

Letter to the stakeholders

Once again, in 2023 the Cassa Centrale Group saw a tangible development in the principles of mutual credit cooperation. The ambition to be a Group that cares about its Customers, the Communities where it operates, its People, and the environment that surrounds it continues to be the driving force behind our daily actions; we are constantly inspired by the values of ethics, social and environmental responsibility, and attention to the development and support of our Communities.

This Statement bears witness to this journey.

When defining our sustainability strategy, we opted to develop an approach that aligns with our nature as a Cooperative Banking Group and with the Sustainable Development Goals established by the United Nations 2030 Agenda. Our formal adoption of the UN Global Compact in 2023 represents yet another commitment to progress in this direction.

In the face of excellent financial results and increased industrial capacity, our presence in the territory has only grown larger: unlike the banking industry (which has almost halved the number of branches since 2008), the number of branches of the Group's Banks has remained substantially constant. The choice to inhabit the territories corresponds to a desire for proximity and genuine relationships, a distinctive trait that we seek to maintain: in 307 of the 1,069¹ municipalities where we operate, we are the only banking presence. 293 branches are located in municipalities with less than 3 thousand inhabitants.

On the social side, regional grants awarded by the Affiliated Banks in 2023 grew yet again in number and value, with over 21 thousand separate grants awarded for a total value of EUR 42.5 million. These grants funded a series of highly effective projects in terms of the direct impact achieved as well as for the positive personal relationships they generated, especially in small communities.

In the 2019-2023 five-year period, i.e. since its establishment, the Group has supported more than 94 thousand sponsorships and charities totalling EUR 156 million.

Last year was particularly important for the fundraising promoted by the Cassa Centrale Group to aid the populations and companies badly affected by flooding in Emilia-Romagna: the solidarity initiative, thanks to contributions from all Affiliated Banks, the companies Allitude, Assicura Agenzia and Broker, Claris Leasing and Rent, NEAM and Prestipay, the cooperative Members and the customers of the Group, made it possible to achieve a considerable result of over EUR 1.4 million, allocated to support tangible initiatives that promoted recovery in the territories affected and assisted people and micro-enterprises in their recovery after the emergency phase.

Considering the actual needs of the Communities involved, a structured plan of specific interventions has been defined and will be implemented through Caritas Italiana and the Affiliated Banks established in the affected areas. These will continue to be a point of reference for households and businesses by truly working together with institutions and third sector bodies that combat difficult situations.

¹ Data as at 31/12/2023.

Our pathway towards sustainable growth also continues with regard to our focus on the more than 12 thousand People who work at the Group every day, a number that has grown for the fifth consecutive year.

In 2023, the number of training hours taken up by our People exceeded 700 thousand, up 15% and with more than 58 average hours per capita (+12%).

The motivation and energy of every single one of our employees are fundamental assets for the Group and represent the true key to our success.

With reference to Governance, the process of reinforcing and consolidating the various actions already characterising the Group continued.

In addition to the growing attention to ESG issues that we are also seeing from our customers, there has been a strong regulatory push at European level that has led to an even more significant commitment on the part of the Group in integrating climate and environmental ESG risk issues into the way it does banking, communicates its results, and works to ensure compliance with the many evolving regulations in these areas. Indeed, the banking sector is an enabler of the green transition, which is also highly requested and promoted through the commitments made by national legislators, standard setters and industry associations.

The Group ensures the centrality of climate and environmental risks by integrating them in a structured manner within the Group's broader risk management framework, through a progressive process of self-assessment and alignment with Supervisory Expectations.

During 2023, the Board of Directors of Cassa Centrale Banca gave full recognition to ESG profiles by including specific ESG-related strategic guidelines in the 2023-2026 three-year Strategic Plan.

Consistently, an update of the Sustainability Plan was approved in November 2023, which, compared to the previous one, is characterised by:

- the identification of the following ESG Areas: Environment, Communities & Shareholders, ESG Governance, People and Customers;
- the definition of the Strategic Objectives into 20 Projects divided into each ESG Area;
- the identification of 40 positioning targets to monitor the achievement of the specific objectives; optimising or reformulating previously identified projects and actions.

First and foremost, the Group intends to do its part with regard to energy consumption, continuing to favour the purchase of electricity from renewable sources, which in 2023 exceeded 96% of the total purchased. While our reduction in direct and indirect CO₂ emissions has again been equally significant in 2023.

Among the concrete objectives for the benefit of the environment and sustainability, which concern members and customers, is the desire to offer credit solutions to assist businesses – especially micro and small enterprises that operate in traditional sectors and form the Group's economic fabric of reference - in the ecological and digital transition required to remain competitive on the market.

In the provision of mortgage loans to households we encourage the transition to more sustainable homes that are equipped to deal with climate change and we feel a strong responsibility in guiding savers towards investments in projects and companies with a sustainable business model.

In order to respond to Customers' growing awareness around sustainability, our Product Companies are strongly committed to expanding their ESG offering.



Total volumes invested in the Ethical funds of the NEF range of the asset management company NEAM came close to EUR 2.1 billion (out of a total of EUR 6.9 billion) and this component is even larger if it is considered that a good deal of the management strategies applied to other segments of the NEF investment fund integrate selection processes with ESG criteria. And this is despite the financial markets in 2023: due to rising yields on Italian government bonds, we rewarded assets under administration at the expense of assets under management.

Throughout 2023, the process of implementing sustainable finance strategies on three other segments of the range (NEF Euro Bond, NEF Euro Short Term Bond and NEF Euro Corporate) began, which is expected to be completed during the first part of 2024, expanding NEF's Ethical offering. All of our Asset Management lines were also classified as "light green".

Claris Leasing has updated its catalogue by introducing the financing of photovoltaic plants to upgrade buildings in need of energy efficiency improvements.

Prestipay, a consumer credit company, has included the Prestipay Green product in its catalogue. The product is structured into two categories: Prestipay Green House and Prestipay Green Mobility.

Over the course of 2024, many challenges still await us, first and foremost that of complying with the provisions introduced by the Corporate Sustainability Reporting Directive (CSRD) and the related European Sustainability Reporting Standards (ESRS); we will continue to work to meet the expectations of the regulator, the expectations of our Customers and our People, without forgetting our distinctive values, our history, our roots, and the principles of mutuality and sustainability further strengthened by the generative boost imposed by ESG regulation.

Aware of the many advances made since the Group was formed and conscious of our responsibility, we wish to continue our virtuous path towards sustainable growth, now more than ever strong in the conviction that Cooperative Credit, sustainable by its very nature, can effectively meet the challenges of the future, as proven by the information presented in this Statement.



The Chairman
Giorgio Fracalossi



Chief Executive Officer
Sandro Bolognesi