

**ILLIMITY PRESENTS ITS 2021 NON-FINANCIAL STATEMENT
AND CONFIRMS ITS STRONG COMMITMENT TO ESG ISSUES**

2021 results fully in line with the ESG objectives presented in the 2021-2025 Strategic Plan:

- *credit policies, that take into account ESG factors for the selection and assessment of the soundness of counterparties, have been integrated;*
- *the Group's carbon neutrality maintained (Scope 1 and Scope 2 emissions) and activities for the measurement of financed emissions started (Scope 3);*
- *actions to reactivate renewable energy plants continue thanks to the Energy Desk of the Distressed Credit Division;*
- *ESG objectives built into short- and long-term incentive plans, in line with the provisions of the 2021-2025 Strategic Plan;*
- *the remuneration gap between men and women maintained below 5% in 2021 and the Group's employee engagement rate confirmed, reaching 82% in 2021;*
- *real estate projects with a social impact launched through fondazione illimity, with the first initiative to be completed within the summer;*
- *upgrades of the Bank's main ESG ratings and scores.*

Milan, 3 May 2021 – Continuing along its sustainability path, illimity Bank S.p.A. (“illimity” or the “Bank”) presents its Consolidated Non-Financial Statement (“CNFS”), prepared pursuant to Legislative Decree no. 254/2016. The document also contains the disclosures required by article 8 of Regulation (EU) 2020/852, the EU Taxonomy Regulation.

Since starting up in 2019 the Bank has constantly placed specific emphasis on environmental, social and governance (“ESG”) issues, and taking a native approach has embarked on a path of building these into the Group's strategies, processes and governance.

This commitment is reflected through the introduction of **strategic ESG objectives into the 2021-2025 Strategic Plan**.

Consistent with this initiative, **Silvia Benzi**, Head of Investor Relations & Strategic Planning in illimity, has been entrusted with the responsibility for sustainability and the supervision of related activities. Indeed, the department she leads evolved last March into the **Strategy, Sustainability & Investor Relations Department**, reporting directly to the Chief Executive Officer, Corrado Passera.

Since 2020, illimity's **Sustainability Board Committee** has also been set up, and is mainly tasked with assisting the Board of Directors, in giving advice, making assessments and taking decisions on sustainability issues. The Committee promotes a responsible, sustainable culture within the Group, establishing medium/long-term sustainability goals.

Thanks to the new organisational structure, ESG issues are accordingly increasingly built into the Group's strategic planning with a view to the continuous creation of shared value for shareholders and stakeholders.

illimity's Non-Financial Statement provides all stakeholders with a complete set of information on its sustainability performance. The report, based on the figures as at 31 December 2021, has been prepared in compliance with the **GRI Sustainability Reporting Standards** ("GRI Standards") – "Core" option, to which voluntary qualitative and quantitative indicators have been added. The preparation of this report, in the name of the digital innovation that has always set the Bank apart, involved all the main corporate divisions and departments by way of an **ESG Digital Governance** collaborative platform.

Rosalba Casiraghi, Chair of **illimity's** Board of Directors, stated: *"The Sustainability Report is an important moment for sharing our progress on sustainability issues with all of our stakeholders. The inclusion of 'sustainable success' in the new corporate bylaws is another fundamental step. Just two words, but with an enormous meaning: this is a commitment that the Board of Directors must always build into its strategic direction function"*.

Corrado Passera, CEO of **illimity**, commented: *"In June 2021 we presented our new 2021-2025 Strategic Plan, which confirms our commitment to ensuring solid profits for investors in illimity but at the same time sets out new and important objectives to be reached. The Plan additionally reaffirms the Bank's ESG ambitions by fostering the full integration of sustainability in our business activities"*.

In line with the 2020 voluntary CNFS, the 2021 report is structured on the basis of 4 strategic pillars – **Principles of Governance, People, Prosperity and Planet and Society**, with **Innovation** being the intrinsic, transverse pillar – consistent with the *Stakeholder Capitalism Metrics*.

The following paragraphs set out the results achieved and the initiatives started in 2021.

PRINCIPLES OF GOVERNANCE

A **rule-based culture** and **integrity** in business conduct act as the basis for the way in which corporate governance operates and staff work. In addition, diversity and expertise are central values, and in practice these are reflected in the Group's corporate governance system.

On 21 February 2022, on a majority vote, the Extraordinary Shareholders' Meeting approved the new version of the corporate Bylaws through which the Bank adopted the "one-tier" system of management and control and in which **sustainable success** was included for the purpose of creating long-term value for the benefit of shareholders, taking into account the interests of illimity's key stakeholders.

illimity's Board of Directors, which is **well-balanced in terms of gender**, with 54% of its members being men and 46% women, is one of the few in Italy to be led by a female Chairperson, Rosalba Casiraghi, in office since 2018 and confirmed as the head of the new Board of Directors appointed on 28 April. A **Sustainability Committee**, set up in January 2020, deals with sustainability issues, providing proposals and advice to the Board of Directors. The new Strategy, Sustainability & Investor Relations Department coordinates the process for monitoring and reporting non-financial issues, in continuous collaboration with the Group's other various Divisions and Departments. Lastly, illimity has over 30 **ESG Ambassadors**, identified within the various structures, in charge of developing specific ESG initiatives and fostering a sustainability culture in their teams.

PEOPLE

Enhancing the value of people and involving them in a Group consisting of over 700 illimiters having 25 nationalities and coming from more than 300 organisations are crucial factors at the heart of illimity's success. The policies and initiatives used in managing human resources are designed to foster the engagement, development and welfare of illimiters and their families by way of dedicated growth paths, continuous feedback and means of recognition, initiatives designed to respond to the needs arising from the personal sphere and an inclusive approach that values diversity.

From its very beginnings the Bank has always set its sights on **closing the gender pay-gap** which, due to grade and work experience, is at a physiological level of 4.6%. As part of its 2021-2025 Strategic Plan, illimity is also committed to **doubling the number of women in managerial positions**, with progress in 2021 in line with expectations. **ESG objectives were built into the short- and long-term incentive plans** during the year with a weighting of 25% in the annual incentive (MBO) scheme and 20% in the Long-Term Incentive Plan (LTIP) for management and key members of staff.

For the third consecutive year the Bank has been recognised as a **Great Place to Work**[®], with an especially positive perception by employees of the working environment, which 82% consider excellent, and for the first time it was included in the **Best Workplaces in Europe**[™] rankings.

PROSPERITY

The illimity Group's aim is to generate long-term value for its stakeholders. Its business divisions are committed in this sense, having as their objective the unleashing and enhancement of the potential of people, families and businesses.

The Growth Credit Division **supports small and medium enterprises (SMEs) in development, restructuring and relaunch processes**, with the resulting positive repercussions on society in terms of jobs and value generation for the entrepreneurial fabric. Total investments of EUR 249 million were specifically directed towards relaunching businesses in difficulty in 2021, while financing with environmental repercussions and benefits amounted to EUR 37 million in operations dedicated to sectors involved in the circular economy and renewable energy.

The Distressed Credit Division is one of Italy's leading operators specialising in *distressed corporate* credit. As part of its *servicing* activity, the Division provides professional support for its customers, seeking to conclude out-of-court agreements that speed up settlement periods and contribute to the recovery of the exposure. The **Collaborative Agreement Index**, the ratio between the number of positions closed through out-of-court proceedings and the total number of positions, ended 2021 at **85.5%**.

In addition, the Division's **Energy Desk** continued its work in **reactivating renewable energy plants**. The securitisation vehicle emerging from the *joint venture* with VEI Green enabled the first investment target of EUR 100 million to be achieved just one year from its formation, setting itself a new investment target of EUR 300 million for the period 2021-2025.

The Direct Banking Division provides direct banking services through illimitybank.com. Appreciation for the Bank's initiatives and services was reflected in its **Net Promoter Score** – an index that measures customer satisfaction and loyalty – for which it achieved **46 points**, an excellent result both in absolute terms and compared to the average of the Italian banking industry. In February 2022 illimity launched **b-ilty**, the **first digital business store** offering financial and credit services to small and medium-sized businesses. A fully digital platform that combines specialist expertise with cutting-edge technology to streamline credit transactions and provide an innovative subscription service to SME customers.

Given the United Nations' principles on the approach to business and human rights, and consistent with the strategic orientations of the Bank and the guidelines expressed in its credit strategies, in 2021 illimity also set out the **economic sectors excluded** from its investments in greater detail, adopting suitable credit policies and procedures that take ESG factors into account when selecting and assessing counterparties.

PLANET AND SOCIETY

Measuring, mitigating and offsetting emissions

illimity's business model, with its fully digital and cloud-based infrastructure, minimises direct environmental impacts and makes the responsible use of resources more efficient. The Bank's process for **measuring environmental impacts** was set up at the start of activities and includes all Group companies.

illimity has introduced **mitigation** activities as a means of making consumption more efficient and reducing usage by way of initiatives designed to discourage the use of lifts, printers and (FSC certified) paper and encourage the exchange of digital documents. The Milan offices are equipped with a system of timers that enable lighting and air-conditioning systems to be automatically switched off. In addition, from 2021 **the electricity used** in the two main offices in Milan and

Modena is produced from **100% “GO” (Guarantee of Origin) certified renewable sources**. This has enabled the consumption of energy obtained from renewable sources to rise from 7% to 32% of the total.

The Bank has continued **offsetting the emissions** arising from its business activities (Scope 1 and Scope 2). These emissions, amounting to 532 tCO₂eq. in 2021, represent the Group’s Carbon Footprint for the year. **Carbon Neutrality** was achieved by purchasing carbon credit certificates.

INNOVATION

A **focus on technology and a digital approach** is one of the distinguishing features of the Bank, the first Italian lender to start operations with **100% of its systems cloud-based**.

In addition, in 2021 the Bank initiated partnerships with key players from an **Open Innovation** perspective. The partnership with **Eni** enabled illimity to become the first bank to join **Open-es**, the platform for companies engaged in improving their sustainability performance. Thanks to this partnership, the solutions and services in Open-es will be available to illimity’s corporate customers. The “**Accelera con Amazon**” programme sees illimity’s involvement in providing training materials on leading banking and credit issues as part of a new training initiative organised by Amazon to support business digitalisation. The partnership continues with the **ION Group**, with whom the Bank shares a common view on the importance of technological developments.

In addition, a new **Digital Mindset** programme was initiated during the year having the aim of consolidating the knowledge and approach to the digital innovation of illimiters through the use of tailored training and development courses.

The 2021 CNFS can be downloaded from the website www.illimity.com/en/sustainability, where further information can also be obtained.

For further information:

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illimity Bank S.p.A.

illimity is the high-tech banking group founded and headed by Corrado Passera that was created with the aim of responding to specific market needs by way of an innovative and specialist business model. More specifically, illimity extends financing to high-potential SMEs, purchases distressed corporate loans and services these through its platform neprix, and provides digital direct banking services through illimitybank.com. illimity SGR, which sets up and manages alternative investment funds, the first of which dedicated to UTP loans, is also a member of the Group. The story of the illimity Group began in January 2018 with the launch of the special purpose acquisition company SPAXS S.p.A., which ended with a record 600 million euro being raised on the market. SPAXS subsequently acquired Banca Interprovinciale S.p.A., with the resulting merger between the two giving rise to “illimity Bank S.p.A.” which has been listed on the Italian Stock Exchange since 5 March 2019 (ticker “ILTY”), first on the MTA exchange and since September 2020 on the Star Segment. The banking group, headquartered in Milan, can already count on over 700 employees and ended 2021 with assets of around 4.7 billion euro.