

Diversity, Equity & Inclusion Policy

illimity Group



1 Introduction

The objective of this Policy is to set out the Diversity, Equity and Inclusion (DEI) guidelines and practices of illimity Bank S.p.A. Group (hereinafter the “Group” or the “illimity Group”), these being the fundamental pillars of the organisation and its business strategy.

Diversity, meaning diversity of gender, age, identity and sexual orientation, nationality, ethnic background, physical and mental ability, political and religious belief and socio-economic status, or more simply any diversity or background characterising the identity of a person, is an added value, and we are exceedingly aware of its potential and the right to a full and harmonious expression in our Group.

Equity is expressed by our commitment to ensuring equal opportunities for all illimiters, whether we are referring to entry and working conditions, remuneration, training, development or corporate welfare.

Inclusion is natively part of our identity and pervades all our processes for attracting, welcoming and contributing to the development of *illimiters*, each with his or her individuality and diversity, guaranteeing respect, listening and involvement and fostering a sense of belonging to the Group and the communities of which we form a part.

Consistent with the illimity Way, this Policy describes the illimity Group’s commitment in the diversity, equity and inclusion sphere and determines the way these are applied in the “People Value Proposition” (our way of selecting and developing illimiters), in the fully inclusive guidelines of succession planning and in the governance adopted.

The Policy applies to all the *illimiters* of all the companies of the Group, acting as a guide to *diversity, equity and inclusion*.



2 Fundamental pillars

Diversity, equity and inclusion are the fundamental pillars underlying our mission: to recognise and bring out the potential in people, families and businesses.

Human capital is our most important asset and the focus of every strategic decision we take.

Our commitment is to constantly listen to people both inside and outside illimity and to ensure that our illimiters have a stimulating, inclusive and meritocratic working environment. We are convinced that the manifestation of individuality and creativity is an accelerator of innovation, and accordingly a decisive factor for the Group's growth and sustainability.

Our DEI policy promotes diversity, ensures equity and fosters inclusion by way of practical and measurable commitments. More specifically, we in illimity:

- take advantage of the mixture of **different generations** and nationalities and, in general, **gender representativeness** and a wide **variety of backgrounds**, which represent a constant source of enrichment, thanks to the broad range of skills, abilities, experiences, prospects and aspirations contributed by diversities and the inclusive combination of these;

- are committed to ensuring **"equal opportunities"**: illimiters are selected, remunerated and promoted on the basis of meritocracy, guaranteeing equal access to jobs without any kind of discrimination;



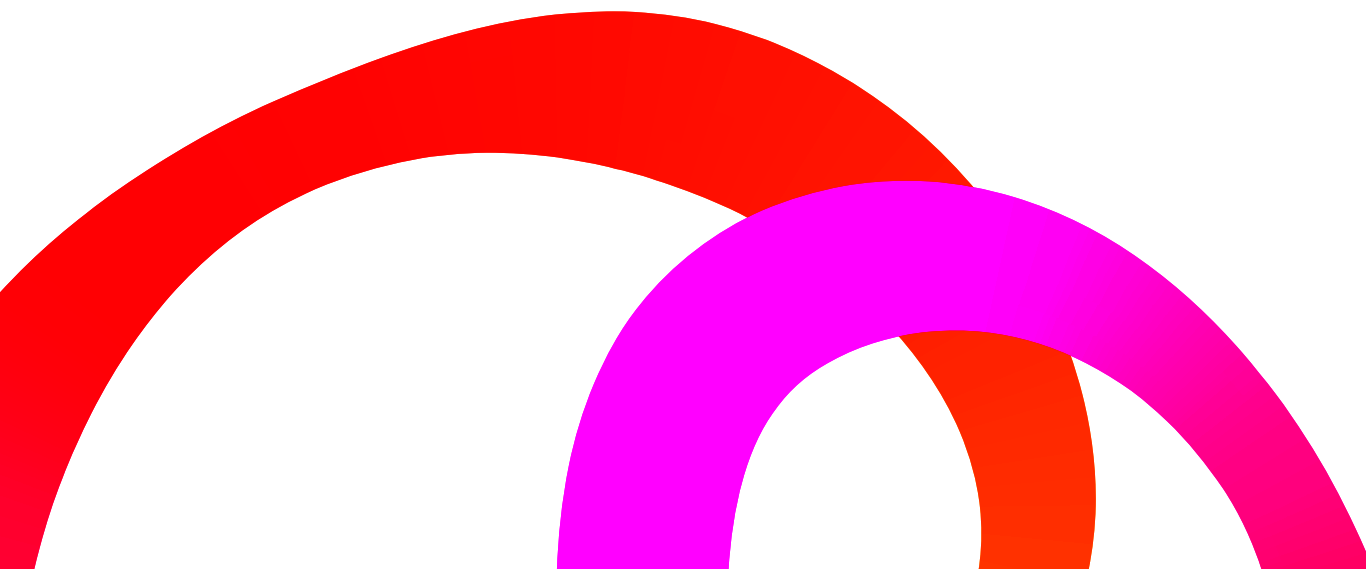


■ **do not tolerate** any form of **racism, bullying, harassment or other physical or psychological discrimination**, urging our stakeholders to avoid anything that may raise barriers or social obstacles of any kind. We ensure that all the *illimiters* are aware that forms of bullying or harassment or racism are at times insidious and not immediately recognisable. In our organisation, and in the wider ecosystem in which we operate, we have introduced appropriate measures for avoiding, intercepting and sanctioning any form of discrimination;

■ encourage the development of a **leadership** and a **sustainable** and accordingly **inclusive** and **generative followership** capable of recognising and learning from all the diversities inside and outside illimity, motivating our people to express themselves and be enriched by listening to and discussing the diversities of others;

■ foster the **creation of social value** from which our own company and the community in which the illimity Group operates can benefit.

Furthermore, our Policy is consistent with the requirements of the leading international standards on *diversity, equity and inclusion* (e.g. the “Sustainable Development Goals – SDGs” of the United Nations 2030 Agenda and the “Universal Declaration of Human Rights” of the United Nations General Assembly).



3 DEI and the People Value Proposition

The People Value Proposition is the ecosystem created to attract new talent and put all illimiters in the position of being able to express themselves to the best by supporting their professional growth through a culture that starts out from our basic values (freedom, responsibility and innovation) and is translated into a leadership model that values and fosters a “think-act-collaborate” approach going beyond the traditional schemes by learning from the past to build our near present together.

The combination of diversities is a unique heritage of knowledge and experience that we want to enhance, preserve and share. For this reason, our policies, processes and systems are constructed, and regularly revised, with the aim of **eliminating prejudices** that may directly or indirectly give rise to discrimination of any kind. More specifically:

■ we ensure that **e the search and selection for new illimiters** for any position in the illimity Group, including at a managerial level, is the result of a process based on diversity neutrality, assured by the use of an unbiased talent acquisition model. In more detail, our model (i) uses independent and proven tests of ability, potential and illimitness, (ii) provides for gender representativeness on the shortlist (by applying the “comply or explain” rule) and (iii) includes multiple interviews with different managers in order to minimise any conscious or subconscious prejudices;

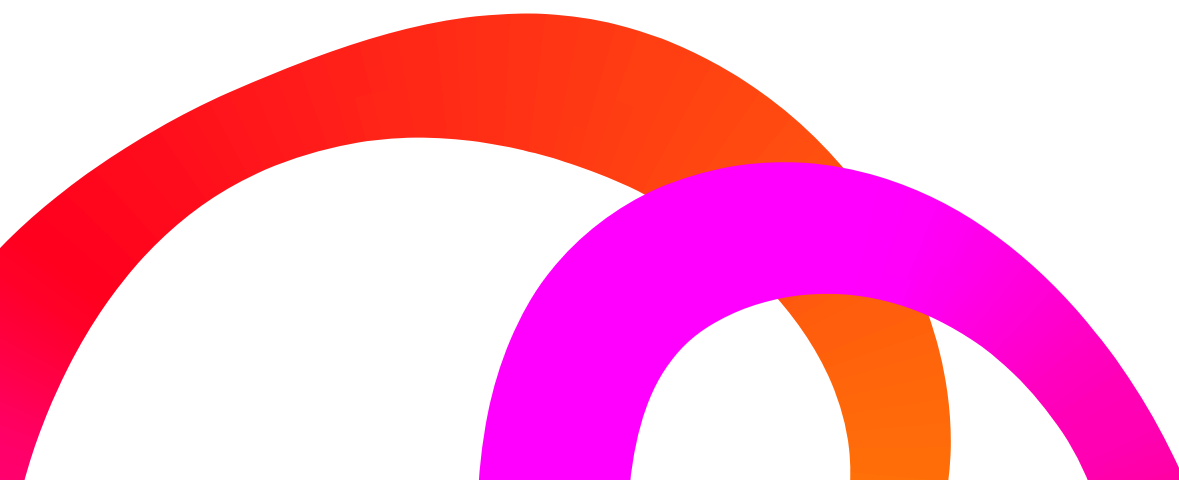
■ we determine remuneration on the basis of the **“equal pay for equal work”** principle, which is assured by way of controls designed to ensure that remuneration decisions are diversity neutral. More specifically, in practice these controls consist of a systematic analysis of the internal and external remuneration benchmarks at the date of determining the economic package, as well as those existing during the annual salary review process, and of the commitment to effectively closing the equity pay gap, this being monitored through controls carried out on hiring, during the individual salary review and during the periodic revision of remuneration policies;



- we adopt **incentivising schemes** which among other things include performance criteria based on environmental, social and governance impacts, with a focus also being placed on DEI principles;
- we adopt a distinctive, inclusive and flexible **corporate welfare system** designed to support the physical, psychological financial and social wellbeing of every illimiter on the basis of personal and family needs;
- we allow our **work organisation process** to evolve, involving illimiters in the more important decisions, so as to make it enabling, non-discriminatory and capable of fostering a positive work-life balance, including through initiatives to support the parenthood, disability and growth of illimiters and their family members;
- we encourage **active and constant listening** to what illimiters have to say, also in internal and external surveys, in order to support dialogue, speaking up and continuous improvement, fuelling a work environment based on discussion and respect, one where mistakes can be made but should be considered to be an opportunity for individual and collective learning under the principle of “fail early, learn fast and grow together”.
- we structure our **annual and interim appraisals** on clear, pre-agreed and measurable objectives, in terms of both results and conduct aligned to our leadership model, in order to avoid prejudices and recognise and also reward the contribution to the creation of value in terms of DEI;
- we design **training** plans aimed at supporting the ongoing extension of knowledge and hard and life skills, fostering a constant and open sharing of best practice throughout the whole organisation;
- we base our **development** paths on the principles of equal opportunities and enhancing the value of differences, in order to ensure professional development that is consistent with each illimiter's identity;

We introduce initiatives designed to encourage the adoption of a culture based on inclusion and equity by all the illimity Group's internal and external stakeholders . This is one of the ways in which we can put into practice our **“purpose”** of acknowledging and bringing out the potential of people, families and businesses¹.

¹ illimiters and their respective families, partners, customers, suppliers and more in general the socio-economic system in which it the Group operates.



4 Guidelines for succession planning

We are committed to adopting specific initiatives that allow us to effectively achieve gender balance, also by establishing inclusive succession planning guidelines, in all cases ensuring that decisions are taken on the basis of the merit and potential of candidates.

More specifically, any decisions taken on succession planning are based on competence and merit driven assessments, with short lists drawn up which are as representative as possible of the most significant diversities (gender, experience and background).

The development of an *illimenter's* potential is additionally designed to create increasingly rounded profiles by:

- having a training path (*"illimity unlock potential by learning"*) which includes a catalogue of initiatives ranging from improving soft skills to vertical technical contents;
- adopting working methods for boards and committees that foster the participation of more junior profiles.
- deploying vertical, horizontal and also temporary job rotation opportunities (the "Erasmus" project);

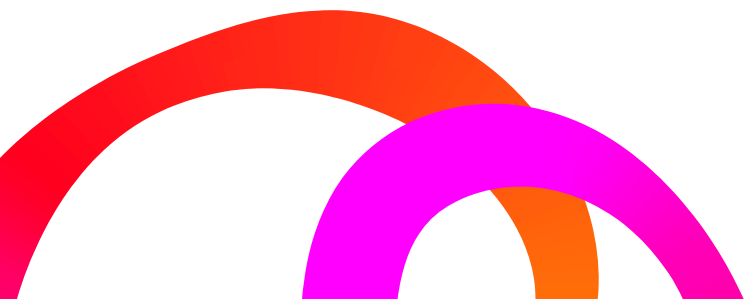


5 Governance

We ensure that processes, policies and the action taken comply with the principles of *diversity, equity and inclusion* and that they are in line with this present Policy by allocating precise responsibilities both within the corporate bodies and at a business organisation level. To this end, illimity is committed to ensuring that there is a suitable degree of diversification in terms, among other things, of skills, experience, age, gender and international projection. More specifically:

- the Board of Directors, supported by the Sustainability Committee, validates strategies, policies and specific initiatives, in line with long-term sustainability objectives;
- the Chief Executive Officer and the other members of top management are responsible for equity, inclusion and non-discrimination by making their own conduct a model and taking action whenever they become aware of conduct not based on these principles;
- managers are responsible for creating the necessary conditions for encouraging their *illimiters* to express their potential and enhancing its value by considering their distinctive traits and skills, as well as their individual personal and family needs;
- all *illimiters* contribute to creating and maintaining a working environment free of discrimination and prejudice, one that encourages diversities and the ability to look, think and act beyond conventional schemes.

The Human Resources & Organization function is responsible for monitoring compliance with the principles of *diversity, equity and inclusion* and ensures that these are built into policies, processes and actions in order to guarantee an inclusive and fair employee experience that is imbued with diversities and uses them to the best advantage. Human Resources & Organization is also responsible for coordinating the various initiatives and projects aimed at fostering a pervasive and proactive culture of *diversity, equity and inclusion* within the organisation and, together with the other members of management, within the community in which the Group operates.



6 Follow up e reporting

In the illimity Group we regularly monitor progress in diversity, equity and inclusion by drawing up specific action plans and preparing dedicated metrics, as reported in the Group's Non-Financial Statement where a description can be found of illimity's organisational and leadership structures based on DEI principles.

We are also committed to providing constant updates to our internal and external stakeholders through the appropriate communication channels, enabling our corporate population to be involved and to listen, as a means of keeping a continuous check on the effectiveness of the adopted approach.

These matters take the form of a commitment to creating an inclusive working environment that is attentive to people's wellbeing, as monitored by Great Place to Work®, the independent leader in Italy in the study and analysis of the business environment.



7 Internal reference documentation

This Policy is structured in accordance and harmony with the provisions of illimity's Code of Ethics ("*illimity Way*") as a means of fostering a meritocratic working environment that is attentive to the needs of *illimiters* and their families.

The guidelines in this Policy, on recruiting, remuneration, incentive schemes, corporate welfare, periodic performance appraisal and development are set out in detail in the corporate regulations, and in particular in the Human Resources Procedure, the Procedure for the Application of *Malus and Clawback Relating* to Individual Conduct and the Incentive Plan Regulation.

For any issues relating to racism, harassment or any other form of discrimination, reference should be made to the provisions of the Special Part of the Organisation, Management and Control Model, which identifies the controls introduced by the Group to mitigate the emergence of any episodes of this nature.

Finally, it should be noted that the report on the optimum qualitative and quantitative composition of the Board of Directors sets out guidelines on diversity regarding what is considered to be the optimum composition of the Management Body in this respect for performing its duties in the most effective manner, by examining the matters for which it is responsible from different standpoints in relation to age, gender composition and the training and professional path of its various members, in order to ensure a sufficient diversity in the points of view and expertise required for a good understanding of current affairs and the long-term risks and opportunities relating to business activities.

