



# Sustainability Report **2024**





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# Reading guide

We present our **third Sustainability Report** prepared on a voluntary basis, which aims to give stakeholders an account of 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 reference to the three-year period 2022-2024.

To ensure the quality of the information and to bring our Report in line with Italian and European *best practices* we decided to prepare it **in accordance with the reporting principles and information requirements defined by the Global Reporting Initiative (GRI)<sup>1</sup>**.

The document begins with this “Reading guide”, followed by the “**Letter to Stakeholders**” from Massimo Gianolli, CEO of Generalfinance, which lays out the **reasons** that led us to set out on 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.



<sup>1</sup> 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 main **macro-trends that characterise the financial sector**, with a particular focus on the **factoring market**. We describe our mission, the values that guide our strategic and operational choices, and retrace the milestones of our **history**, from our foundation to the present day. We also take a closer look at the **classification of the market segments** in which we operate, providing an overview of the **composition of our customer base**. We conclude this chapter with a description of our governance structure and the ways we ensure compliance with the principles of ethics and integrity, both in the conduct of our business and in our relations with our stakeholders.

The second chapter, **"Our approach to sustainability"**, describes the approach taken over the years to ESG issues, with details regarding the actions undertaken in 2024 to identify the 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 our employees, describing our policies for equal opportunity and *diversity*, personnel management, professional development and occupational health and safety.

The fourth chapter, **"Our relations 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 the local communities that are our primary reference point.

In the fifth chapter, **"Environmental Impact"**, we present the main environmental aspects related to our company's activities, with particular reference to **energy consumption**, to **emissions generated**, and to the **management of materials and waste**. Although our **environmental impact is minimal**, given the nature of our business, we have chosen to include **transparent disclosure** on this aspect as well, in line with the latest **international trends in the area of ESG** and the growing relevance of environmental issues in the current context.

The sixth and final chapter, **"Economic and governance performance"**, provides an overview of our economic-financial performance and that 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 our customers' 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 **Generalfinance S.p.A.'s Sustainability Report 2024**, a document that **demonstrates our commitment to an integrated strategy** based on the three fundamental aspects of sustainability: **environmental, social and governance (ESG)**. We have embraced the concept of sustainability, placing special emphasis on **social aspects**, which we believe to be at the **heart of an authentic ESG strategy**. In this regard, we firmly believe that our core business is intrinsically oriented toward creating sustainable value by **supporting the restructuring and relaunch of companies**, safeguarding jobs, promoting their recovery and growth, and, consequently, the preservation of Made in Italy.

In recent years, we have progressively oriented our activities towards the adoption of **sustainable business practices**, through the implementation of initiatives aimed at **increasing energy efficiency, reducing waste and minimising environmental impact**. Among the actions taken, we highlight the **launch of waste recycling programmes**, the **reduction of plastic and paper use** – also made possible by the increasing **digitalisation of business processes** – and the **adoption of fully cloud-based software solutions**.

We are also aware of the importance of **promoting an inclusive and diverse work environment**. With this in mind, we have promoted **equal opportunity** for all employees, rewarding **merit** and continuously investing in their **training and professional development**, in the belief that the **well-being and growth of people** are key elements for the long-term success of the company.

A further pillar of our sustainability strategy is a **strong and transparent governance system**. Our independent and qualified **Board of Directors** ensures careful and responsible supervision. We have also adopted **fair and transparent remuneration policies**, which reward the achievement of long-term and sustainability objectives. Finally, we ensure **full disclosure of financial information** to enable investors to make informed decisions.



*"In 2024, we consolidated our position in the field of financing companies in Special Situations, focused on creating sustainable value in the medium and long term through job protection, business recovery and growth, and, consequently, the preservation of Made in Italy."*

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





# 1 About us



## SDG



## 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 law 52 of 21 February 1991 ("Regulation on the assignment of business receivables"), with which the legislature regulated the transfer of existing and future business credits, the transferability of credits, including in bulk, and made it easier for the transferee to enforce the transfers against third parties.

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

With reference to the risk of non-payment, 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 rather 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 *without recourse factoring*, however, the risk of debtor default is assumed by the *factoring* company itself. 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.

Data collected by the *EU Federation for Factoring and Commercial Finance for the European factoring market* for 2024 show turnover in line with the previous year, with growth of 1.0% over the previous year. In particular, total turnover in the *factoring* sector in Europe exceeded EUR 2.4 trillion during the year, and turnover in the *factoring* sector accounted for approximately 11.2% of European GDP in December 2024<sup>1</sup>.

FACTORIZING WITH RECOURSE	THE ASSIGNOR COMPANY MAINTAINS THE RISK OF DEBTOR DEFAULT
FACTORIZING WITHOUT RECOURSE (SO-CALLED "OUTRIGHT PURCHASE")	THE RISK OF DEBTOR DEFAULT IS TRANSFERRED AND ASSUMED BY THE FACTORING COMPANY

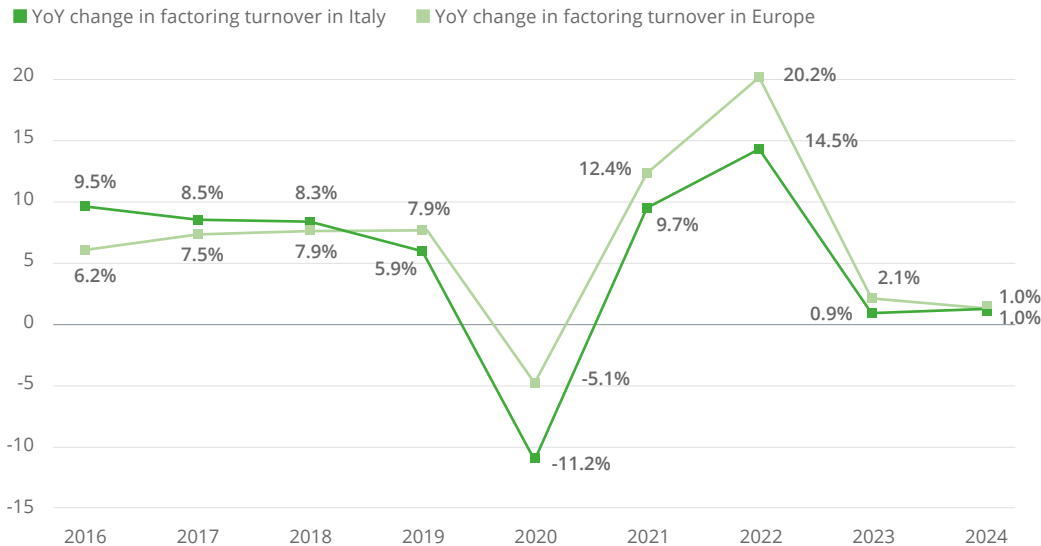
In this context, the factoring market continues to perform well, supported by strong growth in demand, the needs of businesses linked to the repayment of government aid, and rising inflation and prices of goods and raw materials following the outbreak of war in Ukraine and recent geopolitical tensions in the Middle East (UeFederation, 2024).

<sup>1</sup> <https://www.euf.eu.com/data-statistics/annual-factoring-data.html>



As shown in the graph below, in December 2024 *Factoring* in Europe remained stable in comparison to 2023, with growth slowing to 1%. (EU Federation, 2024).

### CHANGE IN FACTORING TURNOVER IN ITALY AND EUROPE



Source: EU Federation, 2024.

The figures highlighted vary depending on the country of reference. In particular, during 2024, *factoring* in Italy recorded a growth in turnover of approximately 1.0%, which was recorded at the levels of 2023, confirming a 12% market share of the total *factoring* volume in Europe (UeFederation, 2024).

In 2024, France remained the European market leader with a share of 17.4% of the total *factoring* volume, followed by Germany (16.1%), the United Kingdom (12.2%), Italy (12.0%) and Spain (10.7%)<sup>2</sup>.

During 2022, Assifact, the Italian *Factoring* Association, published the third edition of a survey on demand for *factoring services*<sup>3</sup>, involving a significant sample of companies operating in Italy.

<sup>2</sup> <https://www.euf.eu.com/data-statistics/annual-factoring-data.html>

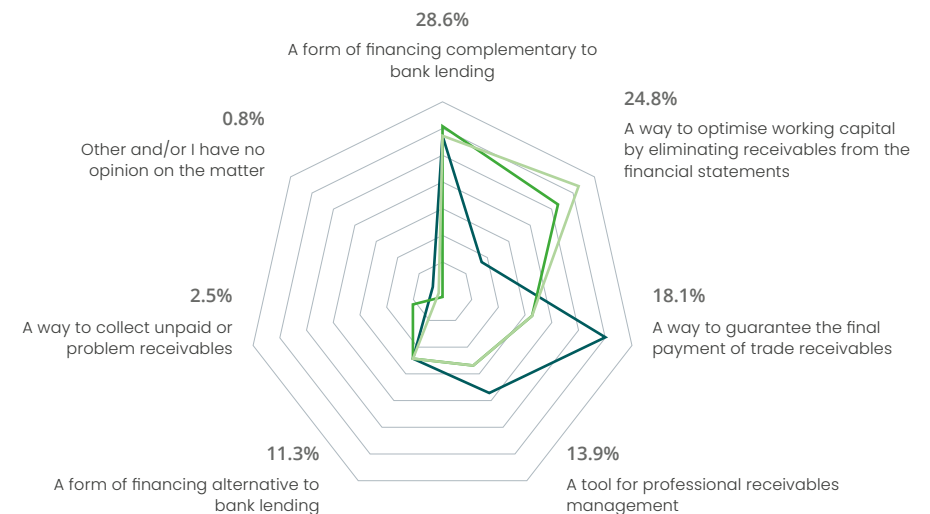
<sup>3</sup> Assifact, KPMG Italy, 2022.

According to the analysis, companies increasingly perceive *factoring* as a tool for building relationships with customers, with a consequent decrease in the number of companies that consider it merely a financing tool. Nevertheless, "the needs of 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). Despite this awareness, the reasons for the demand for *factoring* 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 companies' working capital. Indeed, according to 28.6% of the survey responses, it is considered a form of financing that is complementary to bank lending, but not an alternative, as shown by 11.3% of the responses. *Factoring* is also perceived as a way of optimising working capital by eliminating receivables from the financial statements (24.8%) and as a form of guarantee for the successful payment of trade receivables (18.1%).

### What does factoring represent?

■ Small enterprises ■ Medium enterprises ■ Corporate



(% 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 without recourse, confirming the higher degree of satisfaction with the use of factoring compared to past surveys: in 2022, 54.7% of businesses considered it highly positive compared to 7% in 1997.

In line with the evolution of the European regulatory framework on sustainability, the factoring sector is also gradually integrating ESG criteria into many areas of business, from strategy definition to the range of products offered. The integration of environmental, social, and governance factors into management processes and reporting practices can translate into tangible benefits, including reduced capital absorption and a stronger competitive and reputational position. These advantages contribute to creating value for the entire factoring ecosystem, benefiting operators, assignors, and assignees.





## 1.2 OUR MISSION AND VALUES

As a supervised financial intermediary specializing in *factoring* and a leader in the crisis-stricken business segment, we are committed to supporting the Italian manufacturing sector, with a particular focus on companies undergoing recovery.

In addition to generating economic value, our intervention has also proven to be socially significant over time. Through *factoring*, we offer an alternative channel for accessing credit

to companies that would find it difficult to obtain financing through traditional banking channels.

This support has enabled hundreds of struggling businesses to protect jobs and ensure the continuity of their economic and social function. This responsible approach, combined with sound asset and financial management, targeted incentive policies, and investments in human resource development, is the foundation for our company's sustainable growth.

*“Sustainable growth, high profitability and contained risk are our main objectives for our path of growth”*

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

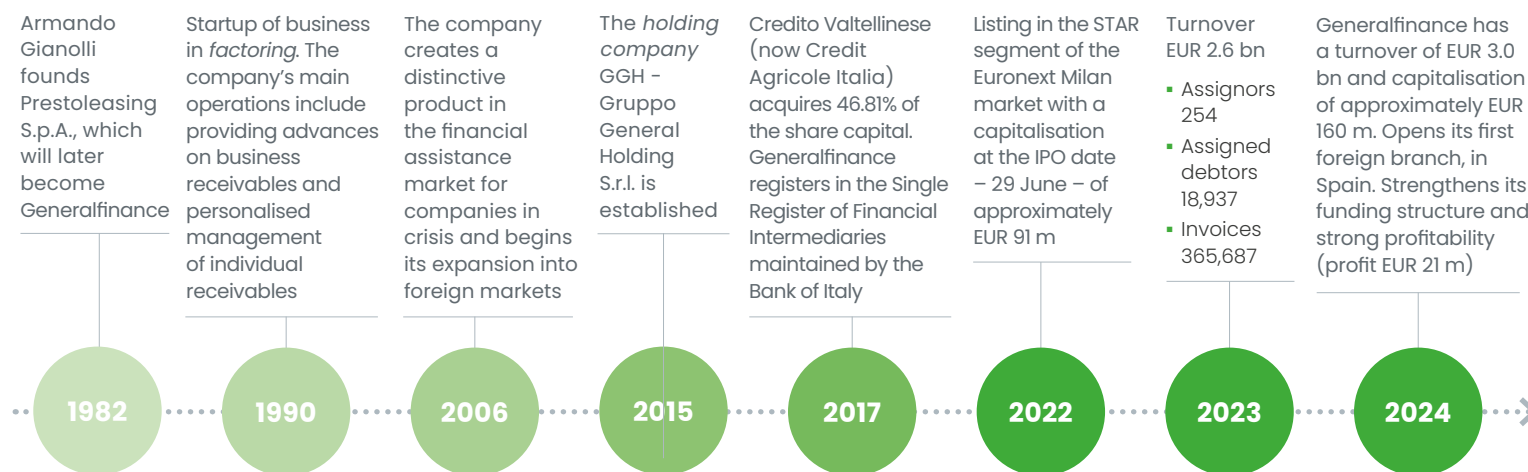
## 1.3 OVER 40 YEARS OF HISTORY

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, customizable services aimed at resolving the many credit issues facing businesses, enabling clients to free up working capital, improve collection times, and reduce insolvency in their customer portfolio.

Since 2022 we have been listed in the STAR segment of Euronext Milan, and recognised in the market, with over EUR 3 billion in turnover in 2024 and a growth in net profit of +40% year on year. Since 1990 we have managed over EUR 14 billion in nominal value of receivables and over 2 million invoices.

### The main stages in the development of Generalfinance



Generalfinance capitalisation value as of 31 December 2024

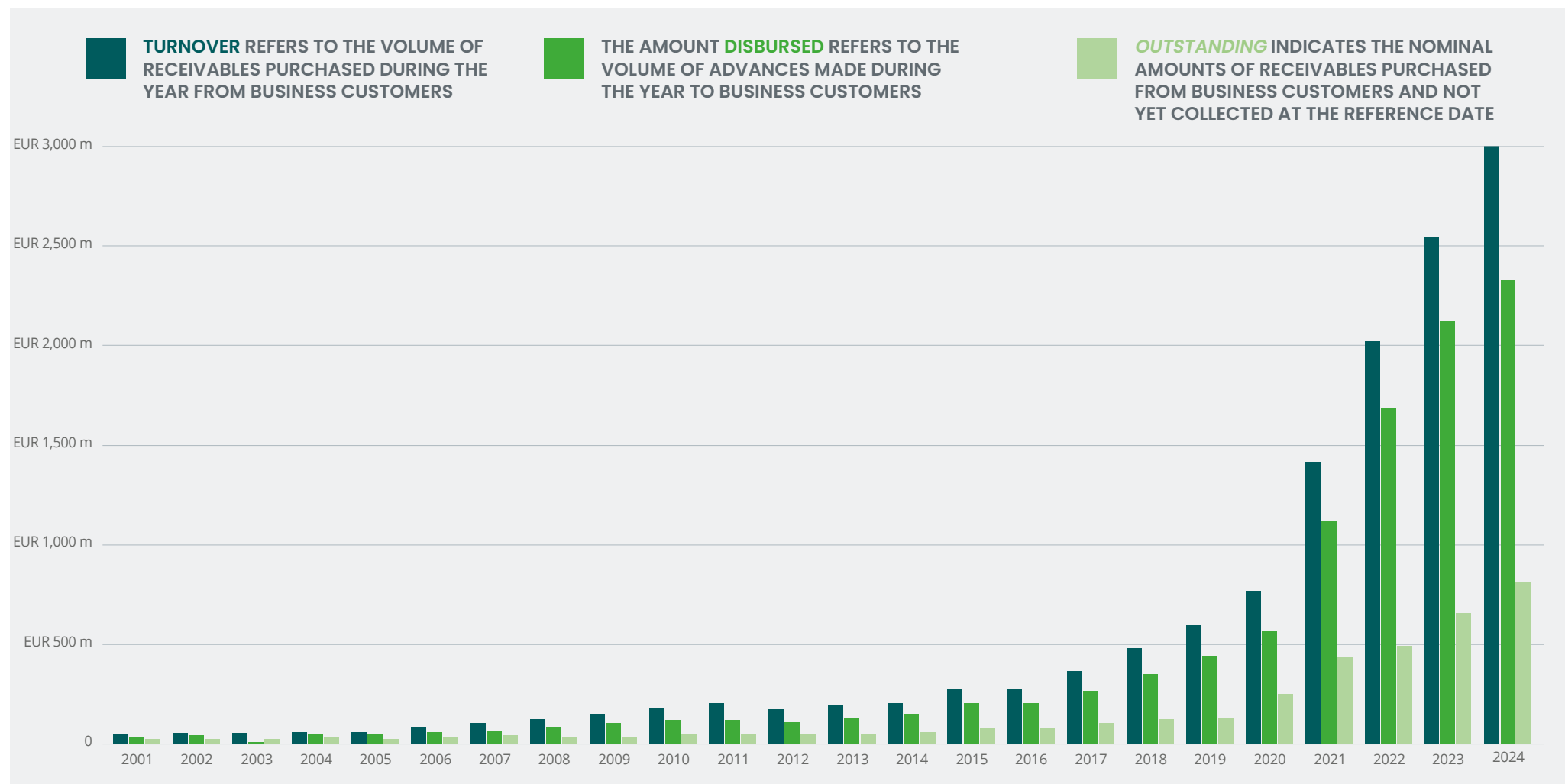


We are proud of the goal achieved thanks to the numerous *milestones* reached over the years, the trust of our customers and the work of the people who are part of our Company.

The results achieved in 2024 are the best milestone we have ever reached, despite the difficulties that have characterised the markets in recent years, particularly due to the conflict in Ukraine and geopolitical tensions in the Middle East.

Thanks also to the countercyclical nature of our business, we have increased our turnover from EUR 590 million in 2019 to EUR 1.4 billion in 2021, then reaching over EUR 3.0 billion at the end of 2024, as shown in the box below.

#### GENERAL FINANCE NOMINAL, DISBURSED AND OUTSTANDING PERFORMANCE



# 1.4 OUR BUSINESS AREAS

*Factoring* is a combination of three services:

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

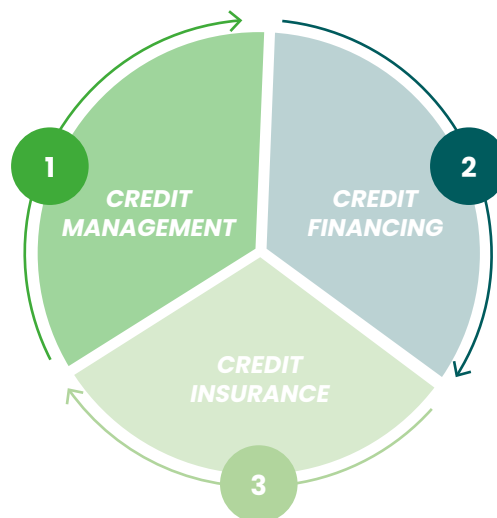
*Credit management* is the main core activity of a *factoring company* and allows the assignor (Generalfinance's customer) to outsource activities usually carried out internally, including the assessment of customer credit risk and the subsequent management of *collections*.

Through the *credit financing* service, the *factor* liquidates the transferred credits, providing the liquidity requested by the assignor.

Lastly, with the *credit insurance* service, the *factor* can assume the risk of non-payment by the assigned debtor through without recourse coverage.

Our offering 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 high profiles, build customised and efficient solutions with competence and experience for the benefit of our customers.

THE THREE *FACTORING* SERVICES



The areas of operation are mainly located in North and Central Italy, with a strong customer presence in Lombardy, which accounts for 55.1% of turnover, Lazio (9.6%), Veneto (9.5%), and Emilia-Romagna (6.1%).

Specifically, we note that factoring for *performing businesses* is a form of financing that complements bank credit, ensuring effective management and financial support and meeting the business's need to effectively manage their supplier 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 2024, the latter type accounted for about 52% of our company's 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 who, due to their "*non-investment grade*" credit rating, find it difficult to access traditional banking and financial channels, and, on the other hand, at Assigned Debtors with a medium-high credit rating, good payment performance, and a low risk profile.

## THE PHASES OF OUR OPERATING PROCESS:

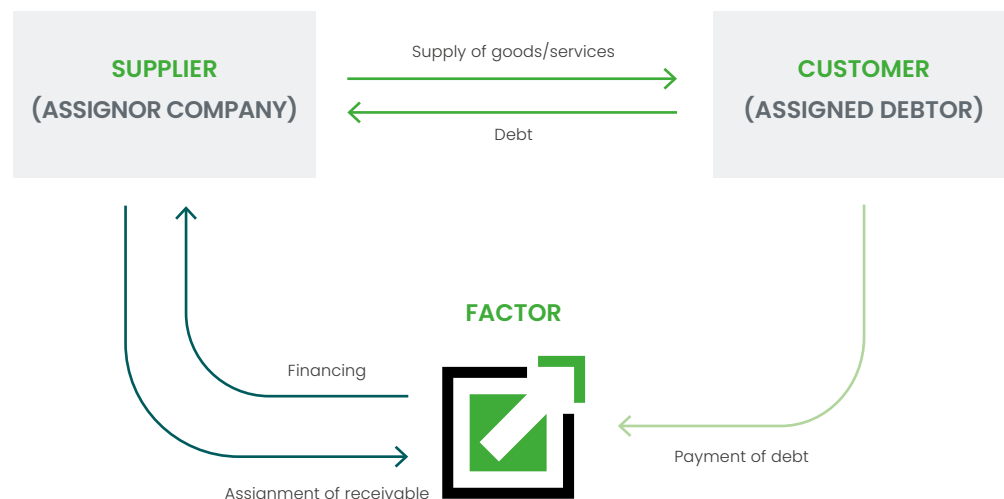
1. Assignor and assigned debtor assessment
2. Granting of credit line
3. *Factoring* contract
4. Assignment of receivables
5. Disbursement of advance
6. Management of receivables until collection
7. Settlement of amounts not advanced





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 60% – and more generally the production sectors, from services to commerce. The Company's activities mainly involve *with-recourse factoring*, which accounted for approximately 76% of business volume in 2024; the remainder, approximately 24%, is represented by *without-recourse factoring*.

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



**24%**  
turnover  
relating to  
foreign assigned  
debtors in 2024



Approx.  
**79%**  
percentage of disbursements  
for 2024 covered by insurance

thanks to the strategic partnership  
established with Allianz Trade





# 1.5 COMPANY GOVERNANCE

Following its listing on June 29, 2022, and to better respond to the company's changing needs, the company's **Corporate Governance** structure has been redefined and will remain in place until the approval of the 2024 financial statements.

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 the relationship between the company and its shareholders, as those entitled to vote are called upon to decide on the main issues of company life, as well as on all matters falling within the scope of the law and the Articles of Association.

The Shareholders' Meeting is convened by the Board of Directors whenever it deems necessary or upon request in the cases provided for by law.

It may meet in ordinary or extraordinary session; the powers of the Extraordinary Meeting include, in particular, amendments to the Articles of Association.



2

Shareholders' Meetings  
during 2024



78%

attendance rate\*  
during 2024

## Board of Directors in office as of 31/12/2024

The Company is led by a Board of Directors, which is vested with the powers for ordinary and extraordinary management. The Board consists of nine members, who remain in office for a maximum period of three 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.

Among its members, the Board of Directors appoints the Chairman — unless otherwise designated by the Shareholders' Meeting — who does not perform executive or management functions but has the role of promoting internal dialogue and ensuring the proper functioning of the corporate governance system. The Board may also appoint a Deputy Chairman and a Secretary, who may be chosen from outside its members and, if necessary, even from outside the company.

### BOARD OF DIRECTORS

**Maurizio Dallochio**  
Chairman

**Mauro Selvetti**  
Deputy Chairman

**Massimo Gianolli**  
Chief Executive Officer

**Gabriele Albertini**  
Director

**Marta Bavasso**  
Director

**Federica Casalvolone**  
Director

**Annalisa Raffaella Donesana**  
Director

**Leonardo Luca Etro**  
Director

**Maria Luisa Mosconi**  
Director



19  
meetings of the BoD  
during 2024



88%  
participation rate  
during 2024

\* Attendance rate calculated on Voting Rights

## Board of Statutory Auditors in office as of 31/12/2024

### MEMBERS OF THE BOARD OF STATUTORY AUDITORS

**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 has three standing members and two alternate members, who remain in office for three financial years. The Board of Statutory Auditors is appointed on the basis of lists submitted by the shareholders, with gender balance and in accordance with provisions of the Articles of Association, laws and regulations in force. When the list is submitted, shareholders that hold at least one shareholding equal to the share determined by CONSOB may submit a list. The list of candidates has two sections: one for candidates for the office of Standing Auditor and the other for the office of Alternate Auditor. The candidates named must be registered in the register of statutory auditors and must have performed statutory auditing 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 actual operations.



**11**  
meetings  
of the Board of  
Statutory Auditors  
during  
2024



**100%**  
participation  
rate  
during  
2024



## Intra-council committees in office as of 31/12/2024

The company has established two internal board committees: the Control, Risk and Sustainability Committee and the Appointments and Remuneration Committee, both composed of non-executive and independent directors.

### Control, Risk and Sustainability Committee

#### CONTROL, RISK AND SUSTAINABILITY COMMITTEE MEMBERS

<b>Maria Luisa Mosconi</b> Chairman	<b>Annalisa Raffaella Donesana</b> Member	<b>Mauro Selvetti</b> Member
----------------------------------------	----------------------------------------------	---------------------------------

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 company's strategies, their impact and the performance achieved;
- 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.



**13**  
meetings  
of the Committee  
during  
2024



**97%**  
participation  
rate  
during  
2024

### Appointments and Remuneration Committee

#### APPOINTMENTS AND REMUNERATION COMMITTEE MEMBERS

<b>Maria Luisa Mosconi</b> Chairman	<b>Annalisa Raffaella Donesana</b> Member	<b>Mauro Selvetti</b> Member
----------------------------------------	----------------------------------------------	---------------------------------

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.

No director takes part in meetings of the Appointments and Remuneration Committee at which proposals are made to the Board of Directors regarding their personal remuneration.



**4**  
meetings  
of the Committee  
during  
2024



**100%**  
participation  
rate  
during  
2024



## Supervisory Board in office as of 31/12/2024

### MEMBERS OF THE SUPERVISORY BODY

**Maria Enrica Spinardi**

Chairman

**Margherita De Pieri**

Member

Finally, the company has a Supervisory Body as required by paragraph 1 of letter “b” of Art. 6 of Legislative Decree no. 231/2001 (containing “Regulation of the administrative liability of legal persons, companies, and associations, including those without legal personality, pursuant to Art. 11 of Law no. 300 of September 29, 2000”) (“SB”), whose main functions are to supervise the functioning and observance of both the Code of Ethics (see Paragraph 1.6) and the Organisation, Management, and Control Model, known as Model 231 (see Paragraph 1.6), adopted by the company, and to ensure that they are updated.



**11**

meetings of  
the Supervisory Body  
during 2024



**100%**

attendance  
rate\*  
during 2024

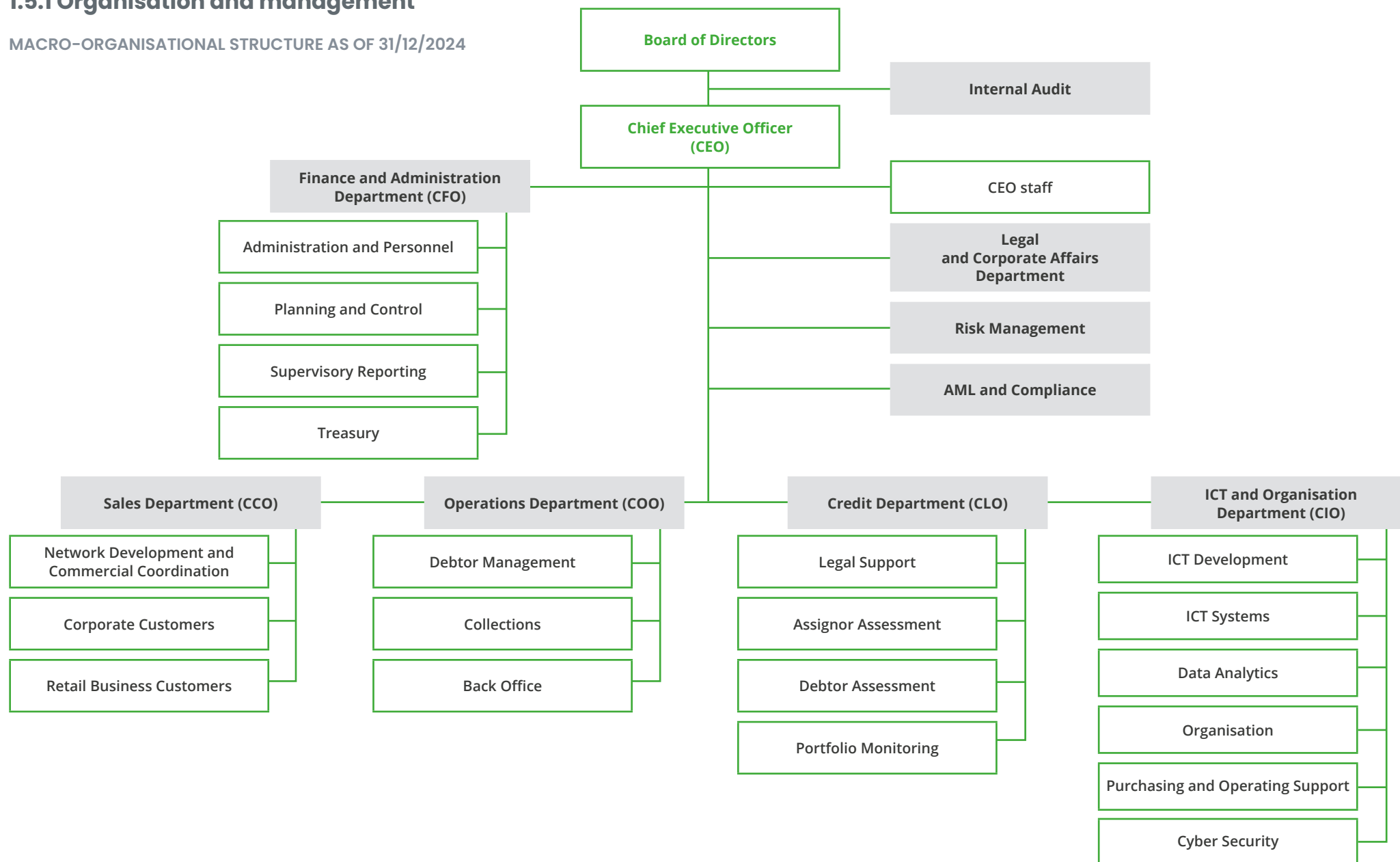


\* Attendance rate calculated on Voting Rights



## 1.5.1 Organisation and management

MACRO-ORGANISATIONAL STRUCTURE AS OF 31/12/2024







## Chief Executive Officer (Massimo Gianolli)

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

## Sales Department (Marco Giovanni Cleva – 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** (Francesco Francolino – Manager)
- **Portfolio Monitoring Office** (Alessandro Ferrari – Ad Interim 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 – Manager)

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

- **ICT Systems Office** (Vittorio Gallione – Manager)
- **ICT Development Office** (Bruno Rada – Manager)
- **Data Analytics Office** (Danilo Tomaino – Manager)
- **Organisation Office** (Francesco Fortuna – Manager)
- **Purchasing and Operating Support Office** (Alberto Bodo - Manager)
- **Cyber Security Office** (Graziano Callegaro - 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 2023, 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.

Then, in 2015 we adopted Legislative Decree no. 231/2001, a set of rules to mitigate the risks of commission of criminal offences by 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.



GRI Standards

# 2 Our approach to sustainability







## 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 businesses 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, through the use of forms of financing that are complementary to traditional credit channels.

During 2022, after our listing on the Euronext Milan stock exchange, our approach to sustainability accelerated, with developments relating in particular to governance management, also by virtue of our inclusion in the STAR segment of Borsa Italiana's Euronext Milan market, which has specific ESG requirements (transparency, *corporate governance*).

One of the first steps was to prepare, starting from fiscal year 2022, our first Sustainability Report, which allows 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.

Generalfinance opens its first foreign branch in Spain, launching its internationalisation project. The opening of its first foreign branch in Spain marks the concrete launch of Generalfinance's internationalisation project, with the aim of extending its operating model and service portfolio across Europe.

This expansion represents not only a commercial milestone, but also an evolution in terms of governance: internationalisation requires stronger organisational controls, more sophisticated risk management and the adoption of control and compliance practices consistent with different regulatory environments. In this context, governance plays a strategic role in ensuring consistency between growth, sustainability, and the protection of corporate values.

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

### SUPPORT FOR DISTRESSED COMPANIES

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 distressed companies 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.

### THE PEOPLE AT THE HEART OF GENERALFINANCE'S BUSINESS

As a company that offers services to businesses, the heart of our business is represented by the people who help us to grow and develop our skills in the market.

This is why we are committed to guaranteeing opportunities for growth and development and healthy working environments to all of our employees, 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 is to continue along this path, defining a governance capable of addressing business-related and ESG issues in an even more concrete manner.





Generalfinance S.p.A. has developed and implemented a specific ESG Action Plan in response to the guidelines issued by the Bank of Italy on climate and environmental risks. The plan envisages the active involvement of the Board of Directors and the Risk and Sustainability Committee, which monitor and support the integration of ESG risks into business processes. The resilience of the business model was ensured through the accurate identification of climate and environmental risks, with the preparation of a sustainability report.

The company has appointed the Head of the Risk Management Office as the internal ESG contact person, who is responsible for monitoring the development of the Action Plan and periodically updating the Risk and Sustainability Control Committee – to which the Board of Directors has delegated support and monitoring activities with regard to

matters related to this issue – and the Board of Directors itself on the progress made.

This approach allows Generalfinance to ensure regulatory compliance, improve market positioning and support SME customers with a view to sustainable development.

In 2024, several activities foreseen by the plan were completed. In particular, we note:

- the formalisation, within the ICAAP 2024, of the analysis of the impact of adverse scenarios on the loan portfolio, with reference to climate and environmental risks, through the simulation of the introduction of a carbon tax on emissions;
- the assessment, by the outsourced activities contact person, of outsourcers classified as CIFs (critical or important functions), including ESG objectives among the analysis criteria;

- the inclusion of physical risks in disaster recovery scenarios, as part of the annual checks carried out for the purpose of assessing business continuity;
- the launch of the selection process for an external provider to assign an ESG score, at least to the assignors, in order to obtain a structured view of the ESG risk profile. To support this initiative, an ESG questionnaire has been introduced for customers, the results of which allow a score to be assigned that can be compared with industry benchmarks.
- Generalfinance's goal to assess the ESG profile of at least 80% of its assignors portfolio by the end of 2025, through a formalised assessment process and the integration of third-party scoring systems.

## 2.2 STAKEHOLDERS

During 2024, we also continued to strengthen our *stakeholder engagement* process.

We carried out a complete mapping of our stakeholders, both through the direct involvement of top management and the preparation of specific information collection forms.

In addition, we analysed the main **communication methods** we use to interact with each of them, in terms of tools and channels for dialogue, 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.

**Over the next few years**, we intend to develop an even more structured pathway<sup>1</sup>, which foresees **direct stakeholder involvement**. We believe that the contribution our stakeholders can make is fundamental, both in identifying the sustainability issues that are most relevant to us and in defining the main areas for improvement.












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





In the table below, we have listed our stakeholders on the left, describing their **main characteristics** and composition. The last column lists the tools, dialogue channels and communication methods we use, specifying, where possible, the **owner** and the **frequency of contact**.

Stakeholders	Description	Tools and channels for dialogue, and methods of communication
 <b>Lenders</b>	Most of the lenders are Banks, financial intermediaries and institutional investors that we use to meet our <i>funding</i> needs.	Periodic times for 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.
 <b>Shareholders</b>	As of 31/12/2024, the share capital is divided among the shareholders “GGH - Gruppo General Holding S.r.l.” (5,227,750 ordinary shares), “Investment Club S.r.l.” (1,207,267 ordinary shares), “BFF Bank S.p.A. (1,013,470 ordinary shares), and “First4Progress S.p.A.” (681,140 ordinary shares). The remaining 4.505.439 ordinary shares are held by other shareholders, mainly Italian and foreign institutional and professional investors.	Taking into account the “Policy for the Management of Dialogue with Shareholders and other Stakeholders” <sup>2</sup> , the Chairman, the Chief Executive Officer, the CFO and the <i>Investor Relator</i> handle dialogue with shareholders, including 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.
 <b>Supervisory authorities</b>	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 designed to pursue 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.
 <b>Employees</b>	Our workforce is made up of 77 people as of 31/12/2024, 45% of whom are women.	The main relationships are managed by the <i>Human Resources</i> Department, through traditional communication tools (company emails, face-to-face communications, etc.) and specific occasions such as company conventions, tools for <i>team building</i> and incentives, and company welfare tools.
 <b>Customers</b>	We support around 293 Italian companies of varying sizes on a daily basis, helping with their financial needs.	Customers are managed daily by the sales structure. In particular, there is a team of 7 employees who are responsible for maintaining relationships with their assigned customers (between 20 and 50 each), through direct or indirect channels, based on specific needs.
 <b>Business partners</b>	Consultants, professionals, agents and <i>brokers</i> 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 <i>business</i> development and new customer growth.
 <b>Suppliers</b>	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.
 <b>Universities</b>	Many Italian universities (e.g. the University of Turin, Verona, Sapienza University of Rome, Bocconi, Cattolica and Milan Polytechnic, and the ESCP Business School) are strategic partners with whom we collaborate when hiring young professionals, both as employees and through curricular internships.	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.
 <b>Communities and local areas</b>	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 ad hoc meetings in order to encourage interaction and the implementation of targeted initiatives and projects.

<sup>2</sup> The Policy is available on the Generalfinance website, at [www.generalfinance.it](http://www.generalfinance.it), in the “Governance” section.



## 2.3 MATERIAL TOPICS: MATERIALITY ANALYSIS

The **materiality matrix**, developed in 2023 in line with the reporting principles outlined by the GRI Universal Standards<sup>3</sup>, was the main tool used to define the content of our first Sustainability Report, and has also been confirmed for the reporting for the year 2024.

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**.



<sup>3</sup> More information is available in the "Methodological Note" section on page 82 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 bodies<sup>4</sup>, regulatory sources<sup>5</sup>, trade associations and regulatory bodies<sup>6</sup>, *standard setters*<sup>7</sup>, *investors*<sup>8</sup>, *peers* and competitors<sup>9</sup>, the media and internal documents.

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

## Interviews with 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. For the assessment, it was decided not to directly engage our stakeholders, but to proceed with an initial mapping of stakeholders to be engaged over the coming years.

In these interviews, managers 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.

<sup>4</sup> United Nations, European Parliament, OECD, UNFCCC and World Economic Forum.

<sup>5</sup> Corporate Governance Code, CSRD, European Taxonomy and SFDR.

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

<sup>7</sup> GRI Standards, SASB Standards and ISO 26000.

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

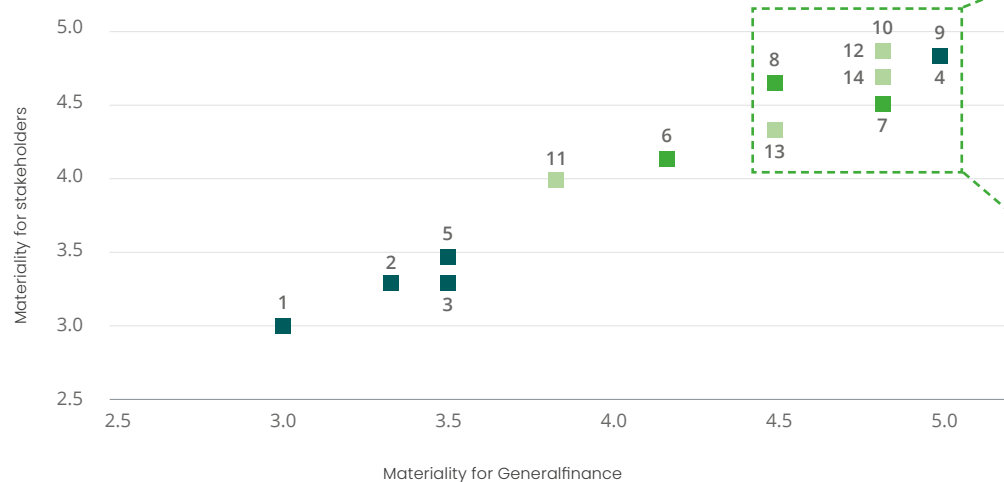
<sup>9</sup> Illimity, Banca Ifis, Banca Sistema, Banca Farmafactoring, Banca Guber, Banca CFPlus and Cherry Bank.



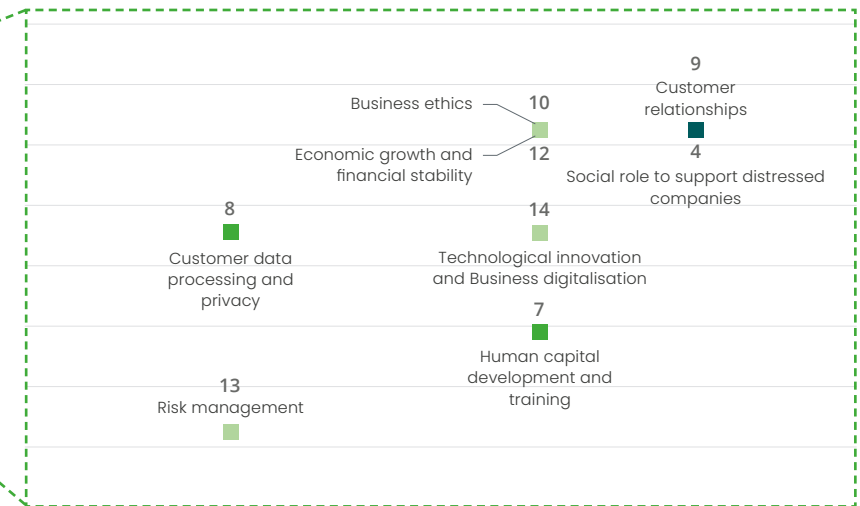
## Validation of the Materiality Analysis

The series of steps described above led to the definition of the materiality analysis, which was submitted to the Chief Executive Officer for approval. This analysis was also confirmed for the current reporting. A representation of this is given 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 account of 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 distressed companies”**, 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.<sup>10</sup>

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.



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





	SDG	Target – United Nations Sustainable Development Goals
Social role to support distressed companies		<p><b>8.3</b> 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.</p> <p><b>8.10</b> Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.</p>
		<p><b>9.3</b> 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.</p>
Human capital development and training		<p><b>4.4</b> 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.</p>
		<p><b>5.5</b> Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</p>
		<p><b>8.6</b> By 2030, substantially reduce the proportion of youth not in employment, education or training.</p>
Customer data processing and privacy		<p><b>16.10</b> Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.</p>
Business ethics		<p><b>16.5</b> Substantially reduce corruption and bribery in all their forms.</p> <p><b>16.6</b> Develop effective, accountable and transparent institutions at all levels.</p> <p><b>16.7</b> Ensure responsive, inclusive, participatory and representative decision-making at all levels.</p>
Economic growth and financial stability		<p><b>8.2</b> Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.</p> <p><b>8.3</b> 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.</p>
Technological innovation and Business digitalisation		<p><b>9.b</b> Support domestic technology development, research and innovation in developing countries, including by ensuring a favourable environmental policy, inter alia, for industrial diversification and added value to products.</p>



# 3 Our people



## SDG



## 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 **grown steadily and gradually**, from 63 people in 2022 to 77

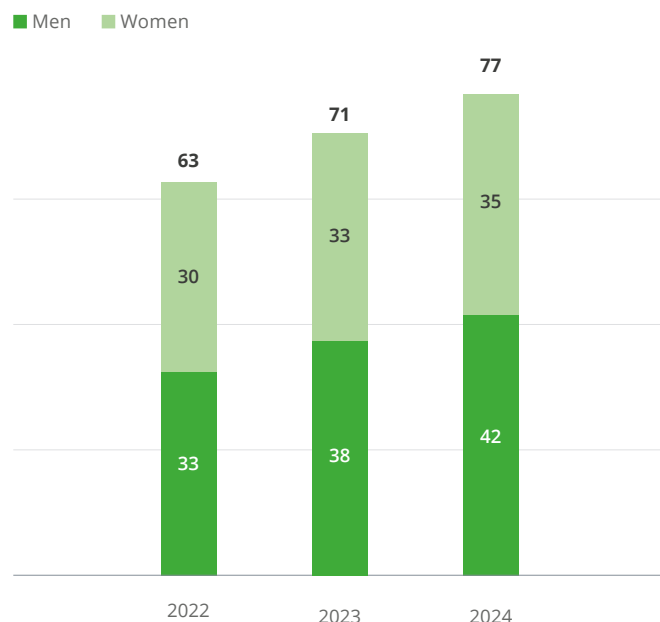
in 2024, as can be seen from the infographic below.

Furthermore, it can be noted that the male-female balance has constantly improved over the years.

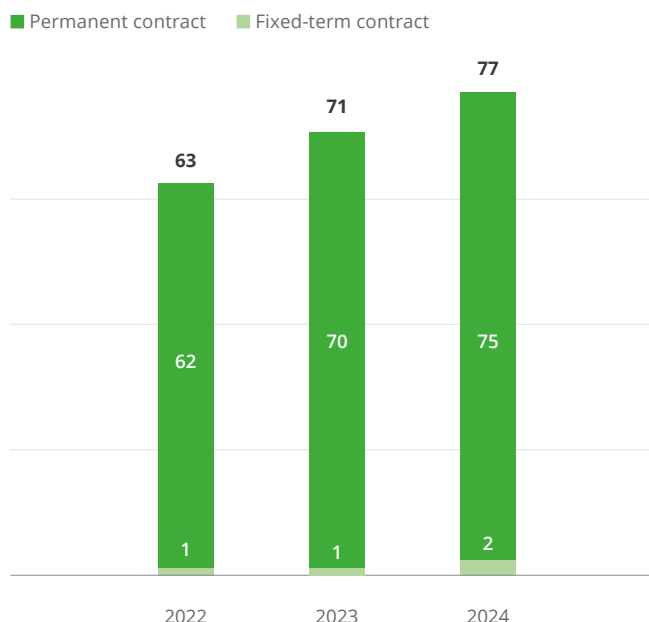
Indeed, looking at 2024, **women** accounted for **45%** of the company population, confirming a good level of gender equality in the workforce.



**EVOLUTION OF THE WORKFORCE (2022-2024)**



**CONTRACT TYPE (2022-2024)**

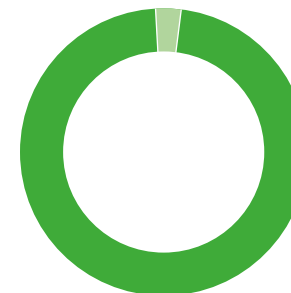




As regards contracts, our priority is to provide stable jobs. As can be seen from the infographic above, there are only two fixed-term contracts in 2024, and only one in 2023 and 2022.

Similarly, we prefer full-time employment: with reference to the year 2024, it can be noted that only 4% of contracts are part-time.

#### EMPLOYMENT TYPE, 2024



### 3.1.1 Company welfare

To better value and support our human resources, since 2021 we have further strengthened our **company welfare plan**, a concrete tool through which we express our appreciation for each employee.

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

We also expanded the welfare services dedicated to employees and introduced more flexible working arrangements. In 2022, a company protocol for **smart working** was defined, with the aim of promoting a better work-life balance.

From 1 September 2022, it is possible to work off-site for a maximum of ten days per month, equivalent to approximately **50% of working days**. A further measure of flexibility, designed for the well-being of our people, concerns working hours: employees are expected to arrive between 8:30 and 9:00 in the morning, with the possibility for a flexible lunch break starting at 1:00 pm.

We have also provided **daily meal vouchers**<sup>1</sup> and free access to water and coffee at all company offices<sup>2</sup>; we provide our employees, and one family member 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 service called **"Leisure Time"**: an item that can be accessed to **take advantage of local activities** through the credit loaded onto the portal, which also has positive economic repercussions in the reference area.

<sup>1</sup> Only executives and certain 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.

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

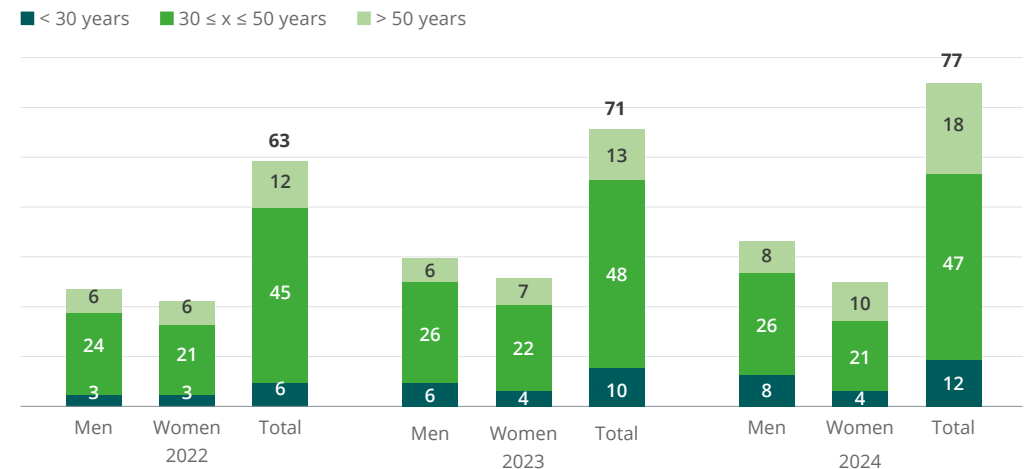


## 3.2 EQUAL OPPORTUNITIES AND DIVERSITY

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 **45% of the company population**<sup>3</sup>.

EMPLOYEES BY AGE AND GENDER (2022-2024)



As regards the topic of **inclusion**, we have carried out some **removal work** of architectural barriers at the Biella office, **modifying the 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**.



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

For 2024 *team building* activities for staff focusing on inclusion are also planned.

RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN

Employee categories	2024		2023		2022	
	Basic salary	Remuneration	Basic salary	Remuneration	Basic salary	Remuneration
Executives and Middle Managers <sup>3</sup>	89%	89%	68%	69%	N/A	N/A
Office workers	80%	77%	76%	74%	73%	71%

In terms of wages in 2024, the ratio of female to male base salary stood at **89%** for the Executives and Middle Managers category, and 80% for the office workers category, up from 76% in 2023. This is a value that is influenced by multiple variables, such as the gross starting pay of a recruit and the related geographical area, since salaries are also benchmarked to the local cost of living.



**0**  
episodes of discrimination  
in the company  
in the three-year period  
2022-2024

<sup>3</sup> At the end of December 2022, a female member of staff in the Executives and Middle Managers category was appointed to C-Level.





## 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 level of quality in our services**.

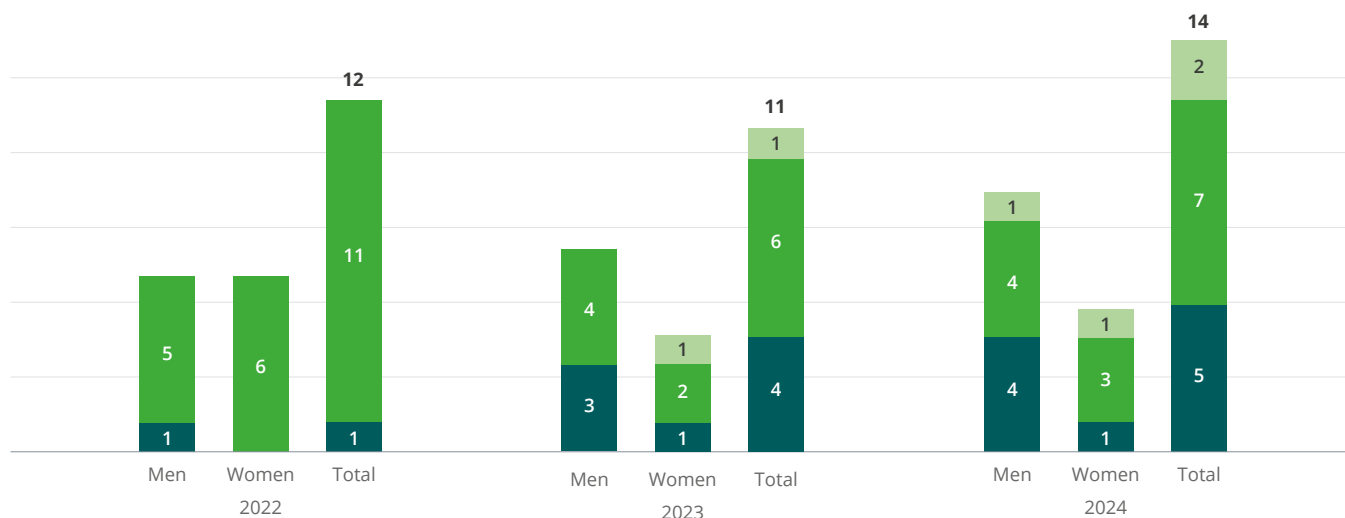
Over the last three years, the trend in **new hires**, despite the fact that these are targeted positions with a high level of specialization, has been **increasing**. These data show a positive trend, as can be seen in the graph to the right.

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.

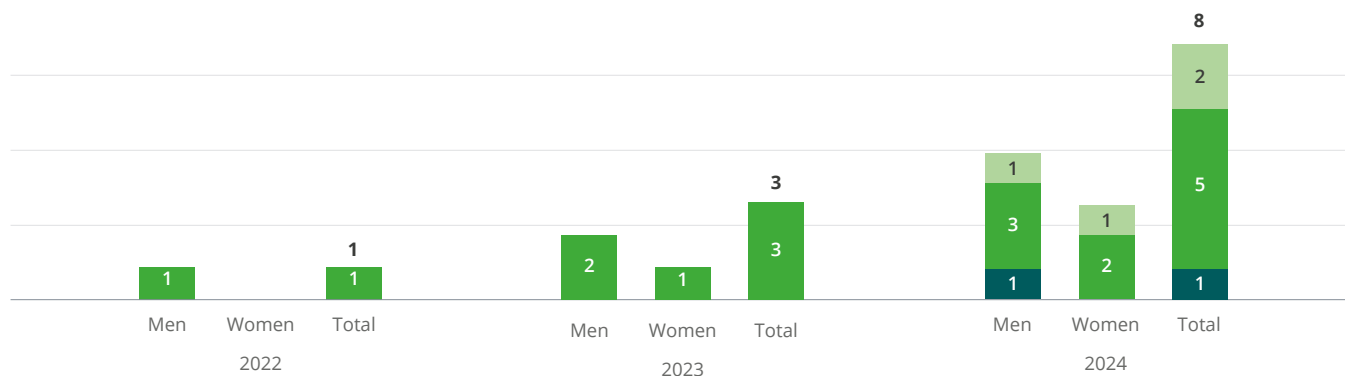
NEW HIRES, BY AGE AND GENDER (2022-2024)

■ < 30 years ■ 30 ≤ x ≤ 50 years ■ > 50 years



TOTAL TERMINATIONS BY AGE AND GENDER (2022-2024)

■ < 30 years ■ 30 ≤ x ≤ 50 years ■ > 50 years





### 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.

For years we have built a solid relationship with **Assifact**, of which we are long-standing members. 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.

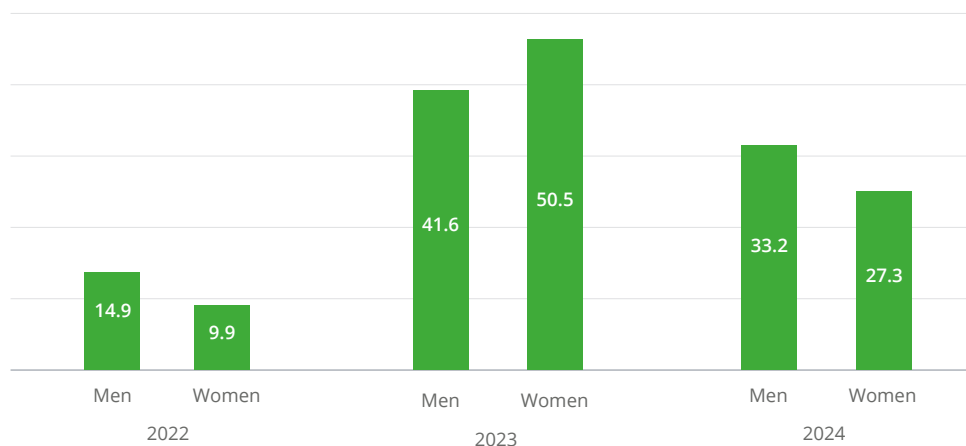


#### THE ONBOARDING PROCESS AT GENERALFINANCE

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 (2022-2024)



**33**  
average hours  
of training  
for men



**27**  
average hours  
of training  
for women

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 freely accessible within the

company intranet, and – in the case of training related to the business of *factoring* – colleagues are always welcome to bring any courses of interest to the attention of the human resources function, indicating those that they wish to attend.

During 2024, training continued to be a strategic asset for internal skills development. Particular attention was paid to



#### 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. Over 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 about the related regulations; 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, AML due diligence (*anti-money laundering*) 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 paid to this issue.

the topics of *cybersecurity* and *regulatory compliance*, with specialist courses offered to both managers and new recruits. These include courses dedicated to anti-money laundering – with a focus on regulatory developments related to the Fifth Directive – and courses on managing the risk of crime pursuant to Legislative Decree 231/2001.

The strengthening of core skills in *factoring* was also at the centre of training initiatives, thanks to the launch of technical modules organised by Assifact and other specialist organisations, which explored aspects related to creditworthiness, transparency, debt collection and contracts. At the same time, digital onboarding continued via the e-learning platform, which provided updated content on GDPR, workplace safety and mandatory training.

Finally, with a view to promoting internationalisation, the Business English course (partnered with WSE Italy Srl) has been enhanced. The course is designed to improve professional communication in English and support operations in global contexts.

### 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*.



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

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.

Performance trends are assessed by office managers, and any changes and deviations from the previous year are discussed at an interview arranged for this purpose.

Starting in 2022, we implemented a significant change by making **the assessment forms available to employees**, so they can review them and acknowledge their performance assessment.

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 **corporate welfare systems**, aimed at employee *retention* and wellbeing.





## 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** that are responsible for occupational health and safety.

We also periodically update the **Risk Assessment Document (RAD)**; the RAD drawn up in 2024 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. The primary activity performed in our organization is office work, which does not involve significant work-related risk; similarly, the presence of work-related stress is excluded.

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 informal, internal **work 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, including by periodic renovations of the buildings and their furnishings, with the aim of offering our employees healthy, up-to-date and well-maintained work environments.



0

no

accidents at work

in the three-year period  
2022-2024



0

no deaths

or occupational disease

in the three-year period  
2022-2024





# 4 Our relationships with the community



## SDG



## GRI Standards

2-28, 413-1, 418-1







## 4.1 SOCIAL ROLE TO SUPPORT COMPANIES

We support Italian companies by offering concrete, rapid and efficient solutions, accompanying them from the first financial difficulties, through the recovery process and into the subsequent phase of emerging from 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 distressed companies, 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 that are distressed**. Our business stands out for its thirty years of experience in factoring and

*"Generalfinance is the emergency room and clinic for companies. Our specific know-how in the area of UTP, distressed and corporate restructuring allows us to offer useful tools for companies to overcome difficult phases and finance working capital."*

Massimo Gianolli

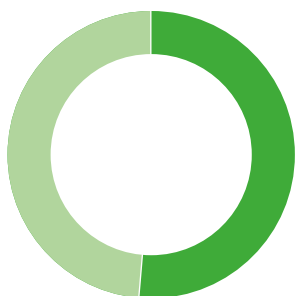
for having developed a system capable of offering concrete support to businesses, particularly those in financial difficulty. We target distressed companies that, despite requiring debt restructuring, retain industrial solidity and production potential. Our intervention aims to preserve facilities, jobs and value by supporting companies that are still capable of producing quality products. In fact, our market outlook shows a situation consisting of numerous companies that are solid from the *business* point of view and are able to generate adequate levels of turnover and income, with good commercial demand in their reference market, which, however, due to liquidity problems and restrictions that often prevent the traditional banking system from intervening, risk having to cease operations as they are no longer able to meet their payments.

To these companies we can offer our experience in crisis resolution, a generally critical step: in particular, we assist them in the management of so-called *working capital* through **advances on trade** receivables - providing fundamental liquidity that allows them to pay salaries to employees and invoices to suppliers - and a **highly specialised credit management service**, for them, their debtors (customers) and their suppliers, in order to increase social impact along the entire value chain (*finance supply chain*)

One of the most significant aspects of Generalfinance's activity is the socio-economic return generated, both in terms of the companies supported – many of which have avoided bankruptcy thanks to our intervention – and in terms of jobs safeguarded.



## JOBS THAT WE HAVE HELPED TO PROTECT<sup>1</sup>



**29,977**  
Distressed companies

**28,554**  
Performing Companies

As concrete evidence of its social impact and contribution to the Italian economy, in 2024, companies financed by Generalfinance – both performing and distressed – will employ a total of approximately 58,500 people. In particular, distressed customers account for about 43% of total turnover and almost 30,000 jobs, confirming the strategic role of our business in supporting companies during delicate phases of business continuity.

In terms of size, approximately 40% of turnover comes from "corporate" companies (turnover between EUR 50 and EUR 250 million), which employ 25,718 people, followed by "medium-sized companies" with approximately 31% of turnover (turnover between EUR 10 and EUR 50 million) and 16,119 employees, and large corporations with approximately 24% of turnover (turnover exceeding EUR 250 million), which employ 12,163 people. Small enterprises (turnover of less than EUR 10 million), although accounting for only 5% of turnover, provide more than 4,500 jobs, confirming the positive impact even on the most vulnerable segments of the production system.

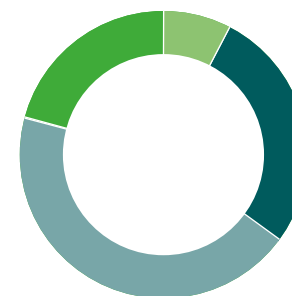
The analysis included all employees of the financed companies, which would most likely have ceased operations without the credit lines provided by Generalfinance. In many cases, although the company had no serious financial problems, Generalfinance was the only available source of financing, thus contributing to the company's continuity.

Through specialised credit management and excellent collection performance, we support cash flow optimisation and efficient working capital management for corporate clients.

## EMPLOYEES

**12,163**  
Large Corporate  
(>250 m)

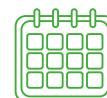
**25,718**  
Corporate  
(50–250 m)



**4,531**  
Small enterprises  
(<10 m)

**16,119**  
Medium-sized  
enterprises  
(10–50 m)

The quality of our portfolio stands out from the market average, thanks to extremely low payment delays and strong sector and size diversification. These factors translate into a shorter financial cycle and more available liquidity for our customers.



**46%**  
companies in  
our portfolio that  
have  
payment  
terms exceeding 120 days  
compared to 60%  
in the market<sup>2</sup>



**92%**  
of companies in our  
portfolio that  
do not have  
payment delays  
unlike the market  
figure of 32%<sup>2</sup>

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

<sup>2</sup> iTrade data updated as of 31 December 2024.



## 4.2 THE CHARACTERISTICS OF OUR WORK WITH COMPANIES

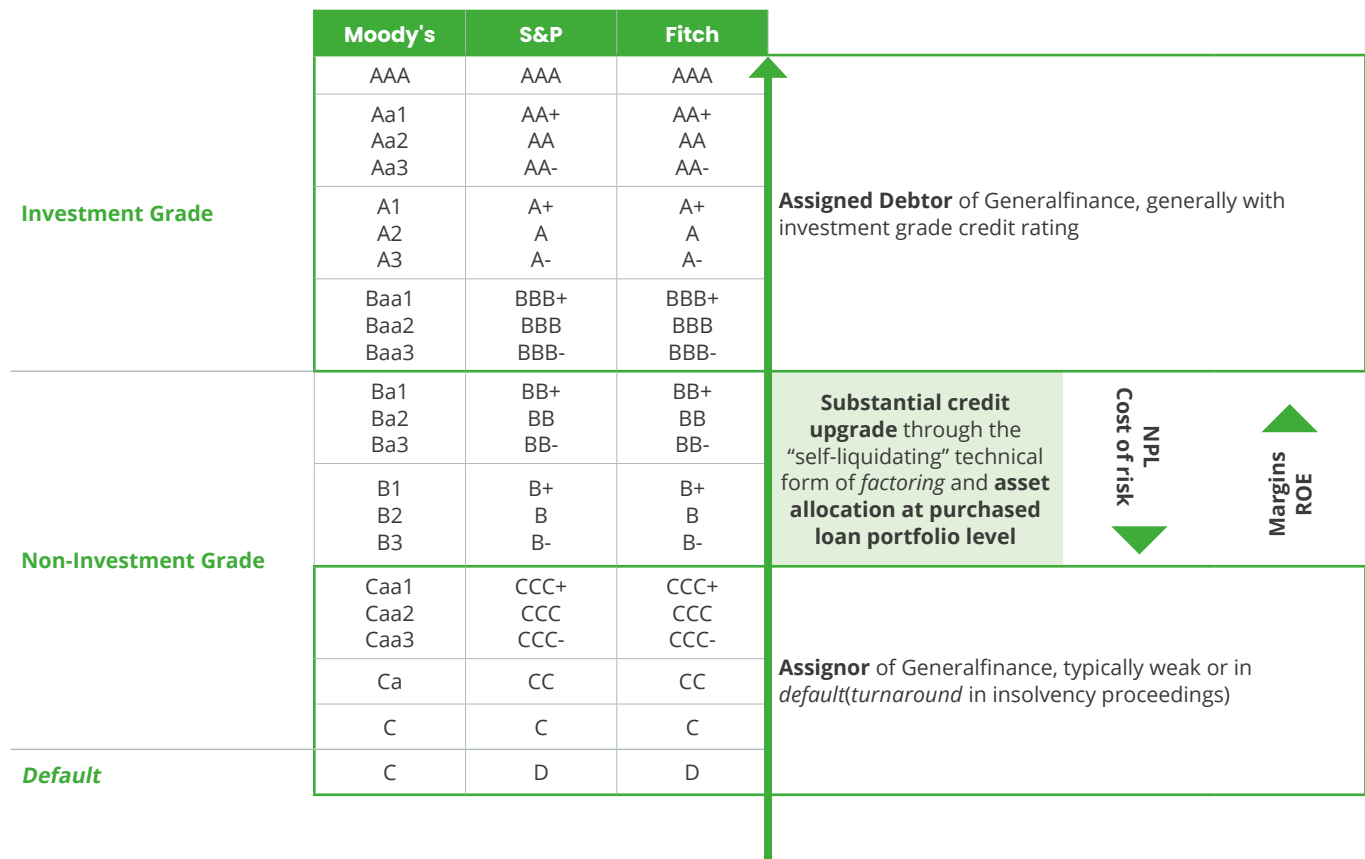
Since the 1990s, we have consolidated our expertise by specialising in a **specific segment of the *factoring*** market.

We offer “tailor-made” financial and credit management services quickly to companies that, as they have a low credit *rating – non-investment grade* – 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 excluding less well-performing customers, with a view to partnerships and outsourced management.

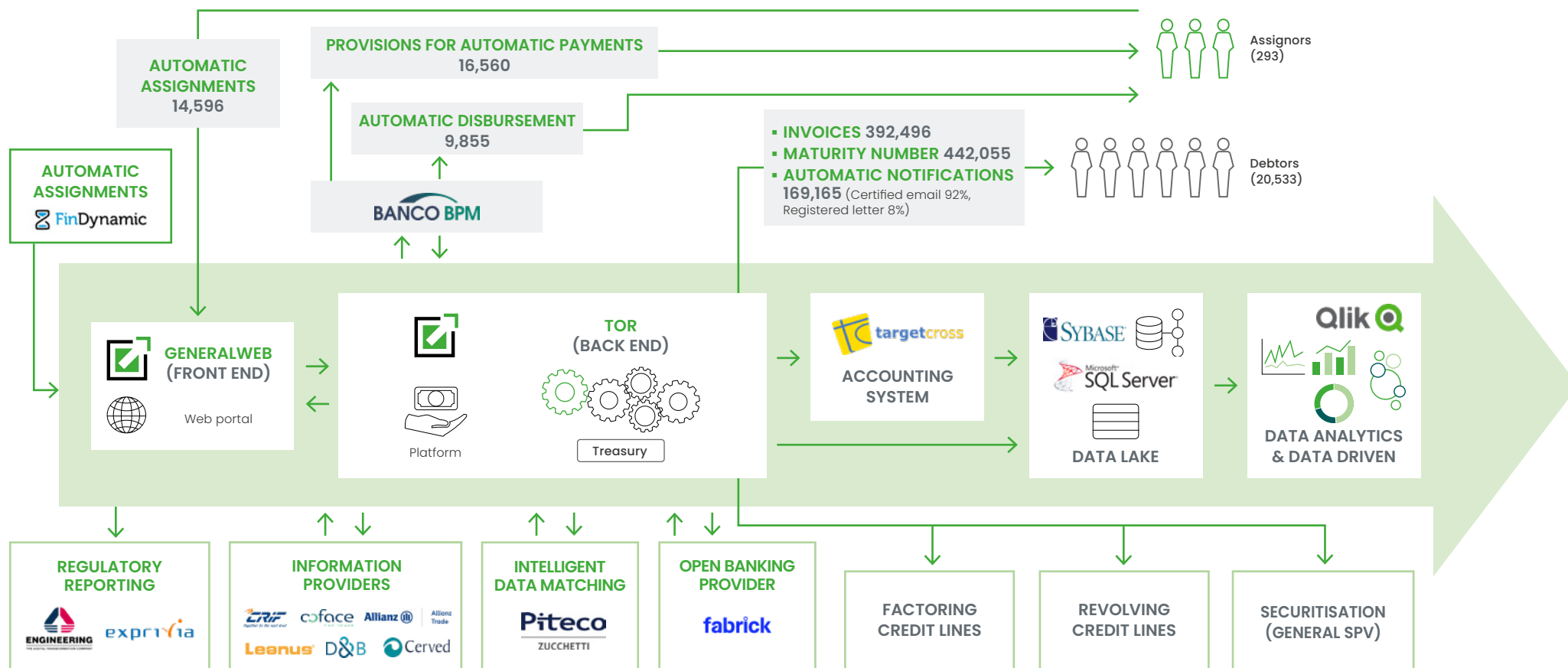
This integrated *business* model allows us to maintain highly profitable operations, a controlled risk profile and a high service level for our customers. One of our distinctive characteristics is represented by the strategic decision to **oversee all operating phases of the credit process internally** 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.

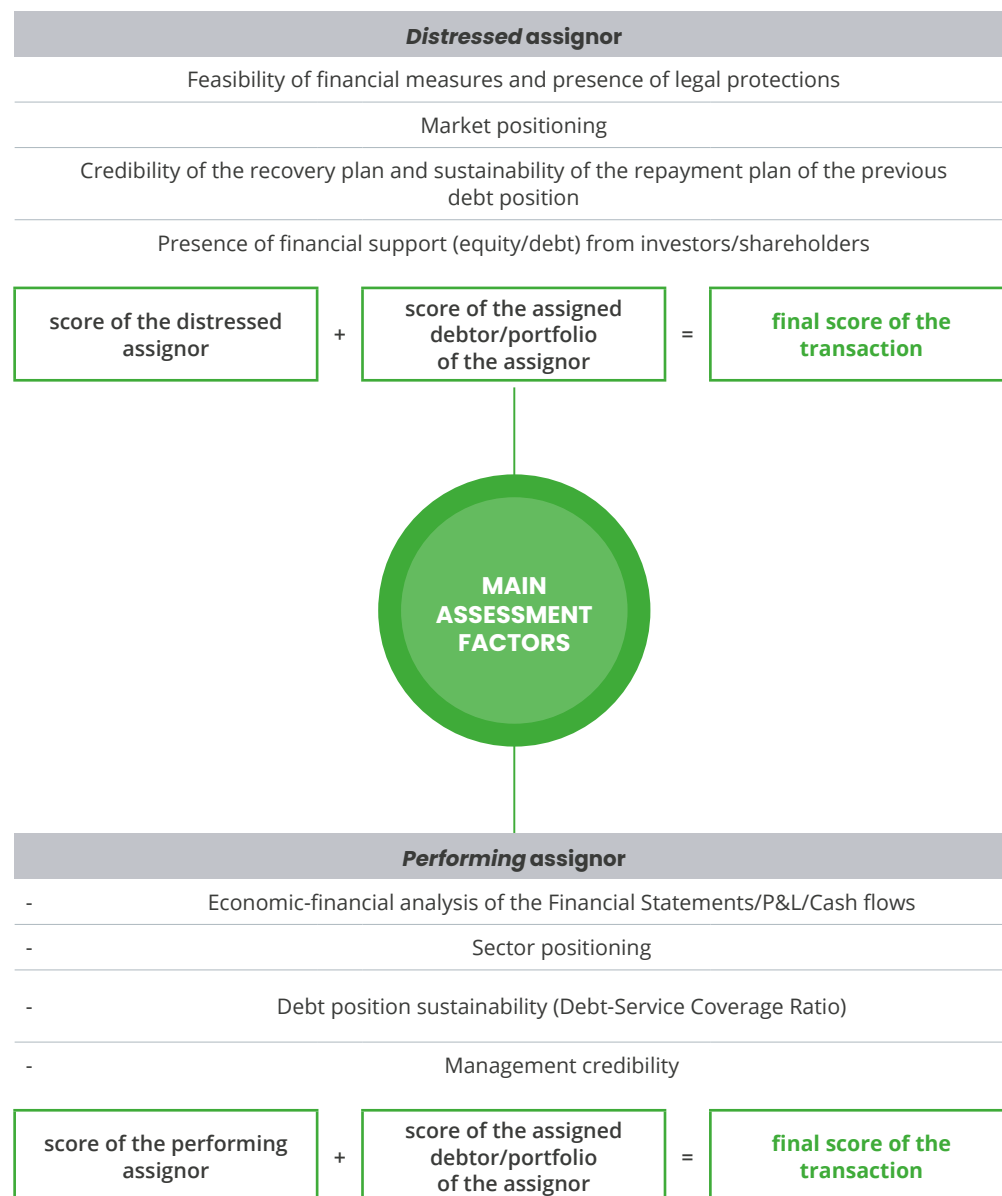
Detailed analyses and customised activities based on customer requirements make it possible to differentiate the operating methods and commercial conditions applied and to **meet the specific needs highlighted by companies with greater flexibility, especially in times of difficulty**. This support is 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 DISTRESSED ASSIGNORS 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. Financial 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 <i>default</i> 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	Allianz Trade Grade	Credit insurability grade
	Coface Grade	Credit insurability grade
4. Cross credit line insurance	Insurance	Insurance partnership with Allianz Trade 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 target distressed assignors, we have developed **a business model to mitigate risks**.

We seek to maintain low **credit risk** by assisting our customers with recovery and relaunch plans developed using the various tools provided by the Business Crisis Code, which often also involve improvements in the governance of the entities accessing them and short- and

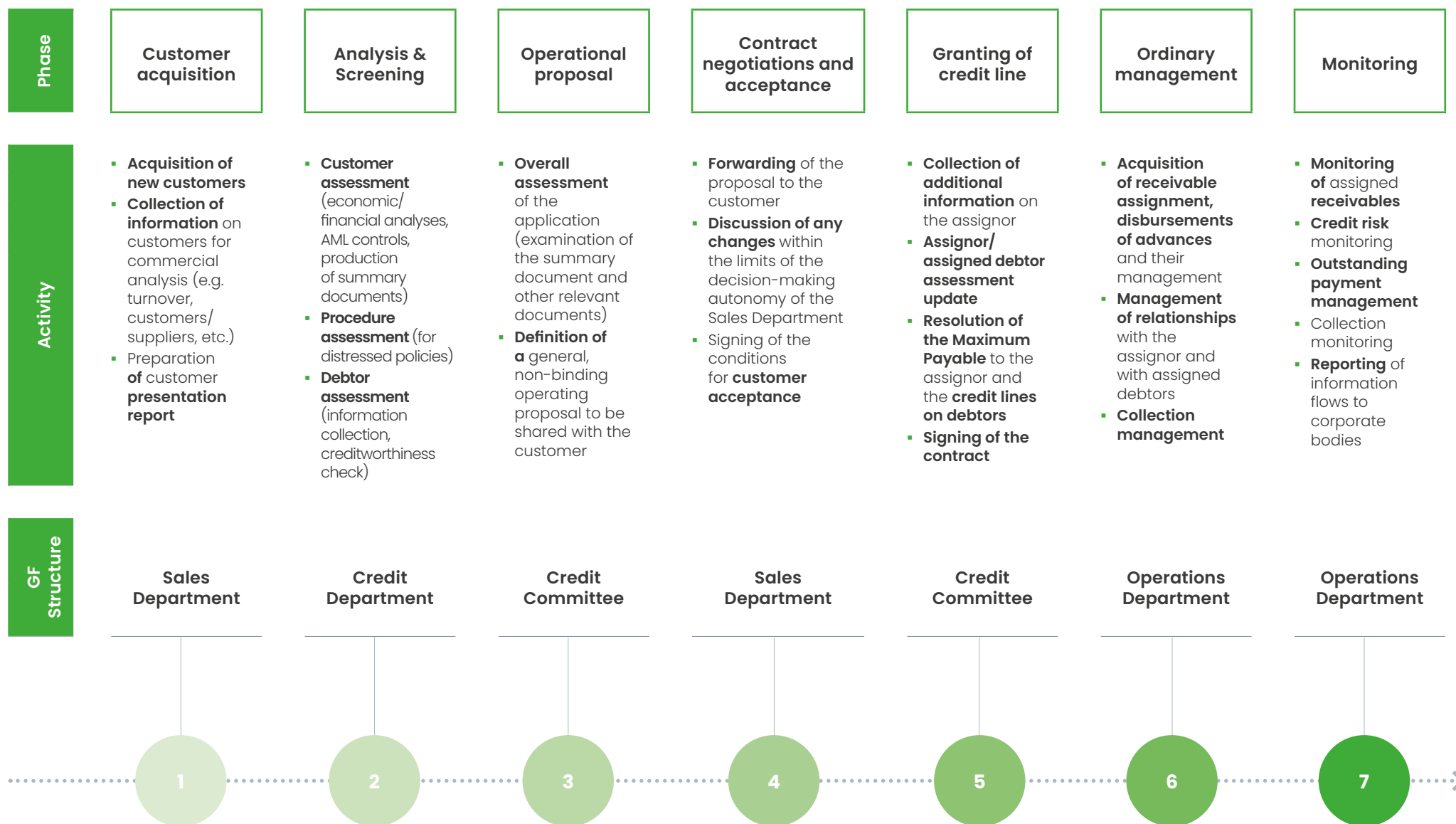
medium-term capital injections or new financing. If the regulatory conditions are met, the loans we provide are assisted by pre-deductibility in the event of subsequent *default* of the counterparty.

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 COMMUNITY AND LOCAL AREAS

In addition to our role of supporting companies, through our *core business*, we are also actively committed to **supporting the local communities where we operate**, particularly the areas of Biella, Milan and Verona.

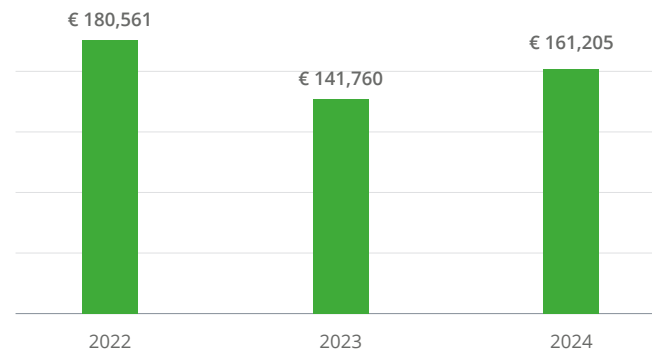
Through charitable activities and sponsorships, in 2024 we disbursed **EUR 161 thousand** to

associations and local authorities involved in concrete projects for their local areas.

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

- **protection of art and heritage**, with projects in support of the Milan Cathedral and the Arena of Verona;
- **support to the Church** and ecclesiastical bodies, contributing to local educational, social and pastoral activities;
- **promotion of the local area**, supporting schools, kindergartens, and local associations with educational projects;
- **inclusion and solidarity**, with interventions to promote health, disability, prevention, childhood, and the fight against gender-based violence.

CHARITABLE DONATIONS (2022-2024)



*"Each of us has a duty to care for the local area and community around us. Art and culture are the foundations of a community and its region 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"*

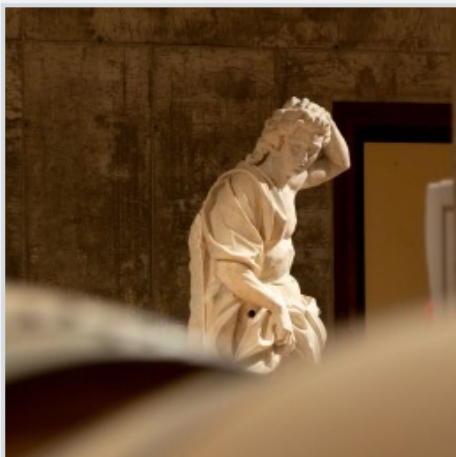
Massimo Gianolli



### THE "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 economic standing of the Foundation, a key institution in the city of Verona, and strengthen the sense of responsibility and sharing of artistic and cultural values.



#### “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, including through group purchases, the restoration of the Cathedral and many other social initiatives.



#### VERONESI FOUNDATION

In 2024, Generalfinance launched an important project in collaboration with the Umberto Veronesi Foundation, with the aim of promoting a culture of prevention and health among the younger generations. Through a series of informative meetings, key topics were addressed, such as the risks associated with smoking, the importance of proper nutrition, and cancer prevention for men and women.

This initiative is part of Generalfinance's broader commitment to supporting valuable educational programmes, contributing to the promotion of healthy and conscious lifestyles within the community.

#### 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 institutions linked to the ecclesiastical world that we have financed and supported through charitable donations.





# 5 Environmental impact



## GRI Standards

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







## 5.1 ENVIRONMENTAL MANAGEMENT

In recent years, we have worked diligently to reduce our environmental impact, aware of the importance of adopting sustainable corporate policies. Our aim is to promote a responsible approach to business, always considering the nature of our activity in the financial services sector, which by its very nature generally has a low environmental impact.



Though operating as a business service company with a generally low environmental impact, Generalfinance has launched several initiatives to **make its business more sustainable**. These include increasing the use of renewable energy sources to reduce emissions, and adopting a car policy that encourages the use of hybrid or electric vehicles.

We have also invested in reducing paper consumption, gradually replacing communications sent by ordinary post with digital solutions, as described in paragraph 5.3. In addition to this, the implementation of green data servers has reduced the energy consumption related to corporate data management.

In line with our path of progressive integration of ESG principles, **we have launched major energy efficiency and redevelopment projects for our spaces**. In Biella, the headquarters underwent a renovation aimed at improving environmental performance, with the replacement of windows and doors and the installation of a condensing boiler. At the same time, several floors of the building at the Milan headquarters were also renovated with the aim of improving operational comfort and workplace efficiency, in line with a sustainable approach focused on people's well-being.

During 2024, Generalfinance has also joined an international reforestation project promoted by Tree-Nation, contributing to the planting of 50 trees in Madagascar as part of the Eden Reforestation Projects initiative, with an estimated offset of 2,500 kg of CO<sub>2</sub>. This initiative represents a further step towards reducing our indirect environmental footprint and our voluntary commitment to climate protection.

In conclusion, while Generalfinance cannot be considered an energy-intensive company with significant environmental impacts, it recognises **environmental protection as a long-term value**, both for the company and its stakeholders. Indeed, responsible environmental management is a concrete expression of **our commitment to a sustainable future**.



# 5.2 ENERGY EFFICIENCY AND ATMOSPHERIC EMISSIONS

## 5.2.1 Energy consumption

In recent years, Generalfinance has embarked on a concrete path towards a more sustainable energy model. We have decided to change our previous electricity supplier, opting for a greener solution so that the energy needs of our facilities are covered, at least in part, by renewable sources.

As of 2023, this commitment has been strengthened with the signing of a contract with **CVA Energie**, which guarantees the supply of electricity **produced exclusively from renewable sources** for the Milan and Biella sites.

In 2024, CVA Energie became Generalfinance's sole energy supplier, which therefore purchases 100% of its energy from renewable sources.

### THE ENERGY EFFICIENCY OF OUR OFFICES

Generalfinance's offices are designed and operated in line with current **energy efficiency standards**, with the aim of reducing consumption, improving operational comfort and minimising environmental impact.

At the **Milan headquarters**, despite the fact that it is a rented building, work has been carried out to **modernise the electrical systems and renovate the spaces**, to ensure greater efficiency and a more liveable working environment, consistent with a sustainable approach.

At the **Biella headquarters**, which is owned by the company, a **complete energy upgrade** was completed, including the replacement of windows and doors with high-performance insulation materials, the installation of a **high-efficiency condensing boiler**, the **renovation of the flooring** and the introduction of an automatic lighting management system based on working hours.

However, Generalfinance's direct energy consumption remains low, being limited to the two operational sites and the company fleet. Although we are not an energy-intensive company, we consider it essential to constantly improve the efficiency of our processes and infrastructure.

	unit of measurement	2024	2023	2022
Total electricity consumption	GJ <sup>1</sup>	465	452	433
Renewable energy	GJ	465	208	185
Non-renewable energy	GJ	0	244	248
% Renewable energy out of total	%	100%	46%	43%

Among the measures adopted is the use of a **Tier 4 data centre**, located in Milan and powered 100% by renewable sources, to support our digital operations. This is accompanied by a second **data centre in Rome**, also designed with low energy impact logic, contributing to the reduction of the environmental footprint related to the management and storage of company data.

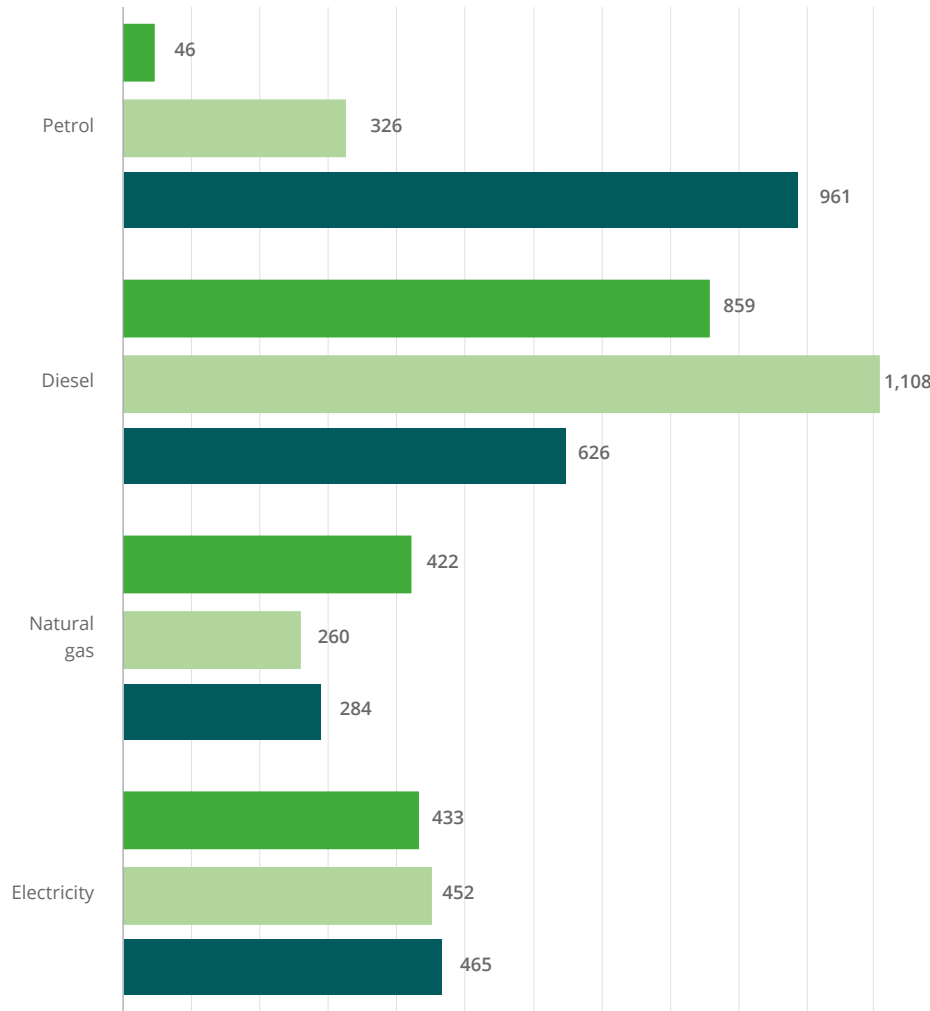
In 2024, the Company's total energy consumption increased to 465 GJ, marking a slight increase from 452 GJ in 2023. This increase occurred alongside growth in the share of renewable energy, which rose from 46% to 100% of the total, covering the entire demand. These figures highlight our growing commitment to the use of sustainable energy sources.

<sup>1</sup> 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.



## ENERGY CONSUMPTION (GJ)

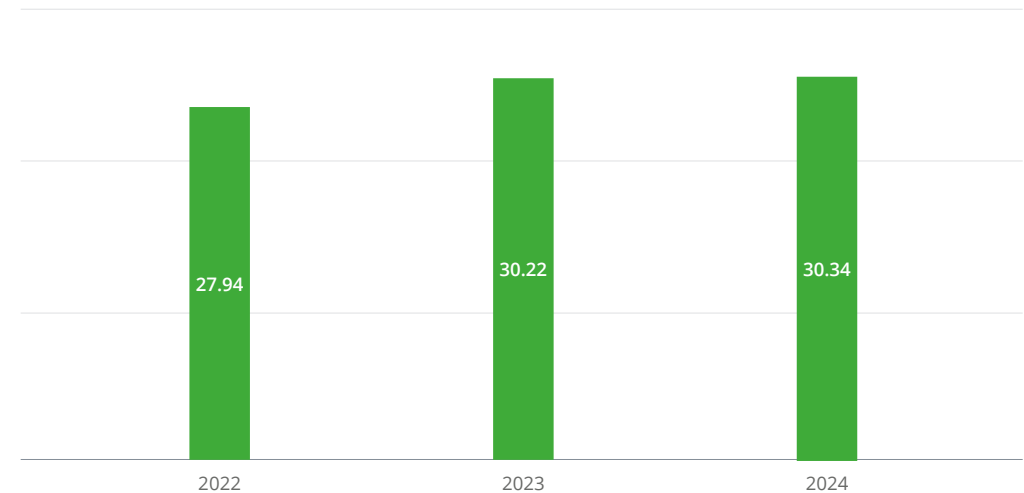
2022 2023 2024



The table summarises the company's energy consumption from 2022 to 2024, broken down by type. It should be noted that natural gas consumption for heating will decrease significantly in 2023 compared to 2022. As regards the fuel used for the **company fleet**, there was a decrease in diesel consumption in 2024 compared to the previous year.

As a result, the **Energy Intensity Index<sup>2</sup> between 2024 and 2022 has also remained stable**, showing consumption proportional to the number of employees in the organisation.

## ENERGY INTENSITY



<sup>2</sup> The Energy Intensity Index is calculated as the ratio of the total energy consumption of an organisation, expressed in Giga Joules (GJ), and the number of employees.



## 5.2.2 Atmospheric emissions

In 2024, Generalfinance's total location-based emissions increased to 157,730 tonnes of CO<sub>2</sub>eq, driven by growth in direct emissions (Scope 1). However, thanks to the purchase of electricity entirely from certified renewable sources, indirect market-based emissions (Scope 2) were reduced to zero, bringing the total market-based emissions to 122,822 tonnes of CO<sub>2</sub>eq. This reflects a clear commitment to decarbonisation.

	unit of measurement	2024	2023	2022
Total Scope 1 emissions <sup>3</sup>	tCO <sub>2</sub> eq <sup>4</sup>	122.822	112.159	84.907
Total location-based Scope 2 emissions	tCO <sub>2</sub> eq	34.908	25.979	23.25
Total market-based Scope 2 emissions	tCO <sub>2</sub> eq	0	30.929	31.445
<b>Total emissions (Scope 1 + Scope 2 location-based)</b>	tCO <sub>2</sub> eq	<b>157.730</b>	<b>138.138</b>	<b>108.157</b>
<b>Total emissions (Scope 1 + Scope 2 market-based)</b>	tCO <sub>2</sub> eq	<b>122.822</b>	<b>143.008</b>	<b>116.352</b>

In 2024, there was a significant reduction in *market-based*<sup>5</sup> emissions due to the purchase of 100% renewable energy.

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

<sup>4</sup> The CO<sub>2</sub>eq indicator expresses the sum of the impacts of greenhouse gases (GHG), including carbon dioxide (CO<sub>2</sub>), methane gas (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O), weighted according to their Global Warming Potential (GWP).

<sup>5</sup> 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.

### EMISSION INTENSITY INDEX (2022–2024)<sup>6</sup>

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



The figures for the three-year period were changed from the previous version in the 2023 Sustainability Report following a revision of the calculation methodology.

<sup>6</sup> The GHG emission intensity index is calculated as the ratio between an organisation's emissions in tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>eq) and its level of 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

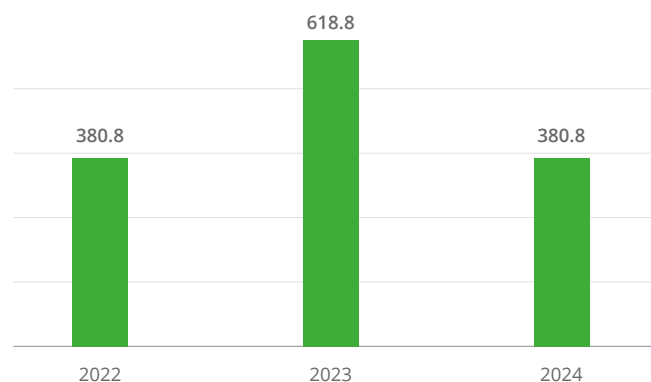
Although our activities do not have a significant environmental impact in terms of material consumption and waste production, we pay particular attention to their management. At the Milan and Biella offices, separate waste collection is in place to ensure proper waste disposal and promote recycling. Printer toner cartridges are recycled where possible and, alternatively, disposed of appropriately to limit their environmental impact.

We also promote the reduction of paper use through internal awareness-raising initiatives and the adoption of alternative digital tools, which also contribute to improving operational efficiency.

The graph opposite shows the trend in office paper consumption over the three-year period 2022-2024: it shows a significant decrease, from 619 kg in 2023 to 380 kg in 2024. This result is even more remarkable when compared to the growth of the business over the same period: turnover rose from around EUR 2.6 billion to EUR 3.0 billion and the number of employees from 71 to 77.

Finally, we have also introduced sustainable practices in common spaces, such as the exclusive use of compostable coffee pods and the installation of water dispensers in both locations, eliminating single-use plastic bottles.

PAPER CONSUMPTION AT THE OFFICES (kg)







# 6 Our economic and governance performance



SDG



GRI Standards

201-1





## 6.1 MARKET TREND AND PERFORMANCE OF GENERALFINANCE

Over the past three years, the macroeconomic scenario has been strongly affected by exogenous factors and systemic shocks, which have generated an environment of increasing uncertainty for companies and investors.

In **2022**, the global economy continued its post-pandemic recovery phase, but was abruptly slowed down by the outbreak of the conflict between **Russia and Ukraine**, which had an impact on energy prices, inflation and supply chains. In Europe, the ECB started a restrictive monetary policy to counter rising inflation, which had a significant impact on the cost of credit.

In **2023**, despite a gradual easing of inflation, the environment remained unstable, partly due to **geopolitical tensions in the Middle East, financial market volatility** and the continuing effects of rising interest rates. Businesses, especially **SMEs**, continued to experience difficulties in accessing credit, in a context of tightening banking conditions.

**2024** saw a further phase of macroeconomic adjustment, with signs of slowing growth in many European economies and a persistent climate of global uncertainty. The ongoing Russian-Ukrainian conflict continued to generate pressure on energy and raw materials, while the Red Sea crisis exacerbated

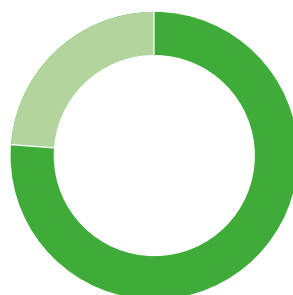
tensions on trade routes. In this context, companies showed an increasing need for **liquidity to finance working capital**, thus supporting a stable demand for factoring solutions and alternative finance instruments.

In this complex environment, marked by uncertainty and a growing need for liquidity on the part of companies, **Generalfinance recorded a solid economic-financial performance, clearly counter to** the general macroeconomic scenario. The financial year **2024 ended with a net profit of EUR 21.1 million**, an increase of +40% compared to 2023. **Turnover reached EUR 3.030 billion** (+18%) and **disbursements amounted to EUR 2.394 billion** (+11%).

These results confirm the **counter-cyclical nature** of Generalfinance's business model: in times of economic slowdown, the use of alternative financing solutions tends to increase, supported by the growing need of companies – particularly those undergoing restructuring or turnaround – to have access to flexible instruments for managing working capital.

With reference to the Russian-Ukrainian conflict, it should be noted that **Generalfinance operates exclusively with Assignors active in Italy**, with no direct exposure to the Russian, Ukrainian or Belarusian markets. As of 31 December 2024, the residual exposure to assigned debtors based in these countries was limited to approximately **EUR 55,000**.

TURNOVER BY PRODUCT, 2024



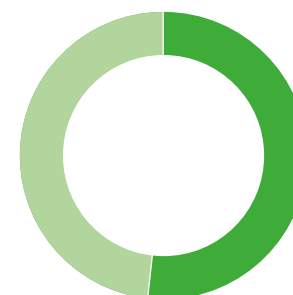
**76.1%**

With recourse

**23.9%**

Without recourse

TURNOVER BY COUNTERPARTY STATUS, 2024



**52.4%**

Distressed

**47.6%**

Performing



As highlighted at the beginning of this chapter, **Generalfinance's turnover has grown steadily in recent years**, with a particularly significant increase of **+18% in the 2024 financial year**.

The result is mainly the result of **factoring with recourse**, which accounts for about **76% of total volumes**, while

**factoring without recourse** accounts for the remaining **24%**. A particularly relevant fact is that around **53% of turnover** comes from **Assignors in financial difficulty**, confirming the Company's distinctive position in supporting companies undergoing restructuring or financial stress.

During 2024 there was a further strengthening of business activity, which laid the foundation for a **positive outlook for 2025**. Forecasts indicate **even stronger growth than the previous year**, in line with the targets set out in the current **Strategic Plan**.

## 6.2 ECONOMIC VALUE GENERATED AND DISTRIBUTED<sup>3</sup>

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 it is essential for the company to distribute a part of that value to its stakeholders, particularly in the local area where it operates.

The distribution of value among stakeholders not only **strengthens the relationship between the company and the local area**, but also helps to create an environment that is conducive to socio-economic development. Investing in employee training and development helps to increase skills and productivity, creating opportunities for professional growth. Collaborating with local suppliers helps build a stronger and more interconnected local economy. Offering high-quality products and services makes it possible to meet customer expectations and to consolidate and expand our 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.

	2024	2023	2022
<b>Economic value generated</b>	<b>€ 49,342,438</b>	<b>€ 37,323,972</b>	<b>€ 30,792,840</b>
<b>Economic value distributed</b>	<b>€ 37,268,513</b>	<b>€ 28,384,311</b>	<b>€ 24,242,800</b>
Suppliers	€ 6,855,785	€ 6,471,458	€ 6,120,360
Personnel	€ 9,095,838	€ 7,196,181	€ 6,748,499
Public Administration	€ 10,668,581	€ 7,120,223	€ 5,760,302
Local community	€ 161,205	€ 141,760	€ 180,561
Shareholders	€ 10,487,104	€ 7,454,689	€ 5,433,078
<b>Economic value retained</b>	<b>€ 12,073,925</b>	<b>€ 8,939,661</b>	<b>€ 6,550,040</b>

<sup>3</sup> 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.



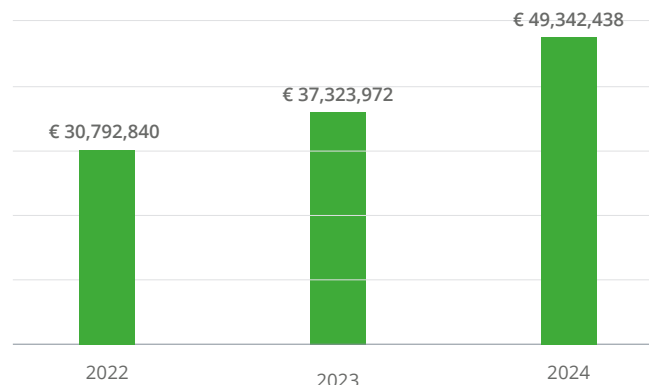
As can be seen from the previous table and the graph to the right, the economic value we have generated has increased over the last three years, rising from a total of nearly EUR 31 million in 2022 to almost EUR 50 million in 2024, in line with the increase in turnover, which grew to over EUR 3.0 billion.

This increase was made possible by the shift of part of the portfolio from *retail* to *corporate* customers, which led to an increase in the average ticket of receivables assigned, allowing a growth in turnover in terms of CAGR equal to 23% over the last 3 years.

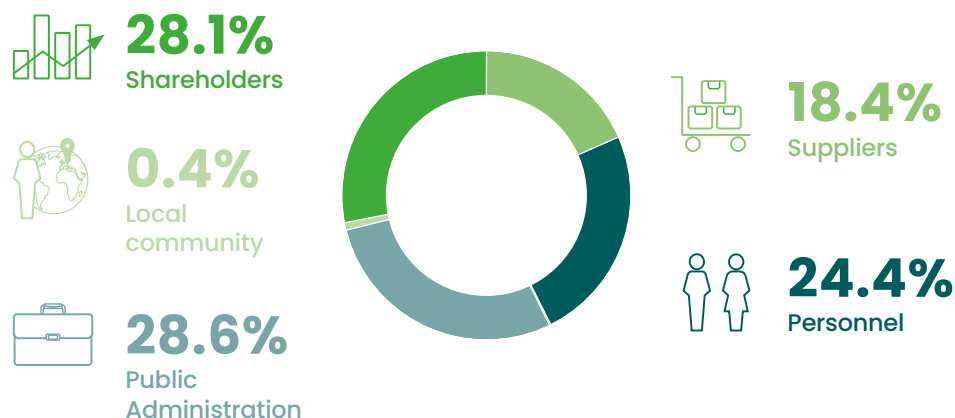
As a result, the economic value distributed across the local areas has also grown significantly (+54% since 2022), increasing the importance of our organisation in the areas where we operate, while the value retained internally has increased by +84% (since 2022).

In particular, it can be noted that most of the value distributed relates to the Public Administration (28.6%), shareholders (28.1%), staff (24.4%) and suppliers (18.4%). The remainder is destined 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, 2024





## 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 adopted a risk management system in line with the characteristics, size and complexity of our activities, in order to effectively address the relevant risks to which we may be exposed. The guidelines for the risk management process are defined and approved by the Board of Directors, which is supported by the Risk Control and Sustainability Committee to ensure consistency with corporate strategies, and to assess the adequacy of the internal control system in relation to the nature of the business and the risk profile adopted.

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 of 31/12/2024	Risk Trend compared to 31/12/2023	Management Principles	Risk Controls
------	----------------------------------------	-----------------------------------	-----------------------	---------------

Pillar I

Credit/Counterparty Credit			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

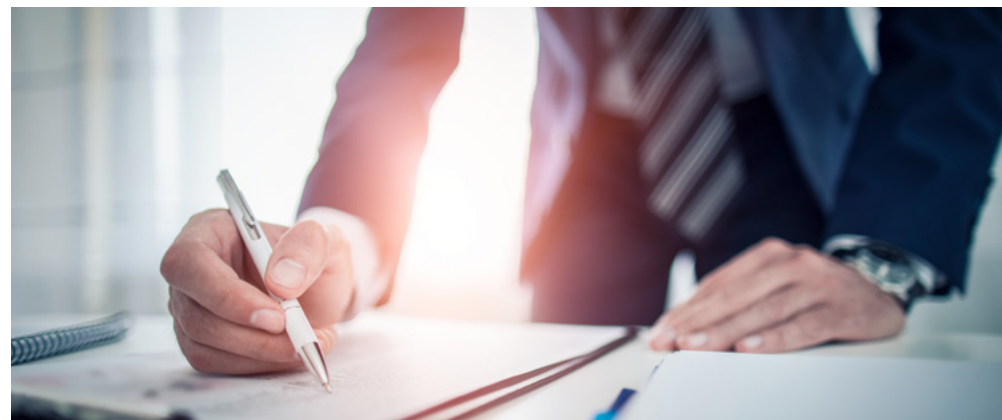
Below we specify and describe the risks with the highest degree of materiality identified.

### CREDIT RISK

One of the main risks to which our organisation is exposed is credit risk, specific to the business of *factoring*. To manage this risk, the assignors and assigned debtors are assessed by processing internal information taken from the company databases, as well as by using 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 problematic portfolio, verifying, among other things, the regularity of payments by the assigned debtors and the level of portfolio diversification.



### LIQUIDITY RISK

Liquidity risk refers to the possibility of not being able to meet present obligations coming due in the portfolio because of 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.

### 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.

### 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.

With specific reference to the risk of non-compliance in the area of money laundering and financing of international terrorism, we have adopted an *ad hoc* regulation that establishes procedures and obligations that the company must follow in compliance with applicable regulations.

### IT RISK

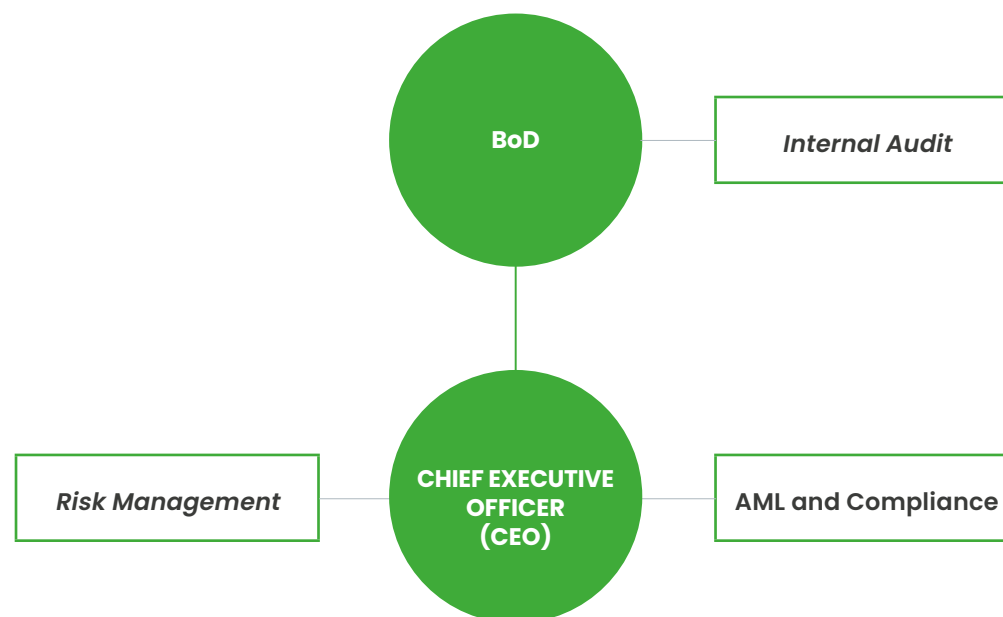
Another crucial aspect is the **monitoring of IT security risks**, as incorrect identification or assessment of cyber threats could lead to **significant financial losses**, reputational damage, and a reduction in market share.

To further strengthen the level of protection, **a dedicated cybersecurity office was set up**, led by the **ICT Security Manager**. This office is responsible for constantly updating company systems with advanced technological solutions, implementing processes to ensure the security of customers, data and servers, and promptly managing any emergency situations arising from confirmed IT breaches.

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 BoD, with specific responsibility for internal auditing, as a further evolution of the previous 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 through the use of distinctive keys that help prepare for business growth, such as *data analytics*, *machine learning* and artificial intelligence.

In 2022, we launched a data-driven digital innovation project with the aim of replacing our previous database infrastructure with a more efficient, economical and secure solution. 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.

### 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.

**Fintech:** 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 *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 within a single database took about three years, from 2019 to 2022. Currently, digitisation has been relaunched thanks to a EUR 5.5 million investment provided for in the 2025-2027 Business Plan, with the aim of upgrading software, digitising the assessment of Assignors and Assigned Debtors, monitoring risks and integrating electronic management of digital credit lines.

Lastly, we have begun developing a project relating to the computerisation of 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.







## 6.5 PRIVACY OF 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 for 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 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 procedure for privacy *by design* and *by default*<sup>4</sup>, **the revision of various privacy policies**, letters of appointment for employees and collaborators of the company and letters of appointment for 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 area of cybersecurity, an in-depth evaluation is currently being conducted in cooperation with the company HWG. This activity involves internal coordination with the **compliance** area, particularly with regard to **data breach** management and the incident response plan.

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 the guidelines to be followed together** and **communicate to them the importance of careful data and information management**.

<sup>4</sup> 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	Director in office 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	Director in office 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 Chairman of the Board of Directors in office in 2 positions	Male	Information not available	Yes
Gabriele Albertini	Director	Independent	Shareholders Meeting of 5 April 2023	-	Male	Information not available	Yes
Marta Bavasso	Director	Independent	Shareholders' Meeting of 30 March 2023	Independent director in office in 2 positions	Female	Information not available	Yes
Federica Casalvolone	Director	Independent	Shareholders Meeting of 5 April 2023		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	Director in office 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	-	-	Director in office 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 Shareholder in office in 1 position	Male	Information not available	Yes
Maria Enrica Spinardi	Standing Auditor	Independent	Shareholders' Meeting of 8 March 2022	Standing Auditor in office in 12 positions Chairman of the Board of Statutory Auditors in office 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 Shareholder in office 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	2024	2023	2022
No.	9	9	9
% 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	2024	2023	2022
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)	2024	2023	2022
Executives and middle managers	15	12	9
% of total employees in the category	100%	100%	100%
Office workers	62	59	52
% 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)	2024	2023	2022
Executives and middle managers	15	12	9
% of total employees in the category	100%	100%	100%
Office workers	62	59	52
% 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)	2024	2023	2022
Specify the type of business partner	0	0	0
% of total business partners	0%	0%	0%
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

	2024		2023		2022	
	Men	Women	Men	Women	Men	Women
Permanent contract	41	34	37	33	32	30
Fixed-term contract	1	1	1	0	1	0
Hourly contracts without guaranteed hours	0	0	0	0	0	0
<b>Total by gender</b>	<b>42</b>	<b>35</b>	<b>38</b>	<b>33</b>	<b>33</b>	<b>30</b>
<b>Total employees</b>	<b>77</b>		<b>71</b>		<b>63</b>	

#### GRI 2-7: Employees

### EMPLOYMENT TYPE

	2024		2023		2022	
	Men	Women	Men	Women	Men	Women
Full time	41	33	37	32	32	30
Part time	1	2	1	1	1	0
<b>Total by gender</b>	<b>42</b>	<b>35</b>	<b>38</b>	<b>33</b>	<b>33</b>	<b>30</b>
<b>Total employees</b>	<b>77</b>		<b>71</b>		<b>63</b>	

#### GRI 2-7: Employees



## NEW HIRES, BY AGE AND GENDER

	2024		2023		2022	
	Men	Women	Men	Women	Men	Women
< 30 years	4	1	3	1	1	0
	80%	20%	75%	25%	100%	0%
	5		4		4	
30 ≤ x ≤ 50 years	4	3	4	2	5	6
	57%	43%	67%	33%	45%	55%
	7		6		6	
> 50 years	1	1	0	1	0	0
	50%	50%	0%	100%	0%	0%
	2		1		1	
Total new hires, by gender	9	5	7	4	6	6
Total new hires	14		11		12	
GRI 401-1: New employee hires and employee turnover						

## NUMBER OF TERMINATIONS, BY AGE AND GENDER

BY AGE AND GENDER	2024		2023		2022	
	Men	Women	Men	Women	Men	Women
< 30 years	1	0	0	0	0	0
	100%	0%	0%	0%	0%	0%
	1		0		0	
30 ≤ x ≤ 50 years	3	2	2	1	1	0
	60%	40%	67%	33%	100%	0%
	5		1		3	
> 50 years	1	1	0	0	0	0
	50%	50%	0%	0%	0%	0%
	2		0		0	
Total employee turnover, by gender	5	3	2	1	1	0
Total employee turnover	8		3		1	
GRI 401-1: New employee hires and employee turnover						



TYPE OF BENEFIT (EMPLOYEES)

	2024
<b>Executives</b>	
Life insurance	yes
Health care	as per the National Collective Labour Agreement
Disability and invalidity insurance coverage	yes
Parental leave	as per the National Collective Labour Agreement
Retirement provision	as per the National Collective Labour Agreement
Stock ownership	no
Others	no
<b>Office workers</b>	
Life insurance	no
Health care	as per the National Collective Labour Agreement
Disability and invalidity coverage	no
Parental leave	as per the National Collective Labour Agreement
Retirement provision	as per the National Collective Labour Agreement
Stock ownership	no
Others	
<b>Blue-collar workers</b>	
Life insurance	no
Health care	as per the National Collective Labour Agreement
Disability and invalidity coverage	no
Parental leave	as per the National Collective Labour Agreement
Retirement provision	as per the National Collective Labour Agreement
Stock ownership	no
<b>Others</b>	no
<b>GRI 401-2: Benefits provided to full-time employees</b>	





## EMPLOYEE CATEGORIES

	2024	2023	2022
Total number of employees entitled to parental leave, by gender <sup>1</sup>			
Men	42	38	34
Women	35	33	30
Total	77	71	64
Total number of employees that took parental leave, by gender			
Men	3	3	1
Women	0	0	1
Total	3	3	2
Total number of employees that returned to work in the reporting period after taking parental leave, by gender			
Men	3	3	1
Women	0	0	1
Total	3	3	2
Total number of employees that returned to work after taking parental leave and were still employed by the organisation 12 months after their return, by gender			
Men	3	1	0
Women	0	1	1
Total	3	2	1
Rate of return to work of employees that took parental leave, by gender			
Men	100%	100%	100%
Women	0%	0%	100%
Retention rate of employees that took parental leave, by gender			
Men	100%	100%	0%
Women	0%	0%	0%
GRI 401-3: Parental leave			

<sup>1</sup> In this category, the number of employees as of 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

	2024	2023	2022
no.	4	4	4
GRI 402-1: Minimum notice periods regarding operational changes <sup>2</sup>			

HOURS OF TRAINING<sup>2</sup>

	2024		2023		2022	
	Men	Women	Men	Women	Men	Women
Total employees	38	32	39	33	33	30
Total hours of training, by gender	1260	872	1623	1668	493	298
Average hours of training	33.2	27.3	41.6	50.5	14.9	9.9
GRI 404-1: Average hours of training per year per employee						

The figures for the three-year period were changed from the previous version in the 2023 Sustainability Report following a revision of the calculation methodology.

EMPLOYEE CATEGORIES

	2024	2023	2022
Executives and Middle Managers			
Men	100%	100%	100%
Women	100%	100%	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			

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



## PROFESSIONAL CATEGORIES

	2024		2023		2022	
	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	1	0	1	0	2	1
> 50 years	4	4	4	4	3	3
Total, by gender	5	4	5	4	5	4
Total	9		9		9	
Employees						
< 30 years	8	4	6	4	3	3
30 ≤ x ≤ 50 years	26	21	26	22	24	21
> 50 years	8	10	6	7	6	6
Total, by gender	42	35	38	33	33	30
Total	77		71		63	
GRI 405-1: Diversity of governance bodies and employees						

	2024		2023		2022	
	Men	Women	Men	Women	Men	Women
<b>Members of the highest governance body, by gender</b>						
Vulnerable categories	0	0	0	0	0	0
<b>Total</b>	<b>0</b>		<b>0</b>		<b>0</b>	
% of total members, by gender	0%	0%	0%	0%	0%	0%
<b>Employees</b>						
Vulnerable groups	1	2	1	2	0	2
<b>Total</b>	<b>3</b>		<b>3</b>		<b>2</b>	
% of total members, by gender	33%	67%	33%	67%	0%	100%
<b>GRI 405-1: Diversity of governance bodies and employees</b>						



## RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN <sup>3</sup>

Employee categories, by gender	2024		2023		2022	
	Basic salary	Remuneration	Basic salary	Remuneration	Basic salary	Remuneration
Executives and Middle Managers	89%	89%	68%	69%	N/A	N/A
Office workers	80%	77%	76%	74%	73%	71%
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						

## EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS, BY PROFESSIONAL CATEGORY

	2024	2023	2022
Executives and middle managers	19%	18%	3%
Office workers	81%	82%	97%
Total employees covered by collective bargaining agreements	100%	100%	100%
GRI 2-30: Collective bargaining agreements			

The figures for the three-year period were changed from the previous version in the 2023 Sustainability Report following a revision of the calculation methodology.

<sup>3</sup> 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, no males.



## Chapter 5 – Our environmental impact

### MATERIALS USED

	Renewable or non-renewable	Unit of measurement	2024	2023	2022
Reams of paper	Renewable	Qty. [Kg]	380	618	380
Total materials used		Qty. [Kg]	380	618	380
GRI 301-1: Materials used by weight or volume					

### ENERGY CONSUMPTION, BY ENERGY SOURCE (GJ)

	2024	2023	2022
Electricity purchased	465	452	433
of which from traditional sources (non-renewable)	0	244	248
of which from renewable sources	465	208	185
Self-generated electricity	0	0	0
Natural gas	283.6	260	422
for heating	283.6	260	422
<i>Fuel used for the company fleet</i>			
Diesel (100% mineral diesel)	626	1108	859
Petrol	961	325	46
Energy intensity	30.34	30.22	27.94
GRI 302-1: Energy consumption within the organisation GRI 302-3: Energy intensity			

The Energy Intensity Index is calculated as the ratio between an organisation's total energy consumption, expressed in gigajoules (GJ), and the number of employees.





DIRECT AND INDIRECT CO<sub>2</sub> EMISSIONS (tonnesCO<sub>2</sub>eq)<sup>4</sup>

	2024	2023	2022
Total direct (Scope 1) CO <sub>2</sub> emissions	122.882	112.159	84.907
Natural gas	14.417	13.304	21.407
Diesel	43.82	76.96	60.42
Petrol	64.59	21.89	3.08
Intensity of direct (Scope 1) CO <sub>2</sub> emissions	1.60	1.58	1.35
Total indirect (Scope 2) CO <sub>2</sub> emissions – location based	34.908	25.979	23.25
Intensity of indirect (Scope 2) CO <sub>2</sub> emissions – location based	0.45	0.37	0.37
Total indirect (Scope 2) CO <sub>2</sub> emissions – market based	0	30.929	31.445
Intensity of indirect (Scope 2) CO <sub>2</sub> emissions – market based	0	0.44	0.50
Total direct and indirect (Scope 1 + Scope 2) CO <sub>2</sub> emissions – location based	157.730	138.138	108.157
Intensity of direct and indirect (Scope 2) CO <sub>2</sub> emissions – location based	2.05	1.95	1.72
Total direct and indirect (Scope 1 + Scope 2) CO <sub>2</sub> emissions – market based	122.822	143.008	116.352
Intensity of direct and indirect (Scope 2) CO <sub>2</sub> emissions – market based	1.60	2.02	1.85
<b>GRI 305-1: Direct (Scope 1) GHG emissions</b> <b>GRI 305-2: Indirect (Scope 2) GHG emissions from energy consumption</b> <b>GRI 305-4: GHG emissions intensity</b>			

<sup>4</sup> The data for the three-year period have been modified compared to the previous version of the 2023 Sustainability Report following a review of the methodology used to calculate conversion factors.



## Chapter 6 – Our economic and governance performance

### ECONOMIC VALUE GENERATED AND DISTRIBUTED

	2024	2023	2022
Economic value generated	€ 49,342,438	€ 37,323,972	€ 30,792,840
Economic value distributed	€ 37,268,513	€ 28,384,311	€ 24,242,800
Suppliers	€ 6,855,785	€ 6,471,458	€ 6,120,360
Personnel	€ 9,095,838	€ 7,196,181	€ 6,748,499
Public Administration	€ 10,668,581	€ 7,120,223	€ 5,760,302
Local community	€ 161,205	€ 141,760	€ 180,561
Shareholders	€ 10,487,104	€ 7,454,789	€ 5,433,078
Economic value retained	€ 12,073,925	€ 8,939,661	€ 6,550,040

**GRI 201-1: Direct economic value generated and distributed**



## TAX MANAGEMENT

	2024	2023	2022
Names of the resident entities	Generalfinance S.p.a.	Generalfinance S.p.a.	Generalfinance S.p.a.
Main activities	Financing activities in the form of <i>factoring</i> , purchase of receivables of companies <i>with recourse</i> and <i>without recourse</i> , advances against assignment of receivables, ancillary services		
Number of employees	77	71	63
Revenues from sales to third parties	80,838,383	62,301,343	41,439,388
Revenues from intra-group transactions with other tax jurisdictions	-	-	-
Profit/loss before taxes	31,541,034	22,001,629	16,470,356
Tangible assets other than cash and cash equivalents	6,477,209	4,993,230	4,865,994
Income taxes of companies paid on a cash basis	8,895,778	5,563,845	5,390,355
Income taxes of companies accrued on profits/losses	10,441,885	6,934,236	5,584,969
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 the tax rules and available information at the time 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 2022, Generalfinance started to collect ESG information and to prepare a Sustainability Report, which will be published annually.

The information contained in this document refers to the period from 1 January 2024 to 31 December 2024; where possible, the topics covered are also presented along with a comparison with the previous two-year period, to allow stakeholders to understand the company's overall performance and compare performance over time.

This document has been prepared in accordance with the 2021 version of the GRI Sustainability Reporting Standards, which entered into force as of 1 January 2023, following 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 company's impacts.
- **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, its *peers* in the sector, *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 2024 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.

From the date of GFG's removal from the register of financial groups (i.e. 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

Note that the following factors were used to calculate the environmental indicators:

- DEFRA GHG - UK Government GHG conversion factors for company reporting, 2024, 2023 and 2022 - 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 2024, 2023 and 2022 - 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 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 factoring 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 factoring 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/	Disclosure	Reference
General disclosures		
GRI 2 - General Disclosures - 2021 version	2-1 Organisational details	page 10, Joint-stock company, registered office in Milan
	2-2 Entities included in the organisation's sustainability reporting	pages 82-83
	2-3 Reporting period, frequency and contact point	pages 82-83
	2-4 Restatements of information	N/A
	2-5 External assurance	No assurance was arranged for the 2024 Sustainability Report
	2-6 Activities, value chain and other business relationships	pages 12-13
	2-7 Employees	pages 31, 32, 71
	2-8 Workers who are not employees	There are no workers who are not employees in the three-year period 2022-2024
	2-9 Governance structure and composition	pages 66-69
	2-10 Nomination and selection of the highest governance body	page 14
	2-11 Chair of the highest governance body	page 14
	2-12 Role of the highest governance body in overseeing the management of impacts	page 14
	2-14 Role of the highest governance body in sustainability reporting	page 16
	2-17 Collective knowledge of the highest governance body	page 14
	2-22 Statement on sustainable development strategy	page 5
	2-23 Policy commitments	pages 22-23
	2-27 Compliance with laws and regulations	There were no cases of non-compliance during the entire reporting period
	2-28 Membership associations	pages 35, 46-47
	2-29 Approach to stakeholder engagement	page 24
	2-30 Collective bargaining agreements	page 77



GRI Standards/	Disclosure	Reference
<b>Material topics</b>		
GRI 3 - Material topics - 2021 version	3-1 Process to determine material topics	pages 25-27
	3-2 List of material topics	page 27
<b>Economic performance</b>		
GRI 3 - Material topics - 2021 version	3-3 Management of material topics	page 56
GRI 201 - Economic performance - 2016 version	201-1 Direct economic value generated and distributed	pages 56-57
<b>Anti-corruption</b>		
GRI 205 - Anti-corruption - 2016 version	205-2 Communication and training about anti-corruption policies and procedures	page 70
	205-3 Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption in the three-year period 2022-2024
<b>Taxes</b>		
GRI 207 - Taxes - 2019 version	207-1 Approach to taxes	page 81
	207-2 Tax governance, control and risk management	page 81
	207-4 Country-by-country reporting	page 81
<b>Materials</b>		
GRI 3 - Material topics - 2021 version	3-3 Management of material topics	page 49
GRI 301 - Materials - 2016 version	301-1 Materials used by weight or volume	pages 49, 53, 78
<b>Energy</b>		
GRI 3 - Material topics - 2021 version	3-3 Management of material topics	page 50
GRI 302 - Energy - 2016 version	302-1 Energy consumption within the organisation	pages 50, 78
	302-3 Energy intensity	pages 51, 78



GRI Standards/	Disclosure	Reference
<b>Emissions</b>		
GRI 3 - Material topics - 2021 version	3-3 Management of material topics	page 52
GRI 305 - Emissions - 2016 version	305-1 Direct (Scope 1) GHG emissions	pages 52, 79
	305-2 Energy indirect (Scope 2) GHG emissions	pages 52, 79
	305-4 GHG emissions intensity	pages 52, 79
<b>Waste</b>		
GRI 3 - Material topics - 2021 version	3-3 Management of material topics	page 53
GRI 306 - Waste - 2020 version	306-1 Waste generation and significant waste-related impacts	page 53
	306-2 Management of significant waste-related impacts	page 53
<b>Employment</b>		
GRI 3 - Material topics - 2021 version	3-3 Management of material topics	pages 31-32
GRI 401 - Employment - 2016 version	401-1 New employee hires and employee turnover	pages 34, 72
	401-2 Benefits provided to full-time employees that are not available to temporary or part-time employees	pages 32, 73
	401-3 Parental leave	pages 32, 74
<b>Labour/management relations</b>		
GRI 402 - Labour management and relations - 2016 version	402-1: Minimum notice periods regarding operational changes	page 75
<b>Occupational health and safety</b>		
GRI 3 - Material topics - 2021 version	3-3 Management of material topics	page 37



GRI Standards/	Disclosure	Reference
GRI 403 - Occupational health and safety - 2018 version	403-1 Occupational health and safety management system	page 37
	403-2 Hazard identification, risk assessment and incident investigation	page 37
	403-3 Occupational health services	page 37
	403-4 Worker participation, consultation, and communication on occupational health and safety	page 37
	403-5 Worker training on occupational health and safety	page 35
	403-9 Work-related injuries	There were no work-related injuries in the three-year period 2022-2024
	403-10 Occupational diseases	There were no deaths or occupational diseases in the three-year period 2022-2024

### Training and education

GRI 3 - Material topics - 2021 version	3-3 Management of material topics	pages 34-36
GRI 404 - Training and education - 2016 version	404-1 Average hours of training per year per employee	pages 35, 75
	404-2 Programs for upgrading employee skills and transition assistance programs	pages 34-35
	404-3 Percentage of employees receiving regular performance and career development reviews	page 75

### Diversity and equal opportunity

GRI 3 - Material topics - 2021 version	3-3 Management of material topics	page 33
GRI 405 - Diversity and equal opportunity - 2016 version	405-1 Diversity of governance bodies and employees	pages 33, 76
	405-2 Ratio of basic salary and remuneration of women to men	pages 33, 77

### Local communities

GRI 3 - Material topics - 2021 version	3-3 Management of material topics	page 46
GRI 413 - Local communities - 2016 version	413-1 Operations with local community engagement, impact assessments and development programs	pages 46-47

### Customer privacy

GRI 418 - Customer privacy - 2016 version	418-1 Substantiated complaints concerning breaches of customer privacy and loss of customer data	There were no complaints regarding violations of privacy in the three-year period 2022-2024
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