

# 2023

## CONSOLIDATED NON-FINANCIAL STATEMENT





Crédit Agricole Italia Banking Group

***CONSOLIDATED  
NON-FINANCIAL  
STATEMENT***

**2023**



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# METHODOLOGICAL NOTE AND READING GUIDE

The Crédit Agricole Italia Banking Group (Group) has chosen to prepare its **Consolidated Non-Financial Statement (NFS)** in accordance with Italian Legislative Decree no. 254 of 30 December 2016 (hereinafter “D. Lgs. 254/2016” or “Decree”) voluntarily and as done in the previous reporting years.

For the Group the preparation of this document is voluntary as it is exempt from the obligation of presenting it under Article 6 of the Decree, because its non-financial information, as defined in the Decree, is already collected and consolidated by its French Parent Company Crédit Agricole S.A. in its Non-Financial Statement.

The NFS is a stand-alone document separated from the Management Report, but it is an integral part of the documents comprised in the Group’s 2023 Financial Reporting.

## REPORTING SCOPE AND PERIMETER

The data and information reported in the NFS cover the **aspects regarding the environment, social matters, personnel, respect for human rights and fight against active and passive corruption** set out by Italian Legislative Decree 254/2016 that have been assessed as material based on the Group’s core business operations for the reporting period from 1 January to 31 December 2023.

The scope of consolidation of the information is the same one as in the Consolidated Financial Statements, given in the Note to the Consolidated Financial Statements. In this regard, as the mergers by absorption of Credito Valtellinese first and then of Crédit Agricole FriulAdria S.p.A. were completed in the previous FY, there are no material changes in the consolidation perimeter vs. the 2022 NFS to be reported and the perimeter consists of CAI (Crédit Agricole Italia), CAGS (Crédit Agricole Group Solutions) and CALIT (Crédit Agricole Leasing).

Any omissions or changes to the reporting perimeter shall, in any case, be expressly set out if they should occur.

## APPLIED GUIDELINES

As done in the previous years, **the data and information are reported in accordance with the GRI Standards international framework of the Global Reporting Initiative**, which has been applied with the “with reference to the GRI Standards” approach envisaged therein.

With the updating of the materiality assessment, the inspiring principle of the NFS reporting in accordance with Decree 254/216, in compliance with the GRI framework, the present and positive and negative impacts, both actual and potential, assessed as material have been identified in order to reach a conceptual and semantic definition of the impacts, with a connection approach, as material topics for the Group. The topics that were found material have then been connected to the contents of the Decree and each one has been reported along with the risks, policies and commitments undertaken by the Group and with the management performance achieved in the reporting year, even more clearly represented by stating the related data and indicators on a three-year basis.

The process for the updating of the materiality assessment is more exhaustively described on page 39 of the document.

The list of the indicators used for reporting purposes is given in the “GRI Content Index” appendix to this document.

The table below shows the reconciliation of the aspects referred to in D,Lgs 254/2016, the minimum contents required by the Decree, and their specific application to the Banking Group consistently with the identified material impacts..

Aspects referred to in D,Lgs 254/2016	Minimum content requirements under D.Lgs 254/2016	Specific application to the Banking Group consistently with the material impacts
Social aspects	Not made explicit in D,Lgs 254/2016	<ul style="list-style-type: none"> <li>• Financial inclusion</li> <li>• Financial education</li> <li>• Savings protection</li> <li>• Development of new enterprise and innovation models</li> <li>• Selective accessibility to the services</li> <li>• Customer security (cybersecurity)</li> <li>• Local development</li> <li>• Regional exclusion</li> <li>• Engagement and involvement of local stakeholders</li> </ul>
Fight against active and passive corruption	Fight against active and passive corruption, setting forth the tools used for this purpose	(*)
Respect for Human Rights	Measures implemented to prevent any violation of human rights, as well as the actions undertaken to prevent any discriminatory attitudes and conducts	(*)
Human Resources management	Social aspects regarding human resources management, measures aimed at implementing international conventions and remuneration policies	<ul style="list-style-type: none"> <li>• Employment</li> <li>• Wellbeing and inclusion of employees</li> <li>• Growth and development of specific skills</li> </ul>
Environmental aspects	The use of energy resources distinguishing between those from renewable and non-renewable sources, and the use of water resources; emissions of greenhouse gases and polluting emissions in the atmosphere; the impact on the environment and on health and safety, where possible based on realistic assumptions or scenarios, also medium-term ones, or other environmental and health risk material factors	<ul style="list-style-type: none"> <li>• Inclusion/Exclusion from credit for sustainable development</li> <li>• Enhancing the efficiency of real estate properties in Italy</li> <li>• Decarbonization of the economy</li> </ul>

(\*) in these scopes no material impacts have been identified. The reporting is compliant with the minimum contents laid down by the Decree.

## REPORTING PROCESS

The document has been prepared based on data and information collected from the relevant corporate structures, which extracted the data from the Company's information systems, from invoices and from internal and external reports. The data collection work was coordinated and arranged in its final structure by the ESG Disclosure Service.

The document also contains references to the Management Report, to the Report on Corporate Governance and Ownership Structure and to the Company's website ([www.credit-agricole.it](http://www.credit-agricole.it)).

**This document was subject to limited review by PricewaterhouseCoopers SpA.** The results of the review made pursuant to Article 3 paragraph 10 of D.Lgs 254/2016 and to CONSOB Regulation no. 20267 are set forth in the report of the Audit Firm, which is given at the end of this document. As represented in the "Independent Auditors' Report", contained herein, the review has been performed in accordance with the procedures for "limited assurance engagement" in compliance with **ISAE 3000 Revised**.

The Board of Directors of the Parent Company approved the Consolidated Non-Financial Statement on 19 March 2024. The NFS is published every year and can be read in its latest available version in the "Corporate Social Responsibility" section of the Group's website (<https://gruppo.credit-agricole.it/dnf>).

## EU TAXONOMY - DISCLOSURE PURSUANT TO ARTICLE 8 OF REGULATION (EU) NO. 2020/852

The Crédit Agricole Italia Banking Group is not subject to the obligation to include, in its Consolidated Non-Financial Statement, information on how and to what extent the undertaking's activities are associated with economic activities that qualify as environmentally sustainable. That obligation lies with any undertaking which is subject to an obligation to publish non-financial information pursuant to Article 19a or Article 29a of Directive 2013/34/EU, in accordance with Article 8 - Transparency of undertakings in non-financial statements - of Regulation (EU) 2020/852 (EU Taxonomy Regulation). **The Group is also not subject to the obligation to present its NFS, but it chose to voluntarily present it.**

The information required under Article 10 of Delegated Regulation (EU) 2021/2178\*\* regarding the Crédit Agricole Italia Group are consolidated in the performance indicators reported in the Consolidated Non-Financial Statement presented by the Parent Company Crédit Agricole S.A.

.....  
1 COMMISSION DELEGATED REGULATION (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation





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**THE CRÉDIT AGRICOLE ITALIA  
BANKING GROUP**



***THE CRÉDIT AGRICOLE GROUP  
WORLDWIDE***

***THE CRÉDIT AGRICOLE GROUP  
IN ITALY***

***THE CRÉDIT AGRICOLE ITALIA  
BANKING GROUP***

***BRANCH NETWORK PERCENTAGE  
COVERAGE BY REGION***

# THE CRÉDIT AGRICOLE GROUP WORLDWIDE



- Retail Bank in Europe
- European Asset Manager
- Bancassurer in France

## 2023 KEY FIGURES



**53**  
million Customers



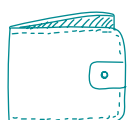
**46**  
Countries



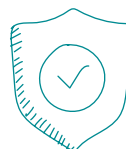
**145,000**  
employees



**8.3** bln€  
underlying net income



**144.3%**  
Liquidity Coverage Ratio



**17.5%**  
CET 1 ratio

## RATINGS

**A+**

S&P Global Ratings

**Aa3**

Moody's

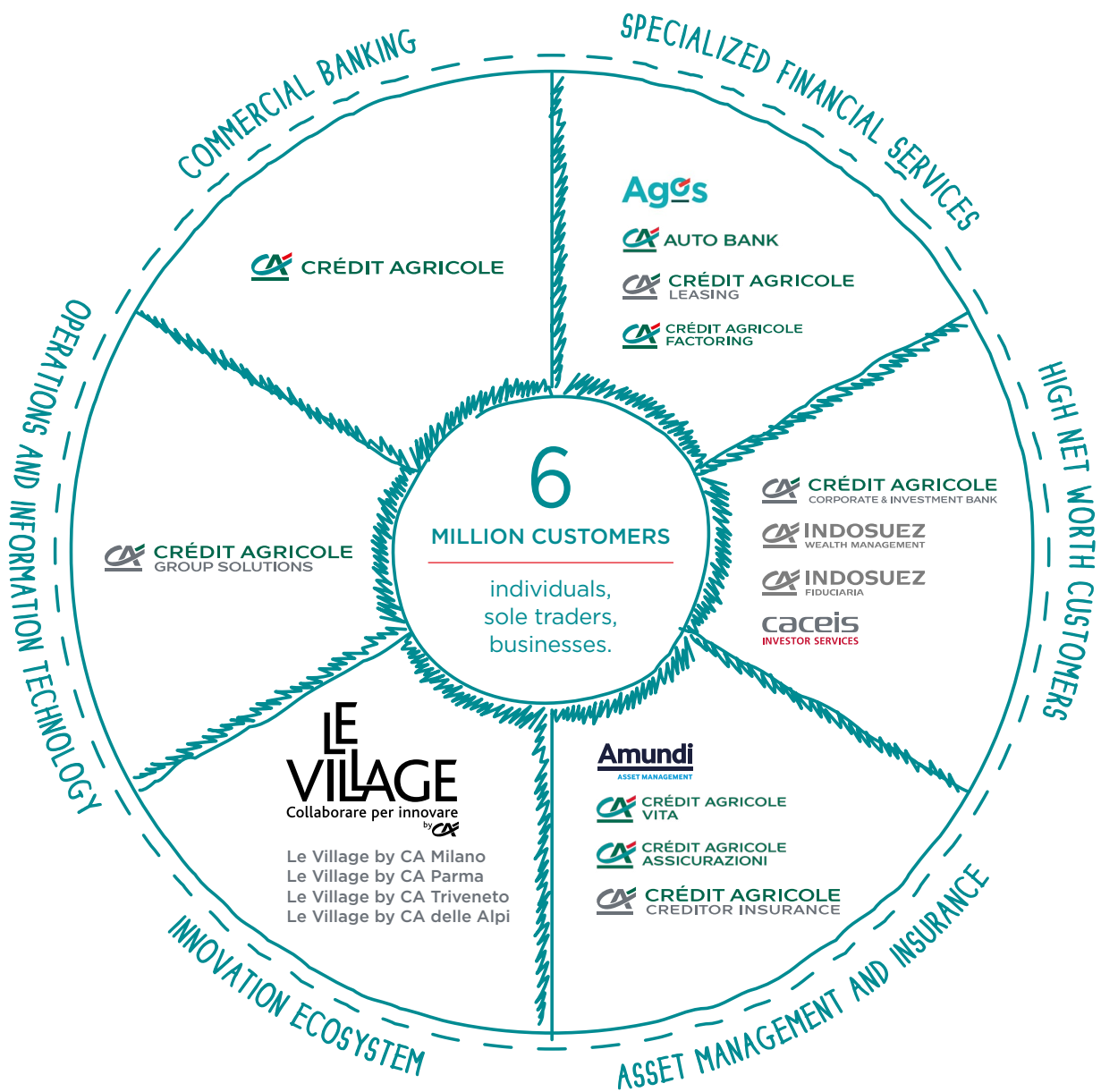
**A+ / AA-**

Fitch Ratings

**AA (low)**

DBRS

# THE CRÉDIT AGRICOLE GROUP IN ITALY



# THE CRÉDIT AGRICOLE GROUP IN ITALY



CRI  
in Italy



Player in the Italian  
consumer finance



Asset Manager  
in Italy

## 2023 KEY FIGURES



**6**  
million active Customers



**100** bln€  
in loans



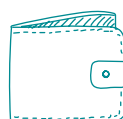
**16,200**  
employees



**1,310** mln€  
net income



**331** bln€  
total funding



**4,803** mln€  
revenues

1) Strategic Customer Recommendation Index of Crédit Agricole Italia among universal banks. Survey conducted between September and October 2023 on specific profiles of Customers of the Bank compared to Customers of competitor banks in the regions where Crédit Agricole Italia Branches are based.

2) Source: Assofin

3) Source: Assogestioni

# THE CRÉDIT AGRICOLE ITALIA BANKING GROUP

The **Crédit Agricole Italia Banking Group** is a commercial banking player that covers all market segments, thanks to its distinctive positioning based on Customer centrality.

## CRÉDIT AGRICOLE

The Parent Company of the **Crédit Agricole Italia Banking Group**, it is one of the leading Italian banks, is strongly rooted in Italy and originated from local banks.

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## CRÉDIT AGRICOLE LEASING

The **Crédit Agricole Italia Banking Group's** leasing entity. **Crédit Agricole Leasing Italia operates in the equipment, vehicle, real estate, seacraft and aircraft and renewable energy** financial leasing segments. **At the end of 2023, the loan portfolio amounted to Euro 3,051 million.**

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## CRÉDIT AGRICOLE GROUP SOLUTIONS

CAGS is the consortium company of the **Crédit Agricole Italia Banking Group** in charge of all activities relating to **Operational Processes, Information Systems, Technical Logistics, Safety and Security, Business Continuity, Real Estate Management, as well as Human Resources Administration.**

# THE CRÉDIT AGRICOLE ITALIA BANKING GROUP



Over **2.7**  
million Customers



Over **12,500**  
personnel members



**708** mln€  
net income - Group share



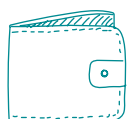
**3.1** bln€  
net operating revenues



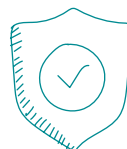
Over **1,200**  
points of sale



**65.5** bln€\*  
total loans



**245%**  
Liquidity Coverage Ratio



**13.5%**  
Cet 1 ratio

## RATINGS

**Baa1**

Moody's





The highest one in the Italian banking system

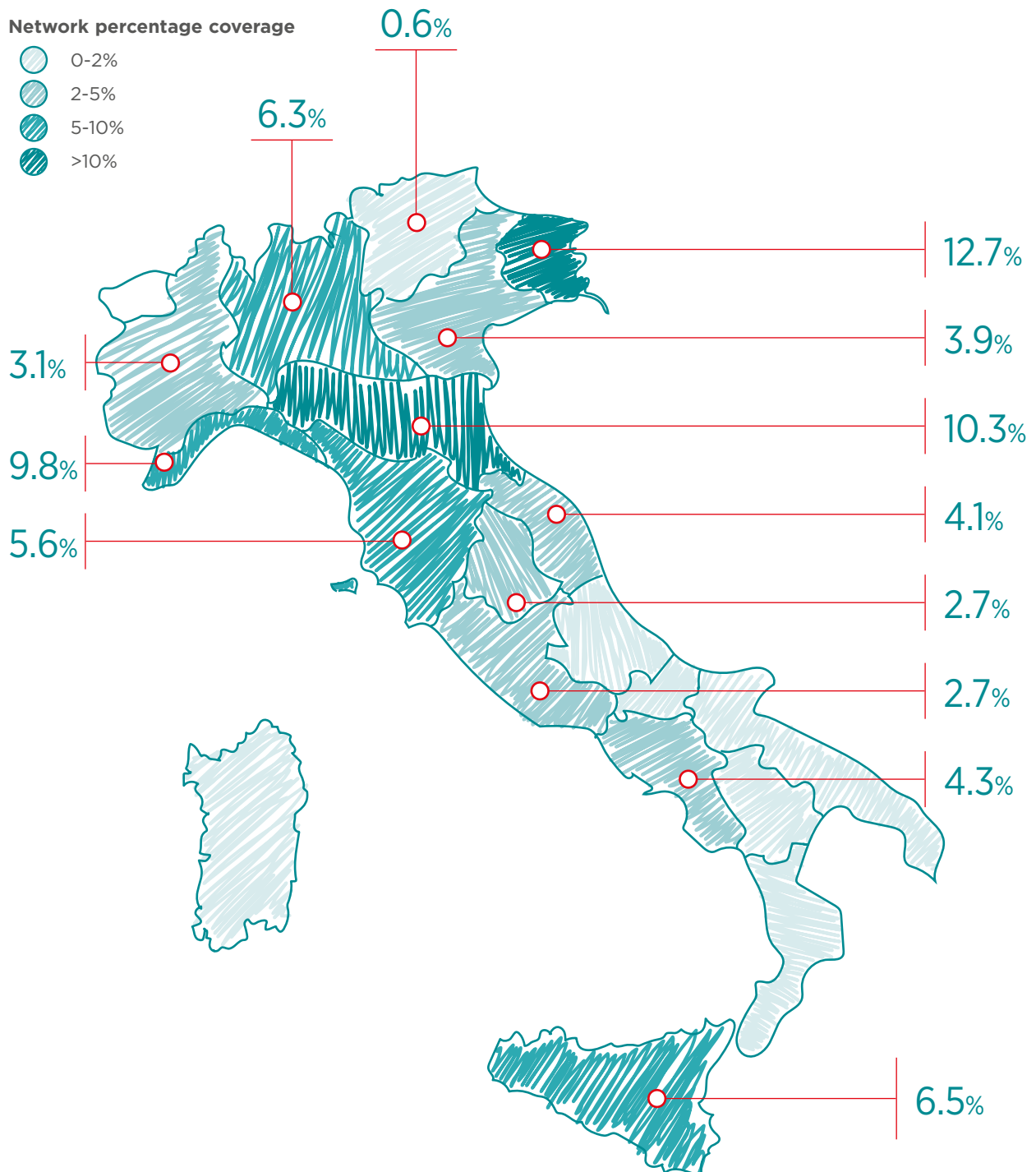
\* Excluding securities at amortized cost.



# BRANCH NETWORK PERCENTAGE

## Network percentage coverage

-  0-2%
-  2-5%
-  5-10%
-  >10%



Italy is the only country besides France where Crédit Agricole operates with all its business lines: from commercial banking, to consumer credit, to corporate and investment banking, to asset management, to the insurance business, up to wealth management services for HNW individuals completing the range.

The range of products and services is intended for individuals, households, businesses and institutional customers through the Retail and Private banking channels, the network of Financial Advisors and the Corporate Banking channel. Special attention was given to the agri-food sector, with a range of bespoke products and services.

A strong point of the Crédit Agricole Italia Banking Group consists in its strong bond with the regions it operates in, its closeness to and relationship with Customers. The Group operates in a large part of Italy with over 1,000 branches and 12,500 personnel members, and is now the number 3 player in the Italian consumer finance market, number 3 asset manager and number 5 in Bancassurance.

## 2023 PROFIT OR LOSS AND FINANCIAL RESULTS

Individuals (G4 – FS6)		2023	2022	2021
<b>By segment</b>				
Households	No.	1,855,224	1,816,776	1,746,378
	Loans (mln €)	26,435	25,509	24,655
	Funding (mln €)	14,601	14,614	13,865
	Indirect funding (mln €)	3,453	3,112	3,807
Affluent	No.	540,536	532,296	543,818
	Loans (mln €)	3,361	3,301	2,540
	Funding (mln €)	19,003	18,924	20,189
	Indirect funding (mln €)	37,669	33,314	37,725
Private Banking	No.	35,732	34,791	38,815
	Loans (mln €)	586	540	1,151
	Funding (mln €)	6,953	5,547	4,628
	Indirect funding (mln €)	23,971	23,167	20,414
<b>Total</b>	<b>No.</b>	<b>2,431,492</b>	<b>2,383,863</b>	<b>2,329,011</b>
	<b>Loans (mln €)</b>	<b>30,382</b>	<b>29,350</b>	<b>28,346</b>
	<b>Funding (mln €)</b>	<b>40,557</b>	<b>39,085</b>	<b>38,682</b>
	<b>Indirect funding (mln €)</b>	<b>65,093</b>	<b>59,593</b>	<b>61,946</b>

Individuals by geographical area (G4 – FS6)		2023	2022	2021
Emilia-Romagna	No of Customers	534,844	532,946	536,058
	Loans (mln €)	4,764	4,586	4,303
	Funding (mln €)	8,515	8,522	8,803
	Indirect funding (mln €)	16,084	14,494	16,022
Lombardy	No of Customers	594,914	584,946	557,743
	Loans (mln €)	9,066	8,672	8,342
	Funding (mln €)	13,104	11,999	11,333
	Indirect funding (mln €)	22,088	22,075	20,288
Veneto	No of Customers	176,053	169,292	161,168
	Loans (mln €)	2,844	2,726	2,583
	Funding (mln €)	2,527	2,298	2,215
	Indirect funding (mln €)	3,901	2,977	3,266
Campania	No of Customers	150,644	132,056	131,756
	Loans (mln €)	1,517	1,508	1,494
	Funding (mln €)	2,422	2,367	2,286
	Indirect funding (mln €)	2,632	2,356	2,449
Friuli-Venezia Giulia	No of Customers	158,999	158,471	159,578
	Loans (mln €)	1,367	1,369	1,368
	Funding (mln €)	2,444	2,485	2,630
	Indirect funding (mln €)	4,179	3,843	4,714
Lazio	No of Customers	123,204	116,204	113,478
	Loans (mln €)	2,182	2,072	2,116
	Funding (mln €)	2,334	2,155	2,139
	Indirect funding (mln €)	2,986	1,891	2,063
Liguria	No of Customers	141,221	138,337	141,978
	Loans (mln €)	1,462	1,433	1,407
	Funding (mln €)	1,965	1,948	1,872
	Indirect funding (mln €)	3,533	3,285	3,438
Piedmont	No of Customers	159,773	144,287	141,143
	Loans (mln €)	2,802	2,730	2,649
	Funding (mln €)	1,947	1,920	1,934
	Indirect funding (mln €)	3,460	3,162	3,857

continues

Individuals by geographical area (G4 – FS6)		2023	2022	2021
Tuscany	No of Customers	189,941	183,270	185,192
	Loans (mln €)	2,638	2,530	2,381
	Funding (mln €)	2,597	2,512	2,539
	Indirect funding (mln €)	3,586	3,176	3,543
Umbria	No of Customers	14,167	13,522	13,485
	Loans (mln €)	186	176	173
	Funding (mln €)	157	179	190
	Indirect funding (mln €)	178	168	194
Valle d'Aosta	No of Customers	0	374	278
	Loans (mln €)	0	5	2
	Funding (mln €)	0	6	5
	Indirect funding (mln €)	0	6	6
Marche	No of Customers	51,892	53,856	49,550
	Loans (mln €)	533	512	488
	Funding (mln €)	889	898	926
	Indirect funding (mln €)	1,183	926	833
Trentino Alto Adige	No of Customers	4,919	6,193	5,052
	Loans (mln €)	73	72	69
	Funding (mln €)	69	78	81
	Indirect funding (mln €)	70	81	92
Sicily	No of Customers	130,921	150,109	132,552
	Loans (mln €)	948	959	972
	Funding (mln €)	1,586	1,718	1,728
	Indirect funding (mln €)	1,212	1,154	1,183
<b>Total</b>	<b>No of Customers</b>	<b>2,431,492</b>	<b>2,383,863</b>	<b>2,329,011</b>
	<b>Loans (mln €)</b>	<b>30,382</b>	<b>29,350</b>	<b>28,346</b>
	<b>Funding (mln €)</b>	<b>40,556</b>	<b>39,085</b>	<b>38,682</b>
	<b>Indirect funding (mln €)</b>	<b>65,092</b>	<b>59,593</b>	<b>61,946</b>

Individuals (Households, Affluent, Private banking) (G4-FS6)		2023	2022	2021
<b>By age group</b>				
0-20 years	No.	100,964	95,283	93,479
21-30 years	No.	212,653	197,859	187,387
31-40 years	No.	310,143	298,555	290,803
41-55 years	No.	618,255	618,033	621,902
56-65 years	No.	434,240	422,524	414,062
> 65 years	No.	659,774	649,914	646,066
Customers in the Individuals segment who are not natural persons	No.	60,788	59,162	54,024
<b>Total</b>	<b>No.</b>	<b>2,396,817</b>	<b>2,341,330</b>	<b>2,307,723</b>
<b>By relationship duration</b>				
< 1 year	No.	133,876	110,734	117,290
1-3 years	No.	330,776	332,042	301,478
4-5 years	No.	205,719	194,686	180,552
6-10 years	No.	416,727	410,130	371,275
11-20 years	No.	522,158	504,375	456,695
> 20 years	No.	787,321	789,362	879,945
N.a.	No.	240	1	0
<b>Total</b>	<b>No.</b>	<b>2,396,817</b>	<b>2,341,330</b>	<b>2,307,723</b>

Corporate Customers (PMI + Corporate channel) (G4 - FS6)		2023	2022	2021
<b>By segment</b>				
Large Corporate	No.	2,126	4,135	2,302
	Loans (mln €)	7,077	5,880	5,477
	Funding (mln €)	4,172	4,187	4,025
	Indirect funding (mln €)	942	928	2,030
SMEs and Mid Corporate	No.	20,022	17,936	37,856
	Loans (mln €)	13,069	14,053	14,618
	Funding (mln €)	7,725	7,098	8,422
	Indirect funding (mln €)	947	1,127	1,590
Small Business	No.	309,706	321,913	308,051
	Loans (mln €)	9,816	9,045	9,037
	Funding (mln €)	12,145	11,091	11,256
	Indirect funding (mln €)	2,149	1,862	1,768
<b>Total</b>	<b>No.</b>	<b>331,854</b>	<b>343,984</b>	<b>348,209</b>
	<b>Loans (mln €)</b>	<b>29,962</b>	<b>28,977</b>	<b>29,132</b>
	<b>Funding (mln €)</b>	<b>24,042</b>	<b>22,376</b>	<b>23,704</b>
	<b>Indirect funding (mln €)</b>	<b>4,038</b>	<b>3,917</b>	<b>5,388</b>

Corporate Customers by geographical area (G4 – FS6)		2023	2022	2021
Emilia-Romagna	No of Customers	65,206	65,684	73,129
	Loans (mln €)	8,181	7,040	6,277
	Funding (mln €)	5,316	4,144	3,968
	Indirect funding (mln €)	1,399	888	775
Lombardy	No of Customers	81,372	85,552	83,159
	Loans (mln €)	8,298	11,649	10,518
	Funding (mln €)	7,420	9,584	9,436
	Indirect funding (mln €)	809	1,658	2,841
Veneto	No of Customers	20,256	20,540	21,150
	Loans (mln €)	2,292	2,294	2,252
	Funding (mln €)	1,484	1,312	1,522
	Indirect funding (mln €)	151	157	160
Campania	No of Customers	21,837	23,373	21,913
	Loans (mln €)	846	846	782
	Funding (mln €)	1,013	889	813
	Indirect funding (mln €)	95	89	71
Friuli-Venezia Giulia	No of Customers	16,007	15,534	17,773
	Loans (mln €)	2,512	1,119	2,121
	Funding (mln €)	1,659	1,052	1,770
	Indirect funding (mln €)	349	128	388
Lazio	No of Customers	19,035	18,502	18,828
	Loans (mln €)	2,549	782	1,029
	Funding (mln €)	2,298	1,110	1,441
	Indirect funding (mln €)	302	126	184
Liguria	No of Customers	12,587	12,184	13,100
	Loans (mln €)	824	839	775
	Funding (mln €)	795	685	663
	Indirect funding (mln €)	198	193	184
Piedmont	No of Customers	18,600	18,259	18,564
	Loans (mln €)	1,154	1,127	1,469
	Funding (mln €)	790	597	648
	Indirect funding (mln €)	163	161	160

continues

Corporate Customers by geographical area (G4 – FS6)		2023	2022	2021
Tuscany	No of Customers	27,458	27,999	30,836
	Loans (mln €)	1,574	1,489	1,388
	Funding (mln €)	1,259	1,094	1,136
	Indirect funding (mln €)	277	254	251
Umbria	No of Customers	3,030	3,097	3,321
	Loans (mln €)	99	101	128
	Funding (mln €)	125	121	123
	Indirect funding (mln €)	11	10	13
Valle d'Aosta	No of Customers	0	75	86
	Loans (mln €)	0	1	12
	Funding (mln €)	0	2	5
	Indirect funding (mln €)	0	0	0
Marche	No of Customers	8,947	9,154	9,376
	Loans (mln €)	551	521	672
	Funding (mln €)	446	431	510
	Indirect funding (mln €)	36	42	67
Trentino Alto Adige	No of Customers	1,176	1,091	1,357
	Loans (mln €)	29	14	202
	Funding (mln €)	51	98	165
	Indirect funding (mln €)	3	2	14
Sicily	No of Customers	36,343	42,938	34,865
	Loans (mln €)	1,054	1,153	1,504
	Funding (mln €)	1,385	1,256	1,504
	Indirect funding (mln €)	247	208	280
<b>Total</b>	<b>No of Customers</b>	<b>331,854</b>	<b>343,984</b>	<b>347,457</b>
	<b>Loans (mln €)</b>	<b>29,963</b>	<b>28,977</b>	<b>29,132</b>
	<b>Funding (mln €)</b>	<b>24,041</b>	<b>22,376</b>	<b>23,704</b>
	<b>Indirect funding (mln €)</b>	<b>4,040</b>	<b>3,917</b>	<b>5,388</b>



Loans to/Funding from Corporate Customers by sector (G4 - FS6)		2023	2022	2021
Agriculture, forestry and fishery	Loans (mln €)	2,925	2,924	2,961
	Funding (mln €)	1,207	1,117	1,020
	Indirect funding (mln €)	102	108	126
Trade	Loans (mln €)	4,083	4,092	4,142
	Funding (mln €)	3,247	3,076	3,438
	Indirect funding (mln €)	379	504	565
Construction and real estate	Loans (mln €)	3,609	3,613	3,612
	Funding (mln €)	2,327	2,005	2,313
	Indirect funding (mln €)	324	360	449
Manufacturing	Loans (mln €)	9,788	9,086	9,062
	Funding (mln €)	6,140	5,105	5,894
	Indirect funding (mln €)	823	972	1,370
Services	Loans (mln €)	7,629	7,523	7,670
	Funding (mln €)	7,138	7,423	7,295
	Indirect funding (mln €)	1,255	1,051	1,491
Other sectors	Loans (mln €)	1,927	1,739	1,685
	Funding (mln €)	3,982	3,650	3,744
	Indirect funding (mln €)	1,155	923	1,387
<b>Total</b>	<b>Loans (mln €)</b>	<b>29,961</b>	<b>28,977</b>	<b>29,132</b>
	<b>Funding (mln €)</b>	<b>24,041</b>	<b>22,376</b>	<b>23,704</b>
	<b>Indirect funding (mln €)</b>	<b>4,038</b>	<b>3,917</b>	<b>5,388</b>

G4-FS6 Percentage composition of the portfolio for business lines by specific region, * (G4 - FS6)		2023	2022	2021
Corporate Bnkg	Loans (mln €)	7,077	5,880	5,477
	Funding (mln €)	4,172	4,187	4,025
	Indirect funding (mln €)	942	928	2,030
SMEs:	Loans (mln €)	22,885	23,097	23,655
	Funding (mln €)	19,870	18,189	19,678
	Indirect funding (mln €)	3,096	2,990	3,358
Individuals	Loans (mln €)	30,382	29,350	28,346
	Funding (mln €)	40,557	39,085	38,682
	Indirect funding (mln €)	65,092	59,593	61,946
Big Dossiers**	Loans (mln €)	6,657	7,648	7,532
	Funding (mln €)	551	766	741
	Indirect funding (mln €)	23,758	23,663	26,121
<b>Total</b>	<b>Loans (mln €)</b>	<b>67,001</b>	<b>65,975</b>	<b>65,010</b>
	<b>Funding (mln €)</b>	<b>65,150</b>	<b>62,227</b>	<b>63,128</b>
	<b>Indirect funding (mln €)</b>	<b>92,888</b>	<b>87,174</b>	<b>93,455</b>

\* The volume figures regarding direct and indirect funding are not consistent with the same figures in the Financial Statements for the year of the Crédit Agricole Italia Banking Group because of the different classification methods used by the Group for management and accounting purposes respectively.

\*\* The Big Dossier channel represents the volumes of counterparties that cannot be included in ordinary customers; specifically it reports counterparties such as come Agos, Crédit Agricole Leasing Italia, Amundi, CA Vita, Leasys

Public Sector Bodies		2023	2022	2021
Municipalities	No.	418	421	416
Regions and Provinces	No.	4	4	4
NHS agencies	No.	1	1	3
Schools	No.	1,296	1,264	1,198
Universities	No.	7	5	5
Consortia	No.	69	70	60
Association of mountain communities	No.	6	6	10
A.S.P. / IPAB	No.	59	63	70
Various public bodies	No.	240	206	232
<b>Total</b>	<b>No.</b>	<b>2,100</b>	<b>2,040</b>	<b>1,998</b>

Consolidated statement of added value (thousands of Euros) 201-1		2023	2022	2021
10.	Interest and similar income	3,217,049	1,383,343	1,086,187
20.	Interest and similar expense	-1,471,487	-81,851	36,939
40.	Fee and commission income	1,269,836	1,271,420	1,203,433
50.	fee and commission expense (net of expenses for external networks)	-50,433	-49,647	-58,603
70.	Dividends and similar income	12,667	13,356	11,429
80.	Net profit (loss) on trading activities	14,681	27,838	30,096
90.	Net profit (loss) on hedging activities	-8,897	-10,306	-6,979
100.	Profit (Loss) on disposal or repurchase of:	97,513	44,750	-94,310
	a) financial assets measured at amortized cost	73,176	20,949	-123,294
	b) financial assets measured at fair value through other comprehensive income	26,007	14,744	28,946
	c) financial liabilities	-1,670	9,057	38
110.	Net profit (loss) on other financial assets and liabilities measured at fair value through profit or loss	2,566	-11,116	-2,584
	a) financial assets and liabilities designated at fair value	0	0	0
	b) other financial assets mandatorily measured at fair value	2,566	-11,116	-2,584
130.	Net losses/recoveries for credit risk on:	-287,768	-288,982	-455,118
	a) financial assets measured at amortized cost	-286,167	-285,280	-452,389
	b) financial assets measured at fair value through other comprehensive income	-1,601	-3,702	-2,729
140.	Profits/Losses on contract modifications without derecognition	-7,495	-694	-219
230.	Other operating expenses/income	385,262	332,903	824,438
250.	Profits (Losses) on equity investments (as regards the portion of profit/ losses on disposals)	2,934	4,578	0
280.	Profit (losses) on disposals of investments	3,056	1,931	1,138
320.	Profit (Loss) after tax from discontinued operations	0	0	0
	a) Loans			
	b) Financial assets available for sale			
	c) Investments held to maturity			
	d) Other financial activities			
140.	Profits/Losses on contract modifications without derecognition		-219	-1,367
230.	Other operating expenses/income		824,438	286,006
250.	Profits (Losses) on equity investments (as regards the portion of profit/ losses on disposals)		0	9,761
280.	Profit (losses) on disposals of investments		1,138	66,080
320.	Profit (Loss) after tax from discontinued operations		0	0
<b>A. TOTAL ECONOMIC VALUE GENERATED</b>		<b>3,179,484</b>	<b>2,637,523</b>	<b>2,575,847</b>

continues

Consolidated statement of added value (thousands of Euros) G4-EC1	2023	2022	2021
190. b) other administrative expenses: net of indirect taxes and donations	622,813	605,855	576,185
<b>ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS</b>	<b>622,813</b>	<b>605,855</b>	<b>576,185</b>
190. a) personnel expenses (including the expenses for external networks)	1,017,173	965,600	1,079,914
<b>ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES AND OTHER STAFF</b>	<b>1,017,173</b>	<b>965,600</b>	<b>1,079,914</b>
340. Profit (loss) for the period attributable to minority interests	1,742	1,474	929
<b>ECONOMIC VALUE DISTRIBUTED TO MINORITY INTERESTS</b>	<b>1,742</b>	<b>1,474</b>	<b>929</b>
Earnings distributed to the shareholders	359,716	299,984	0
<b>ECONOMIC VALUE DISTRIBUTED TO SHAREHOLDERS</b>	<b>359,716</b>	<b>299,984</b>	<b>0</b>
190. b) other administrative expenses: direct and indirect taxes	161,546	150,903	144,558
190. b) Other administrative expenses (net of charity/donations and contributions to resolution and deposit guarantee schemes) (-)	101,038	95,873	114,962
300. Income taxes for the year (current taxes, changes in taxes, decrease in taxes)	41,201	14,894	108,810
<b>ECONOMIC VALUE DISTRIBUTED TO CENTRAL AND PERIPHERAL ADMINISTRATION</b>	<b>303,785</b>	<b>261,670</b>	<b>368,330</b>
190. b) other administrative expenses: charity and donations			
Profit allocated to the charity fund	2,300	2,200	0
<b>ECONOMIC VALUE DISTRIBUTED TO THE COMMUNITY AND THE ENVIRONMENT</b>	<b>2,300</b>	<b>2,200</b>	<b>0</b>
<b>B. TOTAL ECONOMIC VALUE DISTRIBUTED</b>	<b>2,307,529</b>	<b>2,136,783</b>	<b>2,025,358</b>
200. Net provisions for risks and charges	45,351	29,290	79,001
a) commitments and guarantees given	6,528	12,089	7,011
b) other net provisions	38,823	17,201	71,990
210. Net adjustments of/recoveries on property, plant and equipment	126,214	112,978	118,139
220. Net adjustments of/recoveries on intangible assets	94,074	99,867	122,467
250. Profit (losses) on equity investments (writedowns/writebacks, value adjustments/recoveries, other expenses/income)	-1,213	-4,524	-2,917
260. Net profit (losses) from property, plant and equipment and intangible assets measured at fair value	402	810	-178
270. Goodwill impairment	0	0	0
300. Income taxes for the period (change, deferred tax assets and liabilities)	260,958	5,909	-373,466
Profit allocated to reserves	346,169	256,410	607,443
<b>C. TOTAL ECONOMIC VALUE RETAINED</b>	<b>871,955</b>	<b>500,740</b>	<b>550,489</b>



03

**COMMITMENT TO SUSTAINABLE DEVELOPMENT**



***SUSTAINABILITY PLAN AND  
STRATEGIC  
DIRECTIONS OF THE GROUP***

***INTEGRATION OF SUSTAINABILITY  
INTO CORPORATE GOVERNANCE***

***MATERIAL TOPICS RELEVANT  
TO BUSINESS OPERATIONS***

# SUSTAINABILITY PLAN AND STRATEGIC DIRECTIONS OF THE GROUP

Thanks to its mutualistic nature, the Crédit Agricole S.A. Group ranks as the **top cooperative credit bank in the world and has set the ecological transition and social usefulness at the centre of its development strategy**, using its universal banking model to support a fair transition, which “leaves no one behind”.

Its **customer-focused universal banking model** is characterized by a strong bond between the retail banks and the specialist companies of the Group, enables Crédit Agricole to assist all its customers in realizing their personal and business projects, thanks to a wide range of specialist services: retail banking, home loans and consumer finance, wealth management, life and non-life insurance, asset management, real estate, leasing, factoring, corporate and investment banking, financial and institutional services.

Its positioning as a customer-focused universal bank is driven by ambitious goals that are consistent with its corporate raison d'être

WORKING EVERY DAY  
IN THE INTEREST OF OUR CUSTOMERS  
AND SOCIETY

The Group's positioning is fully substantiated in its *Societal Project*, one of the three Pillars, along with the Customers and People Pillars, of the Medium Term Plan (MTP) of the Crédit Agricole Group. In its turn, the Societal Project is based on three collective mobilization topics:

## 1

ACTING SUSTAINABLY FOR THE CLIMATE AND THE TRANSITION TOWARDS A LOW-CARBON ECONOMY;



## 2

STRENGTHENING SOCIAL COHESION AND INCLUSION;



## 3

FACILITATING A SUCCESSFUL AGRI-FOOD TRANSITION.





## TRANSFORMATION OF THE ECONOMIC MODEL FROM A SUSTAINABILITY PERSPECTIVE

Responding to the new challenges that our society has to address – large-scale climate change, environmental deterioration and loss of biodiversities and social cohesion and geopolitical instability, – Crédit Agricole has chosen to put the strength of its universal banking model at the service of the **transition to carbon neutrality**, in order to provide all its customers, from households to large multinational enterprises, with solutions and services fit to assist them in the changes underway.

The climate emergency requires that the transition to renewable energy sources be sped up to replace fossil fuels, addressing all together the challenge of **making energy transition accessible to society as a whole**.

Aware of the importance of the financial sector as a driver of change, Crédit Agricole has committed to acting responsibly in transforming the economic model towards carbon neutrality, preventing any sudden social and political upheaval.

The Crédit Agricole S.A. Group's ambition on these matters is consistent with its twenty-year record of public endorsement and commitment that started **with joining the United Nations Global Compact (2003), the Principles for Responsible Investment (2006), the Paris Agreement on Climate (2015), the United Nations Principles for Responsible Banking (2019), the co-foundation of the Equator Principles (2003) and the Green Bond Principles (2014)**.

## NET ZERO COMMITMENTS

In 2021 and 2022, in order to further boost its decarbonization strategy, **the Crédit Agricole S.A. Group joined the four “Net Zero” alliances of the financial sector, committing to acting for the achievement of carbon neutrality by 2050**; the four alliances are the NZ Banking Alliance (for banks), the NZ Asset Managers Initiative (for asset managers), the NZ Insurance Alliance (for insurance undertakings) and the NZ Asset Owner Alliance (for institutional investors); the Crédit Agricole S.A. Group is one of the few international players that signed all of them.

To translate its commitment into tangible actions, the Crédit Agricole S.A. Group started the “Net Zero 2050 project” which is intended to lay the foundations for the plan for transition to carbon neutrality, defining the basis of its climate strategy in the following points:

- Adoption of a Raison d'être that places social usefulness at the centre of its value creation model;
- Definition of a Societal Project – within its Medium-Term Plan (MTP) - which structures all the actions and functions around three pillars (climate, social and agricultural);
- Design of a strategy for climate based on scientific approaches and aimed at aligning the Group's cash flows with the path defined by the Paris Agreement of 2015 (carbon neutrality by 2050);
- Preparation of products and services aimed at accelerating the advent of renewable energy; and low carbon emissions solutions, to be made available to customers;
- Asserting the need to gradually phase-out fossil fuels in order to contribute to reaching carbon neutrality, while ensuring that that transition is socially fair.

Specifically, the Crédit Agricole S.A. Group defined its trajectories for decarbonization for the zeroing of net CO<sub>2</sub> emissions by 2050 of its loans at a global level in as many as 10 economic sectors that account for 80% of global emissions, which amount to about 60% of the Group's loans, through parameters that can be measured on scientific data and with in-between targets by 2030, setting 2020<sup>2</sup> as the baseline year.

2 The approach used to define the targets at the Group level has been taken from the Partnership for Carbon Accounting Financials (PCAF).

These sectors are:

- Oil and gas (75% decrease in emissions in absolute value by 2030, a target that was raised at the end of December vs. 30% one previously announced, subsequent to the commitments signed internationally within the recent COP 28);
- Automotive (-50% by 2030);
- Energy production (-58% by 2030);
- Commercial real estate (-40% by 2030);
- Cement (-20% by 2030).

For the other 5 sectors, at the end of 2023 the Crédit Agricole S.A. Group announced some hypothesis of goals that will be confirmed in 2024, namely:

- Steel (-26% by 2030);
- Maritime transport (-36% by 2030);
- Aviation (-25% by 2030);
- Residential real estate (contributing, in the French market alone, to achieving emission intensity by residential unit in the portfolio of 12.4 kgCO<sub>2</sub>e/m<sup>2</sup> by 2030);
- Agriculture (contributing to a -18% decrease in emissions by 2030 in accordance with the French national legislation for the domestic market).

The Crédit Agricole S.A. Group intends to reach the aforementioned goals supporting its customers in their social and economic transition **financing the development of renewable energy sources and of low CO<sub>2</sub>, emission infrastructures, the adoption of clean technologies and energy efficiency projects**. Furthermore, it announced **the discontinuation of the financing of new projects for fossil fuel extraction** and intends to adopt selective approach in supporting energy industry players engaged in this transition.

This commitment was formalized both in the 2022 Non-Financial Statement of Crédit Agricole S.A. and in a guide published in May 2023, its White Paper or, Livre blanc<sup>3</sup> "Acting for the climate: our contribution to carbon neutrality by 2050".

## CRÉDIT AGRICOLE ITALIA'S COMMITMENT

Crédit Agricole Italia started on its path in a structured manner in 2021 with the definition of its sustainability governance and strategic directions transposing its Parent Company's ambitions and goals into the Italian arena.

The **corporate social responsibility policy of Crédit Agricole is at the core of its identity**, is integrated in its products and services and characterizes all its activities, thus becoming a global performance factor and a powerful carrier of innovation for all the regions and communities where the Group operates.

The Bank's ambitions are:

- Promoting a holistic approach to the Environment, Social and Governance (ESG) pillar;
- Being a reference partner for Customers in their transition journey;
- Implementing the applicable legislation and regulations turning risks into business opportunities;
- Continuing to invest in the social field, with special focus on the regions and communities we operate in.

3 <https://www.credit-agricole.com/pdfPreview/200658>

Having regard to the environmental scope, Crédit Agricole Italia contributes to the achievement of the goals set by the Crédit Agricole S.A. Group within the Net Zero Banking Alliance and continues to pursue the integration of sustainability factors throughout its value chain and therefore “from upstream to downstream”, in order to assist its customers and regions in their energy and ecological transition.

This being the background, in 2023 the Bank designed its action plan along some specific axes:

- Management of the regulators’ ESG expectations in order to turn legal and regulatory obligations into business opportunities;
- Start of the definition of the approach, baseline CO<sub>2</sub> reduction targets for the priority sectors in the Net Zero scope (first and foremost commercial and residential real estate), in view of extending them to the other economic sector selected by Crédit Agricole;
- Development and establishment on the market of a range of products and services designed to assist customers - individuals, households and businesses - in their transition to sustainability;
- Implementation of an advisory model that integrates ESG factors in the Wealth Management segment;
- Continuing to integrate ESG matters in risks, loans, purchasing, carbon footprint of the Bank’s operations, in training and in the personnel incentive system;
- Continuing with the actions to decrease its direct carbon footprint (100% of purchased electricity from renewable sources, reduction emissions associated with the enhancement the energy efficiency of buildings, progressive replacement of the Bank’s car fleet with hybrid or fully electric vehicles, etc.);
- Continuing to select suppliers and providers on the basis of ESG criteria, start of a study to reduce the carbon footprint of the IT component of purchases.

Furthermore, to strengthen social cohesion and inclusion, the Group promotes projects and initiatives that convey its identity, in order to generate social impact in the regions where it operates, acting as a “partner in change”. These projects are structured around four action lines, which specifically involve the Group’s people, young people, households and businesses:

- Fundraising through **CrowdForLife**, the crowdfunding platform of the Crédit Agricole Italia Banking Group, which went live in 2019 and is a tool to tangibly respond to the needs expressed by our communities and regions;
- **Corporate volunteer activities** developed in cooperation with third-sector organizations, to raise awareness about environmental and social matters, foster the sense of belonging and promoting active participation in the life of local communities;
- Fight against educational poverty of new generations via the School Programme, in cooperation with associations operating throughout Italy, such as **FEDuF (Foundation for Financial and Savings education), Save the Children, Fondazione Carolina e CASCO Digital Learning and ELIS**, to facilitate equal opportunities among young people and to assist them to self-realization and career development through training, vocational orientation and the new online socialization and networking channels;
- Initiatives following the 3 R principle (**Reuse, Urban Regeneration and Waste Reduction**) and carried out within New Life, a circular economy project gone live in 2019 and aimed at actively involving entities, institutions, citizens, customers and personnel to foster their taking responsibility to the regions and communities.

Crédit Agricole Italia’s commitment along the various action plan axes mentioned above, in both the environmental and social scope, is based on FReD, the international meta-project of the Crédit Agricole S.A. Group, intended to give a common reference framework for corporate social responsibility initiatives, around a set of 96 actions and divided into three topics: **respect for customers (Trust), respect for employees (Respect) and respect for the planet (Demetra)**.



The achievement of the FReD improvement objectives is included in the MBO (Management by Objectives) for some managers of the Group. The progress in the projects is monitored on a yearly basis with a synthetic index.

The sustainability strategic directions and the ESG activities of Crédit Agricole Italia refer to and directly or indirectly contribute to pursuing eleven of the seventeen **Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda**.



## RESPONSE TO THE ESG REGULATORY FRAMEWORK

The Bank is very focused on proper management of the regulators' expectations and requirements in the EGG scope (the European Union Taxonomy, the expectations of the European Central Bank and of the Bank of Italy, Pillar III ESG, Disclosure).

More specifically, the Pillar III framework is intended to enable investors and stakeholders to compare the sustainability performance of banks and of their financial assets via public disclosure of significant and comparable information on ESG risks, including physical and transition risks, as well as **information on the assets that contribute to the Taxonomy environmental goals** (Green Asset Ratio and Banking Book Taxonomy Alignment Ratio).

Within these activities, CAI discloses that information in accordance with the Pillar III prudential disclosures consistently with its Parent Company Crédit Agricole S.A.. As at 31 December 2023 it contributed to the Pillar III reporting of Crédit Agricole S.A. processing the models on exposure to high transition risk sectors and breakdown of the real estate assets used as collateral by energy performance, physical and transition risks associated with climate change. As of 30 June 2024, the Group will be required to give full disclosure of all the templates determined by the European Banking Authority (EBA), including information on financed GHG emissions (Scope 3) and the EU Taxonomy.

Within the data management framework, the Bank started to develop an IT architecture based on the integration and management of ESG data in the Bank's applications and procedures, in order to strengthen the processes for the production of the ratios to be published in accordance with the EU regulatory framework and with the guidelines of the Crédit Agricole S.A. Group, in order to ensure the completeness and significance of the data and their timely production.

4 In compliance with Article. 449a of the Capital Requirements Regulation (CRR).

# INTEGRATION OF SUSTAINABILITY INTO CORPORATE GOVERNANCE

The ESG Governance model of Crédit Agricole Italia, which has been developed since 2021, consists of a sustainability structure that is clear, well defined and effective, with responsibility lying with the Board of Directors and the Top Management, with several levels:

- At the Board level, the “Sustainable Development” Board Committee was set up;
- At the Top Management level, the “ESG and Sustainability Managerial Committee” was set up;
- The third level is the **Sustainability Business Unit** which relies on the support of **30 ESG Managers**. The Sustainability Business Unit includes the ESG Disclosure Service, which was set up in 2023 and tasked with thorough management of the ESG disclosure obligations.

Therefore, the Board of Directors can rely on the support given and the analyses proposed by the Sustainable Development Committee and by the ESG and Sustainability Committee, in order to adopt the best possible strategy and thus to achieve the set sustainable development goals.

The Sustainable Development Committee supports the BoD in assessing and in analyzing in depth sustainability topics associated with the Bank’s operations, as well as in approving the strategic lines and policies concerning ESG and Sustainability matters, including the cultural and social responsibility model and fight against climate change, contributing to ensuring the best possible management and control of risks and taking into account the objective of sound and sustainable value creation for all stakeholders.

The ESG and Sustainability Committee is the decision-making body and is responsible for assessing and prepare the proposals for sustainability policies to be submitted to the Board of Directors for approval, after being validated by the Sustainable Development Committee. Within the sustainability policies approved by the Board, it promotes, steers and approves the strategic plans and initiatives of the Crédit Agricole Italia Banking Group aimed at improving over time the Group’s impact on the society, the environment and the governance (ESG rating) and at managing the ESG risks taken by the Group.

The Committee oversees sustainability topics for the Crédit Agricole Italia Banking Group, such as assistance to the stakeholders in their energy transition and social and financial inclusion.

## INVOLVEMENT AND ENGAGEMENT OF PEOPLE

Crédit Agricole Italia's commitment to adopting and promoting sustainability, not only as an option but rather as an integral part of its corporate mission and vision, requires a full range evolution of its organization, which, first and foremost, must be a cultural evolution.

The drivers which the Bank is acting on are many, from the evolution in internal leadership consistently with ESG principles and governance, to the onboarding of new resources, to the upskilling of the people already on staff, whereby, at an operational level, the Bank has now specialist "Front Office" structures (Sustainable Banking at CACIB Milan and ESG team in CAI Corporate Banking channel) tasked with meeting the customer enterprises' needs concerning Sustainability.

As a direct consequence, sustainability matters are being more and more integrated also in training programmes and in internal communication for the Group's employees.

The "ESG" training has been designed to ensure that our people develop culture and skills, which are essential in the scope of ecological transition and of Italy's Recovery and Resilience Plan, and aims at ensuring the ability to give a more and more targeted response to our Customers' requirements, consistently with and supporting the Group's strategic plan. To that effect, our training programmes include diverse subjects in accordance with their target group and cover a wide range of topics.

Indeed, in 2023, training continued to be provided to all personnel, starting from the Board itself, which was involved in a specialist programme on ESG matters, with scenario-related, trend-related, specialist and regulatory contents.

A custom-made and certified training programme was designed and proposed to the ESG Managers of the functions that have been the most impacted by the developments in the applicable legislation, consisted of 5 sessions held by trainers expert in the sector and enabled the trainees to obtain the ESG ABI Expert professionalizing certificate. Some of the many topics covered were: the EU environmental taxonomy and its consequences on lending, risk management, finance and disclosure processes.

Furthermore, seven training programmes on ESG and Third Sector topics were made available in e-learning mode on Digital Academy, the training platform open to all employees, and specialist training initiatives were designed and provided to the staff of some structures and to those that are engaged in on-boarding new hires or that, in their turn, are internal trainers.

Furthermore, thanks to the support given by some "Ambassadors" to their colleagues in learning, training on sustainability continued for the personnel that approaches for the first time the technical commissions in order to take on the role of Branch Manager.

Indeed, the activity of our "Sustainability Ambassadors" continues to play a valuable role in disseminating the ESG culture throughout the Company and in promoting sustainable practices; in 2023 this community further extended with the entry of about forty people, from both the Network and Central Departments.

Lastly, having regard to people engagement, worth mentioning are the Volunteer activities supported by important partnerships, such as that with Save the Children for the "Digital Connections" programme, which directly involves the specific skills of some colleagues to support the students.

## LISTENING TO AND DIALOGUE WITH STAKEHOLDERS

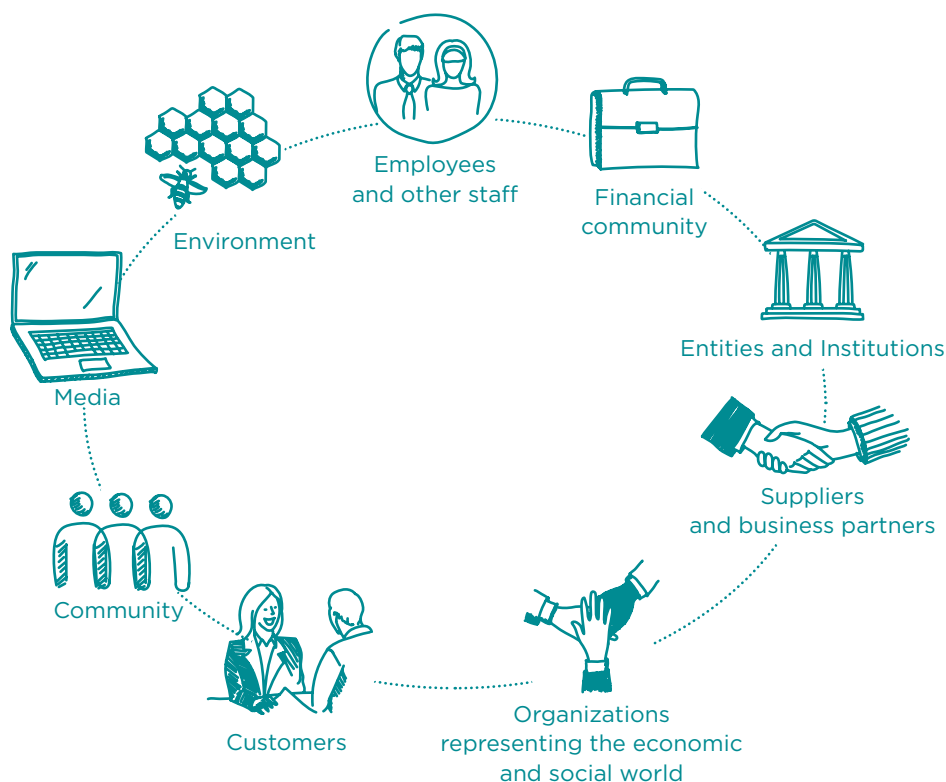
Crédit Agricole Italia holds dialogue with its stakeholders a key aspect of its model of doing banking business. Indeed, it is the tool whereby the Bank reports to its stakeholders about its commitments and performances, as well as an opportunity to listen to the needs that are specific to the regions where it operates. For this reason, stakeholder engagement is a systemic cornerstone able to strengthen the sustainability strategy of the Bank, which, over the years, has set up a **structured path aimed at promoting on a continuous basis the channels through which it can interact and exchange views with its stakeholders**

In 2023 Crédit Agricole Italia wanted once again give voice to those that could best describe, on various grounds and from different standpoints, the developments in Italy's social and economic context and the latent or emerging needs which the Bank can contribute to meeting through:

- A cycle of one-to-one interviews with key players, involving industry experts - including a European institution, a sustainable development organization, a financial sector organization, and a representative of academia - customers, third sector entities, banking foundations and innovation hubs. Alongside it, another cycle was held of 9 one-to-one interviews with the Bank's Top Management.

These opportunities to exchange views gave the Bank useful elements to detect and understand the trends that describe the scenario and needs of the regions in which it operates, besides being important inputs for the development of its strategy. Specifically, it could be assessed that the Bank is perceived as belonging to them and as a player that can develop significant networks and synergies, besides having resources able to guide intents and support the development of a sustainability and innovation culture.

For higher awareness of the parties that have relations and interests with the Bank and are impacted by its operations, in 2023 the Bank updated the mapping of its stakeholders, and their reorganization into categories is represented below.





# MATERIAL TOPICS RELEVANT TO BUSINESS OPERATIONS

## MATERIALITY ASSESSMENT UPDATING

Besides being an essential activity to maintain and strengthen interactions with all those who have a stake in the Bank's operations and to constantly provide inputs that are useful to strengthen the Bank's sustainability strategy, stakeholder engagement activities also contribute to the periodic updating of the materiality assessment.

The materiality assessment is the main process whereby, examining risks and opportunities **the topics that are material in social, environmental and governance terms are defined** in order to focus also the non-financial reporting exercise on them.

With the entry into force of the GRI 2021 Revised Universal Standards, the process for the definition of material topics has been revised, strengthened and oriented towards **the reading of the impacts that the organization has or may have on the economy, on the environment or on people, including human rights, as a result of its business activities or relations**. In this regard and in order to further increase compliance with the standard, the approach adopted with the 2022 NFS has been made even stronger with a benchmark analysis focusing on the impacts generated by the banking business and with the alignment to the basket of impact identified by the Parent Company Crédit Agricole S.A..



The outcome of this first phase consisted in a list of impacts, which were concomitantly identified and assessed by the top officers of the Bank and a group of stakeholders that were involved as industry experts. Thanks to the combination of the two standpoints, the points of tangency between Italy's social and economic trends and the Bank's development directions could be considered in terms of impact, thus contributing to fine tuning the definition, in semantic terms, of the identified impacts while also rating them in terms of significance. Then, the impacts were measured through the contents that emerged from the one-to-one interviews with a more diverse group of stakeholders and from the "Sustainable future trajectories" event.

The table below reports the identified impacts, giving the description of their specific meaning and the assessment that emerged from the process.

Impact	Type	Impact description	Impact weight
<b>Development of new enterprise and innovation models</b>	Positive/ Actual	Thanks to partnerships and to the implementation of specific products, services and initiatives, proactive cooperation can be ensure contributing to the promotion and generation of new entrepreneurial ideas and of processes aimed at social, economic and environmental innovation in the regions.	HIGH 3.8
<b>Local development</b>	Positive/ Actual	By implementing specific products, services and initiatives, support can be provided to SMEs and small local businesses, while also ensuring support (through sponsorships, charity and the promotion of CSR activities) in generating local development and driving a positive change in the regions.	HIGH 3.2
<b>Decarbonization of the economy</b>	Positive/ Potential	The implementation of specific products, services and initiatives gives tangible support to the decarbonization of the economic fabric. The promotion of awareness-increasing initiatives on this topic is yet another vehicle to generate positive impacts.	HIGH 3
<b>Growth and development of specific skills</b>	Positive/ Actual	The materiality of employees and other staff members and the commitment to developing their skills in order to ensure the utmost enhancement of each one of them, and therefore, better and better service to customers, are fundamental assets for the strategy.	MEDIUM 2.6
<b>Financial education</b>	Positive/ Actual	The knowledge of financial matters puts customers in the condition of understanding the value of the products and services given by the Bank and to make mindful choices that are consistent with their needs.	MEDIUM 1.8
<b>Exclusion from credit for sustainable development</b>	Negative/ Actual	The application of ESG,assessment metrics, which is necessary in order to identify deserving persons and entities, must go along with close attention by account managers in order to mitigate possible methodological issues that may arise in said assessment processes. Keeping close control on those processes enables to mitigate any negative outcomes, including the potential exclusion of smaller entrepreneurial projects for sustainable development.	MEDIUM 1.6
<b>Financial inclusion</b>	Positive/ Potential	By implementing specific products, services and initiatives, credit support is extended also to non-bankable vulnerable people and to third sector nonprofit players that are generally more excluded. This will be able to generate wider financial inclusion	MEDIUM 1.6

*continues*

Impact	Type	Impact description	Impact weight
<b>Regional exclusion</b>	Negative/ Potential	The reorganization of the regional assets is a result of the strong boost to digitalization. Those developments must be kept under close control, in order to mitigate any potential perception of regional exclusion and the consequent loss of stakeholders' trust, which may well be a consequence.	MEDIUM 1.4
<b>Lower engagement and involvement of local stakeholders</b>	Negative/ Actual	The changes in physical arrangements sharpen the need to oversee the relationship with the local social players, especially the third sector and nonprofit entities. Reasoning from a perspective of stronger dialogue with the local players, agents of social development and innovation, is an important key to the interpretation of the regional dynamics, useful to prevent and possibly mend the distance between the bank and the local communities.	MEDIUM 1.4
<b>Enhancing the efficiency of real estate properties in Italy</b>	Positive/ Actual	The development of specific products, services and initiatives fit to support the renovation and upgrading of real estate properties in Italy, which are often old, is a very material scope that can have a positive effect on the achievement of higher efficiency and therefore on the environment.	MEDIUM 1.2
<b>Selective accessibility to the services</b>	Negative/ Potential	Although digitalization has increased the opportunities of and easy access to services, it is a process able to generate also exclusion. Combined with the reorganization of physical premises and the potential reduction in proximity services in the regions, it is an element to be closely monitored.. Specifically, close attention must be kept on involuntary exclusion of segments of the population (diverse cognitive abilities, vulnerable persons without any suitable means, no capital and no digital skills, elderly people) from the use of the services.	MEDIUM 1

*continues*

Impact	Type	Impact description	Impact weight
<b>Wellbeing and inclusion of employees</b>	Positive/ Actual	Acknowledging the role and materiality of employees and other staff is essential to implement processes for the development of their skills and of projects and initiatives aimed at ensuring the inclusion and enhancement of each one of them. The attention scopes whereby an inclusive work environment is strengthened are diverse and wide-ranging: among them, acknowledging skills, enhancing diversities, the corporate climate and psychophysical wellbeing. Care for these aspects enables to generate positive impacts on health and sense of inclusion, enhancement and acknowledgement of employees.	LOW 0.8
<b>Customer security (cybersecurity)</b>	Negative/ Actual	The digitalization of services and the increase in new forms of bank and financial fraud entail higher risk of loss of data and security breaches affecting customers and require constant control and monitoring in order to mitigate potential negative impacts.	LOW 0.6
<b>Impact on employment due to the processes for digitalization and operations efficiency enhancement</b>	Negative/ Actual	The wider and wider use of digital technologies in business processes and the enhancement of the operations efficiency require constant oversight of the management of human capital in order to maintain quality employment.	LOW 0.4
<b>Impact on savings protection</b>	Negative / Potential	The push towards the achievement of business targets may lead to unfair commercial practices in the allocation of financial products, thus causing damage to customers.	LOW 0.4

The list of impacts, ordered by weight, was referenced to the material topics whose definition determined their scope of relevance. Versus the 2022 list, the “Savings protection” material topic has been added, to which a positive impact has been associated regarding financial education, along with a negative impact associated with unfair commercial practices.

Furthermore, the Bank has deemed it appropriate to report the 2023 results of its commitments regarding the “creation of sustainable and long-lasting value” and “integrity and transparency in governance processes and business management” topics, which have been held as material although not confirmed in terms of impacts by the materiality assessment and by any input given by the stakeholders.

The material topics, along with their positive and negative impacts, are reported below.

2023 material topics	Relevance	Positive impacts	Negative impacts
<b>Innovation and accessibility of the (service) model</b>	In this period in our history we are at a crossroads: on the one hand, we have the need to evolve keeping pace with digital innovation and, on the other hand, we have the responsibility to ensure the right of access to the services. Innovation (digital innovation) is a key driver for the banks of today and of tomorrow, but brings along the risks associated with digital divide and security. Innovation of the banking model must consider the central position held by the Bank in a structure of relations where it is responsible for facilitating dialogue along and across all supply chains, in order to detect and meet local needs and requirements.	<ul style="list-style-type: none"> <li>• Financial inclusion</li> <li>• Development of new enterprise and innovation models</li> </ul>	<ul style="list-style-type: none"> <li>• Customer security (cybersecurity)</li> <li>• Selective accessibility to the services</li> </ul>
<b>Bank and regions</b>	Crédit Agricole Italia is a bank with strong regional vocation. The «proximity bank» definition comes from a tradition based on a well-established and long-standing model and able to read the regions and local communities. Its evolution that has brought it to be part of a large international Banking Group and the rationalization of branches have raised fears in the local communities concerning the relationship and inclusion dimensions in the sustainable development process.	<ul style="list-style-type: none"> <li>• Local development</li> </ul>	<ul style="list-style-type: none"> <li>• Regional exclusion</li> <li>• Selective accessibility to the services</li> <li>• Lower engagement and involvement of local stakeholders</li> </ul>
<b>Entrepreneurship and agri-food supply chain</b>	Providing support to enterprises, especially to the agri-food sector, is core to the range of products and services developed by the Bank. In order to seize the opportunities for growth in enterprises, the dialogue with them must be strengthened and their reality and needs must be known in order to prevent the exclusion of any of them from the development path, also as regards lending for innovation and sustainability.	<ul style="list-style-type: none"> <li>• Decarbonization of the economy</li> <li>• Development of new enterprise and innovation models</li> </ul>	<ul style="list-style-type: none"> <li>• Exclusion from credit for sustainable development</li> </ul>
<b>Role of credit in sustainable development</b>	The banking system has the responsibility to steer sustainable development through lending and, in doing this, to meet local needs. Credit becomes a vehicle to enable economic and social development, but it cannot be effective if it does not rest on solid networks.	<ul style="list-style-type: none"> <li>• Decarbonization of the economy</li> <li>• Enhancing the efficiency of real estate properties in Italy</li> <li>• Financial inclusion local development</li> </ul>	<ul style="list-style-type: none"> <li>• Exclusion from credit for sustainable development</li> </ul>

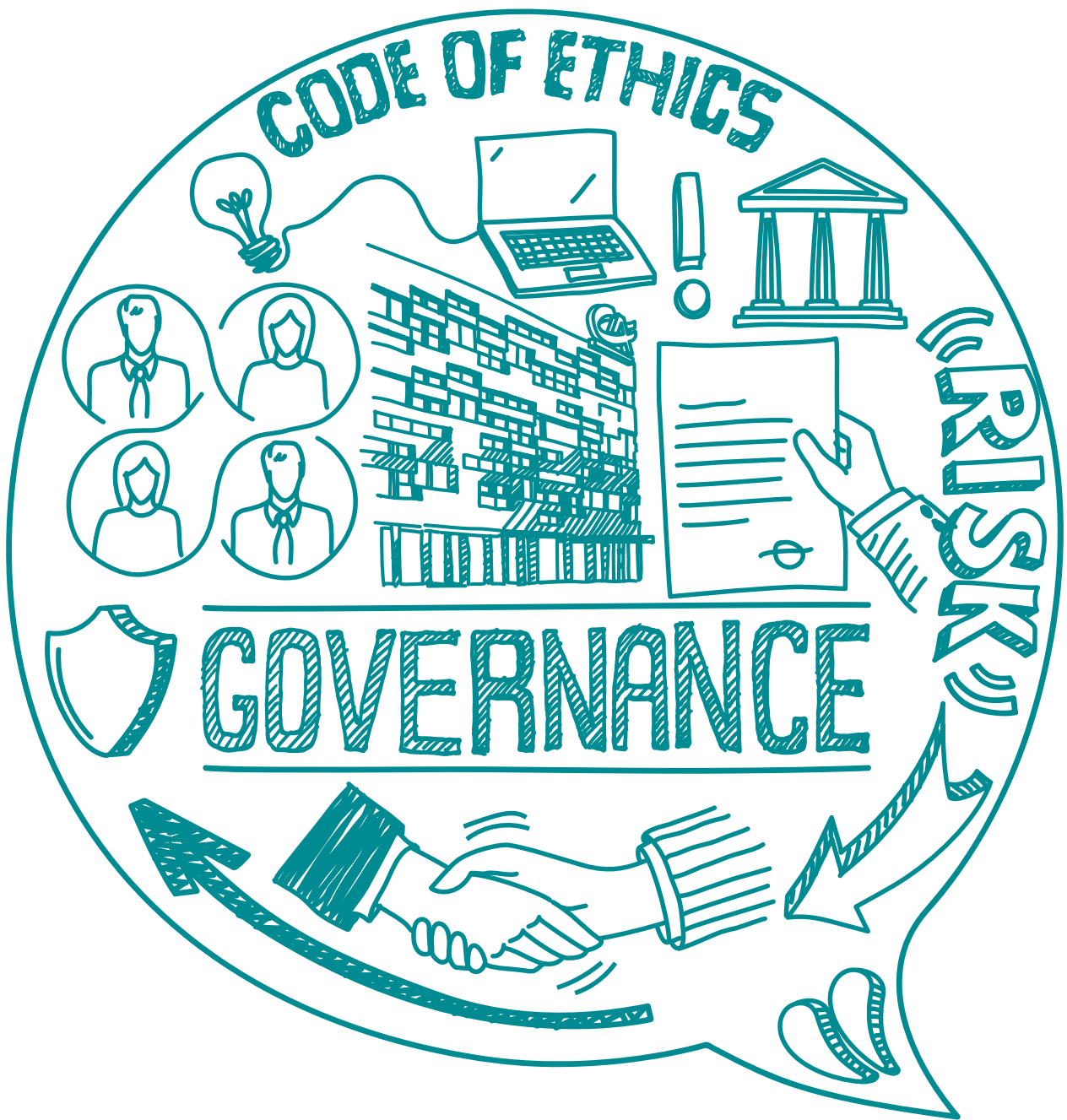
*continues*

2023 material topics	Relevance	Positive impacts	Negative impacts
<b>Climate change and real estate properties</b>	The economy decarbonization depends on the possibility to invest in the innovation of production models. Assessment metrics and standardization generate the risk of failing to understand specific potential and intentions and, consequently, of excluding possibilities of sustainable development, especially for enterprises and the third sector.	<ul style="list-style-type: none"> <li>Enhancing the efficiency of real estate properties in Italy</li> <li>Decarbonization of the economy</li> </ul>	
<b>Centrality of people</b>	People are the bank's success engine. Their knowledge, skills and the possibility to express themselves in a healthy and inclusive work environment are essential factors for model innovation and service quality. Specifically, inclusion and systematic implementation of schemes for the enhancement of the diversities at the Bank (diversities of background, social and cultural capital, of gender, of abilities, of skills and expertise, ...) are must-have elements. Furthermore, the Bank is responsible for protecting quality employment in a scenario of digital development and enhancement of operations efficiency.	<ul style="list-style-type: none"> <li>Wellbeing and inclusion of employees</li> <li>Growth and development of specific skills</li> </ul>	<ul style="list-style-type: none"> <li>Impact on employment due to the processes for digitalization and operations efficiency enhancement</li> </ul>
<b>Savings protection</b>	Given the trust relationship, the Bank must ensure that its conduct is fair to all its Customers, working in their best interest and preventing any practices that may be disadvantageous to their financial situation. At the same time, sharing financial knowledge, it can put its customers in the condition of understanding their needs and, thus, to make mindful choices.	<ul style="list-style-type: none"> <li>Financial education</li> </ul>	<ul style="list-style-type: none"> <li>Impact on savings protection</li> </ul>



# 04

## THE CORPORATE AND BUSINESS MANAGEMENT MODEL





***GOVERNANCE AND ORGANIZATIONAL  
STRUCTURE***

***COMPLIANCE, INTERNAL CONTROL  
AND RISK MANAGEMENT SYSTEM***

***MANAGEMENT OF SUPPLIERS***

***FIGHT AGAINST ACTIVE AND PASSIVE  
CORRUPTION***

# GOVERNANCE AND ORGANIZATIONAL STRUCTURE

As regards its organization and corporate governance, the Crédit Agricole Italia Group complies with the applicable legislation and regulations and its Articles of Association and applies the Bank of Italy Supervisory Provisions.

The Companies of the Group have adopted the traditional model, which provides for the general meeting of Shareholders and two Bodies, both appointed by the General Meeting: the Board of Directors (BoD) and the Board of Auditors. The statutory audit of the accounts is assigned to an independent Audit Firm in compliance with the applicable legislation.

The corporate governance of the Group's Companies is entrusted, in accordance with their respective scopes of responsibility, to:

- The General Meeting of Shareholders;
- The Board of Directors;
- The Executive Committee, where appointed;
- The Chief Executive Officer, where appointed;
- The Board of Auditors;
- The General Management.



The Group's corporate governance model provides for the assignment of the various functions as follows:

- The direction and strategic oversight function is performed by the board of Directors, which resolves on strategic directions and continuously verifies their implementation;
- The management function is performed by the Board of Directors, which exercises it through, where appointed, the Executive Committee, the Chief Executive Officer and the General Management staff;
- The control function is vested in the Board of Auditors, which supervises compliance with the applicable legislation and regulations and with the Articles of Association, abidance by proper management principles, the adequacy of the Company's organizational structure as to the aspects in its scope of responsibility, of the internal control system and of the administration and accounting system, as well as its reliability in giving a true representation of operations.

The Chairman of the Board of Directors is at the very top of the Parent Company's corporate governance structure and the Chairman's role is to promote effective operation of the corporate governance system, ensuring the balance of powers vested in the Chief Executive Officer and the other Executive Directors; he or she is the reference officer for the internal control bodies and the Corporate Bodies of the Group's Companies and oversees external and institutional relations.

5 The Board of Directors of Crédit Agricole Italia (pursuant to Article 23 of the Articles of Association) has delegated the company management function to an Executive Committee, determining its composition, responsibilities and powers and method of operation. The Parent Company's Executive Committee in office as at 31 December 2023 consisted of five Executive Directors, one of whom is the Chief Executive Officer, who is a member as of right.

## BOARD OF DIRECTORS AND COMMITTEES

The BoD in office as at 31 December 2023 consisted of 15 members, 5 of whom executive members and 6 non-executive members, including the Chairman and 4 independent directors, 10 men and 5 women.

The Boards of Directors of Crédit Agricole Italia and of the Group's Companies consist of Directors meeting the requirements laid down by the applicable legislation and regulations and are regulated by the law and by the respective Articles of Association.

Specifically, the members of the Board of Directors of Crédit Agricole Italia shall meet the fit and proper and independence requirements, the expertise and fairness criteria, comply with the limitations to multiple directorships and with the time commitment requirement, i.e. dedicating the appropriate time to the performance of their duties, in compliance with the applicable legislation, regulations and supervisory provisions in force. In the composition of the bodies vested with strategic oversight, management and control functions, worth mentioning is the expediency of having persons with extensive and wide-ranging competencies in the sector, diversified professional backgrounds and diverse features in terms of age, gender, cultural background and international projection.

The BoD members are selected in accordance with the instructions given in the document that sets out the Board's optimal composition in qualitative and quantitative terms, and that is consistent with the policies adopted by the Bank in this scope:

- The Policy on the fit and proper requirements for office adopted by the Parent Company Crédit Agricole S.A., which applies also to the Italian entities and governs the fit and proper requirements that nominee directors must meet in accordance with the applicable legislation and regulations;
- The Policy to achieve actual gender inclusion, which governs gender quotas in the BoD, responding to social equity demands, preventing discrimination and improving the Board's decision-making mechanisms thanks to new and diverse skills and expertise and to debate that is less exposed to *groupthinking* phenomena.

The non-executive directors may not be vested with any decision-making powers and with no specific tasks, and may not be involved, officially or unofficially, in executive management. The Parent Company's Non-executive Directors take part in the procedures for the appointment and termination of office of the Holders of Control and Risk Management Functions.

Also the Chairman of the Board of Directors has a non-executive role, without prejudice to his or her power to adopt resolutions, in case of urgency, on any and all matters or transactions in the scope of responsibility of the BoD (except of the matters the resolution on which is the exclusive responsibility of the Board of Directors), in accordance with Crédit Agricole Italia's Articles of Association in force.

The independent Directors shall supervise - with independence of mind - the company management ensuring that it is performed consistently with the sound and prudent management objectives. The independence of Directors is assessed upon their appointment and continuously thereafter by the Board of Directors.

In performing its functions, the BoD is assisted by five Board Committees. The Board Committees:

- Consist of non-executive directors and, for the majority, independent directors;
- have a Chairman who coordinates their work;
- Must be different one from the other by at least one member and at least one member must belong to the less represented gender.

Committee	Functions
<b>Internal Control Audit Committee</b>	It is responsible for giving advice and making proposals to the Board of Directors about risk management, the accounting information system and the internal controls system, in order to ensure that the control framework is efficient and effective.
<b>Related Party Committee</b>	It is responsible for verifying the transparency and substantial procedural fairness of the transactions carried out with Associated Persons, as well as for giving its prior and non-binding opinion on said transactions.
<b>Appointments Committee</b>	Its responsibility concerns the appointment of corporate officers and is engaged in advisory and proposal-making functions.
<b>Remuneration Committee</b>	It has the function of providing support as regards the remuneration policies and the definition of pay applied within the Group.
<b>Sustainable Development Committee</b>	It provides support in making strategic decisions on Environmental, Social and Governance (ESG) matters. It examines and assesses the proposals for the various projects as regards social, environmental and governance aspects to define and actually implement the Group's ESG policies.

	Executive	Non-executive	Independent	Role in the Board Committees
<b>Ariberto Fassati</b> <i>Chairman</i>		X		Chairman (5)
<b>Giampiero Maioli (*)</b> <i>Chief Executive Officer (CEO)</i>	X			
<b>Olivier Gavalda</b> <i>Deputy Chair</i>		X		
<b>Annalisa Sassi</b> <i>Deputy Chair</i>		X		Member (3) Member (5)
<b>Evelina Christillin</b> <i>Director</i>			X	Chair (4), Alternate member (2), Member (3)
<b>Anna Maria Fellegara</b> <i>Director</i>			X	Chair (1), Member (2), Member (4) Member (5)
<b>Lamberto Frescobaldi Franceschi Marini</b> <i>Director</i>			X	Chair (3), Member (2) Member (4)
<b>Gino Gandolfi</b> <i>Director</i>		X		
<b>Christine Gandon</b> <i>Director</i>		X		
<b>Nicolas Langevin</b> <i>Director</i>		X		Member (1)
<b>Hervé Le Floc'h (*)</b> <i>Director</i>	X			

continues

	Executive	Non-executive	Independent	Role in the Board Committees
<b>Michel Le Masson</b> (*) <i>Director</i>	X			
<b>Gaëlle Regnard</b> (*) <i>Director</i>	X			
<b>Marco Stevanato</b> <i>Director</i>			X	Chair (2), Member (1)
<b>Michel Mathieu</b> (**) <i>Director</i>	X			

(\*) Members of the Executive Committee.

(\*\*) this director resigned in January 2024. The General Meeting of Shareholders scheduled for April 2024 will appoint a new director.

(1) Internal Control Audit Committee (2) Related Party Committee (3) Appointments Committee (4) Remuneration Committee (5) Sustainable Development Committee.

As it is a large-size bank, pursuant to the Supervisory instructions, Crédit Agricole Italia has adopted a plan aimed at ensuring orderly succession in the top positions, including the Chairman of the Board of Directors, the Chief Executive Officer and General Manager, in order to ensure smooth continuity of operations and to prevent any repercussions in terms of profit or loss and reputation upon the end of terms of office or early termination of office.

Composition of governance (management and control) bodies of the companies of the Group (405-1)		2023	2022	2021
<b>By age group and gender</b>				
<30 years of age	No.	0	0	0
- of which women	%	0	0	0
30 - 50 years	No.	5	9	11
- of which women	%	80	67	73
> 50 years	No.	35	44	65
- of which women	%	20	16	14

Members of internal governance bodies by geographical origin		2023	2022	2021
Italy	No.	27	39	56
	%	67.50	73.58	74
France	No.	13	14	20
	%	32.50	26.42	26
Other countries	No.	0	0	0
	%	0	0	0

# COMPLIANCE, INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Crédit Agricole Italia attaches the **utmost materiality to the management and control of the risks** to which the bank is potentially exposed in accordance with the features of the complex regulatory and market scenario in which it operates.

The whole system of compliance, internal control and risk management adopted by the Group has been structured in accordance with the applicable national and international legislation, with the Supervisory instructions and expectations and the guidelines of the Parent Company Crédit Agricole S.A., and it is based on the principles listed below:

- Clear identification of responsibilities for risk taking, risk transfer and risk mitigation;
- Adoption of measurement and control systems that are compliant with the Supervisory guidelines and consistent with the solutions more frequently adopted at an international level;
- Organizational separation between operating and control functions.

The system's objective is to protect the Group's Companies, employees and top management from the risk of being subject to penalties and to ensure that value generation is pursued in a sustainable way while also keeping customers' interest at the centre.

The structures engaged in monitoring and control functions operate directly within the system, namely the Internal Audit, Compliance and Risk Management and Permanent Controls structures, along with the internal monitoring and control arrangements coordinated by the Risk and Internal Control Committee; whereas the Group's interfunctional committees governing business activities operate indirectly within the system, namely, the New Activities New Products Committee (NAP), the Investments Committee, the Loan Committee, the Non Performing Exposures (NPE) Committee of the Group and the Loan Monitoring Committee.

Indeed, these Committees receive support from the structures engaged in control functions as regards their respective scopes of responsibility and interact with the Internal Control Audit Committee.

More specifically, having regard to risk management, the assigned responsibilities are different based on the type of risk. Non-compliance risks associated with:

- Money laundering and terrorism financing;
- Compliance with international sanctions;
- Frauds, corruption, conflicts of interest, market abuse and other offences in the scope of D.Lgs 231/2001;
- Conduct violation;
- Compliance with the applicable legislation governing banking and intermediation activities;
- Personal data protection;
- Compliance with the applicable legislation and regulations on Information and Communication Technology (ICT).

Are controlled by the Compliance Department, whereas control of all other types of risk is the responsibility of the Risk Management and Permanent Controls Department.

The management of internal control systems is the responsibility of the Internal Audit Department, which is tasked with constant monitoring and control to ensure that the activities and processes concerning the organizational units of all the Companies of the Group and the most important Operational Structures are

compliant with the internal regulatory system, operating in full independence from any and all executive and decision-making structures regarding risk taking.

The Group's reference regulatory system consists of the main documents listed below:

- Ethics Charter of the Crédit Agricole Group;
- Code of Ethics of the Crédit Agricole Italia Group;
- Management Organizational Model;
- Policies and regulations.

The Risk and Internal Control Committee is also responsible for examining and approving risk management practices and for expressing a judgement on the Risk Policies to be submitted to the BoD for approval. Lastly, it analyzes the applicable legislation in force and decides on the proposals made by the operational teams in charge of risk management and prevention and reports to the Internal Control Audit Committee.

## THE RISK MANAGEMENT APPROACH

The approach adopted by the Group to identify, assess and mitigate risks is based on its **Risk Appetite Framework (RAF)**.

The identification process consists in maintaining an updated map of its material risks based on qualitative and quantitative detection and assessments carried out with the relevant structures. This process is carried out as specified in the ICAAP and ILAAP reports<sup>6</sup>. Then, the risk measurement methods and models are regularly updated through frequent monitoring and control activities that are the same for all its subsidiaries, each one of which is responsible for sharing and implementing, with their respective corporate bodies, risk management policies and procedures that are proportional to the risks taken.

The logo for the Risk Appetite Framework (RAF) consists of the letters 'RAF' in a bold, blue, hand-drawn style font.

Therefore, the framework serves as the reference in defining the maximum levels of risk that can be taken for each type. The risk appetite, which, in its turn, is set out in the related risk management policies, depends on the strategic directions that the Group intends to pursue in the related scope.

The logo for the Risk Appetite Statement (RAS) consists of the letters 'RAS' in a bold, blue, hand-drawn style font.

The use of the Framework is accompanied and supported by the **Policies on the RAF and on the Most Material Transactions (*Operazioni di Maggior Rilievo* or with the Italian acronym OMR) and by the Risk Appetite Statement (RAS)**, which sets out the risk management governance process and identifies the roles of the management and control structures within the Group for appropriate control of risks and proper setting of the RAF.

Furthermore, for each and every qualitative and quantitative risk mapped, the related risk ratios/indicators and alert thresholds are set, which, if breached, trigger a specific escalation process and the definition of an action plan to remedy the breach and to go back to sustainable levels of risk.

<sup>6</sup> The Internal Capital Adequacy Assessment Process (ICAAP) is the internal process whereby the firm can self-assess its capital adequacy; the Internal Liquidity Adequacy Assessment Process (ILAAP) is the process for the self-assessment of the adequacy of the firm's liquidity risk governance and management system in accordance with the Supervisory Provisions.

## THE MANAGEMENT OF TRANSITION RISKS AND OF PHYSICAL RISKS ASSOCIATED WITH GLOBAL WARMING

Together with its French Parent Company Crédit Agricole S.A. The Crédit Agricole Italia Banking Group contributes to the achievement of the Net-Zero Banking Alliance goals it has committed to, namely to align the emissions generated by its various portfolios to the trajectories that are compatible with reaching climate neutrality by 2050.

This is the goal pursued with multi-year action plans, which are progressively being implemented, aimed at **gradually including climate-related and environmental factors in its business model and strategy, in its governance and organization, in its risk management system and in its disclosures to the market** in accordance with the ECB a “Guide on climate-related and environmental risks - Supervisory expectations relating to risk management and disclosure” and in accordance with the instructions given by the Parent Company Crédit Agricole S.A..

In this scope, in 2023 the Group's activities focused especially on producing and managing “climate-related” data, both in-house and through contracts with external infoproviders and, in Q4 2023, it contributed to the collection of information within the Fit-For-55 exercise on data as at 31 December 2022.

Those data and information will be used to carry out a centralized climate stress testing exercise coordinated by the ECB as mandated by the European Commission; the Commission is interested in assessing and anticipate the shocks on the financial system subsequent to the commitments undertaken by the 27 Member States within the EU Green Deal, which provides for a 55% reduction in emissions by 2030 (vs. the 1990 levels).

Furthermore, in accordance with expectations no. 6 of the aforementioned Guide on climate-related and environmental risks, the Risk Management has structured internal reporting aimed at representing the exposures to climate-related and environmental risks in order for the Board of Directors and the relevant Board Committees to make informed decisions.

The reporting is delivered on a quarterly basis and covers transition and physical risks taking into account both the exposures secured by collateral and unsecured ones, using the place hazard mapping of the Italian territory made available by the Italian Institute for Environmental Protection and Research (ISPRA) and the Italian National Institute of Geophysics and Volcanology (INGV), as well as quantitative assessments received from external providers.



Scope	Material topic	Risk factors detected	Risk description	Management controls and mitigation actions implemented
<b>Social</b>	Innovation and accessibility in the service model	Risk of failing to protect personal data and privacy	Risk of economic and reputational losses caused by noncompliance with the applicable legislation on personal data protection.	<ul style="list-style-type: none"> <li>• Privacy - Policy of the Crédit Agricole Italia Banking Group</li> <li>• Personal data protection consolidated act</li> <li>• Circulars, Regulations and manuals on personal data protection and privacy</li> <li>• Domain policy (IT and privacy risk analysis method)</li> <li>• Implementation of Privacy By Design controls</li> <li>• Actions for awareness enhancement and internal communication</li> <li>• Continuous update of the privacy sections of the websites, apps and Intranet</li> <li>• Advisory services to structures engaged in business functions</li> <li>• Management of personal data protection matters concerning the exercise of rights</li> <li>• Monitoring of the consultation of Customers' financial data</li> <li>• Monitoring of key IT privileges (so-called System Administrators)</li> <li>• Monitoring IT enablements assigned to employees</li> <li>• Monitoring information flows outgoing from the perimeter (data loss prevention)</li> <li>• Projects of the Data Protection Service and support to the projects of other structures</li> <li>• Process for breach management and related controls</li> <li>• Periodic updating of the Record of processing and analysis of the related risks</li> <li>• Training of the DPO and of the data protection service personnel</li> <li>• Training and awareness raising of the Company's personnel, providing specialist training programmes and documents to the personnel authorized to process data for specific purposes (e.g., HR, marketing, controls, IT)</li> </ul>

*continues*

Scope	Material topic	Risk factors detected	Risk description	Management controls and mitigation actions implemented
Social	Innovation and accessibility in the service model	ICT and Security risk • ICT security risk • ICT availability and continuity risk • ICT change risk • ICT data integrity risk • ICT outsourcing risk	Risk of losses due to confidentiality breaches, poor integrity of systems and data or inability to replace Information Technology (IT) within reasonable time limes and costs in case of modification of the requirements of the external context or activity (agility), as well as security risks resulting from inadequate or wrong internal processes or to external events, including cyberattacks or inadequate level of physical security.	<ul style="list-style-type: none"> <li>• ICT Risk Framework Policy</li> <li>• Policy governing the “Manager des Risques Systèmes d’Information” (MRSI) function</li> <li>• Domain policy (IT and privacy risk analysis method)</li> <li>• Risk Strategy</li> <li>• ICT Risk control dashboard</li> <li>• Permanent Controls Framework</li> <li>• Communication and Training also on cybersecurity</li> <li>• Periodic review of the security settings of the IT infrastructure</li> <li>• Continuous search for new cybersecurity technologies to strengthen defence</li> <li>• Enhancement of monitoring schemes and of incident detection ability;</li> <li>• Continuous implementation of controls and safeguards in the identify, protect, detect, respond, recover scope</li> <li>• Stronger control on IT service providers and third parties</li> </ul>
		Fraud Risk	Risk resulting from an intentional action aimed at obtaining tangible or intangible advantages to the detriment of a person or organization perpetrated in breach of legislation, regulations, internal normative instruments and rules.	<ul style="list-style-type: none"> <li>• The Crédit Agricole Italia Banking Group’s policy for combating fraud</li> <li>• Regulation for the management of the fraud combating process</li> <li>• Code of Ethics</li> <li>• Code of Conduct</li> <li>• Mandatory training</li> <li>• 24X7 Fraud Prevention Control within Internet Banking and E-money</li> <li>• Awareness -raising actions on internal and external customers</li> </ul>
		Non-compliance risks	Risk of judicial or administrative penalties, material financial losses.	<ul style="list-style-type: none"> <li>• Compliance Policy of the Crédit Agricole Italia Banking Group</li> </ul>

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Scope	Material topic	Risk factors detected	Risk description	Management controls and mitigation actions implemented
Social	Role of credit in sustainable development	Credit risk	Credit risk in financing activities featuring social issues resulting from failure to assess material social aspects for the specific sector in measuring credit-worthiness.	<ul style="list-style-type: none"> <li>• Risk Strategy</li> <li>• Lending policies</li> <li>• Implementation of ESG correction factors in the calculation of the weighted authorized amount in order to factor in the sector riskiness and the ESG performance of the counterparty</li> <li>• CERVED Rating Agency questionnaire or ESG-based questionnaire focusing on the social scope</li> <li>• ESG Customer File with diagnostic assessment of potential sectoral risk of a social nature (SASB matrix)</li> <li>• Training refresher programmes on ESG Lending</li> </ul>
	Entrepreneurship and agri-food supply chain	Credit risk	Credit risk in financing activities featuring social issues resulting from failure to assess material social aspects for the specific sector in credit rating.	<ul style="list-style-type: none"> <li>• Risk Strategy</li> <li>• Lending policies</li> <li>• Implementation of ESG correction factors in the calculation of the weighted authorized amount in order to factor in the sector riskiness and the ESG performance of the counterparty</li> <li>• CERVED Rating Agency questionnaire or ESG-based questionnaire focusing on the Social (S) scope</li> <li>• ESG file with diagnostic assessment of potential sectoral risk of a social nature (SASB matrix)</li> </ul>
	Bank and regions	Reputational risk	Present or forward-looking risk of decline in profits or capital caused by any negative perception of the Bank's image by customers, counterparties, shareholders and authorities.	<ul style="list-style-type: none"> <li>• Brand positioning and Corporate Social Responsibility initiatives (philanthropic activities carried out by the Group)</li> <li>• Code of Ethics</li> <li>• Code of Conduct</li> <li>• Training programme on the Code of Ethics and the Code of Conduct</li> </ul>

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Scope	Material topic	Risk factors detected	Risk description	Management controls and mitigation actions implemented
Social	Bank and regions	Credit risk	Credit risk in financing activities featuring Social issues resulting from failure to assess material social aspects for the specific sector in credit rating.	<ul style="list-style-type: none"> <li>• Risk Strategy</li> <li>• Lending policies</li> <li>• Implementation of ESG correction factors in the calculation of the weighted authorized amount in order to factor in the sector riskiness and the ESG performance of the counterparty</li> <li>• CERVED Rating Agency questionnaire or ESG-based questionnaire focusing on the Social (S) scope</li> <li>• ESG file with diagnostic assessment of potential sectoral risk of a social nature (SASB matrix)</li> </ul>
	Savings protection	Reputational risk	Present or forward-looking risk of decline in profits or capital caused by any negative perception of the Bank's image by customers, counterparties, shareholders and authorities.	<ul style="list-style-type: none"> <li>• Code of Ethics</li> <li>• Code of Conduct</li> <li>• Training and communication initiatives on Financial Education</li> <li>• Common glossary of the terms to be used in the press releases, social media posts and in designing the products in order to mitigate the risk of greenwashing</li> <li>• Guidelines that set out the main reference standards and the latest stances regarding green claims, advertising, financial and non-financial communications in the ESG scope</li> <li>• Continuous monitoring of the complaints filed by customers</li> </ul>
	Savings protection	Non-compliance risk	Risk of judicial or administrative penalties, material financial losses or reputational damage resulting from violation of mandatory requirements (laws, regulations) or self-regulation (articles of association, code of conduct, self-governance codes), e.g. adoption of unfair commercial practices for allocating products.	<ul style="list-style-type: none"> <li>• Code of Ethics</li> <li>• Code of Conduct</li> <li>• Policy in force on conflicts of interest and inducements in managing investment services (integrated for ESG scopes)</li> <li>• MiFID questionnaire (integrated for ESG scopes)</li> <li>• ESG suitability model: portfolio concentration blocking control</li> <li>• Analysis and assessment of the risks associated with product marketing practices</li> <li>• Training and communication initiatives on Financial Education</li> </ul>

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Scope	Material topic	Risk factors detected	Risk description	Management controls and mitigation actions implemented
<b>Fight against active and passive corruption</b>	Integrity in governance processes and in business management	Bribery and corruption risk	Risk associated with abusive conducts adopted within ordinary performance of a function, which aim at soliciting, offering, giving or accepting - directly or indirectly - unlawful assets or advantages or the promise of undue advantages.	<ul style="list-style-type: none"> <li>• Policy on prevention of bribery and corruption risk</li> <li>• Whistleblowing Policy</li> <li>• General awareness raising by the top officers (e.g., reminder on 9 December, the international day of fight against corruption)</li> <li>• Code of Conduct</li> <li>• Code of Ethics</li> <li>• DLgs 231/2001 - Organization, Management and Control Model (MOG);</li> <li>• Assessment of internal processes to prevent bribery and corruption risk</li> <li>• Specific internal regulation on the assessment and selection of suppliers and providers</li> <li>• Specific risk assessment of all new activities and new products (NAP)</li> <li>• Modular training in accordance with roles and responsibilities (general for all employees, specialist for roles and positions at risk)</li> </ul>
<b>HR management</b>	Centrality of people	Risk associated with Occupational Health and Safety	Risk of incurring losses subsequent to accidents and potential legal disputes for accidents at work regarding the activities performed, the workplace and work equipment.	<ul style="list-style-type: none"> <li>• Code of Ethics and Code of Conduct</li> <li>• Mandatory training courses for all personnel</li> <li>• Risk Assessment Document and mitigation plan</li> </ul>

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Scope	Material topic	Risk factors detected	Risk description	Management controls and mitigation actions implemented
Human Resources management	Centrality of people	Non-compliance risks	Risk of judicial or administrative penalties, material financial losses or reputational damage resulting from violation of mandatory requirements (laws, regulations) or self-regulation (articles of association, code of conduct, self-governance codes), e.g. violation of welfare and equal opportunity requirements.	<ul style="list-style-type: none"> <li>• Ethics Charter of the Crédit Agricole Group</li> <li>• Code of Ethics</li> <li>• Code of Conduct</li> <li>• Charter of Respect</li> <li>• Agreement with the Trade Unions on gender violence</li> <li>• Women in Banking Chart</li> <li>• Training on the Code of Ethics, the Code of Conduct and the Charter of Respect</li> <li>• Training and decision-making powers system</li> <li>• Remuneration policies</li> <li>• Compliance the obligations to employ people with disabilities under Italian Law 68/99</li> <li>• ABI Protocol providing for easy loan repayment terms to women that are victims of gender-based violence</li> </ul>
		Risk of non-retention of skilled resources	Risk of uncontrolled increase in turnover with the subsequent risk of losing skilled resources and consequent impact on productivity and competitiveness of the Company.	<ul style="list-style-type: none"> <li>• The Group's Remuneration and Incentive and Incentive policies</li> <li>• Career paths</li> <li>• Development paths</li> </ul>
Human Rights		Non-compliance risk	Risk of judicial or administrative penalties, material financial losses or reputational damage resulting from violation of mandatory requirements (laws, regulations) or self-regulation (articles of association, code of conduct, self-governance codes), for example for discriminatory remarks, attitudes or behaviours.	<ul style="list-style-type: none"> <li>• Code of Ethics</li> <li>• Code of Conduct</li> <li>• Training on the Code of Ethics, the Code of Conduct and the Charter of Respect</li> </ul>

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Scope	Material topic	Risk factors detected	Risk description	Management controls and mitigation actions implemented
<b>Human Rights</b>		Credit risk	Credit risk in financing activities featuring social issues resulting from failure to assess material social aspects for the specific sector in measuring credit-worthiness.	<ul style="list-style-type: none"> <li>• Lending policies</li> <li>• ESG file with diagnostic assessment of potential sectoral risk of a social nature</li> <li>• CERVED Rating Agency questionnaire or ESG-based questionnaire focusing on the Social (S) scope</li> <li>• Modular training in accordance with roles and responsibilities</li> </ul>
		Reputational risk	The present or forward-looking risk of decrease in profits or capital subsequent to any negative perception of the Bank's image by customers, counterparties, shareholders, investors and authorities.	<ul style="list-style-type: none"> <li>• Brand positioning and Corporate Social Responsibility initiatives</li> <li>• Code of Ethics</li> <li>• Code of Conduct</li> <li>• Modular training in accordance with roles and responsibilities</li> </ul>
<b>Environmental</b>	Climate change and environmental heritage	Non-compliance risks	Risk of judicial or administrative penalties, material financial losses or reputational damage resulting from violation of mandatory requirements (laws, regulations) or self-regulation (articles of association, code of conduct, self-governance codes) for non-compliance with the applicable legislation on environmental protection.	<ul style="list-style-type: none"> <li>• Strategy for upgrading the oldest and most polluting plants</li> <li>• FRED project (reduction in CO<sub>2</sub> emissions)</li> <li>• Energy policy</li> <li>• Environmental Management System (EMS) In accordance with the ISO 14001:2015 standard currently being adopted on a voluntary basis</li> <li>• Modular training in accordance with roles and responsibilities</li> </ul>

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Scope	Material topic	Risk factors detected	Risk description	Management controls and mitigation actions implemented
<b>Environmental</b>	Climate change and environmental heritage	Climate Risk (Physical risk and transition risk)	<p>Climate risks (physical and transition) are risk factors for the existing categories, with specific regard to credit, operational, market and liquidity risks. Physical risk: risk of losses resulting from negative financial effects for the entity due to the present or future impact of the physical effects of environmental factors on counterparties, or the entity's invested assets</p> <p>Transition risk means the financial loss that an entity may incur, directly or indirectly, subsequent to the adjusting process within the shifting to an economy with low carbon emission and more environmentally sustainable. That situation may be caused, for example, by the relatively sudden adoption of climate and environmental policies, by technological progress or by any change in markets' confidence and preferences.</p>	<ul style="list-style-type: none"> <li>• Code of Ethics</li> <li>• Model 231</li> <li>• Sustainability Governance structuring</li> <li>• Multi-year action plans to ensure compliance with the ECB's 13 expectations and with the 12 expectations of the Bank of Italy</li> <li>• Participation in the ECB stress test exercise on climate risk;</li> <li>• Mapping of physical and transition risks</li> <li>• Lending policies</li> <li>• Definition of decarbonization goals and trajectories in accordance with the Net Zero Banking Alliance commitments</li> <li>• Enrichment of the information wealth</li> <li>• ESG principles in remuneration policies</li> <li>• Energy policy</li> <li>• Modular and diversified ESG training in accordance with roles and responsibilities</li> <li>• ESG training</li> <li>• Development of tools and management reporting regarding climate-related and environmental risks matters</li> <li>• Development and marketing of products designed to assist our customers in their transition process</li> </ul>

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Scope	Material topic	Risk factors detected	Risk description	Management controls and mitigation actions implemented
Environmental	Climate change and environmental heritage	Reputational risk	Present or forward-looking risk of decline in profits or capital caused by any negative perception of the Bank's image by customers, counterparties, shareholders and authorities, for example linked to possible environmental impacts.	<ul style="list-style-type: none"> <li>• Energy policy</li> <li>• Policy for control on plants with renewable sources</li> <li>• Development of products and services with environmental purposes</li> <li>• Environmental Management System (EMS) In accordance with the ISO 14001:2015 standard currently being adopted on a voluntary basis</li> </ul>
		Credit risk	Credit risk in financing activities that feature environmental issues resulting from failure to assess material environmental aspects for the specific sector in measuring credit-worthiness.	<ul style="list-style-type: none"> <li>• Lending policies</li> <li>• Risk Strategy</li> <li>• Code of Ethics</li> <li>• ESG file with diagnostic assessment of potential counterparty risk of a physical/climate-related/ environmental nature</li> <li>• CERVED Rating Agency questionnaire or ESG-based questionnaire focusing on the Social (S) scope</li> </ul>

## INTEGRATION OF ESG PARAMETERS IN LENDING POLICIES AND IN THE DEVELOPMENT OF NEW PRODUCTS

Lending is one of the main tools whereby the bank contributes to generating a positive social and economic impact, both directly through financial inclusion and support to development and to virtuous entrepreneurial undertakings, and indirectly supporting a fair and sustainable transition of the Country's social and economic fabric.

The process to define and update its lending policies, also from a risk management standpoint, is carried out every year and involves the Credit Department, the Risk Management and Permanent Controls Department, the Commercial Channels Departments and the Compliance Department.

Specifically, the Credit Department is responsible for monitoring the yearly update and regularly reports to the Board of Directors and to the Executive Committee. After completing the process, the policies are submitted for examination and approval to the Boards of Directors of the Bank. On the other hand, the Commercial Banking Departments are responsible for segmenting customers into the classes defined in the Lending Policy and for applying the respective strategy to each class.

In the ESG scope, the Group's lending policies first identify the sectors that are classified as featuring high social-economic risk, for which caution strategies are set, and the sectors offering significant development opportunities for both the Bank and the communities, which are conversely addressed following specific expansionary policies.

New lending transactions are indeed assessed and originated based on only on customer credit rating, but also **taking into account the climate-related and environmental risks, as well as of the Bank's mission to assist its customers in their energy and ecological transition, also through financial support.** Special attention is given to "sectors under surveillance" for which the social and economic impacts are assessed, and to "risky" sectors, featuring high consumption of landscape and not regulated, which include the real estate, hotel and construction sectors. As regards these sectors, the lending policies are restrictive and require compliance with limits that are defined on a yearly basis in the risk strategy.

In 2023, some of the changes made were the extension of the perimeter of sectors to be given special attention adding guidelines for the Oil & Gas Sector and the validation of the instructions already in force for lending to counterparties operating in the mining and iron and steel sectors, in the sector of energy produced from steam coal and in the non-conventional hydrocarbons sector.

In the sectors featuring “attractive” economic activity, the Group implements specific policies supplementing lending ones and aimed at governing business operations in given scopes and at setting directions on compliance with the applicable legislation.

Specific policies are in force concerning the agri-food sector, in accordance with the “Agriculture Project”, and the internationalization of enterprises featuring strong focus on exports and a significant portion of their revenues from international business.

Having regard social parameters, the risk strategy also sets out specific directions regarding the origination of mortgage loans to Customers belonging to the weakest groups in socio-economic terms, including young couples, single parents and people with atypical work contracts, secured by the Guarantee Funds set up by the Italian Ministry for the Economy and Finance.

In investment services, on the provision of advice, a new control has been implemented on portfolio sustainability. That procedure applies to customers that have expressed sustainability preferences in their Markets in Financial Instruments Directive (MiFID) questionnaire.

Concomitantly, an **ESG rating** was implemented, which is given by an external Provider that assigns a **sustainability score** to the products on the catalogue.



Every new product or service is developed assessing, on a preliminary basis, all risks, including social and environmental ones, starting from its conception and design, and is approved by a specific Managerial Committee (NAP) that is responsible for validating all new solutions to be proposed to the market.

The processes for developing and changing products, both already on the market and new ones, follow an authorization procedure set out in the Policy for approval of new activities and new products, which complies both with the IDD, MIFID II, Product Oversight Governance (POG), Fight against Corruption and with the Bank of Italy Provisions on Transparency. **The policy ensures that all banking, insurance and financial products offered are consistent with the objectives of the provided service and with the characteristics of the target Customers** through assessments that take into account customers, the go-live of new channels, distribution methods and the “risk profiles”, in compliance with the principles of protection of customers’ interests, also as regards the quality of the information given. Products and services are monitored periodically and subsequently reported in order to verify that the product remain consistent with the needs, characteristics and objectives of the identified target market and that the set distribution strategy continues to be appropriate. This process also covers ESG loans and, more in general, loans with sustainability features, in order to ensure also proper processing of external communications.

It is pointed out that the internal normative instruments concerning advertising communications has been supplemented in order to **mitigate greenwashing risk**. Guidelines have been prepared in order to identify the main reference standards and the latest stances regarding green claims, advertising, financial and non-financial communications and loans that have ESG features. Those guidelines also implement the requests made by the Parent Company Crédit Agricole S.A. concerning proper use of the ESG terminology.

The Group ensures that all the employees involved in the process for the design, development and/or distribution of Products have the required knowledge and skills to understand the related features and risks, as well as the needs, features and goals of the target market of customers of the Group.

## OPERATIONS IN THE DEFENCE SECTOR AND PREVENTION OF MONEY LAUNDERING RISK

Fully aware of the sensitivity of the matters in these scopes and without prejudice to full compliance with the applicable national and international legislation, the Group has adopted an internal policy that is consistent with Credit Agricole S.A.'s core values and that lays down the assessment criteria to be followed in providing its financial services to customers engaged in import/export activities associated with the defence sector.

Operating properly and fairly means:

- Full compliance with the applicable national and international legislation and regulations;
- Constant commitment to controlling the risks that may result therefrom in terms of potential involvement in illegal or criminal activities;
- Bearing always in mind the close connection with protection of human rights.

The policy adopted by the Crédit Agricole Italia Banking Group for this sector first and foremost rules out the origination of any type of loan and the provision of services to counterparties that are involved in the manufacturing, storage or sale of anti-personnel mines and cluster bombs, as it rules out any credit facility intended for the financing of international trade of nuclear, biological or chemical weapons or other weapons of mass destruction. To a residual extent, the Group admits only the provision of support to the international trade of defence systems that do not belong to the categories mentioned above, in any case based on transaction assessment criteria that take into account both the nature of the counterparties involved and the characteristics of the Country of destination, without prejudice to the verification of the required authorizations, where the case.

Furthermore, the policy governs the management of ministerial authorizations that ensure compliance of the transactions with Italy's foreign and defence policy, in full abidance by the relevant constitutional principles.

Number of applications		2023	2022	2021
Favourable	No.	504	377	329
Not favourable	No.	0	6	8
Out-of-scope	No.	82	17	0
Value of favourable transactions	(€Mln)	156	78.51	122.25
<b>Area (favourable only)</b>				
Europe	%	53.77	60.38	63
Asia and Oceania	%	11.90	16.91	24.54
Africa	%	0.60	17.46	9.89
North America	%	33.33	5.25	2.37
South America	%	0.40	0	0.20

This scope also includes the control aimed at preventing any failure to comply with anti-money-laundering obligations laid down by the applicable legislation and at preventing any involvement, also unaware, in money-laundering and terrorism financing cases. The guidelines adopted by the Group require compliance with the principles listed below:

- Customer Due Diligence: i.e. Identification of the customer and, in case of legal persons, of their beneficial owners, and acquisition of the constant updates of the evidence regarding customers;
- Traceability and constant monitoring of customers and storing the information, in order to analyse any anomalies or behaviours that deserve further assessment;
- Active cooperation: reporting of any suspicious transactions under Article 35 D. Lgs. 231/07 as amended and supplemented and – where necessary – submission of any information requested by the Supervisory Authorities;
- Risk-based approach: money laundering risk assessment and implementation of the monitoring and prevention tools that, based on the specific circumstances and cases, are the most effective to prevent the risk.

Having again regard to anti-money-laundering, worth mentioning is the Bank of Italy's order issued on 1 August 2023 amending its "Provisions on organisation, procedures and internal controls aimed at preventing the use of financial intermediaries for the purpose of money laundering and terrorism financing", which requires intermediaries to appoint a member of the management body as the officer in charge of AML. The Officer shall, on the one hand, ensure that the whole Board is more aware of the money-laundering risks which the intermediary is exposed to, and, on the other hand, shall give the necessary directions to the corporate structures involved in managing this risk.

The process to manage ALM obligations is very important in the Group's business operations, considering the requirements in terms of management and governance of non-compliance and reputational risks, as any failure to meet those obligations may entail criminal penalties and/or fines.

Therefore, the organizational and procedural measures adopted by the Group aim at ensuring full compliance with the AML obligations laid down by the applicable legislation and regulations in order to mitigate non-compliance risk and reputational risk.



Customer Due diligence obligations are fulfilled through a specific questionnaire (the Due Diligence questionnaire) and through specific tools, and are proportional to the size of money-laundering and terrorism financing risks and of the risk of financing programmes for the proliferation of weapons of mass destruction, associated with the type of customer, ongoing relationship and/or transaction.

The due diligence obligations are proportional to the Customer risk level and are based on:

- a) Identification of the customer and its representative making the transaction;
- b) Identification, where the case, of the beneficial owner and identity verification;
- c) Acquisition of information on the purposes and expected nature of the ongoing relationship;
- d) Constant control throughout the ongoing relationship.

## TAX TRANSPARENCY

The Crédit Agricole Italia Banking Group does not operate through subsidiaries in any tax jurisdiction other than the Italian one.

Its approach to taxation is based on full compliance with the applicable tax legislation, both as regards its own taxes and its role as a withholding agent, in compliance with the core principles of its Code of Ethics and, considering the extension or the risk control model under D. Lgs. n. 231/2001 to some tax offences. Furthermore, it is compliant with the supervisory provisions for banks.

The Group has and has always had an approach ensuring the utmost cooperation with the Italian Tax Authorities.

In organizational terms, two specialist controls have been identified concerning taxes and applicable to the Bank and its Customers, as well as employee withholding taxes, and a reference model that sets out the roles and responsibilities of all structures involved in compliance with the tax and fiscal legislation.

The structures involved assess, on a preliminary basis, compliance with the tax legislation of new products/ services, innovative projects and new transactions, whereas the structures engaged in specialist functions monitor the developments in the tax legislation, prepare targeted alerts and reporting and provide the other corporate structures with advice and assistance. They may also propose any organizational and procedural changes in order to ensure appropriate control of tax risks, involving, where necessary, other corporate structures.

Anti-competitive behavior, including anti-trust and monopoly practices (206-1)		2023	2022	2021
Legal actions pending during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.	No.	0	0	1
Legal actions completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.	No.	0	2*	0

\* Measures of the Italian Competition Authority ( instant credit transfers + transfer of tax credits):the former closed with a penalty, the latter closed with no further actions.

Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations ** (2-27)		2023	2022	2021
	€	0	0	0
Of which for bank transparency	No.	0	0	0
	€	2,445	1,210	3,343.32
Of which for administrative delay	No.	3	2	2*
	€	90,394	82,521	67,453
Of which tax penalties	No.	171	89	148

\* Penalties imposed by the Italian Ministry of the Economy and Finance for late submission of reports regarding banknotes suspected to be forged.

\*\* The perimeter of tax penalties was extended to include also tax penalties regarding personnel management.

## MANAGEMENT OF SUPPLIERS

The Crédit Agricole Italia Banking Group has adopted a **holistic approach to sustainability, which extends throughout the whole value chain of its commercial operations**. This means that not only is the Group committed to meeting its customers' needs with innovative solutions to support people and local businesses, but it also actively engages in **generating value for the communities and regions it operates in through the management of its procurement chain**.

To perform its operations the Crédit Agricole Italia Banking Group buys various categories of products, services and works on the market.



In 2023 the total value of supplies, meaning orders and contracts issued in the year, amounted to Euro 535,629,709, increasing by 4.2% vs. 2022. One of the most material categories is that of IT services required to go on with the processes for the digital innovation of the Bank.

Most supplies, **approximately 90% in terms of value, are procured from suppliers based in Italy**, and in particular in Emilia-Romagna, Lombardy and Lazio. Thus, the Group does not simply meet its Customers' needs with a range of innovative solutions supporting people and the local enterprise fabric, but it is also engaged in promoting value for the communities and regions it operates in through its supply chain.

Procurement activities are performed in accordance with the Purchasing Policy, which is informed by the fairness, equity and transparency principles contained in the Code of Ethics and by the applicable legislation and internal regulations.

Procurement processes concerning all Customer/Supplier business relationships are managed centrally at the Group level, with responsibilities that are divided between, on the one hand, relationships with suppliers and, on the other hand, negotiations and contracting out the supplies.

Procurement value and location (204-1)		2023	2022	2021
Total value of supplies	€	535,601,260	513,444,508	422,287,596
Of which foreign suppliers	€	59,748,024	55,143,888	42,220,027
	%	11.15	11.00	10.00
Of which Italian suppliers	€	475,853,236	458,300,620	380,067,569
	%	88.85	89.00	90.00
Lazio	€	93,762,990	85,229,008	60,745,344
Emilia-Romagna*	€	111,423,708	106,139,943	91,006,111
Lombardy	€	186,680,389	191,895,938	155,374,127
Friuli-Venezia Giulia**	€	8,004,883	7,678,779	21,052,348
Veneto	€	7,787,009	6,781,285	8,803,598
Tuscany	€	9,196,761	9,376,955	9,324,939
Liguria	€	21,990,947	17,737,300	12,594,553
Campania	€	4,063,869	3,000,921	3,187,414
Piedmont	€	17,249,849	15,161,933	10,165,902
Puglia	€	2,036,532	2,315,711	1,591,397
Marche	€	3,522,920	4,046,967	2,328,012
Abruzzo	€	4,265,116	2,916,005	2,714,785
Trentino-Alto Adige/Südtirol	€	779,754	399,027	86,676
Umbria	€	771,049	627,706	535,999
Other Regions	€	4,317,459	4,993,143	3,948,361

Data for 2022 net of former-Credito Valtellinese for the first 4 months.

\* Of which € 3,585,000 intra-group

\*\* Of which € 102,000 intra-group.

The 2021 data have been adjusted subsequent to the fine-tuning of the calculation. The 2022 performance figures are not comparable to 2021 ones as, from the merger date, i.e. May 2022, the data for 2022 include the contribution of the merged entity Credito Valtellinese.

## SELECTION AND CONTROL CRITERIA

The Group has implemented a Purchase Management portal and all those that apply for becoming suppliers of the Group can access it after accepting the information to data subjects and the privacy policy, and after examining the Code of Ethics. In accordance with the specific supply relationship, the quality of suppliers is assessed by surveying and monitoring their Technical/Administrative - Profit&Loss/Financial and Legal/Judicial position.

As at 31 December 2023 the Group's register contained 4,774 suppliers, 556 of which were entered in the register in 2023.

The supply contracts are awarded based on objective and transparent procedures that reward the Supplier's merit, organizational strength, and sustainability, as well as efficiency in terms of the best quality to price ratio. **Special attention is given to preventing any conflicts of interest and to the orientation to social and environmental sustainability criteria of the suppliers and the supplies themselves.**

As regards data security and integrity and business continuity connected to outsourced IT services, the Group has aligned its criteria for the selection of suppliers to the instructions given by the Bank of Italy, as well as to the EBA Guidelines and has updated its outsourcing policy.

Like in the relations with all the other stakeholders, **the ultimate goal is to build and maintain over time relations based on trust.**

## INTERACTION OF ESG FACTORS IN MANAGING THE SUPPLY CHAIN

Being mindful of social and environmental impacts associated with the supply chain has led to steer and manage procurement also towards larger and larger consideration and enhancement of ESG variables.

In this regard, over time the management model has integrated some key components, starting from the system certification in accordance with the ISO 20400 international standard. The standard governs sustainable procurement focusing on mapping the risks in the supply chain; raising the suppliers' awareness and involving them, besides the use of the social and environmental impact analysis throughout the entire lifecycle of the product.

Pursuing continuous improvement, the Group designed an action plan to be deployed throughout 2023, aimed at completing several new projects and initiatives, which can be classified in accordance with the scopes given below:

### Communication and Stakeholder Engagement

- "Partner News" newsletter: publication of regular updates giving information to the Group's suppliers, which provides them with a channel to find out about the Group's initiatives concerning sustainability, as well as its values, strategies and commitment to innovation. The newsletter is also a tool to convey important news and messages that may be interesting for the Supply Chain.
- Creation of a specific section for sustainability initiatives on the Procurement Portal and on the Company intranet, in order to strengthen the awareness of the Group's personnel and partners and to foster knowledge of the Bank's values and commitment by its external Stakeholders.

### Training

- The "Sustainable Procurement" training programme has been renewed and it is designed for ESG upskilling and awareness raising of those that are engaged in selecting and managing suppliers and to facilitate higher and higher integration of ESG criteria in the existing processes.
- In 2023 a pilot training programme went live concerning the management of the lifecycle of products and services being purchased, which is important to support the understanding of the methods for the transition to a circular economy paradigm.

### Management of sustainability risk

→ Risk mapping: in 2023 the Procurement ESG Risk mapping was developed, i.e. the mapping of sustainability risks associated with the products and services being purchased (type categories), which is necessary to identify the scopes showing higher risk and, therefore, are actions priorities for the Group.

Furthermore, in October 2023 the the fifth survey on the Group's Suppliers was conducted, which, besides assessing the knowledge they have of the Bank and of its values, collected information on the satisfaction of our Partners with the Group and ton how they perceive the Group in the ESG scope. These surveys are part of the Stakeholder Engagement activities and **their purpose is to strengthen the relationship with our Suppliers and to give attention to their needs, pursuing continuous improvement, as well as to raise our Partners' awareness about topics that are material for the environment and society, promoting the transition to a sustainable community.**

This is also the scope of the project to promote the Ecovadis sustainability rating with our suppliers. The suppliers that choose to obtain the rating are measured on a set of topics and related parameters, which are regularly updated, and receive the certification of the obtained result on four levels from platinum to bronze.

For the Group, having the certification is held as a rewarding factor and ensures additional points in tendering procedures. **In 2023 the portion of ordered products and services contracted out to suppliers having the EcoVadis certification was 76%** (75% in 2022).

Furthermore, in October 2023, the third awareness raising campaign started, involving 122 suppliers.

Selection and qualification of suppliers (414-1; 308-1)	2023	2022	2021
Suppliers on the register with at least one certified HSEQ system"	24%	26%	30%
of which ISO 9001-certified	68%	67%	78%
of which ISO 14001-certified	29%	26%	28%
Of which compliant with SA 8000***	11%	10%	8%
Of which OHSAS 18001-certified***	14%	14%	16%
of which ECOVADIS-certified***	27%	31%	22%
Suppliers entered in the register in 2023 having at least a certified HSEQ system**	9%	21%	2%
of which ISO 9001-certified	78%	81%	75%
of which ISO 14001-certified	35%	33%	26%
Of which compliant with SA 8000***	6%	8%	3%
Of which OHSAS 18001-certified***	16%	10%	11%
of which ECOVADIS-certified***	22%	21%	8%

\* Total number of suppliers on the register in 2023: 4774 of which 1125 (24%) with at least one certified HSEQ system. The "of which" sub-items of the % of certified suppliers refers to all the suppliers on the register with at least one certified HSEQ system.

\*\* Total number of new suppliers entered in the register in 2023: 556 of which 51 (9%) with at least one certified HSEQ system. The "of which" sub-items of the % of certified suppliers refers to all the suppliers on the register with at least one certified HSEQ system.

\*\*\* In 2021 this concerned areas not surveyed as regards the selection of Credito Valtellinese suppliers.



# FIGHT AGAINST ACTIVE AND PASSIVE CORRUPTION

The Group promotes a **“zero tolerance” policy as regards any conduct contrary to its principles of ethics and of transparent and responsible conduct in business and potentially related to corruption risk**

To this end, it set up, strengthened and keeps up to date a solid system for the prevention, mitigation and management of risks of corruption, both active and passive. The system implements the guidelines given by D. Lgs. 231/01 and the rules and guidelines issued by Crédit Agricole S.A. regarding the application of the “Loi Sapin II” French law.

The Policy on prevention of bribery and corruption risk, in force since 2019, sets out the guidelines, roles and responsibilities involved in the Anti-Bribery and Anti-Corruption Programme governance and in the organization of the arrangement to prevent bribery and corruption risks. The policy, which is reviewed and approved by the Board of Directors, has been updated to ensure its alignment to the applicable legislation and regulations and to the Group’s guidelines, as well as to make it consistent with the evolution in the organizational and operational context.

The Fight against Corruption framework provides mainly for:

- Definition of specific governance including the Anti-corruption Officer role, who is responsible for coordinating the implementation of the anti-corruption framework.
- Dissemination of accurate information to all personnel through internal regulations, mandatory training and specific rules of conducts for anti-bribery and anti-corruption purposes.
- Implementation of a specific assessment of the exposure of the processes to corruption risks through specific mapping to be updated yearly and submitted for approval to the Board of Directors;
- The framework structuring into 8 specific pillars, which are its primary architecture:
  - Code of conduct;
  - Training;
  - Assessment of third parties;
  - Whistleblowing arrangement;
  - Accounting controls;
  - Internal controls;
  - Corrective actions;
  - Disciplinary regime

As regards Anti-Bribery and Anti-Corruption, the Banking Group obtained the certification of its risk prevention framework with the issue of the **ISO 37001 international standard certificate** after an assessment performed in 2019 and renewed in 2022 by EuroCompliance, a specialist independent certifier firm.



The **“zero tolerance” approach is notified to each employee through the Code of Ethics and the Code of Conduct** and is intended as a distinctive element and a message to customers conveying transparency. It is also strengthened with awareness raising actions and dissemination of a specific culture aimed at the prevention of and fight against corruption risk which were deployed also in 2023.

Specifically, in December, on the International Anti-Corruption Day, a message was sent to all personnel by the Deputy General Manager in charge of Risks and Compliance and by the Chief Compliance Officer, who is also the Anti-Corruption Officer, whereby **it was reasserted the Bank's commitment to fighting corruption for its own protection and for the protection of its customers , and consistently with the values of Crédit Agricole Italia.**

In 2023, no potential corruption cases occurred and, therefore, no specific action had to be taken.

Training on anti-bribery and anti-corruption policies and procedures (205-2)		2023	2022	2021
<b>Scope</b>				
MiFID training	Hours	243,638	226,692	218,485
Anti-money-laundering (AML)	Hours	5,063	12,569	8,786
Training on 231	Hours	4,557	5,312	8,179
<b>Category</b>				
Senior managers	Number of attended sessions	169	217	622
Junior Managers	Number of attended sessions	8,029	11,294	100,827
Professional area (job level)	Number of attended sessions	11,239	14,065	110,027
Senior managers trained	No.	98	105	62
	%	68	72	40
Junior managers trained	No.	4,426	5,248	4,536
	%	82	96	78
Professional area (job level) trained	No.	5,619	6,318	5,516
	%	83	92	77
<b>By geographical area by total employees</b>				
Northwest Italy	No.	4,266	16,964	5,055
Northeast Italy	No.	5,090	2,598	2,032
Central Italy	No.	1,823	3,595	1,600
Southern Italy and Islands	No.	1,140	2,408	1,019

\* The number refers to trained people

\* The number refers to participants



05

**SOCIAL ASPECTS**



***INNOVATION OF AND ACCESSIBILITY  
TO FINANCIAL PRODUCTS AND  
SERVICES***

***LENDING FOR SUSTAINABLE  
DEVELOPMENT***

***SUPPORT TO THE AGRI-FOOD SECTOR***

***BANK AND REGIONS***

The diverse range of services provided by the GBCAI, of its business areas and of its stakeholders determines a wide array of social aspects and of related impacts associated with its operations.

The main topics belonging to the social scope predominantly regard the banking model innovation, which includes digital transformation and accessibility to the service and product solutions, the use of lending as a major driver to promote the sustainable development of the social and economic fabric, support to entrepreneurship and especially to the agri-food sector, traditionally linked to the Group's banking business, and attention to the regions where it operates, as the legacy of the regional roots of the entities that over time were consolidated in a single large international Group.

This is the context of the coverage model based on the Regional Committees, which liaise with the regions and developing and strengthening the relationships with the local stakeholders, through several initiatives and projects aimed at generating economic and social value in the communities where the banks merged into the Group used to operate.

## **INNOVATION OF AND ACCESSIBILITY TO FINANCIAL PRODUCTS AND SERVICES**

### **DIGITALIZATION OF PRODUCTS AND COMMERCIAL PROCESSES AND RELATION WITH CUSTOMERS**

Innovation is process across all the Bank's operations, informs and support both continuous improvement in internal processes and the evolution in products and services.

Having regard to evolution of products and services, **in 2023 an important plan for the evolution of digital channels was completed.** The App Mobile and Home Banking channels were updated and posted increasing use: 82.3% of customers uses digital services and 60.3% of the customer base is active online, increasing by 4.2% and 4.8% respectively vs. 2022.

Digital transformation is based on close listening to Customers, through reviews on the App stores, specific surveys and instant feedback and constant involvements of the Network as an active party in defining the directions for the development of the channels. Specifically, the selling processes were enriched with the extension of the products and services that can be accessed by customers in a self-mode and remotely, with the support given by the network and by the customer service, extending the remote signing portal to the entire catalogue and implementing simulators to increase interaction and facilitate customers in finding out the available services. The evolution of Easy Business (Digital lending) included the extension to a wider customer perimeter of the function enabling to apply for and receive short-term loans in a user-friendly and digital manner from the SME Home Banking. The after-sale service was strengthened with new functions supporting customers in making self-mode transactions and innovation elements were implemented to meet customers' daily needs, which also contributed to improving the user experience by streamlining the processes and the interface and the experience alignment between the App and Home Banking channels. At the same time, the automation of processes pursuing **efficiency enhancement and more dedication to the relationship with customers**

The service innovation processes went alongside a change management programme, which involved cross-wise several corporate structures and in particular the sale network: **over 350 personnel members, the Digital Ambassadors, contributed, together with the top management, to the design of the solutions and to the dissemination throughout the regions of the acquired knowledge of digital tools.**

**The Bank has developed specific platforms to facilitate the digitalization of businesses, which enable access to a wide range of products and services.** The digital platform that enables the use of Supply Chain Finance range enables the supply chain lead enterprise and the suppliers to optimize the working capital and to simplify processes thanks to its integration with the firms' enterprise management systems and the supply chain lead enterprise to assess the ESG positioning of each one its suppliers, promoting, with the support given by the bank, its sustainability performances. The Foreign Exchange platform is a new digital feature that goes alongside the traditional one and enables to meet the need for spot h24 trading. Again for the purpose of streamlining processes, the digital signature enables the exchange of collection and payment flows through specific transmission channels (SFTP-Secure File Transfer Protocol).

Digital innovation also involved tools at the service of customers operating in the agri-food sector, namely a tailor-made Home Banking platform and the go-live of the Agriadvisor Lite application, integrated in the Home Banking and App, whereby the farm's business situation can be managed.

Innovation concerned also the Bank's model, in terms of better management of activities. **Having regard to commercial proposition to corporations, a central ESG desk was set up within the Corporate Banking Department, which oversees and coordinates sustainability matters thanks to its specialist staff.** In order to engage the Network personnel and to disseminate our internal culture at all levels, internal and external ESG webinars were held to give the personnel all information and knowledge on our range of ESG products. ESG training programmes also started, having different depths, focusing especially on Structured Finance Specialists and Sales Managers.

The new service model designed for the agri-food sector was firmly established with the fine-tuning of the training process for this segment and the strengthening of targeted commercial tools. The Agri-Food Business Unit was even further improved with supply chain experts and specialist developers put on staff. Furthermore, the advisory network in the regions was strengthened with the appointment of Agri Account Managers in the Retail banking channel and Food Sector Bankers in the Corporate Banking channel. The «Agri» Small Business Centers are in operation focusing on the agricultural and agri-food sectors.

## CYBERSECURITY AND DATA PROTECTION

The continuous and fast evolution in the digitalization scenario, along with the exceptional situation, caused an increase in cyber risk, especially with a considerable increase in more and more sophisticated cyberattacks, Social Engineering on employees and customers and on Supply Chains, exploiting vulnerabilities and wrong configurations in information systems.

The IT evolution strategy, which includes the cyber risk mitigation actions, is intended to meet the challenges posed by the scenario and by the strategic objectives laid down by the Medium Term Plan through three main action pillars:

- Renewal of the Information System, speeding up on components able to increase its agility, continuing with the work to make full use of business data;
- Evolving the IT Management Model, focusing on speed, quality, and security by: i) improving IT processes and tools, ii) strengthening the resources and their upskilling on new technologies and strategic assets and iii) using partnerships as a driver enabling co-investment and talent sharing;
- Going on with the work to strengthen control on ICT and IT Security risks to respond to the increase in cyber threats and to the regulatory requirements that are about to enter into force.

**To implement its IT strategy, the Group has planned an investment of 240 million Euros in the 2022-2025 three-year period.**

In order to mitigate Cyber risk a parallel and complementary action strategy had to be deployed on three different levels:

- Evolution of technological and organizational solutions.
- A strong campaign to increase the awareness of and educate the users of the information systems (customers and personnel), in order for them to make proper and informed use of work and personal devices.
- Upskilling on the methods to access and use the applications.

**In 2023, consistently with the projects carried out in the previous years, the Security Transformation Programme continued, which features initiatives aimed at evolving, strengthening and optimizing IT security management in order to mitigate emerging risks.**

Specifically, within the programme organizational and technological solutions were implemented to prevent, monitor and mitigate threats, strengthening the various IT security scopes, such as Identity & Access Management, Perimeter Security and the corporate Network security, Cybersecurity and Fraud prevention, as well as resilience processes and solution in terms of Business Continuity & Disaster Recovery.

These initiatives have proved crucial in managing threats, which have considerably grown over the last two years, both as regards financial crime scenarios and the extension resulting from the very delicate geopolitical scenario featuring the outbreak of the Israeli-Palestinian crisis, besides the ongoing Russia-Ukraine war.

## CUSTOMER SATISFACTION

**In 2023 Crédit Agricole Italia ranked no. 1 among Italian traditional banking players in the survey conducted by BVA Doxa, involving over 4,000 customers.** The objective of the survey was to assess the Bank's attractiveness potential, measuring the recommendation level of Crédit Agricole Italia benchmarked against that of its direct competitors.

Customer satisfaction continues to be measured also inside the Banking Group continua thanks to an extensive listening programme in order to catch any suggestions for improvements and to enhance positive experiences.

One of the main channels to listen to and to measure customer satisfaction with the Group consists of the regular Customer Recommendation surveys, which are carried out by BVA-Doxa.

**A sample of 50,000 customers from the Retail banking and specialist channels was involved via questionnaires sent by e-mail and by phone.**

With less satisfied customers the reasons for their dissatisfaction are examined and actions are deployed to ensure continuous improvement in the customer experience. Thanks to these actions, about half of the customers that were detractors changed their opinion about the Bank, becoming promoters or neutral.

Furthermore, in 2023 a **Voice of Customer (VOC) periodic listening scheme**, went live involving all the structures of the bank that are interesting in listening to Customers through various channels. The surveys measuring our internal customers' satisfaction with services and applications also continued.

Some of the main activities carried out in 2023, whereby some operational problems could be solved, are:

- Availability and proper operation of ATMs;
- Raising customers' awareness about fraud risks;
- Shortening the time to close current accounts;
- Control on the phone call management process and reduction in missed calls at branches;
- Shortening the lead time for mortgage loan applications;
- International transactions.



The dissemination of the “Relational Model” continued consistently with the core pillars of the Group’s “raison d’être”, along with the ambition to build a homogeneous international Crédit Agricole brand.

Customer Satisfaction - Service Satisfaction Index*		2023	2022	2021
Retail Bnkg	CRI (0-100)	77.0	75.4	76.9
Private Banking	CRI (0-100)	80.7	79.6	80.3
Financial Advisors	CRI (0-100)	83.1	83.1	84.0
Corporate Banking	CRI (0-100)	79.5	77.6	78.7

\* The data do not include the information regarding Credito Valtellinese and report the results on the Customers in the Crédit Agricole Italia Group’s old perimeter. The 2022 data do not include the new Customers that migrated from Creval to Crédit Agricole Italia in April 2022.

## COMPLAINT MANAGEMENT

Complaints lodged by Customers give the Bank the opportunity to review and fine tune its operational processes, procedures and systems, thus contributing to maintaining and improving the trust relationship between the Bank and its Customers. It is crucial for the Bank to actively inform its Customers of their rights as regards complaints; to this end, the Bank makes available an information set through its commercial network and its website, which includes:

- Information on how to lodge a complaint, time to response and alternative dispute resolution methods in case the customer is not satisfied with the outcome of the lodged complaint;
- Practical guide and other documents concerning the case referral to the Banking and Financial Ombudsman;
- Guide to the Financial Dispute Arbitrator;
- Body for alternative resolution of banking disputes – Mediation procedure regulation;
- Body for alternative resolution of banking disputes – Arbitration procedure regulation; Report on complaints.

Furthermore, the Bank has an internal Policy on complaint management and the related Implementing Regulation in force.

As regards governance, complaints are managed centrally in accordance with ore-defined processes and with the related internal normative instruments, in order to ensure effective mitigation of the risks associated therewith. Complaint management is indeed a material topic, which must be handled with a wider perspective to arrive at an **approach fit to grasp and optimize the large amount of information conveyed by customers on the quality of processes, on the perception of the personnel’s behaviour and on satisfaction with the services.**

The main results achieved with the new complaint management include prompt response to Customers (2023 average response time of 17 days from taking charge of the complaint) and the effectiveness in deploying corrective actions to preserve the relationship, as substantiated by the number of withdrawn complaints (438 complaints withdrawn, 12% of the total).

Furthermore, some of the main new developments achieved in 2023 are the “T3 Project”, aimed at managing relational complaints, a scope in which fast response is essential, within no more than 3 days of receipt; and the go-live of “Service Recovery” a regional relational point of the Central Southern Italy Regional Department aimed at preventing customer dissatisfaction. This initiative is intended to facilitate the search for solutions to customers’ problems, to improve the service level and to reduce the number of complaints and grievances in general.

In 2023 the Banking Group received a total of 3,779 complaints, a figure in line with that of 2022, of which 1,072 in Q1, 1,055 in Q2, 1,040 in Q3 and 612 in Q4. Banking complaints were 3216, financial ones were 196 (of which 53 about IBIPs), insurance ones were 144 and PSD2 were 212, plus 11 complaints regarding the leasing business (CALIT).

The fact that the number of complaints did not increase in 2023 vs. the previous year is a good result, which gives evidence of the care in managing customer satisfaction as effectively as possible.

The complaint processing time was shorter than the longest one laid down by the applicable legislation, as 47% of the complaints were processed within 10 days and, specifically, 1086 complaints were closed in less than 5 days, while 701 complaints took between 6 and 10 days to be closed.

Having regard to the outcome of the 3,779 complaints received in 2023, in 12% of the cases the complaint was withdrawn, in 26% of the cases the outcome was in favour of the customer, in 12% of the cases the outcome was partially in favour of the customer and, lastly, in 50% of the cases the outcome was not in favour of the customer.

During the year, some situations were managed associated with events such as the flood in Emilia-Romagna, impacting on the operations of our branches based in the area, or with organisational aspects, such as the portfolio reclassification of customers. Another material aspect concerning complaints received in the year was the continuous increases in interest rates by the ECB.

True to our focus on listening to our customers, great care was taken to analyze complaints accurately and thoroughly, which was substantiated in four key actions:

- Survey and understanding the reasons for complaints lodging;
- Assigning a priority level to the requests made by customers;
- Analysis of the customer sentiment;
- Mapping of “critical” elements in order to optimize products and services.

Thanks to this systematized process of analysis and verification, Crédit Agricole Italia could identify some elements on which to start optimization projects on customer relationship and for enhancing the efficiency of products and services.

If Crédit Agricole Italian gives no reply or if the reply is deemed not exhaustive, Customers may file a petition with the Banking and Financial Ombudsman (Italian acronym: ABF) or with the Financial Dispute Arbitrator (Italian acronym A.C.F.). Furthermore, Customers are entitled to lodge a complaint (Claim) with the competent Supervisory Authority (the Bank of Italy, CONSOB or IVASS) to report any misconduct perpetrated by the intermediary.

In 2023, 163 petitions were lodged with the Banking and Financial Ombudsman (Italian Arbitro Bancario e Finanziario) 16 petitions were filed with the Financial Dispute Arbitrator and 376 claims were filed with the Bank of Italy and IVASS.

After these activities, the Bank also prepares a regular report on “Complaints and Grievances” for the main corporate structures, which summarizes the complaints and grievances received in the reference period and gives information on the average time to closure, main reasons, breakdown by region and specific highlights on the main problem scopes identified.

Complaints* (417-2)		2023	2022	2021
<b>By type</b>				
Credit/debit cards	No.	111	113	88
	%	2.94	2.99	2.64
Securities	No.	99	174	116
	%	2.62	4.60	3.48
Loans	No.	180	196	285
	%	4.76	5.19	8.55
Mortgage loans	No.	543	263	250
	%	14.37	6.96	7.50
Current accounts/Deposits	No.	268	284	569
	%	7.09	7.52	17.08
Insured products	No.	201	114	181
	%	5.32	3.02	5.43
Salaries/Pensions	No.	47	0	17
	%	1.24	0	0.51
Privacy (GRIn418-1)	No.	16	15	8
	%	0.42	0.40	0.24
of which filed by third parties		16	15	3
of which regional authorities		0	0	0
Other	No.	2,314	2,620	1,818
	%	61.23	69.33	54.56
<b>Total complaints</b>	<b>No.</b>	<b>3,779</b>	<b>3,779</b>	<b>3,332</b>
<b>By reason</b>				
Processing of transactions	No.	1,011	882	183
	%	26.75	23.34	5.49
Communications and information to Customers	No.	234	203	21
	%	6.19	5.37	0.63
Terms and conditions applied	No.	79	317	54
	%	2.09	8.39	1.62
Frauds and misplacement	No.	302	190	24
	%	7.99	5.03	0.72
Other	No.	2,153	2,187	1,460
	%	56.97	57.87	43.82
<b>Total</b>	<b>No.</b>	<b>3,779</b>	<b>3,779</b>	<b>3,332</b>

continues

Complaints* (417-2)		2023	2022	2021
Complaints that resulted in a fine or monetary penalty	No.	0	0	0
Complaints that resulted in an admonition	No.	0	0	0
Complaints for non-compliance with voluntary codes	No.	0	0	0
<b>Total substantiated complaints concerning breaches of customer privacy and losses of customer data (GRI 418-1)</b>	<b>No.</b>	<b>2</b>	<b>0</b>	<b>0</b>

\* The number of complaints does not include disputes started by customers and by bankruptcy procedure bodies managed by the Bad Loans Service as they are not indicative of the quality of the service provided.

Incidents of non-compliance complained against the organization through national and international litigation settlement systems (GRI 2-27)		2023	2022	2021
<b>Total incidents</b>	<b>No.</b>	<b>69</b>	<b>62</b>	<b>55</b>
Of which negotiation	No.	3	4	7
Of which mediation	No.	65	56	45
of which arbitration	No.	1	2	3

Litigation with Customers (2-27)		2023	2022	2021
Litigation with Customers	No.	1,376	1,133	1,382
Monetary value of litigation with Customers	€	379,659,632	256,668,609	312,484,825
Bankruptcy litigation	No.	35	31	50
Monetary value of bankruptcy litigation	€	478,452,115	22,269,892	34,971,307

# LENDING FOR SUSTAINABLE DEVELOPMENT

## DEVELOPMENT OF PRODUCTS AND SERVICES DESIGNED TO DELIVER SPECIFIC SOCIAL BENEFITS

In defining products and services designed to deliver specific social benefits, the Bank works to give tangible response to society's interests and to promote local development and the development of Italy as a whole. It does that through a set of diversified solutions designed to meet its stakeholders' needs and requirements. Examples of products designed to deliver a specific social benefit are:

- **“Weather emergency”**, the funds earmarked for the people living in the areas hit by natural disasters, with credit lines at subsidized conditions, to foster immediate resumption of productive activities and to provide entrepreneurs with the necessary liquidity. Along with this initiative, individuals were offered Agos loans at a subsidized interest rate;
- **Financial support to young people during their education and up to their first job..** School loans at a subsidized rate intended to support students in purchasing IT equipment. Financing Education” is a student loans in cooperation with partner Universities dedicated to deserving university students to pay all their tuition fees with special focus on foreign students who need banking solutions upon their arrival in Italy to receive the scholarships awarded by Universities. Furthermore, the Bank has renewed its agreements with the Universities of Parma, Brescia and Florence and with the local public transport companies to facilitate access to season tickets;
- **The “IniziaConCalma” flexibility option**, exercising which the Customers start to pay the mortgage loan instalments up to 12 months after the contract signing;
- **The range of products and services reserved to people under 36 years old**, enabling young people to obtain a home loan for up to 100% of the property value, backed by the Fondo Prima Casa, guarantee and to enjoy the tax benefits laid down by Italian Support Decree-bis (Decree Law No. 73 of 25 May 2021).



**The Bank supports the Third Sector through the Etica Project**, which provides for specific guidelines to facilitate and subsidize loan applications submitted by customers and a range of banking products designed for Third Sector Organizations, their employees, members and volunteers. The bank proposes a range of products at subsidized conditions for Third Sector Organizations, amateur sport associations and religious institutions in order to support them in their

day-to-day operations and in raising funds, and to contribute to the digitalization of the Third Sector.

CAI also proposes non-financial products to its customers, such as “Value Services” , in cooperation with specialist partners. Amongst these, worth mentioning are the solutions to improve corporate welfare, thanks to the cooperation with Corporate Benefits Italia, and assistance to customers in obtaining and maintaining the Benefit Corporation (B-Corp) certification, thanks to the partnership with InVento Innovation Lab.

## EXTENSION OF THE BANK'S ACTION PERIMETER

Crédit Agricole Italia provides enterprises with solutions useful in implementing strategic projects, in structuring transactions to set a stronger financial structure and in evolving the business. In 2023 several initiatives were started in cooperation with some local and national partners.

- Origination of new loans backed by the Central Guarantee Fund;
- The subscription to SACE SupportItalia Guarantee, an extraordinary measure provided for by the Aid Decree to support enterprises experiencing difficulties due to the economic effects caused by the war against Ukraine and by the increase in energy prices;
- The subscription to SACE Green Guarantee, a market guarantee intended to support all Italian enterprises, irrespective of their sizes, that want to finance their investment projects for the climate transition;
- Through a business model with a diverse approach and a cross-channel commercial team, we can assist enterprises in the various missions under Italy's Recovery and Resilience Plan and in the main subsidized loan initiatives at a regional level, thanks also to the advisory services provided by its partner Warrant Hub;
- The purchase of construction works tax credits for energy efficiency upgrading and improvement of seismic resilience of buildings (Superbonus, Sismabonus, Ecobonus and other tax bonuses for construction works), thanks to a team led by a specialist in each Corporate banking Area, which monitors the progress in the commitments signed with customers and cooperates with the bankers to provide enterprises with operational support;
- The use of tools and agreements with financial institutions to develop products and to facilitate access to credit by SMEs, such as:
- Agreement with EIB (the European Investment Bank), which makes available to enterprises that intend to make new investments and need working capital;
- Capital equipment loans, which increase the competitiveness of the productive system and facilitates access to credit by enterprises through the purchase of capital equipment and new investments.

It is a leading player in the LBO market and has boosted investments setting up 2 new Private Equity funds: the APEI Fund of 100 million Euros to support enterprises operating in diverse sectors, acquiring minority equity investments, and the Ambition Agri Agro Investissement Fund, of 300 million Euros to acquire minority equity investments in French and Italian companies operating in the agri-food sector and engaged in meeting the challenges of agricultural and agri-food transition.

The ITACA (ITALian Corporate Ambition) Project, developed in synergy with CACIB, provides Mid-Corporate customers with products designed to assist them in their growth.

Support to exports also continued to be provided to enterprises that want to enter foreign markets thanks to the advisory services provided by the International Desk, which, through its network, can analyze opportunities and advantages for foreign firms in Italy and for Italian firms abroad. The cooperation with Altios, makes a set of solutions available to all Customer enterprises designed to support their international development.

Participation in the "Meet the Champions" initiative, consisting in on-the-road meetings with the enterprises that performed best in the year, contributed to making Italian excellences known and to discussing topics of economic and national interest.

## LE VILLAGE PROJECT

The network of “Les Villages by CA” started in **Paris in 2014** and, in but few years, has become one of the largest innovation ecosystems in Europe.

The Group continued to focus on the regions it operates in and on innovation opening other Les Village hubs at the headquarters of its Regional Banks, many of which specialize in the economic sectors that are the most important ones for the specific region (such as agri-food, winegrowing and wine making, pharmaceutical, sea economy, etc.). **Since 2018 the network has been established also in Italy, with the Le Village by CA Milano, followed by the ones opened in 2020 in Parma, in 2022 in Padua and in February 2024 in Sondrio.** Besides Crédit Agricole Italia, the Le Village project involves the other entities of the Group, as well as important local stakeholders, such as Universities.

At present, the ecosystem consists of 44 active Les Villages based in France, Italy and Luxembourg, has over 770 resident startups and 760 partners. Having regard to Italy, in 2023 the ecosystem involved over 150 startups, more than 70 partner firms and over 120 enablers being Universities, Research Centers and Institutions. These figures regarding the Les Villages that were in operations in 2023 enabled over 400 events to be held and the closing of 10 business agreements between accelerated startups and partner firms.

# 44

Le Village

# 770

Startups

# 760

Partners

Crédit Agricole Italia intends to further enhance the innovation ecosystem opening new Les Villages in Italy. Each opening of a Le Village by CA involves startups, firms, entrepreneurs and investors based in the area, thus creating a **one-of-a-kind ecosystem able to generate important synergies and opportunities for the participants and for the Group.**

Retail Individuals products designed to a deliver a specific social benefit (G4 - FS7)		2023
1) Home loans - use of the "IniziaConCalma" option	No.	2,781
	€	368,849,831
2) Mutuo Giovani (mortgage loans for people under 36 with LTV>80% and access to the First Residence Guarantee Fund)	No.	4,526
	€	535,029,481
3) Loans Earmarked funds for catastrophe events	No.	3
	€	27,434
4) Loans Amount allocated for earthquake in Central Italy	No.	24
	€	2,530,403
<b>Total RETAIL INDIVIDUALS products designed to a deliver a specific social benefit</b>	No.	7334
	€	906,437,148

- 1) The figures refer to the mortgage loans giving the "IniziaConCalma" flexibility option, exercising which the Customers start to pay the mortgage loan instalments up to 12 months after the contract signing.
- 2) The figures refer to mortgage loans reserved to people Under 36 years old backed Fondo Prima Casa guarantees and LTV>80%.
- 3) Loans with CDP funding repaid by the Customer transferring tax credits to the Bank, intended for reconstruction after calamities.
- 4) Loans with CDP funding repaid by the Customer transferring tax credits to the Bank, intended for reconstruction after the 2016 earthquake in Central Italy.

Corporate banking products designed to deliver a specific social benefit (G4 - FS7)		2023
1) SACE new markets	No.	46
	€	117,650,000
2) SACE Garanzia Italia	No.	62
	€	207,270,000
3) SACE Green guarantee	No.	2
	€	7,500,000
4) EIB	No.	35
	€	101,655,000
5) Anticovid 19 initiative - Emilia-Romagna	No.	13
	€	13,650,000
6) Loans for the Lombardy Region Investment Package	No.	2
	€	237,061
7) Subsidized loans under the FRIE, FpS and FRG of the Friuli Venezia Giulia Region	No.	1
	€	1,775,000
8) Loans Earmarked funds for catastrophe events	No.	1
	€	450,000
<b>Total CORPORATE BANKING products designed to a deliver a specific social benefit</b>	No.	162
	€	450,187,061



Retail Small Business products designed to a deliver a specific social benefit (G4 - FS7)		2023
	No.	568
1) Conto associazioni	Total loans (€)	7,329,809
	Total funding (€)	3,071,001,286
	No.	685
2) Conto associazioni 6-month promo	Total loans (€)	4,475,897
	Total funding (€)	133,949,790
	No.	1,253
3) Account for Nonprofit associations	Total loans (€)	4,505,283
	Total funding (€)	52,385,489
	No.	36
4) Account for Startups	Total loans (€)	285,257
	Total funding (€)	752,035
	No.	27
5) Account for Le Village resident Startups	Total loans (€)	767,887
	Total funding (€)	562,379
	No.	26
6) Fo.Mi.Ri. - Emilia-Romagna Region	€	1,765,000
	No.	12
7) Emilia Romagna Region Multipurpose - Starter Fund	€	347,756
	No.	62
8) "Resto al Sud" loans	€	2,087,669
	No.	3
9) Loans Earmarked funds for catastrophe events	€	34,727
	No.	10
10) Loans Amount allocated for earthquake in Central Italy	€	1,410,835
	No.	1
11) Loans for the Lombardy Region Investment Package	€	624,721
	No.	1,194
12) Digital Lending	€	19,712,556
	<b>No.</b>	<b>1,308</b>
<b>Total RETAIL SMALL BUSINESS products designed to deliver a specific social benefit*</b>	<b>€</b>	<b>25,983,263</b>

7) Originated with Bank funding.

9) Loan with CDP funding repaid by the Customer transferring tax credits to the Bank, intended for reconstruction after calamities

10) Loan with CDP funding repaid by the Customer transferring tax credits to the Bank, intended for reconstruction after the 2016 earthquake in Central Italy

\* The total does not include lending and funding on accounts.

Total value of the products designed to deliver a specific social benefit (G4 - F57)		2023
<b>Retail products</b>		
Total value of Retail products	€	6,047,318,877
Total value of retail products designed to deliver a specific social benefit	€	932,420,411
% value of retail products designed to deliver a specific social benefit over total retail products*	%	15.42
<b>Corporate banking products</b>		
Total value of Corporate Banking	€	2,544,953,018
Total value of Corporate Banking products designed to deliver a specific social benefit	€	450,187,061
% value of Corporate banking products designed to deliver a specific social benefit over total Corporate banking products**	%	17.69

\* The Total Value of Retail Banking Products designed to deliver a specific social benefit includes the products listed in tables: a) RETAIL SMALL BUSINESS products designed to deliver a specific social benefit and b) RETAIL INDIVIDUALS products designed to deliver a specific social benefit. The total figure excludes only the products relating to current accounts and deposit accounts, as the calculation took into account only the value of originated loans. The percentage of RETAIL products designed to deliver a specific social benefit is the ratio of the total value of products designed to deliver a specific social benefit to the total value of the products originated in the year in RETAIL banking.

\*\* The Total Value of Corporate Banking products designed to deliver a specific social benefit includes the products listed in table . Total CORPORATE BANKING products designed to deliver a specific social benefit. The percentage of CORPORATE BANKING products designed to deliver a specific social benefit is the ratio of the total value of the products designed to deliver a specific social benefit to the total value of the products originated in CORPORATE BANKING.

## SAVINGS PROTECTION

**Protecting savings is a core commitment of Crédit Agricole**, rooted in the Bank's principles of ethics, from integrity in pursuing its objectives, to trust as the basis on which long-standing relationships are built with customers, to transparency that informs each and every action and communication to its internal and external stakeholders, in order to enable all stakeholders to make mindful choices.

In this regard, the Bank:

- Promotes, accordance with the MiFID framework, a strong relation and constant dialogue to understand each customer's profile, goals and needs, in order to propose products and services that are fit to meet the expectations, inform the customer of the associated risks and help the customer to make weighted decisions;
- Takes constant care of the suitability and training of those that interact with customers, also as regards the rules and principles laid down by its Code of Ethics, setting sale targets and internal directives that are consistent with the principles and values it expresses.

In 2023 inflation was still high, albeit slowing down, and the relentless hikes in interest rates by Central Banks. In such a challenging scenario, the Group worked to provide solutions able to meet as much as possible the customers' changed needs.

In the year wealth management (WM or GP in Italian) new lines were rolled out intended for Private banking Customers (GP Evolution), in addition to the lines intended for Retail customers. Amongst these, worth mentioning is GP Smart Advisory, which was awarded as "2023 Product of the Year" in the financial products/services category. Having regard to advisory services, worth mentioning are the following:

- "Value Advisory", advanced analysis service aimed at providing full-range wealth management advice, through the use of ancillary modules such as generational turnover, real estate analysis and analysis of financial portfolios held with third parties;
- "VIP", advanced financial advisory service for a fee intended for Private Banking and Corporate Banking Customers needing bespoke advisory services and portfolio monitoring.

Having regard to training people and raising their awareness about savings protection, the Academy Premium and Academy Family continued to be held as done in the previous years, to prepare new account managers for their role. The Academies have the purpose of setting and strengthening the trainees' financial bases, both technical and behavioural finance ones. In order to increase the financial literacy also of the people working in crosswise scopes, the "Finance in one bite" training pills were proposed as they address financial topics and the big trends in the investment world in a simple and focused manner.

In 2023, the Bank's service model evolved also because of the integration of the applicable legislation and regulations on ESG in the provision of advisory services (amendment to MiFID, SFDR, Taxonomy, etc.), again in order to increase the protection of investors that are more oriented towards sustainability matter and the related products.

lastly, as regards financial education initiatives intended for customers, the **"Sguardi su risparmio ed investimenti"** monthly newsletter, which covers matters of topical interest in terms of investments, needs and financial literacy, continued to be sent. **The newsletter does not contain any commercial reference to products and services of the Group, as it is intended to educate and to entice customers to seek information and to learn in order to make mindful investment choices.**

To reach out to the young people target, Millennials and Generation Z, we worked on the "In Spiccioli - Le basi dell'educazione finanziaria" podcast, a project distributed by Amundi and Crédit Agricole, designed to answer - in a concise and effective way - the questions that are frequently asked by young people approaching savings and investments for the first time: **9 episodes with over 40,000 downloads thanks to airing on the main streaming platforms and on Crédit Agricole and Will Media social media.** With a bespoke video, the podcast could reach also the target very young people being shared on Tik Tok.

# SUPPORT TO THE AGRI-FOOD SECTOR

**The Agri-Food Business is a strategic priority of the 2022-2025 Medium Term Plan.** In 2023, several initiatives were implemented and brought up to full operation aimed at increasing Crédit Agricole Italia's market share and positioning in that sector. To strengthen the services addressing innovation in this sector, the Agri Innovation Matching meetings on agriculture 4.0 were held to match Startups with customers and prospects, to support the renewal of the enterprises operating in the agri-food market.

## UPDATING OF THE PRODUCTS FOR THE AGRI-FOOD SECTOR

The range of products and services for the Agri-Food sector has an eye on the promotion of a successful agricultural transition. In 2023, Crédit Agricole Italia developed a range of products and services supported by commercial initiatives dedicated to agricultural trade fairs, in order to ensure bespoke activities and advisory services on the most interesting segments, such as the wine, dairy, and local production ones, as well as the **development of and strengthening of local networks and partnerships to support the sector and to build innovative synergies.**

In relational terms, to support the business and supply chain itself, the cooperation agreements with the main agricultural trade associations were renewed: Coldiretti, Confagricoltura and CIA to ensure capillary operations nationwide. Furthermore, the synergy between the Bank's Retail and Corporate Banking segments was strengthened. This led to the signing of a set of confirming agreements with customers in the Agri-Food segment, through a specific programme consisting of supply chain agreements.

Yet another step along the path to agricultural transition consists in assisting agricultural enterprises in their energy transition. To this end, the "Percorsi Agri" new portal went live, which is a tool whereby interested customers can receive summary analysis reports on their enterprise positioning as regards business, corporate, social and environmental dimensions. The summary reports the strengths and room for improvement, suggesting products and partners that are fit to support the customer for a long-term strategic development.

For support purposes, two specific products were marketed, Agri Blu and Agri Energia, intended to assist enterprises along their **path to sustainable growth and energy transition.** Through these products, the Group wants to be not only a financial partner but also an enabler that can **provide tangible solutions in order to deliver a real benefit for the enterprise and for the community.**

**1 Agri Blu:** A line of unsecured and mortgage loans dedicated to enterprises that have already started on a path to improvement in environmental, social and governance aspects. The loans may be used to finance renovation, purchases of machinery and facilities for business operations in the following scopes:

- Energy management;
- Irrigation and waste water management;
- Management of procurement, processing and product distribution cycles;
- Workers' health and safety.

**2 Agri Energia.** A line of unsecured and mortgage loans designed to assist Customers on their way to the energy transition. The product is intended to finance the construction, strengthen and upgrading of plants for the production of sustainable energy, such as the purchase of:

- Solar panels;
- Biogas and biomass plants;
- Wind farm and other renewable source plants (e.g. hydroelectric power plants).

Furthermore, the customers are provided with support in their energy and sustainability transitions not only with products but also with specific advisory services consisting in cooperation and centralized oversight of tenders under Italy's Recovery and Resilience Plan.

**The Agri-Food structure also released a set of tools and services intended for young farmers, in order to enhance and assist the new generation of farmers.** This is the reason why "Agricoltura Next Gen" was created, which is a format of convivial meetings intended for networking and discussing the agricultural transition, giving advice and tools for the very first start of the activity or effective generational turnover.

In 2023, the Group also developed a partnership project with AGRI Lab of SDA Bocconi, publishing the "Agricoltura tra Sostenibilità e Innovazione - 1° rapporto di analisi economico-finanziaria delle aziende agricole italiane" (Agriculture between Sustainability and Innovation - the 1st report on the economic and financial analysis of Italian farms) white book. The white book shows the need for **thorough analysis of the aspects not only of production but also of economic and financial affordability in agriculture and in the agri-food sector.**

Agri-Food Focus	2023	2022	2021	
Agri-Food Customers*	No.	42,604	43,172	42,616
	Loans (mln €)	6,027	5,772	5,492
	Funding (mln €)	2,217	2,061	2,073
	Indirect funding (mln €)	351	373	374
New Agri-Food Customers**	No.	2,530	2,381	2,257
	Loans (mln €)	210	280	289
	Funding (mln €)	96	-12***	130
	Indirect funding (mln €)	3	0	0

\* Stock data as at December 2021 that take into account the former-Credito Valtellinese perimeter, which was reconstructed using rules and datasets of Crédit Agricole Italia.

\*\* New Customers acquired in 2021 and growth in total assets in 2021 referring to the Crédit Agricole Italia perimeter net of former-Credito Valtellinese.

\*\*\* This figure expresses the difference between the funding stock as at December 2022 and December 2021. It is specified that funding from Agri-food Customers in 2022, with the perimeter remaining equal, remained essentially stable.

# BANK AND REGIONS

## ACTIVITIES OF THE REGIONAL COMMITTEES AND OF THE LE VILLAGE PROJECT

The Regional Committees are workshops where views on the regional dynamics and specificities are actively exchanged and where shared projects are conceived by and between the Bank and its main stakeholders, aimed at **supporting and fostering growth and sustainable development of the region and of its economic fabric**. This is also the scope of activity of the incubators within the Le Village by CA project, with which there is a relation on specific projects.

The cooperation arrangement with Les Villages by CA and especially with the Innovation Hubs in Milan, Parma and Padua, enables startups to grow and operates as a reference point for the enterprises based in the area with strong orientation to innovation.



The Le Village project contributes to both the search for Startups that offer innovative products or services and of high technological value, able to combine sustainability, innovation and business growth, cooperating with some of the most virtuous enterprises in the area.

In 2023, along with the long-standing Regional Committees operating in Liguria, Tuscany and Romagna, some new Regional Committees started operations, namely the ones in the Lombardy highlands, Sicily and Northeast Italy, which had been set up at the end of 2022. At the end of 2023, it was resolved have also the Campania, Regional Committee, which will be set up in H1 2024.

The members of the Regional Committees are customer entrepreneurs, who are selected in order to combine representation of geographical areas and business sectors. The members are chosen also based on considerations in terms of gender balance and new generation entrepreneurs, who have less institutional and more executive roles in their firms.

The Governance arrangement of Regional Committees provides for the participation in each meeting of a Deputy General Manager/Co-General manager, of the Heads of the Corporate banking Department, the Head of the Corporate Banking Area and of the Regional Manager. In 2023 all the Regional Committees in operations held three meetings.

### THE DEVELOPMENT PROJECTS OF THE REGIONAL COMMITTEES

**Northeast Committee** - set up in December 2022.

It is working on the **“The Wood Supply Chain in Northeast Italy in the ecological transition”** project, which is based on a research report and aims at directly involving the economic fabric in the wood supply chain pursuing goals in terms of training, digitalization and internationalization in compliance with ESG principles.

The initiative will be enhanced with events enabling to disseminate the study and emphasize the role of facilitator played by the Regional Committee.

**Liguria Committee** - set up in 2019.

It has promoted **Nowtilus Sea Innovation Hub**, the first ever acceleration pathway in Liguria for startups operating in the blue economy sector, supported by partner sponsors, such as Fondazione Carispezia, Wylab, Le Village by Crédit Agricole Milano, with the contribution of the Town of La Spezia and under the patronage of the Liguria Regional Government and with the involvement of large companies based in the region.

In 2023 the pathway evolved joining **Faros**, business accelerator member of the network of accelerators promoted by Cassa Depositi e Prestiti. **Faros**, which went live in 2022 con with its format in Taranto, is intended to support innovative startups that develop disruptive and responsible sustainable solutions in the scope of seaport innovation and Blue Economy. The project streams that will be analyzed and developed in 2024 reassert a strong interest in energy and university research.

## THE DEVELOPMENT PROJECTS OF THE REGIONAL COMMITTEES

### Tuscany Committee - set up in 2019

It started the **Innesti** project with the objective of creating synergies between the Navacchio Technology Hub, Le Village by CA Parma and enterprises that are CAI customers.

In practice, the idea was to create a vertical on the Tuscan agri-food sector and bring the enterprises into contact with the best startups that can perfect their services and/or products supporting the innovation of the enterprises participating in the project.

As Innesti is now well on its way, the Regional Committee, at its meetings scheduled for 2024, will focus on a new project on fashion, named Fashion Tech Accelerator.

The goal is to foster the growth in Florence of one of the most important innovation ecosystems in the world in the FashionTech sector.

### Romagna Marche Committee - set up in 2019 as the Romagna Regional Committee and renamed in 2022.

In cooperation with Wylab and Le Village by CA Triveneto, in 2023 the Committee decided to hold a startup contest aimed at enhancing creativity and entrepreneurship of the area along the Adriatic coast, consistently with and as the evolution of the Fare Impresa Si Può project, which was developed in 2022.

Involving large companies based in the area (the Partners Club) attention will focus on ideas, projects and initiatives in their early stages and meeting the needs of the involved companies.

The project has started and the fundraising of Partner Companies is underway.

### Lombardy Highlands Committee - set up in December 2022.

The Committee focused on the **Montagna 4.0 FutureAlps**, project, which was sponsored by the Società Economica Valtellinese (SEV) and aimed at responding to the demand for change of the mountain area by involving young people and through training actions addressing students from upper secondary schools based in the Alps area.

The initiative, which provides for the participation of stakeholders, aims at proposing a new idea of enterprise that is consistent with the development of high-quality sustainable tourism, in various form (tourism and digital, tourism and the environment, tourism and trends, tourism and community).

Considering its goals, the project is expected to have large room for synergies with Le Village by CA delle Alpi.

As the aforementioned project has started, the Committee has already begun talks with CAI SCO/Relations with the Regions Department to identify new work scopes.

### Sicily Committee - set up in October 2022

In 2023 the Committee worked on initiatives aimed at developing an innovation ecosystem in Sicily on agricultural business and energy, in view of the opening of another **Le Village by CA** in the region.

The main activities were:

- **Agri Innovation Matching** (27 Nov. 2023 - Catania), an even focusing on agriculture 4.0, with the participation of 50 enterprises, during which 4 startups from all the Les Villages in Italy presented innovative solutions in various scopes, from tracking by **filiere di Wenda** using AI, to the precision agriculture solutions by **Finapp** and **iFarming**, to the **Ener2crowd** crowdfunding platform.
- An **Open Innovation** pathway on the **agri-food world** similar to the Innesti format (Tuscany) and Nowtilus format (Liguria), with duration of 6-9 months and aimed at finding innovative solutions for the agri-food sector, in cooperation with Sicilian enterprises and with the main stakeholders in the region, including the Regional Government and Universities.

The **Regional Committees also step in in specific situations concerning the environmental, cultural, health-care and social scope, by managing an endowment intended for charity and donations.** In 2023, through their endowments, the Lombardy Highlands, Northeast, Liguria, Tuscany, Romagna-Marche and Sicily Regional Committees supported:

- Reforestation of the woodland area that was destroyed by the Vaia storm in 2018, in cooperation with the University of Padua;
- The long-lasting partnership with the Festival del libro Pordenonelegge;
- The Villa Beretta Rehabilitation Center, for Hi-Tech treatment for the recovery of motor skills in patients with stroke;
- Making schools safe in support of the families hit by the flood in Emilia-Romagna, in cooperation with the Faventia 3.0 Committee and the Municipality of Cesena;
- Mitigation of the housing emergency and distribution of meals in Liguria;
- The installation at the Banco Alimentare food bank headquarters of a photovoltaic plant.

## CORPORATE VOLUNTEERING

The Crédit Agricole Italia Banking Group promotes a corporate volunteering programme with the goal of stimulating a **sense of belonging to the organization and to the community in its personnel, as well as of raising awareness about environmental and social matters.** In 2023 **400volunteers participated in the programme,** and engaged in activities carried in partnership with various organizations operating in Italy:

- The second corporate volunteer initiative, in cooperation with Save the Children to establish a network of relations among our employees, citizens and enterprises and to combat digital education poverty, with actions at schools and associations engaged in educational activities with the volunteers in the role of experts in specific subjects:
  - **“Digital Connections”**, for students between 12 and 14 years old. The contribution given by the volunteers consisted in making video training pills.
  - **“Punti Luce”**: a network of dedicated spaces in socially vulnerable areas to provide children and teenagers between 6 and 17 years old with the opportunity to participate in training and educational activities. The volunteers contributed to a digital workshop on environmental sustainability, circular economy and ecology.
- Waste collection in cooperation with **Legambiente**, in 6 cities throughout Italy (Catania, Parma, Milan, Sondrio, Naples and Rome). Thanks to the team work and care for the landscape shown by the employees of the Group’s companies, from May to September, in the various legs, a total amount of waste of over 330 kg was collected;
- Support to the “In Farmacia per i Bambini” (at the pharmacy for children) project, with **Fondazione Francesca Rava** and **NPH Italia ETS**, to collect over-the-counter pediatric medicines, baby food and baby care products, to be donated to charities;
- Support to the **“Palla al centro”** project, in cooperation with the Juvenile Court of Milan and the Lombardy Juvenile Justice Center, aimed at supporting the re-education and reintegration in society, school and employment of underage inmates;
- Support to **“Misericordia” di Campi Bisenzio** in favour of the communities and regions hit by severe weather disasters in the Campi Bisenzio area (Florence) and
- Support to the “Adopt a shelf - **Emporio Solidale Piacenza Onlus**” helping with stocking shelves and logistics.





## SUPPORT TO INITIATIVES AND PROJECTS DESIGNED TO DELIVER SPECIFIC SOCIAL BENEFITS

The Crédit Agricole Italia Banking Group always and timely responds to the needs of the communities where it operates through targeted charity activities.

The process for donations, coordinated by the Charity Committee, aims at meeting the need for transition to an inclusive economy that is able to generate value for communities, consistently with the commitments undertaken with the Societal Project of Crédit Agricole S.A. by using the funds allocated to social and cultural initiatives by the General Meeting of Shareholders upon approval of the Annual Report and Financial Statements.

With donations, in 2023 the Bank supported:

- The Angelo Affinita Foundation, which helps families and children experiencing social and financial vulnerability in Campania, to open a new Center for Families in Caserta, to purchase a marquee and to distribute necessities;
- The purchase, through payroll giving, of furniture for La Casa di Leo, in Bergamo, which provides accommodation and support to families that need long and frequent hospitalization for treatment of children.

Again in 2023, the Bank continued to give its support for the enhancement of the excellences of the regions. The main contributions were given to:

- Magnani Rocca Foundation, for the “Felice Casorati”, “Fellini, cinema e sogno” and “Boccioni, 1900-1910” art exhibitions;
- Arturo Toscanin Foundation, for the “Nidi di Musica” project;
- Edit Napoli, a trade fair on editorial and signature design, which enhances some peripheral artisans;
- Gazzetta di Parma, to develop the “i palazzi di Parma”; publication
- Castello Eventi Association, for the development of the Cultatello&Jazz music programme;
- Consorzio del Tarvisiano, for the “No Borders Music Festival” and “Ein Prosit” events for promoting Friuli-Venezia Giulia;
- Prandi communication and marketing, for the Link Journalism Festival;
- Eight Art Project, for the “Mario Nigro. Opere 1947-1992” art exhibition held at Palazzo Reale and Museo del 900 in Milan;
- Town of Reggio Emilia, for the Luigi Ghirri “Un piede nell’Eden Luigi Ghirri e altri sguardi” photograph exhibition;
- Town of Milan, for the “Mario Nigro. Opere 1947-1992” art exhibition.

Various contributions were given to bicycling and run sport events. In 2023 a partnership was established under which Crédit Agricole Italia is the title sponsor of all the Great Cycling Classics organized by RCS and platinum partner of the Ride The Dreamland cycling event. Some running events were also supported, including the Padua Marathon, Run for Inclusion Milan and UNIBS Run for Climate organized by the University of Brescia.

The Group also supported scientific research, giving a contribution to the IEO Foundation -Monzino Milan for the second year in a row, paying for a scholarship to a young researcher to investigate the role of gut flora (microbiota) in patients suffering from colorectal carcinoma.

The Banking Group promoted partnerships, sponsorships and donations in favour of local trade fairs and initiatives in the agricultural and agri-food sector. The cooperation with Fiere di Parma continued, as did the partnership with Fiere di Cesena, the leading player in the fruit and vegetables sector with “Macfrut” and with Verona Fiere for “Vinitaly”.

Furthermore, several cooperation agreements were signed with the main Trade Associations in the agricultural sector, both local and national ones, namely with:

- Coldiretti for the “Villaggi Coldiretti” and “Festa del Ringraziamento” events, organized by the local sections of Piacenza and Parma, and the “Mercato Coperto Campagna Amica” one in Pavia;
- Confagricoltura, with three-year sponsorship to the national Trade Association and the promotion of minor local initiatives in Emilia-Romagna and Sicily.

The Group supported events both in the economic and financial scope and training and networking ones. Amongst the recurring events supported by the Group, worth mentioning are the “Meet the Champions” meetings, the cooperation with the Osservatorio Permanente Giovani Editori (Young Publishers Permanent Observatory) and the cooperation with Post Eventi for the “Green Week-Sustainability Festival”.

Amongst the events supported with financial partners or dealing with economic/financial topics, worth mentioning is the cooperation with the Italian Banking Association (ABI) for “Diversity and Inclusion in Finance”, the “Salone dei Pagamenti”, the “Festival del Management e della Cultura d’impresa”, the “Private Banking Awards”, the “Award ai Fondi di Private Capital” for the 10 years of BeBeez, the “Salone del Risparmio 2023”, the “I Bonus Edilizi” workshop, the “70 anni Radiocor” celebration event and the “Il Giornalismo che verrà” workshop.

Other cooperation arrangements were established with local partners for events having a more local nature, such as “Mostra del Bitto 2023”, “Frantoi Aperti 2023”, “TEDX Padova”, “X Edizione del Mandrarossa Vineyard Tour 2023”, “Carnevale di Acireale” and “Aspettando CHEESE - Le Valli del Bitto-Slowfood”.

CAI cooperated also in social initiatives, in various scopes:

- Inclusion, supporting the “Festival Internazionale Cori LGBTQIA+ Various Voices” and “Play the Games”;
- Gender violence, with the “Anche tu meriti” and “Progetto Violenza” projects;
- Cyberbullying, to carry out educational courses for upper secondary schools in Milan, Parma and Lucca on digital kindness;
- Third Sector, promoting “Cantieri Viceversa 2023, network finanziari per il terzo settore” and the “Fare bene insieme. Consolidare ed evolvere. Luoghi per parlare di vision: meeting dei CSV” meeting of the Italian national association of service centres for volunteering (CSV)
- Environmental sustainability, with the “Moby Dixit 2023” event, held in Parma, the PUMS Conference and the Mobility Management Conference.

The social support initiatives promoted by the Crédit Agricole Italia Banking Group are published on its crowdfunding platform **“CrowdForLife”**. The group carried out several fundraising campaigns for projects concerning social inclusion, education, research and healthcare and the environment.. **From its go-live to 31 December 2023 funds of over 3.1 million Euros were raised, 80 projects were published and over 800 applications were received.**

**“Crédit Agricole For Dream”** a tool designed to support 12 innovative projects, throughout Italy, in favour of the environment and social inclusion.

Nearly 160 applications were received, from which the winner entities were selected and could publish their fundraising campaign on our platform. In its turn, Crédit Agricole Italia, together with its 4 partner Foundations (Fondazione Cariparma, Fondazione Carispezia, Fondazione Piacenza e Vigevano, Fondazione Cassa di Risparmio di San Miniato) supported each individual project doubling the amount of the donations.



Besides these, there are the fundraising campaigns to support the regions hit by natural disasters and emergencies, as well as symbolic days in 2023:

- Earthquake in Turkey and Syria (February) in favour of the population in cooperation with Save the Children;
- Severe weather emergency in Emilia-Romagna (May/June) fundraising campaigns with the Italian Red Cross and Caritas Rimini ODV in favour of the population and areas hit by the event;
- “Ogni giorno al fianco delle donne” (November), on the International Day for the Elimination of Violence against Women, to support the Help Desks and Centers against Violence run by the Italian Red Cross.

With its **School Programme**, the Bank also continues with its initiatives for young people, to support them in building their future and enabling skills, besides fostering equal opportunities, assisting them in their work training and orientation and new socialization approaches, through 3 important partnerships, which involved nearly 12,500 students and over 1,700 employees of the Bank and teachers:

**1** With **FEDuF** (Foundation for Financial and Savings Education) financial education programmes started for upper secondary school students based in all the regions where the Group operates and primary school pupils from Sondrio, with employees of the Group as speakers. Some of the implemented initiatives are:

- At the Sustainable Development Festival, about 550 students from upper secondary schools of the provinces of Parma, Piacenza, Sondrio and Catania participated in the Digital Live Talk “(Un)sustainable choices”. The meeting, organized by the Taxi 1729 science communicator, invited the students to think about the common good and on the circular economy new paradigms to raise their awareness in the sustainability global challenge.
- During the National Financial Literacy Month, the “Sosteniamo il Futuro” programme started, which is a cycle of 3 online classes for the students of upper secondary schools in all the regions where the Group operates on civic education and economic citizenship, with special focus on mindful management of money, of resources, on digital payment security and on sustainability, circular economy and green development.
- The pupils in their last years of primary school based in Sondrio were invited to participate in a webinar raising awareness on the value of money and on sustainability.

In addition, initiatives were held also for the Group’s People, such as:

- The “Let’s give value to money” digital meeting, with a speaker from FEDUF and with Professor Annalisa Valle from Università Cattolica di Milano, addressed the topic of financial education at home.
- On the “International Day for the Elimination of Violence against Women”, a Webinar was held intended for all personnel of Crédit Agricole Italia fostering awareness and prevention of and fight against violence against women (including economic violence). The Italian Banking Association (ABI) and the Equal Opportunity Department of the Italian Government participated in the webinar.

**2** With **CASCO Digital Learning** e **Fondazione Carolina** the “Digital Kindness” programme was promoted. The initiative has the purpose of carrying out educational courses for upper secondary schools in Milan, Parma and Lucca.

**3** Conversely, with **ELIS** the two-year initiative of educational and vocational orientation came to its close having succeeded in involving about 3,000 students between 13 and 19 years old from upper and lower secondary schools based in all the Italian regions where the Group operates.



Lastly, Newlife is the Recycling, Reuse and Urban Regeneration of equipment and properties owned by the Banking Group, which are given for social and environmental purposes to local associations, and has the additional purpose of raising awareness among the Group’s people about circular economy and sustainable behaviours, summarized as “3R”:

- Reuse: to foster virtuous behaviours of recycling, reusing and donating, two initiatives were promoted in favour of families and children experiencing social and financial vulnerability:
  - “Zaino Sospeso” (pending school bag): within the “Valtellina Project” and in cooperation with the Italian Red Cross Local Committee, a collection of school material, clothes, footwear and blankets for families being helped by Red Cross volunteers;
  - “Giocattolo Sospeso” (pending toy): collection of toys in favour of vulnerable families, in cooperation with the Italian Red Cross and covering all the regions where the Group operates and the Green Life Headquarters in Parma and Milan, for a total of 15 collection points and nearly 2,500 toys collected..
  - To reuse assets in excellent conditions owned by the Group and no longer usable, they started to be donated to AddaCoworking - Sondrio, Rete Milano ODV and Fondazione iBVA - Milano.
- Urban Regeneration: with this project, part of the properties owned by the Group and assessed as non-core, are given under gratuitous loan for use to local associations to be used for social purposes in favour of the most vulnerable groups in the population.
- Reduction in waste: the cooperation arrangement with Caritas has the goal of reducing food waste through a service of daily collection of meals not eaten from the company restaurant at the Green Life Headquarters in Parma and in Milan, which are then donated to people experiencing difficulties.

Local presence (G4-FS13) – Branches by Region	2023	2022	2021
Piedmont	51	55	66
Valle d'Aosta	0	1	1
Lombardy	248	269	314
Trentino Alto Adige	4	8	8
Veneto	82	87	92
Friuli-Venezia Giulia	73	77	80
Liguria	56	58	59
Emilia-Romagna	219	239	248
Tuscany	86	98	107
Umbria	9	10	10
Marche	26	29	34
Lazio	46	54	68
Campania	45	48	49
Sicily	69	90	92
<b>Italy</b>	<b>1,014</b>	<b>1,123</b>	<b>1,228</b>

Local presence (G4-FS13)		2023	2022	2021
Number of points of access	No.	1,014	1,123	1,228
Number of Small Business Centers	No.	82	83	62
Number of Financial Advisors Markets	No.	18	12	16
Number of Private Banking Markets	No.	28	16	23
Private Banking Sub-centers	No.	22	26	18
Number of Corporate Banking Markets	No.	33	25	27
Corporate Banking sub-centers	No.	14	34	9
Number of Large-Corp Banking Areas	No.	1	15	1
Number of Corporate Banking Special Network areas	No.	3	1	1
Number of Retail Banking Special Networks	No.	12	12	0
Number of municipalities with <5000 inhabitants served	No.	152	174	173
Number of branches in municipalities with <5000 inhabitants	No.	157	184	128
	%	15	18	14.7
Number of closed branches in municipalities with <5000 inhabitants	No.	23	2	0
Number of open branches in municipalities with <5000 inhabitants	No.	0	0	0

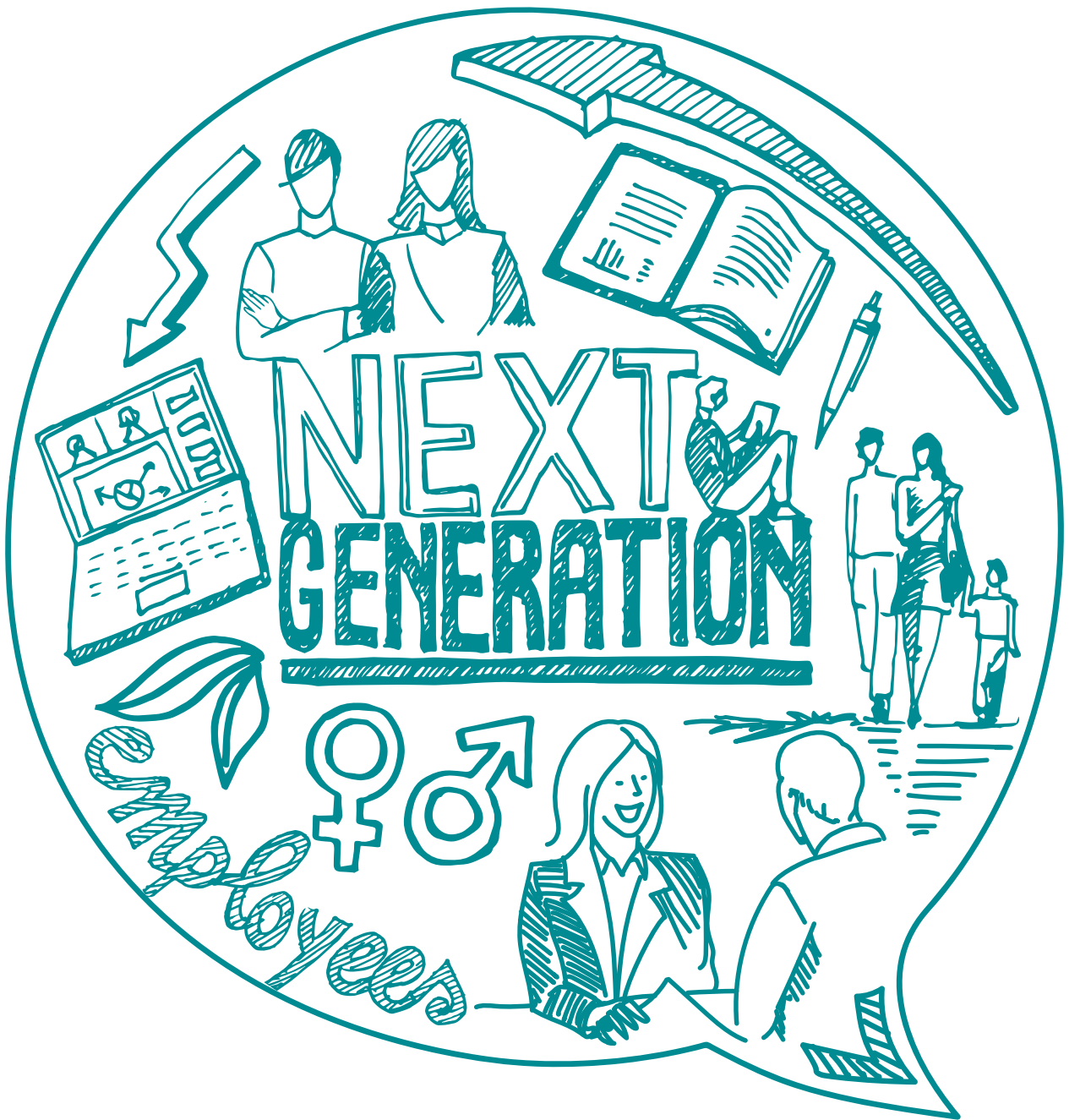
Investments in the community (203-1)		2023	2022	2021
Sponsorships	%	61.25	54.80	40.83
	€	2,790,737	2,173,189	1,283,758
Donations from the charity fund	%	38.75	45.20	58.17
	€	1,765,405	1,792,518	1,785,579
<b>Scopes of action (Sponsorships)</b>				
Culture	%	3.49	5.68	9.86
	€	97,487	123,380	126,521
Other	%	10.58%	2.30	15.76
	€	295,240	49,980	202,292
Sports	%	57.51%	77.92	54.81
	€	1,605,060	1,693,389	703,650
Economic	%	28.41%	14.10	19.58
	€	792,950	306,440	251,296
<b>Scopes of action (Donations from the charity fund)</b>				
Culture	%	22.04	27.89	44.40
	€	389,150	499,880	792,850
Social	%	77.96	67.32	48.76
	€	1,376,255	1,206,638	870,728.93
Sports	%	0.00	0.00	0.00
	€	0	0	0
Other	%	0.00	4.80*	6.83
	€	0	86000*	122,000

\* In 2022 funds for green and circular economy were granted (CA FriulAdria).



06

**HUMAN RESOURCES MANAGEMENT**





***OCCUPATIONAL DYNAMICS***

***TRAINING AND DEVELOPMENT***

***DIVERSITY, INCLUSION  
AND EQUAL OPPORTUNITY***

***PEOPLE'S HEALTH, SAFETY AND  
WELLBEING***

# HUMAN RESOURCES MANAGEMENT

The Crédit Agricole Banking Group holds people at the center of its business model.

Although the social and economic context in which the Banking Group operates is constantly evolving, thus requiring continuous updating of the Group's model in terms of technological innovation, the Bank has always kept its attention to Human Resources very high. This aspect is emphasized also by the topics that emerged from the materiality assessment: Centrality of people, expressed by the positive impacts of Well-being and Inclusion of Employees and Growth and development of specific skills, has proved once again an extremely material topic for 2023, as has the attention to preserving the occupational levels, also through the generational turnover.

Therefore, **people continue to be the driver of the Group's growth** because it is thanks to their professional abilities, skills and experience, combined with their responsiveness to customers and the ability to generate trust, that the Bank takes care of its relations with its employees and customers and lays strong foundations in the regions where it operates.

These are the factors that can trigger a virtuous circle whereby the strong bond with its regions translates into higher attention to and better understanding of customers' needs, which leads to the development and provision by the Bank of innovative and to-the-point services.

**The wellbeing and professional growth of its employees is a strategic priority of the Crédit Agricole Banking Group**, as substantiated by its 2022-2025 Medium Term Business Plan. To this end, the Bank designs, sets up and implements training programmes and growth plans able to enhance vertical and horizontal skills of the Group's people, promoting and fostering their professional development. Furthermore, thanks to the intra-group synergies the Bank can rely on, international mobility is also incentivized as a key element for the Group's development and growth, as well as an opportunity to promote cultural diversities to build a diverse work environment.

The growth of the Group's people is implemented through wide and diversified training programmes, which range from Change Management to Digital Culture, from the approaches to interact with customers to sale strategies. As personnel is a strategic asset for the Bank, the Bank also gives special attention to the identification and selection of the best talents on the employment market in order to ensure, in the long term, a constantly high quality of the Group's human capital.

People are listened to, developed and assessed following a structured procedure in order to regularly and systematically verify the skills and knowledge of the personnel engaged in providing services and giving information.

Furthermore, CAI focuses specifically on **inclusion, enhancement of diversities in the workplace and welfare**, which the Bank governs and implements with specific management directions, such as the Code of Ethics and the Code of Conduct, supplementing them with initiatives such as the Charter of Respect and the Charter of Women in banking.

# OCCUPATIONAL DYNAMICS

After a transition phase due to the acquisition of Credito Valtellinese and, therefore, after a period of efforts made to integrate human, technical and infrastructural resources in order to consolidate operations and maximizing the overall efficiency, for the Crédit Agricole Italia Banking Group 2023 was the first year of consolidated operations after the acquisition. Therefore, the distribution and composition of personnel, besides the occupational dynamics of the Group, can be analyzed with higher accuracy.

As shown by the tables below, the total number of employees of the Group slightly decreased, by about 1%, vs. 2022; at the same time the number of employees that are university graduates or a higher qualification increased by 3.5%, vs. a 6% decrease in employees that have only an upper secondary school diploma.

The breakdown of total employees by gender show a good balance, with the number of men slightly over 50%, the wider gap is in the senior managers category, where women account for 25% of the total number. The Banking Group has been working for years to close this gap, as substantiated by the constant increase in the number of women that are senior managers, up by +14% in the 2021-2022 period and +5% in 2022-23; in addition to all the above, a considerable investment was made on young resources due to which 55% of new hires in the year are women.

On the other hand, analyzing the Group's people by role, it can be seen that all categories decreased in number, except for the personnel belonging to protected groups. Likewise, a marked increase of 17% vs. 2022 can be seen in people under 30 years in the "professional area job level, giving evidence of a Banking Group that invests very much in young talents. This is also confirmed by the figure of new hires, 75% of whom, in 2023, consisted of young people under 30 years old.

Number of employees (GRI 2-7)		2023	2022	2021
Employees as at 1 Jan.	No.	12,671	13,096	9,740
New hires	No.	630	697	363
New hires subsequent to the Creval Combination	No.	0	3,400	3,451
New hires subsequent to the CA FriulAdria Combination	No.	0	1,325	0
New hires for intra-group acquisition	No.	32	3	13
New hires for extra-group acquisition	No.	1	11	-
Dismissals	No.	769	1,118	460
Terminations subsequent to the Creval Combination	No.	0	3,412	0
Terminations subsequent to the CA FriulAdria Combination	No.	0	1,325	0
Terminations (intra-group)	No.	33	3	11
Terminations (extra-group)	No.	0	3	0
Employees as at 31 Dec.	No.	12,532	12,671	13,096
<b>By gender</b>				
Men	No.	6,362	6,519	6,841
Women	No.	6,170	6,152	6,255

*continues*

Number of employees (GRI 2-7)		2023	2022	2021
<b>By geographical area</b>				
Italy	No.	12,530	12,667	13,092
<b>NORTHERN ITALY</b>				
VENETO	No.	653	688	716
Friuli Venezia Giulia	No.	714	750	825
Emilia-Romagna Region	No.	3,780	3,782	3,844
Lombardy	No.	3,260	3,274	3,430
Liguria	No.	540	537	559
Trentino Alto Adige	No.	37	37	37
Valle d'Aosta	No.	0	3	3
Piedmont	No.	531	552	558
<b>CENTRAL ITALY</b>				
Tuscany	No.	870	891	924
Lazio	No.	652	631	656
Umbria	No.	70	72	71
Marche	No.	264	268	277
<b>SOUTHERN ITALY</b>				
Campania	No.	514	531	527
Sicily	No.	644	650	663
Puglia	No.	0	0	1
Sardinia	No.	1	1	1
Abroad	No.	2	4	4
<b>Total</b>	<b>No.</b>	<b>12,532</b>	<b>12,671</b>	<b>13,096</b>
<b>Employee by qualification</b>				
Graduate and post-graduate	No.	7,067	6,826	6,490
High school diploma	No.	5,253	5,585	6,259
Other	No.	212	260	347

Employees by position, age group and gender (405-1)		2023	2022	2021
<b>Senior managers</b>	<b>No.</b>	<b>151</b>	<b>156</b>	<b>156</b>
<30 years	No.	0	0	0
of which women	%	0	0	0
30 - 50 years	No.	29	33	34
of which women	%	44.8	42.4	35
> 50 years	No.	122	118	119
of which women	%	20.5	18.6	11.3
<b>Junior Managers</b>	<b>No.</b>	<b>5,465</b>	<b>5,507</b>	<b>5,802</b>
<30 years	No.	4	0	0
of which women	%	0	0	0
30 - 50 years	No.	2,308	2,312	1,976
of which women	%	38.9	37.2	37.1
> 50 years	No.	3,153	3,195	2,409
of which women	%	37.0	37	36.8
<b>Professional area (job level)</b>	<b>No.</b>	<b>6,916</b>	<b>7,013</b>	<b>5,241</b>
<30 years	No.	1,071	917	459
of which women	%	59.6	56.6	51.7
30 - 50 years	No.	3,662	3,926	2,917
of which women	%	60.3	60.3	60
> 50 years	No.	2,183	2,170	1,865
of which women	%	55.9	54.7	53.7
<b>Protected groups/disabled (in the annual statement)</b>	<b>No.</b>	<b>793</b>	<b>780</b>	<b>595</b>

Diversity of governance bodies and employees (405-1)		2023	2022	2021
Senior managers	No.	38	36	31
Junior Managers	No.	2,065	2,043	2,142
Professional area (job level)	No.	4,067	4,073	4,082
<b>Total</b>	<b>No.</b>	<b>6,170</b>	<b>6,152</b>	<b>6,255</b>
Length of service (405-1)				
<5 years	No.	2,166	2,008	1,652
6 - 20 years	No.	5,515	5,652	5,812
21 - 30 years	No.	2,220	2,252	2,469
> 30 years	No.	2,631	2,759	3,163
Employees by Contract type (2-7)				
Permanent contract	No.	12,119	12,171	12,860
- of which women	No.	5,907	5,851	6,135
Fixed term contract	No.	413	500	236
- of which women	No.	263	301	120
Training-work (2-7; 2-8)		2023	2022	2021
Apprentices (of which permanent contracts)	No.	1	1	1
Atypical contracts	No.	5	3	0
Internship	No.	25	4	43
Apprentices (of which permanent contracts)	No.	0	1	1
<b>Total</b>	<b>No.</b>	<b>31</b>	<b>9</b>	<b>45</b>
Part-time (2-7)				
Employees with part-time contracts	No.	1,595	1,609	1,721
- of which women	No.	1,517	1,531	1,638
Average age (years, months)	No.	46.10	46.10	47.08
Collective bargaining and trade unions representation (2-30)		2023	2022	2021
Employees under national collective bargaining agreements	No.	12,532	12,671	13,096
	%	100	100	100
Employees that are members of a trade union	No.	10,767	10,836	11,337

Hires (401-1)		2023	2022	2021
Hire rate	%	5.29	42.90*	3.19
Hire rate from the market	%	5.03	5.59	3.19
<b>By age</b>				
<30 years	No.	472	597	226
30 - 50 years	No.	151	105	141
> 50 years	No.	7	6	11
<b>By gender</b>				
Women	No.	349	392	178
Men	No.	281	316	200
<b>By position</b>				
Senior managers	No.	1	4	1
Junior Managers	No.	83	58	59
Professional area (job level)	No.	546	646	318
<b>By geographical area (place of work)</b>				
Sicily	No.	13	3	0
Campania	No.	13	19	18
Emilia-Romagna Region	No.	273	296	164
Friuli Venezia Giulia	No.	18	30	25
Lazio	No.	21	9	13
Liguria	No.	28	35	22
Lombardy	No.	182	205	68
Marche	No.	0	2	0
Piedmont	No.	35	61	24
Tuscany	No.	18	13	10
Umbria	No.	1	0	0
Veneto	No.	26	34	32
Trentino Alto Adige	No.	2	1	2

\* As regards the hire rate/turnover rate, the increase in the rate vs. 2021 resulted from the absorption of Credito Valtellinese and FriulAdria into CAI in 2022.

Terminations (401-1)		2023	2022	2021
Termination rate	%	6.40	46.23*	3.40
Termination rate with no intra-group transfers	%	6.14	9	3.34
<b>By reason</b>				
Resignation	No.	253	251	143
Resignation for extra-group move	No.	0	3	11
Solidarity Fund	No.	284	555	0
Expiry of fixed-term contracts	No.	88	35	28
Retirement	No.	124	248	309
Dismissal	No.	6	5	0
Voluntary redundancy	No.	5	9	0
Other	No.	9	15	31
<b>By age</b>				
<30 years	No.	162	86	49
30 - 50 years	No.	157	182	111
> 50 years	No.	450	853	362
<b>By gender</b>				
Women	No.	331	490	202
Men	No.	438	631	320

\* As regards the hire rate/turnover rate, the increase in the rate vs. 2021 resulted from the absorption of Credito Valtellinese and FriulAdria into CAI in 2022.



Terminations (401-1)		2023	2022	2021
<b>By occupational category</b>				
Senior Managers	No.	10	18	3
Junior Managers	No.	340	479	217
Professional area (job level)	No.	419	624	302
<b>By geographical area</b>				
Campania	No.	30	29	23
Emilia-Romagna Region	No.	193	319	170
Friuli Venezia Giulia	No.	59	106	63
Lazio	No.	19	34	11
Liguria	No.	26	48	35
Lombardy	No.	229	364	116
Marche	No.	13	13	1
Piedmont	No.	50	59	31
Tuscany	No.	42	52	23
Umbria	No.	2	4	4
Veneto	No.	61	57	37
Trentino Alto Adige	No.	5	1	2
Valle d'Aosta	No.	0	0	6
Sicily	No.	39	35	6
Other	No.	1	0	0

\* As regards the hire rate/turnover rate, the increase in the rate vs. 2021 resulted from the absorption of Credito Valtellinese and FriulAdria into CAI in 2022.

# TRAINING AND DEVELOPMENT

## TRAINING, GROWTH AND INVOLVEMENT OF PEOPLE

For the Crédit Agricole Italia Banking Group training is more than an investment for the firm, it is a path that leads to people's personal and professional growth, promoting actions that stimulate individual initiative and responsibility of everyone.

**In 2023 training was placed at the centre of all the project streams in the 2022-2025 Medium Term Business Plan**, working as “enabler” in the implementation of the Group's strategic lines. The many training activities provided focused mainly on the evolution and updating of technical and role-related skills associated also with the new distribution and commercial models, as well as managerial ones.

In FY 2023 the Group continued to implement innovative models and methods oriented to people in order to promote a multichannel training process and maximize learning convenience and flexibility using its various Platforms/Apps. Training was provided mostly digitally also in 2023, reserving in-person training for those contents for which direct interchange is an enabling tool for training, such as in specialist or managerial programmes.

As in the previous years, the Banking Group was committed to ensuring constant compliance with the applicable legislation and regulations, extending and updating its training programmes with new digital contents on topics such as D.Lgs. 231, Anti-money-laundering, Anti-corruption, Business Continuity, Cybersecurity, MiFID and mortgage lending to consumers.

Other digital contents were developed on the wide topic of Italy's Recovery and Resilience Plan (digital and sustainable mobility, education and research, social inclusion and cohesion, tourism and agribusiness).

Furthermore, the various entities of the Group participated in the tendering procedures and obtained financing of their training from the Bank Fund and Insurance Fund interprofessional industry funds and FONDIR to implement many training projects, agreed on with the Trade Unions.

## UPSKILLING/RESKILLING PATHS

In order to continue to successfully grow and to support the Group's strategic business priorities of the Group, the Upskilling and Reskilling programmes aim at give new specialist, digital and behavioural skills to the Group's people, so that they are supported in their professional development and are made in the condition to perform their job in the best possible way.

Training and development programmes were implemented to provide appropriate technical knowledge and to strength the relational and commercial skills of the employees that are in the process of taking one a higher role featuring more specialist complexity within the Commercial Network . Having regard to the Retail banking segment, besides the Paths for Affluent Account Manager and Small Business Account Manager, going on since 2022, in 2023 a bespoke plan was implemented for Family Account Managers. Likewise, for managerial roles, tailor-made programmes have been designed based on the responsibility level to develop team coordination and leadership skills. Furthermore, intense activity went on to map the technical, relational and managerial skills, which, in the reporting year, concerned over 2000 employees. Each participant in the initiative was given a selection of training contents to work on his or her skills to be strengthened.

Yet another Development tool that went live in 2023 is a Potential Self-assessment tool, which is robust in terms of method and agile in terms of user experience, thus allowing fast administration and immediate preparation of a summary report giving evidence of the resources' soft skills and motivation, and which goes alongside an interview with personnel of the Development/Talent Management Team.

## MANAGERIAL AND LEADERSHIP DEVELOPMENT PATHS

In order to build a managerial community, in 2023 training continued to be provided to Managers with a wide range of programmes. Listening to the Managers' needs was the starting point to provide specific training tailor-made on the individual managerial needs .

In a context where leadership requires entrepreneurship, delegating, individual and team-wide responsibility and accountability, the manager role in the Firm is facing deep change towards a transformative leadership style, based on a powerful sense of vision and performance orientation in a sustainable way.

Top Training HUB is the development path to the professional growth of people in positions entailing responsibility or professionals. It is a programme aimed at developing managerial skills within the Firm and at fostering the necessary skills to improve employability through high training solutions. This initiative has been designed to be in close contact with the business, aligned with the Firm's strategic objectives and to be able to directly respond to the needs that have emerged from internal surveys. Once again in 2023 Crédit Agricole Italia participated in the survey conducted by the Crédit Agricole S.A. Group to calculate the "Mise en Responsabilité (IMR)" (responsibility taking) index, in order to identify strengths and room for improvement in the perception of employees and to lay the foundations for the definition of an action plan to ensure continuous improvement .

The main goals of the Top Training HUB programme are also the three work streams, and specifically:

- 1** Bringing managers **constantly up to date** on material topics;
- 2** Providing contents that are tailor-made on the Bank's specific needs. In this regard **training meetings on ESG and Diversity & Inclusion matters were held;**
- 3** **Accelerating managerial growth and evolution** consistently with the Group's project.

Yet another important activity is Talent Management, which aims at identifying and developing the resources' potential for growth from a managerial standpoint, through crosswise training initiatives and strictly speaking managerial programmes

Through the Manager Academy, in 2023 over 90 resources were admitted to the Branch Manager programme, which provides support in moving on to the new role through complete technical training and subsequent testing by the relevant commission, and assistance to the testing commission in assessing the managerial maturity with one-to-one meetings on managerial and strategic vision matters. Also for the other first-level managerial projection roles several technical and/or managerial tools have been implemented in order to support future managers in their growth and in handling higher complexity.

Furthermore, a Top Skill Programme went live aimed at assisting the managers taking on the role of Department Head in order for them to acquire high managerial skills and higher crosswise knowledge of the Group.

In order to support the managerial development of the Group's Managers, once again in 2023 a Coaching programme was held, which, in cooperation with some external firms and thanks to internal Coaches, involved over 70 resources in one-to-one or group activities. This scheme allows one's potential to be maximized and the expression of a leadership that is more and more consistent with the Company's values. Moreover, mentorship programmes are also held with the purpose of facilitating and accelerating the exchange of experiences, as well as the integration and inclusion of diverse corporate cultures resulting from the mergers and consequent internal reorganizations.

The ambition is to implement measures and projects able to respond to an ever-evolving scenario, providing all people in roles of responsibility with distinctive and diversified initiatives.

## EMPOWERMENT PATHS

In the modern banking arena, the empowerment of human resources is a key element to **stimulate innovation, promote an organizational culture based on individual responsibility taking and improve customer satisfaction**. Being fully aware of this and strongly projected towards the future, also in 2023 Crédit Agricole Italia continued to implement its policy for the empowerment of employees, with special attention to **new generations, gender equality and process digitalization**.

Having regard to young people, the Banking Group implemented several projects especially for resources under 35 years old, on whom it strongly invests in order to achieve the cultural and managerial transformation provided for by the 2022-2025 medium Term Business Plan. To this end, the Bank selects young people with distinctive aptitudes and puts them in the care of managers who are specifically trained to manage new generations and who assist them along bespoke engagement and training paths.

Crédit Agricole Italia's vision is strongly focused on training new talents and, consistently with this vision, it has been implementing its **Next Generation project**, whereby it intends to pursue an ambitious plan for the organization renewal. The project includes several training initiatives aimed at conveying principles of ethics and values able to inspire the new generations; therefore, an onboarding and engagement path has been structured, which can convey the knowledge and values of the Group to the new hires, from the very day they arrive at the Firm, in order to build a strong Crédit Agricole Italia identity and assist and support the professional development of young resources.

Several initiatives are in place for new hires, such as the "Welcome Aboard" e "Welcome Day" in-person training days, the CA Stories and Next to You digital meetings, as well as the "Generation Empowerment" training programme, which is designed to meet some main needs :

- Conveying the corporate culture and values;
- Orientation;
- Acquisition of skills;
- Growth supporting the self-development plan of each person.

The programme aims at fostering the development of horizontal skills, such as corporate intelligence, soft skills (such as team work, feedback management) and self-development, in order to support self confidence.

Furthermore, the new hires have been matched with a "Cicero", i.e., a colleague with more experience, who gives support and guidance and promotes networking. The Bank also ensures open and constant dialogue between young people and managers at all levels, giving several opportunities to meet and exchange views in order to foster vertical and horizontal knowledge of the Group. Direct engagement and the many initiatives proposed to our young people aim both at fostering aspirations and ambitions and at reducing the hierarchical and generational distance within our corporate structures, facilitating opportunities for interacting and networking between them.

The main initiatives deployed in 2023 included IndAction and Young meeting. The former is an event giving young people the opportunity to listen to testimonies from Top Managers, to find out more about some business lines of the Group and to try their hand at it through game activities; the latter conversely is an innovative format based on interaction and designed to give an experiential day on the business, digital innovation and values of CAI.

**Gender equality is a core topic for the Group**, as substantiated by the implementation of an Talent Management enhancement project targeting over 650 women of the Group and aimed at providing the tools to develop their career and achieved their professional ambitions, focusing on female leadership.

Having regard to process digitalization, Crédit Agricole Italia wants to maintain a sustainable business growth leveraging on active involvement of people and on a state-of-the-art digital infrastructure; the challenge for the future is to accelerate the digital transformation of the Group and of its Customers, extending digitalization and dematerialization.

To meet this challenge, the Banking Group has deemed it necessary to start on a path for the upskilling and reskilling of its resources through targeted training plans and bespoke initiatives focused on development.

Specifically, the training plan of CA Group Solutions (a consortium company limited by shares belonging to the Crédit Agricole Italia Banking Group) - which is an integral part of the Group's plan and shares the same guidelines and initiatives - features two specific development lines: IT Evolution Strategy and specialist training based on roles, in accordance with the different scopes of activity.

Throughout 2023 innovation and digitalization were once again focused on, with the creation of training actions aimed at promoting the Network's knowledge and awareness about Digital-driven opportunities, defining and implementing new digital experiences that support human resources and are consistent with customers' requirements. Furthermore, digital and technological training was given a prominent role within the Firm's IT structures in order to support the development and transformation of the systems used in the Business, through targeted initiatives Cybersecurity, Cloud Computing, programming languages, application development, agile solutions and emerging technologies.

All the above is evidence of the fact that **technological transformation is one of cornerstones of the evolution Strategy of CA Group Solutions and CA Italia.**

## HUMAN RESOURCES AND INTEGRATION OF ESG ASPECTS

Sustainability is more and more part of the training programmes for the Group's employees. The "ESG" training proposed by the Bank has been designed to instil culture and skills in our people, which are essential in the present scenario, and aims at ensuring the ability to give a more and more targeted response to Customers' requirements, consistently with and supporting the Group's Medium Term Business Plan. Crédit Agricole Italia sponsors the implementation of a full-range ESG culture through some main drivers, such as the entry of new resources, the upskilling of the existing personnel and the evolution in internal leadership consistently with the ESG principles and governance.

Training aims at **supporting the dissemination of a sustainability culture and at developing and strengthening essential skills for the implementation of the corporate strategies that pursue the generation of economic, social and environmental value.** The Bank's goal is to ensure that, by 2025, all the people within the Group receive ESG training, through a training scheme structured on three levels:

- A basic level, crosswise the various topics and provided to all personnel, mainly through e-learning modules;
- A specialist level with in-depth expansion on the single topics, held by the relevant Structures and/or by external accredited entities, also live;
- A level of certified training programmes (such as EFPA, ABI Expert).

Having regard to the certified programmes, in 2023 the Banking Group set up a **custom and certified training programme, called: “ESG expert”**. That programme was proposed to the ESG Managers of the functions that have been the most impacted by the developments in the applicable legislation and consisted of a cycle of meetings held by trainers expert in the sector and enabled the trainees to obtain the ESG ABI Expert certificate. The certificate is personal and marks the completion of upskilling programme, which was designed exclusively for the banking industry and aimed at making the context understood and defining the bank’s role in the sustainable transformation process underway.

This approach substantiates **Crédit Agricole Italia’s constant commitment to adopting and promoting sustainability not only as an option but rather as an integral part of its corporate mission and vision.**

## NEW ASSESSMENT MODEL

In 2023 Crédit Agricole Italia rolled out its new professional assessment model, supplementing it with a self-assessment step that comes before the assessment by the Manager and gives the employee the opportunity to propose objectives for 2024. To assist our people on this important path, a training schedule was implemented in order to explain the reasons for the new features of the process. The contents were made available to all personnel via e-learning through our Digital Academy.



After this new step, there is the assessment made by the Manager the person reports directly to, and then there is an “extended” discussion group meeting to share the results, which is coordinate by HR for the discussion and certification of the final outcome in view of the feedback interview. Furthermore, the discussion group also includes a controller for diversity and inclusion principles.

Both the self-assessment and the assessment made by the Manager focus on the individual’s objectives and on a clearly-defined set of behavioural values, including a “behaviour” associated with ESG and D&I matters.

The recipients of the MBO process are professionally assessed based on the same behavioural values applying to the other employees. The managerial assessment outcome is a non-economic indicator that is taken into account in the MbO process on the relevant sheet and contributes to the determination of the remuneration variable component for the accrual year. Lastly, also for 2023, on a voluntary basis and anonymized, a 180 degree feedback or bottom-up assessment system was applied to the same behavioural values for a small but relevant target sample of the Group’s managers and a 360° assessment system was applied for a small perimeter of managers.

Training (404/-1)		2023	2022	2021
Hours of training provided	Hours	676,586	602,010	522,601
- of which to women	Hours	337,310	286,848	249,863
Average hours of training per employee	Hours	54.92	48.3	39.9
<b>By position</b>				
Senior managers	Hours	6384	3,898	3,751
Junior Managers	Hours	299,109	272,546	241,215
Professional area (job level)	Hours	371,093	325,500	277,635
Average hours of training by position*				
Senior managers	Hours	44.3	26.8	24
Junior Managers	Hours	55.3	49.8	42
Professional area (job level)	Hours	54.9	47.5	39
Average hours of training by gender*				
Men	Hours	54.1	49.1	40
Women	Hours	55.8	47.5	40
<b>By training method</b>				
Classroom	Hours	50,118	38,305	3,239
Online	Hours	441,647	483,842	109,714
Virtual classroom	Hours	184,821	79,863	174,457
Remote training	Hours	0	0*	235,081
Mentorship/Internship	Hours	318	66	111
<b>By type</b>				
Mandatory training	Hours	462,178	456,340	359,709
Funded training	Hours	46,230	5,358	74,415
Training to apprentices	Hours	0	0	0

\* Since 2022 the remote training field has no longer been on record in the Group's systems. Therefore, remote training is part of the "on line" and "virtual classroom categories".

Training provided to employees on the policies and procedures regarding all aspects of human rights Code of (Ethics) (404-1)		2023	2022	2021
Trained employees	No.	10,425	4,281	4,323
Hours of training provided	Hours	27,011	3,788	2,728

Training costs		2023	2022	2021
Amount of financed training	€	1,196,500	755,554	480,000
<b>Training abroad</b>				
Senior managers	Hours	0	0	0
Junior Managers	Hours	0	0	0
Professional area (job level)	Hours	0	0	0
<b>Breakdown of training by topic area</b>				
Commercial	Hours	151,679	221,526	138,156
Insurance	Hours	194,494	65,199	41,698
Credit	Hours	41,568	22,343	27,323
Abroad	Hours	0	92	0
Finance	Hours	72,439	44,175	107,090
Legislation	Hours	128,369	178,340	124,212
Operational	Hours	25,480	28,782	38,011
IT /Foreign languages	Hours	30,679	35,932	26,150
Managerial	Hours	31,879	5,713	19,869
Managerial for seniors (over 65)*	Hours	8,617	16.51	0

\* The figure on managerial training for seniors (over 65) is a breakdown component of the overall managerial training, based on the age of the resources that received it. There is no area dedicated to managerial training for seniors.

Performance measurement (404-3)*	Personnel assessed through performance measurement in 2023	Personnel assessed through Managerial Assessment in 2023	Percentage of personnel to be assessed in 2023
	No.	No.	No.
<b>Senior managers</b>	<b>0</b>	<b>138</b>	<b>138</b>
Senior Managers – Women	0	35	35
Senior Managers – Men	0	103	103
<b>Junior Managers</b>	<b>5,209</b>	<b>76</b>	<b>5,378</b>
Junior Managers – Women	2,003	7	2,039
Junior Managers - Men	3,206	69	3,339
<b>Professional area (job level)</b>	<b>5,959</b>	<b>0</b>	<b>6,087</b>
Professional area (job level) - Women	3,472	0	3,536
Professional area (job level) – Men	2,487	0	2,551
<b>Grand total</b>	<b>11,168</b>	<b>214</b>	<b>11,603</b>

\* The figures do not include apprentices that are assessed with a specific measurement process. The percentages are calculated based on total people that can be assessed.

\*\* Senior Managers and some Managers of the Group - by position held - are assessed through the Managerial/MBO assessment process.



Performance measurement (404-3)*	Percentage of personnel assessed in 2023	Percentage of personnel assessed in 2022**	Percentage of personnel assessed in 2021*
	%	%	%
<b>Senior Managers</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Senior Managers – Women	100.0	100.0	100.0
Senior Managers – Men	100.0	100.0	100.0
<b>Junior Managers</b>	<b>98.27</b>	<b>98.9</b>	<b>99.0</b>
Junior Managers – Women	98.58	97.5	98.5
Junior Managers - Men	98.08	99.7	99.3
<b>Professional area (job level)</b>	<b>97.90</b>	<b>95.4</b>	<b>97.4</b>
Professional area (job level) - Women	98.19	95.2	97.2
Professional area (job level) – Men	97.49	95.6	97.6
<b>Grand total</b>	<b>98.10</b>	<b>98.0</b>	<b>98.2</b>

\* The data do not include Credito Valtellinese perimeter, as the performance measurement method is different between the banks.

\*\* The figures do not include apprentices that are assessed with a specific measurement process.

Promotion by position		2023	2022	2021
<b>Senior managers</b>	<b>No.</b>	<b>9</b>	<b>9</b>	<b>12</b>
- of which women	No.	5	5	6
<b>Junior Managers</b>	<b>No.</b>	<b>511</b>	<b>288</b>	<b>475</b>
- of which women	No.	222	121	198
<b>Professional area (job level)</b>	<b>No.</b>	<b>804</b>	<b>472</b>	<b>885</b>
- of which women	No.	454	260	505

## DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY

Crédit Agricole Italia promotes diversity and inclusion in accordance with the Group's D&I Strategy, which is at the basis of the organizational, cultural and managerial transformation of the Bank and structured on five dimensions:

- **Openness and curiosity**
- **Representativeness**
- **Equality of Opportunities**
- **Solidarity**
- **Responsibility**

Again in 2023 the Bank substantiated its attention to and further strengthened its commitment to Diversity and Inclusion matters, promoting fair representation and active participation encouraging diversity in thought and perspective. In this scope, the intra-group synergies and the opportunities to work in Italy and abroad play a key role in the bank's development, promoting cultural diversity and the sharing of experiences between the various Crédit Agricole entities.

The Group's commitment to gender inclusion was substantiated with the definition of a D&I strategic plan that pursues the objective, among others, of promoting diverse behaviour and leadership styles, to foster respect for work-life balance, of strengthening its corporate welfare, of ranking people based on merit and role, irrespective of gender, and of ensuring neutrality in the assessment and remuneration policies.

Consistently with this approach, the Group **obtained the Gender Equality Certification (UNI PDR125) that gives evidence of the tangible policies and measures deployed to reduce the gender gap.**

The Certification gives the opportunity to be perceived and recognizable as an inclusive workplace, which includes and enhances uniqueness, to be responsible to our customers and to society with actions having high impact inside and outside and to measure our Diversity e Inclusion performances with a structured set of KPIs whereby progress made by the Banking Group as a whole can be monitored pursuing continuous improvement.

In the activities for gender equality, also in the light of the applicable legislation, in 2023 the Group continued to analyze its "Gender Pay Gap". The purpose of the analysis is to survey pay equity by gender and to plan, implement and monitor the corrective measures deployed to close the gap over time.

In this scope and in compliance with the regulatory obligations on this matter, the Board of Directors, with the support of the Remuneration Committee, is responsible for assessing the gender neutrality of the remuneration policy and any gender pay gap.

In compliance with the GRI standards and as done in the previous non-financial reporting exercises, the pay aggregates broken down by job category and gender are given below.

Total average annual gross base pay (fixed + variable) (FTE) (405-2)		2023	2022	2021
<b>Senior managers</b>				
- men	€	226,806	211,116	216,237
- women	€	155,743	144,689	145,548
Women/men pay ratio	%	68.67	68.54	67.31
<b>Junior Managers</b>				
- men	€	73,874	69,697	67,523
- women	€	65,574	62,146	60,523
Women/men pay ratio	%	88.77	89.17	89.63
<b>Professional area (job level)</b>				
- men	€	44,908	41,857	41,664
- women	€	44,432	41,597	41,515
Women/men pay ratio	%	98.94	99.38	99.64
Average annual gross base pay (FTE) (405-2)		2023	2022	2021
<b>Senior managers</b>				
- men	€	157,983	154,785	157,804
- women	€	118,388	113,383	113,564
Women/men pay ratio	%	74.94	73.25	71.97
<b>Junior Managers</b>				
- men	€	65,698	61,978	61,603
- women	€	59,285	55,994	55,920
Women/men pay ratio	%	90.24	90.35	90.77
<b>Professional area (job level)</b>				
- men	€	42,383	39,566	39,867
- women	€	42,085	39,417	39,759
Women/men pay ratio	%	99.29	99.62	99.73

In general, substantial gender equality can be seen in the comparison between women's and men's remuneration average amount in the Professional area job level, whereas the gap is wider in the Junior and Senior managers categories, in which, also in the light of the applicable legislation, a more exhaustive and thorough methodological and management analysis must be made not based on categories.

Indeed, like last year, the Group surveys the gender pay gap not only by job category but also and especially by even job positions; this view gives results showing a less significant gap and appreciable improvements year over year.

The Group conducted its annual assessment of the gender-pay gap on the data as at 31 December 2023 in accordance with the methods given by the Italian and EU Regulators (Bank of Italy and EBA) and with its internal model based on the principle of "equal pay for equal work" whereby the pay equity level can be assessed by employee clusters that are comparable, defined based on equal complexity managed (Job Evaluation grade), role and seniority. The identification of yet other methods in addition to those set out by the supervisory regulations to analyze the gender-pay gap is moreover an option permitted by the regulations

themselves and is consistent with the market practices. The method, which was adopted for the first time in 2021, was endorsed by a leading consulting firm, which supported the Group in developing the analyses.

Overall, with the application of the aforementioned approach, the analyses as at 31 December 2023 confirmed an average pay gap for a rather modest amount and limited to a small panel of roles, accounting for less than 1% of the women in the Group (1% in 2022), thanks also to the activities carried out in 2023. The breakdown of the detected pay gaps by cluster showed the same situation found in the previous years: essential equality of the average pay between the two genders in clusters featuring lower organizational complexity, mainly consisting of clerical roles not entailing responsibility-taking; the gap was found to be slightly wider, albeit little significant in terms of numbers and percentage, in clusters featuring higher complexity and responsibility (mainly in the senior management category) subsequent also to the female leadership enhancement actions deployed in the last few years, which have had a positive impact in terms of representativeness but, at least initially, may generate a gender pay gap impact.



Substantiating its commitment to this matter, in 2023, within its multi-year action plan on remuneration and management policies, the Group:

- Set targets in terms of strong and progressive mitigation of this phenomenon over a three-year time horizon, subject to appropriate merit and performance assessments; the targets are in line with expectations and will be regularly reported on a yearly basis to the Remuneration Committee and to the Board of Directors;
- Included the information on the gender pay gap (to be regularly updated and monitored) among the decision-making drivers for merit assessment;
- Formalized an internal regulation of the action policies in force aimed at regularly measuring the gender gap defining scopes of analysis, assessment drivers, usable levers, action plans, responsibilities and monitoring phases;
- Established the assignment, also in 2023, of a specific KPI on female leadership enhancement to all managers at the highest level in the MBO system, in line with the corporate objectives.

Among the **main activities and projects aimed at inclusion and at promoting inclusion and diversity** in all its forms, deployed by the Banking Group in 2023, worth mentioning are:

- The continuing cooperation with Valore D, an association of enterprises that promotes diversity, talent and female leadership as drivers of growth for enterprises and for the Country.
- Once again in 2023, the Month of Diversities was held: five days of initiatives and events involving all the People of the Group to provide food for thought on inclusion topics.
- Moreover, in March, as done by Crédit Agricole S.A., the Week of Diversities was held in order to give food for thought and disseminate awareness on three Diversity & Inclusion core topics: the value of respect by using an inclusive and mindful language, gender equality and social inclusion.
- A collaboration relationship started with Fondazione Libellula to promote a culture based on respect and inclusion and to foster considerations on gender discrimination and violence. In April three webinars were held for the Group's people with children between 6 and 19 years old, to foster the development of behaviours and models that are free from discrimination and stereotypes.
- As of June 2023, it is possible to set up and/or participate in an Employee Resource Group or ERG, voluntary, employee-led and self-organized groups of people who share some features or interests. Pursuing the goal of fostering an inclusive culture, boosting innovation and facilitating networking among Employees, they promote initiatives and positive changes to the benefit of the community and of the Group
- For the second year in a row, Crédit Agricole Italia sponsored #RUNFORINCLUSION, a non-competitive run serving the purpose of enhancing uniqueness. The run took place in Milan on 23 and 24 September 2023, with a rich programme of meetings, talks, initiatives and activities.
- The new People Care Brochure was published, which contains all the Group's initiatives to provide support to its employees in the D&I, Welfare and Wellbeing, Family, Sustainability and CSR scopes.

**Thanks to the activities described above Crédit Agricole Italia obtained the certification of its gender equality management system in compliance with the requirements laid down by the reference standard (UNI/PdR 125:2022).** The certification, which was issued by Bureau Veritas, is evidence of the ongoing commitment of the Group to diversity and inclusion matters and values.

Return to work and job retention rate after parental leave (401-3)		2023	2022	2021
Number of employees that are entitled to parental leave	No.	3,667	4,294	4,079
- of which women	No.	1,890	2,240	2,090
Number of employees that applied for parental leave	No.	1,026	726	795
- of which women	No.	725	550	595
Number of employees that returned to work after parental leave maintaining at least the same position	No.	972	682	755
- of which women	No.	684	516	561
Number of employees that have returned to work after parental leave and are still employed 12 months after returning to work	No.	709	570	487
- of which women	No.	541	437	370
Rate of return to work of employees after parental leave	%	99.0	99.3	100
- of which women	%	99.3	100	100
Retention rate of employees that were on parental leave	%	97.0	98.6	99.0
- of which women	%	97.5	99.8	98.7

\* 2021 figures do not include the information regarding the Credito Valtellinese.

Total number of incidents of discrimination and corrective actions taken (406-1)*		2023	2022	2021
Number of discrimination-related complains/disputes	No.	0	0	0
Number of employees involved	No.	0	0	0
<b>Incidents of discrimination (406-1)</b>				
Incidents of gender-related discrimination involving employees	No.	0	0	0
Incidents of age-related discrimination involving employees	No.	0	0	0
Employees involved in incidents of gender-related discrimination	No.	0	0	0
Employees involved in incidents of age-related discrimination	No.	0	0	0
<b>Labour disputes</b>				
Reporting entity as defendant	No.	13	22	29
Reporting entity as plaintiff	No.	14	7	11
Number of employees involved	No.	52	51	64
<b>Disciplinary measures</b>				
Reprimands	No.	35	29	49
Dismissals	No.	7	4	11
Information and awareness increase	No.	28	13	45

\* The Group's employees that have been posted to foreign entities are not included in the reporting scope.

# PEOPLE'S HEALTH, SAFETY AND WELLBEING

To meet the expectations of all the people of the Group, including new generations, Crédit Agricole Italia ensures that the work environment allows for the reconciliation of work and the private life of every individual and the full-range enhancement of wellbeing. This translates into policies for flexible working hours, support to parenthood and incentives for continuous training, as well as into initiatives psycho-physical wellbeing.

**In 2023 the Banking Group obtained the Health Friendly Company (HFC) stamp from Fondazione Onda within the presentation of the 2023-2024 Network** HFC awards the companies that stood out for their commitment to protecting the health and wellbeing of their employees or that have started on a path to that effect.

In the reporting year, the Bank implemented several **initiatives aimed at building a work environment that is healthy and focused on people's wellbeing**, including:

- The **Good Life**, initiative was carried out again, which aims at raising awareness about the importance of practising sports and having a healthy lifestyle, through the extension of various initiatives within the wellbeing Programme:
  - As regards Sports and Physical Exercise, in cooperation with Go!Athletic sport training continued, both online in person (at Green Life in Parma. and in Milan);
  - As regards Prevention and Health, thanks to the partnership with Stimulus, Fondazione Onda and Lifeed, in May a Plan to raise awareness about psycho-physical wellbeing went live, conveying educational contents proposed by the partners. This translates into a path in stages, with monthly publication of planners focusing on specific topics, from different standpoints.
  
- Along the already operational **Psychological wellbeing service** a Welfare new service went live, intended to give tangible help to all the people of the Group in coping with the various situations that may occur in daily life, in the work, personal and family spheres giving care. Specifically, the activity includes:
  - Psychological counselling, accessible calling a toll-free number or on a web platform, administered remotely by psychologists or psychotherapists expert in active listening, available 24h/7 to the Group's people and their families;
  - Welfare support service, accessible calling a toll-free number, administered by psychologists and care managers, who provide support in searching for the welfare solutions that are the most suitable to meet the needs of each user, assisting the caregivers with the help of qualified professionals.

Having regard to welfare, a material event in 2023 was the renewal of the Italian national collective bargaining agreement applying to the Group, with the related negotiations with the Trade Unions at a national level which affected also the negotiations inside the Group. During the year, 70 meetings with the Trade Unions were held and led to the signing of Agreement at the Banking Group level: the most important ones concerned: the go-live of initiatives promoting policies and tangible actions to strengthen and fine tune our corporate welfare, giving evidence of the Group's attention to and care for its employees.

In January 2023 some agreements were finalized on a package of tangible measures to ensure continuous support to our employees and to strengthen their purchasing power. Specifically, it was decided to award an extraordinary welfare contribution in an amount of 500 Euros to all personnel, the subsidized banking conditions were improved as regards the floating rate reserved for mortgage loans for the purchase of the first residence and on full-documentation loans, in order to further mitigate the impact of the hikes in interest rates, with yet another actions deployed in the second part of the year. Having regard to healthcare, after increasing, at the beginning of the year, the contribution given to employees by 100 Euros, up from 700 to 800 Euros, in November the two-year healthcare policy was renewed keeping the coverage and benefits unchanged, paying another 50 Euros on the 2025 premium.

The agreement of the 2023 corporate bonus signed in November - with an average amount of 1,550 Euros, of which 900 Euros in cash and 650 Euros in welfare credit, which can increase to 1,900 Euros if totally converted into welfare - gave again evidence of the centrality of the welfare enhancement solution, with the purchase of "coupons" and additional "Welfare credit" awarded to all eligible personnel. Furthermore, the agreement provisions aimed at maximizing the use of the welfare credit were confirmed, undertaking to assess their applicability with regard to any future share-based plans.

Lastly, very material was the agreement that established an extraordinary contribution of 100 Euros for daycare fees, given to the Group's employees for every child between 1 and 3 years old, starting from the 2023/2024 attendance year. The project goes alongside the partnership with Jointly within the «Scattered Daycare Facilities» project, under which the Group's employees have right of first refusal and a discount on the fees at the facilities in the network. Yet another important initiative to support parenthood followed the agreement on parental leave and has given 10 additional days of parental leave for 2023 and another 8 days as of 2024 00% paid to fathers that have used the mandatory parental leave, within the enhancement of social solidarity initiatives through corporate welfare.

As regards occupational health and safety, every Company of the Group refers to the Risk Assessment Document approved by the Employer and prepared with the help of the Head of the Prevention and Protection Service and of the Competent Physician. This document is updated in case the production process or the work organization undergoes significant changes that are relevant for the workers' health and safety. It is a strategic direction document implementing the Company's health and safety policy. This policy is based on the main principles given below:

- Continuing to protect workers' health and physical integrity, by providing them with high quality work spaces, and high quality equipment and processes;
- Continuing in the direction laid down by Article 28 of Italian Legislative Decree 106/09, 1106/09, the assessment of both "risk factors" and "risk conditions";
- Pursuing a "precautionary principle" pursuant to Article 15 of Italian Legislative Decree 81/08, and to Article 2087 of the Italian Civil Code.

In 2023 the Bank rolled out a plan for material functional and organizational restructuring regarding the activities to manage this matter.

First, starting from the mission, the Physical Security Service is the only structure in charge of the protection of physical assets for the whole Group, including People's safety, with a risk-based priority approach. Furthermore, for closer attention to the needs of the Network and of the regions, Regional Security and Safety Managers have been appointed.

The projects that were started, based on the risk analyses made, are first of all in line with the Medium Term Business Plan in force, with the strengthening of anti-intrusion systems, of video-surveillance and of the protection of safes and the like.

Also in terms of governance, an Operating Manual on Physical Access has been adopted and applies to the premises of the Crédit Agricole Italia Banking Group, also for the management of badges, in accordance with "least privilege" rules.

Besides the activities necessary to ensure full compliance with the applicable legislation on Occupational Health and Safety, in 2023 the initiatives supporting the Occupational Health and Safety Management System (OHSMS) continued to be deployed. The System was implemented in 2021 in accordance with the UNI INAIL guidelines, operates based on the cyclic sequence of the phases represented by the "Deming cycle" (Plan - Do - Check - Act) and applies to all corporate processes involved in occupational health and safety, in addition to defining the set of related controls.

The System consists in a set of documents:

- The Occupational Health and Safety Policy, which sets out the principles, the mission and the objectives comprised in the occupational health and safety action plan; furthermore, the Policy is an integral part of the Organization and Management Model under Italian Legislative Decree 231/2001 (Special Part Section D) adopted by the Companies of the Crédit Agricole Italia Banking Group.
- The Manual, which describes the methods and criteria with which the Occupational Health and Safety Management System is implemented, managed and reviewed; it also describes the organization, responsibilities and decision-making methods and it can be used to identify, implement and control all the activities that are relevant for Occupation Health and Safety in compliance with the UNI-INAIL guidelines;
- The Procedures, which, for each relevant activity and process, define the consistent assignment of responsibility and the related implementation methods; for each procedures the related performance indicators are also given.

In 2023 most of the aforementioned procedures were revised, consistently with the outcomes of the first review of the OHSMS carried out in 2022, and consistently also with the updating of the corporate processed concerned.

Average hours of overtime per capita (professional area)		2023	2022	2021
Professional area (job level) personnel	No.	6,916	7,013	7,138
Hours of overtime (for CAGS including those accrued at CRP/BPFA)	Hours	317,519	287,067	221,222
Average hours of overtime per capita (professional area)	No.	45.91	40.93	30.99

Absences by type (403-9)		2023	2022	2010
Disease	dd	83,111	103,196	73,197
Accidents	dd	2,470	2,555	2,379
Trade union leaves (excluding special scheme leaves)	dd	21,140	11,672	11,582
Law 104	dd	21,559	18,422	17,947
Strike	dd	227	57	212
Other (paid and unpaid leaves)	dd	1,132	556	838
<b>Total</b>	<b>dd</b>	<b>129,637</b>	<b>136,461</b>	<b>106,154</b>



Injuries at work (403-9)		2023	2022	2021
<b>Accidents to employees</b>				
Hours worked	No.	18,941,716	17,828,234.91	19,941,050
Accidents to employees	No.	118	90	91
Frequency rate of accidents to employees (by million of hours worked)		6.23	5.05	4.56
Deadly accidents to employees	No.	0	0	0
Frequency rate of deadly accidents to suppliers (by million of hours worked)		0	0	0
Accidents with serious consequences (6 months, excluding deadly incidents for employees)	No.	2	0	0
Frequency rate of accidents with serious consequences to employees (by million of hours worked)		0.11	0	0
Days lost for accidents	No.	3,816	3,990	2,815
Absenteeism rate	%	6.30	7.10	6
<b>Accidents to suppliers</b>				
Hours worked	No.	N.a.	N.a.	N.a.
Accidents to suppliers	No.	N.a.	N.a.	N.a.
Frequency rate of accidents to suppliers (by million of hours worked)		N.a.	N.a.	N.a.
Deadly accidents to suppliers	No.	N.a.	N.a.	N.a.
Frequency rate of deadly accidents to suppliers (by million of hours worked)		N.a.	N.a.	N.a.
Accidents with serious consequences (6 months, excluding deadly accidents)	No.	N.a.	N.a.	N.a.
Frequency rate of accidents with serious consequences to employees (by million of hours worked)		N.a.	N.a.	N.a.
Days lost for accidents	No.	N.a.	N.a.	N.a.
Absenteeism rate		N.a.	N.a.	N.a.
<b>Thefts and robberies</b>				
Robberies	No.	1	6	2
Thefts	No.	8	3	3
Attempted thefts	No.	12	14	2
<b>Total</b>	<b>No.</b>	<b>21</b>	<b>23</b>	<b>7</b>

07

**ENVIRONMENTAL ASPECTS**



***SUPPORT TO THE ENERGY  
AND ECOLOGICAL TRANSITION***

***MANAGEMENT OF THE GROUP'S  
ENVIRONMENTAL IMPACTS***

The environmental matters that GBCAI addresses are associated with two topics and main scopes.

On the one hand, the Group is working to develop its range of products and services, from mortgage loans to leases, supporting the ecological transition of the economic and social system and to establish them firmly on the market; on the other hand, the Group actively manages the environmental impacts generated by its business operations, with **special focus on enhancing energy efficiency and on the concomitant reduction of the carbon footprint generated by the management of both real estate assets and people.**

Its dedication is part of the wider strategic design of the Parent Company Crédit Agricole S.A., which joined the four Net Zero alliances i2021 and has therefore defined an important international decarbonization plan, setting the consumption and emissions in 2019 as the baseline and specific emission reduction targets for each company.

## ***SUPPORT TO THE ENERGY AND ECOLOGICAL TRANSITION***

In this scope, the Group is working to phase-in ESG factors in its lending policies and to take a range of ESG products and services to the market for individuals, businesses and sole traders, to support the energy performance upgrading of properties, lean energy production and green mobility. That range of products and services is offered also in partnership with other parties.

The lending policies refer to sectors that are considered “sensitive” for the environment in the Italian social and economic scenario. In this scope, lending is not allowed to enterprises engaged in coal, asbestos, oil and gas extraction via hydraulic fracturing. Furthermore, lending to extraction facilities based in natural reserves is limited, except for ecological transition and decommissioning/delocalization purposes.

Furthermore, no lending is admitted for energy production from steam coal, except for energy transition purposes or falling under national strategic plans.

In operational terms, in 2023 action was taken on the credit rating process with the go-live of the the integration of ESG requirements in the Electronic Loan Application Processing. With the **release of the new Customer ESG File**, the loan proposing and decision-making teams of the Bank have been given an advanced IT tool, i.e. a diagnostic digital tool meeting two needs:

- Identifying the main ESG risks in an immediate and effective manner, specifically sector risks and physical/climate-related risks that may impact on counterparty enterprises;
- Assessing individual risks through a guided approach consisting in exchanging views with the counterparty in order to verify the counterparty’s ESG position, and then identifying any specific transition projects and preparing consistent financial support proposals to “assist” the counterparty in its transition to sustainability.

## DEVELOPMENT OF PRODUCTS DESIGNED TO DELIVER A SPECIFIC ENVIRONMENTAL BENEFIT

In the Corporate Banking segment, innovative products and services are developed within the “Sustainable Evolution” project and can be used to meet ESG needs and goals agreed on with the customer enterprises, both for individual enterprises and with a supply chain approach.

The product catalogue contains:

- “ESG linked” loans, featuring advantageous cost conditions related to a dynamic rewarding system, indexed to the improvement in the enterprise’s ESG profile, whose parameters are regularly surveyed through an assessment questionnaire that the customer can complete digitally;
- Loans backed by SACE first demand guarantee, intended to support investments in the sustainability scope with targets and criteria defined by SACE, which assesses their admissibility and eligibility at its own discretion based on the expected benefits.

Customers are given the opportunity to use the **Supply Chain Finance Platform, which enables the Supply Chain Lead, i.e. the company at the top of the supply chain, to assess its supplier, offering an overview of the sustainability level of the supply chain as a whole.**

Thanks to the integration of the Supply Chain Finance platform with the ESG Scoring, the Supply Chain Lead can be the promoter of the sustainable transformation of its supply chain.

The main Supply Chain Finance products are the solution to support supply chains and facilitating their profitability recovery. Using the strategic lever consisting of the Dynamic Discounting and Confirming Services, the Supply Chain Lead can ensure further engagement of its suppliers to improve their ESG performances through financial incentives.

Specifically, the Supply Chain lead can agree to pay the invoices of its suppliers in advance in exchange for a discount through own liquidity (Dynamic Discounting) or through a credit line given by the Bank, in which the assigned debtor (the Supply Chain Lead) assigns the management of the transferred trade payable to its strategic suppliers to the bank (Confirming).

The Supply Chain Lead may also obtain a sustainability validation in accordance with the ISO standard from Bureau Veritas for the financial support given to its supply chain.

Under the 400 million Euros agreement that Crédit Agricole Italia signed with the European Investment Bank (EIB) to support new investments made by small and medium enterprises and farms, over 25% of the funds will be lent to finance the achievement of environmental sustainability and energy transition goals

In order to meet the main Customer and Prospect Enterprises and to talk about material topics for the Group, sharing new developments and solutions in various scopes, such as sustainability and Italy’s Recovery and Resilience Plan, many «Coffee with Enterprises» events were held.

Having regard to the Retail Small Business segment, a line of “Scelgo Io” loans was created and a work group with the Corporate banking Department and Crédit Agricole S.A. was set up to design a shared action plan for the start of the energy transition for Small Business customers.

One of the most innovative services intended for customers in the Retail Individuals segment is the new one for home energy performance upgrading, which gives the diagnosis of the property energy efficiency and identifies the necessary works for its upgrading with the Green Building Energy Efficiency Simulator (BEES) made by CRIF. Thanks to the partnership with Harley&Dikkinson, a leading player in the energy efficiency upgrading sector, after the diagnosis, customers can be provided with a «turnkey» service including the works.



The Scelte di Valore prize contest, dedicated to Customers that take out the Crédit Agricole Greenback or Crédit Agricole a Rata Costante mortgage loans, also gives the possibility to obtain a monthly rebate on the mortgage loan repayment instalment in case of purchase of our products promoting sustainable behaviours.



## LEASE SOLUTIONS

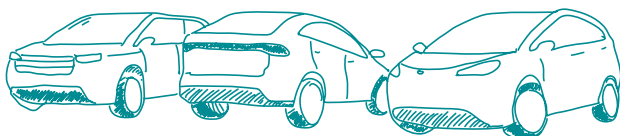
As regards leases, **Crédit Agricole Leasing Italia ranked, for the fourth year in a row, the no-1 Italian players by financed amount of energy systems from renewable sources.**

The Renewable Energy range of solutions includes leases of photovoltaic plants, wind farms and biomass/biogas plants.

Amongst the main transactions closed in 2023, in synergy with Crédit Agricole Italia, worth mentioning are:

- A 14 million Euros lease in favour of Solar Ventures, a company specializing in the development and management of utility scale photovoltaic plants in Italy and Spain, which will enable the construction of five photovoltaic plants - in Sardinia, Veneto, Lombardy and Piedmont - with total installed power capacity of 10.6 MW;
- A 14.5 million Euros lease in favour of Biometano SB, a company of the Belenergia Group, which operates in Italy and abroad producing methane gas from alternative sources, intended for the construction of a new biogas plant in the Municipality of Ronco all'Adige (VR) that, through the anaerobic fermentation of vegetable and zootechnical biomass, produces about 4,200,000 cubic metres of methane gas.

In addition to these solutions, there are the **green mobility** ones. In 2023, within the range of sustainable mobility products, Agos (a leading player in consumer credit, 61% of which is owned by Crédit Agricole through Crédit Agricole Consumer Finance and 39% by Banco BPM) and CALIT launched “Leasing Mobilità Green +Opzioni”, a product for the leasing of new cars and commercial vehicles and 0 mileage cars having low environmental impact. With “+Opzioni” customers have the option of the lease early surrender (before its standard maturity of 60 months), choosing at which one of the pre-determined early surrender terms of 24,



36 and 48 months, as well as a tax benefit thanks to the shorter time in which the lease payment can be deducted than the standard amortization. Furthermore, the solution has no limit as to mileage.

RETAIL INDIVIDUALS products designed to deliver a specific environmental benefit (G4 - FS8)		2023
1) Loans to Individuals - Energicamente Gran Prestito	No.	8
	€	366,000
2) Loans to individuals - Gran Prestito Ristrutturazione (renovation)	No.	14
	€	555,000
4) Construction works tax credits	No.	2,442
	€	192,597,279
5) Crédit Agricole Mortgage Loan	No.	2,589
	€	419,682,628
Total RETAIL INDIVIDUALS products designed to a deliver a specific environmental benefit	No.	5,053
	€	613,200,907

RETAIL SMALL BUSINESS products designed to deliver a specific environmental benefit (G4 - FS8)		2023
1) Construction works tax credits	No.	839
	€	557,132,798
2) Loans originated to businesses with environmental sustainability-related purposes	No.	120
	€	17,002,724
<b>Total RETAIL SMALL BUSINESS products designed to a deliver a specific environmental benefit</b>	<b>No.</b>	<b>959</b>
	<b>€</b>	<b>574,135,522</b>

The figure includes also the transactions regarding the Energicamento Business product, distributed by the Corporate Banking channel for the Retail Banking Small Business segment.

CORPORATE BANKING products designed to deliver a specific environmental benefit (G4 - FS8)		2023
1) Construction works tax credits	No.	3,328
	€	201,709,797
3) Loans for energy efficiency and renewable energy	No.	2
	€	4,600,000
<b>Total CORPORATE BANKING products designed to a deliver a specific environmental benefit</b>	<b>No.</b>	<b>3,330</b>
	<b>€</b>	<b>206,309,797</b>

Total value of the products designed to deliver a specific environmental benefit (G4 - FS8)		2023
<b>Retail products</b>		
Total value of Retail products	€	6,047,318,877
Total value of retail products designed to deliver a specific environmental benefit	€	1,187,336,428
<b>% value of retail products designed to deliver a specific environmental benefit over total retail products*</b>	<b>%</b>	<b>19.63%</b>
<b>Corporate banking products</b>		
Total value of Corporate Banking products	€	2,544,953,017
Total value of Corporate Banking products designed to deliver a specific environmental benefit	€	206,309,796
<b>% value of Corporate banking products designed to deliver a specific environmental benefit over total Corporate banking products*</b>	<b>%</b>	<b>8.11%</b>

\* The Total Value of Retail Banking Products designed to deliver a specific environmental benefit includes the products listed in tables: a) RETAIL SMALL BUSINESS products designed to deliver a specific environmental benefit and b) RETAIL INDIVIDUALS products designed to deliver a specific environmental benefit. The percentage of RETAIL products designed to deliver a specific environmental benefit is the ratio of the total value of products designed to deliver a specific environmental benefit to the total value of the products originated in the year in RETAIL banking.

\*\* The Total Value of Corporate Banking products designed to deliver a specific environmental benefit includes the products listed in table. Total CORPORATE BANKING products designed to a deliver a specific environmental benefit. The percentage of CORPORATE BANKING products designed to deliver a specific environmental benefit is the ratio of the total value of the products designed to deliver a specific environmental benefit to the total value of the products originated in CORPORATE BANKING.

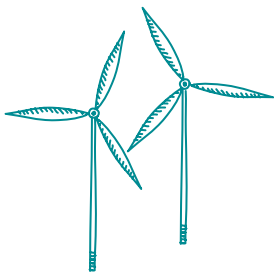
Leases (G4-FS6)		2023	2022	2021
<b>Equipment leases</b>				
Portfolio	K€	1,591,733	1,382,450	1,107,834
Amount financed	K€	759,634	847,073	656,959
Operating lease				
Portfolio	K€	3,466	750	783
Amount financed	K€	3,244	189	504
<b>Motor-vehicle leases</b>				
Portfolio	K€	390,987	279,699	194,130
Amount financed	K€	250,982	207,718	108,082
Real estate leases				
Portfolio	K€	846,467	909,454	758,872
Amount financed	K€	170,847	133,639	125,273
Boat leases				
Portfolio	K€	53,897	55,100	52,780
Amount financed	K€	17,581	39,075	6,191



Energy leases (G4 – FS8)		2023	2022	2021
<b>Portfolio</b>				
Wind farms	K€	30,626	32,736	28,189
Biomass plants	K€	12,148	6,259	7,066
Cogeneration plants	K€	2,635	3,656	4,866
Photovoltaic plants	K€	100,471	102,899	77,535
Hydroelectric power plants	K€	43,249	49,541	43,556
<b>% over total loans</b>				
Wind farms	%	1	1.2	1.24
Biomass plants	%	0.4	0.2	0.31
Cogeneration plants	%	0.1	0.1	0.21
Photovoltaic plants	%	3.3	3.6	3.41
Hydroelectric power plants	%	1.4	1.8	1.91
<b>Amount financed</b>				
Wind farms	K€	2,344	1,059	2,784
Biomass plants	K€	14,813	0	2,293
Cogeneration plants	K€	13	0	1,052
Photovoltaic plants	K€	84,875	25,822	12,146
Hydroelectric power plants	K€	5,720	0	9,650
<b>Number of projects financed</b>				
Wind farms	No.	7	1	10
Biomass plants	No.	3	0	1
Cogeneration plants	No.	1	0	2
Photovoltaic plants	No.	88	36	10
Hydroelectric power plants	No.	1	0	1

# MANAGEMENT OF THE GROUP'S ENVIRONMENTAL IMPACTS

The Group's direct environmental impacts result mainly from the energy consumption and the materials used to run the properties where the Group has its activities going on (for example, electrical energy, natural gas, diesel fuel) as well as fuels for its car fleet and, to a lesser extent, the consumption of resources used in day-to-day activities (for example paper and toners).



In compliance with its Energy Policy and as done in previous years, in 2023 the Crédit Agricole Italia Banking Group ensured that environmentally respectful management of resources.

This was done through a considerable reduction in its energy consumption (especially electrical energy and natural gas), thus also reducing polluting emissions, as well as through responsible use and consumption of paper and waste management aimed at the recovery of disposed materials.

It is worth noting that, in February 2024, the Firm completed and approved the voluntary project it had started in 2022 to set up an Environmental Management System (EMS) to be certified in accordance with the ISO14001:2015 standards, involving Crédit Agricole Italia, Crédit Agricole Group Solutions and CALIT and handled by the operational functions that are crosswise engaged in the management of all real estate assets of the Group.

Specifically the Environmental Management System pursues the following goals:

- **Protecting the environment by preventing or mitigating negative environmental impacts;**
- **Mitigating the potential negative effect of environmental conditions on CAI;**
- **Supporting CAI in complying with its statutory and regulatory obligations**
- **Improving its environmental performances;**
- **Communicating the environmental information and choices both inside and outside the Bank;**
- **Promoting and disseminating an environmental protection culture;**

The project was recently approved by the Boards of Directors of the three Companies and was made official with a specific internal circular in February 2024.

## ENERGY EFFICIENCY ENHANCEMENT

In 2023 the pandemic emergency proved fully past and gone and operations went back to normal in terms of occupation of the premises and work performed at our premises.



Therefore, it was deemed it appropriate to focus even further on energy management with fine-tuned setting of the running hours and settings of heating and air conditioning systems, in order to optimize their performances and consumption. The continuous monitoring of the Group's energy consumption was intensified and optimized; this activity is carried out collecting and analyzing daily consumption of electrical energy and gas at the headquarters and main premises, as well as analyzing the monthly energy bills of over one thousand buildings in the Group's perimeter. These activities ensure timely control of any anomalous consumption, in order for the problem to be addressed, energy efficiency to be enhanced and consumption to be reduced .

in addition to the above, positive impacts have been generated by the actions under the network optimization plan, under which about 105 branches were closed accounting for an occupied area of nearly 27.000m<sup>2</sup>,

with electricity consumption that, in 2023, went down by almost 1,100,000 KWh and natural gas consumption by nearly 30.000m<sup>3</sup>, thus reducing emissions by approximately 55 tons of CO<sub>2</sub>.

Again within the actions on the network, additional benefits were generated by the completion of 9 actions for the rationalization of the occupied spaces at several multifunctional hubs in various cities (including Milan, Sondrio, Pordenone, Piacenza and Rimini), with the related areas decreasing by approximately 15,000m<sup>2</sup> and electricity savings of about 430.000KWh and natural gas savings of 30,000m<sup>3</sup>, with emissions down by approximately 60 tons of CO<sub>2</sub>.



The Group also continued with its investments aimed at the revamping of its technological systems and upgrading of its lighting systems (relamping), prioritizing its sites that were more energy intensive and the less efficient ones, and promoting, wherever possible, the shift from technologies powered by natural gas to electricity powered ones, with heat pumps, and strengthening their telecontrol, where present.

In this scope, the following projects were started and completed:

- About 35 revamping projects, generating average annual savings vs. 2022 of nearly 40,000m<sup>3</sup> of natural gas, preventing the emission of about 85 tons of CO<sub>2</sub>;
- Over 15 relamping projects, which, thanks to the shift to Led lighting and, where technically useful, the installation of monitoring and control sensors, will result, when fully operational, in electricity annual savings vs. 2022 of approximately 150MWh.

Therefore, thanks to all the aforementioned activities, a material target was achieved, with electricity savings of nearly 13% and natural gas savings of 17% vs. the Group's consumption in the previous year, preventing the emission of over 1,000 tons of CO<sub>2</sub>.

Energy consumption in the organization broken down by primary energy source* (302-1)		2023	2022	2021
Electrical energy***	GJ	199,819.8	231,995.3	218,954.7
Of which from certified renewable sources****	GJ	199,743.2	231,956.0	218,677.3
Natural gas	GJ	81,700.7	117,164.95	116,895.9
Self-produced electric power (photovoltaic power station, at Cavagnari day care, car park, other)	GJ	2,277.1	2,770.7	2,661
Diesel fuel for heating	GJ	2,428.4	2,783.5	3,209.1
LPG for heating	GJ	183.4	0.0	0.0
Diesel fuel for transport	GJ	16,226.3	19,055.8	18,002
Petrol for transport	GJ	7,064.8	3,408.1	1,975.3
LPG	GJ	0.0	33.0	19.4
Home electric power	GJ	200.9	104.6	22.7
Of which from renewable sources	GJ	124.3	65.4	22.7
District heating and district cooling	GJ	2,868.6	3,734.3	3,137.1
<b>Total**</b>	<b>GJ</b>	<b>312,645.6</b>	<b>380,945.6</b>	<b>364,854.4</b>

\* The figure excludes the consumption regarding condo buildings pertaining to Crédit Agricole Italia, CA Group Solutions, CALIT and FriulAdria. For 2021 only the figure includes also the natural gas consumption of the former-CreVal: perimeter associated to the sites with whole-building heating systems (scope 2).

\*\* Conversions into GJ have been made using the factors given in ABI 202 guidelines for 2021 data, ABI 2021 guidelines for 2022 data and ABI 2023 guidelines for 2023 data.

\*\*\* Includes emissions from electrical energy for traction purposes.

\*\*\*\* Consumption from non-renewable sources was, for 2022, electrical energy for traction purchased at recharge stations outside the Group's premises.

## MOBILITY AND CARBON MANAGEMENT

A significant contribution to keeping emissions under control is given by self-consumption of electrical energy produced by the main photovoltaic plant owned by the Group, which is located at the **“Green Life” headquarters in Parma, and certified in accordance with the LEED Premium environmental quality standards**, along with another three photovoltaic plants, for a total installed power capacity of the Group of approximately 850KW. In 2023 the annual total energy production was of about 650MWh, in line with the figures for the previous years.

Furthermore, consistently with its green procurement policies, the Group reasserted its choice to have the entire electrical energy supply coming from renewable sources, with guaranteed origin, while the natural gas supply is to be carbon neutral given the CO<sub>2</sub> emissions offsetting units.

The choice of using electrical energy from renewable sources prevented the emission of about 15,000 tons of CO<sub>2</sub><sup>7</sup>.

Another impact on emission is generated by people mobility. In compliance with the Italian applicable legislation on this matter, **in 2023 the Group implemented the measured under the Home-Work Travel Plans (HWTP)** adopted in 2022 for each one of its complex sites, that is sites where over 100 employees work). These plans aim at reducing car traffic, shifting home-work travelling by employees to sustainable mobility means alternative to the individual use of private motor vehicles, based on the analysis of their mobility habits/needs and on the public transport means available in the individual communities.

As regards the Company's fleet, in 2023 new charging stations were installed for electric/hybrid vehicles at the Group's main complex sites. These infrastructural works are intended to support the progressive replacement of all traditionally powered vehicles in the Company's fleet with hybrid or full electric vehicles. That action also includes the Company's cars for mixed use, i.e. the cars assigned to employee for work and private use, for which the employees are given the choice between hybrid vehicles (also plug-in) and “full electric” (for employees travelling less than 30,000 km/year).

In compliance with the applicable legislation, which requires it on a yearly basis, in the last months of 2023 the Crédit Agricole Italia Banking Group carried out the usual survey (through a questionnaire administered online) of the mobility habits and needs of its employees, and subsequently prepared the 2023 Home-Work Travel Plans (HWTP) for all its complex sites, setting out therein the benefits that can be achieved implementing the HWTPs and assessing the advantages they generate for the employees, for the Group and for the community (reduction in urban car traffic and in polluting/ GHG emissions).

7 The difference between tCO<sub>2</sub>eq emissions in the atmosphere calculated with the location-based and market-based approach.

GHG emissions (305-1; 305-2)		2023	2022	2021
<b>GHG emissions (scope 1 + scope 2 – Location Based)</b>	<b>tCO<sub>2</sub>eq</b>	<b>23,373.9</b>	<b>26,315.5</b>	<b>26,767.4</b>
<b>GHG emissions (scope 1 + scope 2 – Market Based)</b>	<b>tCO<sub>2</sub>eq</b>	<b>8,444.7</b>	<b>9,487.3</b>	<b>8,681.8</b>
Of which from electrical energy (scope 2 - Location based)	tCO <sub>2</sub> eq	14,938.9	16,833.3	18,121.2
Of which from electrical energy (scope 2 - Market based)	tCO <sub>2</sub> eq	0.0	5.0	37.5
of which from natural gas	tCO <sub>2</sub> eq	4,807.9	6,826.7	6,762.2
of which diesel fuel for heating	tCO <sub>2</sub> eq	181.3	207.8	238.4
of which LPG for heating	tCO <sub>2</sub> eq	12.2	0.0	0.0
Of which from district heating and district cooling	tCO <sub>2</sub> eq	166.9	0.0	0.0
of which from diesel fuel for motor vehicles	tCO <sub>2</sub> eq	1,205.0	1,408.7	1,339.1
Of which from petrol	tCO <sub>2</sub> eq	519.8	249.1	146.3
Of which LPG	tCO <sub>2</sub> eq	0.0	2.2	1.3
of which from electricity for motor vehicles* (Location Based)**	tCO <sub>2</sub> eq	9.8	7.6	1.9
of which from electricity for motor vehicles (Market Based)**	tCO <sub>2</sub> eq	0.0	5.0	0.0
of which from GHG fluids, R410a gas	tCO <sub>2</sub> eq	467.8	189.9	21.5
of which from GHG fluids, R407c gas	tCO <sub>2</sub> eq	318.4	483.15	94.6
of which from GHG fluids, other gas	tCO <sub>2</sub> eq	755.8	114.64	40.9

\* Electricity for traction is already included in “from electrical energy”.

\*\* In 2022 the calculation of energy consumption for traction from renewable sources was fine-tuned as to methods and, therefore, the figure is not comparable to those of the previous years.

## PROCESS DEMATERIALIZATION

In 2023 a tendering procedure was carried out and the contract was awarded regarding the procurement and e-procurement management of printed documents and paper consumables with green features (e.g., products made from regenerated or recycled materials, with FSC, BPA free, Blauer Engel, Pentel Green Label certifications and the like) and with the option to receive the certification from the manufacturer.

Thanks to the progress in the digitalization processes implemented in the year, the Group progressively reduced the use of paper forms and stationery and, effective as of 2024, will reduce also the use of recycle paper.

Materials used by weight or volume (301-1; 301-2)		2023	2022	2021
<b>Recyclable materials</b>				
Paper	Kg	840,152	882,191	928,778
- of which recycled	Kg	775,463	774,600	847,154
- of which forms	Kg	60,286	95,470	72,834
Other (paper/cardboard stationery, plastic containers)	Kg	39,564	23,781	20,783
<b>Non-recyclable material</b>				
Stationery	Kg	38,051	60,762	51,920
IT materials (especially toners)	Kg	1,458	1,999	15,371
<b>Total</b>	<b>Kg</b>	<b>920,841</b>	<b>968,733</b>	<b>1,057,051</b>
GHG fluids, R410a gas	Kg	224.1	148.6	22.9
GHG fluids, R407c gas	Kg	179.5	204.5	168.1
GHG fluids, other gas	Kg	496.7	62.2	18.4

Waste generated (306-3)*		2023	2022	2021
Non-hazardous waste	t	678.39	962.33	790.54
Hazardous waste	t	13.12	0	0

\* The Group does not directly handle waste management, selecting waste management and authorized transport companies (special waste) that, based on the waste type, dispose or recycle the waste. Conversely, for office waste, similar to household waste, the Group disposes of it through the local council companies operating in the various locations.

Total water withdrawal by source (303-1)		2023	2022	2021
Water mains	Thousands of m <sup>3</sup>	261.1	269.5	343.123
Water withdrawal from areas with water stress*	Thousands of m <sup>3</sup>	0	0	29.586
From surface water (lakes, rivers, etc.)	Thousands of m <sup>3</sup>	0	0	2.544
Of which fresh water	Thousands of m <sup>3</sup>	0	0	2.544
Of which, other type of water	Thousands of m <sup>3</sup>	0	0	0
From underground water	Thousands of m <sup>3</sup>	0	0	26.923
Of which fresh water	Thousands of m <sup>3</sup>	0	0	26.923
Of which, other type of water	Thousands of m <sup>3</sup>	0	0	0
From the sea	Thousands of m <sup>3</sup>	0	0	0.120
Of which fresh water	Thousands of m <sup>3</sup>	0	0	0
Of which, other type of water	Thousands of m <sup>3</sup>	0	0	0.120

\* As regards withdrawals from areas with water stress, the 2021 figures represent an estimate made by reconstructing consumption based on assumptions by region/site, in compliance with "ABI Lab guidelines on the application to banks of the GRI (Global Reporting Initiative) universal standards on the environment". In 2022, no accurate analysis by region could be done. Therefore, it was decided to make an estimate based on a sample of 10 sites located in different areas, as the impacts from water withdrawals, or areas with water stress are not significant, given the type of organization

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# APPENDIX 2/REFERENCES TO THE 2030 AGENDA

## References to the UN 2030 Agenda for Sustainable Development

Goal	Target	Related material topics	Page
 1. End poverty in all its forms everywhere	1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services including microfinance	<ul style="list-style-type: none"> <li>• Innovation and accessibility of the model</li> <li>• Bank and regions</li> <li>• Savings protection</li> <li>• Financial education</li> </ul>	83, 88-89
 2. End hunger and achieve food security and improved nutrition and promote sustainable agriculture	2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and nonfarm employment.	<ul style="list-style-type: none"> <li>• Innovation and accessibility of the model</li> <li>• Bank and regions</li> <li>• Entrepreneurship and agri-food supply chain</li> <li>• Role of credit in sustainable development</li> </ul>	90
 4. Ensure inclusive and equitable quality education, and promote lifelong learning opportunities for all	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	<ul style="list-style-type: none"> <li>• Bank and regions</li> <li>• Centrality of people</li> </ul>	113
 5. Achieve gender equality and empower all women and girls	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	<ul style="list-style-type: none"> <li>• Bank and regions</li> <li>• Role of credit in sustainable development</li> <li>• Centrality of people</li> </ul>	114
 7. Ensure access to affordable, reliable, sustainable and modern energy for all	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.	<ul style="list-style-type: none"> <li>• Climate change and real estate properties</li> </ul>	132
	7.3 By 2030, double the global rate of improvement in energy efficiency.	<ul style="list-style-type: none"> <li>• Climate change and real estate properties</li> </ul>	33, 137

*continues*

References to the UN 2030 Agenda for Sustainable Development				
	Goal	Target	Related material topics	Page
	8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour intensive sectors.	<ul style="list-style-type: none"> <li>• Innovation and accessibility of the model</li> <li>• Bank and regions</li> <li>• Entrepreneurship and agri-food supply chain</li> <li>• Role of credit in sustainable development</li> </ul>	78
		8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small- and medium-sized enterprises including through access to financial services.	<ul style="list-style-type: none"> <li>• Innovation and accessibility of the model</li> <li>• Bank and regions</li> <li>• Entrepreneurship and agri-food supply chain</li> <li>• Role of credit in sustainable development</li> </ul>	85
		8.8 Protect labour rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment.	<ul style="list-style-type: none"> <li>• Centrality of people</li> </ul>	104
		8.10 Strengthen the capacity of domestic financial institutions to encourage and to expand access to banking, insurance and financial services for all.	<ul style="list-style-type: none"> <li>• Innovation and accessibility of the model</li> <li>• Bank and regions</li> <li>• Entrepreneurship and agri-food supply chain</li> <li>• Role of credit in sustainable development</li> </ul>	84
	10. Reduce inequality within and among countries	10.2 By 2020 empower and promote the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	<ul style="list-style-type: none"> <li>• Bank and regions</li> <li>• Centrality of people</li> </ul>	96-97, 120
	11. Make cities and human settlements inclusive, safe, resilient and sustainable	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums	<ul style="list-style-type: none"> <li>• Bank and regions</li> <li>• Climate change and real estate properties</li> </ul>	83, 131
		11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage.	<ul style="list-style-type: none"> <li>• Bank and regions</li> <li>• Climate change and real estate properties</li> </ul>	92
	13. Take urgent action to combat climate change and its impacts	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	<ul style="list-style-type: none"> <li>• Bank and regions</li> <li>• Climate change and real estate properties</li> </ul>	96, 132
	16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	16.4 By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime.	<ul style="list-style-type: none"> <li>• Innovation and accessibility of the model</li> </ul>	65
		16.5 Substantially reduce corruption and bribery in all their forms.	<ul style="list-style-type: none"> <li>• Innovation and accessibility of the model</li> </ul>	72
	17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.	17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries	<ul style="list-style-type: none"> <li>• Innovation and accessibility of the model</li> <li>• Bank and regions</li> <li>• Role of credit in sustainable development</li> <li>• Climate change and real estate properties</li> </ul>	30, 92, 95

# APPENDIX 3/TCFD

## GOVERNANCE

Responsibility of the management body in the definition of a risk management framework specifying the roles vested with oversight and implementation of the climate strategy

In terms of Governance, sustainability topics are overseen by two Board Committees: the Sustainable Development Committee, chaired by Chairman Fassati, which assesses the Group's Sustainability Policies proposed by the Managerial Committee, submits them to the BoD for approval and monitors the preparation of the NFS; the ESG and Sustainability Managerial Committee vested with the functions of promoting, approving and overseeing sustainability-related strategic plans and initiatives; In accordance with the Bank of Italy's hybrid model, a pivotal structure liaising between the Committees and the Functions of the Bank, the Sustainability Business Unit, and ESG Owners have been identified and appointed in the Bank Functions and report on a dotted line (except for Control Functions) to the Sustainability Business Unit.

The Risk and Internal Control Committee is the Group Committee coordinating the Control Functions (Audit, Compliance, Risk Management and Permanent Controls) and overseeing the internal control integrated system, in compliance with the procedures adopted by the Crédit Agricole Italia Banking Group. The Committee's mission includes discussing and resolving on the risk topics pertaining to each Control Function.

Approach adopted by the management Body to address the short-, medium- and long-term effects regarding climate-related and environmental factors and risks in the business lines and internal control functions

The ESG and Sustainability Managerial Committee prepares the half-yearly reporting to the Sustainable Development Committee and to the Direction de la Responsabilité Sociétale et Environnementale (DRSE) of Crédit Agricole S.A. and, as a rule, the annual reporting to the Board of Directors of Crédit Agricole Italia.

The Sustainable Development Board Committee supports the Board of Directors in assessing and in analyzing in depth sustainability topics associated with the Bank's operations, as well as in approving the strategic lines and policies concerning ESG and Sustainability matters, including the cultural and social responsibility model and fight against climate change, contributing to ensuring the best possible management and control of risks and taking into account the objective of sound and sustainable value creation for all stakeholders. The Committee receives the information and reporting that shall be sent by the ESG and Sustainability Managerial Committee and has the right to access all corporate information as necessary to perform its duties.

The Committee exchanges the information that is mutually relevant with the other Board Committees, with the Board of Auditors and, where appropriate, coordinates with them for the performance of the respective duties. Furthermore, once a year the Committee reports on the activities it performed and on the opinion issued to the Board of Directors.

In 2022, specific responsibilities for ESG matters were assigned in the Service Regulations of the control functions and business lines.

Guidelines and frequency of reporting information concerning climate-environmental risk

- On half-yearly basis, it reports the outcomes of the monitoring of multi-year action plans designed to progressively reach compliance with the ECB's 13 expectations and the Bank of Italy's 12 expectations to the relevant Corporate Committees. The outcomes of the monitoring of the ECB expectations are sent also to the Parent Company.
- Internal reporting has been structured representing the exposures to climate-related risks - both physical and transition ones - and environmental risk, which are reported to the Board on a quarterly basis. The assessment covers both loans backed by collateral and unsecured ones, and risk levels are assigned using the place hazard mapping of the Italian territory.

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## GOVERNANCE

Alignment of the remuneration policies to the organization's objectives regarding climate and environmental risks

The remuneration policies of the Crédit Agricole Italia Banking Group are defined in compliance with the principle of "consistency to the approach to climate and the environment (and to the related risks)" and of "alignment with the ESG objectives of the Crédit Agricole Italia Banking Group".

This principle provides for the Remuneration Policy to contribute, by deferring payment of the remuneration variable part and defining specific performance criteria, to promoting a long-term approach for the management of climate and environmental risks, in line with the Group's risk appetite and strategy.

In this context, in order to encourage behaviours that are consistent with the Parent Company's approach to climate-related and environmental risk and with the guidelines on energy transition, ESG qualitative indicators are implemented in the incentive systems applying to employees, the achievement of which contributes to the determination of variable remuneration.

Specifically, the Crédit Agricole Italia Banking Group's ESG goals aim at: taking into account the Group's long-term interests, stimulating behaviours that are consistent with its approach to environmental, social and governance risks (which have also been integrated in the internal governance arrangements), preventing any conflicts of interest in business decision making, supporting the achievement of an appropriate risk culture.

More details about the inclusion of ESG factors in the personnel remuneration systems are given in paragraph "E.S.G. (Environmental, Social and Governance)" of document "Remuneration Policies of the Crédit Agricole Italia Banking Group - Year 2023" which is available on the Group's website.

## STRATEGY

Corporate strategy on the inclusion of climate-environmental risks and factors, in order to manage risks and opportunities impacting on the corporate scenario, on the business model and on short-, medium- and long-term financial strategy and planning.

In order to comply with the national and EU legislation and with self-regulation provisions (i.e. the ECB Guide on climate-related and environmental risks, the bank of Italy's Supervisory expectations, the EBA Guide on Loan Origination and Monitoring and with the Net Zero Banking Alliance commitment), in line with the Parent Company, the Bank has set Sustainability as one of the pillars of its Business Plan and is continuing with the inclusion of ESG factors in its strategies, processes and products, in order to control, manage and monitor climate-related and environmental risks. The inclusion of ESG factors in its Lending Policies and Processes is a key step forward on this path. The main actions taken are broken down below.

- Implementation of Policies on "Environmentally-sensitive" sectors, which transpose the CSR Sector Policies of Crédit Agricole S.A. Adapting them to the Italian social and economic background. In this first phase, the policy lays down limitations to loans intended for extraction activities (Coal, Asbestos, Oil and Gas Gas from oil shales and in the Arctic) and for energy production from steam coal;
- The adoption of a Quantitative Approach that provides for these two solutions: the correction of the weights used for authorized amount weighted by ESG factors (sectoral and counterparty risks), and the definition of minimum decision-making bodies for physical, climate-related, industrial, seismic and volcanic risks;
- The use of a baseline questionnaire, a tool whereby a qualitative indication can be obtained of activation in terms of sustainability.
- Implementation of the «ESG Customer File» , a tool containing all the ESG information wealth on a single counterparty. The ambition is for it to become the daily consultation tool for loan-proposing and decision-making teams to investigate Customers' ESG characteristics.

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## STRATEGY

The features implemented in the ESG Customer File are listed below:

- Georeferencing and mapping/monitoring of physical/climate risks (landslide, hydrogeological, seismic, volcanic, tsunami, industrial) of all the pieces of property pledged as collateral, of all legal persons, whether with outstanding credit lines or not, (registered office and operational headquarters) and of Industry, only if with outstanding loans, with external provider Masterinformation. The surveyed data, in quantitative and intensity terms, are then processed in order to determine the complexity indicators and intensity indicators, which are used in the lending process to determine the minimum decision-making bodies if the critical thresholds are breached.
- Use and adoption of the Materiality Matrix of SASB (Sustainability Accounting Standard Board) and of the related Technical Notes (Disclosure Topics) to identify and analyze ESG risks associated with the economic sectors our Customers (enterprises) operate in. SASB is a nonprofit organization that sets specific standards and indicators to enable third parties (e.g. credit institutions, enterprises) to use the sustainability information that is financially relevant in their internal processes. The matrix identifies 26 variables (11 environmental ones, 10 social ones and 5 governance-related ones) that are considered material in 11 economic macro-sectors and in 77 related sub-sectors identifies the issues that are material for each sub-industry. Based on the total number of issues and on their weight, a sectoral ESG score is calculated for the enterprise under analysis.
- Acquisition and use of the output obtained from the Inside-out analysis (administration of a qualitative questionnaire of 55 questions) by Cerved to define a Counterparty ESG score in the assessment of creditworthiness and of the outside-in analysis, a quantitative score with the collection of public information on a massive basis, supplemented and weighted to obtain an ESG score on the counterparties (Corporate Banking and Small Business).
- Calculation of GHG emissions: Scope 1 the reporting entity's direct emissions Scope 2 indirect emissions produced outside the reporting entity.
- After the materiality screening of physical risks on the pieces of property pledged as guarantee

Describe the resilience of the Bank's strategy in the various climate scenarios

Following the participation in the first stress test exercise on climate risk in 2022 and the publication of the results by the ECB, which showed that the Banking System as a whole needs to expand and strengthen the collection and management of climate-related data, in 2023 the Group carried out important projects aimed at recovering, building and managing that information, both through internal activities and entering into contracts for the supply of external data, where no accurate information could be recovered from customers.

In Q4 2023 the Group was involved in the information collection within the Fit-For-55 exercise on data as at 31 December 2022. Those data and information will be used to carry out a centralized climate stress testing exercise coordinated by the ECB as mandated by the European Commission; the Commission is interested in assessing and anticipate the shocks on the financial system subsequent to the commitments undertaken by the 27 Member States within the EU Green Deal, which provides for a 55% reduction in emissions by 2030 (vs. the 1990 levels). The Commission hopes to receive the exercise results by the end of 2024 and Q1 2025.

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## STRATEGY

Describe the activities for the origination of sustainable financing, present and future, and the related assessment frameworks

In 2022 the Group started on a multi-year path towards the inclusion of ESG factors in its credit rating processes. That path has been designed by updating the Lending Policies and by defining a specific framework that provides for an approach structured into three steps to serve and assist the counterparties in their evolution towards a sustainable transition. Specifically:

- Step 1, Diagnostics; it aims at identifying the potential credit and ESG risks that may impact on the counterparty and use of that information as the guiding line to keep the detected risks under control. To support step 1 the “ESG Customer File” was implemented, a new information tool that ensures the most capillary spreading of ESG information to all the levels in the lending process, starting from the proposing structures all the way up to the top decision-making body.
- Step 2, the counterparty’s ESG performance (Inside-Out ESG score); it aims at verifying the level of control on ESG risks by the counterparty; that performance is determined by processing the answers given to a specific questionnaire administered to the counterparty whereby the Environmental (E), Social (S) and Governance (G) scopes are thoroughly investigated;
- Step 3, Alignment; it aims at verifying whether the activities and investments deployed o planned by the counterparty are consistent with a transition path to sustainability.

Describe the policies and procedures regarding direct or indirect involvement with counterparties on their strategies fit to mitigate and reduce climate risks

Along the path started in 2022 directed to the inclusion of ESG factors in the processes to assess creditworthiness, physical/climate risks have been especially focused on, both in order to respond to the expectations of the European Banking Authority (EBA), and also because of the materiality that those risks may have in the control of lending.

In this regard a process has been designed for regular mapping of 6 risks (landslide, hydraulic, industrial, tsunami, seismic and volcanic) on all counterparties (legal and natural persons) with active accounts (both borrowers and non-borrowers) and on all pieces of property (commercial and residential) pledged as guarantee for mortgage loans and/or other loans.

The information resulting from the mapping is processed into two indicators (complexity and intensity) and made available in the ESG File (Step 1 - Diagnostics) and in the ESG Section of the Electronic Loan Application Processing.

To manage and keep those risks under control, Minimum Decision-making Bodies are identified if thresholds that are deemed “critical” are breached and appropriate verifications of structural control on the counterparty are implemented (Step 2 - Counterparty ESG Performance).

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## RISK MANAGEMENT

Describe the approach to manage the short-, medium- and long-term effects of climate-environmental factors and risks in the framework of traditional risks

Climate risks are included in the set of material risks for the Group and, in accordance with the instructions given by the Parent Company and with the supervisory setting, they are considered as risk factors that may affect or worsen the traditional prudential risks (credit, market, operational and liquidity risks) and other existing risks. Acute physical risks occur and are material also in the short term, whereas transition risks have a long-term time horizon and depend on the transition time frame and methods. The CAI Group is implementing its action plans in compliance with the Supervisory Authority's expectations through several organizational, training, commercial, management and application-related actions (specific governance, risk strategy, organizational structure, model of the three lines of defence, compensation, development of IT applications, data collection, monitoring and reporting). The control activity uses the arrangements and devices already in place to measure the exposure to pillar 1 and 2 risks..

Processes implemented to identify, measure, manage and monitor assets and exposures (and guarantees where applicable) that are sensitive to environmental risks, covering the pertinent transmission channels

Collateralized loans and the related real estate guarantees undergo periodic analyses aimed at quantifying the exposure to physical and transition risks. Specifically, physical risks are defined starting from hazard maps of the Italian territory, and transition risks are defined based on the industries where the counterparties operate and on the energy efficiency of the properties pledged as guarantees. In order to fine-tune the analyses, data and qualitative and quantitative assessment (scores) have been obtained from external providers to supplement those already available in the Bank's systems.

The outcomes of the analyses of physical and transition risks are reported on a quarterly basis to the relevant Corporate Committees and are assessed in order to identify the customers to be addressed on a priority basis - in accordance with the physical and transition risk they are exposed to - in order to define specific actions lines and actions.

## METRICS AND TARGETS

Monitoring metrics and objectives included in the corporate strategy for the assessment and management of climate and environmental opportunities and risks.

Having specific regard to the NZBA, in 2021 the Crédit Agricole Group took the voluntary commitment to reach carbon neutrality in 2050 aligning its loan and investment portfolios to the Net Zero trajectories consistent with the Paris Climate Accord. In its capacity as an entity belonging to the Group, Crédit Agricole Italia directly participates in the Net Zero project and contributes to the achievement of the goals set together with Crédit Agricole S.A.

Having joined the Net Zero Banking Alliance, Crédit Agricole Italia shall measure the baseline figure, define decarbonization goals and related strategies for ten carbon-intensive sectors, such as: commercial real estate, residential real estate, agriculture, energy production, automotive, oil and gas, steel, cement, sea transport and aviation.

Crédit Agricole Italia focuses especially on three sectors: Commercial Real estate, Residential Real Estate and Agriculture.

The progress in the activities and actions plans to meet the ECB expectations on climate-related risks is assessed, every six months, through a specific indicators defined by the Parent Company."

Please, disclose emissions and related associated risks

See pages 55 and 137.

# INDEPENDENT AUDITORS' REPORT



## **Independent auditor's report on the consolidated non-financial statement**

*pursuant to article 3, paragraph 10, of legislative decree no. 254/2016 and article 5 of CONSOB regulation adopted with resolution no. 20267 of January 2018*

To the board of directors of Crédit Agricole Italia SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5, paragraph 1 g), of CONSOB Regulation No. 20267/2018, we have undertaken a limited assurance engagement on the consolidated non-financial statement of Crédit Agricole Italia SpA and its subsidiaries (hereinafter the "Crédit Agricole Italia Banking Group" or the "Group") for the year ended 31 December 2023 prepared in accordance with article 4 of the Decree, and approved by the board of directors on 19 March 2024 (the "NFS").

Our review does not extend to the information set out in the section titled "EU TAXONOMY - DISCLOSURE PURSUANT TO ARTICLE 8 OF REGULATION (EU) NO. 2020/852" of the Group's NFS, required by article 8 of Regulation (EU) 2020/852.

### **Responsibilities of the Directors and the Board of Statutory Auditors for the NFS**

The directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with the "Global Reporting Initiative Sustainability Reporting Standards" defined by GRI – Global Reporting Initiative (hereafter the "GRI Standards") which they identified as the reporting standard.

The directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error or to unintentional behaviors or events.

Moreover, the directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary for an understanding of the Group's activities, development, performance and related impacts.

Finally, the directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for identifying and managing the risks generated and/or faced by the latter.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

### **PricewaterhouseCoopers SpA**

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### **Auditor's Independence and Quality Control**

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. In the period this engagement refers to our firm applied International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintained a comprehensive system of quality control including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Auditor's Responsibilities**

Our responsibility is to express a limited assurance conclusion, based on the procedures we have performed, regarding the compliance of the NFS with the Decree and with GRI Standards. We conducted our engagement in accordance with *International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the NFS is free from material misstatement. Therefore, the procedures performed were less extended than for a reasonable assurance engagement conducted in accordance with ISAE 3000 Revised and, consequently, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement. The procedures performed on the NFS were based on our professional judgement and included inquiries, mainly of personnel of the Company responsible for the preparation of the information presented in the NFS, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. analysis of the relevant matters reported in the NFS in relation to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;
2. analysis and assessment of the criteria used to identify the consolidation perimeter, in order to assess their compliance with the Decree;
3. understanding of the following matters:
  - business and organisational model of the Group with reference to the management of the matters specified in article 3 of the Decree;
  - policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
  - key risks generated and/or faced by the Group with reference to the matters specified in article 3 of the Decree.

4. With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under item 4 a) below; understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.



In detail, we held meetings and interviews with the management of Crédit Agricole Italia SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at a group level,
  - a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidence,
  - b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information;
- for the following companies, Crédit Agricole Italia SpA and Crédit Agricole Group Solutions SCPA, which we selected on the basis of their activities and their contribution to the key performance indicators at a consolidated level, we consulted the managers and data owners and acquired documentary evidence regarding the correct application of the procedures and calculation methods used for the indicators.

### **Limited Assurance Conclusions**

Based on the procedures performed, nothing has come to our attention that causes us to believe that the NFS of Crédit Agricole Italia Banking Group for the year ended 31 December 2023 is not prepared, in all significant respects, in accordance with articles 3 and 4 of the Decree and with GRI Standards.

Our conclusions above do not extend to the information set out in the paragraph titled “EU TAXONOMY - DISCLOSURE PURSUANT TO ARTICLE 8 OF REGULATION (EU) NO. 2020/852” of the Group’s NFS required by article 8 of Regulation (EU) 2020/852.

Milan, April 5, 2024

PricewaterhouseCoopers SpA

*Signed By*

Raffaella Preziosi  
(Partner)

Paolo Bersani  
(Authorised signatory)

*This independent auditor’s report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.*



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**Redpoint.**





**Crédit Agricole Italia S.p.A.**

**Registered Office Via Università, 1 – 43121 Parma, Italy**

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Share Capital: Euro 1,102,071,064.00 fully paid in

On the Business Register of Parma,

Taxpayer Identification Number and VAT Identification Number 02113530345,  
Italian Banking Association (ABI) Code 6230.7 On the Italian Register of Banks  
at No. 5435. Member of the Italian Interbank Deposit Protection Fund  
and of the Italian National Compensation Fund.

Parent Company of the Crédit Agricole Italia Banking Group,  
which is on the Italian Register of Banking Groups at entry No. 6230.7

Company is subject to the management and coordination  
of Crédit Agricole S.A.