

Alba Leasing S.p.A.

2023 Consolidated
non-financial statement

Statement pursuant to Legislative decree no. 254/2016

A large, three-dimensional red sign is mounted on a light-colored stone wall. The sign features the Alba Leasing logo, which consists of a white swoosh above the word 'alba' in a lowercase, sans-serif font. Below 'alba' is the word 'PEOPLE' in a bold, uppercase, sans-serif font. Underneath 'PEOPLE' is the tagline 'Sempre in Evoluzione' in a smaller, lowercase, sans-serif font. The sign is illuminated from the left, creating a bright glow and lens flare effects on the 'alba' text.

alba
PEOPLE
Sempre in Evoluzione

The Alba Leasing logo, featuring the word 'alba' in a lowercase, sans-serif font, followed by a red swoosh graphic, and the word 'leasing' in a lowercase, sans-serif font below it.

alba
leasing



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Chairman's letter to the stakeholders

Dear stakeholders,

At a time when finance is assuming a key role in the promotion of a sustainable economy, leasing increasingly represents a fundamental tool to assist Italian businesses in their transition towards new business models, as well as to give new impetus to the country, also from a sustainability perspective. This is why we have decided to engage in projects focused on issues such as environmental protection, energy transition and independence, technological innovation and much more.

To get a clearer view of how our strategy is intertwined with the environmental, social and economic dimensions, over the past year, we have again reflected on the aspects that best reflect our growth path and the priorities of our stakeholders. This has allowed us to identify the key issues that guide our activities and to understand the impacts of our actions on the environment, economy and society. Listening to our internal and external stakeholders has enabled us to enrich our interpretation of the sustainability issues that are most significant to our business model, i.e., those that, due to their impact, contribute to guiding our business strategy from a risk and opportunity perspective.

One of the most representative projects of 2023 was that involving financial innovation. In fact, we wrapped up the first sustainability-linked lease transaction in Italy, with a financing formula linked to the achievement of specific ESG (Environmental, Social and Governance) objectives.

During the year, we also continued to support SMEs and Mid Caps by financing projects in line with the objectives of the Paris Climate Agreement as well as the entities of two sectors that are important for the country, namely, art and culture and innovation and entrepreneurial excellence.

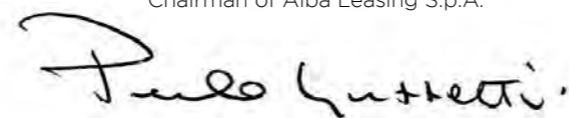
We focused on reducing the environmental impact along our value chain, by signing agreements to support the energy self-sufficiency and green investments of Italian SMEs and revisiting business processes. We continued to give our people the opportunity to work remotely, as well as providing our Milan office employees with annual passes for local public transport.

As we are aware that the contribution of our people is crucial to achieving our goals, during 2023, we continued to promote targeted training programmes to enhance individual potential and prepare them to meet the challenges of the ever-changing market.

The following pages illustrate our commitment to sustainability and our desire to contribute to the well-being of the people, companies and areas in which we operate. We are aware that the challenges ahead are not insignificant and require the contribution of all players in the value chain. However, we believe that we are on the right path.

I hope you find this report interesting.

Paolo Guzzetti
Chairman of Alba Leasing S.p.A.



268
employees

Roughly 1.7 billion
products in our portfolio¹ serving
32 thousand business customers

21% of contracts
signed with women entrepreneurs

Approximately 5
thousand branches
throughout Italy

More than 2,500 hours
of training provided

First Italian
sustainability-linked
lease transaction
performed with a world leader
in its sector

5 subsidised
lease products
tailored for innovation
and sustainability

10 average hours
of training per company employee

More than 110 public
transport passes
given to Milan office employees

100% renewable
energy
used at our Milan and Rome offices

8 days
of remote work a month
available to employees

Over 150,000 kg
of CO₂ avoided

60 stakeholders
involved in identifying Alba
Leasing's impacts on the
environment, the economy and
society, as part of the materiality
assessment, together with
four sector experts



2023 Highlights

¹ The product portfolio includes the value of all contracts agreed in 2023.

1

Alba Leasing: identity and business model

About us

Alba Leasing S.p.A. is a major player in the Italian lease market.

Owned by Banco BPM S.p.A. (39.19%), BPER Banca S.p.A. (33.50%), Banca Popolare di Sondrio S.p.A. (19.26%) and Crédit Agricole Italia S.p.A. (8.05%) and based in Milan, Alba Leasing currently has nearly 32 thousand customers, mainly SMEs, and an extensive distribution and sales network of around 5,000 branches, including business centres and corporate managers. The branches of just the shareholder and affiliated banks number 4,677.

The company operates in the finance lease sector with a vast and diversified portfolio of products for diverse operating segments. It continues to extend its foothold in the operating lease market, which has grown rapidly over the past three years.

Considering new leases, the company's main product continues to be plant and machinery leases (46%), down slightly on the previous year, followed by real estate (34.2%), up almost 10% on 2022, vehicles (14.7%) and finally the maritime and aviation industry and railway (5.1%).

The company ended the year strongly with a pre-tax profit of 19.2 million (+22.5% on 2022), reflecting the resurging domestic economy despite the complications caused by the high energy costs, scarcity of raw materials, high inflation and adverse weather events that affected certain areas in Italy.

The company also achieved record production volumes with an all-time high of 1.739 billion. During 2023, Alba Leasing entered into around 9,000 leases with an average ticket of 183 thousand, up from the previous year's figure.

In this regard, in fact, the conflicts in Ukraine and the Middle East, which drove up the cost of raw materials and inflation, together with the adverse weather events that affected several areas of Italy in 2023, leading the Council of Ministers to issue declarations of a state of emergency (payment moratoria), encouraged the company to make prudential and conservative assessments that involved focusing in particular on customers with performing leases that could be impacted by such situations.

Alba Leasing's values

Change

Sustainability

Entrepreneurship

Customer centricity

Involvement in the
community

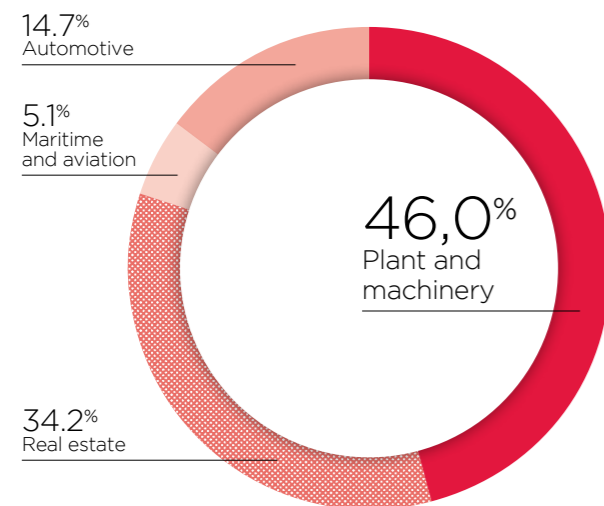
Expertise

The company's products include:

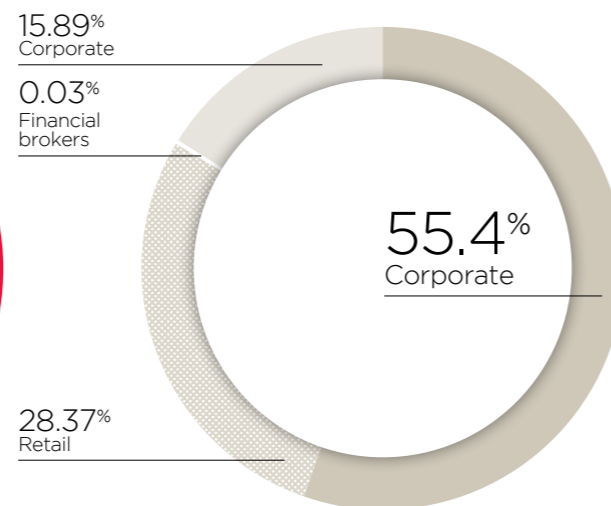
- **plant and machinery leases:** targeted at companies of all sizes in all sectors;
- **vehicle leases:** reserved for companies and professionals intending to lease any type of vehicle;
- **real estate leases:** fully covering commercial, industrial, services and all other production properties;
- **maritime and aviation leases:** covering the lease of sea vessels by companies and professionals.

The following charts provide a breakdown of the company's product portfolio.²

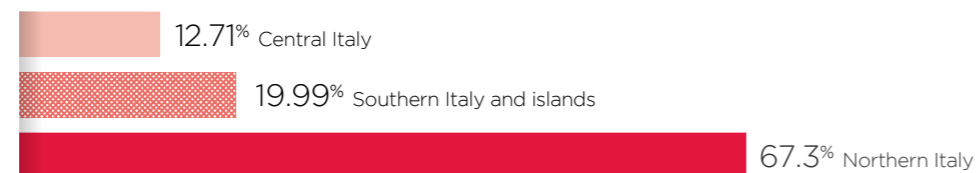
Product portfolio
by business segment (%)



Customers
by segment (%)



Product portfolio
by geographical segment



In 2023, the company successfully completed the take-out phase of the Alba 13 securitisation with an underlying portfolio of performing exposures, worth 1.2 billion. This transaction is an important milestone for the company in pursuing its mission to support Italian SMEs and mid-caps by offering them innovative investment and development opportunities through leasing.

² The percentages refer to the total value (net of operating leases) of the portfolio, i.e., the total value of the contracts agreed in 2023.

Supply chain management

Like all finance lease brokers, Alba Leasing's ability to select or propose the suppliers of assets to be leased under finance leases is limited, because these decisions are usually taken by the customer, which applies for the lease through the commercial networks.

However, Alba Leasing has vetted and handpicked a list of preferred suppliers over the years, based on factors such as recurring demand, market share, product reputation, customers' positive feedback as well as the supplier's customers' credit ratings. It has selected preferred suppliers in the various main industrial sectors in which Italian lease suppliers operate.

Alba Leasing classifies the screened suppliers into two categories:

- **Affiliated suppliers:** there are currently 13 suppliers covering the mechanical (8), energy efficiency (3), flexographic printing machines (1) and mobility (1) sectors. The suppliers sign a commercial agreement with Alba Leasing under which they directly report transactions offered and performed with their customers at set conditions. The company also has affiliated suppliers for operating leases.
- **White-list suppliers:** there are 52 suppliers that work in 11 separate industrial sectors (mechanical, electro-medical, packaging, wood, plastic, glass, measuring tools, paper, internal handling, food and operating machines). They supply major Italian and European machinery and plant brands. They have no direct affiliation agreement but the assessment process for finance leases with white-list suppliers is faster as the company already has past experience with the supplier, guaranteeing its quality.

Outsourced suppliers: the company requires and checks that these suppliers meet certain essential requirements such as professionalism, ethics, financial strength and independence during the initial screening process and the ongoing monitoring of their activities. It also considers other requirements and specifically:

- business continuity solutions;
- documented exit strategies, in line with Alba Leasing's existing outsourcing policy and business continuity plans;
- personal data processing safeguards, considering the supplier's geographical location, by acquiring additional information when they are located in a third country (i.e., not an EU member state).

The supplier monitoring process includes requesting the following documents, which have to be updated once a year: the DURC (certificate of contributions compliance) certification; sector association membership certifications; licences; most recent financial statements and/or tax returns.

An online platform facilitates procurement management and the self-preparation of contracts. Thanks to the company's fully paperless system, all the documents needed to finalise contracts can be uploaded and signed digitally in the platform while it is also possible to monitor the purchase order status, making the transaction completely traceable. Suppliers can access the reserved supplier area on the company's website in full compliance with security and privacy regulations using credentials sent to their certified email address.

The company also set up its front-end HeyLis@ web platform, designed exclusively for its operating lease suppliers. This accelerates the procurement procedure offering affiliated

suppliers the option to agree contracts with customers in line with their ceilings, including by using digital signatures.

In 2021, the company launched the ORACLE ERP platform to manage its internal orders and invoices. This platform has streamlined the order creation and approval processes, optimising internal work times and improving transparency with suppliers.

Our approach to sustainability

The European Union's intense political and regulatory drive, which has introduced or planned several regulations, will increase the accountability of the main economic and social parties, starting with companies. Its objective is to promote environmentally and socially sustainable investments, with banks and financial institutions playing a leading role. Therefore, they will be key players in this journey, both in terms of the rise in volume of ESG investments and by drawing on their innate resilience. Today more than ever, therefore, the lease sector makes a significant contribution to the development of a sustainable economy, as an enabler of the sustainable, circular and digital economic transition. It offers customers the possibility to use next generation goods, designed and manufactured with increasingly resource-efficient technologies.

Leases are a flexible and efficient way of making investments and are the most suitable tool to acquire cutting-edge systems and technologies without requiring immediate cash outlays to boost productivity.

In this scenario, Alba Leasing intends to strengthen its position in Italy as a partner of choice to assist companies implement their recovery, growth and development projects with its innovative and sustainable financial and commercial solutions.

The company's commitment to ESG matters is elucidated in its sustainability policy, which establishes values and principles to protect the environment, health and safety of individuals and the community as part of its normal business and as set out in its business plan. The sustainability policy has four main sections:

- **Integrity and transparency in business management and sustainability culture**
To tie its development to its ability to generate value through innovation and far-sighted strategic decisions;
- **Customer proximity, innovation and service quality**
To play a part in sustainable change and to assist customers' growth over the entire relationship;
- **People and skills for the future**
To consolidate the business and take on future market challenges, contributing to creating a welcoming, inclusive and non-discriminatory workplace;
- **Environmental protection and health and safety**
To integrate these aspects in its products and services, promoting approaches consistent with energy transition models and the circular economy.

Alba Leasing's contribution to the UN's SDGs

Alba Leasing's business and its sustainable and responsible conduct provide a tangible contribution to the achievement of six of the 17 Sustainable Development Goals (SDGs) set out by the United Nations in the 2030 Agenda.



SDG 3 Good health and well-being

Health and wellbeing are issues that have supplanted individual and collective priorities in recent years. The company has introduced dedicated internal controls and procedures. If necessary, it promptly adopts more suitable measures. Its zero injury objective is a concrete example of its commitment to this Goal.



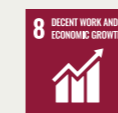
SDG 4 Quality education

Specialisation and upskilling are essential for business continuity and to be competitive. The company is committed to developing its human capital through ongoing upskilling and reskilling training sessions.



SDG 13 Climate action

The company pursues climate change mitigation and emissions reduction objectives through direct improvement paths, connected to business activities, and indirect ones, promoting customer awareness of lower-impact solutions.



SDG 8 Decent work and economic growth

Alba Leasing guarantees professional growth opportunities based on anti-discriminatory, merit-based and acquired skills criteria, it encourages teamwork and collaboration respectful of the dignity and reputation of all its people. The company also enables local businesses and young business people through its products and services, proactively contributing to social-economic development and the growth of SMEs.



SDG 5 Gender equality

To be a company that guarantees gender equality and adopts policies so that the work environment is inclusive and welcoming, which implies working to ensure all our people fully cultivate their talents. Once again in 2023, Alba Leasing elected to become a signee of the "Donne in Banca: valorizzare la diversità dei genere" charter promoted by the Italian Banking Association (ABI) to promote the value of gender diversity as a key resource for development, sustainable growth and the creation of value throughout the company. It also signed the memorandum of understanding between the Minister for the Family, Birth Rate and Equal Opportunities and the President of the Italian Banking Association on preventing and combating violence against women and domestic violence.



SDG 9 Industry, innovation and infrastructure

The company contributes to the development of the innovation of products, services and production processes along its value chain by promoting more sustainable products. It is committed to checking its customers' and suppliers' compliance with ESG topics in more detail so as to improve its value chain.

Updating the materiality assessment

Every year, Alba Leasing performs a materiality assessment to pinpoint and rethink the sustainability aspects that best represent its growth path and the stakeholders' priorities. This assessment facilitates a comprehensive analysis of the company and changes in its environment.

Its takeaways are the material topics which are key to understanding the company's business as well as a tool to support its business strategy, which thus enables balance between corporate growth and sustainable development targets. Material topics are topics that represent an organisation's most significant impacts on the economy, environment, and people, including impacts on their human rights.

Alba Leasing designed its 2023 materiality assessment by referring to the guidelines contained in the GRI Universal Standards 2021 and especially GRI 3: Material Topics 2021, thus deep diving and supplementing the analysis of its impacts. It engaged with internal and external stakeholders both to identify the impacts and to assess them.

In particular, the first step in the assessment was to expand and revise the 2022 list of the company's actual and potential positive and negative environmental, economic and social impacts. To do this, the sustainability team involved:

- internal units, through individual meetings, in order to identify the main areas of intervention and better understand and map the company's impacts;
- four experts, in order to gather different views on the sector and its impacts.

Once the complete list of impacts had been drawn up, a dedicated survey was performed to rate their materiality using a scale of 1 to 5 considering the scale (how grave the impact is); the scope (how widespread the impact is); irremediable character (how hard it is to counteract or make good the resulting harm) and finally the likelihood of occurrence, in the case of a potential negative impact. Sixty stakeholders from different categories (customers, employees, corporate bodies, local area and communities, shareholders, suppliers, trade associations and experts on sustainability issues) took part in the survey. The following topics (graded by materiality) were identified after the survey results were processed and analysed.

This process prioritised impacts, allowing the company to take action to mitigate or enhance them, as well as to identify the material topics to be reported in the 2023 Consolidated non-financial statement. This resulted in a materiality matrix composed of six material topics, each expressing positive and/or negative impacts, shown in the following chart in order of significance.

The outcome of the process gives continuity to the company's journey started in previous years and its results obtained to date, enriching, and in some cases blending, the interpretation and content underlying the definition of the material topics and which, from a point of view of their impact, contribute to guiding the company's strategy from a risk and opportunity perspective. The main differences with respect to 2022 are:

- a shift to understanding the topics of data privacy and diversity and inclusion to be impacts, linking them to the broader topics of *Protection of people's individual rights and Employee well-being*, respectively;
- a different interpretation of the material topics *Digital innovation and Innovation in the supply and quality of service*, which are now part of the *Contribution to sustainable development and competitiveness of SMEs and Dissemination of the lease service* topics;
- the elimination of two topics, namely Health and safety - considering its immateriality for Alba Leasing's business - and Credit quality as it is considered a financial impact, which is a type of impact not mapped in the 2023 materiality assessment.

Material topic	Assessed impacts	Legislative decree no. 254/16 aspects	Section
Protection of people's individual rights	Possible loss of acquired sensitive information (-)	Sociale	Respect for human rights
	Employee well-being (+)		Human resources: employee growth and protection
Management and professional development of employees and sales networks	Possible loss of attractiveness of the company (-)	Human resources	Human resources: employee growth and protection
	Development of specific skills (+)		
Reduction of environmental impacts and asset protection	Carbon footprint of leased assets (-)	Environment	Environment: responsibilities and innovation
	Carbon footprint of the company's activities (-)		
	Energy efficiency and security of real estate assets (+)		
Integrity and transparency in business	Corruption and money laundering (-)	Fight against corruption	Business ethics Respect for human rights

continues

Contribution to the sustainable development and competitiveness of SMEs	Supporting companies that promote product, process and R&D innovation (+)	Social	Social aspects: accountability to customers and communities
	Fostering sustainable development (+)		
	Bolstering the competitiveness of SMEs (+)		
	Business continuity of SMEs (+)		
Dissemination of lease services	Accessibility of lease services (+)		Social aspects: accountability to customers and communities
	Contribution to financial culture (+)		

Alba Leasing's main stakeholders

The company's main stakeholders are all those parties that engage with it on a daily basis and specifically:

- shareholders, with which the company engages constantly to create value over the medium to long term;
- employees and sales network, that are directly involved in the business;
- sector associations that Alba Leasing consults regularly to develop a constructive approach;
- suppliers and commercial partners, which are required to maintain high quality standards and to propose valid alternatives to customers;
- local communities, with which the company engages as part of its business;
- customers and corporate bodies.



Stakeholder engagement tools

Creating opportunities for stakeholder engagement is a key element of Alba Leasing's culture and way of doing business: it helps to create trust and improve processes, leading to shared growth, which is why it pursues ongoing and transparent engagement with its stakeholders through dedicated channels and tools.

Specifically, in recent years, it has built up its footprint on digital channels and its tools used to communicate with customers. These include:

- a monthly newsletter sent to approximately 20,000 subscribers;
- a call centre, which responds promptly to current and potential customers' requests;
- a call centre service for both existing customers requiring assistance and potential new customers looking for a quote that prefer not to use the online forms;
- a dedicated section on its website designed to help customers understand its various offers and to receive information about regulations as well as FAQs on payment moratoria.

In addition, in order to measure and monitor customer satisfaction, the company carries out customer satisfaction audits by interviewing its distribution network. The feedback is used to assess service levels and design improvement plans (see the “Social aspects: accountability to customers and communities” section for more information).

Engagement with shareholders and with the national and international financial community (analysts, institutional investors and rating agencies) is of fundamental importance to promote transparency. To this end, in 2023, the company held numerous in-person and virtual meetings hosted by senior management to present updates on new initiatives, its results, the market, its vision and strategies. Alba Leasing also actively participates in projects organised by Assilea, the sector organisation for finance and operating lease operators in Italy.

Alba Leasing alongside its shareholder banks

Alba Leasing participated in a number of initiatives promoted by its shareholder banks in order to

strengthen shared synergies and exploit market opportunities.

It took part in two Banco BPM training events to promote finance leases and present the launch of a new commercial initiative aimed at 7,000 companies to the 300

managers of business centres and business networks.

Alba Leasing then met with BPER Banca's sales network as part of the Business Roadshow organised by this shareholder bank, divided into six stops from the north to the south of Italy.

Organisational and management model

The organisational and management model is designed to ensure the sound and prudent management of the company's business, maintaining its ability to generate value through innovation and long-term strategic choices. The model is structured as follows:

- corporate bodies in charge of the company's corporate governance;
- management bodies: managing director and general manager;
- committees, which are interdisciplinary bodies that support the corporate bodies and general management with coordination, planning and control activities;
- organisational structure, with a mission and duties consistent with the company's objectives.

Corporate bodies

Board of directors

Alba Leasing has a traditional corporate governance model with a board of directors elected by the shareholders and entrusted with the company's ordinary and extraordinary administration (except for those areas reserved by law or the by-laws to the shareholders). The board of directors regularly carries out self-assessments to ensure its correct working and proper composition, to identify any weaknesses, to encourage its members' participation and to build up relationships of collaboration and trust.

The policy to select the directors is set out in a document which regulates the optimal number of directors and their qualifications prepared and approved by the board of directors in order to illustrate to the shareholders its needs in terms of gender, professionalism and expertise diversity when the shareholders present the lists of candidates for election.

Quantitative composition of the board of directors

The number of directors shall be adequate given the size and complexity of the company's organisational structure. In particular, its by-laws establish that the board of directors shall have a set number of members, who do not have to be shareholders. Specifically:

- seven members, if the company has less than five shareholders that are not related to each other and each have a stake of more than 5% in the company, or
- between eight and ten members, if the company has more than five shareholders that are unrelated to each other and each have a stake of more than 5% in the company, without prejudice to the fact that, in this case, an increase in the number of directors shall be proportionate to an increase in the number of shareholders meeting the above requirements;
- the shareholders in their ordinary meeting set the number of board members for the 2023-2025 three-year period as 7 (seven).

The by-laws provide that one or more independent directors may sit on the board. They establish that at least a quarter of the directors should be independent. Moreover, in line with market best practices, the board's composition should comply with gender equality criteria, under which at least one third of the elected directors should be of the less represented gender.

Based on the above requirements, the optimal number of directors on the board is seven and, in order to comply with the above criteria, at least two directors must be independent and at least two directors must be of the less represented gender.

The company's board of directors currently has seven members.

Qualitative composition of the board of directors

In qualitative terms, the directors shall:

- > have an adequate level of professional skills considering the company's operating complexity and size. To this end, they shall have gained specific experience through ongoing engagements;
- > ensure sufficient diversification to provide a proper contribution to the board's activities;
- > dedicate their time and resources in line with the requirements of their duties.

In addition, the board of directors shall include:

- > independent members who supervise the management of the company with independent judgement powers;
- > non-executive members with well-defined roles and duties, who effectively counterbalance the executive members and company management.

Professional requirements

Specifically, and based on the guidelines and instructions defined by Bank of Italy and in Ministerial decree no. 169/2020, each director shall state that they have familiarity, skills and experience with the following areas:

- > administration, supervisory or management duties in the credit, financial, securities or real estate sectors;
- > administration, supervisory or management duties in listed companies or companies of a greater or similar size and complexity (in terms of turnover, type of business, complexity of the organisation or its activities) than that of the company;
- > professional activities carried out or related to the credit, financial, securities or insurance sectors or in any case pertinent to the activities performed by the financial intermediary; the professional activities must be sufficiently complex, also with reference to the recipients of the services provided, and must be carried out on a continuous and prevalent basis in the sectors mentioned above;
- > university teaching activities, as first or second level professor in legal or economic subjects or in other subjects related to the credit, financial, securities or insurance sectors;
- > supervisory, managerial or senior functions held in public bodies or public administrations pertaining to the credit, financial, securities or insurance sector and provided that the body in which these functions were performed is of a size and complexity comparable to those of the company.

With respect to the skills (again as established by Bank of Italy and Ministerial decree no. 169/2020), each director shall state that they have theoretical knowledge and practical experience in one of the following environments:

- financial markets;
- banking and financial sector regulation;
- strategies and programming;
- organisational structures and corporate governance;
- risk management (identification, measurement, monitoring, control and mitigation of the main types of risk);
- internal control systems;
- banking and financial activities and products;
- accounting and financial reporting;
- information technology;
- HR management.

Diversity

An adequate degree of diversification in terms of age, gender and geographical origin facilitates, inter alia, the taking of different approaches and perspectives in analysing problems and making decisions, avoiding the risk of conduct that merely adheres to the mainstream inside and outside the company. Diversification can lead to the greater involvement of each member on matters or decisions more in line with their qualifications, without however compromising the principle of active participation of all members in the work and decisions of the board. To this end, each member must be able to analyse and assess all the issues dealt with and decisions taken by the board. At least a third of the directors shall be of the less represented gender and, as mentioned earlier, ideally, the company's board of directors shall include at least two (2) members of the less represented gender.

Independence

The board of directors shall include independent members who supervise the management of the company with independent judgement, including in the case of conflicts of interest, to ensure that the business is managed in the company's interests and in line with the objectives of sound and prudent management. The directors shall meet the independence requirements set by article 13 of Ministerial decree no. 169/2020 and article 15 of the by-laws. As already noted, in line with the company's by-laws and the relevant regulations, as well as its size and operating complexity, the board of directors should ideally include at least two (2) independent directors. In order to avoid situations of conflicts of interest or where the personal interests of the directors are involved, the company has introduced a "Conflicts of interest and interlocking policy". This policy sets out rules to manage conflicts of interest, areas where such situations could arise and the measures to be adopted.

Directors who find themselves in a conflict of interest shall communicate this and shall abstain from taking part in resolutions, motions or general decisions about the underlying transaction. Therefore, resolutions or decisions are taken by the board on a collegial basis without the director subject to the conflict of interest.

Non-executive members

The majority of the company's directors shall be non-executive, i.e.:

- > they do not have proxies;
- > they do not carry out activities related to, even on a de facto basis, the company's management.

The company's current board of directors has one executive member, who is also the managing director.

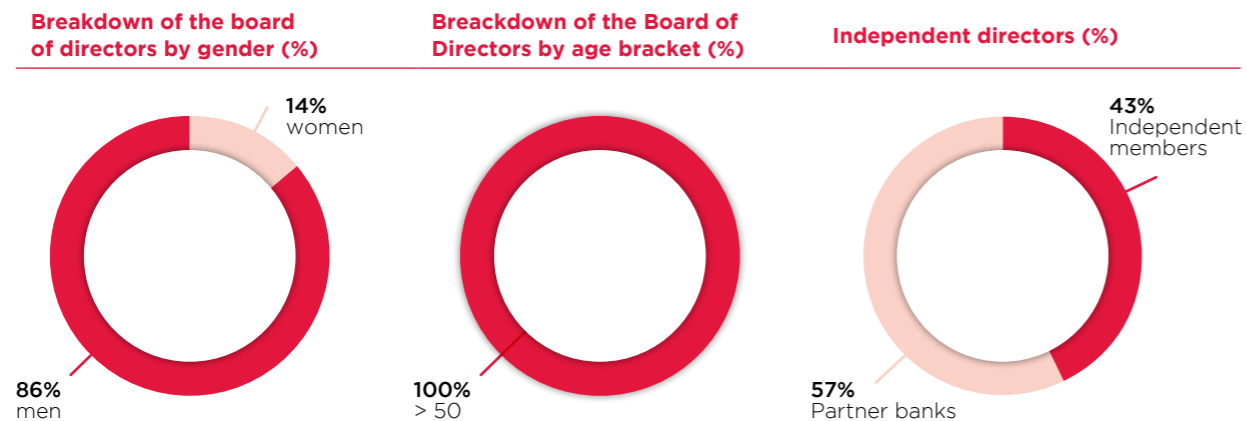
Limits to the number of positions

Each director shall be fully aware of their strategic role and related powers and obligations. To ensure they carry out their duties correctly and are effective in their roles, the directors must be able to dedicate sufficient time and resources to their positions. Their availability shall be greater when they cover specific executive positions or are members of the board committees. Directors accept their position when they are confident they can effectively dedicate the time necessary to diligently carry out their duties, considering their professional and business commitments, the number of positions they hold as director or statutory auditor in other companies listed on regulated markets (including abroad), in financial companies, banks, insurance companies or large companies.

Breakdown of the board of directors by gender (no.)	2021	2022	2023
Directors	7	7	7
<i>Men</i>	6	6	6
<i>Women</i>	1	1	1

Breakdown of the board of directors by age bracket (no.)	2021	2022	2023
<30	0	0	0
<i>between 30 and 50</i>	2	1	0
>50	5	6	7

Directors' expertise	banking and financial	legal, economic and commercial	governance and risks	strategy and institutional relations	IT and new technologies
	7/7	7/7	7/7	7/7	6/7



At 31 December 2023, the company's directors hold an average of two other positions in other companies or bodies while the statutory auditors hold an average of nine other positions.

Board of statutory auditors

Alba Leasing also has a board of statutory auditors that oversees compliance with the law, regulations and by-laws, the principles of correct administration, the adequacy of organisational and accounting structures and the working of the internal control system.

The supervisory body as per Legislative decree no. 231/01 has oversight duties along with independent powers to monitor the company's operations and compliance and updating of its models, assisted by the internal audit unit.

Management bodies

The management bodies, i.e. the managing director and the general manager, are appointed by the board of directors and implement the strategic guidelines and governance policies approved by it.

These bodies act on the basis of a structured system of proxies and are required to report on their exercise of such proxies to the board of directors at least every six months, pursuant to article 2381 of the Italian Civil Code.

Board committees

In order to optimise internal decision-making and ensure the supervision of commercial and management processes, the company has set up the following board committees:

- the internal audit committee, which monitors the company's risk profile and measures to ensure the completeness, adequacy, the functioning and reliability of the internal control system;
- the steering committee, which makes proposals to the board of directors and coordinates and steers internal transformation initiatives;
- the sustainability committee, which makes proposals and is consulted about assessments and decisions relating to ESG issues;
- the credit committee, which takes decisions about loans as per the proxies delegated by the board of directors;
- the commercial committee, which checks that commercial objectives are reached, analyses the distribution chain and proposes changes to the product portfolio in terms of new products or markets;

- the crisis committee (ordinary management), which is a technical body with advisory and communication powers set up as part of the business continuity management processes;
- the crisis committee (emergency management), which is a technical body with advisory and communication powers set up as part of the business continuity management processes. Its extraordinary meetings are called by the crisis manager.

Except for the internal audit committee, all the other committees' members are senior managers.

The internal audit committee comprises the following permanent members: i) an independent director; ii) the internal audit manager; iii) the chief risk officer; and iv) the compliance manager. Its chairperson is appointed by the board of directors and must meet the independence requirement.

Remuneration policy

The remuneration of the directors, key management personnel and senior managers is in line with the current remuneration policy effective for 2023.

The policy is designed to:

- achieve remuneration systems increasingly tied to the company's performance;
- avoid incentives that could encourage employees to violate regulations or engage in excessive risk-taking;
- attract, motivate and retain people, creating a sense of identity and developing a performance and merit-based culture.

Shareholders decide the total remuneration of the board of directors, including members with special duties. The board of directors then decides how to allocate this amount among its members after consulting the board of statutory auditors in line with the by-law requirements. Once it obtains explicit agreement from the shareholders, the board of directors may set the remuneration for the individual directors, in line with market practices and their duties. The board of directors establishes the managing director's and general manager's remuneration while the general manager decides that of the managers, excluding those in charge of the control units, whose remuneration is set by the board of directors.

The HR and general services unit reviews application of the remuneration policies once a year, including their effect on the gender pay gap. As part of this periodic review, the board of directors analyses the gender neutrality of the remuneration policies.

The general manager is responsible for drawing up remuneration and/or incentive plans in line with the guidelines prepared by the board of directors as part of its definition of strategies and the annual budget. The general manager also informs the board of directors of the annual updates to the policies which are also communicated to the shareholders (also once a year).

This system is designed to work towards medium to long-term objectives and remuneration is made up of a fixed and variable component depending on the person's position and responsibilities.

In addition to the fixed and variable remuneration, the company also gives its employees non-monetary benefits in line with market practice. The most significant of these benefits include corporate welfare, supplementary pension funds, supplementary healthcare and subsidised banking services.

Fixed remuneration

The fixed remuneration is that established in the national collective employment agreements, the company's internal agreements and other contractual arrangements. It can be integrated by individual fixed components for specific positions of great responsibility or that require highly professional expertise or components linked to a specific job or duties which are paid as long as the relevant conditions are met.

Variable remuneration

Variable remuneration allocated to employees is tied to the company's effectively achieved results. In the case of more senior employees and department heads (i.e., management), this remuneration is tied to achievement of quantitative and qualitative objectives, defined in line with the company's objectives and values. It is calculated annually as part of the budget process and is pegged to sales, profit, cost containment and risk objectives. Starting from 2023, Alba Leasing has included objectives tied to sustainable finance and achievement of ESG (Environment, Social, Governance) objectives in its remuneration policy, in line with its corporate aims and values.

These objectives are both qualitative and quantitative and are linked to commercial, profitability, cost containment and risk targets. Where possible, they also include objectives relating to sustainability, with specific reference to resource management and the quality of working life.

The general manager is responsible for defining the quantitative objectives and the calculation criteria each year, using proposals presented by each department and unit.

Organisational structure

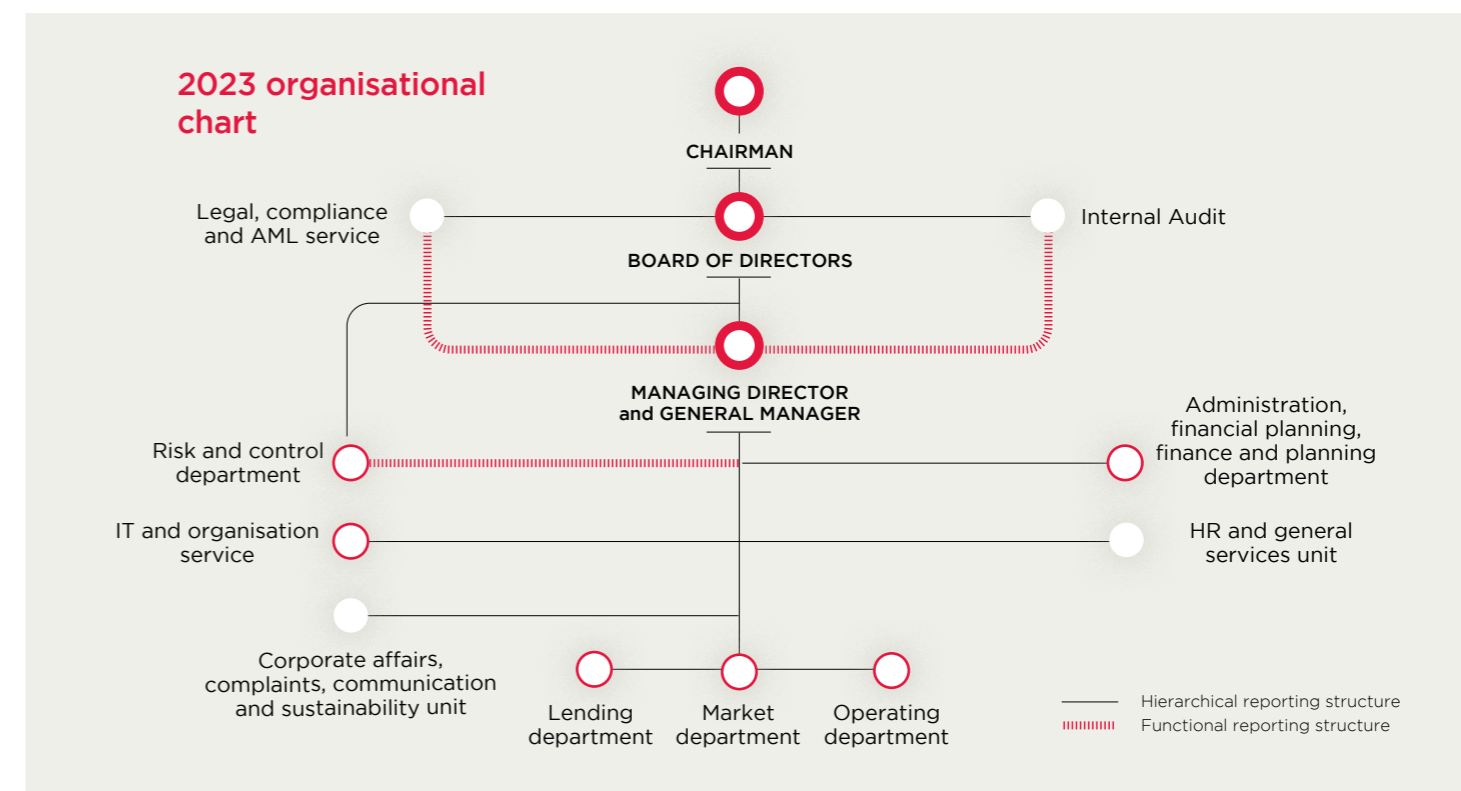
The board of directors appoints the general manager and the managing director, who implements the board's decisions.

The managing director represents the company within the limitations of their powers and draws up the company's strategy guidelines to be approved by the board of directors and subsequently the shareholders.

The managing director has decision-making and operating powers, which may be delegated in part, given to them by the company's by-laws and the board of directors. The managing director is also responsible for attainment of the business plan and budget objectives as well as for the company's business in general.

The general manager reports to the managing director. At the request of the managing director, the general manager implements the resolutions approved by the board of directors, as well as the directives issued by the managing director.

The duties of the managing director and general manager are performed by the same person.



Sustainability

The board of directors approves the code of ethics and its updates, guidelines and, indirectly, oversight of the impacts tied to the material topics as well as sustainability (ESG) policies. Once a year, it also approves the consolidated non-financial statement, ensuring that it is prepared and published in compliance with the regulations in force. The board of directors is assisted in this by the sustainability committee, whose members are senior managers and whose duties include assisting the board of directors with assessments and decisions related to ESG matters and, in order to pursue sustainable success, the company's sustainability plan.

The sustainability committee liaises with the other committees and, especially, the steering committee to ensure the company's policies are all aligned for sustainability purposes. It also supervises:

- changes in ESG factors and sustainability, including in compliance with international guidelines and principles as well as market developments, monitoring the company's positioning vis-à-vis national and international ESG best practices;
- integration of environmental, social and corporate governance issues in the business model, including by analysing the related KPIs;
- the pursuit of sustainable success when preparing the business plan;
- preparation of the sustainability plan in force from time to time;
- definition of policies to ensure the best possible control of ESG risks.

The board of directors has appointed a sustainability officer who performs ongoing checks and liaises with the other units.

Specifically, the sustainability manager oversees the definition of strategies, the updating of ESG and reporting guidelines and stakeholder involvement in ESG and sustainability topics. This manager also defines the company's sustainability training requirements, assisted by the other competent units. A dedicated organisational procedure defines the roles and internal responsibilities.

The sustainability committee usually meets once a month and reviews the processes and their impacts. It updates the board of directors on progress made towards the objectives from time to time.

The company has started a project to comply with the CSRD (the Corporate Sustainability Reporting Directive), which includes an assessment of the changes necessary to better monitor its activities.

The sustainability committee met 10 times in 2023 to discuss and/or take decisions about sustainability matters, such as:

- 2023 corporate social responsibility initiatives - "Alba per il Social";
- the three-year fleet replacement plan;
- assessment of the company's positioning with respect to the gender equality certification and to design activities to close the gaps;
- Bank of Italy climate and environmental risk project plan;
- analysis of the company's degree of digital maturity and focus on customer sustainability issues;
- green business initiatives;
- preliminary examination of donation initiatives to be submitted to the board of directors; presentation of the activities planned to comply with the requirements of the CSRD;
- EIB Green Gateway Advisory Programme;
- reporting and measurement of values and risks in order to develop appropriate parameters for the values and scale of sustainability risks inherent in business processes and corporate initiatives;
- presentation of the results of the 2022 materiality assessment and commencement of activities to refresh the 2023 assessment;
- presentation of the reporting handbook containing useful information for the collection, consolidation and validation of ESG data and indicators;
- presentation of the results of the green campaign developed as part of the RePowerEU Plan.

In 2023, the board of directors met 18 times and discussed, inter alia, ESG matters in six meetings, including updating the materiality assessment, approval of the consolidated non-financial statement and Bank of Italy's climate and environmental risk action plan.

Alba Leasing is a sustainability leader again in 2023

Alba Leasing has made it into the 2023 sustainability leaders ranking for the second year in a row. This initiative is organised by Il Sole 24 Ore with the statistics portal Statista which rewards the top 200 companies that have reported their ESG progress in the most efficient, complete and transparent manner. The analysis assessed the sustainability documents of around 1,500 potentially relevant companies, in addition to self-candidates, on the basis of 30

KPIs for each ESG macro-area of analysis, including energy, emissions and waste, people-related aspects such as welfare, diversity, remuneration, turnover, and those more oriented towards transparency and economic sustainability.

The company was also honoured as part of the LC Sustainability Awards 2023, an event organised by LC Publishing Group in cooperation with other partners, which rewards companies for their outstanding commitment to sustainability. Alba Leasing received recognition in the Banking and Finance category, principally for its RePowerEU

initiative addressing energy production from renewable sources, with the dual purpose of reconciling the growing need for energy cost savings with environmental sustainability.

Again in 2023, Alba Leasing was awarded the ESG IDENTITY - IGI COMPANY label, given to companies that take on the Integrated Governance Index challenge, a scientific project developed by ETicaNews that attests to a company's ability to commit to sustainability issues and confirms the beginning of a serious path of transformation and evolution of its identity in ESG terms.

Internal control and risk management system

The company is committed to fostering an internal culture hinged on awareness and management of risk to make informed and prudent strategic decisions. The risk management system comprises tools, organisational structures, procedures and rules in place to achieve the company's strategic and operating objectives in accordance with the ruling regulations.

Given its business sector, Alba Leasing defines risks in line with the supervisory guidelines with respect to its internal capital adequacy assessment process (ICAAP). The risk mapping process entails:

- assessment of the overall risks to subsequently identify the key types of risk, taxonomy, materiality, management/monitoring and mitigation;
- their comparison to the minimum risk list drawn up by Bank of Italy;
- self-assessment, i.e., identification of any entity-specific risks;
- checking the characteristics of risks that can be measured and risks that cannot be measured but can be assessed.

While the above procedures are performed in consecutive order as part of the process, the internal control and risk management system is an interactive process involving various departments and bodies. Specifically:

- I) assessment of the overall context and identification of the key risks are part of the risk mapping procedure revisited by the risk management unit and approved by the board of directors, which is responsible for overseeing the entire process, once a year. This approval is followed by preparation of the ICAAP report (required by the supervisory regulations), which includes details of all the measurements and considerations about the company's overall risk profile in order to assess its capital adequacy (including as a result of the stress test);
- II) at least once every six months, the board of directors reviews the risk management report in order to identify areas of improvement and any process weaknesses and to define the related remedial actions;
- III) as the company's risk profile is mainly affected by external situations that often cannot be foreseen, the self-assessment stage has to be performed regularly: the risk management unit performs the measurements either monthly or quarterly, however, these measurements may identify a change in the priorities defined in the risk map as described above due to exceptional circumstances that would require the company's risk profile to be changed.

Main risks associated with non-financial aspects

The risk assessment focuses firstly on core credit risks and secondly on risks associated with other activities related to the areas and material topics covered by the decree. With respect to operational risks, Alba Leasing has a risk self-assessment process which directly involves the company owners and is based on subjective estimates about risk frequency and impact expressed in quantitative terms and a calculation of the effective losses. The company carries out assessments on whether to investigate ESG risks and especially risks associated with climate change and its potential impact on the business. It monitors sector best practices and discusses the issue with its business partners.

Material topics	Main risks related to material topics	Safeguards/mitigation actions
Contribution to the sustainable development and competitiveness of SMEs	Strategic risk Existing or potential risk of a contraction in profits or capital due to changes in the operating context or bad company decisions, or the inadequate implementation of decisions and/or poor responsiveness to changes in the competitive scenario and/or a new corporate structure.	<ul style="list-style-type: none"> Supervision and monitoring of the reference markets by the market department and the operating marketing unit, which pinpoint new business growth opportunities, in terms of both products and customer segments. Assessment of strategic risk in line with the ICAAP performed by the risk management unit by analysing the company's exposure to its reference markets, its results and its efficiency/effectiveness objectives.
Contribution to the sustainable development and competitiveness of SMEs	Credit risk Risk that a debtor may not be able to meet its obligations to pay interest and reimburse principal due to defaults and mistaken assessments of credit worthiness.	<ul style="list-style-type: none"> Comprehensive check of the customer's credit worthiness and any related guarantees by opening an electronic credit check (PEF - pratica elettronica di fido). Credit processing rules complementary to ratings. Existence of a data governance policy and a data governance procedure that ensure the reliability and truthfulness of the information used for the credit check process. Existence of a dedicated unit which manages problem exposures.
Management and professional development of employees and the sales network	Operational risk Risk related to losses resulting from inadequate processes, human resources, technological systems and unexpected external events. This risk is associated with all the company's activities and checks of the procurement process. It includes the risk of losses due to violations of laws or regulations, contractual and non-contractual liability or other disputes.	<ul style="list-style-type: none"> Self-risk assessment and monitoring of operating losses. Specialised courses for employees on legislation and to hone their technical and company-specific skills.

continues

Management and professional development of employees and the sales network	Outsourcing risk The company mostly outsources management of the IT system and certain processes. Risk generated by two types of events: inefficiencies and disruptions by servicers; risk of losing the skills of internal human resources. Despite the outsourcers' high standing, the outsourced activities are important and could affect the company's credit rating, compliance and reputation.	<ul style="list-style-type: none"> Existence of an outsourcing monitoring office which manages and monitors risks associated with outsourcing contracts. Existence of an outsourcing policy. Definition of service level agreements (SLAs). Existence of an operating procedure to monitor outsourced activities, which defines the outsourcer selection and supervision criteria. Procedure for the management of professional services outsourced to third parties which defines how such services are agreed and managed.
Integrity and transparency in business Protection of people's individual rights	Risk of non-compliance Risk of incurring judicial or administrative sanctions, large financial losses, due to the violation of mandatory rules (laws or regulations) or internal codes (by-laws, codes of conduct, codes of ethics). Significant importance is attributed to monitoring this risk given that, when assessing the operating units, it is closely tied to operational risk and especially reputational risk.	<ul style="list-style-type: none"> Existence of a 231 organisational model and a code of ethics. Direct supervision by the compliance department of non-compliance risk management as part of the entire business and indirect supervision by dedicated internal units/departments. Whistleblowing procedure to collect reports and any ethical violations. Supervision by the AML unit, in charge of managing the risk of non-compliance with AML regulations. Existence of an AML procedure. IT procedure for the profiling and management of customer AML risk. Specialised courses on anti-corruption and anti-money laundering. Supervision of compliance with anti-trust regulations. Existence of an internal occupational health and safety procedure. Existence of a specialist internal health and safety unit to ensure the company's compliance with the related regulations. Supervision by a prevention and protection officer of compliance with health and safety regulations. Existence of a technical analysis procedure (moveable property) and a technical analysis procedure (real estate) to check the environmental status of the asset before its acquisition or before its lease/sale.

continues

<p>Management of environmental impacts and asset protection</p> <p>Protection of people's individual rights</p>	<p>Reputational risk Loss of standing due to events linked to the company's relationship with its customers, partners, shareholders, investors or regulators for issues related to the environmental impact of its products.</p>	<ul style="list-style-type: none"> • Existence of a complaints procedure and a monitoring and control system. • Monitoring of the management of leases for injuries in accordance with the ruling regulations performed by the operating department and the problem loans unit and controls over occupational health and safety risks. • Existence of internal rules in line with European regulations covering personal data protection (GDPR) and monitoring of compliance with such rules by the data protection officer. • Planned curtailment of automated loan authorisation procedures for certain transactions that could expose the company to fraud, money laundering or environmental risks. • Due diligences of suppliers and financed assets.
<p>Protection of people's individual rights</p>	<p>Cyber risk Risk of incurring financial losses, damaging its reputation and losing market share related to the use of information and communication technologies (ICT). This risk is included in operational, reputational and strategic risks.</p>	<ul style="list-style-type: none"> • Upgrading of technological infrastructures to the latest security levels. • Existence of a privacy officer who is responsible for this issue at company level. • Existence of a data protection officer who provides advice and performs checks. • Existence of a specialist data privacy unit which checks the compliance of operations with the regulations, especially as regards data processing. • Specialised data processing courses.

In recent years, the company has taken steps to strengthen its predictive ability when assuming credit risk by introducing forward-looking scoring and financial transaction sustainability scoring (developed with Crif) to integrate its traditional assessment tools with machine learning techniques. It also rolled out Borges, an advanced IT tool which monitors customers' performance.

In addition, the company is developing a fraud risk score to assess its customers' and suppliers' propensity to fraud using a probabilistic model and assessing the risk associated with their relationship as well (risk of collusion to fraud).

Climate and environmental risk action plan

Starting from early 2023, the company has focused on climate and environmental risks. Its board of directors discussed the analysis documentation prepared by the risk management unit in its meetings of February and March 2023 in order to respond to Bank of Italy which requested a climate and environmental risk action plan.

Although this risk has a limited impact on the company's corporate reputation, it has a different and more significant effect on its exposures portfolio: its customers as well as the leased goods are exposed to climate risk, with differing complexity levels. With regard to its customers, which are companies of varying size (mostly SMEs), the company intends to purchase credit scores from an info provider which already has a proven methodology.

The score is supplemented by detailed information that allows a good understanding of the

models and explanatory variables. The internal units intend to also acquire an understanding and familiarity with the new parameters, rather than just mapping the exposures portfolio, as they are aware that it will take some time to properly understand the issue. In fact, the action plan includes an analysis by the credit monitoring unit in 2024, in order to implement the use of new indicators in the credit risk control procedure.

With respect to the leased goods, the procedure is more difficult due to the unavailability of data and benchmarks. Specifically:

- > the energy class is available for real estate,
- > CO₂ emissions information is readily available for cars, less so for commercial vehicles and not at all for industrial vehicles,
- > at present, there is no easily accessible standard for measuring the environmentally sustainability characteristics of plant and machinery.

Generally speaking, there is a lack of benchmarks and generally accepted standards. The assertion that Italian companies and real estate are exposed to high risks

(or, in the case of real estate, qualify as "non-green") implies that over the next few years the proper use of new information in the operating processes (lending and sales) should take place concurrently with a step forward in market practices which will need to be monitored continuously.

In 2023, Alba Leasing collaborated with other lease companies in the drafting of the Assilea Guidelines "Assessment of climate-related and environmental risks of leased assets", a technical-methodological document that sets out guidance about the activities necessary for the identification and assessment of climate-related and environmental risks of leased assets based on the "Supervisory expectations for climate-related and environmental risks" published by Bank of Italy on 8 April 2022. The document is intended to be a theoretical-practical example of how to analyse and define environmental and climate risks for leased assets using a structured approach that involves the identification of risk factors and the definition of data and indicators for measuring the risk profile.

Internal audit activities

The company's internal audit unit prepares an annual audit plan using a risk-based approach to strengthen controls over risks. The unit liaises continuously with all the other internal units and departments so that any recommended mitigation actions can be implemented as efficiently and promptly as possible.

The internal audit unit plays a fundamental role in assessing the company's risk and control culture, assuring the corporate values are appropriately disseminated and that the employees' conduct reflects its ethics, in line with the guidance of the Financial Stability Board (FSB).

The unit has a system to analyse and monitor key risk indicators, using the company's data warehouse as its base. Its aim is to fine-tune the existing methodologies and develop new tools to make controls over irregular trends and violations of procedures more efficient, in order to take more immediate action.

2

2023 HIGHLIGHTS

- Seven AML training sessions
- Zero sanctions and/or non-monetary measures for non-compliance with social-economic laws or regulations
- No notifications received from the supervisory body

Business ethics

An ethical and transparent modus operandi that complies with the ruling regulations is a priority for Alba Leasing, especially as regards AML and anti-corruption issues.

Integrity and transparency in business

Alba Leasing is guided by a governance system based on principles of integrity, transparency and accountability. These principles and the guidelines for sound and correct business practices are ensured by the 231 organisational model and the code of ethics, in accordance with current regulations and with specific reference to AML and anti-corruption issues.

The company has a dedicated whistleblowing procedure for anyone wishing to make a report on civil, criminal, administrative and/or accounting offences, violations of EU and national regulations or flag behaviour contrary to the organisational model and/or the code of ethics as per Legislative decree no. 231/01, including:

- members of the company's corporate bodies (shareholders, directors, statutory auditors, etc.);
- employees and consultants;
- self-employed workers and workers who collaborate with the company;
- freelancers and consultants working for the company;
- volunteers and trainees, paid and unpaid, who work for the company;
- third parties that work with the company (e.g., suppliers, customers or business partners).

Violations can be reported through three separate channels:

1. the internal reporting channel;
2. the external reporting channel (the Italian Anti-corruption Authority);
3. public disclosure.

The internal reporting channel is the first choice for whistleblowers.

Internal reports can be made:

- in writing by one of the following alternative means:
 - > ordinary postal service or internal mail;
- via the internet, either by directly accessing the dedicated link or by accessing the application through the company website;
- verbally:
 - > voice messaging system through direct access to the dedicated link or by accessing the application through the company website.

All reporting channels:

- > protect the confidentiality of the whistleblower, the person involved and the person mentioned in the report, ensuring that anyone who intends to disclose their identity receives adequate protection, including through the use of encryption tools;
- > ensure the confidentiality of the content of the report and the related documentation;
- > allow the whistleblower to be exempt from retaliatory and/or discriminatory acts.

With respect to money laundering, Alba Leasing has an AML unit, which is a second-level control function operating with a risk-based approach and part of the internal control system. It is responsible for (i) updating the internal regulatory framework, (ii) working with the company's business units on due diligence activities and the initial assessment of transactions with high-risk customers, (iii) continuously monitoring high-risk positions, (iv) identifying suspicious or high-risk transactions, including through special IT procedures and controls on the company's data warehouse, and the related communication to the Italian Financial Intelligence Unit (FIU), (v) forwarding Aggregate Anti-Money Laundering Reports ("S.A.R.A.") via the Infostat portal, i.e., the aggregation of data concerning, inter alia, the means of payment used, the location of the reporting intermediary's branch, the business sector and the customer's residence, (vi) the management of adequate checks when a customer's shareholder base includes a trust company and, finally, (vii) the organisation and management of training sessions for the internal units involved in anti-money laundering matters.

The company monitors the prevention of financial crime by strengthening, year after year, its anti-money laundering controls, also to comply with changes to primary legislation, regulations issued by Bank of Italy, the EBA (European Banking Authority) recommendations, and recommendations of bodies such as the above-mentioned FIU and arising from emerging needs in relation to the high rate of digitalisation of services. In this respect, it updated the 231 organisational model to comply with Directive (EU) 2018/1673 on combating money laundering by criminal law. It also introduced new predicate crimes, which can lead to the administrative liability of companies, which are pertinent to the company's business. The board of directors approves all changes to internal AML procedures and regulations as well as the audit plan, which describes the activities undertaken, those planned based on the results of the audit procedures and the related remedial actions.

All the members of the boards of directors and statutory auditors were informed of the anti-corruption policies and procedures while the company's business partners are also provided with information about this in a specific operating procedure that is part of their contract with the company. The entire workforce was also informed of the anti-corruption policies and procedures.

In 2023, all the company's workforce was provided with compliance and anti-corruption training courses. All the directors and statutory auditors attended the training courses offered to them.

During the year, seven AML training sessions were provided to the lending, market departments (both the internal network and the external network comprising the agent Pafin, the broker Finint and the vendor Esprinet) and operating units on (i) how to identify the beneficial owner; (ii) money laundering phases, (iii) major AML crimes, (iv) the "Quaderni dell'antiriciclaggio" (AML journals), and (v) nominees and trustees.

In addition, the company held a training session for the accounting and tax unit, the customer accounts office and the problem loans unit about foreign bank transfers, third party payers and money transfer and similar companies.

Finally, a document summarising the AML rules to be followed to identify the beneficial owner was sent to all dealers in the Michelin network reporting to the vendor solutions unit.

Employees provided with compliance training by position (%)	2021	2022	2023
Managers	100%	100%	90%
Junior managers	100%	62%	98%
White collars	97%	42%	100%

Following its adoption of the anti-trust compliance programme, Alba Leasing has issued an anti-trust manual, which it regularly updates, identifying pertinent situations and behaviour. Furthermore, in line with this programme, it organised its annual training course held by an external expert for its general management unit as well as those employees that are more exposed to anti-trust issues.

In addition to a review of the general principles and in particular the role of the Italian Competition Authority, the course covered the different types of agreements between companies (lawful and unlawful), and the possible sanctions. It also dealt with the integration, within business models, of sophisticated algorithms with AI mechanisms in order to understand whether the use of AI tools solely brings benefits in terms of real-time monitoring of competitors' prices and greater choice for customers, or whether, in the context of the digitalisation of the economy, there may be risks of tacit or explicit coordination between companies or harmful profiles related to the nature and mechanisms of AI.

Moreover, the content of the training session was also made available to all employees via the company intranet given that the essential prerequisite for avoiding behaviour that may be sanctioned by the Italian Competition Authority is to foster widespread knowledge of competition protection issues and in-depth awareness on the part of all employees of the antitrust risks associated with their activities.

In 2023, Alba Leasing did not incur large monetary or non-monetary sanctions for non-compliance with the environmental and socio-economic laws and/or regulations, including those on fair competition, money-laundering and corruption.

Tax

Alba Leasing's core business is in the domestic finance lease sector and it pays taxes in Italy. It is subject to IRES (corporate income tax) at a rate of 24%, the additional IRES tax at 3.5% and IRAP (regional production tax) of 5.57%. The main issue it faces is the correct application of the tax withholding to finance leases.

That being said, the company:

- acts in an honest and ethical manner to ensure its tax compliance, as it is aware that tax revenue is one of the main sources of funding for a country's economic and social development;
- aims to comply with the applicable tax regulations and to interpret them in such a way to respect their substance and form and to have a proactive and transparent relationship with the tax authorities so that the latter have a complete understanding of the events and circumstances underlying the company's decisions about the application of tax regulations;
- considers taxes to be an operating cost and, as such, to be managed, in accordance with the principle of legality, with the aim of safeguarding the company's capital and pursuing its main interest of creating value in the medium to long term.

The company has internal operating procedures for tax issues and a specialist team that is part of the administration, financial reporting, finance and planning department, which also has a dedicated accounting and tax unit.

As tax laws are complicated, the company has put in place internal and external control systems to ensure timely checks and its ongoing compliance with such laws.

To this end, the accounting and tax unit is assisted by the company's long-serving consultants that represent it before the tax authorities and competent courts, should it be necessary to commence tax proceedings, and carries out, together with the relevant departments, systematic analyses and assessments of tax risks to ensure the scrupulous, appropriate and constant expert oversight of risks, traditionally arising from the legal and interpretative aspects of leases and the applicable tax regulations. It also complies with the interpretations provided by Assilea.

Specifically with respect to interactions with the tax authorities, the unit's approach is to foster constructive dialogue to ensure the correct application of taxes, including by the individual lessees.

As it operates in Italy, Alba Leasing pays all its taxes in this country and willingly complies with all the legal requirements, thus contributing to the country's economic development. More information about revenue and income taxes is available in the consolidated financial statements and notes thereto.

Calculation and distribution of added value	2021	2022	2023
10. Interest and similar income	105,512	136,912	284,278
20. Interest and similar expense	-15,320	-40,279	-189,168
40. Fee and commission income	28,149	29,613	31,501
50. Fee and commission expense (net of costs for external networks)	-21,439	-22,841	-24,475
70. Dividends and similar income	0	0	0
80. Net trading income (expense)	0	0	0
90. Net hedging income (expense)	0	0	0
100. Profits (losses) on the sale or repurchase of:	0	0	0
<i>a) financial assets at amortised cost</i>	0	0	-1,549
<i>b) financial assets at fair value through other comprehensive income</i>	0	0	0
<i>c) financial liabilities</i>	0	0	0
110. Net gains (losses) on other financial assets and liabilities at fair value through profit or loss	0	0	0
<i>a) financial assets and liabilities designated at fair value</i>	0	0	0
<i>b) financial assets and liabilities mandatorily measured at fair value</i>	0	0	0
115. Net gains (losses) on financial assets and liabilities of insurance companies as per IAS 39	0	0	0
130. Net impairment losses for credit risk associated with:	-29,131	-31,650	-21,859
<i>a) financial assets at amortised cost</i>	-29,131	-31,650	-21,859
<i>b) financial assets at fair value through other comprehensive income</i>	0	0	0
135. Net impairment losses/impairment gains of insurance companies as per IAS 39	0	0	0
140. Net modification gains	130	231	92

continues

160. Net premiums	0	0	0
170. Other insurance operating income/expenses	0	0	0
230. Other operating expenses, net	-4,447	-6,268	-2,757
250. Net gains (losses) on equity investments (for the "net profits/losses on sales" component)	0	0	0
280. Net profits (losses) on sales of investments	-834	86	-81
320. Post-tax profit (loss) from discontinued operations	-692	482	0
A. Total economic value generated	61,928	66,286	75,982
190 b. Other administrative expenses (net of VAT and donations and the cost of the Interbank Deposit Protection Fund and the Depositors' Guarantee Fund) (*)	14,932	14,840	16,158
Economic value distributed to suppliers (*)	14,932	14,840	16,158
190 a. Personnel expense (including the cost of external networks, such as agents, financial consultants) (-)	27,963	30,654	31,153
Economic value distributed to employees and consultants	27,963	30,654	31,153
340 Profit (loss) for the year attributable to non-controlling interests	0	0	0
Economic value distributed to third parties	0	0	0
Profit (loss) allocated to shareholders	0	0	0
Economic value distributed to shareholders	0	0	0
190 b. Other administrative expenses: indirect taxes and duties (-)	890	1,064	824
190 b. Other administrative expenses: cost of the Interbank Deposit Protection Fund and the Depositors' Guarantee Fund (-)	0	0	0
300. Income taxes (for the part relative to current taxes, changes in current taxes of previous years and the reduction in current taxes for the year)	323	414	1,228
Economic value distributed to the central and peripheral public administration	1,213	1,478	2,052
190 b. Other administrative expenses: donations	787	212	246
190 b. Other administrative expenses: environmental projects	0	0	0
Profit allocated to charities	0	4	4
Economic value distributed to the community and the environment (*)	787	216	250

continues

B. Total economic value distributed	44,895	47,188	49,613
200. Net accruals to provisions for risks and charges	618	1,091	5,528
<i>a) loan commitments and financial guarantees given</i>	227	664	4,753
<i>b) other net accruals</i>	391	428	775
210. Depreciation and net impairment losses on property, equipment and investment property	2,470	2,200	2,131
220. Amortisation and net impairment losses on intangible assets	3,438	801	762
250. Unrealised gains (losses) on equity investments (impairment losses/impairment gains, other gains and losses)	0	0	0
260. Net fair value gains (losses) on property, equipment and investment property and intangible assets	0	0	0
270. Impairment losses on goodwill	0	0	0
300. Income taxes (for the part relative to changes in deferred tax assets and liabilities)	3,206	4,635	6,472
Profit allocated to reserves	7,301	10,371	11,476
C. Total economic value retained	17,033	19,098	26,369

3

2023 HIGHLIGHTS

- First Italian sustainability-linked lease transaction performed with a world leader in its sector
- 21% of contracts signed since 2010 are with women entrepreneurs
- Over 1,200 contracts in place with companies in the cultural and creative sectors for € 193 million

Social aspects: accountability to customers and communities

Alba Leasing promotes the growth of Italian SMEs, supporting them with their innovation and sustainable development as it is well aware of their fundamental importance to the Italian economy. In line with its sustainability policy, which the board of directors approves once a year, the company is committed to acting in a transparent and responsible way with its customers and to ensuring an excellent high quality service for continuous improvement.

The social aspects of the company's business fall into two key categories:

- contribution to the sustainable development and competitiveness of SMEs
- dissemination of lease services

The lending process

Alba Leasing's commercial policies are designed to ensure high quality lending procedures in order to minimise the risk of unlawful practices (such as fraud, money laundering and environmental crimes) and credit deterioration.

A counterparty's business sector can be a point in its favour and is factored into its credit worthiness. The company prefers to work with companies interested in product and process innovation and that invest in research and development³. It imposes certain limitations on risky goods and product categories and does not work with companies active in sectors that do not comply with its code of ethics, such as gaming or arms manufacturing.

A key factor considered during the screening process is the legality rating assigned to the counterparty by the Italian Competition Authority. Companies can request this rating, which certifies that they operate in compliance with principles of legality, transparency and social responsibility, from the Authority which consults the Ministries of the Interior and Justice.

The credit screening and assessment process allows the automated comparison of the information in the company's data warehouse with the new information from third parties' databases using an algorithm. This mechanism makes assessment of the company's risk appetite more efficient and improves the selection of customers. The lending process includes the assignment of a rating aimed at analysing the counterparty's corporate governance, in order to assess the riskiness of its corporate structure, as well as an ad hoc assessment process for self-employed people.

Alba Leasing also assesses the assets by checking their technical characteristics and their compliance in terms of health and safety, substitutability and re-leasing of the asset

³ R&D aspects are considered for products that benefit from the European Investment Fund's guarantee scheme, InnovFin.

in the event of early termination of the contract. It performs a documentary check to establish whether the plant and machinery comply with the relevant regulations, while it checks real estate through an external appraisal and due diligence. The company vets its suppliers carefully to check their market position and reputation in order to protect its customers.

The company uses Borges, a digital tool developed by the credit monitoring office to assess credit risk in a more efficient and timely manner. This technology is used to collate a large quantity of data from internal and external sources (Cerved, Crios, Crif, Assilea, Eurisc and Cebi) and to assign a risk rating (from “2-low risk” to “6-default”) to all business customers. During the second stage of the project, thanks to the availability of new data which will be available in the data warehouse, the office will fine-tune the algorithm used to assign the credit risk ratings.

Dissemination of lease services

Customer centricity underpins the company’s policies, designed to strengthen its digital marketing and digital leasing channels aimed at a younger customer bracket alongside the traditional banking distribution channels. Thanks to its digital channels, the company pursues the goal of greater inclusiveness when providing its services, thus also contributing to dematerialisation and the reduction in travel in line with sustainability objectives.

Customers can use three channels to contact Alba Leasing: the toll free number, emailing customer care or the specific website section.

The most popular channel is the call centre which received more than 30 thousand calls in 2023, of which only 3% led to the opening of a ticket for assistance from the company’s departments, while the operators were able to deal promptly with the other 97% of the customer calls providing sufficient information.

The customer section of the website is the “DIY” channel for customers that can independently manage their contracts and, going forward, agree new ones online. This channel has the greatest potential thanks to the options already available (IRAP calculations, contract changes, document uploading, etc.) and those that will be added in the future.

In 2023, the company launched “Alby”, a virtual assistant able to answer questions and provide support to customer enquiries on numerous topics including profile management, contract agreement, post-sales enquiries such as changes in personal details, contractual changes and requests related to real estate contracts.

Its main objective is to improve customer care with this chatbot and offer a high quality service. In its first two months of service (July and August), Alby received more than 570 requests and was able to successfully resolve 73% of them.

As part of its digital innovation journey, in 2023, the company successfully completed its first robotic process automation (RPA) projects for the transition to the automated operation of activities that were previously performed manually. This has allowed the company to streamline certain contract management and accounting processes.

In addition, to ensure efficient and up-to-date customer assistance and services, the company upgraded its digital equipment which included the replacement of around 100 PCs during the year.

Customer satisfaction audit

Monitoring customer satisfaction is key to assessing service levels and, when necessary, introducing remedial plans together with the company’s shareholder banks and business partners. As a result and in line with the previous year, Alba Leasing engaged Cerved Marketing Intelligence to perform a customer satisfaction audit.

The audit was performed in January 2023 on a sample of 661 customers out of a total contactable customer base of more than 2,100 customers. The feedback confirmed a very high level of satisfaction (94%) with the company’s distribution channels, its operators and the type of contract or asset leased.

In 2023, in order to further improve communication between customers, brokers and the company, Alba Leasing set up a new sales network assistance unit, which reports directly to the market unit manager. It includes the bank contact persons, who previously reported to individual account managers, with a view to improving the service aimed at the bank networks.

Complaints management

Complaints management is an important indicator of service quality and can be used to identify areas of improvement.

The company believes that proper complaints management can contribute to maintaining a relationship of trust with the customer, reducing litigation and detecting any problems with its services/products on offer.

As a result, the company has introduced the following objectives:

- (i) raise employee awareness to ensure the effective protection of customers’ rights;
- (ii) facilitate complaints management, with the clear definition of:
 - interactions between the complaints management unit and the other units involved in management of the complaint and/or units not directly involved;
 - the timing, methods and recipients of the related reports;
 - the main duties of the control units to ensure that complaints are handled correctly and the adequacy of the related procedures and solutions.

The company’s complaints management policy, approved by the board of directors, establishes its strong commitment to protecting customers’ rights. It is also designed to raise awareness about the issue and to facilitate management of complaints, especially as regards the collaboration of other units in addition to those directly involved in handling the complaint. The company updates the policy once a year and it is available to all employees and consultants on the intranet.

The complaints management unit reviews all complaints and responds to customers within the legally-established deadlines in force from time to time providing a prompt opinion on the grounds (or lack of grounds) of the complaint. The unit also considers the company’s

regulations about conflicts of interest when assessing the complaints. The compliance department is informed of any potential conflicts of interest involving the employees handling the complaint.

Customers may send their complaints to the company by ordinary post, email, certified email or by using the web form. Every six months, the compliance department reports to the board of directors on the complaints received and resolved, the total number of complaints received and the adequacy of the related procedures and solutions. In 2023, the company received and resolved 146 complaints. The total percentage of complaints to the company's agreed leases at 31 December 2023 is 0.24%. More information about this issue is available in the annual report on complaints management on the company's website (https://www.albaleasing.eu/upload/reclami/Rendiconto_Activita_2023.pdf).

Contribution to the sustainable development and competitiveness of SMEs

For Alba Leasing, contributing to sustainable development and competitiveness means helping its customers successfully deal with the challenges thrown at them by the market. Its products are designed to make a tangible contribution to the industrial and social-economic development of SMEs, which account for 96% of its customer base. The company's ability to innovate its products and the tools to use them gives it a real competitive edge.

In a period characterised by great uncertainty and instability, the company intends to strengthen its role as a key partner to its customers, offering them innovative and sustainable financial products to assist achievement of their recovery, growth and development projects.

Thanks to the support of European and national institutions, the company has expanded the range of subsidised specialised products to extend its footprint in Italy. Financing of nearly €2 billion has been disbursed in recent years thanks to the funding made available by the European Investment Bank (EIB). In 2023, the company continued to grant new loans to SMEs and mid caps under the terms of the agreement signed with the EIB, thus prioritising investments in line with the objectives of the Paris Climate Agreement. The funded projects are sustainability-driven and consistent with a pathway to low-emission and climate-resilient development.

The Sabatini decree subsidies, which allow micro enterprises and SMEs to upgrade plant, purchase new equipment, and invest in hardware, software and digital technologies continued with the Ministry of Economic Development's (MISE) subsidised funding. From 2011 to 2023, the company has agreed more than 11 thousand leases for €1.7 billion as part of this initiative.

Alba Leasing's subsidised products

Renewable energy leases	Electrical mobility	Public sector leases	Leases of tyres and "buy now pay later" financing	Nuova Sabatini (Ter)
For alternative energy generation plants and investments in energy efficiency	Leases for vehicles and services	To acquire plant and machinery, vehicles and real estate by the public administration	Developed in partnership with Michelin Italia for the business customers and resellers of the Michelin network	Participation in the subsidised loans provided by MISE (Ministry of Economic Development) to upgrade plant, equipment and digital technologies for SMEs

Sustainability-linked lease: the Marcegaglia case

Alba Leasing financed the Marcegaglia Group's €75 million maxi investment in a rolling mill and two energy cogenerators at

its Ravenna and Gazoldo degli Ippoliti facilities.

This agreement with Marcegaglia is the first sustainability-linked lease in Italy, i.e., the first time a lease has been linked to the customer's sustainability profile. It provides that the applicable

spread may be decreased or increased by 2 bps depending on whether the Marcegaglia Group achieves the pre-determined targets of reducing carbon dioxide emissions into the atmosphere, on the one hand, and reducing work-related injuries, on the other during the reporting period.

When engaging with its partners, Alba Leasing not only guarantees normal operating activities but takes a constructive approach by applying responsible commercial policies and providing long-term assistance to them. This aspect is particularly important for the management of problem exposures or complicated situations, such as the case of the flooding in the region of Emilia-Romagna (Reggio Emilia, Modena, Bologna, Ferrara, Ravenna, Forli-Cesena and Rimini provinces) in May 2023. The company granted its customers resident or with their registered and/or operating offices in the Emilia-Romagna provinces affected by this adverse weather event temporary moratoria for mortgage/unsecured loan and lease payments. It took a similar approach after the adverse weather events in the province of Cuneo and the regions of Emilia-Romagna (Parma, Reggio Emilia, Bologna, Modena, Ferrara, Ravenna and Forli-Cesana provinces), Friuli-Venezia Giulia, Veneto and Lombardy in July and August 2023. Likewise, it acted similarly in November 2023 in some provinces of Tuscany (Florence, Livorno, Pisa, Prato and Pistoia) and in some provinces of Emilia Romagna (Piacenza, Parma, Reggio Emilia, Modena, Bologna and Ravenna).

In 2023, Alba Leasing participated in several industry events, including:

- A&T Nordest 2023, the trade fair dedicated to innovation, reliability and 4.0 - 5.0 skills, held at the Vicenza Expo Centre. Alba Leasing presented its financial solutions for the digital transformation of SMEs in the north-east to visitors and more than 260 exhibitors;
- "It's all Banking & Insurance 2023", the event for banks and insurance companies to discuss the new frontiers of technological and process innovation, where Alba Leasing took part in the opening round table on the topics of sustainability and remote work;
- "Tomorrow speaks 2023 - Unlimited Innovation with CRIF Metadata", the benchmark event on innovation trends in the financial market organised by CRIF Finance Italy, where

Alba Leasing contributed its thoughts on the topics of innovation and sustainability for a new bank-business relationship.

Alba Leasing supports female-led companies

The company supports women entrepreneurs: roughly 21% of the beneficial owners of companies that have signed a lease with the company in the period from 2010 to 2023 are women. Female-led companies have grown in number

considerably in Italy over the last decade although this came to an abrupt halt with the pandemic, which is just another reason why Alba Leasing supports high potential companies as an enabler of growth.

Alba per il social

The company showed its strong commitment to its local communities throughout the year with the launch of its social responsibility programme, "Alba per il Social". This initiative's success is partly due to the company's employees who are given the opportunity to help out, to learn about third sector organisations and to have a positive impact on the community.

This year, Alba Leasing played an active part in the 23rd Medicines Collection Day promoted by Banco Farmaceutico. Thanks to donations made by its employees, the company collected around 100 packets of over-the-counter medicines. Alba Leasing took part in the National Day for the Promotion

of Reading by collecting over 300 books donated by company employees to AmbienteAcqua Onlus. This non-profit organisation has transformed the Quarto Oggiaro district in Milan into a lively literary centre through a series of activities such as book clubs, workshops, creative reading, meetings with authors and meetings in schools with its "Un Quarto di Libro" project. The company also donated books to the paediatrics ward of the San Paolo Hospital in Milan. As usual, the charity relay marathon took place in April as part of the Milan Marathon.



Once again this year, the company's team competed for the Emme Rouge NPO for the prevention and treatment of melanoma. Alba Leasing collaborated with the major Italian non-profit and charitable organisation for blood donation, AVIS, on the World Blood Donor Day established in 2005 by the World Health Organisation, making it possible to collect blood in the company.

The company also continues to support Fondazione Arché, which assists vulnerable children and their families to obtain social, housing and work independence by offering support and care services. Finally, Alba Leasing joined with Centro Italiano Lions - Raccolta Occhiali Usati Onlus on World Sight Day, promoting the collection of used glasses within the company to be donated to those most in need.



2023 STORIES

Opificio Italiacamp - The former Medici marble factory in Rome becomes a multifunctional centre

Italiacamp is an impact organisation that promotes social impact projects by bringing together the profit and non-profit worlds, institutions, universities, public bodies and private companies. In June 2023, Italiacamp started the conservative restoration and requalification of the historic marble processing factory known as Opificio Ditta Medici built in 1907 in the former industrial area of Rome's Marconi district. The new Opificio Italiacamp project aims to create a space dedicated to education, empowerment, innovation and events that will also act as an open and flexible workplace linked to Rome's productive and social history. This space will be the end product of an urban regeneration project in line with the organisation's mission to create social impact and positively affect the areas and communities in which it operates. Alba Leasing supports the project with Bper Banca by financing the urban regeneration operation, to contribute to the sustainable development of cities from both an environmental and social innovation perspective.

Culture and creativity: beauty drives the economy/ supporting a strategic sector for the country's productivity

Culture and beauty in Italy are identity traits rooted in society and the economy, which, thanks to their relationship with manufacturing, have given rise to one of the strongest production identities in the world: Made in Italy. Alba Leasing supports this strategic sector by financing various entities operating in the world of artistic production, cultural heritage, the publishing industry, as well as communication, photography, architecture, interior design, furniture and textiles.

The company currently has more than 1,200 loan agreements of €193 million with companies active in the cultural and creative sector, more than 60% of which for investments in plant and machinery and 35% in business real estate. Some success stories are presented below.

Mosti Art Sculptures

Mosti Art Sculptures came into being in Massa as a result of Alessandro Mosti's desire, in 2011, to set himself new goals after years of work as head sculptor at the prestigious Nicoli & Lyndam studio in Carrara. He wanted to blend traditional techniques with the most up-to-date technologies and equipment to guarantee achievement of the highest standards of quality, including in huge projects. In order to support and contribute to the inclusion of the use of robotic and 3D technologies in his creative designs and traditional workflow, Alba Leasing has financed a marble sculpting robot for the creation of replicas of large works in a short timeframe with upmost precision and quality of the marble processing, benefiting from the Sabatini grants.

Apuana Lavorati

Apuana Lavorati is a young, enterprising company that owns the exclusive right to process, transform and market one of the most valuable and sought-after Italian marbles by architects all over the world. Alba Leasing financed the offices and a modern, innovative facility, where the company processes the marble extracted from the quarry owned by its parent Cooperativa Apuana, which has been operating for over 60 years in one of the oldest quarries in Tuscany.

Anteo Cinema

After the latest development a few years ago of the Anteo MusiCineTeatro, created in 1979 from the dream of three young men who took over a five-hundred-seat cinema in Milan and turned it into a multi-purpose space with a strong social ethos, Alba Leasing has financed the radical transformation of the historic Anteo Cinema into a "Palazzo del Cinema", as well as the City Life Spazio Cinema multiplex within the CityLife Shopping District built as part of the extensive redevelopment of the former Fiera di Milano area, with the financing of equipment, projectors, screens, furnishings, lighting systems, security system and bar fittings.

Archeologistics

Set up in 2004, Archeologistics is a Varese-based company that designs and provides museum management services, heritage education, guided tours and cultural tourism. In addition to advising places of historical and artistic interest, planning itineraries for schools and experts, and carrying out archaeological excavations at building sites and preventive archaeology, Archeologistics is committed to enhancing the Olona

Valley's cycle routes. Thanks to an operating lease from Alba Leasing, Archeologistics offers the rental of e-bikes for guided tours along the cycle-pedestrian paths accompanied by a guide who is expert in the sites and the area.

Ricamificio Paolo Italy

A leading company in the industrial embroidery sector for 30 years, it supplies the major fashion and luxury brands. Highly qualified personnel, technological innovation in the creative sector and state-of-the-art machinery are the strengths of Ricamificio Paolo Italy, which guarantees a high quality Italian-made product and impeccable customer service in terms of timing and results.

In order to avoid unwanted downtime or interruptions in processing, reduce the number of employees per shift, significantly increase the quality of the end product and make the production machinery more energy efficient, thanks to Alba Leasing, Ricamificio Paolo Italy was able to purchase a new electronic laser embroidery machine that allows energy savings estimated in the region of 5%-7% and even more significant turnover growth of around 15%.

Robotics and automation: Italy at work

At the heart of Europe, Italy leads the robot manufacturing and industrial automation sector with as many as 655 specialised companies engaged in creating and integrating customised automation solutions. Alba Leasing is committed to promoting innovation and entrepreneurial excellence in Italy by providing immediate access to plant and machinery, while guaranteeing the protection of companies' liquidity, the possibility to defer VAT payments and obtain benefits through deductions and tax-deductible lease payments.

Gold Art Ceramics

Nestled in the Apennines, Gold Art Ceramica S.p.A., which trades under the Energieker brand, is an innovative artisan company. Set up in 1986 in the Modena area, it is now in the hands of its third generation of ceramic entrepreneurs. In recent years, the company has embarked on an ambitious path of insourcing its production processes with the constant aim of improving quality. It has invested in a state-of-the-art atomiser, one of the largest in Europe, and a modern ceramic mixture grinding and preparation plant. In addition, in 2022, the company purchased a kiln that automatically manages gas consumption for each firing zone, rationalising energy consumption: it uses about 70% less energy than traditional kilns.

Its partnership with Alba Leasing enabled the company to obtain the necessary technological tools for its improvement project and to continue to invest in energy-efficient 4.0 machines despite a challenging market environment with rising energy costs.

G.M.P. Group S.r.l.

G.M.P. Group S.r.l., based in Bergamo, is a leader in the Italian automotive industry. Specialising in the production of high-quality alloy wheels, the company has undergone a significant transformation over the years, investing in state-of-the-art facilities. With a strong emphasis on sustainability, it uses renewable energy and innovative technologies to guarantee the highest quality. Alba Leasing provided financing for the company's innovation and expansion journey, enabling the company to grow and successfully respond to the evolving needs of the automotive market.

I.S.E.L.F.A. S.p.A.

Located in the heart of Solbiate Arno, in the province of Varese, I.S.E.L.F.A. S.p.A. represents industrial excellence with over 85 years of experience in the hot forging of iron and steel. Thanks to its versatility and constant quest for innovation, the company has built up a prestigious international reputation. Investing in cutting-edge technology and automation, it has forged collaborations with important industrial partners. I.S.E.L.F.A. S.p.A. aims to continue its sustainable growth in the tractor sector, maintaining high production efficiency and a leading role in the metal industry through targeted investments, financed by Alba Leasing.



2023 HIGHLIGHTS

- More than 2,500 hours of training supplied
- Nine hours on average of training provided to each employee
- Signee of the “Donne in Banca: valorizzare la diversità di genere” charter promoted by the Italian Banking Association
- Signee of the memorandum of understanding between ABI and the Minister for the Family, Birth Rate and Equal Opportunities on preventing and combating violence against women and domestic violence

4

Human resources: employee growth and protection

Alba Leasing’s people are pivotal to its successful growth which is why we are committed to offering them a stimulating environment which protects their well-being.

As stated in its sustainability policy, the company’s objective is to offer opportunities for professional growth by enhancing the skill-set, talents and sense of belonging both of its employees and the sales network in a stimulating and inclusive environment. It concurrently promotes their physical and mental health and their wellbeing.

The company’s HR management strategy is two-pronged:

- management and professional upskilling of employees and the sales network
- protection of people’s individual rights

The workforce

At 31 December 2023, the company had 268 employees, which was a slight decrease from the previous two years. It builds long-term relationships with them, based on mutual respect and the possibility of professional growth. In line with this policy, nearly all employees have a permanent full-time contract although the company also provides other options, offering part-time positions to reconcile the work-life balance to those employees who request this.

All employees are covered by the national labour agreement and 51% of them belong to trade unions, a slight increase on the previous year. There are 14 employees who belong to protected classes. Human resources management is based on meritocracy and professional competence criteria. The company offers its employees career and training possibilities without any form of discrimination or favouritism, in line with its code of ethics. It also cultivates a team spirit and mutual collaboration in respect of the dignity and reputation of each employee.

Employees and other workers (no.)	2021	2022	2023
No. of employees at 01/01	289	285	273
Total new hires	6	6	10
Total departures	9	11	15
Total no. of employees at 31/12	286	280	268
Breakdown of employees by gender			
Men	163	159	152
Women	123	121	116

Breakdown of employees by contract term and gender (no.)	2021	2022	2023
Permanent contract	284	274	264
<i>of which men</i>	162	155	150
<i>of which women</i>	122	119	114
Term contract	2	6	4
<i>of which men</i>	1	4	2
<i>of which women</i>	1	2	2
Non-guaranteed hours employees	0	0	0
Workers who are not employees	4	3	2
<i>of which men</i>	3	3	0
<i>of which women</i>	1	0	2
Internships	4	3	1
<i>of which men</i>	3	3	0
<i>of which women</i>	1	0	1
Subcontractors	0	0	1
<i>of which men</i>	0	0	0
<i>of which women</i>	0	0	1

Breakdown of employees by region (no.)	2021	2022	2023
Northern Italy	258	252	240
Central Italy	15	15	13
Southern Italy and Islands	13	13	15
Permanent contract	284	274	264
<i>Northern Italy</i>	256	246	236
<i>Central Italy</i>	15	15	13
<i>Southern Italy and Islands</i>	13	13	15
Term contract	2	6	4
<i>Northern Italy</i>	2	6	4
<i>Central Italy</i>	0	0	0
<i>Southern Italy and Islands</i>	0	0	0

Breakdown of employees by type of employment and gender (no.)	2021	2022	2023
Full-time	250	244	237
<i>of which men</i>	161	158	151
<i>of which women</i>	89	86	86
Part-time	36	36	31
<i>of which men</i>	2	1	1
<i>of which women</i>	34	35	30

Breakdown of employees by category and gender (no.)	2021	2022	2023
Managers	11	10	10
<i>of which men</i>	11	10	10
<i>of which women</i>	0	0	0
Junior managers	147	146	138
<i>of which men</i>	103	102	96
<i>of which women</i>	44	44	42
White collars	128	124	120
<i>of which men</i>	49	47	46
<i>of which women</i>	79	77	74

An analysis of the gender pay gap shows that it is below the national average for the banking and financial services sector⁴.

Gender pay gap			
Pay gap gross annual remuneration ⁵ (%)	2021	2022	2023
Managers	n.a.	n.a.	n.a.
Junior managers	85.05	84.17	84.98
White collars	105.35	106.63	107.96
Total pay gap⁶ (%)			
Managers	n.a.	n.a.	n.a.
Junior managers	85.68	85.60	85.93
White collars	105.35	106.68	108.24

4. On average, women in the Italian financial sector earn 23.7% less than their male counterparts (source: Eurostat - Gender pay gap statistics, data updated to March 2023).

5. The pay gap was calculated as: average women's pay/average men's pay. In order to calculate the 2021 gross annual remuneration gap, the company analysed the remuneration of all its full-time and part-time employees, adjusted using an equivalent full-time remuneration, at 31 December of all three years.

6. The gross annual remuneration, bonuses and one-off amounts are included in the calculation of the total remuneration gaps.

Breakdown of employees by age bracket (no.)	2021	2022	2023
<30	11	12	9
between 30 and 50	114	104	95
>50	161	164	164
Breakdown of employees by category and age bracket (no.)			
Managers	11	10	10
of which <30	0	0	0
of which between 30 and 50	0	0	0
of which >50	11	10	10
Junior managers	147	146	138
of which <30	0	0	0
of which between 30 and 50	43	38	33
of which >50	104	108	105
White collars	128	124	120
of which <30	11	12	9
of which between 30 and 50	71	66	62
of which >50	46	46	49

New hires are both a resource and great opportunity to acquire new knowledge and skills for the company. Alba Leasing encourages the sharing of experience and know-how by the more expert and specialised colleagues and welcomes the professional innovation brought by the newcomers.

With regard to initiatives aimed at retaining younger resources, Alba Leasing is developing training pathways dedicated to under-35s, focusing on the development of technical and managerial skills, together with the strengthening of individual soft skills.

New hires (no.)	2021	2022	2023
Total new hires	6	6	10
New hires by gender (no.)			
Men	1	4	8
Women	5	2	2
New hires by age bracket (no.)			
<30	3	6	5
Between 30 and 50	2	0	4
>50	1	0	1
New hires by geographical area (no.)			
Northern Italy	5	6	10
Central Italy	1	0	0
Southern Italy and Islands	0	0	0

Employee departures (no.)	2021	2022	2023
Total departures	9	11	15
Departures by gender (no.)			
Men	7	8	9
Women	2	3	6
Departures by age bracket (no.)			
<30	2	0	5
Between 30 and 50	0	3	3
>50	7	8	7
Departures by geographical area (no.)			
Northern Italy	8	11	13
Central Italy	1	0	2
Southern Italy and Islands	0	0	0

New hires rate %	2021	2022	2023
New hires rate	2.1%	2.4%	3.7%
Men	0.6%	2.5%	5.3%
Women	4.1%	1.7%	1.7%
<30	27.3%	50%	55.6%
Between 30 and 50	1.8%	0%	4.2%
>50	0.6%	0%	0.6%
Northern Italy	1.9%	2.4%	4.2%
Central Italy	6.7%	0%	0%
Southern Italy and Islands	0%	0%	0%

Employee turnover rate (%)	2021	2022	2023
Employee turnover rate	3.1%	3.9%	5.6%
Men	3.3%	5%	5.9%
Women	1.6%	2.5%	5.2%
<30	18.2%	0%	56%
Between 30 and 50	0%	3%	3%
>50	4.3%	5%	4%
Northern Italy	3.1%	4%	5%
Central Italy	6.7%	3%	15%
Southern Italy and Islands	0%	0%	0%

Parental leave

Alba Leasing provides parental leave to its employees in line with the current legislation. The return rate after this leave is 100% as is the retention rate (continued employment 12 months after return from parental leave). Both rates indicate a positive climate with respect both to job security and optimal return to work conditions. The company encourages decisions about parental leave (maternity and paternity leave) and other related rights to be taken on an equal basis based on gender equality.

Parental leave	2021	2022	2023
Employees who had the right to take parental leave (no.)	68	57	49
of which men	35	31	26
of which women	33	26	23
Employees who took parental leave (no.)	5	5	3
of which men	0	0	0
of which women	5	5	3
Employees who returned to work during the reporting period after taking parental leave (no.)	5	5	3
of which men	0	0	0
of which women	5	5	3
Employees who should have returned to work after taking parental leave (no.)	5	5	3
of which men	0	0	0
of which women	5	5	3
Employees who returned to work after taking parental leave and are still with the company 12 months after their return (no.)	5	5	5
of which men	0	0	0
of which women	5	5	5
Return rate after parental leave (%)	100	100	100
of which men	n.a.	n.a.	n.a.
of which women	100	100	100
Retention rate after parental leave (%)	83,3	100	100
of which men	0	0	n.a.
of which women	100	100	100

Management and professional development of employees and the sales network

Human resources management is based on meritocracy and professional competence criteria. The company offers its employees career and training possibilities without any form of discrimination or favouritism, in line with its code of ethics. The enhancement of human capital and ongoing training underpin any company's excellence and resilience as they allow adaptation to changing social-economic scenarios and the better management of existing and potential impacts on the business and the entire sector.

Training and development

In 2023, the company's training courses and paths for its entire workforce, including the sales network, were designed to draw out the potential of each employee, encourage the development of interdisciplinary expertise, soft skills and digital know-how. Another objective was to teach employees how to assess markets and sector trends.

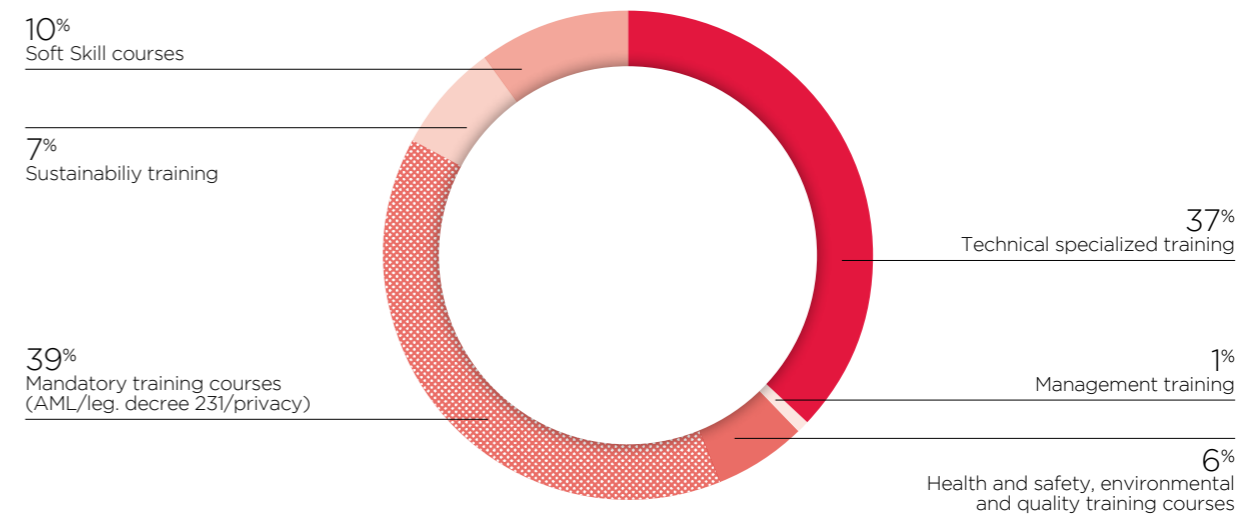
The subjects covered were:

- mandatory training courses (AML/Legislative decree no. 231);
- health and safety, environmental and quality training courses;
- soft skills courses;
- technical specialised training;
- management training (which includes language training);
- sustainability training.

In 2023, the company provided a total of 2,638 hours of training for an average of nine hours per employee. The reduction in the number of training hours in 2023 compared to 2022 is attributable on the one hand to a smaller number of employees who had to refresh their mandatory occupational safety training compared to the previous year, and on the other hand to the delay in the start of the FBA-funded training plan.

Hours of training

by area (%)



Breakdown of average hours of training by gender (no.)	2021	2022	2023
Men	23	25,6	10
Women	15	18	9

Breakdown of average hours of training by category (no.)	2021	2022	2023
Managers	13.9	2.5	9
Junior managers	19.8	22.6	9
White collars	18.3	23.5	11

During the year, courses were held on privacy, cyber security, corporate communication and networking and problem solving, also in the form of short pills on Assilea's e-learning platform. An update of the general anti-trust and competition principles was also made available to the entire workforce. It focused in particular on the role of the Italian Competition Authority, the different types of agreements between companies distinguishing between lawful and unlawful agreements, and the possible sanctions that can be imposed.

In 2023, the teaching material also included a section on the topic of integrating sophisticated algorithms and AI mechanisms into business models.

In addition, in order to reconcile remote work with the continued fruitful collaboration and communication among the company's employees, a video tutorial was made available illustrating in a simple and quick way which activities are possible and easy to perform on MS Teams, so as to exploit its full potential.

Alba Leasing rolled out several communication and information initiatives for its employees to raise their awareness of sustainability aspects. Its internal sustainability newsletter, ESG Informa, provided learning pills about the various ESG topics in line with the calendar of International Days promoted by the United Nations, the European Union or other specialised agencies. Each month, different sustainability aspects or current affairs are discussed with an explanation of how they tie into the company's vision and mission with reference to both the company's people and the Italian business sector. The newsletter is designed to stimulate employees' interest, awareness and sense of community. The company also concentrated on making employees aware of the importance of sustainable mobility by regularly sharing materials, studies and articles on the financial sector's commitment to this topic. It also uploaded six sustainable mobility learning pills onto the intranet to encourage more sustainable commuting habits.

Enhancement of individuals: focus on young people and women

New hires are a great opportunity to acquire new knowledge and skills for the company. Alba Leasing encourages the sharing of experience and know-how by the more expert and specialised colleagues and welcomes the professional innovation brought by the newcomers.

The company continued its policy of offering internships to new graduates, both to provide these students with its in-house skills and expertise and to discover talents coming from the universities and specialised training centres.

Staff meetings and company welcome kit to encourage internal cohesion

"Staff meetings" is the section of the intranet @liseo set up for the company's employees who can access the "New entry" gallery which introduces new hires to the company, as well as other galleries designed for different categories

of employees. Finally, to welcome new hires, the company has introduced a welcome kit which contains Alba Leasing brand items, such as a water bottle to discourage the use of disposable cups in the office.

In 2022, Alba Leasing became a signee of the "Donne in Banca: valorizzare la diversità del genere" charter promoted by the Italian Banking Association to increase the value of gender diversity as a key driver of development, sustainable growth and value creation. Confirming the importance of this issue for Alba Leasing, in 2023, the company also decided to sign the memorandum of understanding between the Italian Banking Association and the Minister for the Family, Birth Rate and Equal Opportunities on preventing and combating violence against women and domestic violence. The memorandum of understanding is aimed at contributing to preventing and combating the phenomenon of violence against women, including in the domestic sphere, in its various forms (physical, economic, psychological), as well as at promoting training and information initiatives on the public and private instruments available to support financial inclusion and the overcoming of gender-related differences.

Specifically, the company is a member of the interbank work group on the "Donna in Banca" charter. This group was set up to discuss and analyse different environments and activities and to analyse the applicable legislative framework and promote awareness of the charter's content and disseminate an inclusion and diversity culture and knowledge to enrich companies and society.

As part of this initiative, again in 2023, employees were made aware of the issue of unconscious bias, i.e., the implicit prejudices associated with gender diversity, which unconsciously accompany us every day, through the publication of cartoons by the graphic designer Mary Catherine Starr on the corporate blog. Each cartoon was accompanied by a short text containing food for thought aimed at stimulating discussion and dialogue and providing everyone with new points of view.

Employee assessments

The company has a performance management process (PMP) for employee assessment. This entails a face to face interview with the employees to assess their performance and feedback between the employees and their supervisors. The aim of the PMP is to promote achievement of the company's objectives by establishing each employee's contribution and their areas of responsibility.

The final score is based on a five-level scale going from poor to excellent. The assessment process is completed by an action plan which sets out the improvement actions to be taken, including to close any identified gaps. Typical examples of this are tailored training courses, job rotations, assignment of a task/project and coaching in other departments. The entire assessment process was completed in January 2024.

During the year, 75.4% of the workforce (45% women, 55% men; 56% white collars and 44% junior managers) was assessed and 70.8% of those completed the entire process.

In order to encourage internal mobility, Alba Leasing continued its job posting scheme, which matches the company's requirements to the aspirations of its employees, who can apply for new positions. This scheme provides for the creation of alternative career paths and identifies possible development needs.

Protection of people's individual rights

Alba Leasing's commitment to protecting the individual rights of its people is an integral part of its culture and is pursued through internal regulations and tools, in compliance with national health and safety legislation.

Alba Leasing is committed to ensuring a healthy and safe work environment for everyone, minimising risks for its employees, suppliers that work at its offices or visitors that access its facilities. Accordingly, it regularly monitors the conditions of the workplaces and health of its employees with regular medical check-ups, safety procedures and risk identification procedures. It also provides its employees with annually-scheduled briefings and training courses. The prevention and protection officer (RSPP) is in charge of these activities. The company also has three safety representatives (RSL), appointed in 2022 for a four-year term. They act as spokespersons for other employees on occupational health and safety issues.

In 2023, 174 hours of mandatory HSE training were provided, less than the more intense training sessions of 2022 which had involved the new prevention and protection staff member (ASPP), three new safety officers and the numerous new hires and interns. For preventative reasons, the company provides safe driving courses for its commercial staff, deemed to be the most at risk in this respect.

Work-related injuries (no.)	2021	2022	2023
Total injuries	0	1	1
<i>of which men</i>	0	0	1
<i>of which women</i>	0	1	0
Total commuting injuries	0	0	1
<i>of which men</i>	0	0	1
<i>of which women</i>	0	1	0
Total work-related injuries	0	1	0
<i>of which men</i>	0	0	0
<i>of which women</i>	0	1	0
Total fatal injuries	0	0	0
<i>of which men</i>	0	0	0
<i>of which women</i>	0	0	0
Total serious injuries (for more than 180 days of sick leave)	0	0	0
<i>of which men</i>	0	0	0
<i>of which women</i>	0	0	0
Total hours of sick leave for illnesses and injuries	8,203	8,288	12,042*
Total hours worked	415,022	444,914	430,168

Days lost due to injuries	0	12	51
Recorded near-misses	0	0	0
Serious injury frequency rate (per million hours worked) ⁷	0	0	0
Employee injury frequency rate (per million hours worked) ⁸	0	2.25	0
Severity rate (per thousand hours worked) ⁹	0	0.03	0.12
Work-related ill health of employees (no.)			
Total deaths caused by work-related ill health	0	0	0
Total recordable cases of work-related ill health	0	0	0

*The data for the hours of absence due to illness and injuries reflects some long hospital stays in 2023.

In order to ensure security and business continuity, a WhatsApp group was set up in 2023 where participating employees are notified in good time of any disruptions that may prevent access to the workplace.

Corporate welfare, work-life balance and social initiatives

Alba Leasing has a corporate welfare system for all its full-time and part-time employees. It includes social-welfare support initiatives and flexible work tools, some of which have been gradually extended.

Specifically, Alba Leasing:

- gives €8 (it was €7 in 2022) meal vouchers to all employees, including those with term contracts, while part-time employees' vouchers are calculated in line with their hours worked;
- provides a complementary healthcare policy to all its employees and their dependents, which includes various non-hospital services (diagnostics, specialist visits, dentist visits, etc.), with an annual allowance of €4,000;
- pays the 3% contribution to PREVIP's complementary pension plan;
- provides free in-person or online tax assistance (to prepare the 730 form) to all its employees, including those with term contracts;
- offers a counselling service managed by the Associazione di Promozione Sociale Officine Psicologiche that all employees can access remotely for up to five times starting from June 2023. This ensures complete confidentiality as well as the possibility for all employees to make use of this service when and how they want. The service, offered as a benefit to all those who request it, is aimed at promoting their mental and physical well-being and fostering the development of a corporate culture focused on respect for and appreciation of human capital;
- the opportunity to benefit from the agreement with the Ennevolte portal, which offers goods and services at reduced prices.

Once a year, the company gives its employees a bonus tied to achievement of the objectives set out in the trade union agreement. The employees can choose whether to receive this bonus in cash or in welfare benefits (or both). As the company's objectives for 2022 were exceeded, it increased the bonuses to the maximum amounts paid in 2023, i.e., an increase of €100 in the minimum bonuses for each employee category. The welfare benefits can be accessed on the company intranet and include services such as:

7. The serious injury frequency rate is calculated as the total number of serious injuries divided by the total number of hours worked multiplied by 1 million.

8. The injury frequency rate is calculated as the total number of injuries divided by the total number of hours worked multiplied by 1 million.

9. The severity rate is calculated as the days lost due to injuries divided by the total number of hours worked multiplied by 1 thousand.

- reimbursement of education costs for employees' children;
- reimbursement of the cost of babysitters and minders for elderly relatives;
- reimbursement of public transport costs;
- payments into pension funds;
- vouchers for goods and services;
- on-demand travel service;
- hobbies and personal care.

The company organised three webinars to explain to its employees how to convert the bonus into welfare services.

Solely for the 2023 tax year, a decree law raised the threshold of fringe benefits that do not contribute to taxable income to 3,000 only for employees with dependent children. These fringe benefits can be used through the welfare platform, up to the amount of the company bonus already available or converted into welfare benefits through membership of the plan.

At the same time, the voluntary contribution by employees to the Prosolidar Foundation, which finances international socio-economic development projects, was increased.

In addition, the company renewed and extended the range of Banco BPM products available to all employees under the 4YOU agreement. They include special offers for current accounts, credit cards, mortgage loans, personal loans, current account overdrafts, savings and investments. The company included two new offers for current accounts for children aged between 12 and 17 and for adults under 27 years of age to provide additional benefits to families and employees with children and to new hires.

Alba Leasing gives great importance to work-life balance and has introduced work flexibility and other initiatives to ensure this and to improve its employees' wellbeing.

In this respect, in March 2023, it signed a new remote work agreement providing that its employees may work from home up to eight days a month, for a maximum of two days a week. The agreement includes new concessions, such as more days of remote work for workers covered by Law no. 104 (up to 10 days a month), for pregnant workers and new mothers up to the end of the first year of the child (5 days a week) and for new fathers (5 days of remote work per week, up to the end of the third month of the child).

In addition, the company extended the option to work remotely for vulnerable employees and employees with children under 14 years of age.

Alba Leasing provides its employees with information on how to comply with the relevant regulations and advice for the best use of their home offices as indicated in the communication on employee health and safety, which includes recommendations about the safe use of equipment and devices.

Finally, the company extended the term of the "Solidarity Fund", aimed at guaranteeing the correct turnover within the organisation, confirming its intention to focus on its people's needs and to continue along its growth path.

Alba Go Green: sustainable mobility at work

In 2023, the company confirmed its commitment to sustainable mobility by providing Milan office employees with free annual urban travel passes for the local public transport network. Specifically, it paid for 11 Trenord train passes and 105 ATM metro passes (more than 60% of the Milan office employees). The company drew up the 2024 commuting plan (PSCL - Piano Spostamenti Casa-Lavoro) based on the findings of the survey completed by employees. This showed not only the significant use of public transport - used

exclusively or partly by 61% of the employees at the Milan office - but also a satisfaction rating of around 90%, which demonstrates the possibility of a rapid change in the established commuting habits of private transport users.

Therefore, the company has introduced additional internal initiatives such as paying the subscription cost for the BikeMI service, thus enabling the staff of the Via Sile office to supplement public transport with cycling, including at weekends. In addition, thanks to an agreement with MySharing, all Alba Leasing employees were able to use discounts on sharing mobility services. As a result of the option

for employees to work remotely two days a week and Alba Leasing's investment in sustainable mobility, the company has avoided emitting emissions of 154,225 kg of CO₂ per year. The company estimated this reduction in polluting emissions using the calculation methods of the Wiseair platform. It calculates absolute polluting emissions using the distance-based method for category 7 (employee commuting) of scope 3 emissions, which it adapted and extended to include the estimate of air pollutants in the commuting plan as required by the relevant regulations. The emission factors used to calculate the emission estimates are taken from the database compiled by ISPRA.

2023 HIGHLIGHTS

- 100% renewable energy used at our Milan and Rome offices
- Alba Leasing, one of the 130 most climate-conscious companies in 2023

5

Environment: responsibility and innovation

In line with its sustainability policy, Alba Leasing carries out its business in a way that is respectful of the environment, biodiversity and ecosystems and the related objectives set at international level. It translates this commitment into tangible actions to mitigate climate change and reduce emissions by decreasing the impact of its operations in line with ruling regulations, by providing support to companies that intend to improve their environmental footprint through its role as a services provider and by proposing lower impact solutions to its customers.

In particular, the company monitors the environmental impact of the assets returned to it, focusing on preventing environmental crimes associated with moveable assets and real estate whose contracts were not successful or for which the purchase option was not exercised. The company's 231 organisational model makes specific reference to these aspects. Environmental management falls under the material topic "Reduction of environmental impacts and asset protection".

Management of environmental impacts and asset protection

The company focuses on initiatives at its Milan and Rome offices to:

- reduce the consumption of materials (dematerialisation);
- reduce electricity consumption;
- reduce emissions of pollutants from business activities;
- reduce consumption by its fleet of vehicles;
- correctly manage waste elimination;
- manage the indirect effects of its buildings and assets.

Consumption of materials

In 2023, Alba Leasing continued its mission to steadily reduce its carbon footprint. Where possible, it is replacing hard copy publications with soft copies. In order to discourage printing and reduce the use of paper and ink, the company also eliminated some of the printers at its offices.

Materials used by weight or volume ¹⁰	M. U.	2021	2022	2023
Paper purchased	boxes of 5 reams	69	271	233
Total paper consumption	kg	853.1	3,215.6	2,969

¹⁰ Paper consumption refers to the company's entire reporting boundary, including, for example, its offices at shareholder banks.

Energy consumption and emissions

The company's energy consumption mostly relates to the lighting and air-conditioning systems for its offices in Milan and Rome and its fleet of vehicles.

In order to significantly reduce its emissions related to corporate travel, the company decided to progressively convert its internal fleet. Starting from 2023, once the lease of the 76 vehicles in the fleet expires, they can only be replaced by hybrid vehicles.

The 2023 figures for the company fleet show a slight decrease in the direct consumption of petrol and diesel, which is substantially in line with previous years.

As part of policies to encourage and improve sustainable mobility, all companies with more than 100 employees are required by law to periodically draw up a commuting plan. Accordingly, Alba Leasing is required to prepare this plan based on the results of a survey circulated in 2023 among all employees.

Again in 2023, Alba Leasing encouraged its employees to take part in the survey carried out by AMAT (Mobility, Environment and Territory Agency of the Municipality of Milan) aimed at mapping the journeys made by the residents of Milan and the province of Monza and Brianza in order to update traffic models and obtain a solid base of information to apply sustainable mobility policies.

The company solely uses electricity certified as coming from renewable sources as part of the green contract entered into for the Milan and Rome offices. Moreover, the company installed LED lighting in all the common areas of its Milan office for energy efficiency purposes and it reorganised the break areas to combat energy and food waste in 2022. This included the installation of new high tech class A and A++ vending machines with cutting-edge technology for food preservation.

It achieved energy savings from the reduction of the number of vending machines in line with the changing work situation and the smaller presence of employees in the office due to the remote work option.

Energy consumption	M.U.	2021	2022	2023
Total energy consumption	GJ	7,483.08	7,338.87	6,533
<i>of which from renewable sources</i>	GJ	1,124.89	961.80	731.25

Breakdown of direct consumption of primary energy by source and type	M.U.	2021	2022	2023
Direct consumption of primary energy from renewable sources	GJ	0	0	0
Direct consumption of primary energy from non-renewable sources	GJ	6,358.19	6,377.08	5,802
<i>of which diesel (fleet of vehicles)</i>	GJ	4,828.05	4,630.83	4,537
<i>of which petrol (fleet of vehicles)</i>	GJ	191.04	161.64	153
<i>of which gas to heat offices</i>	GJ	1,339.10	1,584.61	1,112
Total energy consumption	GJ	6,358.19	6,377.08	5,802

Electricity consumption	M.U.	2021	2022	2023
Electricity purchases	GJ	1,124.89	961.80	732
Milan office	GJ	1,079.46	923.12	692
Rome office	GJ	45.42	38.68	40
<i>of which from renewable sources (D)</i>	GJ	1,124.89	961.80	732
<i>% renewable sources</i>	%	100%	100%	100%

Scope 3 emissions (indirect emissions) are calculated considering paper supplies and business travel. Direct CO₂ emissions for 2023 decreased compared to 2022.

Emissions	M.U.	2021	2022	2023
Direct CO₂ emissions - Scope 1	tCO₂	420.99	444.01	410
<i>of which diesel (fleet of vehicles)</i>	tCO ₂	329.79	340.54	334
<i>of which petrol (fleet of vehicles)</i>	tCO ₂	14.02	11.77	11
<i>of which natural gas</i>	tCO ₂	77.17	91.78	65
Indirect CO₂ emissions - Scope 2 - location-based	tCO₂	83.93	67.30	54
Indirect CO₂ emissions - Scope 2 - marked based	tCO₂	0.00	0.00	0.00
<i>Milan office</i>	tCO ₂	0.00	0.00	0.00
<i>Rome office</i>	tCO ₂	0.00	0.00	0.00
Totale emissioni di CO₂ (Scope 1 e Scope 2)¹¹ - location based	tCO₂	504.91	511.31	464
Totale emissioni di CO₂ (Scope 1 e Scope 2)¹² - marked based	tCO₂	420.99	444.01	410
Total CO₂ emissions - Scope¹³	tCO₂	9.25	21.01	41
Emissions from paper procurement	tCO ₂	0.78	2.96	3
Emissions from business travel	tCO ₂	8.46	18.05	38

The GHG emissions and energy intensity data for the three years refer to the Milan and Rome offices and are substantially in line with the previous three years.

GHG emissions intensity and energy intensity	2021	2022	2023
Energy intensity (GJ consumption/employees at 31/12)	26,16	26,21	24
GHG emissions intensity (Total emissions of CO ₂ scope 1 - scope 2 market-based / employees at 31/12)	1,47	1,59	2

11. Reference conversion factor: Efficiency and decarbonization indicators in Italy and in the biggest European Countries - ISPRA 386/2023; DEFRA 2023; ISPRA - National Inventory Report 2023.

12. Reference conversion factor: DEFRA 2023; ISPRA - National Inventory Report 2023.

13. The company reports its scope 3 emissions as per the GHG Protocol for the business travel and purchased goods and services categories. Specifically, it calculated rail travel emissions for the "Business Travel" category using information on the ecopassenger.org website and emissions from air travel using DEFRA 2023 as the emission factor. It was not required to differentiate between high speed and regional train travel, as most of its employees' travel is by high speed trains. It did not consider travel by hired vehicles in its calculation of business travel emissions. The company calculated the emissions for the purchased goods and services category considering solely its purchases of paper and using DEFRA 2023 as the conversion factor.

Alba Leasing, one of the 130 most climate-conscious companies in 2023

The newspaper Il Corriere della Sera included Alba Leasing in its classification of the 130 most climate-conscious companies

in its "Pianeta 2030" supplement, which is entirely dedicated to the environment, sustainability and the circular economy.

For the second consecutive year, Corriere della Sera, Pianeta 2030 and Statista drew up a list of Italian companies that achieved the greatest reduction in the ratio of their CO₂ emissions to turnover, by

calculating their CARR (Compound Annual Reduction Rate), which shows the CO₂ emissions intensity reduction rate between 2019 and 2021 compared to turnover.

Their intent is to identify the most virtuous companies, i.e., those that manage to increase turnover and simultaneously reduce their carbon footprint.

Gestione dei rifiuti

The company mostly generates waste in the form of paper, plastic and furniture, mainly related to its ordinary business activities (urban waste).

Any special waste generated during the year mostly refers to light bulbs, printer toner and batteries used as part of the company's everyday activities. Hazardous and non-hazardous waste is dealt with by specialist operators that comply with high quality standards and the environmental regulations in force. They disclose the type of material picked up and its elimination method in special forms.

The company encourages plastic-free consumption at its Milan office and has installed microfiltered water dispensers in the break areas. All employees have been given thermal water bottles to reduce the use of single-use plastic products.

Waste	M-U.	2021	2022	2023
Hazardous waste	t.	0	0	0
of which recycled or recovered	%	0	0	0
Non-hazardous waste	t.	16.15	1	1.88
of which recycled or recovered	%	100	100	100
Total waste	t.	16.15	1.00	1.88

Alba Leasing joins an environmental clean-up initiative promoted by Plastic Free

Alba Leasing organised an environmental clean-up appointment with the association **Plastic Free** and **Amsa Milano** in the Longanesi Nervesa Park in the Brenta area for its Milan office staff. **A total of 40 employees** participated in the project and collected **140 kg** of waste, which was then handed over to Amsa. This project reiterates the company's commitment to preserving and protecting

the environment, adopting the principles enshrined in the SDGs (in particular, 11, 12, 13, 14 and 15) with activities that contribute to making cities a resilient and more sustainable place, protecting biodiversity and ecosystems in the area, as well as raising awareness among its employees on the above issues.

Around 180 employees attended the webinar organised by Plastic Free which explained the damage caused by plastic in the environment, its causes and possible remedies before the environmental clean-up appointment.



Releases this Plastic and Waste Collection Certificate to:



Certifying that

140 Kg

of plastic and waste have been collected and removed from the environment through the cleanup activities as a result of the 2023 collaboration



Luca De Gaetano
President, Plastic Free
2023 September

Use of water resources

The company's use of water resources is limited to its bathrooms with water taken from the mains water. Given the limited volumes of water used, this is not a material topic for Alba Leasing.

Safety of buildings and company assets

Alba Leasing's commitment to protecting the environment includes its indirect environmental impact. It includes environmental assessments as part of the lending process and asset management to ensure it does not damage the ecosystem or its inhabitants. The company performs documentary checks of its plant and machinery in compliance with the ruling regulations. It has a dedicated appraisal model for the real estate segment and to enhance the assets during the agreement, transformation and management (renegotiation, exercise of purchase options and termination) of leases. Third party qualified experts manage the model used to appraise the real estate

according to criteria such as its location, its surrounding area, safety and environmental impact, and regularly report to the company. The recovery of assets due to leases that have been terminated or for which the purchase option has not been exercised involves mapping and managing any risks associated with environmental crimes as provided for in the relevant legislation in order to take the necessary remedial actions.

The company carries out redevelopment, safety and reclamation activities on returned assets in order to restore and/or improve their environmental and social impact profiles so as to then remarket them sustainably.

In 2023, the company's risk management and lending policies unit continued to review the appraisal documents and parameters used to calculate the assets' commercial values in order to facilitate their remarketing. In order to achieve a more appropriate appraisal service and handle this issue, the company has introduced:

- new process for the better sharing of information between the remarketing and operating technical activities units, although their duties continue to be segregated;
- a new tool (appraisal) for the more accurate estimate of the real estate's value; pursuant to the ruling regulations, and especially article no. 124 of Law no. 4 no. 124 and the EBA guidelines, the company has changed the method used to calculate the adjusted market value. This new method can only be used for real estate that has already been returned or is in the process of being returned and the commercial negotiations have been started.

In line with that performed in previous years, the company continued its environmental assessment of the returned assets in 2023. Remediation activities were recommended for seven properties with asbestos or other environmental liabilities. The remediation of one property has been successfully completed. Alba Leasing confirmed its engagement of a third party company as its asbestos officer to manage the assets it still holds and which contain asbestos (even when this is minimal and does not legally require removal) and to report annually on their maintenance and safety. The company has 145 properties available for lease including 93 owned by Banco BPM and 52 which it owns, all listed on its online portal.

To improve its disclosure of the sustainability characteristics of the company's assets, it has launched a project to identify the environmentally-sustainable features of leased assets.

Specifically, the company introduced a computerised system for real estate assets for the standardised recording of the energy class shown as per the energy performance certificate; this information was previously only available in paper format, which made analysis and reporting impossible. Data on past leases were also collected.

Information on CO₂ emissions of the automotive category was entered into the company's systems: such data are always available for cars but not for commercial vehicles, for which there are still difficulties in obtaining it from both the compliance certificate and the vehicle's technical documentation.

This information is necessary for the more rigorous selection of exposures that can be used for EIB loans, as this bank has strict policies for loans in environmentally-sustainable activities.

Low environmental impact products

Alba Leasing is engaged in the mitigation of environmental impacts and accordingly its products are designed to achieve energy efficiency, smart mobility and renewable energy objectives.

Thanks to the support of certain European and Italian institutions, the company has extended its portfolio of subsidised specialised products intensifying its impact across the country and assisting companies with their transition to "greener" business models (more information is available in the "Social aspects: accountability to customers and communities" section).

Indeed, Alba Leasing intends to lever its role as a driver of change and increasingly promote the use of leases as a tool that Italian companies can use to innovate their business and concurrently reduce their impact on the environment.

The "Production innovation and social-economic development of companies" section (section 3) provides more information about these initiatives.

6

2023 HIGHLIGHTS

- 0 reports of discrimination
- 0 losses or thefts of data
- More than 137,000 attempts to access company servers blocked
- Over 110 hours of pay donated to women who have been victims of violence

Respect for human rights

Safeguarding human rights mostly relates to protection of privacy, data protection and respect for the individual given the nature of the company's activities. This also covers its business partners. Specifically, the company focuses on:

- the individual's fundamental rights;
- workers' rights, as set out in the International Labour Organisation's (ILO) Declaration;
- the right to health, safety and privacy;
- the right to a healthy environment.

Alba Leasing's code of ethics sets out its principles, rights, obligations and responsibilities vis-à-vis its shareholders, representatives, employees, consultants, customers, suppliers and public authorities. The code of ethics states, promotes and prohibits specific conduct for which the company could be liable or that does not comply with its ethical standards.

The main rules related to the rights of the individual or the entire workforce are set out below:

- starting from the recruitment stage, Alba Leasing offers the same opportunities without any form of discrimination linked to gender, race, language, religion, political opinions or trade union membership;
- candidate assessment is based on checking satisfaction of the professional and soft skill criteria for the position, respecting the candidate's dignity, personality, private life and opinions;
- Alba Leasing has a zero tolerance policy for harassment of any kind of employees, suppliers, customers or visitors where harassment means any form of intimidation, threat, behaviour or verbal offence that hinders an employee from peacefully carrying out their duties or abuse by a superior (for example, the request of personal favours that upset the recipient's serenity);
- the company prohibits relationships with parties that directly or indirectly engage in behaviour contrary to individual freedom and individualism and/or violate or contribute to violating the fundamental rights of the individual (for example, exploiting child labour, promoting sex tourism, etc.) and with parties involved in criminal activities such as but not limited to drug trafficking, money laundering and terrorism.

Alba Leasing makes whistleblowing channels available to all its stakeholders so they can report risky situations or violations of one or more of the rules set out in the code of ethics. These reports are managed in such a way as to protect the whistleblowers from any form of retaliation.

No internal reports of discrimination have been received in the last three years.

Alba Leasing employees on the front line advocating for rights



Solidarity and human rights are precious values for Alba Leasing which it promotes through various initiatives. In 2023, it again took part in the "Payroll Giving" initiative for violence against women. Its employees donated more than 110 hours

of their pay through their payslips. The company then doubled the amount and transferred the entire amount to the "Fai volare una libellula" project to provide financial assistance to women who have been victims of violence.

Data protection

Data confidentiality is a priority for the company and its business aspect that most pertains to the sphere of human rights. Data protection and the security of the sensitive information acquired, stored and processed by the company are closely related to the respect for an individual's rights.

The issue is managed through the code of ethics, which confirms that personal data acquired, stored and processed as part of the company's business are protected in full compliance with the provisions of Legislative decree no. 196/2003 (the personal data protection code).

As required by this decree, the company's specialist data privacy unit ensures the confidentiality of the data of its employees and customers, the compliance of its operations with the regulations and the proper processing of the data collected.

Confidentiality is built into every internal process starting from the design phase with the incorporation of the related supporting IT applications (privacy by design).

As required by the EU's GDPR, the company has a protection officer, a data protection officer and a specialist data protection unit.

Given the recent acceleration in its digitalisation, the company monitors data security by investing in its cyber attack protection system for all its infrastructure, which includes encryption of employees' PCs as well as specific tests to check the security and reliability of its information systems.

The company's Internal Incident Management Procedure introduces a cyber security incident management process consistent with the reference regulatory framework and industry best practices. It is designed to make internal processes more efficient and ensure coordination between internal units in the event of anomalous emails, theft/loss of PCs, mobile phones, smart cards and operating anomalies on IT applications to achieve increasingly timely ticket management and system recovery.

In addition to regular training courses (part of the mandatory programme) on data privacy, the company also provided its employees with three learning pills on cyber security. Specifically:

1. Analysis of the main cyber attack techniques, which was attended by 264 employees, and covered the following topics:
 - phishing and spear-phishing;
 - attack techniques based on exploitation of vulnerabilities and man-in-the-middle attacks;
 - definition of trojans, ransomware and malware;
 - account hijacking attacks to compromise personal and corporate accounts;
 - use of malicious apps;
 - brute force attacks;
 - physical attacks on companies;
 - insiders;
 - exposure of data through misconfiguration.
2. "Social Engineering", which had 280 participants, and covered the following topics:
 - example of a social engineering attack;
 - simulation of a social engineering attack so that the various stages to identify a technique behind most attacks on companies;
3. "The 20 Commandments", which was attended by 298 employees, and covered the following topics:
 - vademecum for a company's correct safety posture;
 - suggestions on how to deal with suspicious activity.

As a result of its commitment to this issue, the company did not receive any complaints from customers concerning breaches of their privacy nor did it incur losses or thefts of data in 2023.



Methodology for reporting non-financial information

This document is the consolidated non-financial statement (the “statement” or “NFS”) of Alba Leasing for the year ended 31 December 2023. The company prepared this statement in accordance with Legislative decree no. 254 of 30 December 2016 (the “decree”), as subsequently amended. While it is not legally obliged to comply with this decree, the company has elected to draw up the statement voluntarily pursuant to article 7 thereof so as to report on its non-financial performance to its stakeholders.

The company publishes the statement once a year in line with the timeline for the preparation and publication of its annual consolidated financial statements. The NFS presents data and information about environmental, social and human resources aspects, respect for human rights and the fight against active and passive corruption which were all identified as material in the materiality analysis, updated in 2023, considering the guidance provided in the revised version of the GRI Universal Standards described on pages 11, 12 and 13. The board of directors approved the materiality assessment when it approved the NFS. The statement’s reporting boundary includes Alba Leasing at 31 December 2023. Alba 6 SPV S.r.l., Alba 10 SPV S.r.l., Alba 11 SPV S.r.l., Alba 12 SPV S.r.l. and Alba 13 SPV S.r.l., which are consolidated by Alba Leasing, are excluded from the reporting boundary as they are securitisation vehicles, do not have employees and do not have a material environmental or social impact. The company’s ownership structure has not undergone significant change with respect to the reporting boundary and period.

The company has prepared the NFS in accordance with the GRI Universal Standards, revised by the Global Reporting Initiative (GRI) in 2021. The company chose the “in accordance” option. Comparative figures are given for each indicator for the previous two years, when possible, to allow an assessment of the company’s performance over the medium term. The scope of the environmental data includes the Milan office in Via Sile and the Rome office in Via Bissolati. It does not include the other offices located in the shareholder banks. Information useful to understand the performance over the three years is provided in notes within this statement. The statement has been prepared in accordance with the GRI reporting principles: Sustainability Context, Completeness, Balance, Comparability, Accuracy, Timeliness, Clarity and Verifiability.

The quality of the data is consistent with the guidelines in the ESG reporting handbook that provides useful information for the collection, consolidation and validation of sustainability data and indicators.

While EU regulations have recently introduced new disclosure obligations, notably the taxonomy of sustainable economic activities (Regulation (EU) 2020/852), as this is not mandatory for companies like Alba Leasing which publish their NFS not pursuant to any legal requirements, it has decided not to comply with such new obligations for the moment.

This statement was approved by the company's board of directors on 19 March 2024. The company's independent auditors, KPMG S.p.A., performed a limited assurance engagement on the 2023 Consolidated non-financial statement. Its report is included at the end of this NFS.

Statement of use: Alba Leasing prepared its statement using the "in accordance" option under the GRI Standards for the period from 1 January to 31 December 2023.

GRI 1 used: GRI 1: Foundation 2021.

Applicable sector standards: n.a.

Material topic	GRI Standard	Indicator	Document page no.	Note / Omissions
GRI 2: GENERAL DISCLOSURES 2021				
The organization and its reporting practices				
	2-1	Organizational details	7	
	2-2	Entities included in the organization's sustainability reporting	Methodology for reporting non-financial information	
	2-3	Reporting period, frequency and contact point	Back cover	29 April 2024
	2-4	Restatements of information		No significant data or information have been restated compared to the previous NFS.
	2-5	External assurance	81-83	
Activities and workers				
	2-6	Activities, value chain and other business relationships	7-10	
	2-7	Employees	5; 49-51	
	2-8	Workers who are not employees	50	
Governance				
	2-9	Governance structure and composition	14-18	
	2-10	Nomination and selection of the highest governance body	14-19	
	2-11	Chair of the highest governance body		The company's chair is not a member of senior management.
	2-12	Role of the highest governance body in overseeing the management of impacts	14; 21-22	
	2-13	Delegation of responsibility for managing impacts	21-22	
	2-14	Role of the highest governance body in sustainability reporting	Methodology for reporting non-financial information	
	2-15	Conflicts of interest	17	
	2-16	Communication of critical concerns	29; 39-40	
	2-17	Collective knowledge of the highest governance body	21-22	
	2-18	Evaluation of the performance of the highest governance body	14	The performance of the highest governance body is evaluated on a voluntary basis by an external company and does not take place regularly. No evaluation was performed in 2023. The most recent evaluation was performed in 2021 and it also covered the board of directors' awareness of ESG and sustainability topics.
	2-19	Remuneration policies	19-20	The directors receive a fixed fee.
	2-20	Process to determine remuneration	19-20	The board of directors approves the remuneration policy.
	2-21	Annual total compensation ratio		The company does not report this ratio as it is sensitive data.

continues

Material topic	GRI Standard	Indicator	Document page no.	Note / Omissions
Strategy, policies and practices				
	2-22	Statement on sustainable development	4	
	2-23	Policy commitments		As stated in the NFS, the company's commitments are set out in its sustainability policy, available at this link https://www.albaleasing.eu/politica-di-sostenibilita/ and approved once a year by the board of directors. With respect to human rights, identification of related topics and how they are managed, including from a prevention viewpoint, are described in the relevant section of the NFS.
	2-24	Embedding policy commitments	7-10; 21-22; 29-31; 63; 71	To the extent of their mandates, department heads must ensure compliance with the policies issued by the company bodies and general management. Finally, the general manager monitors their complete compliance as they they have overall responsibility for the company's operations.
	2-25	Processes to remediate negative impacts	39-40	
	2-26	Mechanisms for seeking advice and raising concerns	29-30	
	2-27	Compliance with laws and regulations	28; 31	
	2-28	Membership of associations		ABI, ASSILEA, AIAF, AIFIRM, AIIA, AIGI, AISCA, ASSBB, ASSIOM, A.ASS.OD, FOREX, AOMI, Italian Competition Authority, Conciliatore Bancario, Organismo per la tenuta dell'Albo dei Promotori Finanziari, IVASS, PROMETEIA, PREVIP, NOMISMA
Stakeholder engagement				
	2-29	Approach to stakeholder engagement	13-14	
	2-30	Collective bargaining agreements	49	
GRI 3: MATERIAL TOPICS				
	3-1	Process to determine material topics	11-13	
	3-2	List of material topics	12-13	
GRI TOPIC STANDARD				
Anti-corruption				
Integrity and transparency in business	3-3	Management of material topics	28-31	
	205-2	Communication and training about anti-corruption policies and procedures	30-31	
	205-3	Confirmed incidents of corruption and actions taken	31	A breakdown by region is not significant as Alba Leasing mostly operates in Italy.
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	31	

continues

Material topic	GRI Standard	Indicator	Document page no.	Note / Omissions
Tax				
Integrity and transparency in business	3-3	Management of material topics	32-33	
	207-1	Approach to tax	32	
	207-2	Tax governance, control, and risk management	32	
	207-3	Stakeholder engagement and management of concerns related to tax	32-33	
	207-4	Country-by-country reporting	33	A breakdown by region is not significant as Alba Leasing mostly works in Italy.
Contribution to the sustainable development and competitiveness of SMEs	3-3	Management of material topics	37-47	
	201-1	Direct economic value generated and distributed	33-35	
Customer privacy				
Protection of people's individual rights	3-3	Management of material topics	71-73	
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	70; 73	
Employment				
Management and professional development of employees and the sales network	3-3	Management of material topics	49; 52-53;	
	401-1	New employee hires and employee turnover	52-53	
Diversity and equal opportunities				
Protection of people's individual rights	3-3	Management of material topics	49-52	
	405-1	Diversity of governance bodies	17-18; 50-52	
	405-2	Ratio of basic salary and remuneration of women to men	51	
Human rights				
Integrity and transparency in business	3-3	Management of material topics	71-72	
	406-1	Incidents of discrimination and corrective actions taken	71-72	
Training and education				
Management and professional development of employees and the sales network	3-3	Management of material topics	31-31; 55-57	
	404-1	Average hours of training per year per employee	5; 48; 55-56	
	404-3	Percentage of employees receiving regular performance and career development reviews	57-58	
Occupational health and safety				
Protection of people's individual rights	3-3	Management of material topics	58-59	
	403-1	Occupational health and safety management system	58-59	
	403-2	Hazard identification, risk assessment and incident investigation	58-59	

continues

Material topic	GRI Standard	Indicator	Document	Note / Omissions page no.
	403-3	Occupational health services		58-59
	403-4	Worker participation, consultation and communication on occupational health and safety		58-59
	403-5	Worker training on occupational health and safety		55; 58
	403-6	Promotion of worker health		58-59
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		58-59
	403-9	Work-related injuries		58-59 Nothing to report in point b as immaterial for the company.
	403-10	Work-related ill health		59 Nothing to report in point b as immaterial for the company.
Employee well-being				
Protection of people's individual rights	3-3	Management of material topics		54; 59-61
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		59-60
	401-3	Parental leave		54
Environment				
Reduction of environmental impacts and asset protection	3-3	Management of material topics		63-69
	301-1	Materials used by weight or content		63-64
	302-1	Energy consumption within the organisation		64-65
	302-3	Energy intensity		65-66
	305-1	Direct (scope 1) GHG emissions		65
	305-2	Indirect (scope 2) GHG emissions		65
	305-3	Other indirect (scope 3) GHG emissions		65
	305-4	GHG emissions intensity		65-66
	306-1	Waste generation and significant waste-related impacts		66
	306-2	Management of significant waste-related impacts		66
	306-3	Waste generated		66

List of indicators not included in the GRI indicators

Material topic	GRI Standard	Indicator	Document	Note
Contribution to the sustainable development and competitiveness of SMEs	3-3	Management of material topics	8; 40-42	
Dissemination of lease services	3-3	Management of material topics	38-39	



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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018

To the board of directors of
Alba Leasing S.p.A.

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5.1.g) of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2023 consolidated non-financial statement of Alba Leasing S.p.A. (the "company") prepared, on a voluntary basis, in accordance with article 4 of the decree and approved by the board of directors on 19 March 2024 (the "NFS").

Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") for the NFS

The directors are responsible for the preparation, on a voluntary basis, of an NFS in accordance with articles 3 and 4 of the decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), which they have identified as the reporting standards.

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the decree and the group's business and characteristics, to the extent necessary to enable an understanding of the company's business, performance, results and the impacts it generates.

The directors' responsibility also includes the design of an internal model for the management and organisation of the company's activities, as well as, with reference to the aspects identified and disclosed in the NFS, the company's policies and the identification and management of the risks generated or borne.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.



Alba Leasing S.p.A.
Independent auditors' report
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Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. During the year covered by this engagement, our company applied International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintained a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the decree and the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the NFS are based on our professional judgement and include inquiries, primarily of the company's personnel responsible for the preparation of the information presented in the NFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we performed the following procedures:

- 1 Analysing the material aspects based on the company's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.
- 2 Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.
- 3 Comparing the financial disclosures presented in the NFS with those included in the company's consolidated financial statements.
- 4 Gaining an understanding of the following:
 - the company's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
 - the entity's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
 - the main risks generated or borne in connection with the aspects set out in article 3 of the decree.

Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 5.a).



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- 5 Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.

Specifically, we held interviews and discussions with the company's management personnel. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

Furthermore, with respect to significant information, considering the company's business and characteristics:

- a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence,
- b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information.

Conclusion

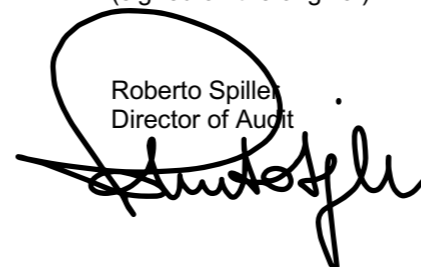
Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2023 consolidated non-financial statement of Alba Leasing S.p.A. has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards.

Milan, 5 April 2024

KPMG S.p.A.

(signed on the original)

Roberto Spiller
Director of Audit



Photos taken from the company event

Sempre in Evoluzione

Milan, december 2023



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For comments or information about this NFS:
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