Plenary Meeting	427
8-Sep-23	11:00 am	1	Town Hall INTL	223
10-Nov-23	2:00 pm	13	Plenary Meeting	454
10-Nov-23	3:30 pm	2	Town Hall INTL	224

(*) always lower than the number of actual employees, due to leave, holidays, etc.

Surveys

A survey analyzing the "informal" operation of the organization was launched in September 2023.

The Survey investigates 9 dimensions:

- ▶ The values of BFF
- ▶ Personal support network
- ▶ Professional support network
- ▶ Information network
- ▶ Network to improve professional innovation
- ▶ Network to improve the company's innovation strategy
- ▶ Emotional support network
- ▶ Career development network
- ▶ Emulation network

The ultimate goal is to maximize collaboration and increase the quality of communication and connections within the Bank.

Each employee who participated in the survey was able to download an individual report (anonymous and encrypted) mapping their own style of networking and containing some useful tips to further enhance it. Furthermore, the aggregate results will be used to establish the 2024 internal communication strategy and plan.

In October 2023 the employee commuting survey was distributed, collecting information on mobility habits, including the means of transportation used, spatial distribution of residences, characteristics of workplaces, and the infrastructure available in the area.

Using these data it was possible to get a comprehensive overview of the current situation, enabling the Bank to identify critical areas and opportunities for improvement.

The information gathered in this phase was crucial and offered a starting point for defining the strategies for improving the Commuting Plan (CP).

December 2023 saw the administration of the third edition of the Purpose Survey, the Group's bi-annual questionnaire that will allow for an analysis of the current organizational climate and to gather input that will facilitate taking concrete action, with the goal of making BFF an even more successful company by providing every employee with the resources they need to contribute to the company's goals.

Workers' Health and Safety

BFF Group is aware of the importance of occupational health and safety and is committed, as set out in its Code of Ethics, to spreading a culture of safety to all personnel and to all those who, in whatsoever capacity, may be involved or have an interest in the Group's activities.

Since 2015, the Parent Company has had a Health and Safety Policy, through which it enshrines its commitment to a healthy and safe workplace.

Following the closure of the OHSAS 18001 certification, and in view of possible future developments, the Bank is keeping the management system active and monitored by an external consultant, in order to operate in compliance with the provisions of Italian Legislative Decree No. 81/2008 and UNI-INAIL and to lay the foundations for a possible ISO 45001 certification.

Thanks to the Management System adopted, BFF complies with the provisions of Italian Legislative Decree 81/08 and has in place a constant monitoring process. The monitoring and control process is entrusted to Facilities, the Manager of which has been appointed head of the Management System. At present, given the different approaches adopted by the countries with respect to Health and Safety issues, the policy and the system is only applicable in Italy.

As prescribed by internal regulations and specifically with reference to the "Health and Safety Management System Manual" and the "Procedure for Identifying Hazards, Analyzing Risks and Defining Control Measures" (updated on 03/23/2021), all company activities, technological systems and infrastructures are subject to periodic analysis in order to ensure better identification of the reference framework of potential risks, of possible health and safety hazards, both from a general standpoint and in relation to each identified work activity, and thus provide prompt recognition of the necessary mitigation measures by setting priorities for action.

The analysis is carried out, at least once a year, by the Employer and the Head of the Prevention and Protection Service with the collaboration of the Company Doctor, the Workers' Health and Safety Representative and the Function Managers. The determination of the risk magnitude and acceptable risk value are established by the Company Prevention and Protection Service (Italian Legislative Decree. 81/2008, Articles 31 and 33), which is assigned the task of identifying these factors.

The results of data collection and assessment are formalized annually in a report prepared by the Employer in collaboration with the Protection and Prevention Service, called the "Risk Assessment Document" (one for each operating site).

"Ensuring a working environment that provides an adequate level of health and safety for employees, with specially developed policies and initiatives."

This document is made available to all the staff involved through publication in the internal document repository. To certify its existence with a certain date, it is also transmitted via the bank's official electronic e-mail account.

In light of the Bank's usual activity, the risk related to video terminal operators has become a major focus of attention with regard to risk assessment.

It should be noted that the Bank is committed to the development and continuous improvement of the effectiveness of the company's Health and Safety Management System (HSMS), including by means of the following actions:

- ▶ reporting the need to comply with mandatory requirements arising from national and/or local standards and legislative provisions;
- ▶ definition and dissemination of the Health and Safety Policy;
- ▶ definition of company objectives for health and safety and the relative programs and actions;
- ▶ carrying out of periodic reviews of the HSMS;
- ▶ making resources available;
- ▶ participation in the Periodical Meetings pursuant to Article 35 of Italian Legislative Decree 81/2008.

The objectives are generally defined on an annual basis, they are periodically monitored (during internal inspections), and re-examined (during the HSMS Review) and, if necessary, updated/modified. The person in charge of the area/process to which a given objective is assigned is responsible for checking the progress of the defined actions/programs and their development, promptly informing the Head of the Occupational Health and Safety Management System (HSMS) of any delays or difficulties, so that these can be remedied quickly. Within the organization, a system of mutual control between the Functions has been formally and substantially implemented, aimed at ensuring that OSH aspects are subject to frequent supervision by separate parties, which can be detailed as follows:

- ▶ the Employer;
- ▶ the Function Delegate (when appointed);
- ▶ the Head of the Prevention and Protection Service (and the Prevention and Protection Service Officer, when appointed);
- ▶ the Head of the Occupational Health and Safety Management System;
- ▶ the Supervisory Body pursuant to Italian Legislative Decree No. 231/2001;
- ▶ the Compliance and Risk Management Company Functions.

The "Communication, Consultation and Participation Management Procedure" provides for the participation and consultation of workers to take place through the involvement of the Workers' Health and Safety Representative, who is consulted by the Head of the Head of the Prevention and Protection Service in the cases provided for under Italian Legislative Decree No. 81 of April 9, 2008. Consultation is subsequently documented in communications, minutes of meetings and a document distribution list.

The Workers' Health and Safety Representative is also consulted when Health and Safety Management System Documents (Risk Assessment Document, Procedures) are issued. A copy of the documents is given (with particular reference to the Risk Assessment Documents) to the Workers' Health and Safety Representative who reports on any eventual corrections or amendments he/she deems necessary.

All personal can contact the Employer's Delegate directly and this also guarantees worker consultation and involvement.

Anyone within BFF Bank can report potentially harmful situations or dangerous behaviors relating to Occupational Health and Safety to the Employer's Delegate.

Internal communication takes place using the company's communication channels, including the dedicated channel through which reports are made to the Prevention and Protection Service and the Delegated Manager. The use of the Whistleblowing channel is available at all times for anonymous reporting of any wrongdoing. Each report received by the Employer's Delegate will receive a written response from the latter, if necessary, providing a description of any actions planned.

With particular reference to occupational medicine and health monitoring, the Employer designates a Company Physician meeting the qualifications and training and professional requirements pursuant to Article 38 of Italian Legislative Decree No. 81/2008, who works in conjunction with the Employer for the purposes of risk assessment.

The Company Physician is responsible for the execution of a specific annual inspection of the work environments as well as for the planning and execution of health monitoring as per Article 41 of Italian Legislative Decree No. 81/2008 through health protocols defined according to the specific risks. The Company Physician implements, updates and maintains a health and risk file under his/her own responsibility.

It is also the duty of the Company Physician to establish, update and maintain, under his/her responsibility, the health and risk files for each worker subject to health monitoring.

With specific reference to Poland, each employer (BFF Polska S.A. and BFF MEDFinance S.A.) is required to protect the life and health of its employees. To this end, it must ensure safe working conditions. The employer's basic occupational health and safety duties are governed by Chapter X of the Labor Code and the relevant implementing acts.

Below are the documents and standards in force regarding Occupational Health and Safety:

Risk Assessment Document	Safe working instructions	Record of injuries at work and post-injury documentation	Register of occupational diseases	Lighting measurements;	Resistance to tactile measurements	Fire-fighting equipment gauging reports	Fire instructions	Evacuation report
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With specific reference to Spain, the company guarantees a safe working environment for employees by relying on the services of an external supplier (Prevencontrol), with the support of whom it promotes and takes care of every health and safety issue within the premises in accordance with legal requirements. However, no formal policies or procedures are in place with regard to this issue.

In 2023, there were 3 commuting accidents and 2 work-related accidents (in 2022 there were 3 commuting accidents and 13 work-related accidents). In 2023 the injury rate was 1.6 (10 in 2022), and the hours worked by Group employees amounted to 1,255,725 (1,294,123 in 2022). Recorded injuries resulted in 36 total lost days for work-related injuries and 226 total lost days for commuting injuries.

In 2024 and 2025 the Bank plans to perform an OSH assessment of all the Bank's European offices in order to bring the verification of compliance with OSH regulatory requirements under the Facilities OU.

Respect for Human Rights

The Group has always been attentive to the respect and promotion of universally affirmed human rights consistent with international standards in both internal and external dealings. In fact the Group places high value on the centrality of the person and respect for the personality, dignity, and the principles of confidentiality and protection of personal data, the defense of physical integrity, the safeguarding and celebration of differences, and the promotion of dialog, elements considered to be key to the development of an inclusive and protected work environment as set out in the Group Code of Ethics, the Diversity & Inclusion Policy, and the Human Rights Policy.

In 2023 BFF adopted a policy on human rights that enumerates the principles that the Group strongly believes in and that underpin its business. In light of these principles that have permeated the corporate culture, the Code of Ethics was also updated.

Moreover, the importance of the issue has prompted the Group to implement practices to prevent and/or mitigate its impacts on human rights, also taking into account the various stakeholders involved such as Group staff, customers, suppliers, shareholders, and the community.

Based on the above, the Group pursues principles of transparency throughout the value chain and in the implementation of awareness-raising actions focused on positive behavior.

With a view to raising stakeholders' awareness of these issues, the Group is committed to the annual publication of the Consolidated Non-Financial Statement (subject to review by an external auditor), the organization of initiatives that the Group is involved in to promote these rights, the publication of the Policies on the BFF Banking Group website, and the dissemination of a vision and culture of respect for human rights.

Therefore, in accordance with the principles set forth and the actions implemented, during the years 2021, 2022 and 2023 there were no cases of human rights violations.

Furthermore, the Group prohibits engaging in practices that can be linked to child and forced labor, or conditions that do not guarantee equal opportunities, inclusivity, and non-discrimination both within its own companies and across the supply chain.

08

Social responsibility

Social responsibility

Throughout its history, the Group has always been sensitive to culture as an engine of research and development. For this reason, it has always promoted initiatives to discuss trending topics that inevitably affect public-private relationships. This has involved studies carried out with the help of experts in the sector, and training sessions for customers and professionals. It has also involved think-tank activities with associations and universities, and cultural and arts events for the benefit of the entire community.

Indeed, in 2023 the efforts that first began in previous years focusing on two areas of activity continued:

- ▶ support for culture, aimed among other things at promoting Italian art abroad, and
- ▶ the transformation of the Foundation, established by the Bank in 2004, and which in 2023 continued its process of change to better meet the needs of the community.

“Scientific research and the promotion of culture and arts as engines for the growth and development of our society.”

Supporting culture

BFF's commitment to supporting culture was confirmed by its entry, in December 2022, into the shareholding structure of the Istituto della Enciclopedia Italiana founded by Giovanni Treccani S.P.A., with a 1.25% stake.

The decision to become a shareholder of Treccani and to support its work, alongside other prestigious public and private exponents of the country's cultural and economic fabric allowed BFF to enrich its social and sustainability policies by lacing itself alongside one of Italy's major centers of cultural production and dissemination.

In fact, the dissemination of culture is one of the areas that BFF considers strategic for the growth and development of society.

Italian art in Europe: *ART FACTOR - The Pop Legacy in Post- War Italian Art*

Art and culture are important driving forces for the development of companies and society. This concept is behind the project **ART FACTOR – The Pop Legacy in Post-War Italian Art**, initially embodied in the publication in English of the book of the same title published by Skira editore Milan Geneva Paris in April 2021, then followed by a website entirely dedicated to the collection, and which culminated in a traveling exhibition in Europe.

Thanks to this initiative, the Collection, which is on permanent display at the BFF offices in Rome and Milan, was presented over the last two years in five of the European countries in which the Group operates: Slovakia, Poland and Greece in 2022, and Spain and Portugal in 2023.

Project objectives

- i. **Preserve and promote cultural heritage** as an action of responsibility towards society, returning some of the Group's assets to the community.
- ii. **Offering a tool for the knowledge, dissemination, and cultural exchange** of a specific moment in the history of contemporary Italian art, contributing to the enrichment of the culture of the cities where the Group operates.
- iii. **Reinforce the Group's identity** among its own stakeholders.



In 2023 the exhibitions were visited by more than 4,700 visitors, bringing the total number to over 7,000, with the highest attendance in the cities of Madrid and Lisbon, with 2,200 and 2,500 visitors respectively.

Also in 2023 a virtual tour was made available for each exhibition at art-factor.eu.

As of 12/31/2023, the virtual tours were taken by more than 1,000 visitors.

A new phase of the project: Italian art in the US

The Bank's collection was featured in a new art book and exhibition that will be taken to New York and Washington DC in the first half of 2024.

The new book *Italian and American Art - An Interaction - 1930s - 1980s*, published by 5 Continents and dedicated to the interaction and mutual fascination between Italian and American art, was produced to accompany the exhibition's American stages scheduled to be held in New York in March and in Washington DC in April and May 2024. Written in English, it will be distributed starting in January 2024.

The project will continue throughout 2024, with another European stage in Paris, ending at "Casa BFF," the Group's new headquarters in Milan, where a museum area for the permanent display of the works is planned.

The Fast Forward Foundation is born

In keeping with the 2023-2027 Strategic Plan, the Foundation organized initiatives to reorient its actions to respond more nimbly and effectively to the new needs of society.

In fact, the Foundation's new purpose, validated by intense stakeholder engagement activity, meets a new need: **to work in an integrated manner in the areas of health, social security and financial inclusion**, to facilitate transformation also thanks to possible international scale-ups.

Through the **2023-2027 Strategic Plan the Foundation aims to:**

- ▶ promote equitable access to care and contribute to the sustainability of the health system;
- ▶ accelerate informed access to integrated welfare systems;
- ▶ facilitate the financial inclusion of the vulnerable.

New name and new corporate structure

As part of the enabling actions envisaged in the Strategic Plan, the Foundation drafted **new Bylaws** and registered it in the **National Third-Sector Registry (RUNTS)** on July 14, 2023, under the new name Fast Forward Foundation - Philanthropic Entity, in the new TSE category (Third-Sector Entity) provided for by the Italian legal system.

It also concluded the renaming and rebranding process so that the new corporate name would be consistent with the Foundation's new purpose.

Furthermore, to mark its entry into the European arena, the Foundation organized the event **"Integrated Welfare - Pressing Fast Forward for Europe"** at the Bibliothèque Solvay in Brussels, with a keynote speech by Mario Nava, Director General for Structural Reform Support at the European Commission.

A panel discussion was held to present the study: **"From healthcare to integrated welfare: perspectives from 9 European countries."**

Towards an Integrated Welfare

Starting in June 2023, a team of researchers consisting of Giovanni Fattore, full professor at **Bocconi University** and researcher at CeRGAS (Centre for Research on Health and Social Care Management), Luigi Preti and Francesca Meda, both researchers at SDA Bocconi and affiliated with CeRGAS, produced the study **"From Healthcare to Integrated Welfare: Perspectives from 9 European countries."** The research work, made public at the Brussels event on October 25 and available in English on the Foundation's website (www.fffoundation.eu), is a comparative analysis of the health systems of the nine European countries in which the BFF Group operates, with a focus on the issues of prevention and long-term care.

The document will be updated and published annually with specific insights on different topic areas.

Fall 2023 also saw the start of the second study that the Foundation is conducting to stabilize the database useful for initiating, conducting, and measuring the projects that will be launched in 2024 as per the Plan.

The second study is on **digital payments and financial inclusion in the integrated welfare value chain** and will be finalized by H1 2024.

Also in Brussels, the **first co-design workshop on integrated welfare was held**. Participants included experts from the insurance and healthcare sectors, the corporate and academic worlds, and even public institutions from several European countries where BFF operates (e.g., Italy, France, Greece and Poland).

The work spawned a number of innovative ideas and two possible experiments that as of December 31, 2023 were the subject of a feasibility study with relevant stakeholders for launch in 2024.

In line with the commitment stated in its "BFF 2028" Plan, the Bank contributed to Foundation initiatives with a donation of 600 thousand euros, up from the previous year's contribution of 520 thousand euros.

Collaboration with trade associations

In 2023, relations with relevant Associations in all countries where the Group operates were further strengthened.

In many of them, BFF is present as an exponent of the association bodies, with the intention of interpreting trends and improving the operating environment in which businesses, banks, and public bodies operate, enriching the joint action of communication and sharing for greater knowledge and efficiency of the relevant sector for the benefit of the widest possible audience.

Association Name
Italy
ABI
AGICI - Corporate Finance
ASSBB - Association for the Development of Bank and Stock Exchange Studies
AMCHAM - American Chamber of Commerce in Italy
Assifact - Italian Factoring Association
Italian Payment Services Providers Association
Assonime
AMF Italia - Association of Financial Market Intermediaries
French Chamber of Commerce in Italy
German-Italian Chamber of Commerce
Spanish Chamber of Commerce
EPC - European Payments Council
PriBanks
Croatia
Italian Chamber of Commerce and Industry for Croatia
France
AFTE - Association Française des Trésoriers d'Entreprise
Greece
HFA - Hellenic Factors Association
AMCHAM - American-Hellenic Chamber of Commerce
Poland
PFZ - Polish Factors Association
PFSz - Polish Hospitals Federation
ZPB - Polish Bank Association
PZPB - Polish Association of Construction Industry Employers

(CONT'D)

Association Name

Portugal

ALF - Associação Portuguesa de Leasing, Factoring and Renting

AMCHAM - American Chamber of Commerce in Portugal

Câmara de Comércio e Indústria Luso-Alemã

CCILE - Câmara de Comércio Luso-Espanhola

CCILF - Chambre de Commerce et d'Industrie Luso-Française

HCP - Health Cluster Portugal

Czech Republic

Asociace Výrobců a Dodavatelů Zdravotnických Potřeb - Medical Devices Suppliers Association

Slovakia

AMCHAM - American Chamber of Commerce in Slovakia

Spain

AEF - Asociación Española de Factoring

AEB - Asociación Española de Banca

AMCHAM - American Chamber of Commerce in Spain

ASSET - Asociación Española de Financieros de Empresa

Italian Chamber of Commerce and Industry for Spain

Note that BFF is a member of the corporate bodies of the following associations:

- ▶ **Assifact** - Governing Board;
- ▶ **ASSBB - Association for the Development of Bank and Stock Exchange Studies** - Governing Board;
- ▶ **Pri.Banks** - General Board;
- ▶ **ABI** - The Board of Statutory Auditors;
- ▶ **APSP - Association of Italian Payment Service Providers** - Governing Board;
- ▶ **AMF Italia - Association of Financial Market Intermediaries** - Steering Committee;
- ▶ **Chamber of Commerce of Spain in Italy** - Governing Board;
- ▶ **Asociación Española de Factoring** - Governing Board.

Studies and Research - BFF Insights

In 2022 BFF also announced the creation of **BFF Insights**, the Group's research area dedicated to coordinating the research and analysis that has always distinguished BFF's relationship with its customers and stakeholders.

These include analysis of the **performance of Italian** open-ended and negotiated **pension funds** and the related compilation of the BFF Indices - for the Custodian's clients and those in the savings and pension industry.

Continuing with one of the successful initiatives implemented in recent years, during 2023 BFF continued the publication of the study *Macro perspectives on Spain and its regional governments' finances*, which details the macroeconomic trends that have an impact on the central government and the Autonomous Communities. It is directed not only at those companies that are founded and operate in Spain but also for foreign businesses that may need to obtain more detailed knowledge of the Spanish market.

In Spain and Poland, annual research related to the savings market was conducted. Specifically, the first edition was produced in Spain, entitled "*Mercado español de productos de depósitos bancarios*," which analyzes the trends and behaviors of Spanish consumers in relation to their investments, the economic environment, and also financial education. In Poland, on the other hand, the collaboration with the Institute for Market and Social Research IBRiS continued, which administered the second edition of the survey, the aim of which is to take a snapshot of the investment preferences of the Polish population.

Both studies fall within the scope of activities devoted to the "deposit account" product.

The collaboration with **Ca' Foscari University of Venice** continued in 2023, making possible an annual update of a textual database created in previous years and accessible to the public on the procedures addressing conservatorship and recovery of Italian municipalities. Over time, new functionality have been added to this platform through the periodical collection of the relevant documentation available at the Central Directorate for Local Finance of the Ministry of the Interior, also integrated with other information published online.

The work undertaken with the Ca' Foscari University of Venice Foundation involves specialized professionals in the fields of statistics, public accounting, financial and banking organization and, last but not least, in the legal area.

In February 2024, BFF organized an event called "ESG Indices" aimed at Pension and Retirement Funds to address the requirements driven by the latest sustainability regulations, such as for example the enactment of Delegated Regulation 2022/1288 passed by the European Commission in April 2022, which came into effect on January 1, 2023.

The event was an important opportunity to present the new Sustainable Pension Fund Indices, which expand the basket of Open Pension Fund Indices and Negotiated Pension Fund Indices created by BFF between 2016 and 2018, to succinctly represent the performance of the Italian pension sector.

Events: a tool for sharing knowledge and expertise

For the Group, each event represents an important tool of transparency, sharing and dialog on relevant topics for our customers and stakeholders. They are useful for improving existing practices and maintaining our bridging and facilitator role in commercial relations between the public and private spheres, not only through our services, therefore directly by acquiring and managing trade receivables due from public agencies, but also and especially by facilitating understanding and contributing when possible to greater system efficiency.

Major events were organized or sponsored during the year in many countries where the Group operates. These include the collaboration with the Rzeczpospolita newspaper in Poland, with which a new edition, the eighth, of the so-called "Hospital Ranking" was produced. This is a unique ranking in the country, which rewards high quality medical care and economic performance. It is an opportunity for constructive debate about best practice and solutions that can help further improve the Polish healthcare system.

316 hospitals participated, in line with the previous year.

Also in 2023, the initiative featured institutional partners, including the Federation of Polish Hospitals and the Polish National Association of Employers of Provincial Hospitals, and sponsorship from the Patients' Ombudsman and the city of Lodz.

In Italy, for example, the Bank sponsored *Il Salone dei Pagamenti*. Promoted by ABI, the Italian Banking Association, and organized by ABIEventi, Il Salone dei Pagamenti is the annual event to attend in the banking and digital payments sectors in Italy. The new trends in payment services and financial innovation, and the evolution of the Italian and European market were the key themes of the 2021 event. The event, aimed at banks, payment institutions, electronic money institutions, institutions, companies, and the Public Administration, saw BFF as a key player in the opening meeting, and with a workshop on the future of global payments entitled "*Banking as a Service: beyond the digital payments market. What are the opportunities for businesses?*".

Also in Italy, the Bank also participated in the 12th Il Salone del Risparmio, organized by Assogestioni. This is the annual benchmark event for the world of asset management, bringing together all industry players, institutions, academia and the media, as well as savers, on specially dedicated days.

Dedicated mainly to institutional investors, with a special focus on pension funds, in May 2023 was held the event "*Private Pension Institutions: What opportunities on the eve of new regulatory provisions?*".

Also in this area, the Bank remained close to its customers for the 20th Anniversary of the Byblos Fund, for the event organized by PrevAer on "Pension Funds and Social and Environmental Sustainability: the routes to be followed in air transport," and for other occasions for sharing and discussion. There was no shortage, for example, of contributions through events organized, throughout the year by Pri.Banks, Assifact, or other associations of which the Bank is a member.

And still many other moments of discussion at local and international events, in Greece with the Delphi Economic Forum; in Portugal at the European Private Hospital Awards; in France with participation in SantExpo, the main annual conference dedicated to the health sector, and the Assises des Delais de Paiment; in Spain with EuroFinance and many more.

Local and European institutions are often involved in these events, as well as representatives of trade associations or Chambers of Commerce, both Italian and foreign, of which the Group is often a member, again with the aim of achieving a broad scope of dialog with customers and stakeholders.

09

Responsible supply
chain management

Responsible supply chain management

The Group's supplies are mainly attributable to the procurement required for the Bank's core business.

According to the Group's Code of Ethics, relations with suppliers - managed by each Organizational Unit to the extent as lying within their competence, within the limits of the expenses allocated when defining the annual budget - occur in compliance with the principles of lawfulness, fairness and impartiality, and in compliance with internal procedures and delegated powers.

The risks associated with the management of a responsible supply chain are mitigated by the Group by ensuring that the Code of Ethics and the Organization, Management and Control Model pursuant to Italian Legislative Decree No. 231/2001 is signed by suppliers, as well as by defining specific clauses within the contract. With specific reference to contracts entered into with suppliers that are not related to the Group's core business, a process is in place for the selection of suppliers enjoying a stable market position. The signing of contracts is governed by specific delegations of powers.

Beginning in 2021 the Bank adopted a Supplier Portal in order to manage the Register of Suppliers in a well-organized manner.

This Supplier Portal allows the Bank to oversee supplier relations closely throughout the entire procurement management process, from the initial supplier qualification phase to the final performance evaluation.

The BFF Supplier Portal includes an initial registration phase in which candidates are asked to read and accept the BFF Code of Ethics and Privacy Policy. The Portal makes it possible to manage suppliers according to product categories, by administering, during registration phase, specific questionnaires useful for the correct registration of counterparts in the Supplier Register. Also during the registration phase, the portal provides suppliers with a set of documents that, in order to obtain qualification, they will have to sign and upload in the dedicated section within the portal: BFF General Terms and Conditions of Supply, Disclosure on specific risks and prevention and emergency measures, Self-certification of possession of technical and professional suitability requirements, Statement for acknowledgment and acceptance of the Code of Ethics.

Suppliers are also required to enter the following documentation in the portal: Chamber of Commerce Visura, Single Document of Tax Compliance, Anti-Mafia Self-Certification and Financial Statement Document (where possible). All documentation is subject to verification and subsequent validation or rejection by the competent BFF unit.

The validity of all documents uploaded is monitored by the Portal, which provides for the automatic sending of notifications (e-mails) to suppliers when expiry dates are approaching or when reminders are necessary after deadlines have expired.

Approval for inclusion on the Supplier Portal does not, however, automatically entitle the supplier to take part in bids for tender or in individual procedures for the awarding of goods or services contracts for the category under which it has received approval.

Suppliers are selected exclusively on the basis of the assessment of professional skills, financial and market aspects, giving priority to counterparts that can guarantee the best value for money. In particular, situations of conflict of interest must be carefully assessed and selection based on criteria of transparency and objectivity must be guaranteed. All suppliers may rest assured that the Group will:

- ▶ implement clear and transparent selection procedures ensuring equal information and equal access to the offer;
- ▶ provide conditions of fair competition in the conduct of negotiations, including by preventing and countering any form of conflict of interest and the pursuit of interests other than those pursued by the Group;
- ▶ adopt all necessary measures to guarantee lawfulness and fairness in payments, with special reference to payments due to entities other than those that sell goods or provide services, or due to foreign entities, or to be settled on cash current accounts open at foreign banks;
- ▶ maintain a constant and meaningful dialogue to identify areas for improvement, with specific reference to transparency and compliance with contractual terms, and to encourage greater social and environmental responsibility throughout the supply chain.

All suppliers are required to comply with the laws, regulations and professional ethics of the Group. In the event that a supplier engages in conduct contrary to the above criteria, the Group shall have the right to take measures that may go as far as contract termination and temporary or definitive exclusion of further business relations, in addition to seeking compensation for any damages suffered.

BFF Group entities (subsidiaries and Branches) all rely on a specific procurement procedure, where the selection and evaluation of suppliers and the required authorization processes are described.

BFF Group's suppliers can be divided into two categories:

- ▶ suppliers with whom contracts are entered into in respect of activities directly related to the business, such as contracts with IT suppliers, auditing and consulting services, suppliers offering access to financial information regarding customers and suppliers, insurance contracts;
- ▶ suppliers with whom contracts are entered into in respect of activities indirectly related to the business, such as cleaning service, communication services, organization of events for customers or employees.

“Evaluate and select suppliers based on environmental and social sustainability criteria.”

In managing relations with suppliers, in order to minimize any negative impact on health and safety deriving from the interaction of its own activities with those of external suppliers, the Parent Company implements various measures according to the work and/or services agreed upon. More specifically, the Bank makes available to the supplier adequate information on the risks present in the workplace where it will be operating and cooperates in the implementation of measures for the prevention of and protection against occupational risks that impact the activity performed under the contract.

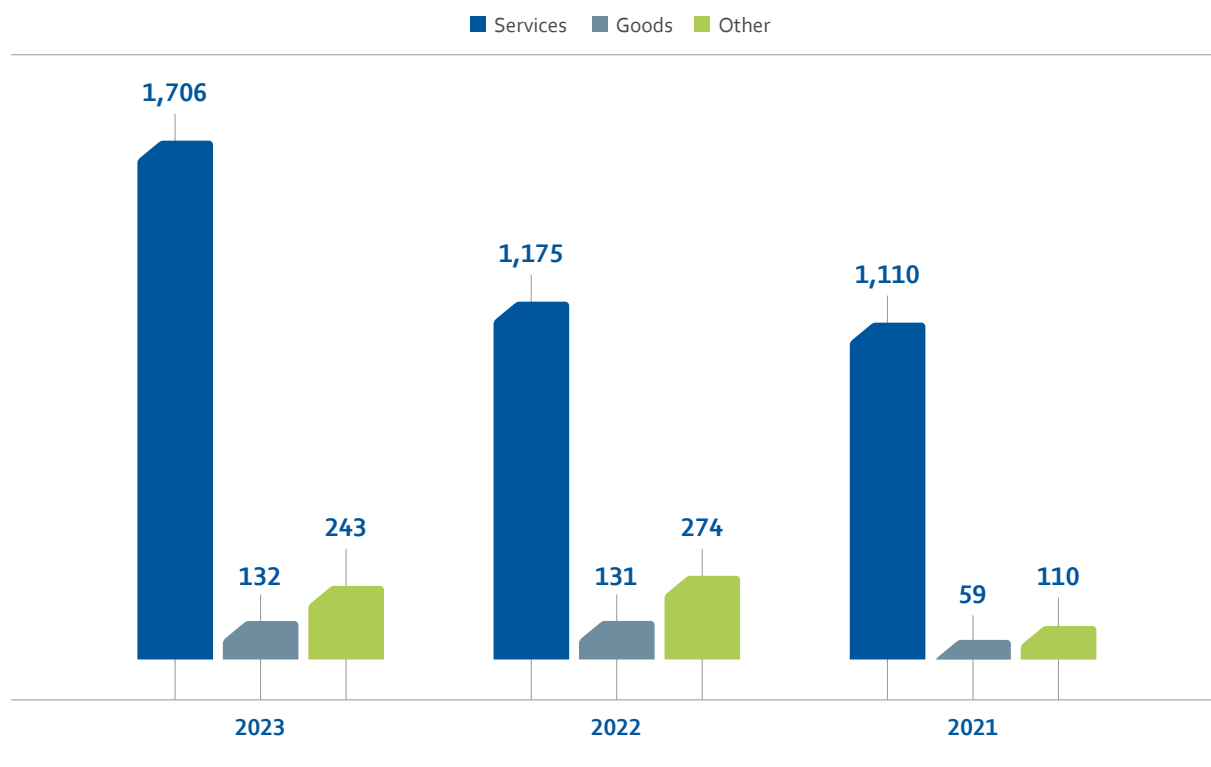
Furthermore, with the exception of the simple supply of materials, activities of an intellectual nature and activities with a duration of less than 5 man-days, the Bank must draw up a specific Single Document on the Assessment of Risk from Interferences, to be attached to the contract and/or works contract.

The Single Document on the Assessment of Risk from Interferences is valid for the length of the contract, and of administration pursuant to Article 26, and is automatically renewed in the event of extension and/or new works pertaining to the supplier's activity and/or in any case updated in the event of changes that may have an impact on current and/or new interferences.

These types of suppliers are further categorized according to the service being offered, such as the supply of services or goods. As shown in the table below, suppliers providing both services and goods are grouped under "Other".

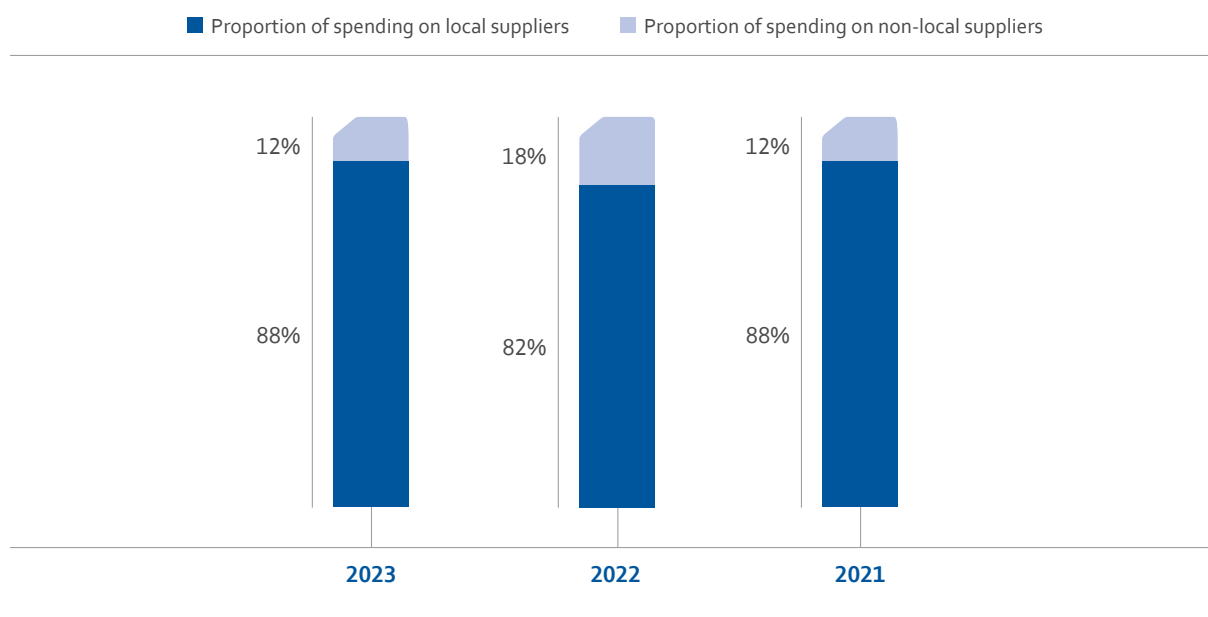
In 2023, the Group entered into contracts with a total of 2,081 suppliers (1,580 in 2022), of which 1,706 for the supply of services (1,175 in 2022), 132 for the supply of goods (131 in 2022) and 243 suppliers for a combination of goods and services (274 in 2022).

GROUP SUPPLIERS BY TYPE



The Group considers as "local" all those suppliers of goods and services that operate in the area of reference.

PERCENTAGE OF GROUP-WIDE SPENDING ON LOCAL SUPPLIERS



In 2023, 88% of BFF Group's suppliers consisted of local suppliers, as can be seen from the table below.

PROPORTION OF SPENDING ON LOCAL SUPPLIERS

COUNTRY	12.31.2023	12.31.2022	12.31.2021
Italy	87%	79%	90%
Spain	89%	96%	94%
Portugal	98%	99%	95%
Poland	96%	99%	99%
Slovakia	99%	99%	96%
Czech Republic	92%	82%	97%
Greece	94%	95%	98%
Group Total	88%	82%	88%

The Group does not yet have a process in place to select suppliers according to ESG criteria, however, as highlighted in the "Ever more a bank like no other" strategic plan, it has provided for the implementation of this process by 2026.

10

Environmental
responsibility



Environmental responsibility

In line with industry trends, responsible management of environmental impacts is also relevant to the business in which BFF engages.

Respect for the environment the Group operates in is a key pillar in BFF's development strategy, where in fact important targets have been set by the Group to reduce its own emissions to zero (Scope 1 and 2), as well as a commitment to consider future initiatives for its indirect emissions. The management of its buildings and offices, its processes, and the mobility of BFF People ensure full adherence to relevant regulations and international principles.

With specific reference to direct impacts, current commitments and actions are listed below for the main areas of focus:

Offices, buildings, and waste management

The Group opts for more energy-efficient buildings whenever the need for relocation to a new space arises. Ideally, where possible, the energy efficiency of new buildings should be certified by international bodies. Even in the case of buildings not owned by the Bank, consumption data and information are collected and, where possible, the use of energy from renewable sources is preferred. When moving to new buildings, the Group takes into consideration not only the efficiency of the building but also the proximity to public transportation in order to minimize the use of private cars for commuting. In its existing offices, the Group promotes energy conservation by implementing the latest technologies in line with international standards of energy efficiency and the use of certified materials. Furthermore, the Group encourages the proper disposal of waste, previously sorted using special containers, in each work environment and encourages reuse or alternative forms of disposal of assets no longer in use that could have a positive impact on the surrounding community (e.g., donations of computer equipment or furnishings no longer in use to schools or other institutions in the local area).

“Identifying and monitoring the main direct and indirect impacts on the environment due to business operations, office energy consumption and business trips.”

Use of resources in business processes

The Group promotes the awareness of BFF People and the dissemination of good practices to reduce paper waste, including through the increased use of technology in lieu of printing work documents or promotional materials (so-called paperless solutions), or alternatively through the use of recycled or environmentally friendly paper. Furthermore, the Group is committed to making its technology infrastructure increasingly efficient by moving to an infrastructure based on the cloud, thus enabling the dematerialization of the data center.

Sustainable mobility

The Group promotes the use of public or otherwise low-impact or carbon-free transportation and services, especially in the urban areas where it works and for business travel with the shortest trips, and promoting the use of audiovisual technology to reduce travel where possible. In compliance with regulations and in order to support continuous improvement in reducing the environmental impact of BFF People's commute to the office, BFF has appointed a Mobility Manager for the Italian offices. In line with the procedure governing the management of the company's fleet, adopted in 2021, models of cars with a low environmental impact are expected, such as hybrid and/or electric cars, and the Bank is committed to continuously checking market offers and adapting its own employees' offers accordingly. The car list does not include diesel cars.

With regard to mobility, it is worth noting that in 2023 the Bank adopted a Commuting Plan (CP) pursuant to Italian Law No. 77 of July 17, 2020 as a key tool to promote sustainability in commuting, reducing environmental impact, and decongesting urban traffic.

Although the Group is not exposed to significant environmental risks, it monitors certain indicators relating to its environmental impact with respect to the use of resources, namely, paper, electricity and gas for office use, and consumption linked to travel, such as business trips, and car fleet.

The Group does not have a formal policy in place with regard to environmental issues, but it is committed to managing resources through the promotion of initiatives designed to reduce consumption, such as increasing the efficiency of the lighting system and initiatives aimed at reducing the use of paper. In this context, in its company intranet – which is available to the entire Group – the Bank has created a new “Sustainability” section entirely dedicated to ESG topics (available in English and Italian) with the goal of spreading a culture which is attentive and sensitive to the use of resources. More specifically, some of the elements that have been made available in that section include: *i)* a tool for monitoring personal printer use over time, to obtain greater awareness of one's corresponding negative impact on the environment (consumption of CO₂, use of natural resources and energy) and help the Group limit paper use as much as possible and *ii)* an area dedicated to sharing awareness messages and spreading best practices, which each employee can freely suggest to all colleagues.

The Company's asset management procedure "Waste Management and Disposal" also provides for the disposal of laptops and telephones through donations to third parties. In this regard, and with specific reference to the choice of suppliers with whom it collaborates for waste management and disposal, the Bank, in line with its Code of Ethics, ensures constant and constructive dialog with all suppliers. This is done in order to identify areas for improvement in the relationship, with particular reference to transparency and compliance with contractual conditions, and to promote greater social and environmental responsibility along the service supply chain. Priority is therefore given to suppliers who promote virtuous and careful initiatives and attitudes to reduce their own environmental footprint, those who offer products and services on the market that can reduce possible environmental damage, and those who, where possible, certify compliance with requirements that ensure environmentally aware and low impact management for the disposal of special waste. Urban and special waste must be recovered or disposed of without endangering human health and without using processes or methods that could harm the environment.

Continuing in the implementation of sustainable policies is the selection of the Group's offices – after the move to offices with a reduced environmental impact already completed in 2019 in Rome, Italy and in Lodz, Poland (a building which received the **LEED Gold Core & Shell** certification) – a new office was opened in Madrid at Paseo de la Castellana 81. The building hosting the new offices, located in the capital's financial district, received the **LEED Platinum Core & Shell** certification due to its extremely high sustainability standards, Gold WELL Building Standard as the first in Spain and fifth in Europe in the Core & Shell category and 5/5 stars in the DIGA certification for accessibility and respect for diversity.

In 2022 the bank moved 180 employees to its new headquarters located in Via Monte Rosa 91, newly built offices managed by the company Regus, hence leaving behind the building in Via Mosè Bianchi 6 where the facilities dated back to the 1990s.

As illustrated in the previous Consolidated Non-Financial Statement, in 2023 BFF began construction of the Bank's new headquarters, which will occupy a surface area of approximately 9,000 square meters built above ground (7,350 square meters gross floor area).

The building will be completed by the end of 2024 and will accommodate the more than 500 employees currently working in Milan. The new headquarters, which will be called "Casa BFF" (BFF House), is part of a gradual process, already underway, of renewal of the Group's workplaces.

The aim of the new project, designed by architects Paolo Brescia and Tommaso Principi of OBR, is to create a LEED Platinum and WELL Gold certified building which is people-centered, integrated with the city, that gives the area a sense of community. The building is characterized by the feature referred to as "Flying Carpet of Energy", a regular geometric shape on the roof that is clearly recognizable in the map of the city seen from above. With more than 2,400 m² of solar panels, it will produce about 360 megawatts, becoming the poster child for BFF's environmental and sustainability values and generating energy from renewable sources to meet about 65% of the building's needs.

The project's unerring focus on open spaces is also reflected in the open area by the subway system, which will be transformed into an Agora; a shared space that will become a super-urban place of aggregation, celebrating a renewed sense of urbanism. The "Flying Carpet of Energy" both defines the pronaos, through which the building is accessed and which marks out the large panoramic terrace, and also offers shelter to the Agora, a place to be used by everyone.

The new offices show BFF's commitment to contribute to the development of the city of Milan, in synergy with the role already played by Fondazione Fiera Milano. The initiative is integrated into a coherent approach with the adjacent project by architect Michele De Lucchi involving the construction of a hotel owned by Fondazione Fiera Milano. The hotel is mainly intended to support the exhibition and congress activities of the nearby MiCo (Milano Congressi) conference center.

The area was also selected because of its historical importance for BFF, in 1998 the bank moved its headquarters to a building on Via Domenichino. Indeed, the Bank has always invested in dialogue with its host cities, both in Italy and abroad. For example, in 2006 the company commissioned the work “Danza” from artist Gianfranco Pardi and then donated it to the city of Milan. The work now adorns one of the regional capital’s main access hubs, in Piazza Amendola. This is the work that inspired the various versions of the company’s logo. Art and sustainability, in fact, lie at the center of the comprehensive project of redevelopment of the area. There will be easy access to public transport as well as new cycle paths, and two areas of the city (currently separated by the thoroughfare of Viale Scarampo) will be connected by the pedestrian walkway linking them to CityLife and Monte Stella.

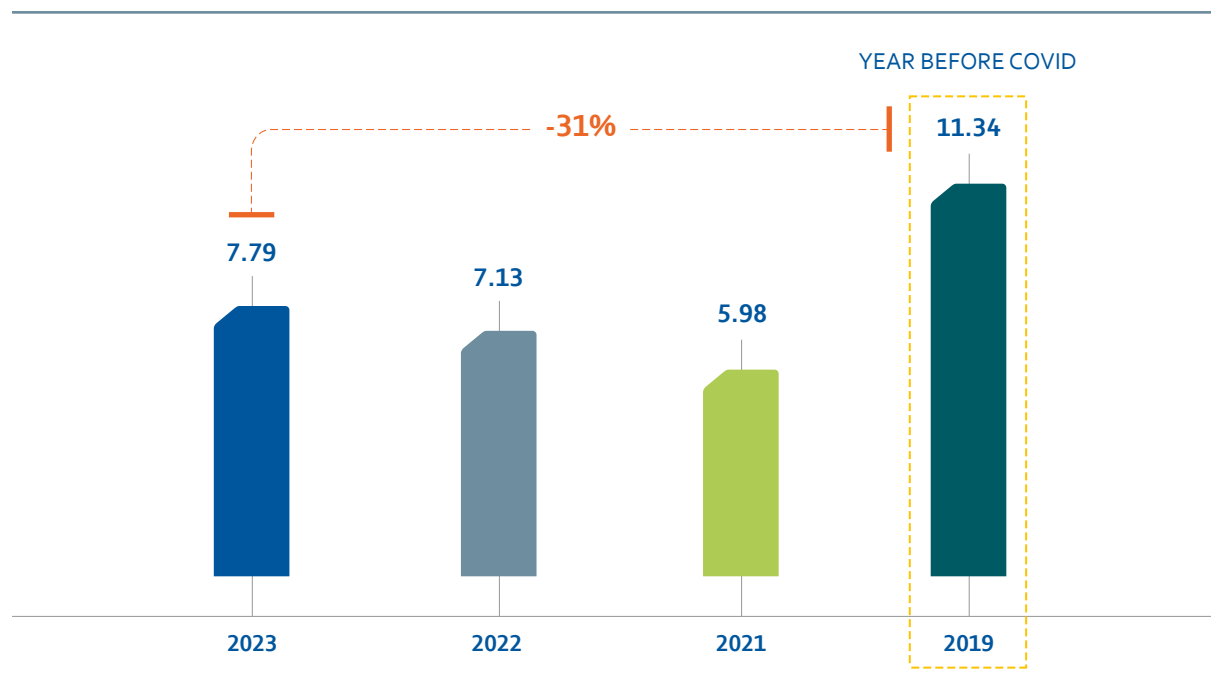
In line with the overall plan we also decided to include a museum area in “Casa BFF” which will be dedicated to the works of Italian contemporary art that the Bank has been collecting since the 1980s and are part of an exhibition currently touring Europe entitled: “ART FACTOR – The Pop Legacy in Post-War Italian Art.”

With the aim of improving synergies and making it easier to reach BFF offices in the Rome area, giving co-workers the opportunity to use public transport, the transfer of BFF employees (about 50 resources) from the Rome office located on Via Elio Chianesi to the Rome office on Via Bissolati was successfully concluded in Q3 2023, achieving the goal of having a single office in the city center. This relocation, which has resulted in increased use of public transportation services, will have a significant impact on the environment considering that co-workers located in the Chianesi location due to distance and lack of public transportation services used to travel to their workplace mainly using cars.

Environmental resources management

The use of paper group-wide is limited to office activities and customer communications.

PAPER CONSUMPTION (T)



Paper consumption for 2023 was 7.79 tons, practically in line with the consumption recorded in 2022. Note that compared to 2019 (the year before Covid, when the amount of paper used was 11.34 tons), paper consumption has been reduced by about 31%. This is because of both awareness-raising practices carried out over the years and aimed at all employees, and the different working methods resulting from the use of teleworking.

Consumption and Emissions

With regard to energy consumption, the Group uses natural gas and a small portion of diesel oil for heating, purchases thermal energy (district heating), and draws electricity from the grid.

With regard to its consumption of natural gas, approximately 1,923 GJ was consumed, a 40% decrease from the previous year when a natural gas consumption of 3,206 GJ was recorded in Italy and Spain. This reduction was due to the initiation of a number of efficiency measures implemented by the Group, including the relocation of some 180 employees in December 2022 to the Monte Rosa 91 site, a more energy efficient building.

Finally, note that in Spain, as in 2022, a consumption of 14 GJ of diesel fuel for office heating was recorded, up from the previous year. Diesel consumption at the Madrid site is related to the use of a back-up boiler, which is used for start-up times on very cold days or in case of failure of the main boilers, which are fueled by natural gas. In early 2023 there were multiple prolonged breakdowns due to delays in the delivery of spare parts because of the war in Ukraine.

In 2023 the Group consumed 7,812 GJ of electricity, down 2% from 2022 (7,968 GJ). About 9% of the electricity purchased is guaranteed by certificates of origin (675 GJ), referring to the electricity consumption of the Madrid and Lodz offices.

In the Polish offices and one of the Italian sites, thermal energy consumption stood at 1,946 GJ.

The following table shows the Group's natural gas and electricity consumption for 2023, 2022 and 2021:

NATURAL GAS CONSUMPTION IN GJ PER COUNTRY⁵⁸

COUNTRY	12.31.2023	12.31.2022	12.31.2021
Italy	1,794	3,045	3,786
Spain	130	161	-
Total BFF Group	1,923	3,206	3,786

DIESEL FUEL CONSUMPTION IN GJ BY COUNTRY⁵⁹

COUNTRY	12.31.2023	12.31.2022	12.31.2021
Spain	14	5	N/A
Total BFF Group	14	5	N/A

58) As a result of a process to improve the reporting system and in order to ensure comparability, the 2022 figures were restated from what was published in the previous NFS.

59) As a result of a process to improve the reporting system and in order to ensure comparability, the 2022 figures were restated from what was published in the previous NFS.

ELECTRICITY DRAWN FROM THE GRID IN GJ PER COUNTRY

COUNTRY	12.31.2023	12.31.2022	12.31.2021
Italy	6,866	7,197	7,060
Spain	397	404	193
Portugal	36	25	26
Poland	367	244	196
Slovakia	48	-	10
Czech Rep.	12	12	5
Greece	86	85	83
Total BFF Group	7,812	7,968	7,573

THERMAL ENERGY IN GJ BY COUNTRY

COUNTRY	12.31.2023	12.31.2022	12.31.2021
Italy	1,693	1,555	-
Poland	252	502	314
Total BFF Group	1,945	2,057	314

TOTAL ELECTRICITY CONSUMED IN GJ PER COUNTRY⁶⁰

COUNTRY	12.31.2023	12.31.2022	12.31.2021
Italy	10,353	11,797	10,504
Spain	541	569	193
Portugal	36	25	26
Poland	619	745	510
Slovakia	48	-	10
Czech Rep.	12	12	5
Greece	86	85	83
Total BFF Group	11,695	13,233	11,331

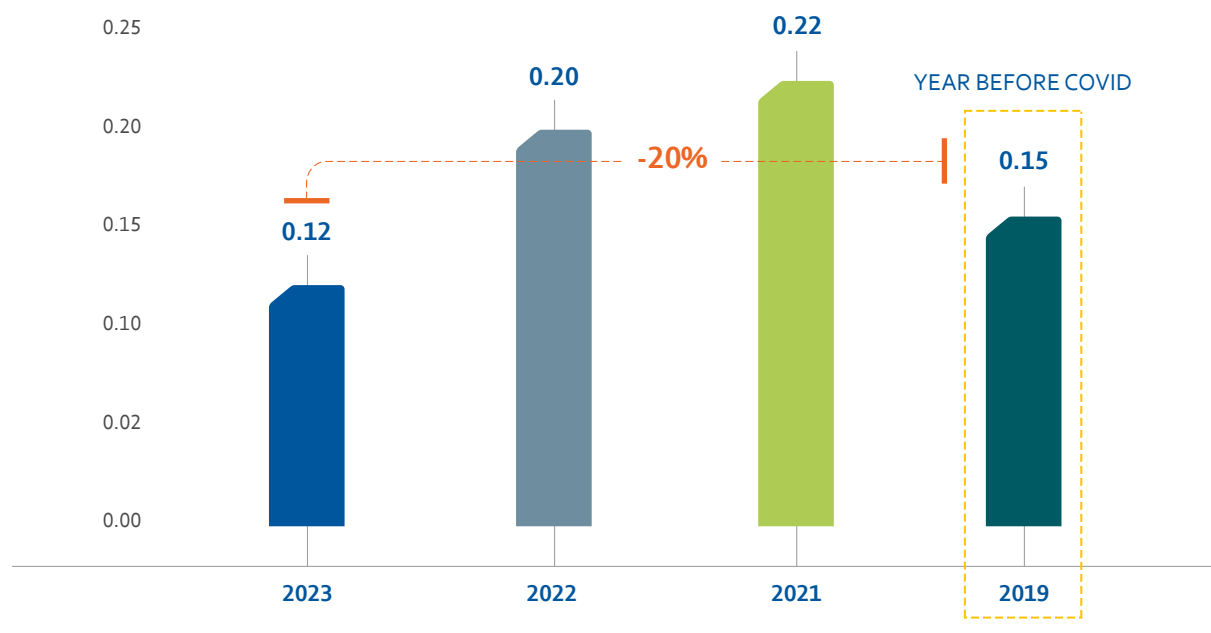
The Group's total energy consumption amounted to 11,695 GJ, down about 12% from last year, when consumption of 13,233 GJ was recorded. The consumption corresponds to about 14 GJ of energy consumed per employee.

With regard to direct GHG emissions (Scope 1), in 2023 the Group emitted 99 tons of CO₂ from the consumption of natural gas and diesel fuel for office heating purposes, a 40% decrease compared to the previous year.

60) As a result of a process to improve the reporting system and in order to ensure comparability, the 2022 figure for Spain was restated from what was published in the previous NFS.

Scope 1 emissions of 99 tCO₂e correspond to 0.12 tCO₂e per employee, down from both previous years and 2019, the year before Covid, when Scope 1 emissions per employee were 0.15 tCO₂e.

DIRECT EMISSIONS



DIRECT GHG EMISSIONS (SCOPE 1) IN tCO₂e BY COUNTRY⁶¹

COUNTRY	12.31.2023	12.31.2022	12.31.2021
Italy	91	156	190
Spain	8	9	-
Total BFF Group	99	165	190

61) As a result of a process to improve the reporting system and in order to ensure comparability the 2022 data revised from those published in the previous NFS.

INDIRECT GHG EMISSIONS (SCOPE 2) LOCATION-BASED IN tCO₂e (ELECTRICITY)⁶²

COUNTRY	12.31.2023	12.31.2022	12.31.2021
Italy	671	538	528
Spain	19	17	8
Portugal	2	1	1
Poland	64	43	34
Slovakia	2	0	0
Czech Rep.	2	1	1
Greece	8	8	8
Total BFF Group	766	608	580

INDIRECT GHG EMISSIONS (SCOPE 2) IN tCO₂e (THERMAL ENERGY)

COUNTRY	12.31.2023	12.31.2022	12.31.2021
Italy	84	74	-
Poland	13	24	15
Total BFF Group	97	98	15

With regard to Scope 2 emissions, indirect emissions related to the consumption of electricity, thermal energy, and energy used for cooling and calculated through the Location-Based method, which takes into account the national energy mix, in 2023 the Group emitted a total of about 863 tons of CO₂e⁶³, corresponding to 1,04 tCO₂e per employee, up 22% from the previous year, in which emissions of 706 tCO₂e were recorded. However, note that the increase is not due to an increase in consumption, which as can be seen from the data reported in GJ decreased by 12%, but rather from the updating of conversion factors (gCO₂e/Kwh), which for 2023 have undergone considerable changes resulting from the change in energy mix applied to the relevant countries.

The Group's Scope 3 emissions (other indirect emissions) derived mainly from business trips by air and rail by Group employees. Specifically, air and train travel by Group employees produced 230 tons of CO₂e compared to approximately 74 tons of CO₂e in 2022⁶⁴, corresponding to 0.28 tCO₂e per employee. This increase is mainly due to the Convention organized in Poland, which involved the air travel of about 342 people from the Group.

62) As a result of a process to improve the reporting system and in order to ensure comparability, the 2023 IEA Emission Factors were used for the calculation of 2023 Scope 2 GHG emissions. Therefore, the 2022 and 2021 data for GHG Scope 2 Location-based emissions were revised from those published in the previous NFS.

63) With regard to indirect GHG emissions (Scope 2) Market-based, the Group emitted 999 tCO₂e in 2023.

64) As a result of a process to improve the reporting system and in order to ensure comparability, the 2022 figures for Scope 3 GHG emissions from business travel were restated from what was published in the previous NFS.

Reconciliation table between material topics and related impacts identified through the SDGs

Material topics	Current or potential negative impacts identified from the UN SDGs
ECONOMIC PERFORMANCE	<ul style="list-style-type: none"> ▶ Change in the value of assets and capital strength of the Group for investors ▶ Increased instability and uncertainty in the banking and financial system ▶ Change in value distributed to stakeholders, including business partners, suppliers and employees of the Group
SUPPLY CHAIN	<ul style="list-style-type: none"> ▶ Supporting corporate, production, and business practices that are harmful to the community and value chain, such as disregarding workers' rights and workplace safety ▶ Sourcing from suppliers who do not consider ESG factors in their business, especially considering environmental aspects (e.g., waste generation, pollution and use of raw materials and natural resources)
BUSINESS ETHICS AND FIGHTING CORRUPTION	<ul style="list-style-type: none"> ▶ Promotion of unfair business practices in the Group and among business partners
GOVERNANCE AND DECISION-MAKING PROCESSES	<ul style="list-style-type: none"> ▶ Lack of allocation of roles and responsibilities for carrying out business activities ▶ Lack of allocation of roles and responsibilities for carrying out and approving sustainability initiatives ▶ Ineffective implementation of Group strategies and processes from failure to integrate sustainability factors into internal regulations
CLIMATE CHANGE AND THE TRANSITION TO A SUSTAINABLE ECONOMY	<ul style="list-style-type: none"> ▶ Failure to adopt sustainable mobility practices, preferring emission-intensive vehicles ▶ Increase in emissions related to the Group's operations ▶ Contribution to the Increase in temperature anomaly compared to preindustrial levels ▶ Increased frequency of extreme weather events, and the Group's vulnerability to them ▶ Promotion of a disorderly and delayed climate and environmental transition
OCCUPATIONAL HEALTH AND SAFETY	<ul style="list-style-type: none"> ▶ Increased frequency of workplace accidents
DIVERSITY, INCLUSION, EQUALITY OF OPPORTUNITY AND REMUNERATION	<ul style="list-style-type: none"> ▶ Increased frequency of incidents of discrimination ▶ Increasing gender inequality from the perspective of remuneration, responsibility, and opportunities for professional growth ▶ Reduced employee motivation and engagement and increased outgoing turnover
HUMAN RIGHTS	<ul style="list-style-type: none"> ▶ Increased incidents of human rights violations in the Group's operations or value chain, with particular reference to suppliers and business partners ▶ Violation or adoption of practices detrimental to international convictions related to human and labor rights, beginning with modern slavery

(CONT'D)

Material topics	Current or potential negative impacts identified from the UN SDGs
ENERGY	<ul style="list-style-type: none"> ▶ Change in the Group's energy consumption and resulting pollutant and climate-changing emissions ▶ Adoption of energy supplies with limited amounts of energy from renewable sources ▶ Operation through energy inefficient locations, vehicles and devices ▶ Increased costs associated with energy supplies, with consequent impacts on the Group's economic performance
HUMAN RESOURCES MANAGEMENT	<ul style="list-style-type: none"> ▶ Loss, reduction or failure to upgrade key competencies for the Group's operations and business ▶ Failure to promote employees' personal and professional growth ▶ Failure to establish principals for monitoring employee satisfaction in the workplace
PROTECTION OF LABOR AND WORKERS' RIGHTS	<ul style="list-style-type: none"> ▶ Adoption of business practices detrimental to workers' rights ▶ Conflict and lack of dialog with employer and worker associations ▶ Lack of adoption of practices for the protection of work-life balance and the overall work environment in the Group
LOCAL COMMUNITIES	<ul style="list-style-type: none"> ▶ Strengthening or weakening of dialog with local communities, based on the effective promotion of positive impact initiatives
INNOVATION AND TECHNOLOGY	<ul style="list-style-type: none"> ▶ Failure of the Group's activities and services to respond to evolving customer needs, with particular reference to changes in the regulatory and market environment and the integration of sustainability factors ▶ Inadequate service offerings and solutions in terms of data security, accessibility, effectiveness and cost efficiency
CUSTOMER SATISFACTION AND TRANSPARENCY OF INFORMATION ABOUT PRODUCTS AND SERVICES	<ul style="list-style-type: none"> ▶ Erosion of customer trust for the Group's services and business ▶ Marketing and distribution of services inappropriate to customer needs ▶ Promotion or adoption of opaque business practices in terms of customer disclosures, commercial communications and reporting
PRIVACY AND DATA SECURITY	<ul style="list-style-type: none"> ▶ Loss or theft of customer, employee and business partner data, resulting in reputational damage and damage to customer confidence ▶ Business interruption related to loss, damage, or malfunction of critical IT infrastructure or databases
MATERIALS	<ul style="list-style-type: none"> ▶ Waste of raw materials and inefficient use of Group supplies and utilities



11

GRI Content Index

GRI content index

Statement of Use:	BFF Bank SpA has submitted a report in accordance with GRI Standards for the period 01/01/2023 - 12/31/2023
Use of GRI 1:	GRI 1 - Foundations - 2021 version
Relevant GRI industry standards:	N/A - will await the publication of the specific industry standard

GRI STANDARD/OTHER SOURCE Disclosure	Location	Omissions (requirements omitted, reason for omission, explanation)	SDGs
GENERAL DISCLOSURES			
GRI 2 -General Disclosures - 2021 version			
2-1 Organizational aspects	pag. 14-15, 20-21		
2-2 Entities included in the organization's sustainability reporting	pag. 14-15		
2-3 Reporting period, frequency and contact point	pag. 14		
2-4 Restatements of information	pag. 15		
2-5 External assurance	pag. 15, 234-237		
2-6 Activities, value chain and other business relationships	pag. 18-28, 166-169		
2-7 Employees	pag. 116-123		
2-8 Workers who are not employees	pag. 116-123		
2-9 Governance structure and composition	pag. 38-44		
2-10 Nomination and selection of the highest governance body	pag. 38-40		
2-11 Chair of the highest governance body	pag. 43		
2-12 Role of the highest governance body in overseeing the management of impacts	pag. 46-47		
2-13 Delegation of responsibility for managing impacts	pag. 46-47		
2-14 Role of the highest governance body in sustainability reporting	pag. 46-47		
2-15 Conflicts of interest	pag. 39		
2-16 Communication of critical concerns	pag. 38-39, 82-83		
2-17 Collective knowledge of the highest governance body	pag. 46-47, 82-83		
2-18 Evaluation of the performance of the highest governance body	pag. 38-45		
2-19 Remuneration policies	pag. 116-117, 128-129		
2-20 Process to determine remuneration	pag. 116-117, 128-129		
2-21 Annual total compensation ratio	pag. 129		
2-22 Statement on sustainable development strategy	pag. 6-9		
2-23 Policy commitments	pag. 51-53, 151	The policies the Group adopts are specified in correspondence with the treatment of each material topic.	
2-24 Embedding policy commitment	pag. 51-53		
2-25 Processes to remediate negative impacts	pag. 48-53	The processes that the Group adopts are specified in correspondence with the treatment of each material topic.	
2-26 Mechanisms for seeking advice and raising concerns	pag. 82-83, 149		

(CONT'D)

GRI STANDARD/OTHER SOURCE Disclosure	Location	Omissions (requirements omitted, reason for omission, explanation)	SDGs
GENERAL DISCLOSURES			
GRI 2 - General Disclosures - 2021 version			
2-27 Compliance with laws and regulations		During 2023 BFF Bank S.p.A. received no significant fines or non-monetary penalties for noncompliance with environmental laws and regulations.	
2-28 Membership associations	pag. 159-160		
2-29 Approach to stakeholder engagement	pag. 56-61		
2-30 Collective bargaining agreements	pag. 123		
MATERIAL TOPICS			
GRI 3 - General Disclosures - 2021 version			
3-1 Process to determine material topics	pag. 56-65		
3-2 List of material topics	pag. 63		
ECONOMIC PERFORMANCE			
Economic performance			
GRI 3: Material topics 2021			
3-3 Management of material topics	pag. 56-65, 69-70		
GRI 201: Economic performance 2016			
201-1 Direct economic value generated and distributed	pag. 69-70		
Tax			
GRI 207: Tax 2019			
207-1 Approach to tax	pag. 56-65, 90-93		
207-2 Tax governance, control, and risk management	pag. 90-93		
207-3 Stakeholder engagement and management of concerns related to tax	pag. 90-93		
207-4 Country-by-country reporting			
CLIMATE CHANGE AND THE TRANSITION TO A SUSTAINABLE ECONOMY;			
Materials			
GRI 3: Material topics 2021			
3-3 Management of material topics	pag. 56-65, 172-179		
GRI 301: Materials 2016			
301-1 Materials used by weight or volume	pag. 175-176		
Emissions			
GRI 3: Material topics 2021			
3-3 Management of material topics	pag. 56-65, 172-179		
GRI 305: Emissions 2016			
305-1 Direct (Scope 1) GHG emissions	pag. 177-179		
305-2 Energy indirect (Scope 2) GHG emissions	pag. 177-179		
305-3 Other indirect (Scope 3) GHG emissions	pag. 177-179		
305-4 GHG emissions intensity	pag. 177-179		

(CONT'D)

GRI STANDARD/OTHER SOURCE Disclosure	Location	Omissions (requirements omitted, reason for omission, explanation)	SDGs
ENERGY			
GRI 3: Material topics 2021			
3-3 Management of material topics	pag. 56-65, 172-179		
GRI 302: Energy 2016			
302-1 Energy consumption within the organization	pag. 176-177		
BUSINESS ETHICS AND FIGHTING CORRUPTION			
GRI 3: Material topics 2021			
3-3 Management of material topics	pag. 56-65, 82-89		
GRI 205: Anti-corruption 2016			
205 -1 Operations assessed for risks related to corruption	pag. 82-89		
205-2 Communication and training about anti-corruption policies and procedures	pag. 82-89		
205-3 Confirmed incidents of corruption and actions taken	pag. 82-89		
SUPPLY CHAIN			
GRI 3: Material topics 2021			
3-3 Management of material topics	pag. 56-65, 166-169		
GRI 204: Purchasing practices			
204-1 Proportion of spending on local suppliers	pag. 169		
OCCUPATIONAL HEALTH AND SAFETY			
GRI 3: Material topics 2021			
3-3 Management of material topics	pag. 56-65, 148-150		
GRI 403: Occupational health and safety 2016			
403-1 Occupational health and safety management system	pag. 148-150		
403-2 Hazard identification, risk assessment, and incident investigation	pag. 148-150		
403-3 Occupational health services	pag. 148-150		
403-4 Worker participation, consultation, and communication on occupational health and safety	pag. 148-150		
403-5 Worker training on occupational health and safety	pag. 140		
403-6 Promotion of worker health	pag. 148-150		
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pag. 138-150		
403-9 Work-related injuries			
DIVERSITY, INCLUSION, EQUALITY OF OPPORTUNITY AND REMUNERATION			
GRI 3: Material topics 2021			
3-3 Management of material topics	pag. 56-65, 118-132		
GRI 405: Diversity and equal opportunity 2016			
405-1 Composition of governing bodies and breakdown of employees by category with respect to gender, age, inclusion in protected categories and other indicators of diversity	pag. 123		

(CONT'D)

GRI STANDARD/OTHER SOURCE Disclosure	Location	Omissions (requirements omitted, reason for omission, explanation)	SDGs
PRIVACY AND DATA SECURITY			
GRI 3: Material topics 2021			
3-3 Management of material topics	pag. 56-65, 106-113		
GRI 418: Customer privacy 2016			
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	pag. 106-108		
HUMAN RESOURCES MANAGEMENT			
Employment			
GRI 3: Material topics 2021			
3-3 Management of material topics	pag. 56-65, 116-132		
GRI 401: Employment 2016			
401-1 Total number and rate of new hires and staff turnover	pag. 129-132		
Training and education			
GRI 3: Material topics 2021			
3-3 Management of material topics	pag. 56-65, 133-147		
GRI 404: Training and education 2016			
404-1 Average hours of training per year per employee	pag. 133-141		
404-3 Percentage of employees receiving regular performance and career development reviews	pag. 141-143		
CUSTOMER SATISFACTION AND TRANSPARENCY OF INFORMATION ABOUT PRODUCTS AND SERVICES			
GRI 3: Material topics 2021			
3-3 Management of material topics	pag. 56-65, 98-104		
GRI 417: Marketing and labeling 2016			
417-3 Incidents of non-compliance concerning marketing communications	pag. 105		8; 9
GOVERNANCE AND DECISION-MAKING PROCESSES			
GRI 3: Material topics 2021			
3-3 Management of material topics	pag. 56-65, 38-53		
HUMAN RIGHTS			
GRI 3: Material topics 2021			
3-3 Management of material topics	pag. 56-65, 151		
PROTECTION OF LABOR AND WORKERS' RIGHTS			
GRI 3: Material topics 2021			
3-3 Management of material topics	pag. 56-65, 116-151		
TECHNOLOGICAL INNOVATION			
GRI 3: Material topics 2021			
3-3 Management of material topics	pag. 56-65, 109-113		

12

Annex

The structures of the templates REQUIRED by Annex VI of Delegated Regulation 2021/2178 are presented below. Data are presented in millions of euros.

Cells with the following symbol “-” correspond to 0. Cells showing a value of “0.00” correspond to positive values of less than 0.005 million euros.

Template 1: Covered Assets - Turnover-based T and T-1

	a	b	c	d	e	f	g	h	i	k	l	m	n	o
	31/12/23													
	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
		Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling		
GAR - Covered assets in both numerator and denominator														
1 Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	333.00	18.00	1.00	-	-	-	0.00	-	-	-	-	-	-	-
2 Financial undertaking	266.00	17.00	-	-	-	-	-	-	-	-	-	-	-	-
3 Credit institutions	82.00	17.00	-	-	-	-	-	-	-	-	-	-	-	-
4 Loans and advances	82.00	17.00	-	-	-	-	-	-	-	-	-	-	-	-
5 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Other Financial corporation	184.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-
8 Of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Of which management companies	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Loans and advances	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16 Of which insurance undertakings	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-
17 Loans and advances	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-
18 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20 Non-Financial undertakings	67.00	1.00	1.00	-	0.00	0.00	0.00	-	-	-	-	-	-	-
21 Loans and advances	67.00	1.00	1.00	-	0.00	0.00	0.00	-	-	-	-	-	-	-
22 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 Of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 Of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27 Of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28 Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29 Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Assets excluded from the numerator for GAR calculation (covered in the denominator)	1,988.00													
33 Financial and Non-Financial undertaking	238.00													
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	238.00													
35 Loans and advances	237.00													
36 of which loans collateralised by commercial immovable property	-													
37 of which building renovation loans	-													
38 Debt securities	-													
39 Equity instruments	1.00													
40 Non-EU country counterparties not subject to NFRD disclosure obligations	0.00													
41 Loans and advances	-													
42 Debt securities	-													
43 Equity instruments	0.00													
44 Derivatives	-													
45 On demand interbank loans	99.00													
46 Cash and cash-related assets	-													
47 Other categories of assets (e.g. Goodwill, commodities etc.)	1,651.00													
48 Total GAR assets	2,321.00	18.00	1.00	-	-	-	-	-	-	-	-	-	-	-
49 Assets not covered for GAR calculation	10,003.00													
50 Central governments and supranational issuers	9,641.00													
51 Central banks exposure	362.00													
52 Trading book	-													
53 Total assets	12,324.00	18.00	1.00	-	-	-	-	-	-	-	-	-	-	-
Total assets (Editable)														
54 Financial guarantees	15.00	-	-	-	-	-	-	-	-	-	-	-	-	-
55 Assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56 Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57 Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[illegible]

Template 1: Covered Assets - Capex-based T and T-1

	a	b	c	d	e	f	g	h	i	k	l	m	n	o
	31/12/23													
	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
		Of which Use of Proceeds			Of which transitional	Of which enabling	Of which Use of Proceeds			Of which enabling	Of which Use of Proceeds			Of which enabling
GAR - Covered assets in both numerator and denominator														
1 Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	333.00	19.00	2.00	-	0.00	1.00	0.00	-	-	-	-	-	-	-
2 Financial undertaking	266.00	16.00	-	-	-	-	-	-	-	-	-	-	-	-
3 Credit institutions	82.00	16.00	-	-	-	-	-	-	-	-	-	-	-	-
4 Loans and advances	82.00	16.00	-	-	-	-	-	-	-	-	-	-	-	-
5 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Equity instruments	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-
7 Other Financial corporation	184.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-
8 Of which investment firms		-	-	-	-	-	-	-	-	-	-	-	-	-
9 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Of which management companies	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-
13 Loans and advances	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-
14 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16 Of which insurance undertakings	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-
17 Loans and advances	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-
18 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20 Non-Financial undertakings	67.00	3.00	2.00	-	0.00	1.00	0.00	-	-	-	-	-	-	-
21 Loans and advances	67.00	3.00	2.00	-	0.00	1.00	0.00	-	-	-	-	-	-	-
22 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Households		-	-	-	-	-	-	-	-	-	-	-	-	-
25 Of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 Of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27 Of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28 Local governments financing		-	-	-	-	-	-	-	-	-	-	-	-	-
29 Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Assets excluded from the numerator for GAR calculation (covered in the denominator)	1,988.00													
33 Financial and Non-Financial undertaking	238.00													
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	238.00													
35 Loans and advances	237.00													
36 of which loans collateralised by commercial immovable property	-													
37 of which building renovation loans	-													
38 Debt securities	-													
39 Equity instruments	1.00													
40 Non-EU country counterparties not subject to NFRD disclosure obligations	0.00													
41 Loans and advances	-													
42 Debt securities	-													
43 Equity instruments	0.00													
44 Derivatives														
45 On demand interbank loans	99.00													
46 Cash and cash-related assets														
47 Other categories of assets (e.g. Goodwill, commodities etc.)	1,651.00													
48 Total GAR assets	2,321.00	19.00	2.00	-	-	1.00								
49 Assets not covered for GAR calculation	10,003.00													
50 Central governments and supranational issuers	9,641.00													
51 Central banks exposure	362.00													
52 Trading book														
53 Total assets	12,324.00	19.00	2.00	-	-	1.00								
Total assets (Editable)														
54 Financial guarantees	15.00	-	-	-	-	-								
55 Assets under management		-	-	-	-	-								
56 Of which debt securities	-	-	-	-	-	-								
57 Of which equity instruments	-	-	-	-	-	-								

[illegible]

Template 2: Turnover-based (T and T-1)

		a	b	c	d	e	f	g	h	i	j	k	l		
Breakdown by sector - NACE 4 digits level (code and label)	31/12/23														
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)					
	Non-Financial corporation (subject to NFRD)		SME and other NFC not subject to NFRD			Non-Financial corporation (subject to NFRD)		SME and other NFC not subject to NFRD		Non-Financial corporation (subject to NFRD)		SME and other NFC not subject to NFRD			
	[Gross] carrying amount		[Gross] carrying amount			[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount			
		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (WTR)		Of which environmentally sustainable (WTR)			
1	H49.10 Passenger rail transport, interurban	0.21	0.13			-	-			-	-				
2	D35.14 Trade of electricity	1.08	0.11			-	-			-	-				
3	F43.22 Plumbing, heat and air-conditioning installation	0.65	0.09			-	-			-	-				
4	D35.23 Trade of gas through mains	2.45	0.08			-	-			-	-				
5	C33.20 Installation of industrial machinery and equipment	0.19	0.06			-	-			-	-				
6	F43.21 Electrical installation	1.68	0.05			-	-			-	-				
7	J61.10 Wired telecommunications activities	2.28	0.03			-	-			-	-				
8	C26.60 Manufacture of irradiation, electromedical and electrotherapeutic equipment	3.12	0.02			0.85	-			-	-				
9	H53.10 Postal activities under universal service obligation	0.85	0.01			-	-			-	-				
10	D35.12 Transmission of electricity	2.38	0.01			-	-			-	-				
11	E36.00 Water collection, treatment and supply	5.18	0.01			-	-			-	-				
12	H49.50 Transport via pipeline	0.01	0.01			-	-			-	-				
13	C20.59 Manufacture of other chemical products n.e.c.	0.69	0.01			-	-			-	-				
14	C30.99 Manufacture of other transport equipment n.e.c.	0.01	0.01			-	-			-	-				
15	G46.90 Non-specialised wholesale trade	14.97	0.01			-	-			-	-				
16	K64.20 Activities of holding companies	389.62	0.01			-	-			-	-				
17	C21.20 Manufacture of pharmaceutical preparations	1.23	-			-	-			-	-				
18	C28.22 Manufacture of lifting and handling equipment	0.01	0.01			-	-			-	-				
19	F42.99 Construction of other civil engineering projects n.e.c.	0.40	-			-	-			-	-				
20	H49.31 Urban and suburban passenger land transport	6.18	-			-	-			-	-				
21	J62.01 Computer programming activities	0.20	-			-	-			-	-				
22	M72.19 Other research and experimental development on natural sciences and engineering	0.03	-			-	-			-	-				
23	K64.91 Financial leasing	0.01	-			-	-			-	-				
24	M70.22 Business and other management consultancy activities	0.01	-			-	-			-	-				
25	N82.30 Organisation of conventions and trade shows	0.01	-			-	-			-	-				
26	Q86.10 Hospital activities	110.02	-			-	-			-	-				
27	Q86.90 Other human health activities	0.83	-			-	-			-	-				

	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
	31/12/23															
	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Non-Financial corporation (subject to NFRD)		SME and other NFC not subject to NFRD		Non-Financial corporation (subject to NFRD)		SME and other NFC not subject to NFRD		Non-Financial corporation (subject to NFRD)		SME and other NFC not subject to NFRD		Non-Financial corporation (subject to NFRD)		SME and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Of which environmentally sustainable (CE)		Of which environmentally sustainable (CE)		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (BIO)		Of which environmentally sustainable (BIO)		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	
	-	-			-	-			-	-			0.21	0.13		
	-	-			-	-			-	-			1.08	0.11		
	-	-			-	-			-	-			0.65	0.09		
	-	-			-	-			-	-			2.45	0.08		
	-	-			-	-			-	-			0.19	0.06		
	-	-			-	-			-	-			1.68	0.05		
	-	-			-	-			-	-			2.28	0.03		
	-	-			-	-			-	-			3.97	0.02		
	-	-			-	-			-	-			0.85	0.01		
	-	-			-	-			-	-			2.38	0.01		
	-	-			-	-			-	-			5.18	0.01		
	-	-			-	-			-	-			0.01	0.01		
	-	-			-	-			-	-			0.69	0.01		
	-	-			-	-			-	-			0.01	0.01		
	-	-			-	-			-	-			14.97	0.01		
	-	-			-	-			-	-			389.62	0.01		
	-	-			-	-			-	-			1.23	-		
	-	-			-	-			-	-			0.01	0.01		
	-	-			-	-			-	-			0.40	-		
	-	-			-	-			-	-			6.18	-		
	-	-			-	-			-	-			0.20	-		
	-	-			-	-			-	-			0.03	-		
	-	-			-	-			-	-			0.01	-		
	-	-			-	-			-	-			0.01	-		
	-	-			-	-			-	-			0.01	-		
	-	-			-	-			-	-			110.02	-		
	-	-			-	-			-	-			0.83	-		

Template 2: Capex-based

		a	b	c	d	e	f	g	h	i	j	k	l	
Breakdown by sector - NACE 4 digits level (code and label)		31/12/23												
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				
		Non-Financial corporation (subject to NFRD)		SME and other NFC not subject to NFRD		Non-Financial corporation (subject to NFRD)		SME and other NFC not subject to NFRD		Non-Financial corporation (subject to NFRD)		SME and other NFC not subject to NFRD		
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		
		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (WTR)		Of which environmentally sustainable (WTR)		
1	D35.23 Trade of gas through mains	2.45	0.58			-	-			-	-			
2	D35.14 Trade of electricity	1.08	0.45			-	-			-	-			
3	F43.22 Plumbing, heat and air-conditioning installation	0.65	0.32			-	-			-	-			
4	H49.10 Passenger rail transport, interurban	0.21	0.18			-	-			-	-			
5	F43.21 Electrical installation	1.68	0.16			-	-			-	-			
6	H53.10 Postal activities under universal service obligation	0.85	0.05			0.85	-			-	-			
7	C33.20 Installation of industrial machinery and equipment	0.19	0.02			-	-			-	-			
8	J61.10 Wired telecommunications activities	2.28	0.02			-	-			-	-			
9	C26.60 Manufacture of irradiation, electromedical and electrotherapeutic equipment	3.12	0.01			-	-			-	-			
10	C20.59 Manufacture of other chemical products n.e.c.	0.69	0.01			-	-			-	-			
11	D35.12 Transmission of electricity	2.38	0.01			-	-			-	-			
12	E36.00 Water collection, treatment and supply	5.18	0.01			-	-			-	-			
13	Q86.90 Other human health activities	0.83	0.01			-	-			-	-			
14	H49.50 Transport via pipeline	0.01	0.01			-	-			-	-			
15	C28.22 Manufacture of lifting and handling equipment	0.01	0.01			-	-			-	-			
16	C30.99 Manufacture of other transport equipment n.e.c.	0.01	0.01			-	-			-	-			
17	G46.90 Non-specialised wholesale trade	14.97	0.01			-	-			-	-			
18	K64.20 Activities of holding companies	389.62	0.01			-	-			-	-			
19	M70.22 Business and other management consultancy activities	0.01	0.01			-	-			-	-			
20	F42.99 Construction of other civil engineering projects n.e.c.	0.40	-			-	-			-	-			
21	H49.31 Urban and suburban passenger land transport	6.18	-			-	-			-	-			
22	J62.01 Computer programming activities	0.20	-			-	-			-	-			
23	M72.19 Other research and experimental development on natural sciences and engineering	0.03	-			-	-			-	-			
24	C21.20 Manufacture of pharmaceutical preparations	1.23	-			-	-			-	-			
25	K64.91 Financial leasing	0.01	-			-	-			-	-			
26	N82.30 Organisation of conventions and trade shows	0.01	-			-	-			-	-			
27	Q86.10 Hospital activities	110.02	-			-	-			-	-			

	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
	31/12/23															
	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Non-Financial corporation (subject to NFRD)		SME and other NFC not subject to NFRD		Non-Financial corporation (subject to NFRD)		SME and other NFC not subject to NFRD		Non-Financial corporation (subject to NFRD)		SME and other NFC not subject to NFRD		Non-Financial corporation (subject to NFRD)		SME and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Of which environmentally sustainable (CE)		Of which environmentally sustainable (CE)		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (BIO)		Of which environmentally sustainable (BIO)		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	
	-	-	-	-	-	-	-	-	-	-	-	-	2.45	0.58	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	1.08	0.45	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	0.65	0.32	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	0.21	0.18	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	1.68	0.16	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	1.70	0.05	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	0.19	0.02	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	2.28	0.02	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	3.12	0.01	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	0.69	0.01	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	2.38	0.01	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	5.18	0.01	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	0.83	0.01	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	0.01	0.01	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	0.01	0.01	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	0.01	0.01	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	14.97	0.01	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	389.62	0.01	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	0.01	0.01	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	0.40	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	6.18	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	0.20	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	0.03	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	1.23	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	110.02	-	-	-

Template 3: Turnover-based (T and T-1)

		a	b	c	d	e	f	g	h	j	k	l	m	n	
% (compared to total covered assets in the denominator)		31/12/23													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		Of which Use of Proceeds					Of which Use of Proceeds				Of which Use of Proceeds				
GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	0.78%	0.02%	-%	0.00%	0.01%	0.00%	-%	-%	-%	-%	-%	-%	-%	-%
2	Financial undertakings	0.73%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
3	Credit institutions	0.73%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
4	Loans and advances	0.73%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
5	Debt securities, including UoP	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
6	Equity instruments	0.00%	-%		-%	-%	-%	-%		-%	-%	-%		-%	-%
7	Other Financial corporation	0.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
8	Of which investment firms	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
9	Loans and advances	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
10	Debt securities, including UoP	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
11	Equity instruments	-%	-%		-%	-%	-%	-%		-%	-%	-%		-%	-%
12	Of which management companies	0.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
13	Loans and advances	0.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
14	Debt securities, including UoP	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
15	Equity instruments	-%	-%		-%	-%	-%	-%		-%	-%	-%		-%	-%
16	Of which insurance undertakings	0.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
17	Loans and advances	0.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
18	Debt securities, including UoP	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
19	Equity instruments	-%	-%		-%	-%	-%	-%		-%	-%	-%		-%	-%
20	Non-Financial undertakings	0.05%	0.02%	-%	0.00%	0.01%	0.00%	-%	-%	-%	-%	-%	-%	-%	-%
21	Loans and advances	0.05%	0.02%	-%	0.00%	0.01%	0.00%	-%	-%	-%	-%	-%	-%	-%	-%
22	Debt securities, including UoP	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
23	Equity instruments	-%	-%		-%	-%	-%	-%		-%	-%	-%		-%	-%
24	Households	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%				-%
25	Of which loans collateralised by residential immovable property	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%				-%
26	Of which building renovation loans	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%				-%
27	Of which motor vehicle loans	-%	-%	-%	-%	-%									-%
28	Local governments financing	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
29	House financing	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
30	Other local government financing	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
31	Collateral obtained by taking possession: residential and commercial immovable properties	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
32	Total GAR assets	0.78%	0.02%	-%	0.00%	0.01%	0.00%	-%	-%	-%	-%	-%	-%	-%	-%

[illegible]

Template 3: GAR Stock - Capex-based (T and T-1)

	a	b	c	d	e	f	g	h	j	k	l	m	n		
% (compared to total covered assets in the denominator)	31/12/23														
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
				Of which Use of Proceeds	Of which transitional	Of which enabling				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
GAR - Covered assets in both numerator and denominator															
1 Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	0.82%	0.08%	-%	-%	0.00%	0.02%	-%	-%	-%	-%	-%	-%	-%	-%	-%
2 Financial undertakings	0.71%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
3 Credit institutions	0.71%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
4 Loans and advances	0.70%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
5 Debt securities, including UoP	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
6 Equity instruments	0.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
7 Other Financial corporation	0.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
8 Of which investment firms	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
9 Loans and advances	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
10 Debt securities, including UoP	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
11 Equity instruments	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
12 Of which management companies	0.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
13 Loans and advances	0.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
14 Debt securities, including UoP	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
15 Equity instruments	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
16 Of which insurance undertakings	0.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
17 Loans and advances	0.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
18 Debt securities, including UoP	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
19 Equity instruments	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
20 Non-Financial undertakings	0.12%	0.08%	-%	0.00%	0.02%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
21 Loans and advances	0.12%	0.08%	-%	0.00%	0.02%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
22 Debt securities, including UoP	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
23 Equity instruments	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
24 Households	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
25 Of which loans collateralised by residential immovable property	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
26 Of which building renovation loans	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
27 Of which motor vehicle loans	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
28 Local governments financing	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
29 House financing	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
30 Other local government financing	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
31 Collateral obtained by taking possession: residential and commercial immovable properties	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
32 Total GAR assets	0.82%	0.08%	-%	0.00%	0.02%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%

[illegible]

Template 4: GAR Flow - Turnover-based (T)

% (compared to flow of total eligible assets)	a	b	c	d	e	f	g	h	j	k	l	m	n
	31/12/2023												
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
GAR - Covered assets in both numerator and denominator													
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.73%	0.02%	-%	0.00%	0.01%	-%	-%	-%	-%	-%	-%	-%	-%
2 Financial undertakings	0.69%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
3 Credit institutions	0.69%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
4 Loans and advances	0.69%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
5 Debt securities, including UoP	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
6 Equity instruments	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
7 Other Financial corporation	0.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
8 Of which investment firms	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
9 Loans and advances	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
10 Debt securities, including UoP	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
11 Equity instruments	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
12 Of which management companies	0.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
13 Loans and advances	0.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
14 Debt securities, including UoP	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
15 Equity instruments	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
16 Of which insurance undertakings	0.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
17 Loans and advances	0.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
18 Debt securities, including UoP	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
19 Equity instruments	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
20 Non-Financial undertakings	0.04%	0.02%	-%	0.00%	0.01%	-%	-%	-%	-%	-%	-%	-%	-%
21 Loans and advances	0.04%	0.02%	-%	0.00%	0.01%	-%	-%	-%	-%	-%	-%	-%	-%
22 Debt securities, including UoP	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
23 Equity instruments	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
24 Households	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
25 Of which loans collateralised by residential immovable property	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
26 Of which building renovation loans	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
27 Of which motor vehicle loans	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
28 Local governments financing	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
29 House financing	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
30 Other local government financing	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
31 Collateral obtained by taking possession: residential and commercial immovable properties	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
32 Total GAR assets	0.73%	0.02%	-%	0.00%	0.01%	-%	-%	-%	-%	-%	-%	-%	-%

[illegible]

Template 4: GAR Flow - Capex-based (T)

% (compared to flow of total eligible assets)	a	b	c	d	e	f	g	h	j	k	l	m	n
	31/12/2023												
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
GAR - Covered assets in both numerator and denominator													
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.76%	0.07%	-%	0.00%	0.02%	-%	-%	-%	-%	-%	-%	-%	-%
2 Financial undertakings	0.67%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
3 Credit institutions	0.66%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
4 Loans and advances	0.66%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
5 Debt securities, including UoP	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
6 Equity instruments	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
7 Other Financial corporation	0.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
8 Of which investment firms	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
9 Loans and advances	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
10 Debt securities, including UoP	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
11 Equity instruments	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
12 Of which management companies	0.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
13 Loans and advances	0.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
14 Debt securities, including UoP	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
15 Equity instruments	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
16 Of which insurance undertakings	0.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
17 Loans and advances	0.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
18 Debt securities, including UoP	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
19 Equity instruments	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
20 Non-Financial undertakings	0.09%	0.07%	-%	0.00%	0.02%	-%	-%	-%	-%	-%	-%	-%	-%
21 Loans and advances	0.09%	0.07%	-%	0.00%	0.02%	-%	-%	-%	-%	-%	-%	-%	-%
22 Debt securities, including UoP	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
23 Equity instruments	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
24 Households	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
25 Of which loans collateralised by residential immovable property	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
26 Of which building renovation loans	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
27 Of which motor vehicle loans	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
28 Local governments financing	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
29 House financing	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
30 Other local government financing	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
31 Collateral obtained by taking possession: residential and commercial immovable properties	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
32 Total GAR assets	0.76%	0.07%	-%	0.00%	0.02%	-%	-%	-%	-%	-%	-%	-%	-%

[illegible]

Template 5: KPIs for off-balance sheet exposures Stock - Turnover-based (T)

% (compared to total eligible off-balance sheet assets)	a	b	c	d	e	f	g	h	J	k	l	m	n
	31/12/2023												
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	Of which Use of Proceeds		Of which transitional	Of which enabling		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling	
1 Financial guarantees (FinGuar KPI)	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
2 Assets under management (AuM KPI)	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%

Template 5: KPIs for off-balance sheet exposures Flow - Turnover-based (T)

% (compared to total eligible off-balance sheet assets)	a	b	c	d	e	f	g	h	J	k	l	m	n
	31/12/2023												
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	Of which Use of Proceeds		Of which transitional	Of which enabling		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling	
1 Financial guarantees (FinGuar KPI)	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
2 Assets under management (AuM KPI)	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%

Template 5: KPIs for off-balance sheet exposures Stock - Capex-based (T)

% (compared to total eligible off-balance sheet assets)	a	b	c	d	e	f	g	h	J	k	l	m	n
	31/12/2023												
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	Of which Use of Proceeds		Of which transitional	Of which enabling		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling	
1 Financial guarantees (FinGuar KPI)	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
2 Assets under management (AuM KPI)	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%

Template 5: KPIs for off-balance sheet exposures Flow - Capex-based (T)

% (compared to total eligible off-balance sheet assets)	a	b	c	d	e	f	g	h	J	k	l	m	n
	31/12/2023												
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	Of which Use of Proceeds		Of which transitional	Of which enabling		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling	
1 Financial guarantees (FinGuar KPI)	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
2 Assets under management (AuM KPI)	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%

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Annex XII template: Gas and Nuclear

Templates for the exposures of activities related to the nuclear and fossil gas sectors are presented below.

Template 1: GAR STOCK Capex Based

		a
	Nuclear energy related activities	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	Yes

		a
	Fossil gas related activities	YES/NO
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels	Yes
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	Yes
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	Yes

Template 1: GAR STOCK Turnover Based

		a
	Nuclear energy related activities	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	Yes

		a
	Fossil gas related activities	YES/NO
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels	Yes
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	Yes
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	Yes

Template 1: GAR FLUSSO Capex Based

		a
	Nuclear energy related activities	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	No

		a
	Fossil gas related activities	YES/NO
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	No

Template 1: GAR FLUSSO Turnover Based

		a
	Nuclear energy related activities	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	No

		a
	Fossil gas related activities	YES/NO
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	No

Template 1: FINGAR Capex Based

		a
	Nuclear energy related activities	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	No

		a
	Fossil gas related activities	YES/NO
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	No

Template 1: FINGAR Turnover Based

		a
	Nuclear energy related activities	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	No

		a
	Fossil gas related activities	YES/NO
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	No

Template 1: AuM Capex Based

		a
	Nuclear energy related activities	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	No

		a
	Fossil gas related activities	YES/NO
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	No

Template 1: AuM Turnover Based

		a
	Nuclear energy related activities	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	No

		a
	Fossil gas related activities	YES/NO
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	No

Template 2: Economic activities aligned with the taxonomy (denominator) - GAR Stock Turnover-based

		a	b	c	d	e	f
	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		TOTAL (CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0.53	0.02%	0.53	0.02%	-	-%
8	Total applicable KPI	2,320.91	100.00%	0.54	0.02%	-	-%

Template 2: Economic activities aligned with the taxonomy (denominator) - GAR Flow Turnover-based

		a	b	c	d	e	f
	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		TOTAL (CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0.41	0.02%	0.41	0.02%	-	-%
8	Total applicable KPI	2,320.91	100.00%	0.41	0.02%	-	-%

Template 2: Economic activities aligned with the taxonomy (denominator) - GAR Stock Capex-based

		a	b	c	d	e	f
	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		TOTAL (CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1.75	0.08%	1.75	0.08%	-	-%
8	Total applicable KPI	2,320.91	100.00%	1.76	0.08%	-	-%

Template 2: Economic activities aligned with the taxonomy (denominator) - GAR Flow Capex-based

		a	b	c	d	e	f
	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		TOTAL (CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1.55	0.07%	1.55	0.07%	-	-%
8	Total applicable KPI	2,320.91	100.00%	1.55	0.07%	-	-%

Template 3: Economic activities aligned with the taxonomy (numerator) - GAR Stock Turnover-based

		a	b	c	d	e	f
	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		TOTAL (CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-%	-	-%	-	-%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-%	-	-%	-	-%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-%	-	-%	-	-%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.00	0.07%	0.00	0.07%	-	-%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-%	-	-%	-	-%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-%	-	-%	-	-%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	0.53	99.93%	0.53	99.93%	-	-%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	0.54	100.00%	0.54	100.00%	-	-%

Template 3: Economic activities aligned with the taxonomy (numerator) - GAR Flow Turnover-based

		a	b	c	d	e	f
	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		TOTAL (CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-%	-	-%	-	-%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-%	-	-%	-	-%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-%	-	-%	-	-%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-%	-	-%	-	-%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-%	-	-%	-	-%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-%	-	-%	-	-%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	0.40	100.00%	0.40	100.00%	-	-%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	0.40	100.00%	0.40	100.00%	-	-%

Template 3: Economic activities aligned with the taxonomy (numerator) - GAR Stock Capex-based

		a	b	c	d	e	f
	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		TOTAL (CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-%	-	-%	-	-%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-%	-	-%	-	-%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0,00	0,28%	0,00	0,28%	-	-%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-%	-	-%	-	-%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-%	-	-%	-	-%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-%	-	-%	-	-%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	1,75	99,72%	1,75	99,72%	-	-%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	1,76	100,00%	1,76	100,00%	-	-%

Template 3: Economic activities aligned with the taxonomy (numerator) - GAR Flow Capex-based

		a	b	c	d	e	f
	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		TOTAL (CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-%	-	-%	-	-%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-%	-	-%	-	-%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-%	-	-%	-	-%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-%	-	-%	-	-%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-%	-	-%	-	-%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-%	-	-%	-	-%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	1.55	100.00%	1.55	100.00%	-	-%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	1.55	100.00%	1.55	100.00%	-	-%

Template 4: Economic activities eligible for but not aligned with the taxonomy - GAR Stock Turnover-based

		a	b	c	d	e	f
	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		TOTAL (CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.12	0.00%	0.12	0.00%	-	-%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.08	0.00%	0.08	0.00%	-	-%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-%
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	17.46	0.75%	17.46	0.75%	0.00	0.00%
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	17.65	0.76%	17.65	0.76%	0.00	0.00%

Template 4: Economic activities eligible for but not aligned with the taxonomy - GAR Flow Turnover-based

		a	b	c	d	e	f
	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		TOTAL (CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	16.47	0.71%	16.47	0.71%	-	-%
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	16.47	0.71%	16.47	0.71%	-	-%

Template 4: Economic activities eligible for but not aligned with the taxonomy - GAR Stock Capex-based

		a	b	c	d	e	f
	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		TOTAL (CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.09	0.00%	0.09	0.00%	-	-%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.07	0.00%	0.07	0.00%	-	-%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-%
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	17.21	0.74%	17.21	0.74%	-	-%
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	17.37	0.75%	17.37	0.75%	-	-%

Template 4: Economic activities eligible for but not aligned with the taxonomy - GAR Flow Capex-based

		a	b	c	d	e	f
	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		TOTAL (CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%	-	-%	-	-%
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	16.07	0.69%	16.07	0.69%	-	-%
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	16.07	0.69%	16.07	0.69%	-	-%

Template 5: Economic activities not eligible for the taxonomy - GAR Stock Turnover-based

		a	b
	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.03	0.00%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2,302.70	99.22%
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	2,302.72	99.22%

Template 5: Economic activities not eligible for the taxonomy - GAR Flow Turnover-based

		a	b
	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2,304.03	99.27%
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	2,304.03	99.27%

Template 5: Economic activities not eligible for the taxonomy - GAR Stock Capex-based

		a	b
	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.01	0.00%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2,301.77	99.18%
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	2,301.78	99.18%

Template 5: Economic activities not eligible for the taxonomy - GAR Flow Capex-based

	Economic activities	a	b
		Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-%
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2,303.29	99.24%
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	2,303.29	99.24%

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Independent
Auditors' Report



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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018

To the board of directors of BFF Bank S.p.A.

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5.1.g) of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2023 consolidated non-financial statement of the BFF Banking Group (the "Group") prepared in accordance with article 4 of the decree and approved by the board of directors on 7 March 2024 (the "NFS").

Our procedures did not cover the information set out in the "Disclosure under the taxonomy of the European Union (Regulation EU 2020/852)" section and its Annex of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of BFF Bank S.p.A. (the "parent") for the NFS

The directors are responsible for the preparation of an NFS in accordance with articles 3 and 4 of the decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), which they have identified as the reporting standards.

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the decree and the Group's business and characteristics, to the extent necessary to enable an understanding of the Group's business, performance, results and the impacts it generates.

The directors' responsibility also includes the design of an internal model for the management and organisation of the Group's activities, as well as, with reference to the aspects identified and disclosed in the NFS, the Group's policies and the identification and management of the risks generated or borne.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

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Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards, the IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. During the year covered by this report, our company applied International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintained a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the decree and the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the NFS are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the NFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we performed the following procedures:

1. Analysing the material aspects based on the Group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.
2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.
3. Comparing the financial disclosures presented in the NFS with those included in the Group's consolidated financial statements.
4. Gaining an understanding of the following:
 - the Group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
 - the entity's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
 - the main risks generated or borne in connection with the aspects set out in article 3 of the decree.

Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 5.a).

5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.



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Specifically, we held interviews and discussions with the parent's management personnel and personnel of BFF Polska S.A. and BFF Finance Iberia S.A.U.. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

Furthermore, with respect to significant information, considering the Group's business and characteristics:

- at parent level,
 - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence,
 - b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
- we held remote meetings with the management of the parent, BFF Polska S.A. and BFF Finance Iberia S.A.U., which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, to obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2023 consolidated non-financial statement of the BFF Banking Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards.

Our conclusion does not extend to the information set out in the "Disclosure under the taxonomy of the European Union (Regulation EU 2020/852)" section and its Annex of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Milan, 28 March 2024

KPMG S.p.A.

(signed on the original)

Roberto Spiller
Director of Audit





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Alberto Burri, Untitled, 1973-1976,
42x34.5 cm, Screen Print, BFF Collection