



amco

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Foreword

2023 was a year of transformation for AMCO. The company strengthened its governance by increasing the number of BoD members to five, in the context of the Board renewal, and by introducing two Board committees. It then laid the groundwork for the presentation of the 2024-2028 Strategic Plan, which was released to the market in March 2024, recalibrating its Mission and Vision according to the new strategic objectives.

The Plan was an opportunity to strengthen AMCO's commitment to "Value production", emphasising its systemic role and proactive credit management approach to facilitate the financial recovery of households and corporates.

With the 2024-2028 Plan, AMCO confirmed the GSSE Sustainability Strategy with already defined 2025 targets, and outlining new areas and actions to be implemented between 2026 and 2028.

During the year, AMCO continued its path of integrating ESG objectives into the company's processes across the organisation, involving all Departments in order to consolidate a sustainable governance.

This document is AMCO's 3rd Sustainability Report on a voluntary basis, referring to 2023. The report highlights all the results achieved as of 31.12.2023, which testify the importance of Sustainability for AMCO.

In particular, on Sustainable Credit Management, 41% of NPL collections, 95% of UTP collections and 64% of collections from SMEs and individuals originate from extrajudicial activity.

In 2023, an analysis was conducted on 70% of repossessed properties to identify possible energy improvement actions. The portfolio of assets under management was also mapped on the basis of geo-sectoral clusters at higher ESG risk.

On well-being, AMCO strengthened its commitment to ensuring work-life balance by confirming flexible working agreements and welcoming 100% part-time applications. Several engagement initiatives, including on D&I issues, were activated with a Survey and ad hoc focus groups.

On the environmental front, GHG emissions from operations were reduced by more than 50% compared to 2021.

In 2023, three important certifications were obtained: ISO 37001:2016 on anti-corruption, Leed GOLD and Fitwel, for the Milan office, confirming AMCO's focus on the environmental sustainability of buildings and the health and well-being of employees.

Lastly, the company organised two financial training initiatives for corporates and future entrepreneurs to raise awareness of good management of financial leverage and the impacts of ESG transition on industrial businesses.

For 2024, the Company aims to continue pursuing the objectives of the 2024-2028 Plan, aiming for sustainable "Value production" for all stakeholders.

2023 highlights

€34.7 billion of NPEs under management, with a total of 236 thousand positions of which more than 100 thousand corporates

417 professionals based in Milan, Naples and Vicenza, 40% of whom are women

G



- o **Increase to 5 BoD members and 2 Board Committees**
- o **ISO 37001:2016** certified anti-corruption system
- o **Relevant suppliers** assessed with ESG criteria
- o **100%** of both AMCO's and special servicers' **employees trained in Privacy and AML**

S



- o **41% of NPL collections, 95% of UTP collections and 64% of collections from SMEs and individuals from extrajudicial activities**
- o **2 financial training initiatives** for corporates and future entrepreneurs
- o **70% of repossessed properties** analysed to identify energy improvement actions
- o **Portfolio mapped on the basis of geo-sectoral clusters** at higher **ESG risk**
- o **ESG risk** integrated into the 2024 **Risk Framework**

S



- o **Specific training to employees on climate and environmental risks**
- o **Diversity & Inclusion** Engagement and Survey **initiatives**
- o **100%** of **part-time** applications **accepted**

E



- o **GHG emissions** from operations **reduced by more than 50%** compared to 2021
- o **100%** of **purchased energy** from **renewable sources**
- o **2 ESG certifications for the Milan office: Leed GOLD and Fitwel**
- o **100%** of **company cars** contracted by AMCO with **low environmental impact**

amco - Asset Management Company

Controlled by the **Ministry of Economy and Finance (MEF)**, **AMCO** - Asset Management Company S.p.A. (hereinafter also referred to as “AMCO” or “AMCO S.p.A.” or the “Company”) is a full-service credit management company, registered as a financial intermediary pursuant to Art. 106 of the TUB (Testo Unico Bancario), with a systemic role in the management of impaired loans in the public interest.

At the end of 2023, assets under management amounted to €34.7 billion, 68% of which were non-performing loans and 32% UTPs, with a total of 236 thousand positions, of which more than 100 thousand were corporates.

AMCO operates with an effective business model, aiming to optimise operational efficiency levels.

Credit management follows a proactive approach that favours value-enhancement strategies in synergy with other partners to facilitate the financial recovery of households and corporates.

AMCO's reliability and experience are confirmed by the major rating agencies, having obtained an Investment Grade issuer rating by **Standard & Poor's** (“BBB” long-term rating and “A-2” short-term rating)¹ and Fitch (“BBB” long-term rating and “F2” short-term rating)², all with a stable outlook.

In addition, AMCO has in place the so-called special servicer rating, which evaluates business operations, assigned by **Fitch**. In this regard, the commercial, residential and asset-backed special servicer ratings were confirmed on 2 August 2022 at “CSS2”, “RSS2”, “ABSS2”, with stable outlooks³.

AMCO is also an issuer of debt instruments listed on the regulated market⁴.

1 Last review on 29 May 2023.

2 Review of 20 April 2023. On 16 April 2024, Fitch confirmed the “BBB” Long-Term rating with a Stable Outlook.

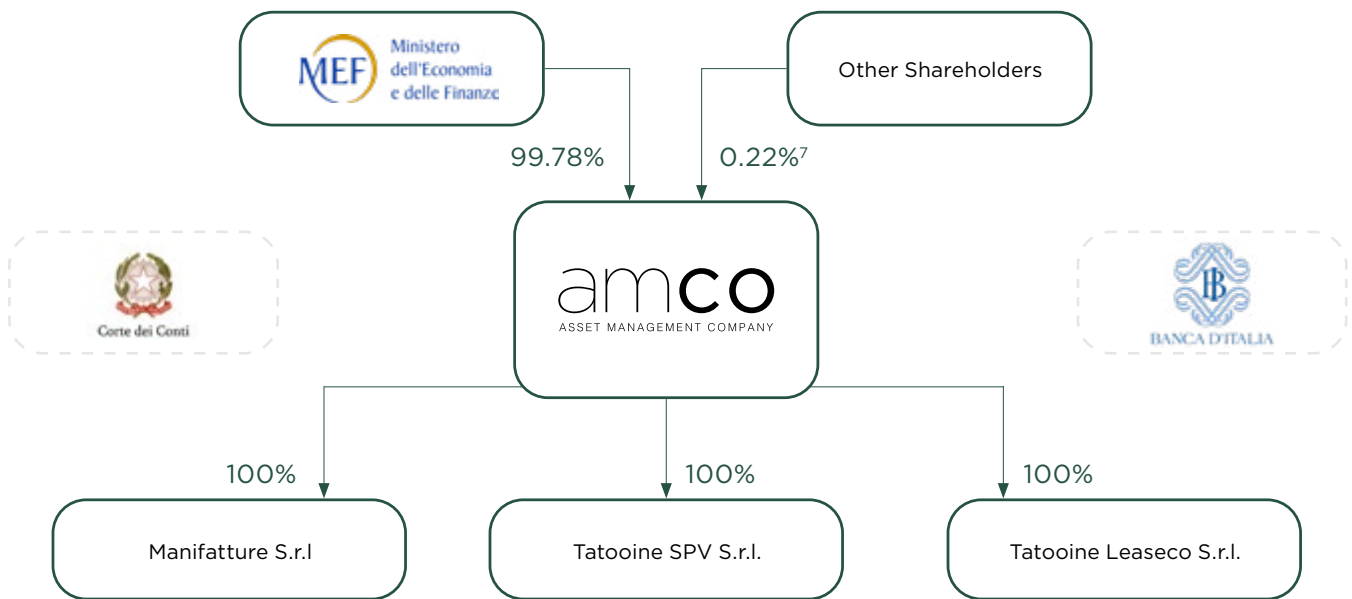
3 Ratings confirmed on 22 March 2024 with “evolving” outlook.

4 The securities are listed on the Luxembourg Stock Exchange's Regulated Market.

Shareholder and **corporate structure**

AMCO is a limited liability company, whose share capital is split into ordinary shares⁵, without nominal value and carrying voting rights, entirely held by the Italian Ministry of Economy and Finance, and category B⁶ shares held by the Italian Ministry of the Economy and Finance and by other shareholders, which do not benefit from any voting rights in ordinary or extraordinary shareholder meetings.

The **corporate structure of AMCO** and its subsidiaries as at 31.12.2023 is as follows:



AMCO's activities are regulated and supervised by the **Bank of Italy** and are subject to control by the **Court of Auditors**, as well as at EU level by the Directorate-General for Competition (**DGComp**)⁸.

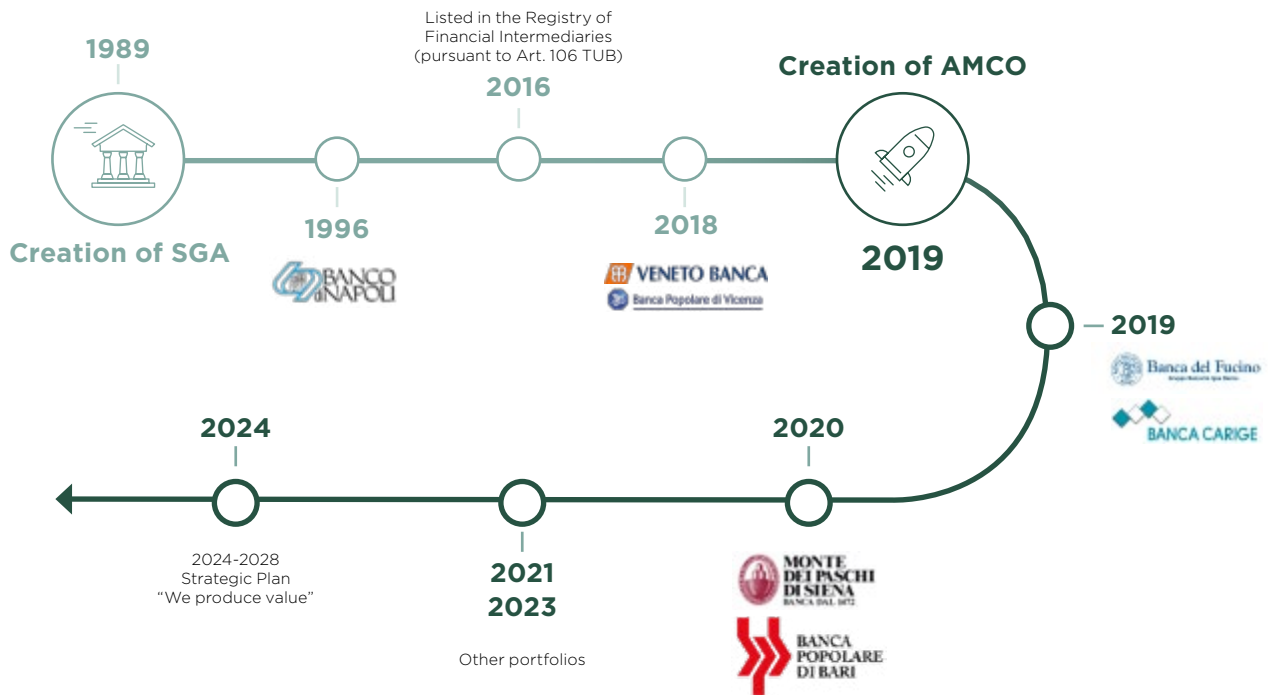
⁵ 600,000,000 ordinary shares.

⁶ 55,153,674 B shares.

⁷ B shares and treasury shares.

⁸ The Directorate-General for Competition (DGComp) is a Directorate-General of the European Commission responsible for the definition and implementation of EU competition policy.

amco's history



AMCO benefits from over **30 years of experience** in credit management. The Company was founded in 1989 as SGA ("Società per la Gestione degli Attivi" - Asset Management Company) in the context of the Banco of Napoli rescue, and in 2016 the Company was included in the Single Register of Financial Intermediaries.

In 2018, the company broadened its scope of activities as a result of the onboarding - through the "Veneto Group" and "Vicenza Group" segregated accounts - of the portfolios of the former Veneto banks⁹ and in 2019 it changed its name to AMCO - Asset Management Company.

In 2020 AMCO participated in the de-risking of Banca Monte dei Paschi di Siena (BMPS) by acquiring, through a partial demerger of BMPS, a compendium of impaired loans and other assets.

Since 2018, AMCO has supported both distressed banks and important de-risking processes of Italian banks, taking approximately €43 billion of loans under management from the aforementioned former Veneto banks and BMPS, and Carige, Bari, BPER and Unipol to name the most relevant cases. In 2019, AMCO also launched Cuvée, the first multi-originator UTP fund in the real estate sector (for which it acts as servicer).

In recent years, the experience of the professionals who make up the Company's staff has made AMCO the fourth largest servicer¹⁰ in Italy in terms of assets under management, with a strong specialisation in UTP credit management.

⁹ Veneto Banca S.p.A. in Liquidazione Coatta Amministrativa e Banca Popolare di Vicenza S.p.A. in Liquidazione Coatta Amministrativa.
¹⁰ PWC: The Italian NPE market Dicembre 2023.

amco's **Value** Charter

The integrated value charter contains the principles in which AMCO identifies itself. The system consists of: Values, Vision and Mission, Code of Ethics and the Principles of Credit Management. These values are the guidelines by which AMCO's employees, and its partners, act on a daily basis carrying out credit management activities in a responsible way. As such, concepts are transformed into actions and principles into concrete examples.

Values

Corporate values are the foundation and hallmark of AMCO.

Declined in every single letter of the Company's acronym - Ascolto, Modernità, Competenza e Ottimismo - the Values give a new, personal and scalable meaning to the word AMCO, which goes beyond its corporate name to originate echoes in tune with Mission and Vision.

	<p>ascolto We create long-term relationships built on communication We respect our clients and our people; proactive communication lies at the heart of everything we do.</p>
	<p>modernità We forge new business opportunities and new scenarios We offer industry players perspective and innovation, and collaborate to kindle new connections.</p>
	<p>competenza Our competences are continuously expanding We draw on proven professional expertise to bring the most complex deals to completion. We grow talents to achieve new goals because people are our most valuable asset.</p>
	<p>ottimismo We give back a better future We look to the future by changing the present. We transform complexity into a sustainable future. We create new value by turning NPLs into new beginnings.</p>

The Code of Ethics

The Code of Ethics is an integral part of the organisation, management and control model (pursuant to Italian Legislative Decree no. 231/2001) of AMCO and is intended for employees, business partners, suppliers and all stakeholders, inspiring and regulating their behaviours. The Code of Ethics is a binding document in AMCO's contractual relations with counterparties, including special servicers, external lawyers and suppliers. Breaches of the Code of Ethics may translate into the termination of contractual agreements.

Principles of Credit Management

The principles of Credit Management summarise AMCO's approach to credit management and guide the conduct of its business. The principles guide day-to-day operations by ensuring: sound and ethical processes, proactive credit management and constructive dialogue with the debtor client to facilitate his or her return to bonis. Not only for AMCO's employees adhere to the principles, but also special servicers and external professionals.

AMCO's people

As of 31 December 2023, AMCO counts on a **team of 417 professionals**, a 11.8% increase compared to 31 December 2022 (373 employees).

Working alongside our people to promote their growth and wellbeing: from onboarding to career development



“**Discover, learn, grow, shine** is the slogan that accompanies every new hire in AMCO in his/her journey of professional growth, from the first day”

Search and selection

AMCO has adopted a **Personnel Search, Selection and Recruitment Procedure** to define the roles, responsibilities and operating procedures to be followed by the Company's people in managing the search, selection and recruitment process. The Procedure ensures compliance with the principles and policies that inspire AMCO in its relations with personnel.

In this regard, AMCO protects diversity in the company and promotes an inclusive working environment that gives value to all types of diversity (age, gender, skills, geographical origin) and counteracts any form of discrimination.

During 2023, the search and selection process was entirely digitalised through the implementation and customisation of the cloud-based management platform “MyAmcoHR”, among the best practices in the industry.

The “MyAmcoHR” platform has been fully integrated with the company’s organisation chart: it is the manager himself who initiates the process, by entering the request for new personnel in the structure of his or her Division/Function into the system in the “Recruiting” module. The request triggers a report to the HR office that handles the announcement of the new position in the different touch points, i.e. on AMCO’s LinkedIn profile and on the institutional website amco.it.

The manager can view and monitor all stages of the selection process in the platform at any time. “MyAmcoHR”, in fact, grants access to content in a segregated manner and according to the permissions defined for the role. The head hunter, equipped with his or her own login, can also directly enter candidates’ CVs into the platform, thus making them visible to AMCO in full security.

In order to improve the candidate’s online user experience, the “Work with us” section was also optimised in 2023 with the redesign of the corporate website. On the technical side, thanks to a graphical interface, the “MyAmcoHR” management system was integrated into the website, allowing users to upload their CVs and consult open positions from amco.it. On the content side, the website expanded the narrative, including multimedia, of the company, its workplaces, values, benefits and pluses.

In 2023 the Company hired 64 employees from different sectors, bringing on board new resources with diversified skills.

Hirings in 2023 testify AMCO’s goal of ensuring a balanced workforce in terms of sector of origin, gender and age group.

In addition, hirings were mainly concentrated in the 32 to 39 age group, reflecting AMCO’s desire to create a dynamic environment that gives value to young talent.

Hirings by sector of origin	2023	total %
Banking	16	25.0
Financial	5	7.8
Consulting	16	25.0
Servicing/NPL	22	34.4
Other*	5	7.8
Total	64	100.0

* construction, industrial and University/first job.

The Company is committed to ensuring equal employment opportunities for men and women, both in internal selection processes and in processes with headhunters.

As of 2022, all **contracts with headhunters** have been designed to ensure a **balanced selection** that respects the principles of gender equality. Despite there was a lack of interest and availability on the market of female profiles in the search and selection of sector specialists sought through headhunters, the Company pursues its objectives with commitment in order to promote a balanced workforce. In 2023, the number of women recruited out of the total number of hirings for the year (completed either through internal selection processes or headhunters) accounted for 39.1%.

In 2023, 20 employees, or 5% of the company's population, left the company.

Hirings	u.m.	2021	2022	2023
Total employees hired	n°	69	52	64
	%	20.2	13.9	15.3
By gender:				
	n°	24	20	25
Women	%	34.8	38.5	39.1
	n°	45	32	39
Men	%	65.2	61.5	60.9
By age group:				
	n°	17	9	14
≤ 31 years	%	24.6	17.3	21.9
	n°	21	23	28
32 - 39 years	%	30.4	44.2	43.8
	n°	30	17	19
40 - 54 years	%	43.5	32.7	29.7
	n°	1	3	3
≥ 55 years	%	1.4	5.8	4.7

Terminations	m.u.	2021	2022	2023
Total employees with terminated employment contracts	n°	14	21	20
	%	4.1	5.6	4.8
By gender:				
Women	n°	5	7	6
	%	35.7	33.3	30.0
Men	n°	9	14	14
	%	64.3	66.7	70.0
By age group:				
≤ 31 years	n°	6	1	6
	%	42.9	4.8	30.0
32 - 39 years	n°	4	7	5
	%	28.6	33.3	25.0
40 - 54 years	n°	3	6	7
	%	21.4	28.6	35.0
≥ 55 years	n°	1	7	2
	%	7.1	33.3	10.0

Onboarding

Once the selection process is complete, AMCO values its employees from day one. In fact, the HR Department has defined a **dedicated path for all new employees** to make their entry into the company rewarding and engaging, and to enable new resources to integrate themselves into the corporate culture and acquire the necessary knowledge in the shortest time possible.

The entry path consists of a **mix of live and digital experiences** with the support of **“Buddies”**, i.e. colleagues who act as **mentors** accompanying the new employees during the induction journey in their first month in the company. The onboarding process consists of **three stages**:

- **Pre-onboarding**: the objective of this stage is to stimulate curiosity and to start introducing the new resource to the corporate environment. In the days prior to entry, new employees receive a personalised e-mail that includes two inspirational videos.
- **Onboarding & Welcome**: on the first day, new colleagues are welcomed by their assigned Buddies, who assist and support them throughout the onboarding process, becoming a point of reference. The profile of each new employee is made available on the intranet to the entire Company’s population in order to promote their inclusion.
- **Induction**: in the week following their entry, new employees are supported by the Buddies, as well as by the Manager and other colleagues, in order to be best introduced to their new working environment. Within three months from entry, a motivational meeting event where new resources have the opportunity to meet some top management figures, is organised.

During 2023, the Onboarding process was also fully digitalised. Selected candidates are also able to externally access the Onboarding section of the “MyAmcoHR” platform: this allows them to find useful information, feel the company’s climate and culture, as well as get to know AMCO and its special characteristics, in advance of the entry day.

Selected candidates can also independently and digitally manage the entire administrative and documentary phase of their placement, following the various process steps in a guided and structured manner. The new digital solution also allows them to sign recruitment docu-

ments with electronic signatures, in a sustainable way, i.e.: avoiding paper printouts, saving time and generating a positive corporate image perception in terms of innovation and efficiency.

Once the Onboarding process has been completed, the AMCO employee's career path begins. The Company fosters not only professional growth, but also, and above all, its employees' personal growth.

Career development

Growth paths

The career path of an AMCO employee may include one or more of the following:

- o **Horizontal growth:** rotation towards roles of the same organisational level within the same department, with the aim of making the resource acquire more technical skills.
- o **Vertical growth:** different promotion and growth steps are envisaged in order to cover roles of increasing responsibility and importance; the employee thus takes on a higher level role.
- o **Cross-functional/divisional growth:** rotation towards other areas and roles in the Company with the aim of giving the employees a broadened knowledge of the business and implementing their skills.

During 2023, in order to foster the personal and professional growth of employees, another important feature was introduced within the Recruiting section of "MyAmcoHR": internal job posting, which allows AMCO employees to take advantage of both vertical and horizontal professional growth opportunities within the company. This innovation confirms the desire to make the most of in-house talent.

Training

For AMCO, giving value to human capital is an essential aspect to support the technical-professional and managerial growth of employees in view of the continuous evolution of the working environment. AMCO has a **Personnel Training Procedure** that provides guidance on the management of training at company level. The employee training process responds to the need of developing the skills and knowledge necessary for the organisation to achieve its strategic objectives, to support change processes, and to improve organisational and individual performance.

As a matter of fact, AMCO provides **training and development plans for its employees**, aimed at enhancing the skills of human capital and designing career and growth paths. The planning of training needs takes place both through a **top-down** process of gathering needs, relating to technical training and managerial skills, and a **bottom-up** process in terms of expressions of training needs by individual employees. There are also feedback mechanisms for trained employees, the proposal and collection of individual and team needs, also in the light of corporate and business developments.

At the end of the training, an **evaluation of the effectiveness of the training activity carried out** is foreseen, in order to measure the degree of satisfaction of the participants with the content learned in the specific activity.

With regard to training initiatives aimed at supporting the development of technical and professional skills in the sector, we highlight workshops and training activities relating to the enhancement of skills in the area of "Active debt collection management" as well as regulatory updates and the consequent impacts with particular reference to the "New Code on Crisis and Insolvency".

Thanks to the cooperation with the British Council, both group and individual, English language courses via an e-learning platform, have been offered to company's population, also

for engagement purposes. Particular attention has been paid to the digitalisation of employees, through the provision of training courses on the Office Package, following a needs assessment, with a view to continuous improvement.

Training initiatives related to behavioural areas undertaken from 2023 onwards include the People Management training course offered to all resource managers. During this course, in addition to the typical training contents of resource management to create managerial alignment with the Company's strategy and values, employees involved were made aware of the centrality of feedback for the growth and motivation of employees, and emphasis was placed on "inclusive leadership" to enhance the uniqueness of each individual with a view to creating value in the Company.

Lastly, during 2023, specific Public Speaking sessions were delivered with a view to improving communication skills with direct involvement of the audience through active listening based more on empathy than on judgement.

In 2023, AMCO provided an average of 38 hours of training per employee, an increase of 15% over 2022.

Total training hours	2021	2022	2023
Executives	569	735	683
Middle Managers	6,466	8,979	11,367
Professional areas	2,590	2,640	3,588
Total	9,625	12,354	15,638

Average training hours	2021	2022	2023
Executives	28	32	28
Middle Managers	28	35	39
Professional areas	28	29	36
Training hours average	28	33	38

Performance evaluation

In order to support each employee in his or her role and to support him or her in growing and acquiring the necessary skills, each year AMCO carries out a process to evaluate the previous year's performance and to set goals for the current year for all employees.

In line with the provisions of the regulations in force, a **Remuneration Policy** has been drawn up, defining the guidelines of the company's remuneration system, with the aim of aligning the interests and contribution of employees to the development of the business, promoting virtuous behaviours aligned with AMCO's values, the Code of Ethics, the principles of Credit Management and sustainable finance objectives. This document is reviewed annually.

The integration of ESG principles into this Policy, both from a short-term and long-term perspective, continues to be a key element for AMCO to ensure an increasingly strong link between individual performance, the sustainability of business and that of the Company itself.

The performance evaluation is an important moment for professional growth through which managers and employees share the evaluation of the overall performance for the year, on the basis of the goals achieved, and define the development goals for the following year.

Starting with the evaluation year 2022, AMCO's Values were included among the elements considered for qualitative performance purposes, appropriately placed within the reference framework in order to contribute to the promotion of behaviours in line with AMCO's culture.

The assessment of achieved goals is also instrumental to the recognition of the individual variable remuneration. In particular, the **variable remuneration component** is linked to both Company and individual performance and defined on the basis of meritocratic criteria.

To this end, AMCO implemented the following variable remuneration instruments:

- o **"Management By Objectives" ("MBO")** short-term incentive scheme, which makes use of individual scorecards consistent with the strategic and operational plans and with the position of each employee in the organisation. This incentive system is intended for the Company's employees and is based on diversified and customised targets and on meritocratic criteria. Objectives and incentives are defined through a structured process in order to customise the scorecards in relation to the role and expected performance;
- o **"Long Term Incentive" ("LTI")** system, i.e., the incentive system based on multi-year corporate objectives and payable upon completion of the established operational/management plan. It is intended, in addition to the MBO, for the Company's Key Employees.

It should be noted that, **starting from 2022**, steps were taken at various organisational levels to **integrate ESG KPIs into the corporate variable incentive system**, as detailed later in this report.

Corporate welfare

Hoping to further contribute to improving the quality of life of AMCO's employees, and in line with the company's corporate strategy, the Company signed a **new trade union agreement** at the end of 2023, **which, together with the one already in place**, aims to:

- o recognise the uniqueness of the individual as a key resource for corporate development, enhancing employees' sense of belonging and increasing their loyalty;
- o support the development of young talent, as managers and the backbone of the Company's future, while also recognising the value, experience and skills contributed by senior employees.

These agreements promote, in continuity with what has been done so far, the use of corporate welfare as a tool to support the well-being of employees and, where provided for by current legislation, their families. The aim of the welfare system to which all AMCO employees have access, with amounts that vary according to the clusters identified in line with the applicable regulatory framework, is, in fact, to recognise even greater value to them and their families in the areas of supplementary pension, health care and family services, education and work life balance.

All employees benefit from a health and accident insurance policy and a supplementary pension plan.

In addition, the welfare contribution of €1,000 net for new parents is confirmed, reflecting AMCO's focus on the family life of its employees. Lastly, AMCO provides €10 meal vouchers even on smart working days.

amco's role and business model

AMCO's Vision is to work to facilitate the financial recovery of households and corporates, focusing on its systemic role in managing impaired loans for the public interest.

AMCO's Mission is to optimise recovery performance through efficient processes, with a data-driven approach and proactive credit management that favours value-enhancement strategies also in synergy with other partners.

AMCO operates to **produce value**, with an effective business model that aims to optimise operational efficiency levels.

Credit management follows a **proactive approach** that privileges extrajudicial agreements by defining credit management strategies according to their probability of success, aiming to optimise recoveries.

The objective is to transform impaired loans into new starting points by supporting:

- o **households** in their return to performing in order to facilitate their access to credit again;
- o **corporates**, promoting their industrial relaunch, including through new finance.



amco's business model

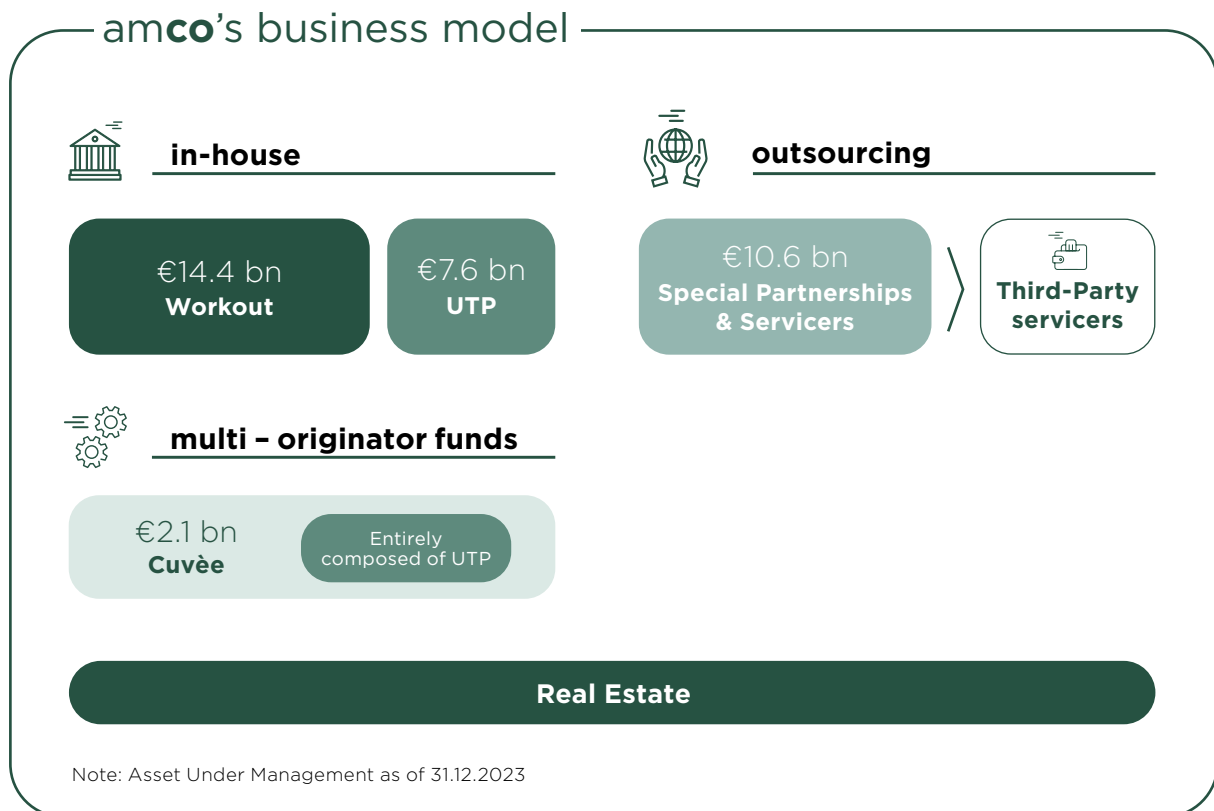
AMCO aims to produce value by industrialising recovery processes through a data-driven approach and the use of technology, including GenAI.

In-depth portfolio analysis allows the selection of the best credit management strategies. Continuous performance monitoring allows to assess the effectiveness of credit management and to redirect strategies according to the results obtained.

As of 31.12.2023, the Company's business was divided into four Divisions:

- o **Workout**, specialising in the management of non-performing loans.
- o **UTP** for the management of UTP positions of both small and medium-sized customers and large customers.
- o **Special Partnerships & Servicers (SP&S)**, for the management and monitoring of sub-servicers managing AMCO's loans in outsourcing.
- o **Real Estate**, as advisor to the other Divisions, works for the valorisation of real estate assets as collateral for credits under management, either as auction facilitator in enforcement procedures, or by directly managing repossessed properties in order to revalue them on the market (REOCO - Real Estate Owned Company).

AMCO is highly specialised in credit management, managing 70% of the portfolio in-house, as detailed below:



In-house management deals with relevant high value-added positions (both secured and un-secured), while more granular positions are outsourced, with the help of special servicers chosen through a rigorous selection and continuous monitoring process.

External special servicers are constantly monitored through a performance and expected results' measurement system, related to both recovery plans and other relevant factors, to improve credit management. Compliance with specific ESG KPIs, mainly related to privacy and AML training and conformity with the "Credit Management Principles", is defined within the contractual standards. In this way, AMCO ensures that all its counterparties increasingly incorporate ESG criteria in their own business.

AMCO's approach to the corporate sector

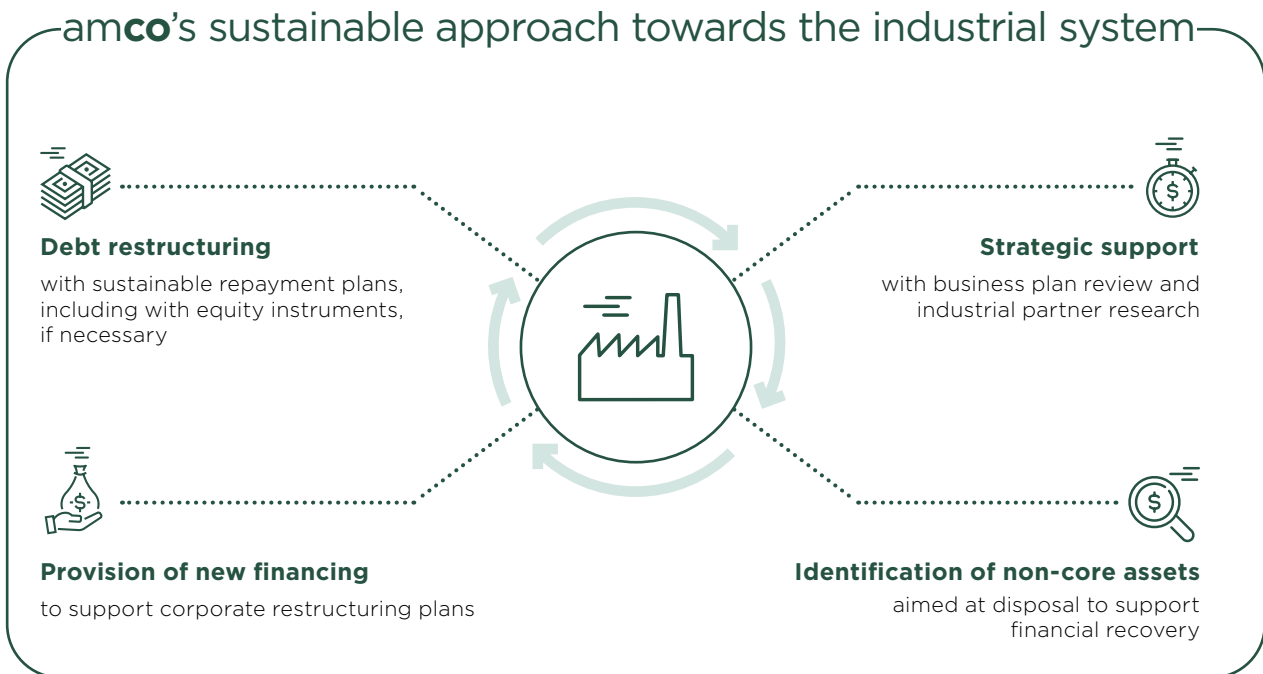
AMCO specialises in supporting the industrial re-launch of deserving corporates in order to ensure their business continuity.

Thanks to a proactive management focused on the client's specific characteristics, AMCO defines tailor-made debt recovery strategies, designed on the basis of the credit counterparty characteristics.

AMCO operates through debt restructuring operations, defining sustainable repayment plans also through the use of equity-like instruments and, if necessary, through the provision of new financing.

The Company grants new financing to companies that meet requirements of business continuity and potential for financial recovery and industrial relaunch.

Paths to financial restructuring and return to performing may also include support for the revision of business plans and the search for industrial partners.



Sustainability for amco

Relevant ESG regulation

Regulation on sustainability is increasingly rich and articulated, and national and European legislators recognise the fundamental and strategic role played by companies in this context.

In September 2015, the community of UN member states approved **the 2030 Agenda** for Sustainable Development, a programme for action for people, the planet and prosperity that aims to end poverty, fight inequality and achieve social and economic development through **17 Sustainable Development Goals (SDGs)** and **169 targets**.

At European level, in 2018 the European Commission approved the **Sustainable Finance Action Plan** aimed at re-directing capital inflows towards a more sustainable economy, integrating sustainability into risk management and promoting transparency.

In this context, there are other key regulations concerning ESG integration in the financial sector, such as the **Sustainable Finance Disclosure Regulation** (EU Reg. 2088/2019), which requires specific disclosures from financial market participants and financial advisors on how they integrate sustainability risks into investment decisions and the consideration of their negative impacts on sustainability factors, as well as the disclosure of sustainability-related information of financial products. The aim of the Regulation is to standardise the information provided to investors, enabling more effective comparability of financial products and a better understanding of the sustainability of investments.

The **EU Taxonomy** (EU Reg. 852/2020) aims to direct capital flows towards environmentally sustainable economic activities by defining a classification of activities that can be considered sustainable from an environmental point of view. At present, in fact, the EU Taxonomy only provides for environmental targets. The Platform for Sustainable Finance published the first draft proposal for a Social Taxonomy in 2021; the intention is to expand the current Taxonomy by adding to the six environmental objectives a set of objectives (decent work, living standards and welfare appropriate to end-users; inclusive and sustainable communities and societies) and social sub-objectives.

Also noteworthy are the expectations of the **European Banking Authority (EBA)**¹¹ and of the **Bank of Italy**¹² related to the integration of sustainability risks with particular reference to climate change, corporate governance and business strategies.

At European level, as far as non-financial disclosure reporting is concerned, regulatory tightening is taking place. The new EU **CSRD (Corporate Sustainability Reporting Directive)** on non-financial disclosure, adopted by the European Parliament in November 2022, replaces the NFRD (Non-Financial Reporting Directive), expanding the scope of entities obliged to **prepare non-financial disclosure documents**¹³, with reporting obligations starting in 2026 with regard to

¹¹ The European Banking Authority (EBA) published its Report on Environmental, Social and Governance (ESG) Risk Management and Supervision on 23 June 2021; it provides guidance on how ESG factors and ESG risks should be included in the regulatory and supervisory framework for credit institutions and investment firms.

¹² The Bank of Italy, in line with similar initiatives by the ECB and other national supervisory authorities, published on 8 April 2022 the document "Supervisory Expectations on the Integration of Climate and Environmental Risks", which examines the integration of climate and environmental risks into the business strategies, governance, control and risk management systems, and market disclosures of supervised intermediaries. The supervisory authority then distributed a self-assessment questionnaire to a sample of non-bank intermediaries to assess the level of integration. The limited alignment with the Expectations that emerged from the questionnaire analysis led the Bank of Italy to request the preparation of an Action Plan to fill the gaps found.

¹³ The CSRD envisages the extension of the scope of application to, inter alia, all large companies, both listed and unlisted, which at the date of the financial statements jointly exceed two of the following three criteria: (i) balance sheet assets of more than EUR 25 million; (ii) turnover of more than EUR 50 million; (iii) average number of employees during the financial year greater than 250. The following application timeframes apply: 2025 for companies already subject to the Non-Financial Reporting Directive; 2026 for large companies not subject to the Non-Financial Reporting Directive.



data for the year 2025 also for AMCO. The Company is not currently subject to the regulatory provisions on non-financial reporting in light of the fact that it does not exceed the thresholds set out in the regulations currently in force.

Lastly, in the financial sector, also relevant are the **principles of the International Capital Market Association (ICMA)** regarding bonds issued for the purpose of financing or refinancing all or part of environmental and/or social projects (i.e. Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines) and bonds whose cost to the issuer is linked to the achievement of predefined ESG objectives (Sustainability-Linked Bond Principles).

The path to Sustainability

In a context that pushes companies towards management models that are increasingly oriented towards incorporating environmental, social and governance (“ESG”) aspects into business and strategy. At the beginning of 2021, AMCO embarked on its sustainability journey, with the aim of preparing an initial **2022-2025 multi-year Sustainability Plan**, subsequently integrated into the new 2024-2028 Strategic Plan “We Produce Value” with which AMCO renewed its ESG commitment by confirming targets to 2025 and outlining the development lines for the 2026-2028 period based on the 4 ESG pillars: Sustainable Governance, Sustainable Credit Management, Sustainable Development of Human Capital, and Environmental Protection.

Within the framework of materiality topics, AMCO defined its **Sustainability Strategy**, which is based on well-defined sustainability pillars, which are described in this document. In order to ensure the proper implementation of the strategy, AMCO has also structured its own ESG Governance, which is detailed in the chapter “ESG Governance and Organisational Structure” of this Report, also integrating sustainability into the organisational structure.

As proof of the Company’s commitment, the Values System, the 2022-2025 Sustainability Plan, the 2022 Sustainability Report and the evolutionary lines of the ESG strategy for the 2026-2028 period and the new 2024-2028 Strategic Plan “We Produce Value” were made public to all stakeholders.

The materiality analysis

The materiality analysis makes it possible to identify the economic, social and environmental aspects that are relevant to the organisation's stakeholders and to the organisation itself, to identify the areas towards which strategic decisions should be directed, and to identify the aspects to be reported within the non-financial disclosure document.

Therefore, the materiality analysis considers not only the perspective of the organisation but also that of stakeholders and allows the identification of so-called "material" topics.

Through its **stakeholder engagement** activities, AMCO has identified **topics** deemed **material**, specific to the sector in which AMCO operates. These topics were identified within the environmental, social and governance (ESG) dimensions.

Below is a description of the **topics** found to be **material**.

Materiality topics

ETHICS AND INTEGRITY	Set up adequate internal control systems to fight against corruption and money laundering in order to spread throughout the organisation a culture based on integrity, professional ethics and honesty. Build relationships based on trust with our stakeholders (i.e. clients, external networks of special servicers and legal team) , also in order to prevent negative consequences in terms of reputation.
RELATIONS WITH INSTITUTIONS	Add value to relations with institutions and the public administration in order to create successful collaborations aimed at creating positive outcomes on the system.
BUSINESS CONTINUITY	Set up a corporate risk management system to mitigate systemic risks arising from unprecedented large-scale external events with social, political and economic implications (e.g. COVID-19). Adopt strategic plans that identify, prevent and minimise the effects of events with a low probability but with a high impact and potentially significant externalities aimed at ensuring business continuity .
CYBERSECURITY AND DATA PRIVACY	Implement an IT infrastructure that safeguards clients' privacy and company data security ensuring high standards of IT security avoiding data breaches.
SUSTAINABLE SUPPLY CHAIN MANAGEMENT	Implement purchasing procedures, mainly related to activities linked to office operations, on legal arm's length, transparency and anti-corruption . Ensure as far as possible the traceability of the supply chain , adopting selection, evaluation and monitoring criteria for suppliers based also on ESG performance indicators.
TRAINING AND DEVELOPMENT	Empower in-house talents with appropriate training and development plans . Career programmes are provided to enhance skills and abilities of employees aligning them with AMCO's business model. Having skilled, motivated and satisfied people. Attract and retain talent .
HEALTH, SAFETY AND WELFARE	Create a safe and high-quality working environment that protects health, safety and the mental/physical integrity of its employees . Spread a corporate culture based on the safety and well-being of human capital. Provide a reasonable welfare system with modern and flexible work tools to ensure work-life balance.
DIVERSITY & INCLUSION	Protect diversity in the company , create an inclusive working environment that values all types of diversity (age, gender, skills, geographical origin) and fights any form of discrimination.
COMMUNITY RELATIONS	Promote initiatives with a positive impact on the communities in which the Company operates, by taking an active role with local communities and stakeholders. Develop social impact activities in collaboration with organisations and institutions.
CUSTOMER SATISFACTION	Manage customer relations with a proactive and prompt response approach. Constantly monitor the progress of the files, in order to prevent any reputational damage on the organisation and to avoid worsening of the client's situation. Handle complaints and reports efficiently to ensure a continuous improvement of services offered by the organisation and by external networks (i.e. special servicer, legal team).
INCLUSION AND FINANCIAL EDUCATION	Promote projects and initiatives in cooperation with specialised entities to enhance information on financial services and promote access to credit for families and companies in financial difficulties, increasing clients' awareness on the proper use of financial leverage.
ESG ASSESSMENT OF CLIENTS AND PORTFOLIOS	Integrate ESG criteria into the credit management and risk management process both in the due diligence phase and in the post-acquisition monitoring.
SUSTAINABLE CREDIT MANAGEMENT	Adopt a non-speculative approach to debt recovery activities that does not create financial or reputational distress to customers and that is oriented towards safeguarding jobs and the going concern of companies in financial difficulties. Manage loan exposures according to ethical principles and values with a long-term perspective that supports families and companies to reach a back-to-bonus status.
CREDIT QUALITY AND STABILITY OF THE CREDIT SYSTEM	Adopt practices and measures aimed at limiting the risk of failure in the recovery of impaired loans as a result of the client's inability to meet their obligations, avoiding situations of stress to the entire credit system and the economy.
ENVIRONMENTAL RESPONSIBILITY	Manage the most significant direct environmental impacts resulting from the organisation's operations , such as the consumption of materials and natural resources, waste generation, energy consumption and the use of the corporate car fleet . Reduce the emissions into the atmosphere in order to contribute to prevent the climate change .

The GSSE Sustainability Strategy

As in 2022, AMCO has decided to voluntarily report on its environmental, social and governance performance for 2023. The reporting of this performance is structured on the basis of the **four pillars that redefine and reshape the ESG acronym according to AMCO's "own" strategic priorities.**

In fact, during the preparation of AMCO's Sustainability Plan, the relevant topics for the Company in the environmental (E), social (S) and governance (G) spheres were reinterpreted and reorganised in light of AMCO's approach to sustainability: **GSSE.**

GSSE Sustainability is therefore characterised by a strong focus on the **Social** sphere, which includes two of the four pillars:

- o **sustainable credit management**, which is embodied in AMCO's proactive approach in transforming impaired loans into new opportunities, safeguarding the client;
- o the **development, enhancement and well-being of its people.**

The other two pillars refer to the definition of a **sustainable governance** that is a fundamental prerequisite to operate with integrity and fairness inside and outside the company and to **environmental protection** in order to manage operational processes effectively and sustainably, protecting the environment from adverse impacts.

All four pillars are inspired by the UN SDGs aimed at supporting and encouraging the contributions to international sustainability objectives.

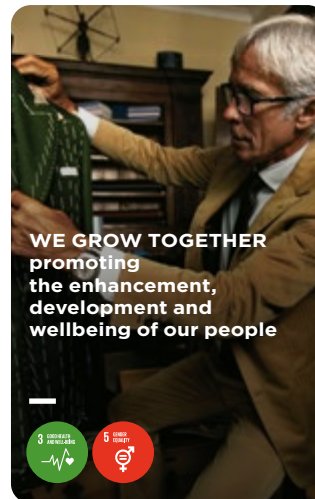
SUSTAINABLE GOVERNANCE



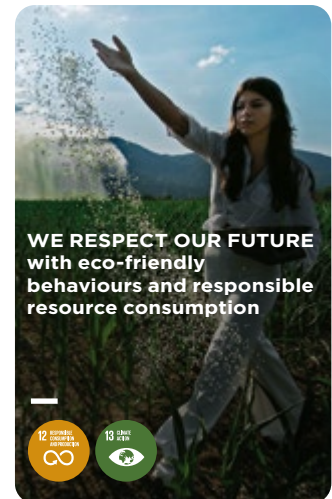
SUSTAINABLE CREDIT MANAGEMENT



SUSTAINABLE DEVELOPMENT OF HUMAN CAPITAL



ENVIRONMENTAL PROTECTION



For each objective, AMCO has initiatives and actions in place that testify its commitment to the achievement of the outlined objectives and the integration of the ESG strategy into the Company's processes on a 360 degree basis, involving all Divisions in order to strengthen the sustainable governance.

ESG Governance

and Organisational structure

AMCO has adopted an organisational structure aimed at pursuing its Mission, ensuring operational efficiency, managerial and accounting transparency, control of the decision-making process, and full compliance with the applicable regulatory framework.

In particular, the organisational model is structured in the following **hierarchical levels**:

- o Business Units
- o Departments/Functions (for staff or operating line structures)
- o Group (for Business Units)
- o Team

The organisational model in force as of 31.12.2023 also enables the supervision of the business, in accordance with the regulatory requirements for a regulated player. The corporate governance and support functions are dedicated to overseeing the corporate strategy and to supporting the business. In line with the Supervisory Provisions applicable to AMCO, the following control functions are in place: Internal Audit, Risk Management, Compliance, Anti-Money Laundering, focused on risk control.

The corporate bodies include a five-member Board of Directors and a three-member Board of Statutory Auditors (plus two alternate statutory auditors); there is also a Supervisory Body appointed pursuant to Italian Legislative Decree no. 231/2001. The Italian Court of Auditors attends the meetings of the Board of Directors.

The Board of Directors in charge as of 31.12.2023 has a three-year mandate, expiring upon the approval of the Financial Statements for the year 2025.

The Company's Articles of Association envisage that the composition of the Board of Directors and of the Board of Statutory Auditors must respect gender balance and, to this end, the less represented gender must obtain at least two-fifths of the elected directors¹⁴. Gender representation is also guaranteed in the composition of the Supervisory Body.

Board of Directors	Chairman Giuseppe Maresca
	Chief Executive Officer Andrea Munari
	Director Antonella Centra Ezio Simonelli Silvia Tossini

¹⁴ With rounding up to the higher unit if the administrative body consists of more than three members, or to the lower unit if it consists of three members.

The Board of Directors performs its function of policy-making, coordination, management and governance of the Company and is vested with all powers of administration except for those reserved by law to the Shareholders' Meeting, in accordance with applicable laws and regulations and the Articles of Association. The Board of Directors is responsible for approving the Company's main internal regulations, with particular reference to the various environmental, social and governance (ESG) strategies, and at the same time it ensures that ESG aspects are integrated into AMCO's business model, with specific reference to ESG risks, guaranteeing sustainable growth to the Company. Indeed, the BoD is fully involved in the definition of the ESG strategy, playing a key role in AMCO's Sustainability journey.

In order to strengthen governance, AMCO's Board of Directors has established two Committees from within its ranks with investigative, propositional and advisory functions: the Risk and Related Parties Committee (Connected Persons) and the Remuneration and Nomination Committee.

amco Board Committees

The **Risks and Related Parties Committee** (Connected Persons) has the task of assisting the BoD regarding governance and risk management and the Internal Control System (ICS) to ensure its adequacy with respect to the Company's characteristics in relation to the evolution of the organisation and operations, as well as the regulatory context of reference. In addition, the Committee oversees issues relating to transactions with related parties (connected persons) in accordance with the applicable laws and regulations as well as with the internal rules on the subject in force from time to time. Lastly, the committee examines in advance credit resolutions proposals that fall within the competence of the BoD, carrying out preliminary investigations.

The **Remuneration and Nomination Committee** has the task of assisting the BoD in matters of: (i) remuneration, incentives and performance objectives of AMCO's executive directors and employees, in order to ensure clarity, reliability and the making of independent and informed decisions, free from possible conflicts of interest and consistent with the Company's Code of Ethics, values and long-term strategy; (ii) the composition and nomination of the BoD, in order to ensure the presence of individuals who are suitable to effectively perform the role assigned to them.

The Company's Internal Regulation, which is approved by the Board of Directors, has established and governs certain management committees to support the Chief Executive Officer in evaluating and/or coordinating specific operations and managing specific issues. In July 2022, AMCO appointed the **Stakeholder Engagement and Sustainability Function (herein-after also referred to as the "SE&S Function")** which oversees the institutional and financial communication and external relations, in accordance with the strategy and guidelines adopted by the Company in line with the Board of Directors' or Top Management' approval. The Head of the Stakeholder Engagement and Sustainability Function has the role of **Chief Sustainability Officer ("CSO")**.

The CSO reports to the Chief Executive Officer, (i) identifies ESG topics of potential importance and identifies those stakeholders whose involvement is required from time to time on the basis of various topics; (ii) identifies strategic areas and proposals for ESG guidelines, objectives and targets; (iii) supports the Risk Management Department in identifying ESG risks associated with relevant topics as well as in defining how the risks should be addressed; (iv) defines ESG reporting standards and KPIs to be included in the ESG reporting process.

In this context, the CSO complements his or her work with the following functions.

The **Chief Financial Officer (CFO)** (i) analyses the economic and financial impacts related to the actions required to achieve the ESG objectives and targets; (ii) sets the ESG reporting system and supervises / coordinates the data collection process; (iii) monitors AMCO's performance with regard to the achievement of ESG objectives and targets.

The **Chief Operating Officer (COO)** (i) defines policies and regulations on ESG issues, (ii) manages the supply and purchasing chain, and (iii) identifies and implements actions to reduce the Company's carbon footprint and to promote more efficient consumption of resources and energy sources.

The **Chief Risk Officer (CRO)** (i) analyses the presence, magnitude and probability of occurrence of ESG risks associated with potential issues and monitors them over time; (ii) identifies potential mitigation solutions with respect to the identified ESG risks.

The **Credit & Portfolio Management** Department (i) analyses the portfolio with a view to identifying ESG risks associated with credit management and related assets; (ii) defines, together with the CRO and the other functions involved, possible risk mitigation actions; (iii) analyses the correct application of the management principles related to AMCO's ethical and patient approach.

The **Internal Audit Department** fulfils the role of the internal audit function by ensuring a constant, independent and objective assessment of the overall Internal Control System and pursuing the improvement of the organisation's effectiveness and efficiency. In particular, it periodically verifies, with a view to third-level controls, the regular performance of the company's operations and the evolution of risks, as well as assessing the completeness, adequacy, functionality and reliability of the organisational structure, the risk management process and the other components of the Internal Control System, bringing to the attention of the Corporate Bodies the results of the activities carried out and possible improvements. Pursuant to current legislation on anti-corruption (It. Law no. 190/2012), the Company has also assigned to the Head of the Internal Audit Department the role of Head of Prevention and Corruption (HPC). In this role, the HPC has the following main responsibilities: (i) preparing the three-year plan for the Prevention of Corruption and verify its implementation; (ii) preparing and releasing an annual report containing the results of the activities carried out, within the terms established by current legislation; (iii) arranging and ensuring, together with the HR Department, annual training sessions tailored to the context in which AMCO operates and to its business features.

The **Compliance Department**, within the Internal Control System, has the task of preventing and managing the risk of non-compliance with regulations, also proposing organisational changes and procedural amendments, as well as ensuring that non-compliance risks deriving from climate and environmental risks are duly taken into account in all processes. The Department is also involved in the prevention and management of conflicts of interest with regard to Company Personnel. In addition, the Head of the Compliance Department holds the role of Data Protection Officer ("DPO") within the meaning of the General Data Protection Regulation 679/2016 ("GDPR"), published in the European Official Journal as Law 119 of 4 May 2016.

The **Anti-Money Laundering (AML) Department**, as part of the Internal Control System, defines, oversees and verifies the consistency, adequacy and effectiveness of internal processes and procedures for preventing and hindering the laundering of money with illicit origin and the financing of terrorism according to a "risk-based" approach. Among its various responsibilities, the Department monitors relationships and transactions with the ultimate aim of preventing and reporting suspicious customer transactions to the Financial Intelligence Unit ("FIU") set up at the Bank of Italy, in the spirit of active cooperation required by the regulations in force. Furthermore, this Department participates, for the areas within its competence and in liaison with the organisational structure responsible for training and with the other corporate control functions, in the setting of an adequate training plan.

231 Model and the management of anti-corruption issues in amco

In order to prevent the commission of offences from which the administrative liability of entities may derive pursuant to Legislative Decree No. 231/2001, in 2006 **AMCO adopted an organisation, management and control model pursuant to It. Legislative Decree no. 231/2001** most recently updated by a resolution of the Board of Directors on 26 October 2022. The model, in fact, is reviewed and updated periodically by the BoD, which ensures its effective implementation by evaluating and approving the actions necessary to implement or modify it. For the identification of such actions, the Board of Directors is supported by the Supervisory Body.

With regard to the provisions for the prevention and suppression of corruption and unlawfulness, AMCO adopts a **Three-Year Plan for the Prevention of Corruption**, which integrates - in terms of anti-corruption and combating maladministration phenomena - the measures provided for in the Organisational, Management and Control Model, constituting an integral part thereof. In fact, the plan is the fundamental document for defining the strategy for preventing and mitigating corruption/maladministration risks within the organisation, and incorporates the measures identified following a special risk assessment exercise on processes at risk, conducted annually by the Corruption Prevention Officer (hereinafter RPCT) with the involvement of all the Managers of the areas at risk. The updated Plan is provided to all employees, with mandatory acknowledgement, and published on the Company's intranet and institutional website.

In the area of anti-corruption, in 2023, AMCO obtained the **ISO 37001:2016 certification** following a three-stage process. The first stage involved carrying out a gap analysis of the existing framework versus the ISO requirements, which did not reveal any major gaps as the existing framework was already robust. Subsequently, AMCO carried out an activity to adapt the anti-corruption framework to the ISO standards, supplementing the already existing measures. Lastly, the framework was validated by the certifying body after a Site Visit. The ISO 37001:2016 certification is valid for three years and confirms the steady commitment to preventing corruption, both in core business processes and in related governance and support processes.

In addition, the Company provided training in AML matters to the Board of Directors, and in anti-corruption matters to the Board of Directors, the Board of Statutory Auditors and the Magistrate of the Court of Auditors who attends meetings of AMCO's corporate bodies.

Lastly, AMCO has also set up a special IT platform for handling **Whistleblowing** reports, which can be reached at <https://amco.segnalazioni.net/>, which guarantees the security and confidentiality of information concerning the report and the whistleblower in compliance with the relevant provisions. Reports forwarded through the platform are received by the RPCT, as the focal point and the person responsible for handling them, who shall involve the Supervisory Body if they concern alleged violations of the aforementioned Model pursuant to Italian Legislative Decree no. 231/2001. For further details, please refer to the "Prevention of corruption/Whistleblowing" section of the Company's institutional website, where you can also find the document **"Policy on reporting illegal behaviour"**, which explains in detail the roles, responsibilities, process and methods for handling reports.

amco Management Committees

AMCO's governance includes a number of key Committees within corporate Sustainability.

The **ESG and Sustainability Committee** carries out proposals and advisory functions vis-à-vis the Board of Directors. The Committee works to promote the continuous integration of national and international best practices into AMCO's corporate governance and of environmental, social and governance factors into the company's strategies for the creation of value for all stakeholders in the medium to long term, in agreement with the principles of sustainable development.

The Committee's main responsibilities include: (i) preparation of proposals and advisory opinions to the Board of Directors on ESG and sustainability for the definition and monitoring of guidelines, objectives, ESG targets and action plans related to the relevant ESG topics; (ii) monitoring the alignment of corporate governance with regulations and national and international best practices, preparing proposals to the Board of Directors; (iii) monitoring guidelines, targets, and sustainability processes, as well as the yearly sustainability reporting to the Board of Directors.

The ESG and Sustainability Committee met twice 2023.

The other Management Committees include: the Credit Committee, the Real Estate Committee (RE) and the Business Continuity Crisis Committee (BCM).

During the fourth quarter of 2023, a number of **significant changes were made** in terms of delegated powers with regard to decisions on business issues, aimed at granting more delegated powers to the managerial roles of the business chains. These changes were inspired by the intention to make decision-making processes faster and more efficient, to empower business structures at all levels and thus ensure good corporate governance.

The implementation of the aforementioned principles was carried out through a number of changes to the regulatory framework relating to the Credit Committee and the Real Estate Committee, which were implemented to give both committees greater decision-making power, with the CEO retaining the decision-making powers relating to credit decisions with higher thresholds than before.

The **Credit Committee** performs advisory functions in favour of the Chief Executive Officer, in relation to matters within the latter's decision-making competence, and may exercise decision-making powers within the limits of what has been sub-delegated to it by the Chief Executive Officer himself, in accordance with the provisions of the internal regulations in force from time to time. The Credit Committee carries out its activities (decision-making or advisory) with the support of the CPM Department in its role as Committee Secretariat and is composed of the following members: the Head of the Workout Division, the Head of the UTP/PD Division, the Head of the SP&S Division, the Head of the CPM Division, and the Head of the Real Estate Division. The Chairmanship of the Credit Committee is assigned on a quarterly rotating basis to the Heads of the Division (i.e. Workout Division, UTP/PD Division, SP&S Division). The responsibilities defined for the Credit Committee include: (i) preparing advisory opinions in favour of the Chief Executive Officer for decisions taken by the latter in exercising the powers assigned to him/her by the Board of Directors on credit matters exceeding the thresholds established for their possible sub-delegation; (ii) formulating advisory opinions in favour of the Chief Executive Officer in preparing resolution proposals for credit decisions falling within the competence of the Board of Directors; (iii) formulating advisory opinions at the request of the Chief Executive Officer on credit issues and/or transactions that do not fall within the cases envisaged in the preceding points; (iv) formulating advisory opinions in favour of the Chief Executive Officer in relation to resolutions concerning indemnification/reimbursement, and (v) the exercise of decision-making powers, for the matters under its purview pursuant to the applicable internal regulations on credit management matters.





The **Real Estate Committee** performs advisory functions in favour of the Chief Executive Officer in relation to matters within the latter's deliberative competence and may exercise deliberative powers within the limits of what has been sub-delegated to it by the Chief Executive Officer himself, in accordance with the provisions of the internal regulations in force from time to time. The Real Estate Committee carries out its activities (deliberative or advisory) with the support of the CPM Department in its role as Committee Secretariat and is composed of the following members: the Head of the Real Estate Division (**Committee Chairman**), the Chief Financial Officer, the Head of the NI&BD Division, the Head of the Workout Division, the Head of the UTP/PD Division, and the Head of the SP&S Division.

The main responsibilities of the Real Estate Committee are: (i) formulating advisory opinions in favour of the Chief Executive Officer for decisions taken by the same in the exercise of the powers assigned to him/her by the Board of Directors on real estate matters (acquisition, sale, lease, etc. of assets guaranteeing credit exposures or subject to financial lease) of an amount exceeding the thresholds set for a possible sub-delegation; (ii) formulating advisory opinions in favour of the Chief Executive Officer in the preparation of resolution proposals on real estate matters (acquisition, sale, lease, etc. of assets guaranteeing credit exposures or subject to financial lease) under the responsibility of the Board of Directors; (iii) formulating advisory opinions at the request of the Chief Executive Officer on issues and/or transactions in real estate matters that do not fall within the cases provided for in the previous points, and (iv) exercising decision-making powers for matters under its purview pursuant to the applicable internal regulations on matters pertaining to ReoCo activities (acquisition, sale, lease, etc. of assets as guaranteeing credit exposures or subject to financial lease).

The **Business Continuity Crisis Committee (BCM)** is the corporate body responsible for the strategic management of situations of significant severity (crisis) that may compromise business continuity due to the unavailability of company assets (buildings, infrastructures, information systems) and/or resources. The Committee is responsible for managing extraordinary situations and supports the Chief Executive Officer in making strategic decisions, by issuing advisory opinions. The Committee is composed of employees who are able to assess the impacts of ongoing crisis situations and identify the appropriate actions to be taken.

GSSE targets achieved in 2023

With this Report, AMCO aims to highlight the qualitative and quantitative Sustainability objectives achieved in 2023.

These objectives are represented below through the **four pillars** that form the backbones of the Company's Sustainability strategy, through which AMCO can create sustainable value for its stakeholders.

For each of the pillars, credible, structured, measurable and attainable **strategic objectives** are defined; these are broken down into specific **quantitative targets** to be achieved within a predefined time frame. AMCO monitors the progress of each target on the basis of the activities and initiatives undertaken during the year.



Sustainable Governance

Governance

We operate with integrity and fairness aligning our people and stakeholders to ESG objectives

The Governance measures are the basis of decision-making processes and control systems appropriate for creating value both internally and externally, also from a sustainable perspective. For this reason, Governance is the first pillar of AMCO's Sustainability strategy.

In this regard, the Company, in June 2023, expanded the number of Board members from 3 to 5 and appointed two Internal Board Committees: the Risk and Related Parties Committee (connected persons) and the Remuneration and Nomination Committee.

In terms of Governance, AMCO has outlined three strategic objectives:

- 1. Operating with integrity ensure ethical approach in the business conduct**
- 2. Aligning the management remuneration with ESG objectives**
- 3. Aligning stakeholders to ESG objectives**

Through these goals, AMCO commits to pursuing UN SDGs 16 and 17:



“Peace, justice and strong institutions”



“Partnership for the goals for sustainable development”

1. Operating with integrity ensuring ethical approach in the business conduct

AMCO is committed to ensuring the integrity of its employees' business conduct and corporate behaviour by setting adequate internal control systems to fight corruption and money laundering, in order to spread a corporate culture within the organisation based on integrity, professional ethics and honesty. As such, AMCO is committed to train its staff to secure a consistent, solid and aligned approach and build relationships based on trust and transparency.

The Company believes that the principles defined in the **Code of Ethics** and the set of rules of conduct enclosed in the **10 Principles of credit management** are at the basis of a responsible business model.

AMCO also considers safeguarding its customers' privacy and protecting corporate data to be key factors for its business. For this reason, AMCO trains its employees on the topic of privacy, to ensure that they are prepared and retained appropriate skills to counter phenomena that could have adverse effects on the Company's operations, such as situations of data breach or loss.

In support of the above, AMCO has a target to train 100% of employees annually in Anti-Corruption, Anti-Money Laundering and Privacy starting in 2022.

2023-2025 ANNUAL TARGETS		AMCO's performance		
		2021	2022	2023
100% of employees trained annually on Anti-corruption from 2022	✓	99%	100%	100%
100% of employees trained annually on Anti-money laundering from 2022	✓	100%	100%	100%
100% of employees trained annually on Privacy from 2022	✓	98%	100%	100%

✓ Target achieved.

Targets achieved in 2023

The fight against corruption and money laundering is pursued through the spread of a culture based on integrity, professional ethics, and honesty, as well as adequate internal control mechanisms. In fact, AMCO adopted a Code of Ethics, 10 Principles of credit management, an Organisation Model, a Three-Year Anti-Corruption Plan (which is reviewed and updated annually), and an Anti-Money Laundering Policy that defines the guidelines to support the operating structure, as well as Whistleblowing Guidelines. In addition to the Three-Year Anti-Corruption Plan, AMCO carries out a specific risk assessment on anti-corruption issues every year.

In addition, the Company obtained the ISO 37001:2016 certification, the international standard that certifies the full compliance of corruption risk management systems with ISO standards, confirming AMCO's steady commitment to preventing corruption. This is in addition to the achievement of the targets set out in the Sustainability Plan until 2025. With regard to employee training in anti-corruption matters, AMCO implemented and structured training sessions for workstreams by area of specialisation, also integrating specific workshops with practical cases. In 2023, AMCO confirmed the target of 100% of the employees trained, in continuity with the achievement in 2022.

As far as anti-money laundering training is concerned, in 2023, as in the two previous years 2021-2022, 100% of employees completed the training activities.

Moreover, in 2023, anti-money laundering training was extended to all members of the Board of Directors, and anti-corruption training was provided to the Board of Directors, the Board of Statutory Auditors and the Magistrate of the Court of Auditors.

In order to protect data privacy, foster cybersecurity, and prevent data breaches that could compromise business continuity, AMCO has adopted a Business Continuity Plan that defines the guidelines the Company applies to ensure business resilience. A specific information security plan is prepared annually and shared through quarterly reports with internal control functions.

In the area of privacy training, AMCO maintained its target of 100% of trained employees in 2023, which had already been achieved in 2022.

2. Aligning management remuneration to ESG objectives

AMCO believes that aligning remuneration schemes with ESG principles is an optimal tool to achieve its goals set and to ensure people become more aware of the context in which they operate. Consequently, AMCO is committed to integrating sustainability objectives within its remuneration schemes. Starting in 2022, in relation to staff remuneration, steps were taken at various organisational levels to integrate ESG KPIs into the company's variable incentive system, in order to create commitment and involvement with the topic. In particular:


- o at **Executive** level, AMCO structured a Long-Term Incentive Plan in 2022, which was approved by the Board of Directors in October of that year. The first LTI Cycle, which runs for three years (2023-2025), includes the achievement of an ESG target, with a weight of 10% of total targets. This target will be reported after the end of the financial year 2025;
- o at **Non-Executive** level, during 2023, the BoD approved the 2023 MBO guidelines which envisage the introduction of ESG KPIs with a weight equal to at least 5-10% of the total for all Managers of Staff, Control and Business Support Departments, depending on the role held and areas of impact with respect to AMCO's ESG Plan. These ESG KPIs are tracked within the "MyAmcoHR" system in the "2023 Targets" area and, via a special flag, monitored by the HR Department.


3. Aligning stakeholders to ESG goals

AMCO believes that sustainability objectives should be conveyed also through the selection of its counterparties.

Therefore, the Company is committed to including sustainability criteria within the evaluation of its suppliers, thus aligning external stakeholders with ethical principles and ESG objectives. This approach was implemented in 2023 with the aim of increasing the traceability of its supply chain.

Furthermore, in order to align its stakeholders with ESG objectives and ethical principles, AMCO commits, starting from 2023, to ensure that all employees of the special servicers that work for AMCO are trained in anti-money laundering and privacy.

2023-2025 ANNUAL TARGETS	AMCO's performance		
	2021	2022	2023
Relevant suppliers assessed with ESG criteria from 2023	n.a.	n.a.	87%
100% of special servicer employees which work for AMCO trained annually on anti-money laundering and privacy, from 2023 	n.a.	n.a.	100%

 Target achieved.

Targets achieved in 2023

Based on the contractual standards for special servicing mandates defined by AMCO, since 2023 servicers undertake to provide an annual declaration ensuring that 100% of their employees working with AMCO are trained in anti-money laundering and privacy.

Moreover, the standard contractual agreements with special servicers and more generally with suppliers, envisage specific clauses requiring compliance with the relevant regulations and knowledge of the Company's Three-Year Anti-Corruption Plan and 231 Model. The above-mentioned stakeholders are also contractually obliged to promptly report any violations or irregularities committed to the detriment of the public interest, of AMCO and its employees, in the manner and through the information channels provided for by internal whistleblowing regulation.

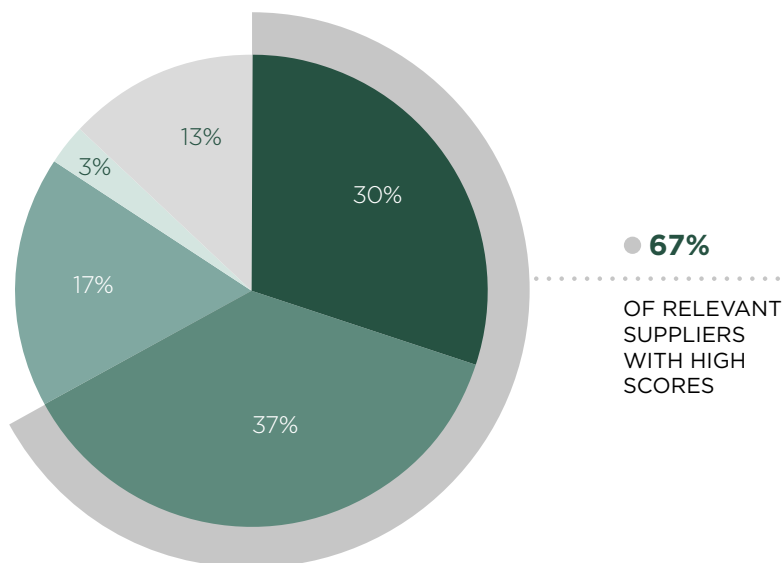
With regard to the selection of suppliers, AMCO has a **Procurement Procedure** that regulates the beauty contests mechanisms. Suppliers are admitted to selection processes on the basis of qualitative and quantitative criteria.

The relevance of the supply chain is assessed by AMCO in terms of both the essential nature of the service provided and its cost to the Company. AMCO has therefore identified as key the providers of essential fee-based services (i.e. IT, BPO/Documentary Archive and Info Providers), special servicers and advisors.

In 2023, AMCO carried out an ESG assessment of its relevant suppliers, based on a purpose-built questionnaire that comprehensively considers environmental, social and governance issues including - among others - CO₂ emissions, the use of renewable energy and energy efficiency, human capital development, enhancement and training, diversity and anti-corruption.

The relevant suppliers identified are 30, of which 4 were not assessed as they neither filled in the questionnaire nor publicly provide relevant information that would allow the Company to make its own assessment with respect to the issues defined in the questionnaire. The 4 suppliers were solicited to complete the questionnaire by 2024, under penalty of termination of contracts upon expiry.

Each of the 26 evaluated suppliers was then given a score within a scale from A (best) to E (worst), attributed on the basis of the answers in the questionnaire. As depicted below, 67% of the relevant suppliers are ranked with a score between A (30%) and B (37%), 17% with a score of C, and only 3% with a score of D. No supplier reported a score of E, while 13% (4) of the relevant suppliers were not rated.



● Score A ● Score B ● Score C ● Score D ● Not evaluated



Sustainable credit management

Social

We produce value managing credits with a proactive approach and following ethical principles, to facilitate the financial recovery of households and corporates

The adoption of a proactive approach to credit recovery and the integration of ESG criteria within the credit business are priorities at AMCO.

For this reason, the following strategic objectives have been defined:

1. **Adopt a proactive approach in recovery activities**
2. **Integrate ESG criteria into the credit and risk management process**
3. **Improve the energy labels of repossessed real estate assets**
4. **Contribute to the financial education of corporates**
- 5.

Through these goals, AMCO commits to pursuing UN SDGs 8 and 9:



“Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”



“Build resilient infrastructure, promote responsible and sustainable industrialization and foster innovation”

1. Adopt a proactive approach in recovery activities

AMCO is committed to supporting households and corporates in financial difficulties that wish to concretely and correctly seek a solution to solve their financial indebtedness. With this objective in mind, AMCO adopts a **proactive approach**, promoting a **constructive dialogue** aimed at restoring critical financial positions to foster the financial relaunch of its clients.

AMCO ensures that the business conduct of its employees and partners is always inspired by criteria of correctness, collaboration, loyalty, transparency, mutual respect, integrity, objectivity, taking into account the management of conflicts of interest, the fair competitive environment and the fight against organised crime, as well as provisions of laws and regulations.

AMCO has defined **10 Principles for credit management** and has decided to further commit itself by defining specific sustainable management objectives for the business.

In fact, specific management targets have been identified taking into account the different features of recovery processes in the context of different categories of loans. These targets represent AMCO’s ambition to maintain proactive credit management, favouring extra-judicial settlements and optimising management strategies according to the likelihood of success.

An element of attention in defining sustainable management targets is the consideration of the ageing of portfolios as well as business developments. Indeed, the vintage of portfolios can have a decisive influence on recovery strategies and must, therefore, be taken into account when setting multi-year targets.

2023-2025 ANNUAL TARGETS		AMCO's performance		
		2021	2022	2023
Realise at least 25% of NPL (Workout) ¹ cash collections from a collaborative approach from 2022	✓	52%	42%	41%
Realise at least 85% of UTP ² cash collections from a collaborative approach from 2022	✓	92%	95%	95%
Realise at least 50% of cash collections from SMEs and individuals from a collaborative approach ³ from 2022	✓	71%	73%	64%


The cash collections from a collaborative approach (out-of-court) include the disposals. AMCO favours out-of-court settlements by optimising management strategies according to the likelihood of success.

1: NPL extra-judicial collections / Total NPL collections (Workout and SP&S Divisions).
 2: UTP extra-judicial collections / Total UTP collections (UTP and SP&S Divisions).
 3: SMEs and individuals extra-judicial collections / Total SMEs and individuals collections (Workout, UTP and SP&S Divisions).

✓ Target achieved.

Some successful transactions in 2023

ENGINEERING




Tecnogear

84 employees

Restructured debt:
€3m
Closing Dec-23

AMCO, together with Credem, supported the refinancing of debt maturities with a new medium-long term transaction

MANUFACTURING




Imprima

440 employees

Restructured debt:
€57m
Closing Dec-23

AMCO agreed the rescheduling of debt repayment terms and new financing for investments supporting industrial activities

TRANSPORTATION




Augusta 2

226 employees

Restructured debt:
€10m
Closing Aug-23

AMCO was the only creditor to grant the extension and rescheduling of debt maturities, supporting the company's new plan

MANUFACTURING




Snaidero

348 employees

Restructured debt:
€7m
Closing Aug-23

AMCO supported the new recovery plan by extending debt maturities and participating in the capital increase, favouring business development

REAL ESTATE




Genova High Tech

Restructured debt:
€250m
Closing Jul-23

AMCO signed a restructuring agreement, including the extension of dept maturities, provision of new financing and company's recapitalization, to support a major urban development project in Genova aimed at building the largest science HUB in Italy

HOTELLERIE




Maritalia

85 employees

Restructured debt:
€13m
Closing Jun-23

Following the takeover by the new shareholder, AMCO supported the group's reorganization, becoming the only lender, via debt refinancing and provision of new financing for the development of the hotel facilities

REAL ESTATE




Vulcano Buono

Restructured debt:
€42m
Closing May-23

AMCO supported the recovery plan of the shopping center extending debt maturities and agreeing to renewal investments, with other creditors, providing Nola (NA) with an important multi-functional space

REAL ESTATE



Bagnolifutura

Restructured debt:
€28m
Closing May-23

AMCO favoured an extra-judicial solution aimed at accelerating the transformation of the former Italsider area of Bagnoli (NA) into an urban park

2. Integrate ESG criteria into the credit and risk management process

In order to ensure the proper and informed assessment, assumption and management of ESG risks, AMCO is committed to integrating ESG criteria into the assessment, management and reporting of the credit portfolio risks - including environmental, social, and regulatory risks.

2023-2025 ANNUAL TARGETS		AMCO's performance		
		2021	2022	2023
Map high ESG risk geo-sectoral clusters by 2024	✓	n.a.	n.a.	Yes
Embed the ESG risks in the Risk Framework by 2024	✓	n.a.	n.a.	Yes
Insert relevant ESG criteria in the credit risk portfolio evaluation process by 2024 ¹⁵		n.a.	n.a.	n.a.

✓ Target achieved.

Targets achieved in 2023

In 2022, the Investment Procedure was supplemented with ESG evaluation criteria to be considered in the due diligence process, with particular reference to climate and environmental risks.

In 2023, AMCO mapped the portfolio under management on the basis of geo-sectoral clusters exposed to physical and transition risks. In particular, to assess the portfolio's exposure and concentration risk with respect to physical risk, AMCO considered Italian territorial clusters defined on the basis of the different level of exposure to hydrogeological (landslides, floods, heavy rainfall) and geological (volcanic eruptions, seismic events) risks. With regard to transition risk, the different sectors of economic activity were analysed according to the level of CO₂ emissions and the reduction pathway over the years.

The mapping carried out on the basis of the above criteria shows that, by 31 December 2023, in terms of expected Gross Cash Flow (GCF), the shares of the entire AMCO portfolio exposed to high hydrogeological and geological risk are 28.9% and 3.6% of the total, respectively. With respect to transition risk, the share of GCF from UTP companies (cluster identified as most exposed) at high risk is 8.2% of the total UTP portfolio.

As result of the mapping, carried out one year ahead of the initially planned target, AMCO incorporated these three exposure indicators into the 2024 Risk Framework, providing for their quarterly monitoring.

¹⁵ Target for the year 2024.

3. Improve the energy labels of repossessed real estate assets

AMCO is committed to mapping the energy class/label of repossessed properties (excluding properties connected to leasing contracts) evaluating potential investments aimed at improving energy efficiency.

2023-2025 ANNUAL TARGETS		AMCO's performance		
		2021	2022	2023
Map the energy label of AMCO's repossessed properties with the aim ¹⁶ to evaluate potential investments to improve their energy label	✔	n.a.	16%	70.4%*
50% mapped by 2023	✔	-	-	Yes - 70.4%*
75% mapped by 2024		-	-	-
90% mapped by 2025		-	-	-

* AMCO's internal analysis, conducted through independent third-party providers, aimed at identifying the main interventions to improve the energy performance of repossessed properties. Energy class mapping by means of APE (Attestazione di Prestazione Energetica - Energy performance certificate)¹⁷ was carried out on 34.2% of the total square metres of repossessed properties.

✔ Target achieved.

Internal analysis conducted by independent third-party providers

With regard to energy efficient mapping, during 2023, AMCO performed an internal analysis, conducted by independent third-party specialist providers, to identify the main actions aimed at improving the energy performance of repossessed properties. The process evaluates possible interventions and estimates the related costs for improving the energy efficiency of each real estate asset considering its current characteristics.

This analysis covered 70.4% of total real estate in terms of square metres (sqm) for a total of 39,895 sqm repossessed within the perimeter under analysis at the end of 2023¹⁶.

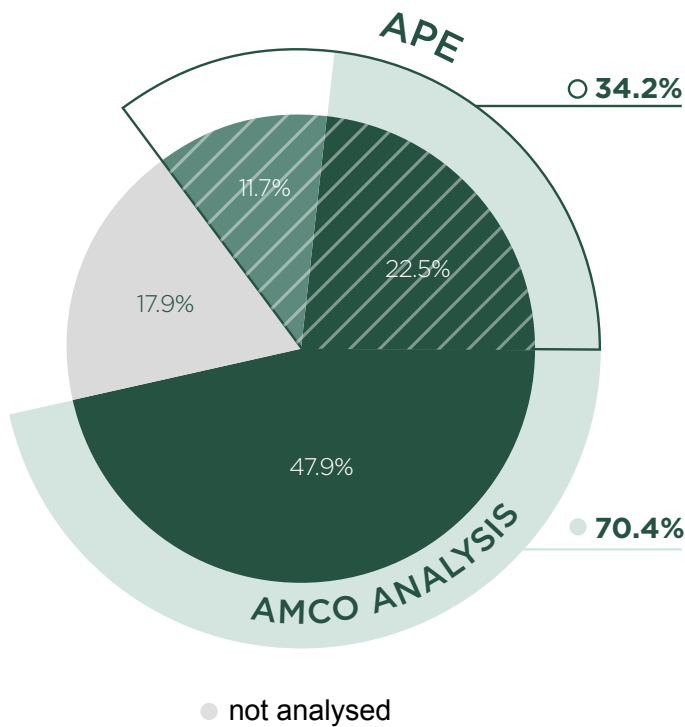
Specifically, as shown in the graph below the 70.4% of assets is composed as follows:

- o 22.5% on which mapping was carried out through internal analysis and APE¹⁷ is present;
- o 47.9% on which mapping was carried out through internal analysis and APE is not present.

The remaining 29.6% of the real estate assets is divided as follows:

- o 11.7% on which the energy class was mapped through APE but no internal analysis was carried out;
- o 17.9% on which neither the energy class was mapped by APE nor was the internal analysis carried out.

¹⁶ Repossessed properties (excluding properties connected to leasing contracts) in the first 9 months of the year and excluding buildings sold intra-annually.
¹⁷ Document referring to the individual real estate unit that reports the energy performance of the building in a concise manner understandable to non-technical users.



Cases	%
Energy class mapped/analysis carried out	22.5%
Energy class not mapped/analysis carried out	47.9%
Energy class mapped/analysis not carried out	11.7%
Energy class not mapped/analysis not carried out	17.9%

Energy class mapping via APE

During 2023, in addition to the internal analysis conducted by independent third-party providers, AMCO mapped the energy class through APE of 34.2% of repossessed properties in terms of square metres (sqm), or 42% of repossessed properties in terms of real estate units. In fact, the APE mapping exercise involved a total of 18 units, out of a total of 43 repossessed real estate units covered by the perimeter under analysis at the end of 2023.

With regard to the properties that were not mapped through APE, it is important to emphasise that in many cases it was not possible to proceed because - due to the nature of the business - the repossessed properties are under construction/unfinished, acquired at auction and/or through transfer in lieu of payment in relation to leasing contracts to be regularised.

As can be seen from the table below, 11 properties, representing more than 60% of the total mapped through APE, have a high energy class (A4, A1 and B).

Lastly, the distribution of energy classes in terms of square metres shows that 73.7% of the total square metres analysed by APE are mapped with high energy classes (A4, A1 and B). This figure is highly influenced by a very large single property characterised by a particularly high energy class, which abnormally influences the distribution.

Energy class	Number of properties mapped via APE	
A4	1	} =11 (61%)
A1	3	
B	7	
D	4	
E	1	
G	2	

4. Contribute to the financial education of corporates

AMCO believes that contributing to the financial education of companies is crucial to prevent the wrong use of financial leverage, and to avoid situations of unsustainable indebtedness.

As such, AMCO is committed to promoting projects and initiatives aimed at spreading a financial culture that promotes awareness of the adequate level of debt as a fundamental funding instrument for companies, especially SMEs, which often have access to limited forms of financing.

2023-2025 ANNUAL TARGETS	AMCO's performance		
	2021	2022	2023
Implement at least two financial training initiatives annually from 2023	✓ n.a.	n.a.	Yes

✓ Target achieved.

Targets achieved in 2023

In 2023, AMCO organised two financial training events for corporates and future entrepreneurs.

On 30 November 2023, the first AMCO-sponsored event was held at the University of Padova with the title: *“Corporate Financing between Sustainability and Fintech”*. The event, realised in partnership with Confindustria Veneto Est and the Department of Economic and Business Sciences of the University of Padua, involved 56 entrepreneurs, consultants and lawyers who showed interest in the contents, participating interactively with surveys and questions. The topics addressed were: the impact of the macroeconomic scenario on the financial structure of companies, leverage and debt restructuring methods, innovative forms of financing and fintech, and the impact of corporate ESG strategies in dealing with banks and on the cost of debt.

On 19 December 2023, the second event involving some 30 students took place as part of the Advanced Public Economics course of the Master of Science in Economics and Finance at the University of Padova. The aim was to raise awareness of optimal debt levels among a population that may represent the managers/entrepreneurs of the future.



Sustainable
development
of human
capital

Social

We grow together
promoting the enhancement, development and wellbeing of our people

AMCO is committed to enhance the value of its people promoting their competencies' growth, satisfaction and wellbeing, not only in the working environment. AMCO is also committed to attracting and retaining talents supporting them with career paths and professional growth in line with business requirements. AMCO also reaffirms its commitment to promoting equality and inclusion, in all forms.

The Sustainability Plan includes the following strategic objectives:

- 1. Develop well-being, skills and satisfaction of our people also from an ESG perspective**
- 2. Be a group of inclusive and balanced people**

Through these goals, AMCO commits to pursuing UN SDGs 3 and 5:



“Ensuring healthy lives and well-being for all, at all ages”



“Achieving gender equality and empower women and girls”

1. Develop well-being, skills and satisfaction of our people also from an ESG perspective

For AMCO, talent enhancement is carried out through the implementation of targeted training and skills development plans and through the planning of career and growth paths in line with the needs of the company's business and the ambitions of each employee.

Building and preserving people's satisfaction and motivation over time are core values for the Company which:

- o enhances performance with an incentive system linked to qualitative and quantitative targets, related to the business context, each individual and function/business unit;
- o invests in engagement initiatives to involve people and promote virtuous actions;
- o believes in wellbeing both by facilitating work-private life balance and supporting personal development, also through projects and activities with different objectives, including the reduction of internal and external environmental impacts of the Company, activating eco-sustainable and responsible behaviours.

2023-2025 ANNUAL TARGETS		AMCO's performance		
		2021	2022	2023
Deliver ESG training for all employees	✔	n.a.	Yes	Yes
Implement Senior Executives and employees engagement initiatives for 2022	✔	n.a.	Yes	Yes
Ensure acceptance of at least 90% of total part-time requests, on an annual basis	✔	100%	100%	100%
Ensure flexible work options (smart-working) aimed at a suitable work-life balance	✔	100%	100%	100%

2023-2025 ANNUAL TARGETS		AMCO's performance		
		2021	2022	2023
Prepare succession plans for all senior positions reporting to the CEO/GM by 2023		n.a.	n.a.	50%

✔ Target achieved.

Targets achieved in 2023

AMCO has in place **training and development plans** for its employees, aimed at improving human capital skills and planning career and growth paths in line with the Company's business requirements. The MBO incentive plan is already provided to all employees, of all professional levels.

Planning of training is carried out through a top-down approach, taking into account technical and managerial skills, as well as a bottom-up approach, with the proposal and understanding of individual and team needs, also in light of the developments of AMCO and of its business. Among these, mandatory training is an eligibility criteria for access to reward systems.

As far as sustainability training is concerned, AMCO has defined several initiatives aimed at enhancing the ESG culture within the Company.

Starting from 2023, ESG training has been included in the scope of compulsory company training and is complemented by specific initiatives, such as awareness-raising campaigns carried out with partner Mugo, expressed in the "People4Environment" campaign (see pillar "Environmental Protection"), and specific seminars.

The mandatory online training course on ESG topics was launched on 31 January 2023 and 100% of the registered employees have completed the training. The course continues to be delivered to all new employees and consists of 2 training modules aimed at:

- o acquiring the basic concepts on the regulatory and market environment with regard to sustainability issues;
- o sharing the sustainability path undertaken by AMCO, reviewing the 4 pillars and targets of the GSSE strategy.

In addition, an optional seminar was organised on the integration of climate and environmental risks into the risk management processes, methodologies and policies of financial intermediaries. The following contents were discussed in the seminar: regulatory framework, drivers of climate and environmental risks, and benchmark analyses. AMCO's Chief Risk Officer then outlined the analyses carried out on the portfolio under management at the Company.





The seminar, held in two sessions, was attended by more than 60% of AMCO's employees (around 260 people).

On the company **benefits** front, the company offers, as per the 2023-2025 supplementary contract:

- o smart working up to 10 days per month, to be managed in a flexible way;
- o meal vouchers with a higher value than market practice (€10), even on smart working days;
- o health insurance policies to cover medical and accident expenses;
- o a welfare program run on a platform with additional services for all employees;
- o possibility to join the supplementary Pension Fund and to benefit from the Company's supplementary pension contribution, also for the variable compensation portion;
- o scholarships for employees' children;
- o net additional welfare contribution of € 1,000 per year for new parents;
- o additional permits for blood donation, paternity leave and family assistance.

During 2023, AMCO granted 100% of the **part-time** requests (2) received from employees. During the course of the year, succession plans were prepared for 50% of the CEO/GM's top management positions; the planning activity will be restarted in line with the evolution of the organisational structure.

Initiatives of engagement and well-being

With regard to engagement initiatives, employees actively participate in AMCO's Sustainability path. In 2023, the company developed initiatives to **foster greater cohesion** between colleagues and **structures**, with proposals aimed at **involving and sharing social moments**, fostering **cross-team experiences, mutual knowledge and collaboration** to make the corporate climate more pleasant and increase motivation and engagement.

These initiatives included a cycle of **Team Building, with diversified formats, involving 60 employees** in **heterogeneous groups** by location, management, role, age, gender. The initiative will continue in the next years with the aim of involving the entire corporate population.

In addition, AMCO promotes an inclusive and welcoming working environment, enabling its people to develop mutual trust and knowledge, cooperation and sharing, and making everyone's work more worthwhile. With this in mind, the **#AMCOcommunity**, an internal digital community, managed on the company intranet, was created and promoted at the end of 2023 to foster relationships between colleagues. The two sections, #MyPassion and #Mytip4You, are used to share common interests, hobbies, passions and experiences, with posts, reviews and stories published monthly on the dedicated page.

Colleagues are also involved and made the stars of **company videos and interviews** on professional projects and topics that increase their internal visibility, motivation and engagement and are published on the intranet and also on the company's LinkedIn page. These included a series of videos called #WhyAMCO? with the active participation of 10 colleagues, and a series of short videos, with the involvement of 12 other colleagues, to improve the selection and onboarding experience of new recruits. An additional 7 colleagues were invited to share their stories of company projects they had coordinated and their interviews were published on the intranet.

Also with a view to engagement, in December 2023 AMCO launched an **Employee Advocacy** programme, with the identification and promotion of 8 Brand Ambassadors to the role of AMCO's disseminators on the LinkedIn channel, giving them a training and personal enrichment experience that generated motivation and a sense of belonging.





During 2023, in-person meetings with the CEO were also organised for all employees from the 3 AMCO offices and 15 employees were involved in career days for scouting young students at the Cattolica and Bocconi Universities.

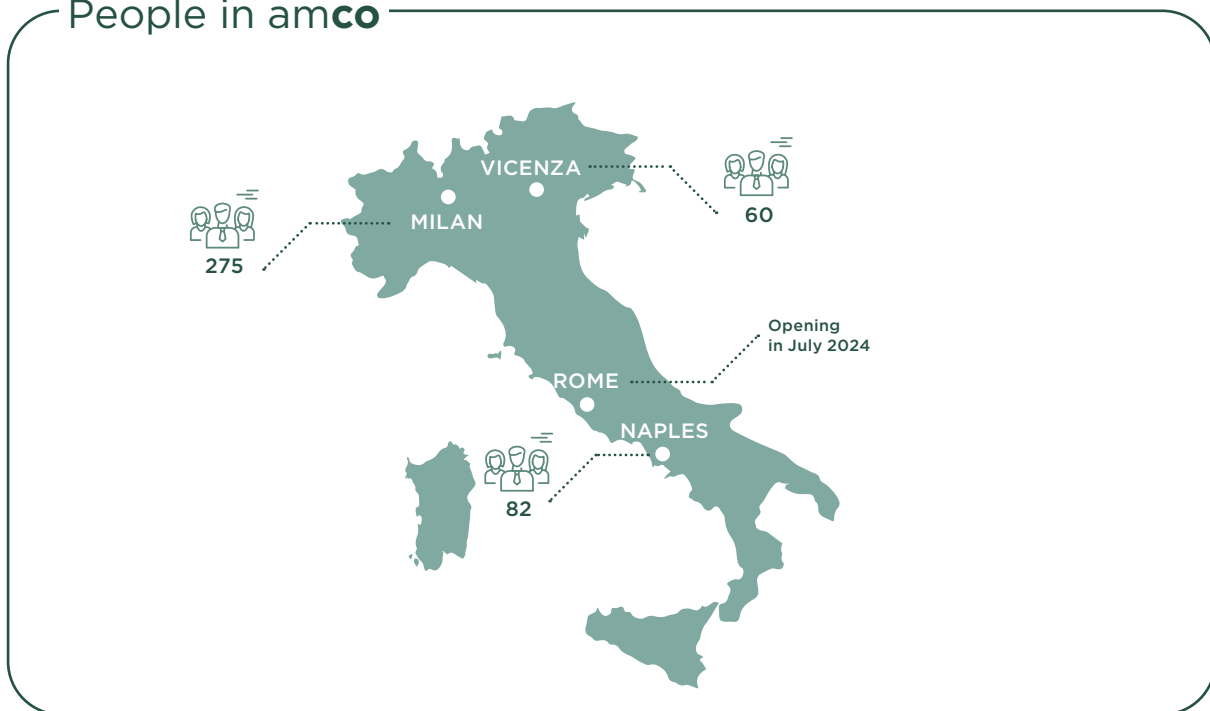
In continuity with 2022, in 2023 AMCO continued its well-being project with its partner *Healthy Virtuoso*, through an App that allows the physical activity of all participants to be measured via their mobile phones or other devices. On a bimonthly basis, the “AMCO health challenge” was launched, which, through engaging competitions, encourages all employees to have a healthy lifestyle, rewarding all those who engage in virtuous behaviours. In addition, for every AMCO employee who joins the project, Healthy Virtuoso is committed to plant a tree.

As of 31 December 2023, 181 employees were enrolled and had completed 305 million steps and 10,069 hours of sport (15 minutes of sport per day on average per person). A total of 1,434 challenges have been launched since the programme began.

In support of social inclusion, over the Christmas period, AMCO activated a **solidarity initiative** involving employees in a **fundraising** campaign in favour of the **Cometa** association’s training school, in order to support the training needs of students with disabilities, specific learning disorders, special educational needs, in situations of personal fragility or socio-economic marginality.

2. Be a group of inclusive and balanced people

People in amco



The topics of diversity, equity and inclusion are at the heart of a sustainable development. For this reason, AMCO’s approach is based on promoting diversity of gender, age, competencies and background.

As of 31 December 2023, AMCO can rely on the experience and professionalism of 417 specialised employees motivated to achieving high levels of performance in different areas, enabling the Company to confirm itself as a leader in its sector.

60% of employees are men while 40% are women. The average age is 43.

As of 31 December 2023, AMCO's workforce was composed as follows:

Staff composition by category, gender and age ¹⁸	2021					2022					2023				
	Women		Men		Total	Women		Men		Total	Women		Men		Total
(n)	(%)	(n)	(%)	(n)		(%)	(n)	(%)	(n)		(%)	(n)	(%)	(n)	
Executives															
≤ 31 years	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32 - 39 years	0	0	0	0	0	0	0	2	100%	2	0	0	1	100%	1
40 - 54 years	4	31%	9	69%	13	4	29%	10	71%	14	4	27%	11	73%	15
≥ 55 years	1	14%	6	86%	7	1	14%	6	86%	7	0	0	8	100%	8
Total Executives	5	25%	15	75%	20	5	22%	18	78%	23	4	17%	20	83%	24
Middle Managers															
≤ 31 years	2	15%	11	85%	13	1	10%	9	90%	10	1	14%	6	86%	7
32 - 39 years	18	33%	37	67%	55	26	38%	42	62%	68	28	34%	54	66%	82
40 - 54 years	52	41%	76	59%	128	59	41%	85	59%	144	73	45%	90	55%	163
≥ 55 years	9	27%	24	73%	33	10	28%	26	72%	36	12	30%	28	70%	40
Total Middle Managers	81	35%	148	65%	229	96	37%	162	63%	258	114	39%	178	61%	292
Professional Areas															
≤ 31 years	12	41%	17	59%	29	14	47%	16	53%	30	13	52%	12	48%	25
32 - 39 years	10	42%	14	58%	24	11	38%	18	62%	29	17	40%	26	60%	43
40 - 54 years	24	65%	13	35%	37	19	63%	11	37%	30	18	58%	13	42%	31
≥ 55 years	3	100%	0	0	3	3	100%	0	0	3	2	100%	0	0	2
Total Professional Areas	49	53%	44	47%	93	47	51%	45	49%	92	50	50%	51	50%	101
Total	135	39%	207	61%	342	148	40%	225	60%	373	168	40%	249	60%	417

As proof of AMCO's desire to build long-lasting relationships with individuals, it should be noted that almost all the employment contracts entered into by the Company are open-ended, as shown in the table below.

Number of employees by contract type by gender	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Open-ended	133	205	338	147	223	370	167	247	414
Fixed term	2	2	4	1	2	3	1	2	3
Total	135	207	342	148	225	373	168	249	417

¹⁸ The age groups were reworked - compared to the age groups usually considered by the reporting standards (i.e. <30; 30-50; >50) - in order to be more representative of the composition of AMCO's staff.

2023-2025 ANNUAL TARGETS	AMCO's performance		
	2021	2022	2023
Launch an awareness campaign on D&I issues (at least once a year) from 2023	n.a.	n.a.	Yes
Ensure balanced selection processes with head hunters : 50% of candidates belonging to the least represented gender annually from 2023	49%	22%	27%

✔ Target achieved.

In 2023, in line with what began in 2022, all contracts with headhunters were designed to ensure a balanced selection that respects the principles of gender equality. However, a lack of interest and availability of female profiles in the research and selection of sector specialists sought through headhunters has been observed on the market.

The objective situation in the labour market at present has not prevented the Company from resolutely pursuing its workforce balancing objectives. In 2023, the number of new female hires out of the total number of hires for the year (completed either through internal selection processes or headhunters) accounted for 39.1%.

Targets achieved in 2023

At the end of 2023, AMCO embarked on a multi-action journey to explore Diversity, Equity & Inclusion issues in the company with the aim of opening a listening channel among all colleagues and gathering their perceptions on these issues.

The Company structured focus groups involving a diversified audience in terms of age, gender, seniority, business division and then sent a Survey to the entire company population. The employee participation rate in the Survey was 55%. The most represented clusters are Middle Managers and the age groups between 46 and 55 and the over-55s. The responses showed a more than positive level of inclusion within AMCO of 7.4 points on a scale of 0 to 10.

As to D&I matters, AMCO guarantees gender-neutral access to internal career and growth paths and the related development by providing objective criteria for determining both role (through assessment) and salary/professional level promotions.

Gender equality is also reaffirmed in the conduct of the Personnel Research, Selection and Recruitment Procedure in compliance with the principles of impartiality, transparency and equal opportunities and is also guaranteed in the candidate selection process by headhunters.



Environmental Protection

Environment

We respect the future with a sustainable and responsible behaviour

AMCO pays more and more attention to environmental protection also by managing the most significant direct impacts for the containment of greenhouse gases (GHG) emissions.

The following strategic objectives have been defined:

1. **Contribute to climate change mitigation**
2. **Promote an efficient and responsible use of natural resources and energy sources**

Through these objectives, AMCO is committed to the UN SDGs 12 and 13:



“Ensure sustainable patterns of production and consumption”



“Take urgent action to combat climate change and its impacts”

1. Contribute to climate change mitigation

AMCO is committed to monitoring and reducing its carbon footprint; for this reason, it has defined a strategy comprising specific initiatives, which impact on:

- o direct GHG emissions (*Scope 1*) generated by office heating and fuel for the company fleet;
- o indirect GHG emissions (*Scope 2*) from electricity purchased for office premises.

Indirect GHG emissions (*Scope 3*) related to business travel were monitored when defining the GSSE strategy but were not included in the scope of the decarbonisation strategy as they were not relevant. AMCO’s other indirect GHG emissions (e.g. financed emissions, emissions related to the outsourcing of IT services), were considered important within the scope of AMCO’s environmental impact; however, these were not included in the decarbonisation strategy, as AMCO is unable to exercise direct control over these emissions and hence on their reduction, in the short term.

2023-2025 ANNUAL TARGETS		AMCO's performance		
		2021	2022	2023
Calculate Scope 1 and 2 GHG emissions ¹⁹ by 2022	✔	271 tCO ₂ e	556 tCO ₂ e	125 tCO ₂ e
-50% of GHG emissions compared to 2021 deriving from operational activities (Scope 1 and 2) by 2023	✔		-	Yes
-55% of GHG emissions deriving from operational activities (Scope 1 and 2) by 2025			-	-

✔ Target achieved.

¹⁹ Scope 2 GHG emissions are calculated according to the Market-based methodology. The sources of emission factors by energy source are: ISPRA for Scope 1 emissions, AIB for Scope 2 emissions.

2023-2025 ANNUAL TARGETS		AMCO's performance		
		2021	2022	2023
100% of electricity from renewable sources (Scope 2) from 2023	✔	0%	16%	100%
100% of car fleet with low environmental impact (Scope 1) by 2023	✔	48%	91%	100%

✔ Target achieved.

Targets achieved in 2023

In order to reduce GHG emissions, AMCO implemented the following initiatives in 2022-2023:

- o the installation of **heating systems powered by electric heat pumps** to replace natural gas boilers at the Naples and Milan sites;
- o **the switch of all electricity supply contracts** of the Company's offices to energy deriving from **renewable** sources, guaranteed by **certificates of origin**;
- o the **replacement of the company fleet cars** contracted by AMCO **with environmentally friendly hybrid cars**.

AMCO's main energy consumption is therefore today attributable to the consumption of (i) natural gas, used for space heating in the Vicenza office; (ii) electricity from renewable sources purchased for the operation of all the Company's offices and for the electric heat pumps in the Naples and Milan offices; (iii) diesel and petrol for the corporate fleet.

AMCO's direct and indirect energy consumption - related to the Milan, Vicenza and Naples sites - in 2023 is represented below:

Direct and indirect energy consumption	u.o.m.	2023
Natural gas		341
Diesel	GJ	846
Petrol		585
Electricity		5,232
<i>of which from certified renewable sources</i>	GJ	5,232
<i>of which from non-renewable sources</i>		0
Total direct and indirect energy consumption	GJ	7,004

As a result of the aforementioned energy consumption and the efficiency initiatives implemented over the past two years, the Scope 1 and 2 emissions generated by AMCO in 2023 are 54% lower than those generated in 2021. Below are the details of emissions²⁰ for 2023:



²⁰ Sources of emission factors by energy source: ISPRA for Scope 1 emissions; AIB for Scope 2 emissions



Scope 1 and 2 GHG emissions	u.o.m.	2023
Natural gas		19
Diesel	tCO ₂ e	63
Petrol		43
Electricity		0
<i>of which from certified renewable sources²¹</i>	tCO ₂ e	0
<i>of which from non-renewable sources</i>		0
Total Scope 1 and 2 GHG emissions	tCO₂e	125

In order to further reduce its carbon footprint, actions are planned also at the Vicenza site, including the possible installation of heating systems powered by electric heat pumps or its relocation to a more energy-efficient building by 2025.

2. Promote an efficient and responsible use of natural resources and energy sources

AMCO promotes the efficient and responsible use of natural resources and energy sources. In this regard, instruments have been established at all locations to ensure more conscious and sustainable energy consumption and proper waste separation.

As part of this objective, AMCO is also committed to favouring and investing in sustainable supply chain solutions and to create training and information paths by driving change through the engagement of its employees.

2023-2025 ANNUAL TARGETS		AMCO's performance		
		2021	2022	2023
100% of FSC-certified sustainable paper supply by 2022	✓	100%	100%	100%
Obtaining Leed GOLD (exterior and interior) and Fitwel certifications for the Milan headquarters by 2023	✓	n.a.	n.a.	Yes

✓ Target achieved.

²¹ Scope 2 GHG emissions are calculated according to the Market-based methodology.

Targets achieved in 2023

In 2023, the Milan office at Via San Giovanni sul Muro 9, located within “The Bridge” Business Campus, was awarded the **Leed GOLD certification**, an American protocol developed by the U.S. Green Building Council (USGBC), which regulates a stringent standard for assessing the degree of environmental sustainability of buildings.

In addition, AMCO, among the first in Italy, also obtained the Fitwel certification in 2023 for its Milan office: a voluntary corporate wellness certification standard valid for three years issued by the Center for Active Design (CfAD) in New York. Fitwel values corporate health as an interconnected system where internal design, space management and site location contribute to the well-being of all occupants. Fitwel’s rating systems assess various aspects, such as: location, building access, outdoor and indoor spaces, water quality, emergency management plan.

Separate waste collection is carried out in all AMCO offices and, with regard to the paper and stationery used in operations, AMCO uses stationery made of **FSC-certified paper** and recycled plastic.

The **push towards digitalisation** through initiatives aimed at dematerializing all company documentation aims to reduce the consumption of paper in the Company. In addition to this is the use of NFC technology and barcodes on digital business cards for all employees.

In addition, as of January 2023, AMCO uses only rechargeable batteries for mice and keyboards to reduce environmental pollution from spent batteries, paper and plastic packaging, in line with the objectives of the European Circular Economy Action Plan.

2023-2025 ANNUAL TARGETS	AMCO's performance		
	2021	2022	2023
Launch at least one campaign a year to raise awareness and educate employees on environmental responsibility issues from 2022	n.a.	Yes	Yes

✔ Target achieved.

Employee environmental awareness and education initiatives

With regard to **employee engagement** initiatives, which aim to strengthen ESG culture and promote environmentally sustainable behaviour, in 2023 AMCO confirmed the initiatives launched in 2022, which were supplemented with new content.

Specifically, the “AMCOPeople4Environment” project, an education and awareness-raising course run in cooperation with the partner MUGO, was extended to the whole of 2023, aimed at increasing people’s environmental awareness and promoting virtuous behaviour that reduces the impact on the climate. Each employee was then able to discover their climate profile, receiving a report with useful tips and areas for improvement. The project also includes “short information videos” and multimedia climate coaching modules, available on the MUGO platform twice a month. From the start of the programme and until 31.12.2023, 18 short videos and 18 climate coaching modules were made available to employees, with a completion rate of 85% from employees who registered on the platform.

Furthermore, in 2023, in **cooperation with the partner Rete Clima**, AMCO realised 1 forestation event and 1 participatory green area maintenance event with the involvement of colleagues. The company Forestation event, which took place on 22 March 2023 in Tribano (PD), 22 colleagues from the Vicenza office, in just a few hours, planted more than 250 trees, helping to generate benefits for the local area and the community.

On 31 May 2023, a new green activity took place in Milan’s Parco Nord with colleagues from the Milan office carrying out cleaning, weeding and maintenance work on the “Apistrada” flower installation.

Lastly, during the Christmas period, the usual collaboration with **Banco Alimentare** was renewed, for the donation of gifts received by employees.

2024-2028 targets

With the 2024-2028 Strategic Plan, AMCO continues on the path mapped out with the GSSE Sustainability Strategy, confirming the targets to 2025 while outlining new areas of action to be implemented between 2026 and 2028.

Governance

We operate with integrity and fairness
aligning our people and stakeholders to ESG objectives

With regard to Governance, AMCO confirmed the following annual targets for 2024-2025:

- o 100% of employees trained on Anti-Corruption, Anti-Money Laundering and Privacy
- o 10% of the LTI Plan based on the achievement of an ESG target and inclusion of ESG targets in the MBO of employees
- o 100% of relevant suppliers assessed with ESG criteria
- o 100% of special servicer employees trained in privacy and anti-money laundering

In addition, in order to strengthen governance controls, AMCO defined 2 additional targets for the period 2026-2028:

- o The establishment of an ESG Board Committee
- o The nomination of ESG Ambassadors

Social

We produce value managing credits with a proactive approach and in accordance with ethical principles, to facilitate the financial recovery of households and corporate

With regard to the sustainable and proactive credit management, AMCO confirmed the following targets for 2024-2025:

- o Realise annually at least 25% of NPL collections, 85% of UTP collections and 50% collections of SMEs and individuals from extrajudicial activities
- o Implement at least 2 financial training initiatives annually
- o Proceed to energy mapping of 100% of AMCO's repossessed properties by 2025 with the aim to evaluate potential investments to improve their energy label
- o Insert relevant ESG criteria in the credit risk portfolio evaluation process by 2024

In addition, for the 2026-2028 period, AMCO has defined 4 additional targets:

- o Launch of the RE.Perform project on retail mortgages. The main areas of impact and related benefits expected from the project concern:
 - o debtor support by promoting the renewed access to credit for deserving debtors, thus freeing up resources for households in financial difficulty
 - o properties' energy upgrading through new financing in cooperation with partner banks.
- o Project to improve the energy label of a cluster of properties
- o Physical risk analysis of specific clusters of properties
- o Post-agreement customer satisfaction survey

Social

We grow together promoting the enhancement, development and wellbeing of our people

With regard to the sustainable development of human capital, in the two-year 2024-2025 period AMCO is committed to the following targets:

- o Annual ESG training to all employees
- o At least 90% of part-time applications accepted each year
- o Succession plans of top managers
- o Diversity & Inclusion awareness campaign every year
- o Employees selections by head hunters ensuring gender-balanced candidates

In addition, for the period 2026-2028 AMCO has defined 4 further targets:

- o Employee satisfaction survey
- o Development of a Diversity & Inclusion Policy
- o Calculating the gender pay gap at in the Company
- o Launch of a leadership program for women under 40

Environment

We respect our future
with eco-sustainable behaviours and responsible consumption

With regard to environmental protection, AMCO has defined the following targets for the 2024-2025 period:

- o By 2025, 55% reduction of GHG emissions from operational activities (Scope 1 and 2) compared to 2021
- o 100% of electricity from renewable sources
- o 100% of company cars contracted by AMCO with low environmental impact
- o Environmental awareness campaigns to employees each year

In addition, for the 2026-2028 period AMCO defined 2 further targets:

- o Appointment of Mobility Manager for the Milan office
- o Definition of smart mobility initiatives for employees

Development lines to 2028

In addition to the above-mentioned objectives, AMCO has defined some development lines to 2028 in the area of:

- o Customer care, through the improvement of multichannel customer management with higher efficiency in average response time
- o Diversity & Inclusion, by reducing the gender pay gap to 2028 and obtaining UNI/pdR 125-2022 gender certification

Methodological note

The 2023 Sustainability Report of AMCO - Asset Management Company S.p.A. is a **voluntary non-financial reporting** document; in fact, the regulatory provisions currently in force regarding non-financial reporting do not envisage any obligation for the Company. In view of this, this document is not subject to external review. However, although not required by law, the Board of Directors viewed the document and approved it during the meeting of 9 May 2024.

This Report represents the **third non-financial reporting document** published by AMCO, through which the Company intends to represent the **development of the sustainability path** already embarked on and to highlight **the qualitative and quantitative objectives achieved**, as well as to communicate AMCO's commitment to sustainability aspects, in consideration of the activities carried out by the Company, the characteristics of the business, the objectives defined and the actions taken during the reference financial year (1 January 2023 - 31 December 2023).

To this end, for each objective defined within the four GSSE Pillars, summary tables have been provided showing the targets to be achieved in the predefined time frame and the qualitative and quantitative results achieved in the last three years 2021-2023, calculated through specific KPIs. The data and information represented in the Report, covering all three ESG dimensions, refers to the corporate scope of AMCO - Asset Management Company S.p.A. The source of the qualitative and quantitative information represented within this document is a collection of internal data directly provided by the departments involved in the non-financial reporting process.

AMCO undertakes to report annually on the information contained in this Sustainability Report.

For further information on the contents of this Sustainability Report, please contact: investor.relations@amco.it.

Definitions

Direct Green House Gases (GHG) emissions (Scope 1): GHG emissions from sources owned or controlled by an organisation.

Indirect GHG emissions from energy consumption (Scope 2): GHG emissions resulting from the generation of purchased or acquired electricity, heating, cooling and steam consumed by an organisation.

Other indirect GHG emissions (Scope 3): indirect GHG emissions not included in indirect GHG emissions from energy consumption (Scope 2) that occur outside the organisation, including upstream and downstream emissions.

ESG: acronym used to indicate the areas of environmental, social and governance sustainability.

Sustainability Plan: three-year plan representing AMCO's vision of sustainability, consisting of the four pillars that redefine the word ESG according to AMCO's strategic priorities.

Sustainability Pillar: AMCO's priority sustainability area under which the Company has defined qualitative and quantitative objectives.

Sustainable Development Goals (SDGs): Sustainable Development Goals promoted by the United Nations as part of the 2030 Agenda for Sustainable Development, an action plan for people, planet and prosperity signed in September 2015 by the governments of the 193 UN member states.

NPE: non-performing exposures (i.e. impaired and non-performing loans).



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