



Sustainability Report **2022**





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Reading guide

In 2023, we decided to produce **our first Sustainability Report** to share information with stakeholders about our **environmental, social and governance** performance; in this document, we analyse and present our management policies, the results achieved, current and potential risks and the relevant indicators for our business, with extensive reference to the 2020-2022 three-year period.

To guarantee information quality and ensure that our Report is aligned with Italian and European *best practices*, we have decided to create it **in compliance with the reporting principles and disclosure requirements defined by the Global Reporting Initiative (GRI)**¹.

The document opens with this “Reading guide”, followed by the **“Letter to Stakeholders”** from our CEO Massimo Gianolli, which lays out the **reasons** that led us to embark upon this path as well as our **goals** for the future.

The central body of the document is organised into **six chapters**, each of which opens by listing the GRI Standards reported on within it and the relative connection with the Sustainable Development Goals of the United Nations 2030 Agenda. Each chapter includes:

- **qualitative information** on the management methods adopted with reference to each of the sustainability topics analysed;
- **quantitative information** selected in the form of KPIs and represented by graphs and tables;
- several **in-depth sidebars** relating to particularly important content, highlighted by their grey background.



¹ The Global Reporting Initiative (GRI) is a non-profit organisation created with the aim of providing concrete support in sustainability performance reporting to companies and institutions of any size, in order to measure the environmental, social and economic impact generated by their activities. The GRI Standards are voluntary and recognised worldwide as the main reference for non-financial reporting.



In the first chapter, **“About us”**, we present the macro trends of the financial sector and in particular of factoring, talk about our mission, our guiding values and our history from our founding to date, and analyse the classification of the market segments in which we operate and our customers. Lastly, we describe the governance structure and how we observe the principles of ethics and integrity in the conduct of our business and in relations with stakeholders.

The second chapter, **“Our approach to sustainability”**, describes the approach taken over the years with respect to ESG issues, with details on the actions carried out in 2023 to identify material topics. We also provide a description of our contribution to reaching the 2030 Sustainable Development Goals defined by the UN.

The third chapter, **“Our people”**, focuses on an analysis of our relationship with employees, describing our equal opportunity and diversity, personnel management, professional development and occupational health and safety policies.

The fourth chapter, **“Our relationships with the community”**, describes one of the main themes of this report, namely our role in the financial ecosystem as an entity that supports companies in distress. This section also describes the forms of support, in terms of sponsorships and participation in initiatives, that we adopt in favour of local communities, which are our primary reference point.

In the fifth chapter, **“Our environmental impact”**, we report on the main environmental aspects of our Company, namely energy consumption, emissions impact and our use and management of materials and waste. Given the nature of our business, we have no significant environmental impacts, but in line with international ESG trends, we have preferred to provide a *disclosure* on this issue which has recently become increasingly relevant.

The sixth and final chapter, **“Our economic and governance performance”**, provides an overview of our economic-financial performance and the performance of the *factoring* market, with an in-depth analysis of the creation of economic value and its distribution amongst our stakeholders. In addition, we provide some in-depth analyses on issues that we believe to be central, such as risk management, innovation and the protection of customer privacy.

Finally, the **“Appendix”** includes analyses on the quantitative information required by the GRI Standards; the Methodological Note, which explains the technical aspects underlying the preparation of the Sustainability Report; a Glossary to clarify some typical terms used in our business; and the GRI Content *Index*, which demonstrates the connection between the GRI disclosures and each chapter of the document.

Letter to stakeholders

We are pleased to present the first sustainability report of Generalfinance S.p.A. This document reflects the commitment to implementing a complex strategy that follows three pathways: environmental, social and *governance*, and their integration into our business model. We have embraced the concept of sustainability, paying particular attention to social issues; in fact, we believe that the first element of a true ESG strategy is to do your job well.

Over the last few years, we have increasingly focused our actions on adopting eco-sustainable business practices, thanks to the implementation of strategies to increase energy efficiency while minimising waste and our environmental impact. We have also launched waste recycling programs, reducing the use of plastic and paper thanks to record digitalisation and the use of software managed entirely in the cloud, thus boosting our commitment to a sustainable future.

We recognise the importance of promoting an inclusive and diverse work environment. We have adopted merit-based recruitment policies and promote equal opportunities for all of our employees. We have also invested in their training and continuous professional development, with the awareness that employee well-being and growth are fundamental to the company's long-term success.

Lastly, a solid corporate governance system is essential for our organisation. We have an independent, competent board of directors, which is committed to providing effective supervision. We have adopted fair and transparent remuneration policies that encourage the achievement of sustainable and long-term objectives. In addition, we ensure the full disclosure of financial information and, also thanks to this first sustainability report, non-financial information, thus enabling investors to make informed decisions.



"The steps taken to date are only the beginning of a path that we intend to continue to follow for years to come."

Massimo Gianolli,
CEO of Generalfinance S.p.A.



1 About us



SDGs



GRI Standards

2-1, 2-6, 2-9, 2-10, 2-11, 2-12,
2-14, 2-17, 405-1





1.1 BUSINESS CONTEXT

We are in the business of *factoring*, "a flexible working capital management tool that provides access to a source of ready liquidity consistent with actual business requirements" (Assifact).

The legal instrument underlying our business is the assignment of receivables pursuant to the "Regulation on the assignment of business receivables"¹, whereby the legislature governs the assignment of existing and future business receivables and the assignability of receivables to the factor, also en bloc, and facilitates, for the assignee, the enforceability of assignments with respect to third parties.

In particular, *factoring* is an instrument whereby one party, called the *factor*, acquires for valuable consideration the receivables deriving from business activities, allowing the assignor to obtain immediate liquidity.

With reference to non-payment risk, there are two methods of assigning the receivable, *with recourse* and

without recourse, which are distinguished by the fact that the guarantee of debtor solvency is assumed by the assignor, or by the *factor*. In particular, *with recourse factoring* is a financial instrument whereby the assignor company retains the risk of debtor default, although the receivable is assigned to the *factor*. With *non-recourse factoring*, on the other hand, the risk of debtor default is assumed by the *factoring* company. Both of these methods can be used for financially sound companies, performing companies and for those in a difficult financial situation, distressed companies. In particular, the *with recourse* method is particularly suitable for the latter category of companies, since it provides immediate liquidity, which can be difficult to obtain through the traditional banking channel, while exploiting, from an operational *partnership* perspective, the *factor's* ability to manage portfolios of numerous and complex debtors, thus optimising collection timing.

The data collected by the *EU federation for factoring and Commercial Finance for European factoring market* for 2022 show a 19% increase in turnover over the previous

WITH RECOURSE FACTURING	THE ASSIGNOR COMPANY MAINTAINS THE RISK OF DEBTOR DEFAULT
NON- RECOURSE FACTURING (OR "OUTRIGHT PURCHASE")	THE RISK OF DEBTOR DEFAULT IS ASSUMED BY THE FACTURING COMPANY

year²; the total turnover of the factoring sector in Europe exceeded EUR 2,000 billion during the year, and factoring sector turnover represented approximately 12.3% of European GDP in 2022³. Sector growth was also possible thanks to the robust increase in demand post-Covid-19, company requirements linked public aid repayments, high inflation and the rising prices of goods and commodities as a result of the outbreak of the war in Ukraine (EU Federation, 2022).

¹ Law no. 52 of 21 February 1991.

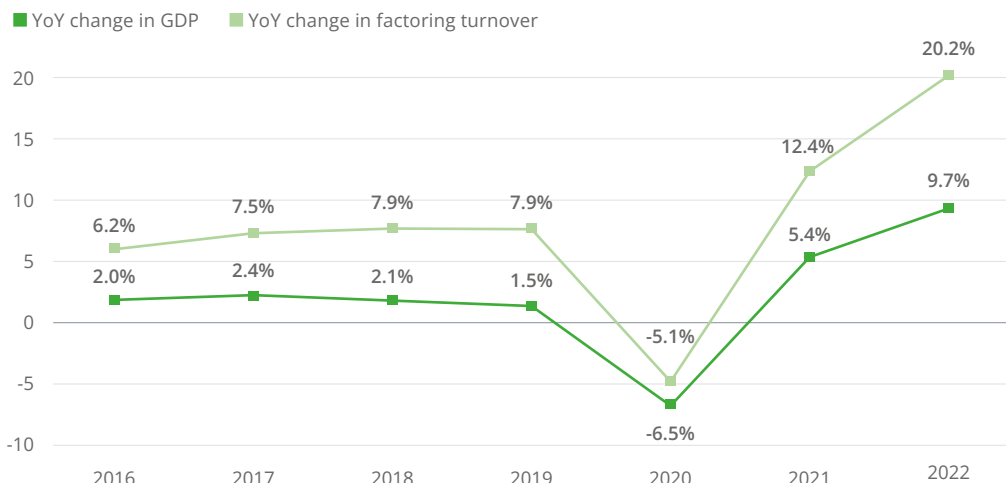
² <https://www.euf.eu.com/news/newsflash/the-european-factoring-market-met-in-cologne.html>

³ <https://www.euf.eu.com/data-statistics/annual-factoring-data.html>



As shown in the data and graph below, there is a strong and constant relationship between growth in factoring turnover and GDP growth, which shows a positive correlation although factoring growth rates have changed more significantly than GDP (EU Federation, 2022).

FACTORIZING TURNOVER AND GDP TREND IN EUROPE



Source: EU Federation, 2022.

What is highlighted varies depending on the country. In particular, in the first half of 2022 factoring in Italy changed more significantly than the country's nominal GDP, which was also the case in the rest of the European countries, with the exception of Norway (EU Federation, 2022).

In 2022, France remained the European market leader with a share of 17.7% of the total *factoring* volume, followed by Germany (15.6%), the United Kingdom (14.8%), Italy (12.4%) and Spain (10.8%)⁴.

During 2022, Assifact, the Italian Factoring Association, published the third edition of a survey on demand for factoring services⁵, involving a significant sample of companies

⁴ <https://www.euf.eu.com/data-statistics/annual-factoring-data.html>

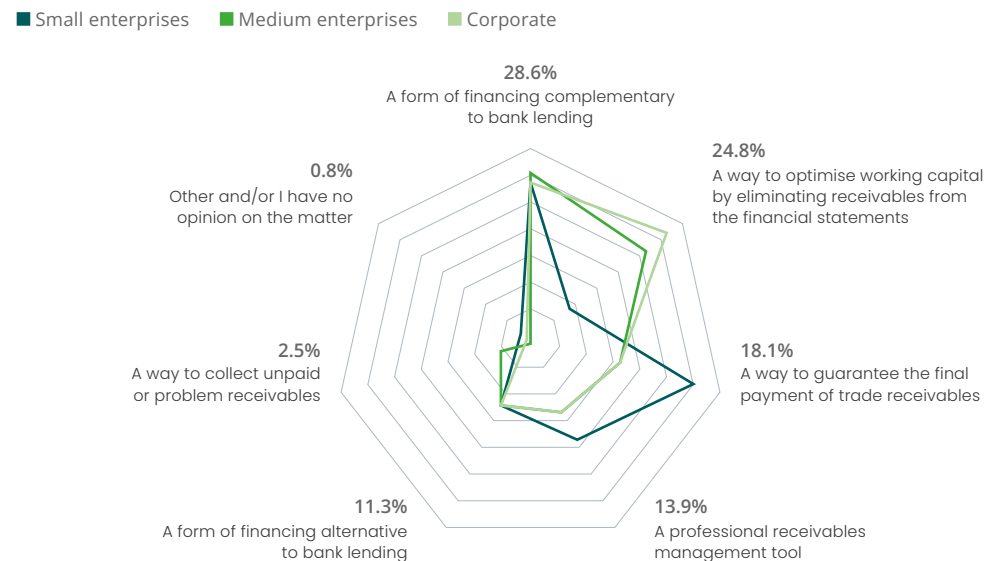
⁵ Assifact, KPMG Italy, 2022.

operating in Italy. According to the analysis, the company perception of factoring as a tool for "relationships" with customers is increasing, with a resulting decrease in the share of companies that see it as a "financing" tool. Despite this, *"the requirements linked to working capital remain mainly anchored to "primary" needs, i.e. ensuring the liquidity of the supplier company and avoiding outstanding payments"* (Assifact, KPMG Italy, 2022). Even with this awareness, the reasons underlying factoring demand in Italy and the perception of this activity have changed compared to the past.

Factoring is now more widely perceived as a tool to optimise company working capital by making recourse to assignments. Indeed, according to 28.6% of the survey responses, it is considered a form of financing complementary to bank lending, but not an alternative, as shown by 11.3% of the responses. Factoring is also perceived as a way to optimise working capital by eliminating receivables from the financial statements (24.8%) and to guarantee the final payment of trade receivables (18.1%).

What does factoring represent?

(% Breakdown of responses, breakdown by company size)



Source: Assifact, KPMG Italy, 2022.

The analysis shows the long-lasting and continuous relationship over time between factors and the assignors interviewed, which mainly rely on non-recourse factoring, confirming the higher degree of satisfaction with the use of factoring compared to past surveys: in 2022, 54.7% of companies considered it very positive compared to 7% in 1997.

Lastly, in line with the evolution of the European regulatory *framework* on sustainability, also in the *factoring* sector, initiatives are under way to integrate ESG factors in a number of business areas, ranging from business strategy to product catalogue. The advantages relating to the integration of ESG risks into corporate and *disclosure* processes could result in lower capital absorption and improved market and reputational positioning, thus generating value for *factors* as well as for assignors and assigned debtors.





1.2 OUR MISSION AND VALUES

We are a supervised financial intermediary specialising in factoring and a leader in the distressed business segment. Our mission is focused on supporting Italian companies, particularly those committed to recovery plans.

This contribution, primarily financial, has also proved to be socially decisive over the years. Our intervention is decisive because through factoring we support companies that would otherwise struggle to obtain financing via traditional

credit channels. Over the years, our support has been significant for hundreds of companies in difficulty, which have thus been able to preserve jobs and the continuity of their generation of socio-economic value. This responsible approach, combined with capital and financial discipline, the incentive policy and the growth of Generalfinance personnel, is the driving force behind the success of our Company.

“Sustainable robust growth, high profitability and contained risk are our main objectives”

Massimo Gianolli,
Chief Executive Officer of the Company

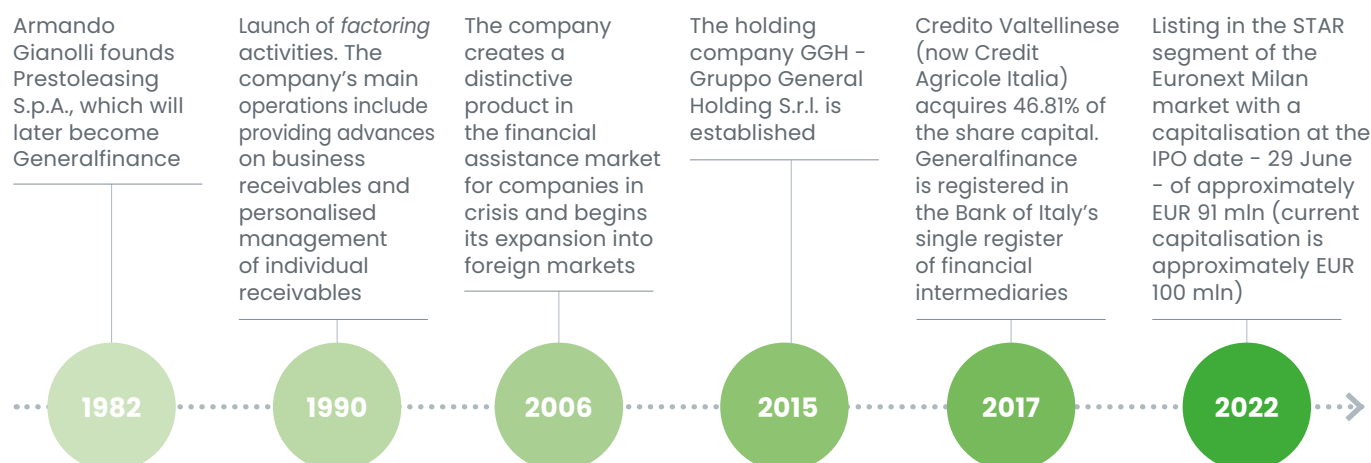
1.3 OVER 40 YEARS OF HISTORY

We began doing business in 1982 with the company’s establishment by Armando Gianolli. We operate in the Italian financial sector from our offices in Biella and Milan.

We specialise in “tailor-made” financing for businesses by providing advances on and managing trade receivables. For over forty years, we have been offering flexible, customisable services aimed at resolving multiple company credit problems in order to allow customers to free up working capital, improve collection timing and reduce customer portfolio insolvencies.

We are listed in the STAR segment of the Euronext Milan market and recognised in the market with over 2 billion in turnover in 2022 and year-on-year growth in net profit of +15%. Since 1990, we have managed more than EUR 8.5 billion in nominal value of loans and over 1 million 280 thousand invoices. We are proud of the goal achieved

The main stages in the development of Generalfinance



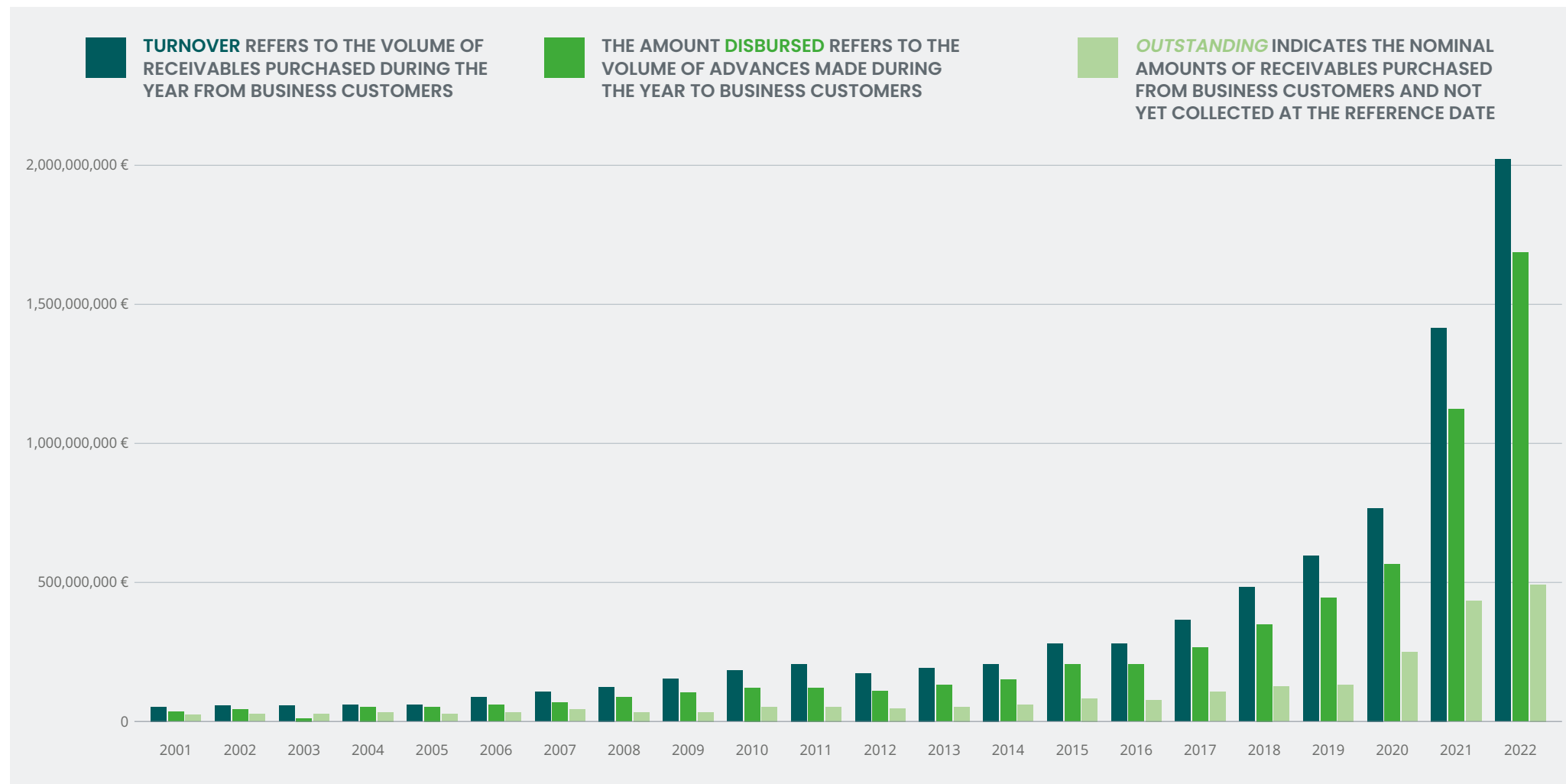


thanks to the numerous *milestones* reached over the years, the trust of customers and the work of the people who are part of our Company.

The results achieved in 2022 represent the starting point for a new phase of healthy growth for the company. Despite the complexities and challenges of the market in recent years due to the health emergency and the outbreak of the

war in Ukraine, thanks also to the anti-cyclical nature of our business, we increased from EUR 590 million in turnover in 2019 to EUR 1.4 billion in 2021, up to over 2 billion at the end of 2022, as shown in the box below.

GENERAL FINANCE NOMINAL, DISBURSED AND OUTSTANDING TRENDS



1.4 OUR BUSINESS AREAS

Factoring is a combination of three services:

- *credit management*;
- *credit financing*;
- *credit insurance*.

Credit management is the main core activity of a *factoring* company and allows the assignor (Generalfinance customer) to outsource the activities usually carried out internally, including the assessment of customer credit risk and the subsequent management of *collections*.

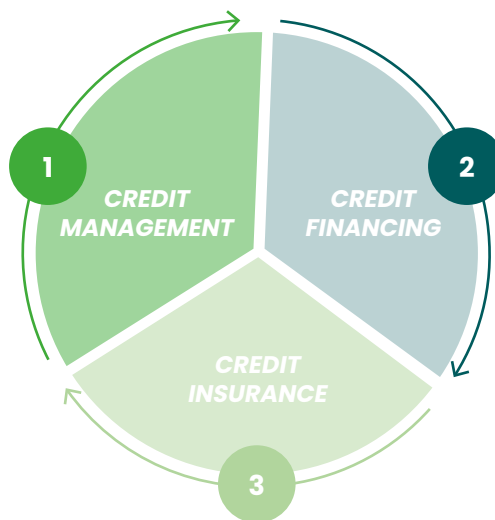
Through the *credit financing* service, the *factor* provides the liquidity requested by the assignor against the assigned receivables.

Lastly, with the *credit insurance* service, the *factor* assumes the risk of non-payment by the assigned debtor through non-recourse coverage.

Our offer within the scope of these services is aimed at two main groups of customers: *performing companies* and *distressed companies*. For each of them, we offer flexible services that can be extended to the level of production chains with the help of our external professionals, who, thanks to the varied nature of their significant profiles, build customised and efficient solutions with competence and experience for the benefit of our customers.

We work primarily in Northern Italy, with a strong presence of customers in Lombardy, where we earn 54.0% of our *turnover*, Veneto (13.3%) and Emilia-Romagna (5.9%).

THE THREE *FACTORING* SERVICES



In Central Italy, the largest percentage (around 8%) is recorded in Lazio.

Generalfinance provides its services to performing companies as an alternative or complementary form of financing to bank lending, in order to guarantee effective management and financial support, as well as to meet the business's need to effectively manage trade receivables.

Factoring for companies in crisis, on the other hand, supports companies in the process of accessing, through the various instruments established within the corporate crisis code and negotiated settlements, a recovery

procedure on a going concern basis. In 2022 the latter type accounted for about 69% of total turnover, confirming the correspondence of our work with the company *mission*.

In both areas, our *business* model is aimed on one hand at assignors that have difficulty obtaining financing in the traditional channels of banks and financial intermediaries due to their creditworthiness (*non-investment grade category*); on the other hand, at assigned debtors with medium-high creditworthiness, positive payment performance and a low credit risk profile.

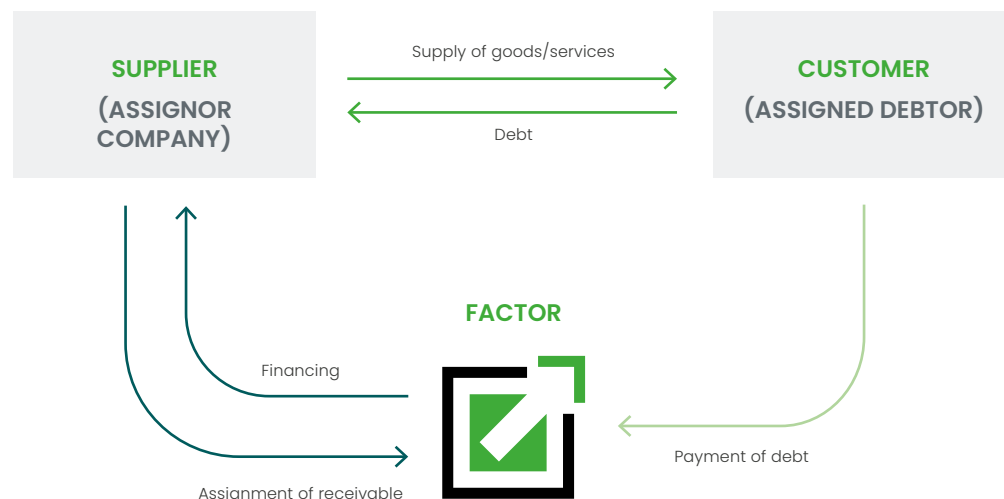
THE PHASES OF OUR OPERATING PROCESS:

1. Assignor and assigned debtor assessment
2. Granting of credit line
3. *Factoring* contract
4. Assignment of receivables
5. Disbursement of advance
6. Management of receivables until collection
7. Liquidation of unpaid shares



When the assignor's business receivables are assigned to the factor, it manages the collection of the assigned receivables, accounting, the advance in whole or in part of the equivalent value and (in *factoring without recourse*) protects the company from any assigned debtor default.

FACTORING AT A GLANCE



In both of our business areas, we take into consideration Italian assignors (companies) mainly in the manufacturing sector, which represent the most important part/share of our turnover - around 56% - and more generally the production sectors, from services to commerce. The Company's activities are mainly carried out through *factoring with recourse*, which accounted for approximately 91% of volumes in 2022; the remainder, equal to approximately 9%, is represented by *factoring without recourse*.

At the same time, we select companies that have contracts with customers - assigned debtors - that are Italian, foreign (excluding high-risk or non-insurable countries), private companies and PA. Assigned debtors (companies) mainly belong to the manufacturing, trade and services sectors.



22%
turnover
relating
to foreign
assigned
debtors in 2022



Approx.
75%
value of insurance coverage compared
to disbursements relating to 2022,
thanks to the strategic partnership
established with Allianz Trade



1.5 COMPANY GOVERNANCE

The Company's **corporate governance** was redefined following the listing on 29 June 2022 and in order to best meet its updated business needs.

Our bodies governed by the Articles of Association are:

- Shareholders' Meeting;
- Board of Directors;
- Board of Statutory Auditors;
- Board Committees;
 - Control, Risk and Sustainability Committee;
 - Appointments and Remuneration Committee.

Shareholders' Meeting

The Shareholders' Meeting is a central body in terms of the relationship between the Company and shareholders, since those who have the right to vote are called upon to decide on the primary issues of corporate life, as well as on all matters attributed to it by law and by the Articles of Association.

The Shareholders' Meeting is called by the Board of Directors whenever the latter deems it appropriate or when it must be called as required by law.

The Shareholders' Meeting is called and passes resolutions in ordinary and extraordinary sessions; the functions of the Extraordinary Shareholders' Meeting include the amendment of the Articles of Association.

 **2**
shareholders'
meetings
during 2022

 **100%**
participation
rate
during 2022

Board of Directors

The Company is managed by a Board of Directors with powers of ordinary and extraordinary management, consisting of nine people⁶, who remain in office for up to 3 financial years.

The appointment of the Board of Directors takes place on the basis of lists submitted by the shareholders holding an equity investment at least equal to the share determined

by Consob, and the candidates from the lists that obtained the highest number of votes are elected, in compliance with provisions on gender balance.

From amongst its members, the BoD appoints the Chairman - when the Shareholders' Meeting does not do so - who does not hold executive or management roles and has the right to promote internal dialogue and the functioning of the corporate governance system, in addition to appointing the Deputy Chairman and secretary.

BOARD OF DIRECTORS IN OFFICE FROM THE TRADING START DATE

Maurizio Dallochio Chairman of the Board of Directors	Mauro Selvetti Deputy Chairman of the Board of Directors	Massimo Gianolli Chief Executive Officer
Rino Antonucci Director	Marta Bavasso Director	Elena Ciotti Director
Annalisa Raffaella Donesana Director	Leonardo Luca Etro Director	Maria Luisa Mosconi Director

 **25**
meetings
of the Board
of Directors
in 2022

 **92%**
participation
rate
in 2022

⁶ The Board of Directors in office until 28 June 2022 (the day prior to the Company's listing) was appointed by the Ordinary Shareholders' Meeting of 24 March 2020. Starting from 29 June 2022, the Board of Directors appointed by the Ordinary Shareholders' Meeting of 8 March 2022 took office and also appointed the new corporate bodies effective conditional on the start of trading of the shares on the Euronext Milan market. The Board of Directors appointed in March 2022 approved the financial statements as at 31 December 2022 and is still in office. In view of the imminent listing, the Extraordinary Shareholders' Meeting of 8 March 2022 also approved an amendment of the Articles of Association in order to make it compliant with the legal and regulatory provisions established for companies with shares listed on Euronext Milan market, Euronext STAR Milan segment.

Board of Statutory Auditors

BOARD OF STATUTORY AUDITORS OF THE ISSUER IN OFFICE FROM THE TRADING START DATE

**Paolo Francesco
Maria Lazzati**
Chairman

Marco Carrelli
Standing Auditor

**Maria Enrica
Spinardi**
Standing Auditor

**Andrea di Giuseppe
Cafà**
Alternate Auditor

Luca Zambanini
Alternate Auditor

The Board of Statutory Auditors consists of three standing members and two alternates, who remain in office for three financial years. The election of the Board of Statutory Auditors takes place on the basis of lists submitted by the shareholders in accordance with the provisions of the Articles of Association on gender balance, legal provisions and regulations in force. Shareholders that hold at least one shareholding equal to the share determined by Consob when the list is submitted may submit a list. The lists have two sections: one for candidates for the office of Standing Auditor and the other for the office of Alternate Auditor, with the first candidate enrolled in the register of statutory auditors and who must have performed legal audit activities for a period of no less than three years.

The Board of Statutory Auditors is responsible for supervising compliance with the law and the Articles of Association, compliance with the principles of proper administration and in particular the adequacy of the organisational structure adopted by the company and its concrete functioning.



9
meetings
of the Board of
Statutory Auditors
in 2022



100%
participation
rate
in 2022



Board Committees

During the listing process, two committees were established that took office at the trading start date: the Control, Risk and Sustainability Committee and the Appointments and Remuneration Committee, both consisting of non-executive and independent Directors.

Control, Risk and Sustainability Committee

CONTROL, RISK AND SUSTAINABILITY COMMITTEE MEMBERS

Maria Luisa Mosconi Chairman	Annalisa Raffaella Donesana Member	Mauro Selvetti Member
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The Control, Risk and Sustainability Committee is a body with advisory and proposal functions in support of the Board of Directors, which deals with:

- the assessment of the suitability of periodic reporting to correctly represent the business model, the strategies of the Company, their impact and the performance achieved;
- the review of the content of periodic non-financial reporting;
- the assessment of the adequacy of the internal control and risk management system;
- the assessment of the periodic reports prepared by the internal audit function, monitoring the effectiveness of the function;
- the communication to the Board of Directors - at least every six months - regarding the activities carried out.



4
meetings
of the Committee
in 2022



100%
participation
rate
in 2022

Appointments and Remuneration Committee

APPOINTMENTS AND REMUNERATION COMMITTEE MEMBERS

Maria Luisa Mosconi Chairman	Annalisa Raffaella Donesana Member	Mauro Selvetti Member
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Some of the duties of the Appointments and Remuneration Committee include:

- assisting the Board of Directors in drafting the remuneration policy;
- submitting proposals or expressing opinions on director remuneration and the correlated performance objectives, monitoring their application;
- periodically assessing the adequacy and overall consistency of the remuneration policy for directors and top management personnel.

The Committee is also responsible for supporting the Board of Directors in its self-assessment, the definition of its optimal composition, the identification of candidates to replace the members of the Board of Directors in the event of co-opting and the preparation of any CEO and other executive director succession plans.

It is worth emphasising that no director takes part in the meetings of the Appointments and Remuneration Committee in which proposals are made to the Board of Directors regarding their remuneration.



3
meetings
of the Committee
in 2022



100%
participation
rate
in 2022



Supervisory Body

MEMBERS OF THE SUPERVISORY BODY

Maria Enrica Spinardi

Chairman

Margherita De Pieri

Member

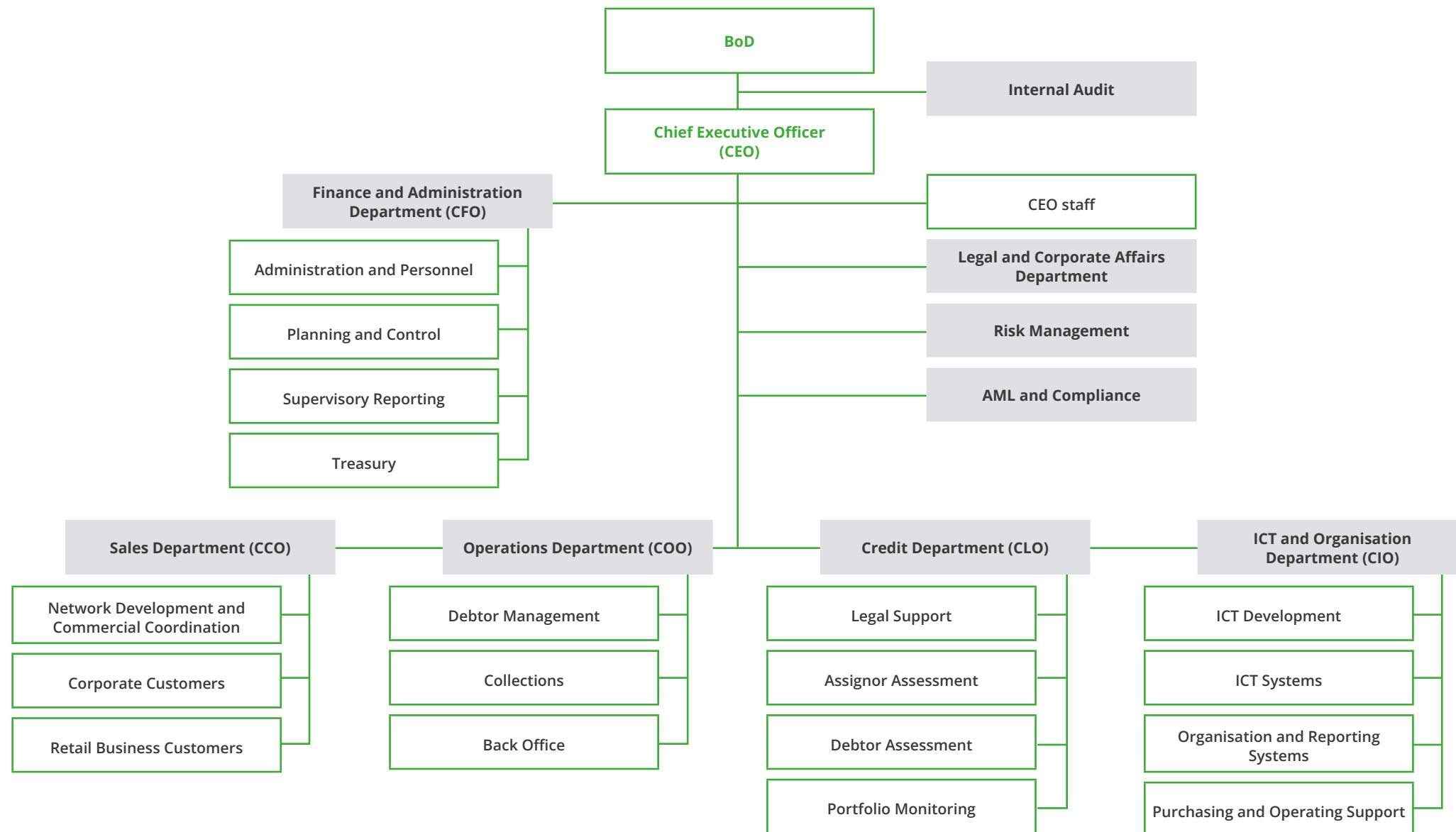
Lastly, in addition to the bodies governed by the Articles of Association, in 2015 we established the Supervisory Body pursuant to Legislative Decree no. 231/2001. It is responsible for verifying the effectiveness, adequacy and updating of both the Code of Ethics (see Par. 1.6) and the Organisation, Management and Control Model, or the Model 231 (see Par. 1.6), adopted by the Company.





1.5.1 Organisation and management

MACRO-ORGANISATIONAL STRUCTURE (DECEMBER 2022)





Chief Executive Officer (Massimo Gianolli)

- **Chief Executive Officer Staff Office** (Stefano Falla - Manager)

Sales Department (Riccardo Gianolli – Chief Commercial Officer)

- **Commercial Coordination and Network Development Office** (Marco Ghislandi – Manager)
- **Corporate Customers Office** (Marco Carnevali - Manager)
- **Retail Business Customers Office** (Domenico Vallarella - Manager)

Credit Department (Alessandro Ferrari – Chief Lending Officer)

- **Legal Support Office** (Beatrice Broich - Manager)
- **Assignor Assessment Office** (Fabrizio Amatizi - Manager)
- **Debtor Assessment Office** (Alessandro Ferrari - Manager)
- **Portfolio Monitoring Office** (Erica Dissegna - Manager)

Operations Department (Elisa Addis - Chief Operating Officer)

- **Back Office** (Lorena Tomellini - Manager)
- **Debtor Management Office** (Elisa Masserano - Manager)
- **Collections Office** (Daniele Verdesca - Manager)

Finance and Administration Department (Ugo Colombo - Chief Financial Officer)

- **Administration and Personnel Office** (Cristiano Perone - Manager)
- **Treasury Office** (Lorenzo Leonardi - Manager)
- **Supervisory Reporting Office** (Davide Maccagni - Manager)
- **Planning and Control Office** (Valerio Puglia - Head)

ICT and Organisation Department (Stefano Biondini – Chief Information Officer)

- **ICT Systems Office** (Vittorio Gallione - Manager)
- **ICT Development Office** (Bruno Rada - Manager)
- **Organisation and Reporting Systems Office** (Danilo Tomaino - Manager)
- **Purchasing and Operating Support Office** (Alberto Bodo - Manager)

Legal and Corporate Affairs Department (Stefano Saviolo – Manager)

Internal Audit Office (John Frederick Tschuor - Manager)

Risk Management Office (Antonio Guerra - Manager)

AML and Compliance Office (Tommaso Tovaglieri - Manager)



1.6 BUSINESS ETHICS

In 2010 we drew up our first Code of Ethics, which was subsequently updated - most recently - in 2020, and was prepared with a dual objective: **to summarise the principles that inform the company's policy and activities**, and **to help strengthen trust and collaboration among those that interface with our Company** in order to foster the creation of an honest, transparent working environment focused on the observance of ethical and virtuous behavioural standards. The defined ethical principles are behavioural rules that guide the Company and its conduct in fair relationships

with the various parties concerned, including legal compliance, fairness and impartiality, transparency and integrity, the protection of competition and the prevention of money laundering.

Subsequently, in 2015, we incorporated Legislative Decree no. 231 of 2001, constituting a set of rules that aims to mitigate the risks of the commission of criminal offences by the top management, managers and employees. Model 231, updated in 2021, sets out appropriate preventive and disciplinary measures and procedures to **mitigate the risk of committing the offences set forth in the Legislative**

Decree, with the aim of safeguarding the interests of investors, shareholders, directors and the Company as a whole. Model 231 presents tools for monitoring at-risk processes with the aim of effectively preventing any unlawful conduct through timely actions and disciplinary measures.

Model 231, together with the Code of Ethics, constitutes a unitary body of the prevention system that is decisive for strengthening the level of internal control.



2 Our approach to sustainability



GRI Standards

2-23, 2-27, 2-29, 3-1, 3-2





2.1 OUR PATH AND OUR STRATEGY

For the future, our goal is to **continue along the path undertaken**, further developing internal sustainability governance and enhancing the activities already carried out to support companies in difficulty, our reference communities and employee development.

The Company focuses on financing and supporting small companies, mainly in the local area of Biella, which previously had little access to credit; a factor that has soon become one of the pillars of our vision of sustainability.

Following a corporate restructuring process that involved one of the main companies in the Biella area and one of the main assigned debtors of Generalfinance, the Company's core business has progressively been oriented towards financing companies in crisis or close to crisis, by relying on forms of financing complementary to traditional credit channels.

In the course of 2022, after we were listed on the Euronext Milan stock exchange, our approach to sustainability accelerated, with developments relating in particular to governance management, also by virtue of our membership in the STAR market, which has specific ESG requirements (transparency and corporate governance).

One of the first steps was to prepare our first Sustainability Report, which allowed us to more clearly show the market the contribution we make and the positive social impact of our business, as well as structure our commitment with even greater rigour and to identify the issues on which to focus so as to improve our ESG performance.



Taking this approach, the main pillars on which we are focusing are:

SUPPORT TO COMPANIES IN DIFFICULTY	The main pillar on which we have always focused and which represents the main aspect in Generalfinance's approach to sustainability. We are committed to supporting companies in difficulty and helping them to overcome their business crisis through personalised services and financing. In this way, we offer not only financial instruments, but solutions that allow companies to keep their business alive, preserving the generation of their own and downstream socio-economic value, as well as employee stability.
PEOPLE AT THE HEART OF GENERALFINANCE'S BUSINESS	As a Company that offers financial services to businesses, the heart of our Company is represented by the people who make it up and who help us to grow and develop our skills in the market. This is why we are committed to guaranteeing growth and development opportunities for all of our employees and healthy working environments, also with the aim of maintaining excellent positioning in the labour market.
TRANSPARENT AND RESPONSIBLE GOVERNANCE	The third pillar is the development of transparent and efficient governance capable of consistently responding to market and stakeholder requirements. The objective for the future, in line with the needs and increased requirements deriving from our listing on the Stock Exchange, is to continue along this path, defining a governance capable of addressing business-related and ESG issues in an even more concrete manner.



2.2 STAKEHOLDERS

In addition to being the year in which we produced the first Sustainability Report, 2023 was the year in which we launched a *stakeholder engagement process*.

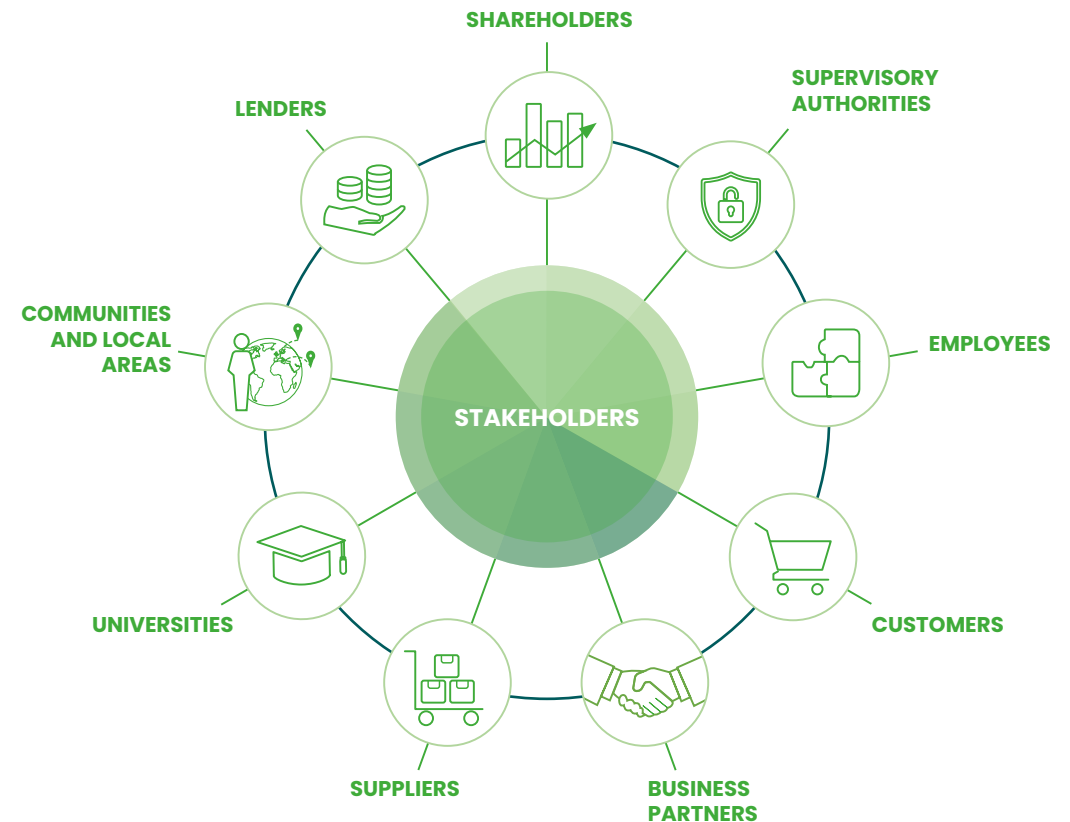
Initially, we **carried out a complete mapping of our stakeholders**, thanks to both the direct involvement of the top management and the preparation of specific information collection forms.

Secondly, we analysed the main **communication methods** we use to interact with each of them, in terms of dialogue tools and channels, and identified the business units involved in these processes.

The result of the analysis is shown in the infographic below and in the table on the following page.

In the coming years, we aim to develop an even more complete path¹ with direct **stakeholder involvement**. In fact, we believe in the contribution that our stakeholders can make, in the recognition of sustainability issues that are central to us and therefore also in the planning of priority areas for improvement.

The following table shows our **stakeholders** on the left, highlighting the **main characteristics** and **composition** for each of them, while the last column shows the main **tools**, **dialogue channels** and **communication methods** we use, highlighting where possible the internal **owner** and the **frequency of contact**.



¹ In line with the indications of the new European legislation on sustainability reporting CSRD - Corporate Sustainability Reporting Directive.



Stakeholders	Description	Tools, dialogue channels and methods of communication
 Lenders	Most of the lenders are Banks and financial intermediaries that we use to meet our funding needs.	Periodic moments of discussion through direct contact with the Generalfinance structure and in particular with the CFO and the relative Department. In-depth calls and continuous meetings are also held with these stakeholders on the basis of financial plans or specific requirements.
 Shareholders	As at 31 December 2022, the share capital is divided between the shareholders "GGH - Gruppo General Holding S.r.l." (5,227,273 ordinary shares), "Credit Agricole Italia S.p.A." (2,057,684 ordinary shares) and "First4Progress S.p.A." (620,000 ordinary shares). The remaining 4,730,109 ordinary shares are held by institutional and professional investors.	Taking into account the "Policy for the Management of Dialogue with Shareholders and other Stakeholders" ² , the Chairman, the Chief Executive Officer, the CFO and the <i>Investor Relator</i> handle dialogue with shareholders, also through periodic (quarterly) calls, the publication of relevant information in the <i>Investor Relations</i> section of the company portal and <i>ad hoc</i> meetings with shareholders.
 Supervisory authorities	The Supervisory Authorities, including the Bank of Italy and Consob, define the supervisory regime to which we are subject as a listed financial intermediary; this regime is aimed at pursuing objectives of financial stability and the protection of sound and prudent management.	The Legal Affairs Department and the top management have periodic interactions with the Supervisory Authority, which take place through the official channels established by sector regulations and through direct dialogue.
 Employees	63 people make up our workforce as at 31.12.2022, 48% of whom are women.	The main relationships are managed by the <i>Human Resource</i> department, through traditional communication tools (company emails, face-to-face communications, etc.) and specific occasions such as company conventions, <i>team building</i> and incentive tools and company welfare tools.
 Customers	We support around 210 Italian companies, of varying sizes, on a daily basis to meet their financial needs.	Customers are managed by the sales structure every day. In particular, there is a team of 5 employees that engage in relationships with the customers assigned to them (between 20 and 40 each), through direct or indirect channels, based on specific needs.
 Business partners	Consultants, professionals, agents and brokers who contribute to developing our business and with whom we collaborate on a regular basis through relationships that have become well established over the years.	The Commercial Coordination and Network Development Office is responsible for maintaining relationships with these entities and developing new relationships in partnership with third parties, in order to guarantee business development and new customer growth.
 Suppliers	They are divided into two main categories: suppliers of digital and IT services that are strategic for the business, and suppliers of materials and other services.	The <i>Information Communication Technology</i> and Organisation department is responsible for maintaining contact with Generalfinance's main suppliers, i.e. those that provide digital and IT services, while together with the <i>Risk Management</i> team, it is responsible for carrying out formal, periodic controls. On the other hand, specific suppliers of individual materials and services report to the individual areas, which maintain dialogue and contact with them.
 Universities	A number of Italian universities (including the Universities of Turin and Verona, Sapienza University of Rome, Bocconi and Milan Polytechnic) are our strategic partners, with whom we collaborate when hiring young professionals, as both employees and curricular interns.	Administration and HR maintain relationships with the main Italian universities in order to identify talented young people to be trained and supported in their career development.
 Communities and local areas	The communities in which we are most present, directly or indirectly, are those of Biella, Milan and Verona. We also act in favour of areas further afield, supporting communities and humanitarian initiatives	Annual relationships with local organisations and entities as part of sponsorships or <i>partnerships</i> . Constant presence during events and <i>ad hoc</i> meetings in order to encourage interaction and the implementation of targeted initiatives and projects.

² The Policy is available on the Generalfinance website, at www.generalfinance.it, in the "Governance" section.



2.3 MATERIAL TOPICS: MATERIALITY ANALYSIS

In 2023, in line with the reporting principles outlined in the **GRI Universal Standards**³, we created our **first materiality matrix**, which was the main tool that allowed us to define the content of this Sustainability Report.

The first step of the project saw the involvement of our top management, who assessed the topics proposed to define the set of material topics to be covered in the Sustainability Report, by identifying the main corporate KPIs connected to them.

These issues also represent the foundations of our path of sustainability, taking on **strategic value** as elements to be taken into consideration in defining a **sustainability strategy**.



³ More information is available in the "Methodological Note" section on page 79 of this document.



Context analysis

We started by carrying out a context analysis, the main contents of which are described in chapter 1.1, with a view to **analysing the business sector in which we operate and the macro trends** in terms of sustainability at both national and international level. This allowed us to map a list of **potentially material topics**, to be submitted to the top management for analysis.

This activity was based on a documentary analysis, which took into consideration: international bodies⁴, regulatory sources⁵, trade associations and regulatory bodies⁶, *standard setters*⁷, investors⁸, peers and competitors⁹, the media and internal documents.

This initial phase led to the formation of a list of **14 potentially material topics** to be submitted to the Management - of which 5 associated with the environment and society, 4 with people and 5 with responsible and sustainable business growth.

Interviews with the top management

Management was involved through “*one to one*” interviews, in which we asked everyone to express their opinion on the strategic relevance of the topics resulting from the context analysis by completing an assessment questionnaire.

During the interviews, they were asked to express a **dual assessment** for each topic, assigning a vote both to its **materiality from the company’s perspective** and the **materiality that the reference stakeholder(s) of each would assign to the topic**, based on the experience of each manager. In fact, in this first year of reporting, as described in the previous chapter, it was decided not to directly involve our stakeholders, but to proceed with an initial mapping of the stakeholders to be involved over the coming years.

In these interviews, they were also asked to analyse the **management methods** and **controls** put into place with respect to the topics for which they are most responsible, in order to collect information on the organisation’s strategies and the main activities and initiatives, particularly with reference to the last three years.

⁴ United Nations, European Parliament, OECD, UNFCC and World Economic Forum.

⁵ Corporate Governance Code, CSRD, European Taxonomy and SFDR.

⁶ Assifact, Unirec, Assilea, Italian Banking Association, Bank of Italy, CONSOB, Assonime, ECB and EBA.

⁷ GRI Standards, SASB Standards and ISO 26000.

⁸ MSCI (ESG Industry Materiality Map), SASB (Materiality Finder) and Sustainalytics (Material ESG Issues).

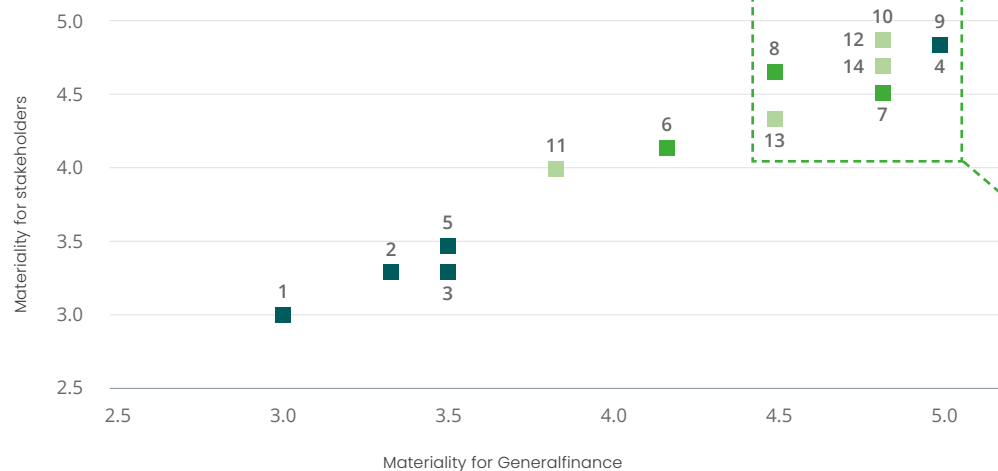
⁹ Illimity, Banca Ifis, Banca Sistema, Banca Farmafactoring, Banca Guber, Banca CFPlus and Cherry Bank.



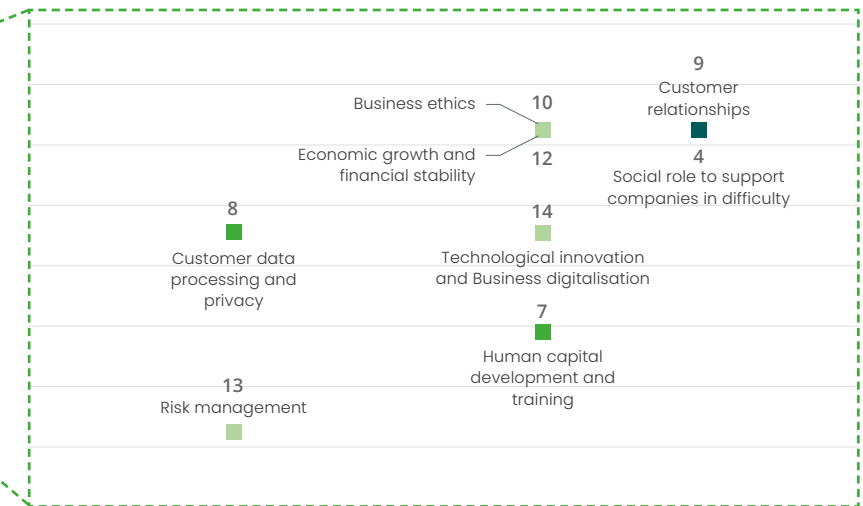
Validation of the Materiality Analysis

The materiality matrix, as emerging from the steps described above, was submitted for **approval on 27 March 2023 by the Chief Executive Officer**, who validated the material topics that emerged from the analysis. The 2022 materiality matrix is presented below:

MATERIALITY MATRIX



An initial observation of the results of the analysis **clearly shows that topics relating to people and governance** - also including economic growth and digital innovation aspects - **are those with a higher degree of materiality** (6 out of 9 were found to be material), while environmental and society-related issues have a lower impact, taking into account our specific business in the area of financial services (only 1 out of 5 was identified as material). For the latter category, however, an exception should be highlighted, represented by the topic of the **“Social role to support companies in difficulty”**, which was not only material, but was also the one that obtained the highest scores in relation to the evaluation of Generalfinance and that of stakeholders, on par with the **“Customer relationships”** topic.



Indeed, the latter represent **two of the key aspects of the activity carried out by Generalfinance**, which on one hand offers a **high-level advisory service** to its customers - embodied precisely by the attention paid to the relationship with them - and on the other hand **plays a significant social role, offering support to companies** in crisis situations or that have difficulty in ensuring the continuity of their business activities.

However, as can be observed, environmental issues were less relevant, starting with “Decarbonisation”, which obtained the lowest scores, to “Energy management” and “Management of waste and materials”, which obtained below-average scores.



2.4 OUR CONTRIBUTION TO REACHING THE SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for Sustainable Development is an action programme for people, the planet and prosperity signed in September 2015 by the governments of the 193 UN member countries. The agenda includes 17 Sustainable Development Goals covering a total of 169 targets.¹⁰

The goals identified by the Agenda play a **key role for companies** around the globe **as well as for the public sector**, as they have for the first time identified a **path for a common, planetary and shared sustainable development on which to act** over the next few years, with **defined targets to be achieved by 2030**.

To measure our contribution to the achievement of these objectives and starting from the topics presented in the previous chapter and emerging from the materiality analysis, we at Generalfinance also carried out an analysis of the **17 SDGs** (*United Nations Sustainable Development Goals*).

We have mapped the Goals to which we contribute in the daily performance of our activities and we have connected them with our material topics, thus identifying **5 SDGs to which we contribute**, directly or indirectly:

- **SDG 4** - Quality education;
- **SDG 5** - Gender equality;
- **SDG 8** - Decent work and economic growth;
- **SDG 9** - Industry, innovation and infrastructure;
- **SDG 16** - Peace, justice and strong institutions.

The table below summarises the connection between the Sustainable Development Goals and our material topics.



¹⁰ <https://unric.org/it/agenda-2030/>



	SDGs	Target – United Nations Sustainable Development Goals
Social role to support companies in difficulty		8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services. 8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.
		9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.
Human capital development and training		4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.
		5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.
		8.6 By 2030, substantially reduce the proportion of youth not in employment, education or training.
Customer data processing and privacy		16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.
Business ethics		16.5 Substantially reduce corruption and bribery in all their forms. 16.6 Develop effective, accountable and transparent institutions at all levels. 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels.
Economic growth and financial stability		8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors. 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services.
Technological innovation and Business digitalisation		9.b Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities.



3 Our people



SDGs



GRI Standards

2-7, 2-8, 2-30, 401-1, 401-2,
401-3, 403-1, 403-2, 403-3,
403-4, 403-5, 403-6, 403-7,
403-8, 403-9, 403-10, 404-1,
404-2, 404-3, 405-1, 405-2





3.1 OUR WORKFORCE

People are the essential element of our business: a **company population with a professional profile of high standing**, capable of achieving and supporting company growth from every perspective.

Diverse experiences and specialised skills are the strengths of our people, who - thanks to their excellent preparation and continuous training - are able to develop **effective and tailor-made** solutions based on the **specific needs of our customers**.

Over the last three years, our workforce has experienced **constant and gradual growth**, from 50

people in 2020 to 63 in 2022, as can be seen in the following infographic.

Furthermore, it is possible to note that the male-female balance has constantly improved over the years.

Indeed, looking at the year 2022, **women** accounted for **48%** of the company population, confirming a good level of gender equality in the workforce.

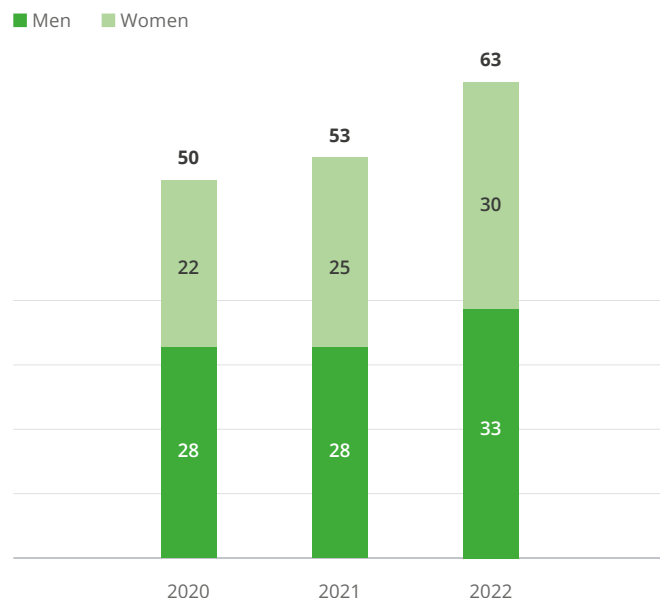


EMPLOYEES BY GENDER, 2022

 **52%**
men

 **48%**
women

EVOLUTION OF THE WORKFORCE (2020-2022)



CONTRACT TYPE (2020-2022)

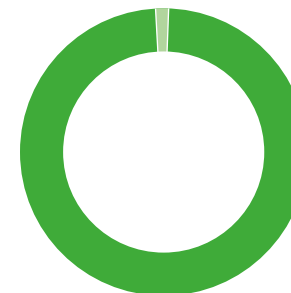




As regards contracts, our priority is to provide stable jobs. As can be seen from the infographic above, there was only one fixed-term contract in 2022, none in 2021 and one in 2020.

Likewise, we prefer full-time employment: in the year 2022, only 2% of contracts were part-time.

EMPLOYMENT TYPE, 2022



3.1.1. Company welfare

In order to enhance and support our human resources, since 2021 we have further developed the **company welfare plan**, a concrete tool to strengthen our recognition of each employee. Through it, we are able to recognise and encourage individual merit and therefore also business growth; the bonus of each employee accrues in relation to the achievement of pre-established objectives, according to the rules of **the merit-based variable incentive system**.

In this context, we have entered into an agreement with **Happily**, a market player specialised in offering services for the development of welfare plans.

In addition, we have implemented additional welfare services for employees, including flexible working. In fact, in 2022 we defined a corporate remote working protocol in order to incentivise balancing work and family activities. The agreement entered into force on 1 September, providing the possibility to work outside the workplace for a maximum of ten days per month, approximately **50% of working days**. Another element of flexibility introduced for the benefit of human resource well-being is linked to flexible working hours: employees are able to arrive at work from 8:30 to 9:00 a.m. and take a flexible lunch break starting at 1:00 p.m.

We have also provided **daily meal vouchers**¹ and free access to water and coffee at all company offices²; we provide our employees, and one family member for each, with **registered tax assistance centre support for the completion of Tax Form 730**.

Finally, all of our employees are given **IT devices** - laptops for the entire company population and smartphones for managers - in order to facilitate the possibility of working remotely; as well as **company cars** for both business and personal use.

THE COLLABORATION WITH



We joined the Happily platform with the aim of offering our workers, and their families, a tool to make the most of some of our company welfare measures.

Happily allows employees to use the credit accrued as part of the welfare plan directly on the portal, with multiple related opportunities: **vouchers, fuel, shopping**; requests for **reimbursement for household expenses, education and public transport**; **vouchers in the health, tourism, sports, cultural and leisure sectors**; as well as the possibility of allocating the credit accrued to **supplementary pension or health funds**.

In addition to these advantages, this system also allows the plan credit to be **used by workers' family members**.

A further advantage of the agreement entered into with Happily is the personalised **"Leisure Time"** service: a category that can be accessed to **take advantage of local activities** through the credit loaded on the portal, which also has positive economic repercussions in the reference area.

¹ Executives and middle managers are excluded from this policy. The meal voucher is provided for each day on which the employee is present at the workplace for at least six hours, and is not provided when the worker is on holiday or working remotely.

² Furthermore, as regards benefit types, please note that health care, parental leave and pension contributions are governed by the National Collective Labour Agreement.



3.2 EQUAL OPPORTUNITIES AND DIVERSITY

The listing on the stock exchange in 2022 represented a moment of growth for the company from many points of view, not only economic and financial: the internal culture was also strengthened, expanding the scope of action to which our company was accustomed. Certain social issues, such as Equal Opportunities and **Diversity and Inclusion**, have become an element of constant reflection and attention within the corporate strategy.

Starting from the highest governance body, the Board of Directors today reflects a significant balance, with 4 women and 5 men, unlike the situation prior to the listing in which its members were all men. At the same time, the Board of Statutory Auditors now consists of 2 men and 1 woman. With regard to employees, gender equality in the workforce is balanced, with **women making up 48% of the company population**³.

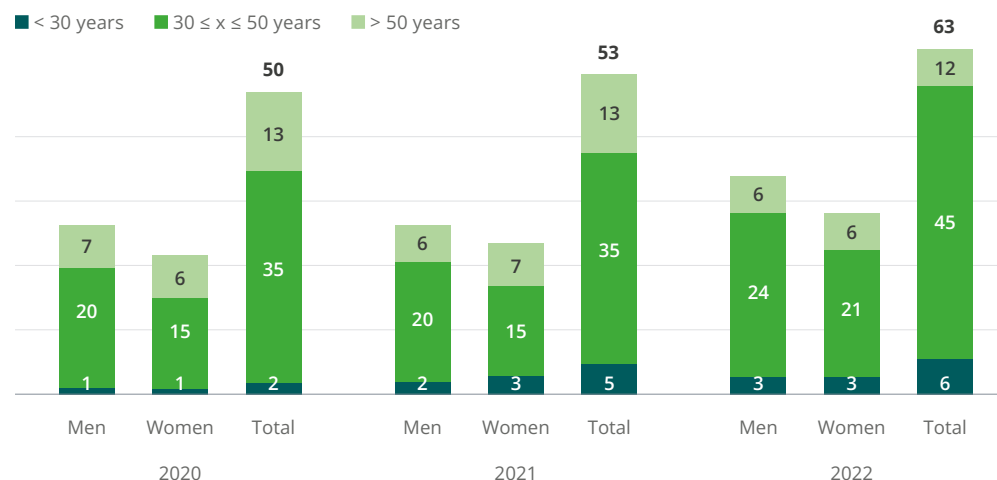
As regards the issue of **inclusion**, we have carried out some **works to remove** architectural barriers at the Biella site, **by modifying entrances** and making special rooms available as needed when people in protected categories are hired. In fact, we signed an agreement with the Biella Employment Centre pursuant to art. 11 of Law 68/99 “**Rules for the right to work of people with disabilities**”, in order to hire **additional people in a protected category**. Our goal is to hire one more person by the end of 2023 and one by the end of 2024.



Right Hub, one of the leading players in the sector, will be a partner supporting this project.

Team building activities aimed at personnel are also planned for 2023, focusing on the issue of inclusion and with the aim of raising employee awareness.

EMPLOYEES BY AGE AND GENDER (2020–2022)



RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN

Employee categories	2022		2021		2020	
	Basic salary	Remuneration	Basic salary	Remuneration	Basic salary	Remuneration
Executives and Middle Managers ⁴	N/A	N/A	N/A	N/A	N/A	N/A
Office workers	73%	71%	71%	70%	78%	77%

In terms of wages, the ratio of female to male salaries stood at **73%** in 2022 for the category of white-collar workers, up compared to 2021 (71%). This is a value influenced by multiple variables, such as the gross entry remuneration of the hired resource and the geographical area of hiring, since salaries are also calibrated in consideration of the local cost of living.



0
episodes of discrimination
in the company
in the 2020–2022
three-year period

³ This figure exceeds the sector average of 2022 by 1%, according to Assifact.

⁴ The data relating to the ratio of the remuneration of women to men are reported only for the category of white-collar workers, as in the last three years there were no females in the category of Executives and Middle Managers until December 2022, the month of appointment of a female A-C-Level resource.



3.3 TRAINING AND DEVELOPMENT

Our employees are a critical part of the company's growth, and this is why the continuous search for new excellent resources is a fundamental requirement in order to **maintain the highest possible service quality level**.

Over the last three years, **new hires**, albeit targeted positions with a high level of specialist content, **were on the rise**, while **contractual terminations were down**. These data show a positive trend, as can be seen in the two graphs to the right.

It is also important to underscore that in recent years, observing the hiring trend, there has been a high balance between men and women, highlighting the increasing attention paid to the issue of equal opportunities and equal access to job positions.

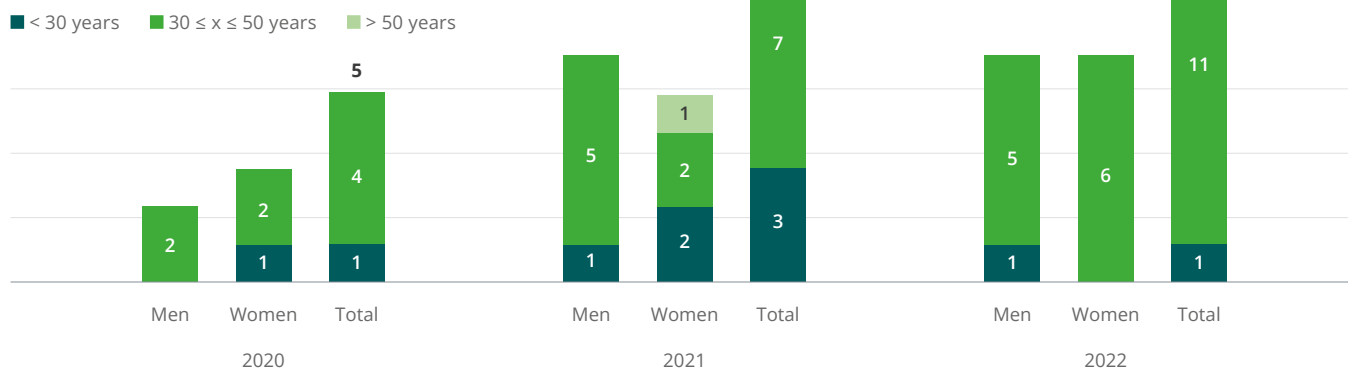
With regard to the process of **selecting** new talent, we assign specialised search engagements on individual figures to external *headhunters*, considering the specific nature of the sector and the resulting vertical skills we require, particularly by relying on players of high standing in the sector.

3.3.1. Employee training

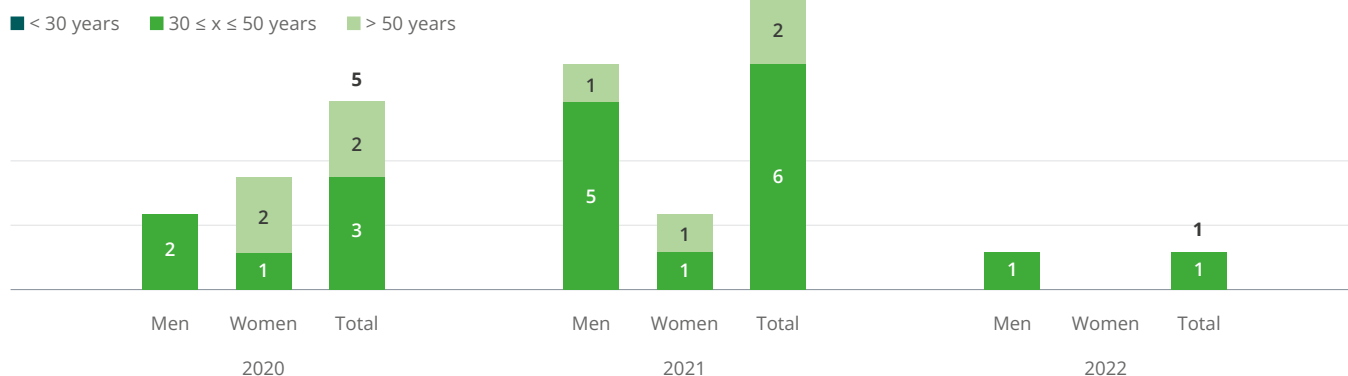
We care about training and promote the personal and professional growth of our workforce.

Thanks to the support of **trade associations**, particularly Assifact, we are able to provide employees and collaborators with access to training courses perfectly tailored to our needs.

NEW HIRES, BY AGE AND GENDER (2020-2022)



TOTAL TERMINATIONS BY AGE AND GENDER (2020-2022)



For years now we have built a solid relationship with **Assifact**, of which we are historical partners. Our Chief Executive Officer is also a member of the Board. This link allows us to actively participate in its working groups as well as contribute towards designing specific

courses. Over the years, we have been able to verify the actual benefit and value added provided by these training sessions, and therefore we encourage the active participation of all of our employees.



Overall, our courses are provided in two distinct manners:

- **externally**, with the support of the above-mentioned trade associations and consulting firms;
- **internally**, thanks to the work of each Department that deals with specialist training on the issues under their responsibility.

There is also a series of courses with free access within the company intranet, and, in the case of training related to factoring activities, colleagues are always welcome to bring any courses of interest to the attention of the human resources function, highlighting those that they wish to attend.



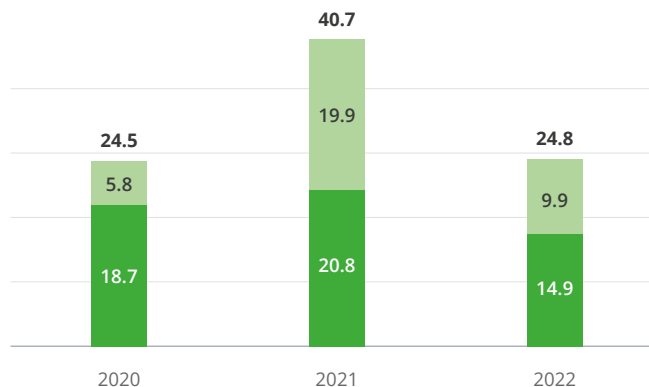
THE ONBOARDING PROCESS AT GENERALFINANCE

Our *onboarding* process for new hires begins with a general introduction of the business carried out by the company provided by colleagues in the Sales or Operations area. In this way, regardless of the job carried out by new hires, they acquire **in-depth knowledge of our approach to factoring and the services we provide to the market**. Their initial days at Generalfinance are therefore spent receiving **support** from area managers.

At the same time, thanks to the collaboration with Assifact, to strengthen knowledge of the context in which we operate, we offer new hires specific training sessions on our *business*.

AVERAGE HOURS OF TRAINING PER EMPLOYEE (2020-2022)

■ Men ■ Women



 **15**
average hours
training
for men

 **10**
hours on average
of training
for women

For 2023, an important training objective will concern young people, seeking to guide them through the training process thanks to the use of an initial course on **cybersecurity** and **corporate operational risk issues**.

In 2022, on the other hand, as anticipated, there were

many training courses that concerned both sector-specific issues such as factoring, the Corporate Crisis Code or combating money laundering, and more generic topics such as worker protection, salary analysis and work locations, for a total of more than 20 courses.



MAIN TRAINING ACTIVITIES

Every year we continue **mandatory training** on health and safety issues (**pursuant to Legislative Decree 81/2001**) in order to inform and update the entire company population on the risks and the most suitable behaviours to be adopted in the performance of their functions.

During the three-year period, our employees participated in the following training activities: a training course on **privacy and data protection** for proper data processing; a training course on **cybersecurity**; a training course on **whistleblowing**, in particular on the relative regulation; a training course on the organisational system set forth in **Legislative Decree 231**, with reference to the Organisation, Management and Control Model (OMCM) and the Code of Ethics; and lastly, a training session on **combating money laundering and terrorist financing**, regarding customer due diligence, *Anti-money laundering* (AML) due diligence of counterparties and the reporting of suspicious transactions.

Continuous yearly participation, together with the importance of these aspects in our working life, attests to a high degree of care and attention with respect to this issue.



3.3.2 Enhancement and development of human resources

In addition to training, which represents a pillar for the development of our company population to ensure constant and shared growth, it is essential to enhance our employees and motivate them to continuously improve.

Over the years, we have therefore introduced a series of practices that aim to support professional growth and recognition, together with informal events held continuously throughout the year, such as **team building activities** and **participation in conventions**.

The entire company population receives an **annual performance assessment** based on the following parameters:

- orientation towards results;
- organisation of work;
- autonomy and initiative;
- propensity towards innovation;
- flexibility;
- interpersonal skills.

Employee performance and any changes by office managers are also analysed, and if there are any particular **deviations** from the previous year, an **interview** is held.

 **100%**
employees
who receive
a periodic
performance
assessment

Performance trends are assessed by office managers, and any changes and deviations from the previous year are discussed during an interview organised for that purpose.

In 2022, we included a significant change by making **assessment sheets available to employees**, so they can view them and take note of the assessment concerning their performance.

We have also adopted a **remuneration policy**, with the aim of applying a remuneration system aligned with company values. Employee performance is associated with a reward based on **individual performance factors**,

aimed at enhancing the quality of work of personnel. This performance indicator is associated with qualitative or quantitative objectives assigned to each beneficiary during the year. The final score of the *individual performance factor* is then influenced by the main company financial indicators, so as to bring individual performance into line with company performance. The score therefore forms the basis of the **Management By Objectives (MBO) system** and the *Annual Bonus*, which are disbursed both as **cash bonuses** and, above all, through the **company welfare systems**.





3.4 HEALTH AND SAFETY

We are constantly committed to ensuring a healthy and safe working environment for our employees; one of the main oversight elements, in this regard, is the presence of a **Head of the Prevention and Protection Service (RSPP)** and a **Company Doctor** with responsibility for occupational health and safety.

We also periodically update the **Risk Assessment Document (DVR)**; the DVR drawn up in 2022 did not highlight any particular safety risks deriving from the workplace, but confirmed a health protocol that includes specific medical examinations, for all employees, linked to the frequent use of video terminals. Indeed, in our organisation the main activity carried out is office work, which does not present work situations in conditions of significant risk; likewise, there are no work-related stress situations.

As mentioned in the previous chapter, we provide mandatory training for our employees on health and safety issues every year as required by Legislative Decree 81/2001.

Lastly, we carried out internal informal **climate analyses**, with the aim of promoting an environment oriented towards well-being. During the year, a number of periodic meetings were held in order to monitor the level of satisfaction with the internal working environment and promptly receive the opinion of employees with a view to continuous improvement on the part of the company management.

We pay **constant attention to the properties** where work is carried out, also by periodically renovating them and updating their furnishings, with the aim of offering our collaborators healthy, updated and well-kept working environments.



0

no accidents
at work

in the 2020-2022
three-year period



0

no death
or occupational disease

in the 2020-2022
three-year period



4 Our relationships with the community



SDGs



GRI Standards

2-28, 413-1, 418-1





4.1 SOCIAL ROLE TO SUPPORT COMPANIES IN DIFFICULTY

We work alongside Italian companies in an attempt to offer concrete, rapid and efficient solutions, supporting them from the onset of their initial financial difficulties to the recovery process and the subsequent phase of overcoming the crisis.

Thanks to an internal culture oriented towards entrepreneurship that combines competence and professionalism, we seek to offer our customers rapid and personalised solutions for financing working capital and trade receivables, covering the entire financial *supply chain*. The services we offer have been progressively integrated, refined and digitalised over the years, thanks to constant research of the highest quality.

HOWEVER, OUR VALUES go beyond mere financial help to companies in difficulty, as we also pay particular attention to the social role of our work, which – together with the other players in the recovery process – makes it possible to safeguard jobs and help people and families to preserve their right to work and a decent life.

The fundamental characteristic of our business is that, in over 30 years of presence in the *factoring* market, we have built a system capable of **concretely helping companies, particularly those in distress**. These are companies that in addition to needing financial support also require qualified assistance, and which, **despite needing to restructure their debt position, are healthy from an industrial**

“Generalfinance is the business emergency room and clinic, and our specific know-how in the field of UTP, distressed and corporate recovery can currently offer a positive message to the market. We are here to provide support to Italian companies”

Massimo Gianolli

point of view and maintain the conditions to safeguard production plants and jobs, often remaining capable of producing high quality goods. In fact, our market outlook shows a situation consisting of numerous solid companies from the *business* perspective that are able to generate good levels of turnover and income, with good commercial demand in the reference market, which, however, due to liquidity problems and the restrictions that often prevent the traditional banking system from intervening, risk having to close as they are unable to make payments.

As a result, we offer companies our experience in assisting them in solving a critical step; in particular, we assist them in *working capital* management by providing them with **advances on trade receivables** - fundamental liquidity that allows them to pay salaries to employees and invoices to suppliers - and a **highly specialised credit management**

service, aimed at them, their debtors (customers) and their suppliers, in order to increase the social impact along the entire value chain (*supply chain finance*).

Indeed, one of the most important aspects of our business is its **socio-economic return**, determined by our positioning in the *distressed* market, quantifiable in terms of the number of companies supported, which have also avoided bankruptcy thanks to Generalfinance, as well as jobs saved.

In this regard, it may be useful to underscore **the number of jobs (direct and contract workers) of companies, of which we are among the main lenders, as tangible evidence of the social contribution and the positive impact generated by our activities on the economic fabric**. It is a very significant number, as shown in the figure, of over 50,000 employees.



JOBS THAT WE HAVE HELPED TO PROTECT¹



30,522
Distressed Companies

19,970
Performing Companies

Jobs were calculated based on an analysis of the companies we have worked with over the last few years. We decided to include in this figure all the people who worked within those **financially non-autonomous organisations**, which without the credit lines we provided, would probably not have been able to continue in their operating activities, or for which, despite uncompromised financial situations, Generalfinance represented the "only source of financing".

We seek to help these companies by providing our specialised services and achieving excellent collection performance, which allows our business customers to optimise cash flows and effectively manage working capital.

The **quality of our portfolio** is **better than the market average**, both due to the very low levels of payment delays and its strong diversification. This translates into a **more limited financial cycle** and greater liquidity available to our business customers.



39%
of companies present
in our portfolio that
**have payment conditions
exceeding 120 days**
compared to 61%
in the market²



96%
of companies in our
portfolio that
**do not have
payment delays**
unlike the market
figure of 15%²

¹ This measurement considers both distressed and performing companies, since it also takes into account the financing structure. For example, there are many performing companies for which we provide their only line of credit.

² iTrade data updated to 31 March 2023



4.2 OUR WORK WITH DISTRESSED COMPANIES

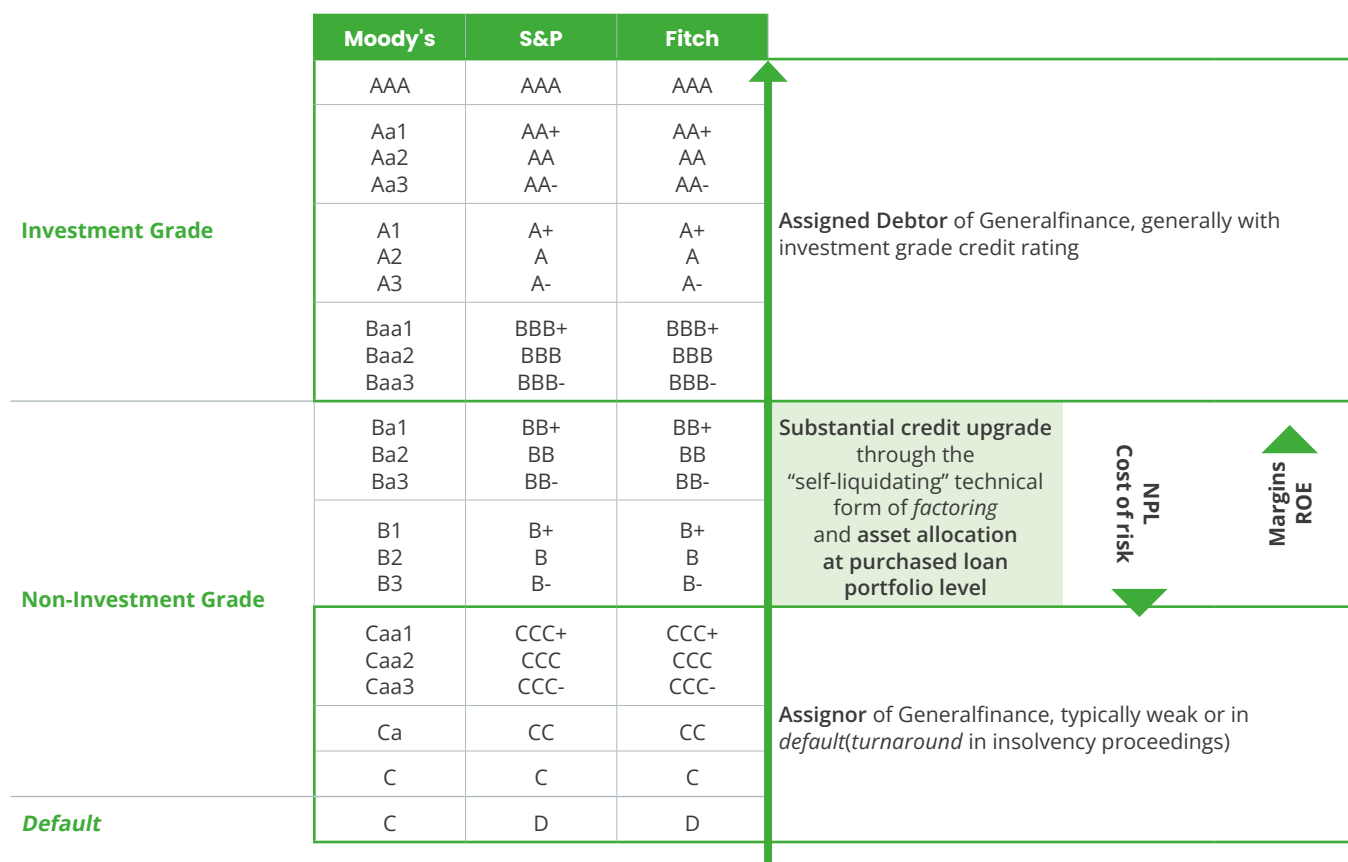
Since the 1990s, we have consolidated our expertise by specialising in a *specific segment of the factoring market*.

We offer “tailor-made” financial and credit management services quickly to companies that, as they have a low - *non-investment grade* - credit *rating* according to the assessment criteria generally used by banks and financial intermediaries, have difficulty accessing traditional lending channels.

The specific nature of our business model is based on the **optimal combination between assignors and assigned debtors**. In fact, we offer our services to customers - assignors - with a low credit *rating*, while we select assigned debtors associated with the advances that we grant to assignors, which generally have high *ratings*, without however excluding less well-performing customers, with a view to partnerships and outsourced management.

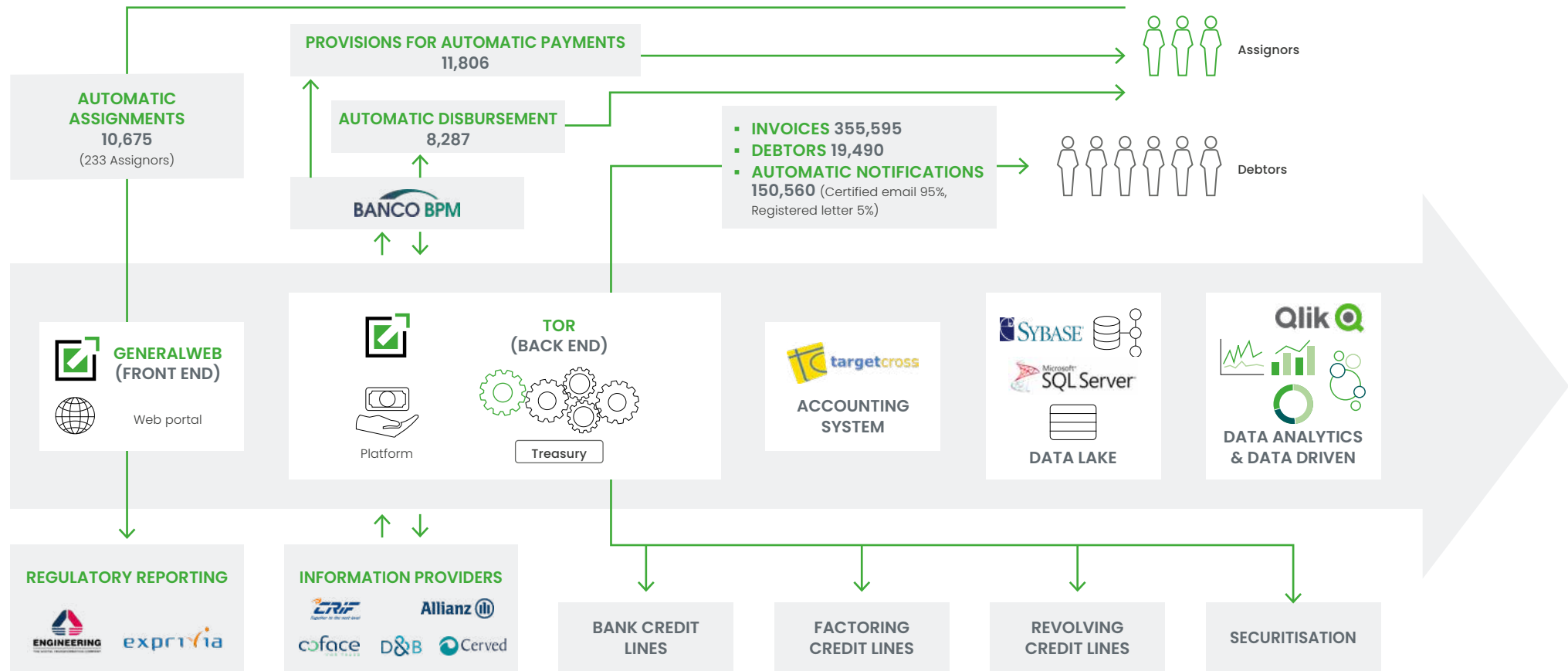
This integrated *business* model allows us to maintain highly profitable operations, a controlled risk profile and a high service level for our customers. One of our distinctive characteristics is represented by the strategic decision to **oversee all operating phases of the credit process internally** without relying on the support of outsourcers. This is made possible first and foremost by the strategic decision to keep the development of the digital IT platform in house, overseen by a specific structure led by the Chief Information Officer, as represented in the following diagram.

GENERALFINANCE BUSINESS MODEL, SIMPLIFIED SCHEME





A STRATEGIC ASSET: THE PROPRIETARY DIGITAL PLATFORM



The credit process is strengthened by the credit **insurance policy** in place with a leading insurance company (Allianz Trade, our long-term strategic partner), which during the risk acquisition phase carries out an independent assessment of assigned debtors, providing us with feedback on the results of the assessment.

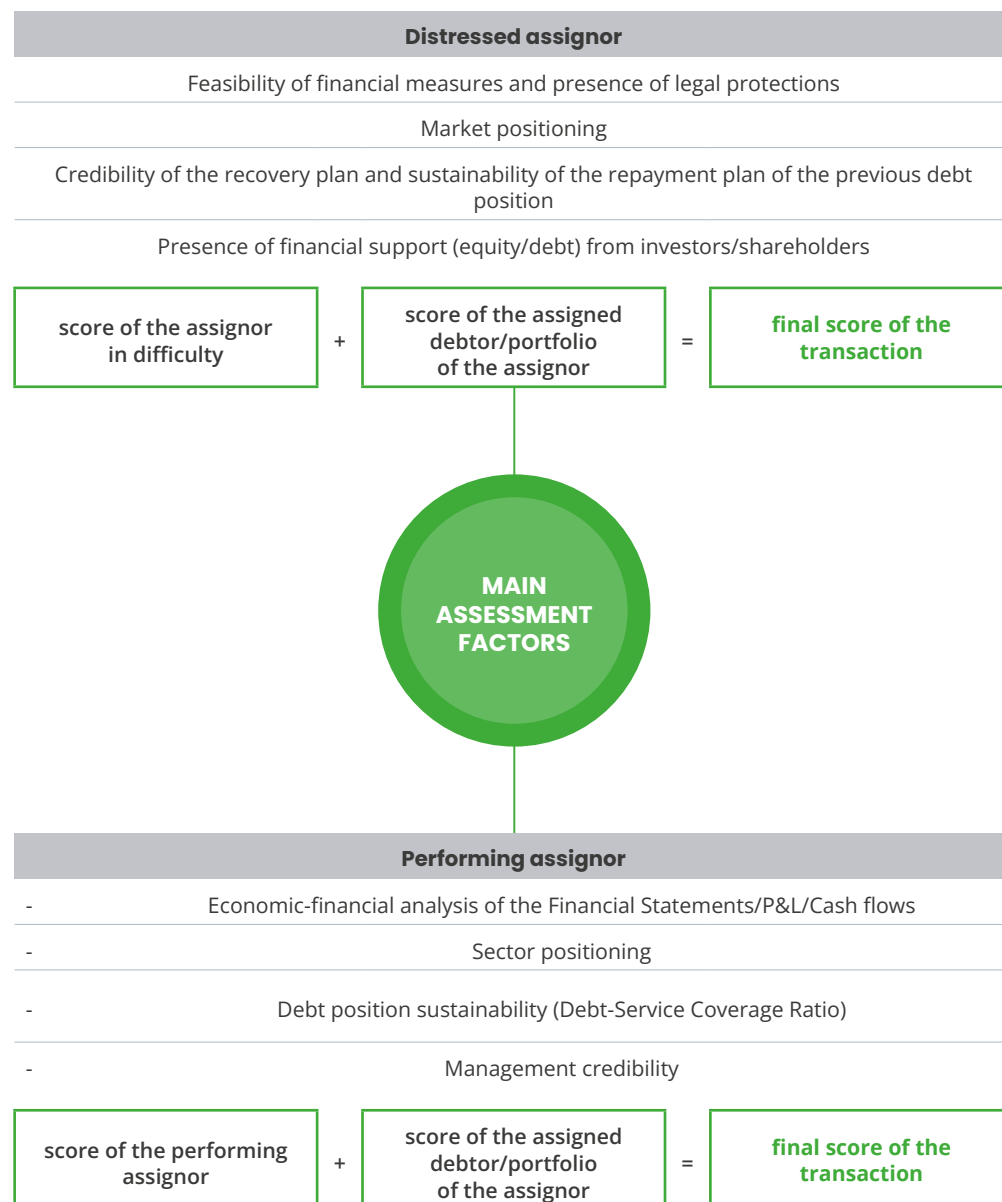
Detailed analyses and customised activities based on customer requirements make it possible to differentiate the operating methods and commercial conditions applied and to **meet the specific needs highlighted by companies with greater flexibility, especially in times of difficulty**. This support is also possible thanks to:

- our proprietary *scoring* system, which is applied to both the assignor and the assigned debtor;
- constant monitoring, which is pervasively applied thanks to the proprietary digital *factoring* platform, which allows for the creation of customised solutions;
- the *Data Analytics* models developed in recent years to support corporate body decisions, *risk management* and portfolio monitoring.

The *scoring* model used takes into account different key valuation factors based on the specific situation of the assignor.



KEY FACTORS FOR THE ASSESSMENT OF ASSIGNORS IN DIFFICULTY AND PERFORMING ASSIGNORS





SCORING MODEL FOR THE ASSESSMENT OF TRANSFERRED DEBTORS

The *scoring* model for the assessment of assigned debtors, on the other hand, takes into consideration the following elements, provided by the main info-providers with which we operate.

Macro score	Indicator	Assessment details
1. Commercial score	BRI	Summary assessment of the counterparty considering economic-financial aspects, the history of the company, the breakdown of the share capital, etc.
	CGS	Summary assessment of the counterparty considering economic-financial aspects, the history of the company, the breakdown of the share capital, etc.
	Rating Score	Summary assessment of the counterparty considering economic-financial aspects, the history of the company, the breakdown of the share capital, etc.
	Delinquency Score	Probability of late payments at 12 months
	Failure Score	Probability of company default in the next 12 months
2. Payment trend score	Paydex	Score relating to counterparty payment performance
	Payline	Score relating to counterparty payment performance
3. Credit insurability score	EH Grade	Credit insurability grade
	DRA	Credit insurability grade
4. Cross credit line insurance	Insurance	Insurance partnership with Euler Hermes to insure up to 100% of the cross credit line, starting from amounts exceeding 30k

Our stable financing structure diversified into different credit lines allows for the **optimal management of disbursements and collections**. Furthermore, given that most of our activities are aimed at assignors in difficulty, we have developed a **business model** aimed at mitigating risks.

We seek to maintain low **credit risk** by supporting recovery and relaunch plans according to the various instruments made available by the Corporate Crisis Code, often also characterised by improvements in the governance

of assignors and capital injections or new loans, both short and medium term. If the conditions set forth by the regulations are met, the loans we disburse are pre-preferential, in the event of any subsequent default of the counterparty.

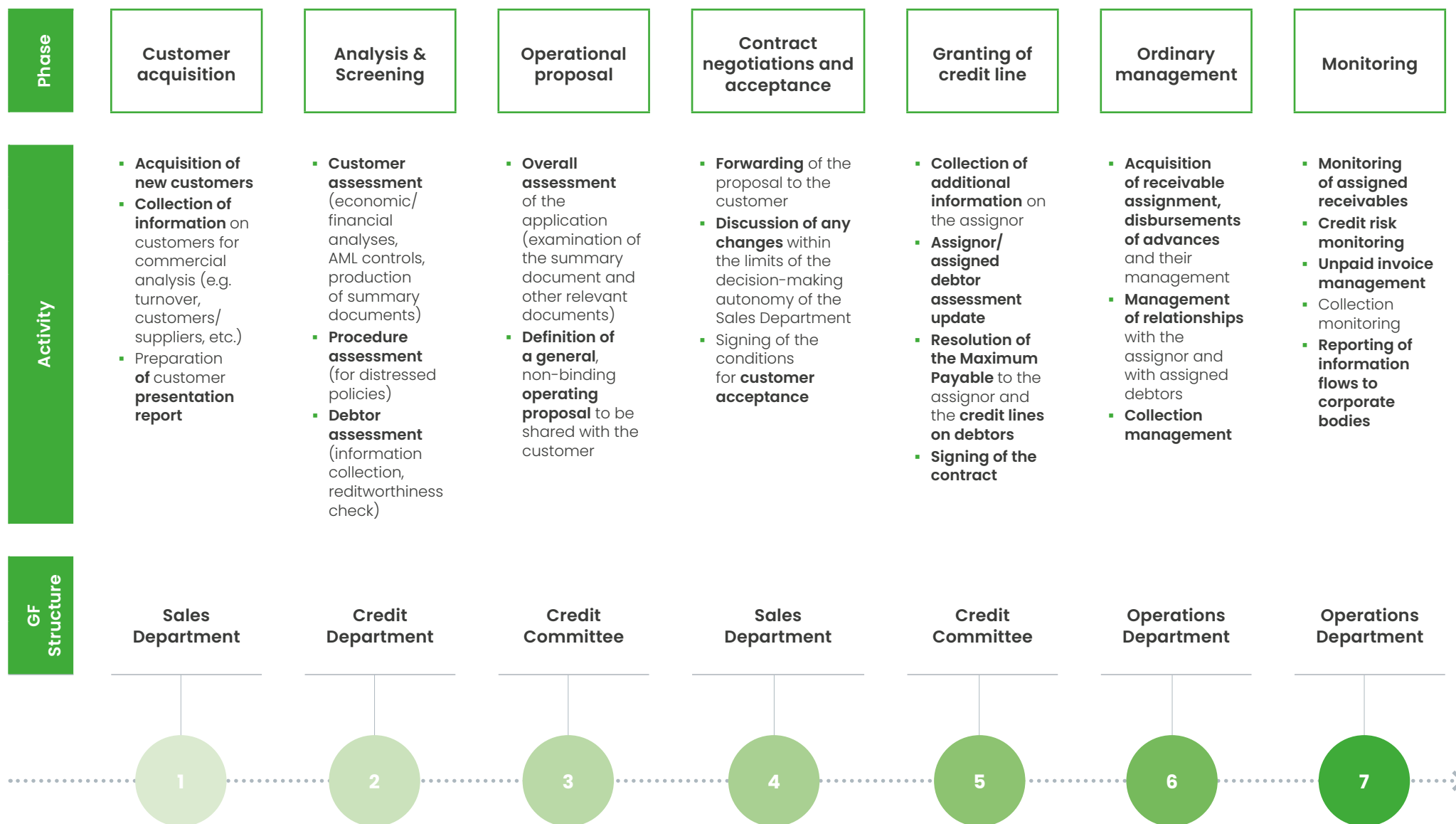
The tools available for corporate recovery also allow for a significant limitation of **operational risks**, taking into account in particular the high standing of the consultants, professionals and advisors who normally assist the

company in crisis and the supervision and control activities, where required by law, carried out by court bodies.

Lastly, to reduce **legal risks** over the years, we have specialised in financial assistance aimed at implementing recovery and relaunch plans, taking advantage - where requirements are met - of the exemption pursuant to the law from bankruptcy revocation actions, in the event of subsequent assignor default.



SUMMARY OVERVIEW OF THE CREDIT PROCESS





4.3 COMMUNITIES AND LOCAL AREAS

In addition to our role of supporting companies, which we play through our core business, we are actively committed to **supporting our local community**, particularly in the areas of Biella, Milan and Verona.

Through charitable donations and sponsorships, in 2022 we disbursed **EUR 180 thousand** to associations and local bodies engaged in concrete projects for local areas, marking a net increase compared to both 2021 (+63.8%) and 2020 (+124.4%).

The projects, bodies and organisations we sponsor fall within the **four macro pillars** that guide us and the Gianolli family in supporting the community where we live and operate:

- **protection of art** and national artistic heritage;
- **support for the Church** and ecclesiastical bodies;
- **promotion of the local area** in which we operate;
- support for transversal issues such **as disability, inclusion, access to sport and families**.

CHARITABLE DONATIONS (2020-2022)



"Each of us has a duty to take care of the local area and community around us. Art and culture are the foundations of a community and its local area and must be valued by all means"

"Generalfinance has always cared about initiatives to support those in need. Donating and demonstrating solidarity can make the difference for many people each and every day"

Massimo Gianolli



"67 COLUMNS" PROJECT WITH THE ARENA DI VERONA FOUNDATION

Since 2021 we have supported the Superintendency of the Arena di Verona Foundation in the Fundraising and Corporate Membership project called "67 Columns for the Verona Arena", created with the aim of providing concrete support to the institution in the ideal reconstruction of the 67 columns that formed the outer ring of the arches that collapsed in 1117 AD following an earthquake.

The aim is to strengthen the accounts of the Foundation, a key body of the city of Verona, and strengthen the sense of responsibility and sharing of artistic and cultural values.



BAMBINO GESÙ FOUNDATION

With the Bambino Gesù Foundation in Cairo, we supported the construction of the kitchen and the laundry of the “Oasi della Pietà” Orphanage in Egypt, which will host abandoned children or children with non-self-sufficient families, without religious distinction, helping them in their growth, protecting them from forms of abuse and violence and guaranteeing them a community environment that allows them to fully develop their potential.

In addition, during the collaboration, we supported and sponsored the search for other benefactors that would be willing to join this path of social and public health solidarity.



“ADOPT A STATUE” PROJECT

In support of cultural heritage, the *Adopt a statue* project was launched with the Veneranda Fabbrica del Duomo di Milano, with a view to enhancing and restoring some statues that for conservation reasons could no longer be left inside the Milan Cathedral.

The sculptural element restored thanks to the charitable contribution of Generalfinance was the Gigante 29, dating back to around 1720.

Following a loan agreement reached with Veneranda Fabbrica, the statue was repositioned outside the Duomo Monumental Complex, in the winery of the Gianolli family, *La Collina dei Ciliegi*, in the Verona area.

The collaboration also led to the creation of *Vini del Duomo*, a red wine and a white wine aimed at supporting, also through group purchases, the restoration of the Cathedral and many other social initiatives.

SUPPORT FOR THE CHURCH

Donations in support of religious activities are aimed at supporting the parishes of Biella, Milan and Verona.

These donations are intended to support patron saint feast days to promote local community gatherings and to help in the printing of parish bulletins and in the daily activities of these religious entities.

In addition to supporting parishes, over the last few years there have also been many Bodies linked to the ecclesiastical world that we have financed and supported through charitable donations.



GRI Standards

301-1, 302-1, 302-3, 305-1,
305-2, 305-4, 306-1, 306-2

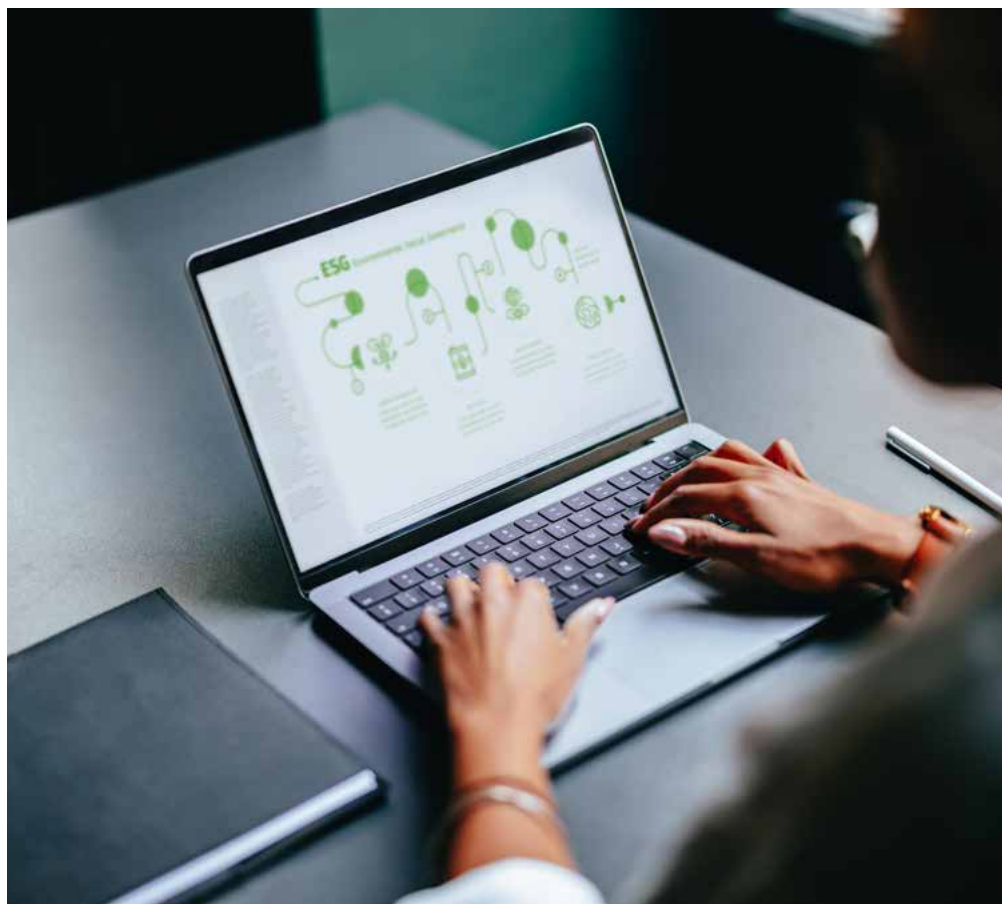
5 Our environmental impact





5.1 ENVIRONMENTAL MANAGEMENT

In recent years, we have been actively committed to reducing our environmental impact, recognising the importance of adopting sustainable company policies. Our goal is to have a responsible approach to business, always taking into account the nature of our financial service activities, which generally have a limited impact on the environment.



Despite being - as mentioned - a service company, we have launched several initiatives to **promote environmental sustainability**, such as increasing the use of renewable energy sources in order to reduce emissions, or developing a car policy designed to incentivise the use of hybrid or electric vehicles. We have also dedicated significant efforts to reducing the use of paper within the organisation, thanks to the more frequent use of Certified Electronic Mail (PEC) in place of registered letters and the adoption of new digital solutions, as described in paragraph 5.3. In addition, we have implemented green data servers, which have allowed us to reduce the energy consumption necessary for the management of company data.

In line with our **plan to gradually address ESG issues**, in 2020 we renovated the Biella site, taking an energy redesign approach and adopting solutions aimed at improving the building's energy efficiency. Several solutions have been implemented, including the replacement of windows and doors and the installation of a condensing boiler.

To conclude, although Generalfinance is not classified as an energy-intensive company with significant environmental impacts, we believe that **environmental protection is a long-term value** for society and for our stakeholders. Responsible environmental management allows us to highlight our **commitment to a sustainable future**.



5.2 ENERGY EFFICIENCY AND ATMOSPHERIC EMISSIONS

5.2.1 Energy consumption

Our direct energy consumption is limited to the two offices in Milan and Biella and the vehicles in the company fleet. Although Generalfinance is not an energy intensive company, we have undertaken a number of initiatives in order to **improve our Company's energy efficiency**.

We have adopted important measures, such as the use of a "Tier 4" data centre located in Milan and 100% powered by renewable energy sources, in order to reduce the impact of our digital operations. Furthermore, we have taken important steps, including the use of a second data centre in Rome that also has a low energy impact.

THE ENERGY EFFICIENCY OF OUR OFFICES

In 2020, we launched an energy efficiency project at our Milan office, which was completed in 2022. Although it is a rented office in which we have limited room for intervention, we in any event decided to replace and upgrade the electrical systems.

In addition, in 2020 the building in Biella - which we own - was renovated taking an energy redevelopment approach, starting with the replacement of windows and doors with high tech materials capable of reducing heat loss, to installation of a highly energy efficient condensing boiler and the replacement of the building's flooring. At this office, the lights are also now managed automatically, making it possible to programme when they turn on based on working hours, reducing energy waste.

In recent years we also decided to transfer from our previous electricity supplier in favour of a greener solution, so that our facilities are powered by energy that partially comes from renewable sources. **In 2023, we also signed a contract with CVA Energie for the supply of electricity produced exclusively from renewable sources in the Milan and Biella offices.**

	unit of measurement	2022	2021	2020
Total electricity consumption	GJ ¹	433	447	486
Renewable energy	GJ	185	191	203
Non-renewable energy	GJ	248	256	283
% Renewable energy out of total	%	43%	43%	42%

The Company's electricity consumption during the year 2022 recorded a **decrease of 3.3%** compared to the previous year. As can be seen from the "Energy consumption" chart, however, the greatest reduction in electricity consumption took place between 2020 and 2021, with a decrease of 8%. This decrease is mainly linked to the **remote working** tool, which in recent years has significantly expanded, giving employees the opportunity to work from home for up to 10 days per month. This way of working promotes a reduction in both travel and energy consumption in the offices, thus favouring a reduction in CO₂ emissions.

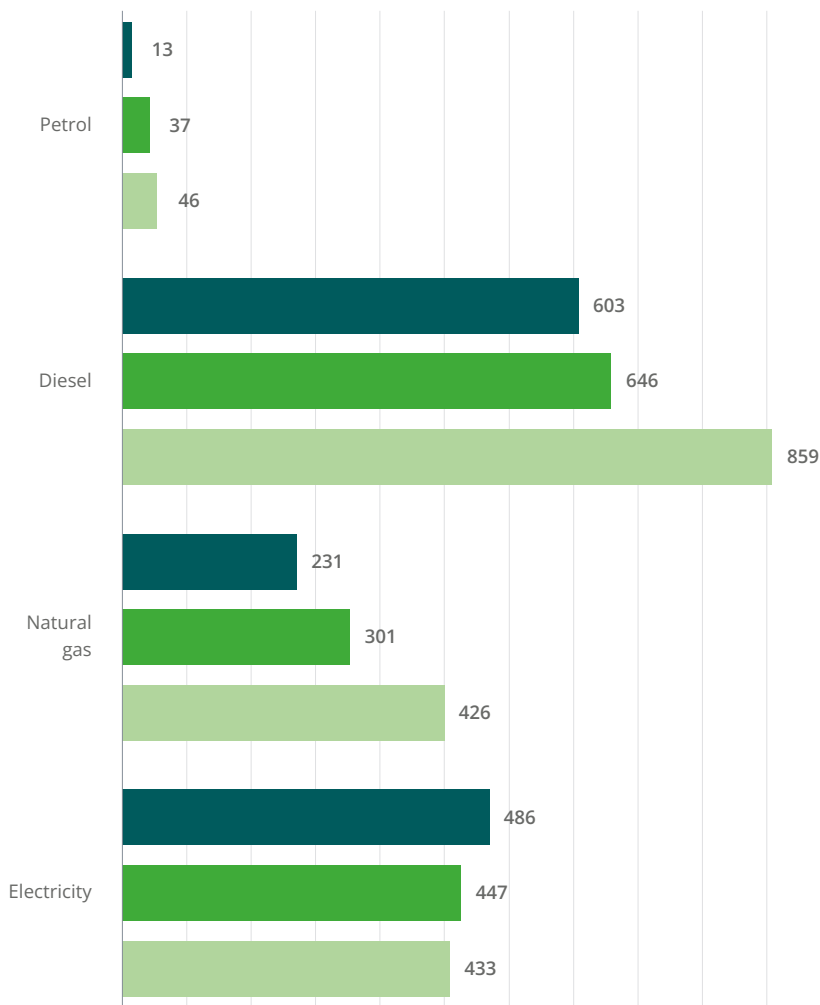
¹ The Gigajoule (GJ) is a multiple of the unit of measurement of the joule (whose symbol is J) and, according to the parameters defined by the International System of Units, is equivalent to one billion joules. Its use makes it possible to equate and compare consumption from different energy sources.



This result is also linked to the **replacement of traditional light bulbs with low consumption light bulbs** in all of our offices.

ENERGY CONSUMPTION (GJ)

2020 2021 2022



In addition, the data in the previous table shows an increase in energy consumption from renewable sources, which covered 43% of total demand in 2022.

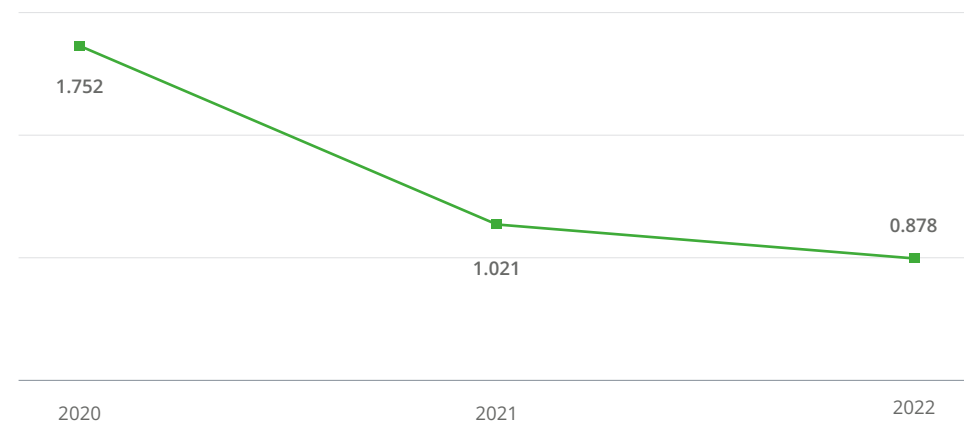
On the other hand, as regards the consumption of natural gas and fuels, over the last three years there has been a slight increase, particularly as regards the **diesel used for the company fleet**, which accounts for 48.7% of the organisation's total consumption. The use of diesel has grown by around 33% since 2021, especially as a result of the resumption of post-Covid-19 travel and the increase in the company workforce.

During 2022, we **revised the conditions of the internal car policy by encouraging the use of hybrid and electric company cars**.

However, to have a more exhaustive representation of our organisation's energy performance, it is appropriate to analyse the consumption data in relation to our turnover.

In fact, despite a slight increase in consumption in recent years, the **Energy Intensity Index² decreased by 49.9%**, thanks to a consistent increase in turnover, which in 2022 exceeded EUR 2 billion for the first time.

ENERGY INTENSITY (GJ / MLN €)



² The Energy Intensity index is calculated as the ratio between the total energy consumption of an organisation, expressed in Gigajoules (GJ), and the total turnover value, expressed in millions of euros.



5.2.2 Atmospheric emissions

With regard to emissions, closely related to the consumption of energy in the offices and the consumption of fuel, over the last three years, there has been a net **increase in Scope 1 emissions** - related to the direct consumption of fuels and energy sources within the organisation - against a **reduction in Scope 2 emissions** - related to indirect energy consumption, which in our case includes electricity.

	unit of measurement	2022	2021	2020
Total Scope 1 emissions ³	tonCO ₂ eq ⁴	74.788	56.640	50.901
Total location-based Scope 2 emissions	tonCO ₂ eq	23.250	26.388	31.483
Total market-based Scope 2 emissions	tonCO ₂ eq	31.445	32.646	36.606
Total emissions (Scope 1 + Scope 2 location-based)	tonCO ₂ eq	98.038	83.028	82.385
Total emissions (Scope 1 + Scope 2 market-based)	tonCO ₂ eq	106.232	89.286	87.507

For next year, after it was decided to purchase only certified renewable energy, we expect a significant reduction in market-based emissions⁵, thanks to the elimination of Scope 2 emissions linked to the purchase of electricity.

³ It should be noted that for this first reporting year it was not possible to collect data relating to refrigerant gas consumption.

⁴ The CO₂eq indicator expresses the sum of the impacts of greenhouse gases (GHG), including carbon dioxide (CO₂), methane gas (CH₄) and nitrous oxide (N₂O), weighted according to their Global Warming Potential (GWP).

⁵ The market-based method requires determining GHG emissions linked to indirect consumption and therefore to the purchase of electricity and heat, considering the specific emission factors of suppliers, attributing an emission factor of zero for purchases of electricity from renewable sources. The *location-based* method, on the other hand, calls for applying the national average emission factors of the various countries in which electricity and heat are purchased to their indirect consumption.

However, also in this case, observing the **greenhouse gas emissions intensity index**⁶ (GHG) it can be seen how - despite an increase in the absolute value of total emissions due to the reasons mentioned above - there was a **significant overall reduction**, if observed in relation to the turnover of the organisation.

In fact, as a result of the growth recorded in recent years, overall consumption has increased slightly and consequently also emissions, which however, if compared to the specific values of the activity carried out by the Company (in this case to turnover), show an **overall increase in efficiency in the use of energy resources and emissions released into the atmosphere**.

EMISSION INTENSITY INDEX

■ Scope 1+2 location-based ■ Scope 1+2 market-based



⁶ The GHG emission intensity index is calculated as the ratio between an organisation's emissions in tonnes of CO₂ equivalent (tCO₂eq) and its turnover in millions of Euro. The index can be calculated using location-based or market-based emissions as the numerator and can also be distinguished between Scope 1, Scope 2 and Scope 3 emissions.



5.3 MATERIALS USED AND WASTE MANAGEMENT

Although ours is not an impactful activity in terms of material consumption and waste production, we also carefully implement waste management activities. Indeed, we have implemented **separate waste collection** at the offices in Milan and Biella, ensuring the correct disposal of materials and the recycling of resources to the greatest extent possible. We also make sure that printer toners are recycled to reduce the environmental impact of our printing devices.

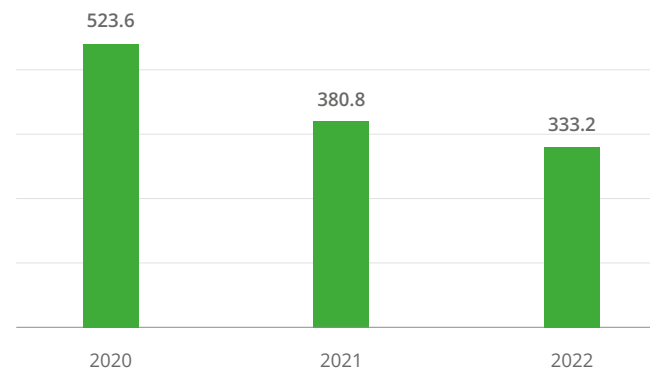
Through a series of internal initiatives, we promote **awareness amongst our employees** about the importance of reducing the use of paper and print-outs, seeking to encourage the adoption of substitute digital methods that, in addition to reducing the environmental impact, improve operational efficiency.

The graph to the right shows the **quantities of office paper used during the 2020-22 three-year period**. As can be seen, paper consumption fell from 523.6 kg to 333.2 kg, **a reduction of 36.4%**.

The dematerialisation of the accounts payable invoice authorisation process was a further project that allowed us to achieve **savings in terms of paper consumption**, in addition to the adoption of the digital signature and the replacement of registered letters in Italy with the use of certified electronic email.

Finally, we have adopted sustainable practices in our coffee break areas. We only use compostable pods and have adopted the “returnable” service for water jugs in the Milan and Biella offices, helping to reduce the use of single-use water bottles.

PAPER CONSUMPTION AT THE OFFICES (kg)





6 Our economic and governance performance



SDGs



GRI Standards

201-1





6.1 MARKET TREND AND PERFORMANCE OF GENERALFINANCE

The macroeconomic scenario of recent years has been characterised by the continuation of an economic crisis initially triggered by the Covid-19 pandemic.

Covid-19 contributed significantly in 2020 to a **6.6% decrease in the global factoring market, 6.8% at European level¹, and a change in turnover of -11% in the Italian market²**. However, during 2021 and 2022, the market recorded a significant change in trend: the transaction volume in 2022 was approximately **EUR 287 billion, marking an increase of 14.6% compared to the previous year**.

In continuity with the national macro-economic trend, we closed the year 2022 with a net profit of EUR 10.9 million (+15% compared to 2021), recording further growth in the area of *distressed financing*. **Our turnover reached EUR 2.009 billion (+43%) with EUR 1.674 billion disbursed (+50%).**

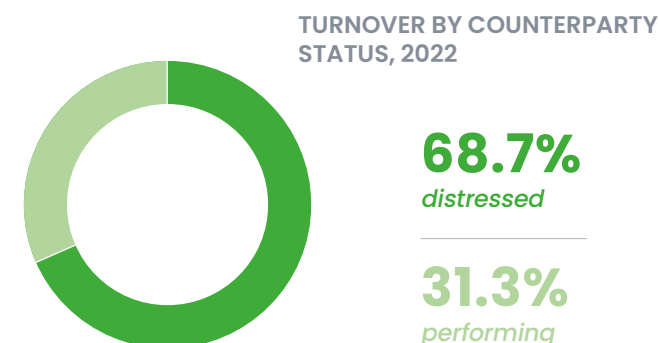
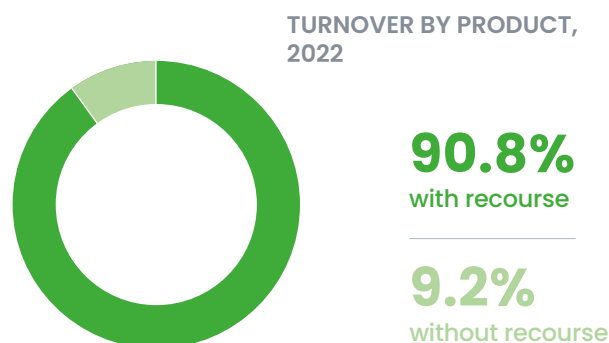
This performance confirms that our organisation's core business is anti-cyclical: **if the Italian economy suffers a negative macroeconomic trend, our turnover dynamics are positively influenced**, by virtue of an **increase in the number of companies involved in a turnaround and debt restructuring process**.

From this point of view, it is significant to consider the geopolitical context of 2022, characterised by the tensions arising from Russia's invasion of Ukraine and the resulting impacts on the Italian economy as well. The persistent financial market volatility caused by the conflict in Ukraine has had an **impact in particular on the most vulnerable Italian SMEs**, which have therefore suffered from a **reduction in the availability of credit** from banks. In addition, the crisis has affected the cost of raw materials, causing companies to **need more liquidity** to meet their working capital requirements and thus generating a resulting increase in our turnover.

Again with reference to the Russia-Ukraine conflict, it is important to highlight that our company has *factoring* relationships exclusively with assignors active in Italy and therefore **we are not directly present in the Russian,**

Ukrainian or Belarusian markets primarily affected by the conflict. With reference to the assigned debtors based in Russia, Ukraine and Belarus, we instead have an extremely limited overall exposure at portfolio level, of roughly EUR 0.1 million as at 31 December 2022, significantly down on the exposure as at 31 December 2021 (EUR 2.6 million); this exposure accounts for less than 0.1% of total gross receivables from customers. **Starting in February 2022 we suspended the credit lines relating to assigned debtors operating in the countries directly involved in the conflict.**

As anticipated at the beginning of the chapter, our turnover has shown constant growth in recent years, with a significant increase of 43% in the last year. Our main performance derives from *factoring with recourse*, which represents approximately 91% of our business



¹ Source: Assifact.

² Source: Assifact.



volumes, while *factoring without recourse* accounts for approximately 9% of total activities. In addition, around 69% of our turnover is generated by assignors in situations of weakness or financial difficulty - *distressed* companies.

2022 saw growth in sales activities, generating a positive outlook for the company's financial and economic situation during 2023. We expect the company to record **even more significant growth than in the previous year**, remaining aligned with the objectives set forth in the current Strategic Plan.

6.2 ECONOMIC VALUE GENERATED AND DISTRIBUTED³

Generating constant economic value is of fundamental importance, as it represents the prerequisite for every company to continue to fuel its **growth, competitiveness** and **sustainability** over time.

We believe that the creation of value concerns not only the financial aspect, but also - and above all - the ability to **generate well-being, services and wealth for all stakeholders** involved. We believe that it is essential for the company to distribute a part of that value to its stakeholders, particularly in the area in which it carries on business.

The distribution of value among stakeholders not only **consolidates the link between the company and its local area**, but also contributes towards creating an environment favourable to socio-economic development: investing in employee training and development means improving skills and productivity, creating opportunities for professional growth and development; collaborating with local suppliers promotes the creation of a stronger and more connected local economic system; offering quality products and services meets customer needs and contributes towards maintaining and expanding the customer base.

Furthermore, the distribution of part of the value generated to local communities, through social and environmental sustainability initiatives, contributes to the construction of a healthy environment that not only improves the company's reputation, but also generates a **long-term positive impact** on the local area, creating a virtuous cycle of economic and social development.

	2022	2021	2020
Economic value generated	30,732,279 €	23,807,025 €	17,355,977 €
Economic value distributed	24,182,239 €	17,921,432 €	12,240,189 €
Suppliers	6,120,360 €	3,287,838 €	2,832,939 €
Personnel	6,748,499 €	5,235,531 €	4,272,217 €
Public Administration	5,760,302 €	4,621,881 €	2,923,663 €
Local community	120,000 €	49,500 €	80,200 €
Shareholders	5,433,078 €	4,726,682 €	2,131,170 €
Economic value retained	6,550,040 €	5,885,593 €	5,115,788 €

³ The calculation of the economic value generated and distributed is based on the specific instructions provided by the GRI Standards and measures our contribution to the creation of overall economic value - summarised as revenues less items not generated directly by us (e.g. grant from the PA) - and the reclassification of costs according to final recipient, instead of cost type, in order to define the percentages of values distributed to our stakeholders. The difference between the two values indicates the value retained internally for self-financing and future investments.



As can be seen from the previous table and the graph to the right, the economic value we generated has increased significantly over the last three years, going from a total of nearly EUR 17.4 million in 2020 to over 30.7 million during 2022, keeping pace with the increase in turnover, which has grown to exceed EUR 2 billion for the first time ever.

This increase is mainly due to the increase in interest and fees and commissions, which in the last three years have increased by 59% and 46% respectively, mainly due to a shift of part of the portfolio from retail to corporate customers, which triggered an increase in the average amount of receivables assigned.

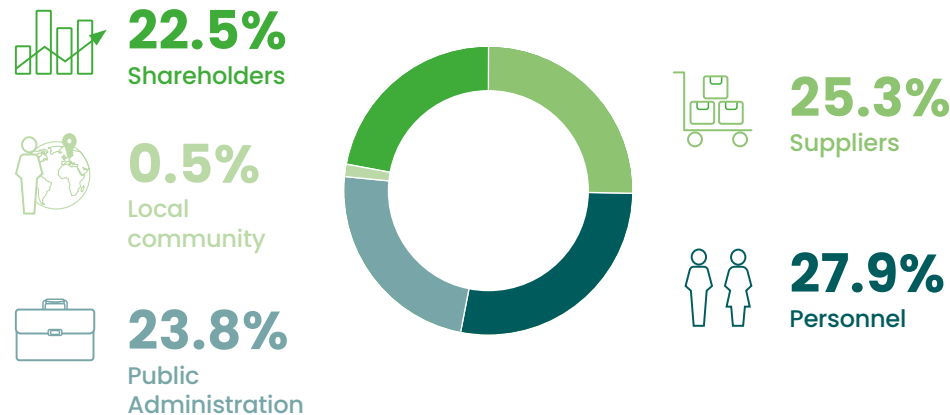
As a result, the economic value distributed to local areas also experienced strong growth (+97.6% from 2020), increasing the importance of our organisation in the territories in which we operate, while the value retained internally remained more stable, although it did increase (+28.0% since 2020).

In particular, it is possible to note that most of the value distributed is related to personnel (27.9%), suppliers (25.3%), the Public Administration (23.8%) and shareholders (22.5%). The remainder is intended for the local communities in the areas in which our company has historically operated, through charitable contributions and donations to local associations and entities.

ECONOMIC VALUE GENERATED



ECONOMIC VALUE DISTRIBUTED, 2022





6.3 RISK MANAGEMENT

Risk management is an essential process for our work, which is why over the years we have developed and constantly updated tools suitable for risk identification and management.

The risk analysis is aimed at mapping and classifying the types of risk to which the Company is or could be exposed. More specifically, the analysis is divided into the following main activities:

- **survey of company processes:** identification of the main processes and macro-activities existing in each area or organisational unit, identified on the basis of direct interviews with each manager and on the basis of the analysis of company documentation, for example the organisational chart, manuals and company procedures;
- **mapping of gross risks:** identification, for each business process or macro-activity surveyed, of the associated risks, with the resulting assessment of the probability, frequency of occurrence and gross impact of each risk;
- **estimate of net risks:** identification and assessment of controls and oversight mechanisms in place to mitigate gross risks, and assessment of their degree of effectiveness with the resulting definition of the degree of risk net of such controls.

The following pages provide a summary of the main macro-risks inherent in our business.

The *know-how* developed today guarantees a **high degree of efficiency for customers**, particularly with reference to **collection performance**. The tools we have developed also make it possible to monitor the main risks thanks to full control of the operating and credit processes of the companies we work with.

We have also adopted a system consistent with the characteristics, size and complexity of our activities to manage the relevant risks to which we may be exposed. The guidelines of the management process are defined and approved by the Board of Directors, which is supported by the Control, Risk and Sustainability Committee in managing risks in line with our strategies, as well as in assessing the adequacy of the internal control system and in relation to the characteristics of the company and the risk profile assumed.

Responsibility for the implementation of the process, once approved, is entrusted by the Chief Executive Officer, who guarantees **the monitoring of all** relevant risks through forward-looking assessments and adequate methodologies and ensures that this process is known,

shared and formalised within the company structures.

The **Risk Management Office**, with the support of the Chief Financial Officer (CFO), contributes to defining governance policies and the risk management process and is **responsible for monitoring them**.

The Anti-Money Laundering (AML) and Compliance Office verifies regulatory compliance. Lastly, the activities are audited by the *Internal Audit* Function.

The Risk Management Office also defines the risk map, i.e. the document in which - as described above - the risks to which the Company is exposed are identified on the basis of their degree of materiality.

Below is a representation of our main risks, classified according to the system defined by the Basel Accords on the basis of two pillars: the First Pillar, which defines the capital requirements suitable to face the typical risks of banking and financial activities; the Second Pillar, which requires entities to adopt a strategy and a process for self-assessment and capital adequacy control, leaving the Supervisory Authority to verify processes and make any requests for corrective measures.



Risk Trend Key

→ Stable → Reduction → Increase + New Risk

Degree of Materiality Key

■ High ■ Medium/High ■ Medium/Low ■ Low ■ Not significant

Risk	Degree of Materiality as at 31.12.2022	Risk Trend compared to 31.12.2021	Management Principles	Risk Controls
Pillar I				
Credit/Counterparty	■	→	measurable	Capital and Organisational Controls
Market	■			
Operational	■	→	measurable	Capital and Organisational Controls
Pillar II				
Concentration	■	→	measurable	Capital and Organisational Controls
Country	■	→	measurable	Capital and Organisational Controls
Transfers	■	→	assessable	Capital and Organisational Controls
Interest rate	■	→	measurable	Capital and Organisational Controls
Liquidity	■	→	assessable	Organisational Indicators/Controls
Residual	■	→	assessable	Organisational Controls
Securitisation	■	→	assessable	Organisational Controls
Financial leverage	■	→	measurable	Organisational Indicators/Controls
Basic	■			
Strategic	■	→	assessable	Organisational Controls
Reputation	■	→	assessable	Organisational Controls
Non-compliance	■	→	assessable	Organisational Controls
IT	■	→	assessable	Organisational Controls
Deriving from outsourcing relationships	■	→	assessable	Organisational Controls



Below we specify and describe the risks with the highest degree of materiality identified.

CREDIT RISK

One of the main risks to which our organisation is exposed is the credit risk, specific to factoring activities. To manage this risk, both the assignors and assigned debtors are assessed, through the processing of internal information taken from the company databases, and through the use of data from third parties and specialised public and private bodies. The assessment of the former (i.e. the assignors) is aimed at ensuring that loan applications comply with the Company's credit policy; specific controls are also carried out by the Legal Support Office, which constantly monitors changes and updates to the legal aspects of assignors. For assigned debtors, on the other hand, overall portfolio risk is defined following an assessment carried out for each individual debtor, monitoring their credit quality.

Before the loan is disbursed, the level of risk of the loan transaction is assessed through a detailed analysis of each individual credit facility requested, with reference to the assessment of the assignors as well as the assigned debtors.

Once the credit line is approved, the Risk Management Office constantly monitors and measures the level of credit risk of the performing portfolio and the problem portfolio, verifying, among other things, the regularity of payments by the assigned debtors and the level of portfolio diversification.



OPERATIONAL RISK

We are constantly committed at every level to mitigating operational risk, which may result in losses deriving from malfunctions in procedures, personnel and internal systems, as well as external events. The objective is to simplify and streamline internal interactions to improve the efficiency and effectiveness of information and management flows between the various company areas.

We are exposed to multiple operational risks, including the risk of unauthorised transactions, risks relating to the failure to store documentation relating to transactions, the risk of sanctions deriving from the violation of regulations applicable to the Company, and risks connected to the inadequacy or incorrect functioning of company procedures relating to the identification, management and monitoring of company risks.

LIQUIDITY RISK

Liquidity risk refers to the possibility of not being able to meet the present obligations falling due in the portfolio due to the difficulty of obtaining the necessary funds (funding liquidity risk) or limits on the disposal of certain assets (market liquidity risk). Over the years, we have adopted a careful credit acquisition policy, as well as constant monitoring of loan maturities, which have guaranteed us an average asset duration of less than 80 days and limited default levels, thus generating structural liquidity benefits.

REPUTATIONAL RISK

Potential financial or capital losses may derive from a negative perception of our Company by third parties. Although our reputational risk is currently limited, we are committed to managing it on a daily basis through the timely adaptation of the company regulations adopted, the implementation of adequate control systems and accurate counterparty selection.



COMPLIANCE RISK

We adopt specific procedures that are promptly updated in relation to regulatory changes, in order to ensure efficient monitoring and therefore the mitigation of compliance risks, on compliance and transparency issues identified as a result of changes in regulations.

Specifically with reference to compliance risk with regard to money laundering and international terrorist financing, we have adopted an *ad hoc* regulation that establishes procedures and obligations that the Company must follow in compliance with applicable regulations.

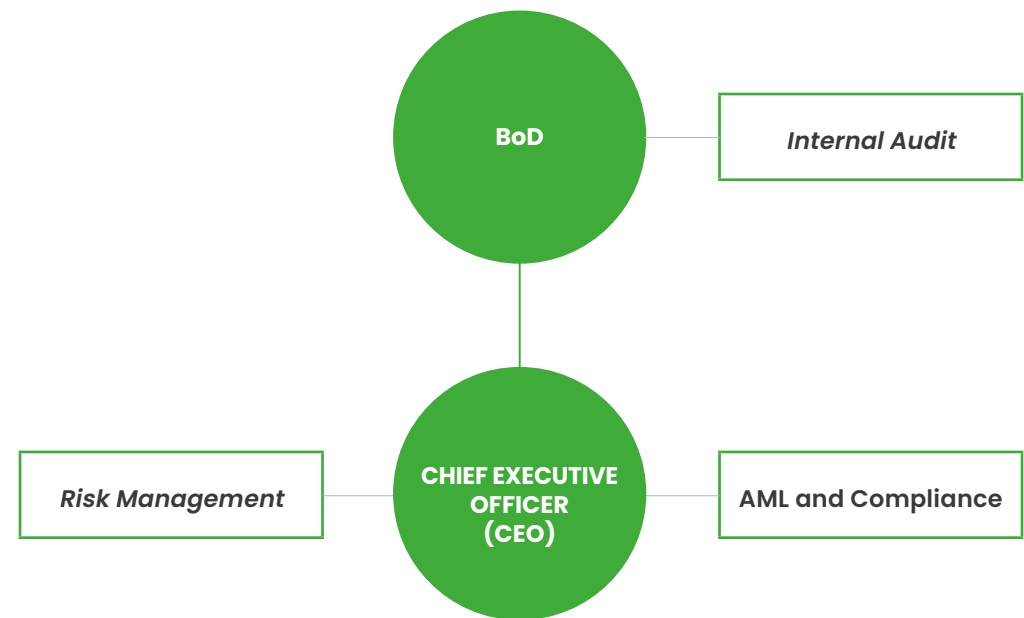
IT RISK

Another decisive aspect is the monitoring of IT security risks, since the incorrect identification and assessment of the risks associated with the use of information technology could lead to significant economic, reputational and market share losses. In this regard, the ICT Security Manager was established, aimed at updating company systems with new technological solutions, implementing processes that guarantee the security of clients and servers and managing any emergency situations following confirmed violations.

During 2023, we also made some **organisational changes**, so as to strengthen the internal control system. In particular:

- **Centralisation of anti-money laundering (AML) and compliance activities in a dedicated structure, reporting directly to the CEO, which carries out the following activities:**
 - monitoring of compliance risk, sanction risk, financial or reputational losses;
 - anti-money laundering function and relative regulatory oversight;
 - reporting of suspicious transactions.
- **Specialisation of the Risk Management function.**
- **Introduction of a new Internal Audit unit, reporting to the Board of Directors, with specific responsibility for internal auditing, as a further evolution of the current structure based on the assignment of third-level control activities within the Board of Directors to a board member.**

The control system is defined and represented as follows:



In addition, the Internal Control System is supplemented by:

- **Control, Risk and Sustainability Committee**
- **Board of Statutory Auditors** which, in addition to carrying out a **legality** check, verifies **the adequacy of the** administrative and accounting organisation and the proper management of the company.
- **Supervisory Body**, which is responsible for **supervising the functioning**, effectiveness and observance **of the Organisation, Management and Control Model** adopted by the Company pursuant to Legislative Decree 231/01.



6.4 INNOVATION AND DIGITALISATION

Innovation plays a decisive role for a Company like ours operating in the factoring market.

In a context characterised by continuous **technological evolution** and **increasing competitiveness**, the adoption of cutting-edge solutions allows a company like ours to improve process efficiency from multiple perspectives: offering more personalised services, responding promptly to customer needs and more effectively mapping and minimising the risks associated with core activities.

Our **digital transformation process** began in 2019 with the definition of a Digital Business Plan, approved by the Board of Directors, which laid the foundations for the transition from traditional to hyper-convergent technology that would allow us to transfer the information present until that time in the data centre located between Milan and Biella to the cloud. We thus updated the architecture of our databases by modelling our information assets on two complementary tools.

Since **digital innovation** represents one of the pillars of our Strategic Plan, we developed a project with the Reti S.p.A. benefit corporation in order to improve our decision-making process by using distinctive keys in preparation for business growth, such as data analytics, machine learning and artificial intelligence.

Over the last year, we launched a digital innovation project starting from data, with the aim of transforming the previous database infrastructure into a more efficient, convenient and secure one. The **new digital platform EFintech** - supported by Reti - has allowed for the creation of a data driven architecture permitting migration from file

system management to the centralised *Integration Services* management of *SQL Server Management Studio*. It is thus possible to reduce database maintenance costs, manage data more efficiently, enhance the decision-making process by using proprietary data and therefore increase the quality of the services offered to customers.

The data-driven strategy developed enables a decision-making approach based on the analysis and use of

available data in order to guide company choices in decisions based on concrete evidence and statistical analysis. Data analysis was implemented through three pillars:

- *Data wrangling.*
- *Data visualisation.*
- *Location analytics.*

The goal was to collect, analyse and optimise data from different sources, provide a graphical representation of it and expand its geographical origin in order to extract **the clearest and most accurate information** possible. The architecture is also the basis for future implementations of **predictive analytics** and **machine learning**, which will help to model predictive forecasts of potential future results and automate analytical models through interactive algorithms.

Thanks to this construction, we have given users the opportunity to work with greater precision and timeliness on data by reducing the time spent on manual activities, without detracting from human work, as the user continues to play a central role and is the final decision-maker, albeit with the support of the digital platform.

The process of standardising data and information in a single database has involved about 3 years of work, from 2019 to 2022, and currently the digitalisation process has been reignited thanks to an allocation of EUR 3 million in

EFintech

E: refers to the concept of **ESG** (Environmental, Social, Governance), since – thanks to the launch of the project – we have chosen green data centres and encouraged the possibility of working remotely, supporting a good work-life balance.

Fintec: refers to the **digital transformation** developed internally until now.

H: refers to the concept of **human intelligence** and the possibility of human decision-making and the relational exchange promoted by the use of the new digital architecture proposed.



the 2022-2024 Business Plan, with the aim of implementing the software, digitalising the assessment of assignors and assigned debtors, monitoring their risks and integrating an electronic digital credit facility.

Lastly, we began to develop a project relating to the computerisation of the *online* meetings of the corporate bodies. Thanks to an external provider, we have improved the management of virtual meetings, such as board meetings, by increasing the level of protection of and accessibility to the data and documents used during these meetings.

Today we are a Data Driven Company

“Data, in the current context of digitalisation, are not only valuable in terms of their use from a functional and operational process perspective, but also and, above all, for decision-making purposes, through data analytics, machine learning and AI solutions applied to business. Everything must therefore be supported by an infrastructural ecosystem for monitoring disaster recovery and cybersecurity”.

Stefano Biondini





6.5 PRIVACY AND DATA AND INFORMATION SECURITY

The *cybersecurity* and privacy that we guarantee to our customers are essential elements to guarantee their protection and the **sustainability of the business**.

Firstly, we aim to offer customers the best possible service, aware of the value of data and the right to confidentiality to be safeguarded throughout the entire value chain; secondly, also aware of the possible impact that penalties could have on us, we constantly monitor the risk of non-compliance with regard to privacy.

For this reason, **we collect and process personal data relating to the personnel management and administration of employees and the exercise of factoring activities with respect to our customers, fully in line with regulations in force on the protection and processing of personal data**, including Regulation (EU) 2016/679 (GDPR) and Legislative Decree no. 196/2003, amended by Legislative Decree no. 101/2018, as well as the provisions of the Data Protection Authority. In particular, in the course of 2022 we refined our GDPR framework through a dedicated project with the support of an external consulting firm - LTA Advisory - which was also engaged as Data Protection Officer (DPO). The activities

carried out within the project included the preparation of an extensive set of documents on privacy, including **the implementation of procedures for risk analysis and impact assessment** (DPIA) relating to personal data processing, the *data breach* procedure, the procedure on the rights of data subjects, the *privacy by design* and *by default* procedure⁴, **the revision of various privacy policies**, letters of appointment for employees and collaborators of the Company and letters of appointment of external processors that process data on behalf of the Company.

In addition, in 2022, to mitigate the risk that the personal data of customers and other parties involved may be damaged, lost, stolen, disclosed or used for unauthorised purposes, we launched a project supported by the company Reti through which **solutions were implemented for the auditing and logging of activities relating to our data**, with the aim of monitoring data access and modification by tracking and controlling the

actions carried out by users thanks to a differentiation in the levels of control based on the person's role and the responsibility for the data.

In the *cybersecurity* area, an in-depth *assessment* is being carried out with the company HWG, which engages in internal collaboration with the *compliance* area, especially with reference to *data breach-incident response plan* aspects.

Lastly, since we do not consider it sufficient to limit ourselves to implementing actions and activities within the scope of our organisation, we considered it essential to raise the awareness of assignors and assigned debtors with regard to these issues, by organising a specific **conference held at the University of Verona**, in order to **define together the guidelines to be followed and communicate to them the importance of careful data and information management**.

⁴ Privacy by design is an approach that places the user at the centre and aims to integrate data protection from the initial stages of designing a system or service, preventing risks from occurring and ensuring that privacy is considered in a proactive manner. On the other hand, *privacy by default* means the default setting of a system, which should process only personal data to the extent necessary and sufficient for the purposes established and for the period strictly necessary for these purposes, thanks to a configuration designed to guarantee the maximum level of privacy from the first use, requiring the user to make changes only if this level is to be reduced.



Appendix



ANNEX

Chapter 1 – About us

MEMBERS OF THE HIGHEST GOVERNANCE BODY

Name and surname	Executive or non-executive role	Independence	Term of office of the governing body	Number of each other position held, individual significant commitments, nature of those commitments	Gender	Membership of underrepresented social groups	Skills regarding economic, environmental and social issues
Maurizio Dallochio	Chairman of the Board of Directors	Independent	Shareholders' Meeting of 8 March 2022	Currently director in 3 positions Currently Chairman of the Board of Statutory Auditors in 13 positions Currently Chairman of the Board of Directors in 2 positions Currently Member of the Supervisory Board in 1 position Currently Shareholder in 3 positions	Male	Information not available	Yes
Mauro Selvetti	Deputy Chairman of the Board of Directors	Independent	Shareholders' Meeting of 8 March 2022	Currently Director in 1 position	Male	Information not available	Yes
Massimo Gianolli	Chief Executive Officer	Non-independent	Shareholders' Meeting of 8 March 2022	Currently Chairman in 1 position Currently Chief Executive Officer in 5 positions Currently Deputy Chairman of the Board of Directors in 1 position Currently Chairman of the Board of Directors in 2 positions	Male	Information not available	Yes
Rino Antonucci	Director	Non-independent	Shareholders' Meeting of 8 March 2022	-	Male	Information not available	Yes
Marta Bavasso	Director	Independent	Shareholders' Meeting of 30 March 2023	Currently independent director in 2 positions	Female	Information not available	Yes
Elena Ciotti	Director	Non-independent	Shareholders' Meeting of 8 March 2022	Director in office in 2 positions	Female	Information not available	Yes
Annalisa Raffaella Donesana	Director	Independent	Shareholders' Meeting of 8 March 2022	Currently Standing Auditor in 7 positions Currently Director in 1 position Currently Independent Director in 1 position Currently Shareholder in 4 positions	Female	Information not available	Yes



Name and surname	Executive or non-executive role	Independence	Term of office of the governing body	Number of each other position held, individual significant commitments, nature of those commitments	Gender	Membership of underrepresented social groups	Skills regarding economic, environmental and social issues
Leonardo Luca Etro	Director	Independent	Shareholders' Meeting of 8 March 2022	Independent director in office in 4 positions Sole Director in office in 1 position Chairman of the Board of Directors in office in 2 positions Chairman of the Control and Risk and Sustainability Committee in office in 1 position Director and shareholder in office in 1 position	Male	Information not available	Yes
Maria Luisa Mosconi	Director	Independent	Shareholders' Meeting of 8 March 2022	Director in office in 2 positions Standing Auditor in office in 5 positions Chairman of the Board of Auditors in office in 1 position Chairman of the Board of Statutory Auditors in office in 4 positions Director in office in 1 position	Female	Information not available	Yes

GRI 2-9 Governance structure and composition

MEMBERS OF THE CONTROL, RISK AND SUSTAINABILITY COMMITTEE

Name and surname	Executive or non-executive role	Independence	Term of office of the governing body	Number of each other position held, individual significant commitments, nature of those commitments	Gender	Membership of underrepresented social groups	Skills regarding economic, environmental and social issues
Maria Luisa Mosconi	Committee Chairman	Independent	Shareholders' Meeting of 8 March 2022	Director in office in 2 positions Standing Auditor in office in 5 positions Chairman of the Board of Auditors in office in 1 position Chairman of the Board of Statutory Auditors in office in 4 positions Director in office in 1 position	Female	Information not available	Yes
Annalisa Raffaella Donesana	Committee Member	Independent	Shareholders' Meeting of 8 March 2022	Currently Standing Auditor in 7 positions Currently Director in 1 position Currently Independent Director in 1 position Currently Shareholder in 4 positions	Female	Information not available	Yes
Mauro Selvetti	Committee Member	Independent	Shareholders' Meeting of 8 March 2022	Currently Director in 1 position	Male	Information not available	Yes

GRI 2-9 Governance structure and composition



MEMBERS OF THE APPOINTMENTS AND REMUNERATION COMMITTEE

Name and surname	Executive or non-executive role	Independence	Term of office of the governing body	Number of each other position held, individual significant commitments, nature of those commitments	Gender	Membership of underrepresented social groups	Skills regarding economic, environmental and social issues
Maria Luisa Mosconi	Committee Chairman	-	-	Director in office in 2 positions Standing Auditor in office in 5 positions Chairman of the Board of Auditors in office in 1 position Chairman of the Board of Statutory Auditors in office in 4 positions Director in office in 1 position	Female	Information not available	-
Annalisa Raffaella Donesana	Committee Member	-	-	Currently Standing Auditor in 7 positions Currently Director in 1 position Currently Independent Director in 1 position Currently Shareholder in 4 positions	Female	Information not available	-
Mauro Selvetti	Committee Member	-	-	Currently Director in 1 position	Male	Information not available	-

GRI 2-9 Governance structure and composition



MEMBER OF THE BOARD OF STATUTORY AUDITORS

Name and surname	Executive or non-executive role	Independence	Term of office of the governing body	Number of each other position held, individual significant commitments, nature of those commitments	Gender	Membership of underrepresented social groups	Skills regarding economic, environmental and social issues
Paolo Francesco Maria Lazzati	Chairman of the Board of Statutory Auditors	Independent	Shareholders' Meeting of 8 March 2022	Currently Standing Auditor in 20 positions Currently Sole Director in 6 positions Currently Chairman of the Board of Statutory Auditors in 23 positions Currently Auditor in 6 positions Currently director in 5 positions Currently Chief Executive Officer in 3 positions Currently Sole Statutory Auditor in 4 positions Currently Shareholder in 3 positions Currently Chairman of the Board of Directors in 1 position	Male	Information not available	Yes
Marco Carrelli	Standing Auditor	Independent	Shareholders' Meeting of 8 March 2022	Currently Standing Auditor in 5 positions Currently Alternate Auditor in 2 positions Currently Chairman of the Board of Statutory Auditors in 1 position Currently Shareholder in 1 position	Male	Information not available	Yes
Maria Enrica Spinardi	Standing Auditor	Independent	Shareholders' Meeting of 8 March 2022	Currently Standing Auditor in 12 positions Currently Chairman of the Board of Statutory Auditors in 1 position	Female	Information not available	Yes
Andrea di Giuseppe Cafà	Alternate Auditor	Independent	Shareholders' Meeting of 8 March 2022	Currently Chairman of the Board of Statutory Auditors in 5 positions Currently Sole Auditor in 4 positions Currently Standing Auditor in 2 positions Currently Shareholder in 3 positions	Male	Information not available	Yes
Luca Zambanini	Alternate Auditor	Independent	Shareholders' Meeting of 8 March 2022	Currently Chairman of the Board of Statutory Auditors in 1 position Currently Chief Executive Officer in 2 positions Currently Alternate Auditor in 6 positions Currently Standing Auditor in 12 positions Currently Bankruptcy Receiver in 1 position Currently Chairman of the Board of Directors in 1 position Currently Shareholder in 2 positions	Male	Information not available	Yes

GRI 2-9 Governance structure and composition



MEMBERS OF THE HIGHEST GOVERNANCE BODY TO WHOM ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED

Unit of measurement	2022	2021	2020
No.	9	5	5
% of total members	100%	100%	100%

GRI 205-2 Communication and training about anti-corruption policies and procedures

MEMBERS OF THE HIGHEST GOVERNANCE BODY WHO HAVE RECEIVED ANTI-CORRUPTION TRAINING

Unit of measurement	2022	2021	2020
No.	0	0	0
% of total members	0%	0%	0%

GRI 205-2 Communication and training about anti-corruption policies and procedures

EMPLOYEES TO WHOM ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED

Employee category (number)	2022	2021	2020
Executives and middle managers	9	9	9
% of total employees in the category	100%	100%	100%
Office workers	52	46	40
% of total employees in the category	100%	100%	100%
Blue-collar workers	0	0	0
% of total employees in the category	0%	0%	0%

GRI 205-2 Communication and training about anti-corruption policies and procedures

EMPLOYEES WHO HAVE RECEIVED ANTI-CORRUPTION TRAINING

Employee category (number)	2022	2021	2020
Executives and middle managers	9	9	9
% of total employees in the category	100%	100%	100%
Office workers	52	46	40
% of total employees in the category	100%	100%	100%
Blue-collar workers	0	0	0
% of total employees in the category	0%	0%	0%

GRI 205-2 Communication and training about anti-corruption policies and procedures

BUSINESS PARTNERS TO WHOM ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED

Employee category (number)	2022	2021	2020
Specify the type of business partner	-	-	-
% of total business partners	100%	100%	100%
Specify the type of business partner	0	0	0
% of total business partners	0%	0%	0%

GRI 205-2 Communication and training about anti-corruption policies and procedures



Chapter 3 – Our people

TYPE OF CONTRACT

	2022		2021		2020	
	Men	Women	Men	Women	Men	Women
Permanent contract	32	30	28	25	28	21
Fixed-term contract	1	0	0	0	0	1
Hourly contracts without guaranteed hours	0	0	0	0	0	0
Total by gender	33	30	28	25	28	22
Total employees	63		53		50	

GRI 2-7: Employees

EMPLOYMENT TYPE

	2022		2021		2020	
	Men	Women	Men	Women	Men	Women
Full time	33	29	28	24	27	20
Part time	0	1	0	1	1	2
Total by gender	33	30	28	25	28	22
Total employees	63		53		50	

GRI 2-7: Employees



NEW HIRES, BY AGE AND GENDER

	2022		2021		2020	
	Men	Women	Men	Women	Men	Women
< 30 years	1		1	2		1
	100%	0%	33%	67%	0%	100%
	1		3		1	
30 ≤ x ≤ 50 years	5	6	5	2	2	2
	45%	55%	71%	29%	50%	50%
	11		7		4	
> 50 years				1		
	0%	0%	0%	100%	0%	0%
	0		1		0	
Total new hires, by gender	6	6	6	5	2	3
Total new hires	12		11		5	
GRI 401-1 New employee hires and turnover						

NUMBER OF TERMINATIONS, BY AGE AND GENDER

	2022		2021		2020	
	Men	Women	Men	Women	Men	Women
< 30 years	0%	0%	0%	0%	0%	0%
	0		0		0	
30 ≤ x ≤ 50 years	1		5	1	2	1
	100%	0%	83%	17%	67%	17%
	1		6		3	
> 50 years			1	1		2
	0%	0%	50%	50%	0%	100%
	0		2		2	
Total terminations, by gender	1	0	6	2	2	3
Total terminations	1		8		5	
GRI 401-1 New employee hires and turnover						



TYPE OF BENEFIT (EMPLOYEES)

	2022
Executives	
Life insurance	no
Healthcare	set forth in the National Collective Labour Agreement
Insurance coverage in the event of disability and invalidity	yes for the two executives
Parental leave	set forth in the National Collective Labour Agreement
Pension contributions	set forth in the National Collective Labour Agreement
Shareholding	no
Other	no
Office workers	
Life insurance	no
Healthcare	set forth in the National Collective Labour Agreement
Insurance coverage in the event of disability and invalidity	no
Parental leave	set forth in the National Collective Labour Agreement
Pension contributions	set forth in the National Collective Labour Agreement
Shareholding	no
Other	no
Blue-collar workers	
Life insurance	no
Healthcare	set forth in the National Collective Labour Agreement
Insurance coverage in the event of disability and invalidity	no
Parental leave	set forth in the National Collective Labour Agreement
Pension contributions	set forth in the National Collective Labour Agreement
Shareholding	no
Other	no
GRI 401-2: Benefits provided to full-time employees	



EMPLOYEE CATEGORIES

	2022	2021	2020
Total number of employees entitled to parental leave, by gender¹			
Men	34	N/A	N/A
Women	30	N/A	N/A
Total	64	N/A	N/A
Total number of employees who have taken parental leave, by gender			
Men	1	N/A	N/A
Women	1	N/A	N/A
Total	2	N/A	N/A
Total number of employees who returned to work during the reporting period after taking parental leave, by gender			
Men	1	N/A	N/A
Women	1	N/A	N/A
Total	2	N/A	N/A
Total number of employees who returned to work after taking parental leave and who are still employees of the organisation in the 12 months following their return, by gender			
Men	0	N/A	N/A
Women	1	N/A	N/A
Total	1	N/A	N/A
Rate of return to work of employees who have taken parental leave, by gender			
Men	100%	N/A	N/A
Women	100%	N/A	N/A
Company retention rate of employees who have taken parental leave, by gender			
Men	0%	N/A	N/A
Women	0%	N/A	N/A
GRI 401-3: Parental leave			

¹ In this category, the number of employees as at 31 December 2022 was taken into consideration, together with 1 employee who resigned during the year.



MINIMUM NUMBER OF WEEKS OF PRIOR NOTICE TYPICALLY PROVIDED TO EMPLOYEES AND THEIR REPRESENTATIVES BEFORE THE IMPLEMENTATION OF SIGNIFICANT OPERATIONAL CHANGES THAT COULD HAVE A SUBSTANTIAL IMPACT ON THEM

	2022	2021	2020
no.	4	4	4
GRI 402-1: Minimum notice periods regarding operational changes ²			

TRAINING HOURS

	2022		2021		2020	
	Men	Women	Men	Women	Men	Women
Total employees	33	30	28	25	28	22
Total training hours, by gender	493.0	298.0	582.0	497.0	524.0	128.0
Average training hours	14.9	9.9	20.8	19.9	18.7	5.8
GRI 404-1 Average hours of training per year per employee						

EMPLOYEE CATEGORIES

	2022	2021	2020
Executives and Middle Managers			
Men	100%	100%	100%
Women	N/A	N/A	N/A
Office workers			
Men	100%	100%	100%
Women	100%	100%	100%
Blue-collar workers			
Men	N/A	N/A	N/A
Women	100%	100%	100%
GRI 404-3 Percentage of employees receiving regular performance and career development reviews			

² There was no formalisation of this policy within the company; the customarily applied prior notice period is taken into consideration.



PROFESSIONAL CATEGORIES

	2022		2021		2020	
	Men	Women	Men	Women	Men	Women
Members of the highest governance body, by age						
< 30 years	0	0	0	0	0	0
30 ≤ x ≤ 50 years	2	1	1	0	1	0
> 50 years	3	3	4	0	4	0
Total, by gender	5	4	5	0	5	0
Total	9		5		5	
Employees						
< 30 years	3	3	2	3	1	1
30 ≤ x ≤ 50 years	24	21	20	15	20	15
> 50 years	6	6	6	7	7	6
Total, by gender	33	30	28	25	28	22
Total	63		53		50	
GRI 405-1 Diversity of employees						

	2022		2021		2020	
	Men	Women	Men	Women	Men	Women
Members of the highest governance body, by gender						
Vulnerable categories	0	0	0	0	0	0
Total	0		0		0	
% of total members, by gender	0%	0%	0%	0%	0%	0%
Employees						
Vulnerable categories	0	2	0	2	1	1
Total	2		2		2	
% of total members, by gender	0%	100%	0%	100%	50%	50%
GRI 405-1 Diversity of employees						



RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN ³

	2022		2021		2020	
	Basic salary	Remuneration	Basic salary	Remuneration	Basic salary	Remuneration
Categories of employees, by gender						
Executives and Middle Managers	N/A	N/A	N/A	N/A	N/A	N/A
Office workers	73%	71%	71%	70%	78%	77%
Blue-collar workers	N/A	N/A	N/A	N/A	N/A	N/A
GRI 405-2 Ratio of basic salary and remuneration of women to men						

³ It was not possible to apply the calculation to the executives and blue-collar categories as in the former case there are no females and in the latter case, males.



Chapter 5 – Our environmental impact

MATERIALS USED

	Renewable or non-renewable	Unit of measurement	2022	2021	2020
Reams of paper	Renewable	Qty [Kg]	140	160	220
Total materials used		Qty [Kg]	140	160	220
GRI 301-1: Materials used by weight or volume					

ENERGY CONSUMPTION, BY ENERGY SOURCE (GJ)

	2022	2021	2020
Electricity purchased	433	447	486
of which from traditional sources (non-renewable)	247.7054041	256	283
of which from renewable sources	185.1189959	191	203
Self-generated electricity	0	0	0
Natural gas	425.857756	301	231
for heating	425.857756	301	231
<i>Fuel used for the company fleet</i>			
Diesel (100% mineral diesel)	859.0027006	645.94	602.85
Petrol	45.8600042	37.47	13.26
Methane	0	0.00	0.00
LPG	0	0.00	0.00
Energy intensity	0.878	1.021	1.752
GRI 302-1: Energy consumption within the organisation GRI 302-3: Energy intensity			



DIRECT AND INDIRECT CO₂ EMISSIONS (tonnesCO₂eq)

	2022	2021	2020
Total direct CO ₂ emissions (Scope 1)	74.788	56.640	50.901
Natural gas	0.021	0.015	0.012
Diesel	70.64	53.25	49.68
Petrol	4.13	3.37	1.21
Intensity of direct CO ₂ emissions (Scope 1)	0.037	0.040	0.067
Total indirect CO ₂ emissions (Scope 2) - location based	23.250	26.388	31.483
Intensity of indirect CO ₂ emissions (Scope 2 - location based)	0.012	0.019	0.041
Total indirect CO ₂ emissions (Scope 2) - market based	31.445	32.646	36.606
Intensity of indirect CO ₂ emissions (Scope 2 - market based)	0.016	0.023	0.048
Total direct and indirect CO ₂ emissions (Scope 1 + Scope 2) - location based	98.038	83.028	82.385
Intensity of direct and indirect CO ₂ emissions (Scope 2 - location based)	0.049	0.059	0.108
Total direct and indirect CO ₂ emissions (Scope 1 + Scope 2) - market based	106.232	89.286	87.507
Intensity of direct and indirect CO ₂ emissions (Scope 2 - market based)	0.053	0.064	0.115
GRI 305-1: Direct (Scope 1) GHG emissions GRI 305-2: Energy indirect (Scope 2) GHG emissions GRI 305-4: GHG emissions intensity			



Chapter 6 – Our economic and governance performance

ECONOMIC VALUE GENERATED AND DISTRIBUTED

	2022	2021	2020
Economic value generated	30,732,279 €	23,807,025 €	17,355,977 €
Economic value distributed	24,182,239 €	17,921,432 €	12,240,189 €
Suppliers	6,120,360 €	3,287,838 €	2,832,939 €
Personnel	6,748,499 €	5,235,531 €	4,272,217 €
Public Administration	5,760,302 €	4,621,881 €	2,923,663 €
Local community	120,000 €	49,500 €	80,200 €
Shareholders	5,433,078 €	4,726,682 €	2,131,170 €
Economic value retained	6,550,040 €	5,885,593 €	5,115,788 €
GRI 201-1 Direct economic value generated and distributed			



TAX MANAGEMENT

	2022	2021	2020
Name of resident entities	Generalfinance S.p.a.	Generalfinance S.p.a.	Generalfinance S.p.a.
Main activities	Financing activities in the form of factoring, purchase of receivables of companies with and without recourse, advances against assignment of receivables, ancillary services		
Number of employees	63	53	50
Revenues from sales to third parties	41,300,395.00	29,897,268.00	20,303,391.00
Revenues from intra-group transactions with other tax jurisdictions	-	-	-
Profit/loss before taxes	16,470,356.00	13,926,103.00	8,109,828.00
Property, plant and equipment other than cash and cash equivalents	4,865,994.00	4,992,460.00	5,075,660.00
Income taxes of companies paid on a cash basis	5,390,354.66	3,809,663.00	2,482,117.00
Income taxes of companies accrued on profits/losses	5,584,969.00	4,472,739.00	2,781,903.00
Reasons for the difference between corporate income tax accrued on profits/losses and the tax due, if the legal tax rate is applied to pre-tax profits/losses	From a regulatory point of view, the taxes due from the company are determined by applying the tax rate on pre-tax profits/losses and accordingly to the accounting results, and taking into account the rules set forth in Presidential Decree 917/1986 and Legislative Decree 446/1997. Any differences between the company's income taxes, accrued on profits/losses, and the tax due are attributable to the valuation of the various accounting items according to tax rules and available information depending on when the tax calculation is performed. In addition, further differences are attributable to the use of tax credits by the company, in accordance with access conditions		

GRI 207-4 Country-by-country reporting



METHODOLOGICAL NOTE

In the current year, Generalfinance started to collect ESG information and to prepare the Sustainability Report, which will be published annually.

The information contained in this document refers to the time period between 1 January 2022 and 31 December 2022; the topics covered are also presented along with, where possible, a comparison with the previous two-year period in order to allow stakeholders to understand the Company's overall performance and compare performance over time.

This document has been prepared in accordance with the GRI Sustainability Reporting Standards, in the 2021 version, which entered into force as of 1 January 2023, according to the "With reference to" reporting option.

In terms of document content and quality, its drafting is inspired by the principles defined by GRI Standard 1: Foundation 2021:

- **Accuracy** in reporting accurate and sufficient information to assess the impacts of the Company.
- **Balance** in reporting information objectively, describing both negative and positive impacts.
- **Clarity** in the presentation of information in an understandable and accessible manner, making the content accessible even to those with limited knowledge of Generalfinance.

- **Comparability**, thanks to the selection and reporting of uniform information to allow for an analysis of the impacts over time and a comparison with those of other organisations.
- **Completeness** in providing information that allows for an assessment of all aspects of the Company during the reporting period.
- **Sustainability context**, in order to report information able to raise awareness of how the organisation contributes to the achievement of sustainable development.
- **Timeliness** - reporting of information on a regular basis, making it available in due time and in such a way so as to allow data users to make decisions in this regard.
- **Verifiability** - collection, recording, compilation and analysis of data so that the information can be examined in order to confirm its quality.

Materiality analysis and identification of material topics

Consistent with GRI Standard 3: Material topics 2021, the following were considered in order to carry out the materiality analysis:

- **The context of the sector** in which Generalfinance operates, through an analysis of internal documentation, the sector peers, Standard Setters and the main regulatory and financial market references.
- **The demands of internal and external stakeholders** that the Company has mapped by engaging the management during individual interviews; during these interviews, the management expressed a degree of materiality of the issues that emerged from the context analysis, expressing a dual assessment for each of them, concerning both the perspective of Generalfinance and that of the reference stakeholders.

At the end of this process, the outcome of the materiality analysis was shared with the Chief Executive Officer, who validated the issues that emerged as material.



Reporting scope and calculation methods

The reporting scope coincides with that of the 2022 Financial Statements and refers to the company Generalfinance S.p.A.

It should be noted that until 15 February 2022, Generalfinance was part of GFG Gruppo Finanziario General ("GFG"), which included within its scope Generalfinance S.p.A. and GGH - Gruppo General Holding S.r.l. ("GGH"), the latter as parent company.

On 23 December 2021, GGH filed a formal request with the Bank of Italy to strike GFG off from the register of financial groups and for the resulting exemption of GGH from the role of parent company of a financial group, pursuant to article 109 of the Consolidated Law on Banking and Bank of Italy Circular no. 288/2015, Title I, Chapter 2, Section IV. On 1 February 2022, the Bank of Italy accepted the request made by GGH and on 15 February 2022, GFG was struck off from the register of financial groups.

At the date of GFG's removal from the register of financial groups (i.e. as of 15 February 2022), Generalfinance S.p.A. is no longer part of GFG Gruppo Finanziario General and GGH no longer holds the role of parent company of a financial group, nor does it carry out management and coordination activities pursuant to article 2497 et seq. of the Italian Civil Code for Generalfinance S.p.A.

Conversion and emission factors used

It should be noted that the following factors were used to calculate environmental indicators:

- DEFRA GHG - UK Government GHG conversion factors for company reporting, 2022, 2021 and 2020 - for the conversion of electricity into GJ ("Conversions" sheet), for the conversion of fuels and other direct energy sources into GJ ("Fuel Properties" sheet), for the calculation of direct emissions from fuels and other direct energy sources ("Fuels" sheet) and for the calculation of location-based indirect emissions ("UK electricity" sheet)
- AIB - European Residual Mixes 2021, 2020 and 2019 - for the calculation of market-based indirect emissions



GLOSSARY

Assignor

Refers to the business customer of the Factor, i.e. its counterparty in the Factoring Contract or in the Assignments.

Assigned Debtor

Refers to the natural or legal person - Italian or foreign - required to make the payment of one or more assigned Receivables.

Disbursement

Refers to the transaction whereby the Factor, within the approved Credit Limit, executes the request for advance payment - in whole or in part - of the Consideration, after which the Factor makes available to the Assignor the net revenue resulting from the difference between the portion of the Consideration paid in advance and the amount retained in application of the agreed conditions or for the settlement of Factor receivables.

Factor

In addition to Generalfinance S.p.A., also refers to the foreign *Factor* or the corresponding company that it uses or will make use of for the performance of its services internationally.

Distressed companies

Refers to companies in financial difficulty, involved in corporate crisis recovery procedures, characterised by a low credit rating and with resulting difficulty in making recourse to traditional lending channels because, on the basis of the assessment criteria commonly used by banks and financial intermediaries, they have a low credit rating ("default" or "*non-investment grade*").

Performing companies

Refers to companies that are not involved in business crisis recovery procedures but in any event have limited access to traditional lending channels due to their situation of financial tension or budget ratios that are generally incompatible with banking sector lending policies.

Outstanding

Refers to the nominal amount of the receivables assigned and not collected at a certain date.

Without recourse

Form of receivable assignment by virtue of which the assignor is required to guarantee to the assignee the existence of the assigned receivable, but not the solvency of the assigned debtor.

With recourse

Form of receivable assignment by virtue of which the assignor is required to guarantee to the assignee the existence of the assigned receivable as well as the solvency of the assigned debtor.

Turnover

The amount of nominal receivables assigned by all assignors to the *factor* in a given period of time (for example, one year), constituting an indicator of business size, commonly used to assess the activity of *factoring* companies, including the Company, also at an international scale.

GRI Standards

The GRI Standards represent best practices for public reporting on a range of economic, environmental and social impacts. Standards-based sustainability reporting provides information on an organisation's positive or negative contributions to sustainable development.



GRI CONTENT INDEX

GRI Standards/	Disclosures	Location	Omitted requirements	Omission Reason	Explanation
General disclosures					
GRI 2 - General Disclosures - 2021 version	2-1 Organisational details				
	2-2 Entities included in the organisation's sustainability reporting				
	2-3 Reporting period, frequency and contact point				
	2-4 Restatements of information				
	2-5 External assurance				
	2-6 Activities, value chain and other business relationships				
	2-7 Employees				
	2-8 Workers who are not employees				
	2-9 Governance structure and composition				
	2-10 Nomination and selection of the highest governance body				
	2-11 Chair of the highest governance body				
	2-12 Role of the highest governance body in overseeing the management of impacts				
	2-14 Role of the highest governance body in sustainability reporting				
	2-17 Collective knowledge of the highest governance body				
	2-19 Remuneration policies				
	2-20 Process to determine remuneration				
	2-21 Annual total compensation ratio				
	2-22 Statement on sustainable development strategy				
	2-23 Policy commitments				
	2-27 Compliance with laws and regulations				
	2-28 Membership associations				
	2-29 Approach to stakeholder engagement				
	2-30 Collective bargaining agreements				



GRI Standards/	Disclosures	Location	Omitted requirements	Omission Reason	Explanation
Material topics					
GRI 3 - Material topics - 2021 version	3-1 Process to determine material topics				
	3-2 List of material topics				
Economic performance					
GRI 3 - Material topics - 2021 version	3-3 Management of material topics				
GRI 201 - Economic performance - 2016 version	201-1 Direct economic value generated and distributed				
Anti-corruption					
GRI 3 - Material topics - 2021 version	3-3 Management of material topics				
GRI 205 - Anti-corruption - 2016 version	205-1 Operations assessed for risks related to corruption				
	205-2 Communication and training about anti-corruption policies and procedures				
	205-3 Confirmed incidents of corruption and actions taken				
Tax					
GRI 3 - Material topics - 2021 version	3-3 Management of material topics				
GRI 207 - Tax - 2019 version	207-1 Approach to tax				
	207-2 Tax governance, control and risk management				
	207-4 Country-by-country reporting				
Materials					
GRI 3 - Material topics - 2021 version	3-3 Management of material topics				
GRI 301 - Materials - 2016 version	301-1 Materials used by weight or volume				



GRI Standards/	Disclosures	Location	Omitted requirements	Omission Reason	Explanation
Energy					
GRI 3 - Material topics - 2021 version	3-3 Management of material topics				
GRI 302 - Energy - 2016 version	302-1 Energy consumption within the organisation				
	302-3 Energy intensity				
	302-4 Reduction of energy consumption				
Emissions					
GRI 3 - Material topics - 2021 version	3-3 Management of material topics				
GRI 305 - Emissions - 2016 version	305-1 Direct greenhouse gas (GHG) emissions (Scope 1)				
	305-2 Indirect greenhouse gas (GHG) emissions (Scope 2)				
	305-4 GHG emissions intensity				
Waste					
GRI 3 - Material topics - 2021 version	3-3 Management of material topics				
GRI 306 - Waste - 2020 version	306-1 Waste generation and significant waste-related impacts				
	306-2 Management of significant waste-related impacts				
Employment					
GRI 3 - Material topics - 2021 version	3-3 Management of material topics				
GRI 401 - Employment - 2016 version	401-1 New employee hires and employee turnover				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees				
	401-3 Parental leave				



GRI Standards/	Disclosures	Location	Omission		
			Omitted requirements	Reason	Explanation
Labour/management relations					
GRI 3 - Material topics - 2021 version	3-3 Management of material topics				
GRI 402 - Labour/management relations - 2016 version	402-1: Minimum notice periods regarding operational changes				
Occupational health and safety					
GRI 3 - Material topics - 2021 version	3-3 Management of material topics				
GRI 403 - Occupational health and safety - 2018 version	403-1 Occupational health and safety management system				
	403-2 Hazard identification, risk assessment, and incident investigation				
	403-3 Occupational health services				
	403-4 Worker participation, consultation, and communication on occupational health and safety				
	403-5 Worker training on occupational health and safety				
	403-6 Promotion of worker health				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships				
	403-8 Workers covered by an occupational health and safety management system				
	403-9 Work-related injuries				
	403-10 Work-related ill health				
Training and education					
GRI 3 - Material topics - 2021 version	3-3 Management of material topics				
GRI 404 - Training and education - 2016 version	404-1 Average hours of training per year per employee				
	404-2 Programs for upgrading employee skills and transition assistance programs				
	404-3 Percentage of employees receiving regular performance and career development reviews				



GRI Standards/	Disclosures	Location	Omitted requirements	Omission Reason	Explanation
Diversity and equal opportunity					
GRI 3 - Material topics - 2021 version	3-3 Management of material topics				
GRI 405 - Diversity and equal opportunity - 2016 version	405-1 Diversity of governance bodies and employees				
	405-2 Ratio of basic salary and remuneration of women to men				
Local communities					
GRI 3 - Material topics - 2021 version	3-3 Management of material topics				
GRI 413 - Local communities - 2016 version	413-1 Operations with local community engagement, impact assessments, and development programs				
Customer privacy					
GRI 3 - Material topics - 2021 version	3-3 Management of material topics				
GRI 418 - Customer privacy - 2016 version	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data				