Towards
a **Sustainable**

RE EVOLUTION

SACE Group
2023 Non-Financial
Statement

SACE

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Letter to the Stakeholders

GRI 2-22

Dear Stakeholders,
we are proud to present our 2023 Non-Financial Statement, a document that reports on the transformation process we are forging ahead with and which summarises our commitment to sustainable growth goals for SACE, for businesses and for the community.

The year 2023 marked the start of our **RE-EVOLUTION.**

A path whose roots go back to 2020, when SACE's mission was expanded beyond the scope of exports and internationalisation to encompass support for the domestic market and the ecological transition of Italian enterprises. This evolution has driven a broader rethinking of what we do, finding concrete expression in **INSIEME2025**, a business plan that embraces a new growth model, putting our impact for the community first.

Putting impact first means overhauling the system for measuring our outcomes to shift the focus onto maximising our contribution to sustainable growth. This journey has led us to rethink our **Mission**, **Vision** and **Purpose**—the long-term goal we aim to achieve, which is to "Create Well-Being and Prosperity for the Community".

Our new commitment was summarised in the **ESG Strategy** announced at COP28 in Dubai. It is a roadmap we have outlined to 2030 and beyond: our **ESG RE-EVOLUTION**. The new strategy revolutionises our business model to maximise our impact towards the United Nations Sustainable Development Goals (SDGs) and is based on two pillars: (i) accelerating the transition of enterprises by actively supporting our customers and partners in their ESG transition, with a specific focus on the sectors of the future and special emphasis on SMEs; (ii) making SACE itself an **ESG Excellence Company**, ensuring our day-to-day work sets the example for initiatives aimed at reducing environmental impacts and adopting sustainable models and approaches.

Four key enablers will make this journey possible: **engagement** with our partners—companies, intermediaries and venture capital funds—including the co-design of initiatives, in the firm belief that ideas, improvements and innovations can come from continuous dialogue with all our stakeholders, to make our value proposition ever more aligned with the needs of enterprises, in particular SMEs, and thus further our Purpose; **technology**—such as Artificial Intelligence and Blockchain technology—which we have developed and implemented in the services we offer enterprises and within SACE itself, to improve our processes; **cultural change**, which has materialised in a new style of widespread and sustainable leadership, based on skills and aptitudes such as courage, passion, the ability to inspire and to be connected; and, finally, a new **skill-driven organisational model** focused on continuous learning, which goes beyond the concept of roles and levels to allow our people to unlock all their potential.

Our journey so far allowed us to reach some **50,000 enterprises** in 2023 and facilitate **EUR 55 billion** of exports, investments and projects in Italy and worldwide, while giving them access to key initiatives to strengthen their knowledge, connections and relationships. Businesses that we have served more and better—as reflected in our **net promoter score**, measuring customer satisfaction, which **rose by 11 points** over the last year. Our goal is to expand our reach and serve as many as **65,000 enterprises by 2025**, supporting them in their transition and growth needs by providing solutions that go beyond finance to increasingly encompass education, knowledge and relationships. This is our RE-EVOLUTION, a journey we will continue to pursue with great determination, tackling the challenges that lie in wait along the road to achieving the ambitious goals we have set ourselves.

Alessandra Ricci

Highlights

Key consolidated financial figures (EUR/m)

Net income
(net loss)

2023	2022
474	-128

Equity

2023	2022
5,799	5,350

Gross Premiums

2023	2022
531	534

Claims settled

2023	2022
342	262

Insurance liabilities

2023	2022
4,609	5,434

Methodological Note

GRI 2-2, GRI 2-3, GRI 2-4

In transposing Directive 2014/95/EU, Italian Legislative Decree 254/2016 introduced into Italian law the obligation for public-interest entities with an average number of employees in excess of 500 to report—to the extent necessary for understanding the entity's development, performance, position and impact of its activity—information on environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters. This Non-Financial Statement ("NFS") for the year 2023 has been prepared by SACE at the consolidated level. It covers all the companies scoped into and consolidated on a line-by-line basis in the consolidated financial statements at 31 December 2023, with the exception of SACE do Brasil and the "Fondo Sviluppo Export" fund, as they are not material for an understanding the Group's activity. As such, the information and figures reported herein refer to the year 2023 (1 January 2023 to 31 December 2023) and to the activities of the wholly-owned subsidiaries of SACE Group, namely, SACE S.p.A., SACE BT S.p.A., SACE SRV S.r.l. and SACE FCT S.p.A., unless otherwise specified. The 2023 Non-Financial Statement has been prepared "in accordance" with the Global Reporting Initiative (GRI) Sustainability Reporting Standards. The process of gathering data and information for the purposes of this NFS was managed by the Sustainability unit, in coordination with the main corporate areas and in accordance with the reporting principles of balance, comparability, accuracy, timeliness, clarity and reliability, as set out by the GRI Guidelines.

This NFS contains data and information concerning environmental and social matters, occupational health and safety, employee matters, anti-corruption and bribery matters connected with the material topics identified considering the activity and organisation of SACE Group. Comparative data for the prior year are provided to enable a comparison and assessment of the Group's performance over time. Where present, any restatements of comparative data previously disclosed are clearly identified. Finally, in order to provide a fair picture of the Group's performance and ensure that data are reliable, estimates have been used as little as possible and, if present, are reported as such. This NFS was approved by the Board of Directors on 26 March 2024. A limited assurance engagement was conducted on this NFS by KPMG Italy, in accordance with the guidance provided by the International Auditing and Assurance Standards Board (IAASB) in its "International Standard on Assurance Engagements ISAE 3000 Revised—Assurance Engagements Other than Audits Reviews of Historical Financial Information". The conclusions reached by the auditor are outlined in the "Auditor's Limited Assurance Report". The procedures followed for the engagement are outlined in the "Auditor's Limited Assurance Report", scheduled to this report. The limited assurance engagement did not cover the information required by Article 8 of Regulation (EU) 2020/852, provided in the annex "The EU Taxonomy of Environmentally Sustainable Activities" scheduled to this NFS.

RE STARTING

Re-starting from ourselves,
our purpose and **our values**

Chapter Overview

OUR COMMITMENT TO BUSINESSES AND THE COMMUNITY

PURPOSE

"Create Well-being and Prosperity for the Community"

VISION

"We believe that fostering and supporting the growth of enterprises towards sustainable horizons contributes to the well-being of society"

MISSION

"Together we create smart solutions for your changing needs through a network of relationships, knowledge and financial services"

OUR NUMBERS

EMPLOYEES

933

OFFICES IN ITALY

12

OFFICES AROUND THE WORLD

13

ITALIAN ENTERPRISES SUPPORTED

50,000

PROJECTS SUPPORTED

EUR 55 billion

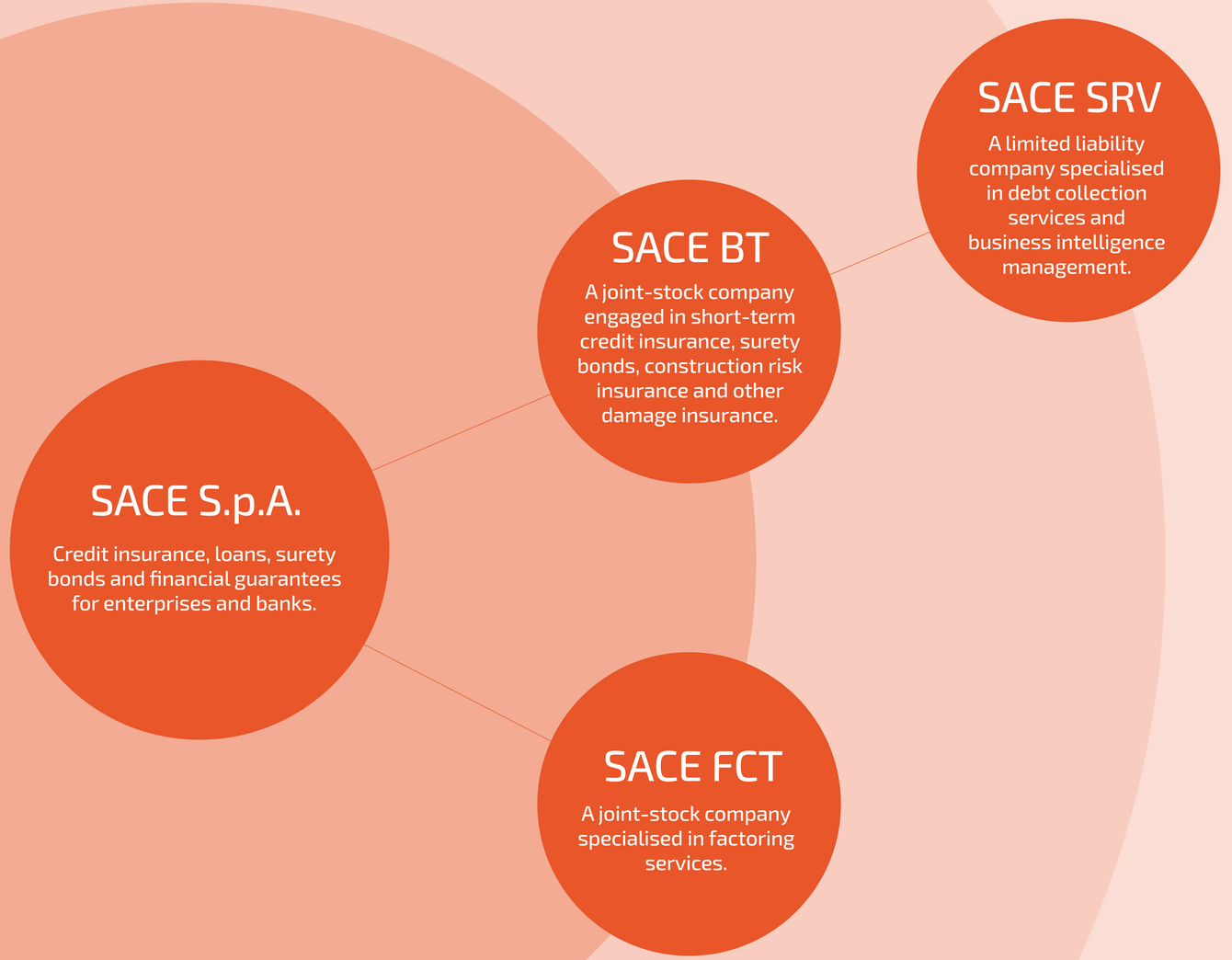
1.1 The Group

GRI 2-1, GRI 2-6

SACE is an Italian insurance-financial group controlled directly by the Italian Ministry of the Economy and Finance. Its mission is to **support businesses** and the national economy through a wide range of **instruments and solutions** to improve competitiveness in Italy and worldwide. The Group has offices in target countries for Italian products, with the aim of building relationships with leading local counterparts and facilitating business with Italian companies through **dedicated financial instruments**.

1.1.1. SACE in Brief

With insured transactions and guaranteed investments worth **EUR 161 billion** on its books, SACE Group serves around **50,000 enterprises,** for the most part SMEs, supporting their growth in Italy and in **168 countries worldwide.**



SACE Group Solutions

The range of SACE insurance and financial solutions has expanded over the years to cover today all the needs of enterprises looking to export and grow worldwide. As the company's remit has grown, since 2020 key products have been added to the range, expanding the financial guarantees provided to support liquidity, green investments, infrastructure works, and industrial, technological and digital innovation.

- **Credit insurance** protects Italian businesses from insolvency risk, enabling them to offer their international business partners extended payment terms.
- **Financial guarantees** allow businesses to access financing and credit facilities to support their growth in Italy and worldwide, with a focus on green projects, infrastructure, local utilities and industrial, technological and digital innovation.
- **Foreign direct investment protection** covers Italian enterprises and their foreign investments around the world, protecting them from political risks.
- **Surety bonds** enable Italian enterprises to bid for international contracts and obtain the guarantees required by their customers.
- **Construction risk protection** gives Italian enterprises peace of mind when working on construction sites in Italy and around the world.
- **Factoring** helps enterprises manage their trade receivables and free up funding for their business.
- **Customer and market advisory** SACE offers credit ratings on Italian and international customers, country and industry studies and research, as well as training and advisory services.

In line with SACE's Mission, alongside the range of insurance and financial products, SACE has developed additional initiatives in recent years to support Italian enterprises in expanding their connections, relationships and knowledge. These include, for example:

- **SACE Connects,** business matching events organised to improve the positioning of Italian enterprises, in particular SMEs, in the supply chains of large foreign buyers;
- **SACE Education,** a hub offering training opportunities free of charge, with courses designed to develop the key knowledge needed to tackle the challenges of a changing environment and seize opportunities on international markets;
- **Publications** for enterprises, providing key guidance for setting targeted and aware international growth strategies.

1.1.2. The Group's Scale

SACE operates **12 offices in Italy and 13 offices around the world.** The Group employs **933 people. 75%** of our people are located in Rome (where our head office is sited), **23%** in offices across Italy and **2%** in our international offices. Foreign nationals from as many as **26** different nations make up **4%** of our workforce, lending cultural diversity to the team and ensuring a fruitful exchange of views.

Volumes in 2023

COMPANY:

SACE S.p.A.

Gross premiums written; underlying policies

EUR/M	NO.
1,059.2	1,917

COMPANY:

SACE BT

Premiums issued (all classes); Policies (source RDU)

EUR/M	NO.
168.9	33,927

COMPANY:

SACE FCT

Gross income; Cross-sell customers

EUR/M	NO.
25.0	602

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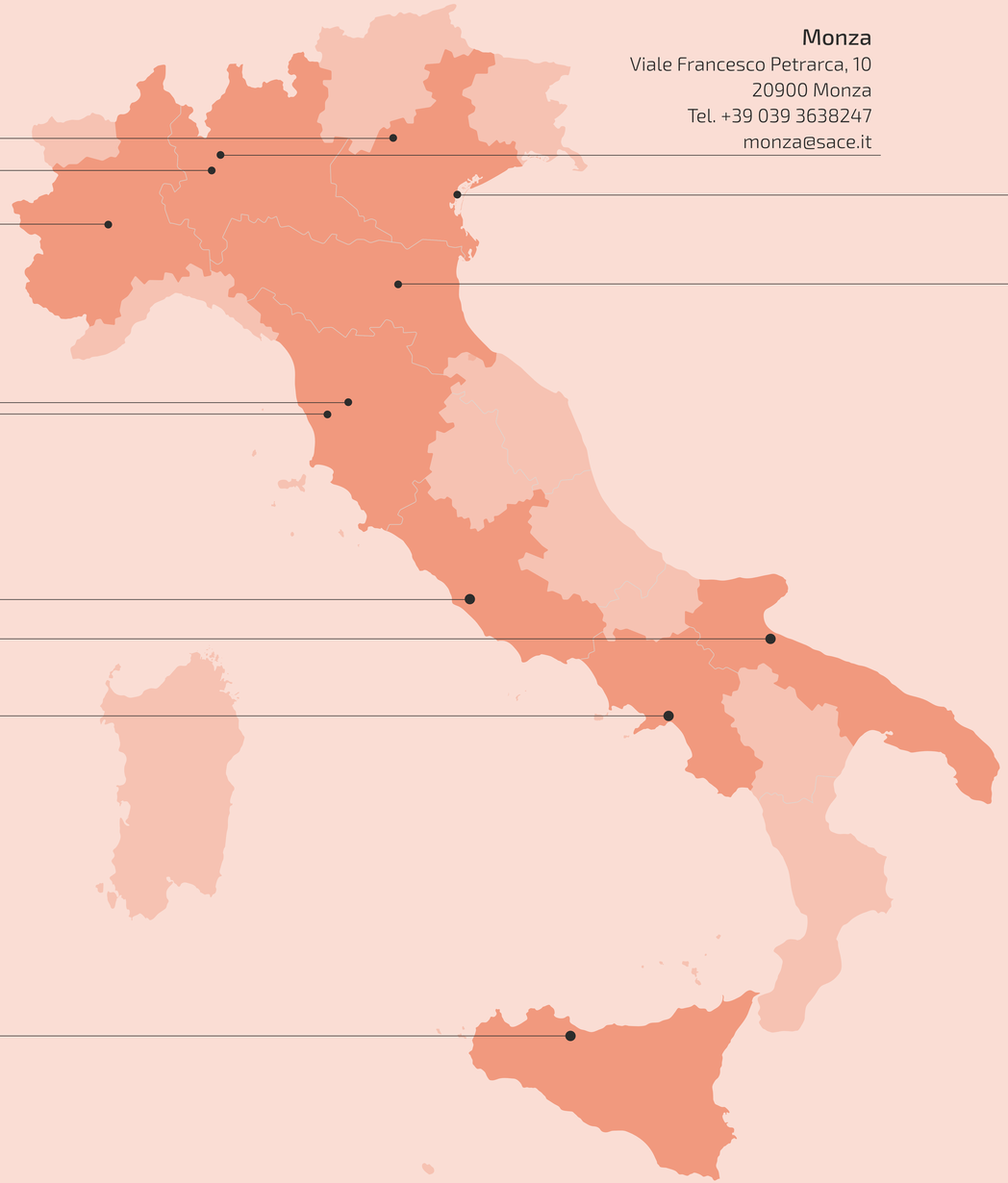

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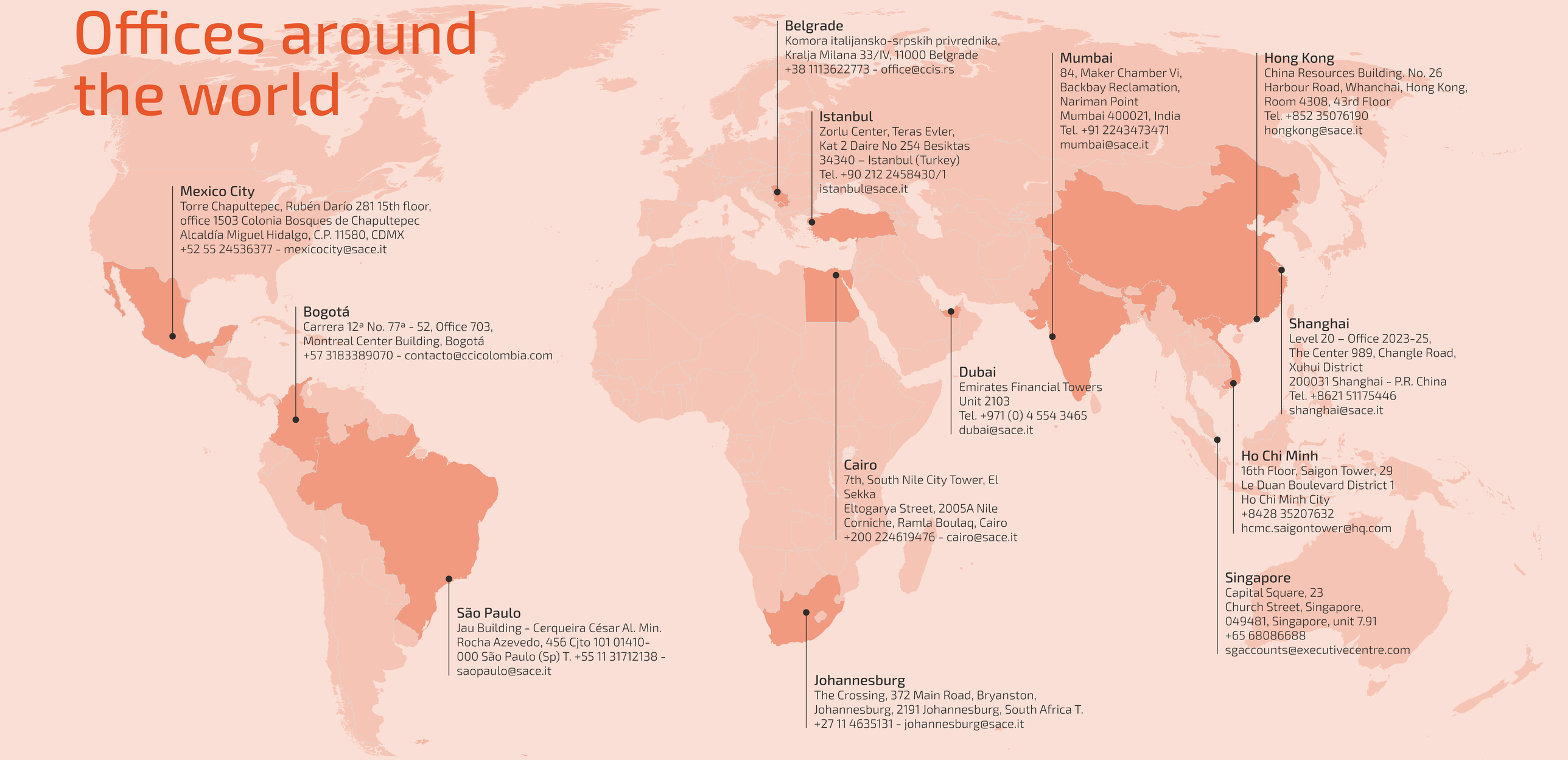
Offices around the world



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1.2 The SACE value chain

GRI 2-6

Thanks to its intellectual capital and extensive product portfolio, SACE fosters, reinforces, promotes and ensures the **growth of Italian enterprises** and their **business knowledge,** with customised services which reflect the needs of our clients.

SACE's product portfolio is constantly being updated, inspired by our values and by the principles of environmental, social and economic sustainability, with a view to shoring up the **resilience of our national socio-economic system**.
SACE also cooperates with the banking world, providing financial guarantees to help unlock access to credit for businesses.
SACE's value chain is built on the business relationships that the group develops with brokers and intermediaries, with the banking and insurance sector, with the academic world and with national, European and global institutions.
SACE's work weaves into a value chain linking a great number of counterparties, each in their own unique way.

SACE attributes key importance to the role played by its **supply chain**, for which it sets principles and requirements aimed at transparency and objectivity, as well as economic, social and environmental sustainability.

1.2.1 Counterparties

SACE Group had a net total of **141,249 counterparties** at risk on its books at 31 December 2023. A qualitative analysis shows that they are mainly engaged in the wholesale and retail trade, manufacturing and construction sectors. SACE S.p.A. holds a portfolio of 7,059 counterparties at risk, SACE BT a portfolio of 135,687, while SACE FCT is exposed to 2,651 counterparties.

1.2.2 Suppliers

When purchasing goods and services, SACE is guided by the principles of cost-effectiveness, efficiency, value for money, free market competition, equal opportunity, non-discrimination, competitive tendering, transparency, proportionality and public disclosure. These principles steer **procurement processes** at both the negotiation and contractual stages, with suppliers required to comply with them in all their trade relations.
In 2023, the company managed simplified procurement procedures through its "Tenders Portal" for qualified suppliers, awarding, in the cases envisaged and under the conditions required by law, supply and service contracts serving the organisational, operational and procurement needs of SACE S.p.A. and the other Group companies. Where procurement is handled by invitation, SACE guarantees the "rotation" of suppliers accredited in the Supplier Register, as shown on the new portal.
In this regard, SACE has adopted a specific regulation governing the management of accredited suppliers, in accordance with Italian Legislative Decree 163/2006 and amendments and additions thereto.

SACE has adopted a **method for qualifying and screening suppliers** based on in-depth due diligence of the entities intending to bid for supply and/or service contracts. In order to obtain a qualified status, they are required to produce suitable documentation showing they meet the specific requirements of competence and reliability, in terms of legal standing, economic-financial position and technical-organisational capacity. Qualified suppliers are also required to accept and adhere to the principles set out in the Code of Ethics and in the Organisation, Management and Control Model for the prevention of the offences contemplated by Italian Legislative Decree 231/2001. Since 2023, suppliers have been asked to submit, on a voluntary basis, environmental, social and governance certifications.

Depending on the value of the contract and in accordance with laws in force, when purchasing goods and services SACE may award the contract directly or via an invitation to tender or a European call for tenders. Businesses intending to bid for contracts of any value must be eligible to participate in calls for tenders and be compliant with all statutory obligations concerning occupational health and safety and the hiring of protected categories of workers.

In all procurement processes for awarding supply or service contracts, whether by direct award or by competitive procedure, SACE checks for compliance with the **Organisation, Management & Control Model** for the prevention of the offences contemplated by Italian Legislative Decree 231/2001 and with our Code of Ethics. Accordingly, besides fulfilling the service levels required, suppliers are required to show a commitment to adopting best practices in relation to working conditions, occupational health and safety, and environmental and ethical responsibility.
Once suppliers are screened and qualified, their **performance of the contract** is constantly monitored in relation to the fairness of the bid presented and the security, quality and timeliness of performance.
SACE also relies on a specific business intelligence service (Guida Monaci) to audit suppliers awarded any kind of contract, both in the bidding stage and contract award stage.

1.3 Our Journey So Far

GRI 2-6

1977

SACE was established in Rome as a "Special Section" of the National Insurance Institute (INA), tasked with providing insurance coverage for export credit. In 1998 the entity was transformed into the "Institute for Foreign Trade Insurance Services".

2004

SACE was incorporated into a joint stock company wholly-owned by the Ministry of the Economy and Finance (MEF) and started operating on the short-term credit insurance market through the establishment of SACE BT.

2005

The scope of business and number of insurable entities expanded when SACE BT acquired the French insurance company Smabtp and a 70% equity interest in Assedile, a leading player on the surety bond market.

2006

Operations expanded into new areas of strategic interest for the Italian economy, targeting the renewable energy, environmental, innovation technology and infrastructure sectors.

2007

SACE Servizi—today SACE SRV—was established for business intelligence operations.

2008

SACE BT entered the surety bond and construction risk business through the merger with Assedile.

2009

SACE FCT was established as a new player in the factoring sector, duly registered as a financial institution.

2012

SACE FCT was registered in the special section of the financial institutions register. In November, SACE became part of CDP Group, through the transfer of all its shares to Cassa Depositi e Prestiti.

2016

In September, Cassa Depositi e Prestiti transferred a controlling interest in SIMEST S.p.A. to SACE. The move marked the creation of the Centre for Export and International Expansion of the CDP Group, pooling together the group's insurance-financial services and products for enterprises operating on international markets.

2020

In April, Italian Decree-Law 23/2020 tasked SACE, under the oversight of the MEF, with guaranteeing state-backed loans to businesses hit by the COVID pandemic.

2020

In July, the government's "Simplification Decree" expanded SACE's mandate further by designating the company as a national promotional institution and tasking it with the issue of Green Guarantees in support of investments furthering the transition towards a low-carbon economy, the integration of low-emission technologies in production cycles and the promotion of clean, low-emission transport.

2021

The MEF and CDP negotiated the transfer of SACE Group, excluding SIMEST, from CDP to the MEF.

2022

In March, the reorganisation of SACE Group was completed with the transfer of the Group, excluding SIMEST, from CDP to the MEF. Under the government's "Relief Decree", SACE guarantees, matched by a state counter-guarantee, were extended to loans to businesses hit by the economic fallout of Russia's war against Ukraine and rising energy prices.

2023

The expansion of SACE's scope of business led to the outlining of a new business plan, "INSIEME 2025", setting out the roadmap to steer the Group for the years 2023–2025. SACE presented the ESG Strategy underpinning the new business model, designed to fast-track the transition of enterprises and transform SACE into an "ESG Excellence Company".

1.4 Purpose, Mission, Vision and Values

With the business plan INSIEME 2025, SACE has set itself a series of new challenges that have called for a complete paradigm shift, as reflected in its new identity, the expansion of its skills and the wider scope of its action in society.

Starting in 2022, the company embarked on a major path of cultural transformation, culminating in the setting of a new Purpose, Mission, Vision and Values of SACE, laying the groundwork for a new corporate culture to inspire people in their work.
SACE has outlined and promoted conduct in keeping with the new values of the Group:

Sustainability: We adopt choices that pursue the common good, assessing their impact today and on future generations. We strive to generate inclusive growth, with constant focus placed on people and the environment;

People care: People are our greatest strength. We nurture relationships through concrete actions aimed at the well-being of others, for the quality of life of every person, at work and beyond;

Transparency: We communicate clearly, taking responsibility for the trust people place in us, and we operate with loyalty and fairness, matching words with deeds, making us promoters of actions motivated by and consistent with our values;

Courage: We take responsibility for our choices, acting with boldness, passion, commitment and determination, and showing our vulnerabilities;

Team spirit: We work towards a common purpose, cooperating and welcoming diverse contributions; we build relationships on trust, acting with empathy and acknowledging everyone's different skills.

People are SACE's most important asset, which is why the company has formalised its values, providing a compass to steer everyone in their work and relationships and protecting the right of people to express their potential fully. We encourage sustainable decision-making that considers the long-term implications for the company and the environment. SACE is committed to creating an inclusive working environment, promoting gender equality and diversity. Transparency is the basis of all communication, with an open, clear approach based on full recognition, enhancement and widespread feedback. Innovation, determination, courage and team spirit are encouraged, in the firm belief that only TOGETHER can great goals be achieved. In order to give concrete expression to the focus we place on human capital, at the end of 2023 SACE created Flex4Future, a new, flexible organisational approach to work based on mutual trust and accountability, encompassing for the first time all the company's people, without exception.

PURPOSE

"Create Well-Being and Prosperity for the Community"

VISION

"We believe that fostering and supporting the growth of enterprises towards sustainable horizons contributes to the well-being of society"

MISSION

"Together we create smart solutions for your changing needs through a network of relationships, knowledge and financial services"

1.5 Code of Ethics and the Organisation, Management & Control Model

GRI 2-23, GRI 2-26

SACE is managed according to the principles of legality and transparency, which are also ensured through a framework of rules to ensure compliance.

Code of Ethics

Fully revised in 2023, the SACE Group Code of Ethics is the foundational document setting out the values and principles that guide SACE, at all levels, in its work for stakeholders and the community.
It formalises the company's threefold commitment in pursuing the Purpose, Vision and Mission of SACE:

- **Impact Commitment,** through which SACE has formalised its determination to further the sustainable development of the Italian economy;
- **Social Commitment,** through which SACE is committed to fostering widespread social innovation, by building networks and strategic partnerships to further job growth, training and skills development within the community;
- **Environmental Commitment,** through which SACE has consciously chosen to take responsibility for protecting the environment and ecosystems, thus interpreting and steering the role assigned and recognised by the community towards sustainable development and the promotion of the ecological transition of Italy's productive fabric.

The Code of Ethics sets out the values that guide SACE in its daily work:

- **Sustainability**
- **People Care**
- **Transparency**
- **Courage**
- **Team Spirit**

The Code also outlines rules of conduct based on the key values of SACE, providing a framework of principles to prevent unethical behaviour of any kind.
The rules of conduct are divided into three groups:

- **transparency:** this groups together rules of conduct for the prevention of conflicts of interest, data protection, the prevention of financial crimes, the principles for steering negotiations, the internal control and risk management system, the management of relationships with stakeholders in the value chain and with the other social partners;
- **sustainability:** the environmental, social and governance factors that guide all SACE's dealings with its counterparts, with the community and with local areas. Sustainability is elevated to a rule of conduct, entailing the adoption of environmentally-friendly practices and a commitment to promoting diversity and respect for human rights, achieved through responsible and transparent business management;
- **people care:** SACE sets and enforces rules of conduct in the workplace which protect human rights. It does not tolerate any form of harassment, violence or discrimination based on gender, age, sexual orientation, health, marital status, ethnicity, political opinions or religious beliefs. SACE also protects and promotes the principles of merit and equal opportunities, from recruitment and throughout the employment relationship.

The policy commitments described here in brief are applied with respect to the following recipients, to ensure their full compliance with law and the company culture:

- corporate officers;
- SACE people;
- customers;
- the community.

Finally, the Code sets out mechanisms for reporting any infringement of its rules and principles, which are designed so as to protect the identity of the reporting person, and describes the applicable sanctioning system.

SACE Group places great importance on its ethical and value system, for which the Code of Ethics is approved and updated by resolution of the Board of Directors of each SACE Group company.

The Code of Ethics complements the Organisation, Management & Control Model pursuant to Legislative Decree 231/01 (described below), extending the scope of its application and setting out the rights, duties and responsibilities of all recipients who participate, directly or indirectly, in company life. For this reason, the Code of Ethics is fully and widely implemented through the effective communication, promotion and dissemination of the document, involving ongoing training initiatives and information campaigns aimed at spreading awareness of its contents.

Organisation, Management & Control Model pursuant to Legislative Decree 231/01

The Organisation, Management & Control Model (the "Model") was last approved by SACE's Board of Directors on 28 May 2020, in accordance with and for the purposes of Italian Legislative Decree 231/01 ("Decree 231"). The Model is updated regularly on the basis of audits involving the mapping of activities at risk and an analysis of the internal control system. The Model consists of:

- a General Section, which provides an overview of the principles of the Decree, the Internal Control System, the Supervisory Body, the disciplinary system, the training of personnel and the dissemination of the Model inside and outside the company;
- a Special Section, in which the areas of specific interest for company activities are identified, where a potential risk of a crime being committed is conceivable. For each, reference is provided to the Internal Control System measures in place to prevent any such crimes.

A Supervisory Body with a collegial structure is nominated by the Board of Directors and tasked with overseeing the adequacy and application of the Model. It consists of three members, each required to have proven experience, knowledge of the Company and competence in their respective professional fields. In nominating the Supervisory Body, the Board of Directors also appoints one of the members as chair.
The Supervisory Body reports annually to the Board of Directors and the Board of Statutory Auditors. The Supervisory Body meets at least once a year with the Supervisory Bodies of the other companies belonging to SACE Group to jointly discuss issues relating to their tasks, review the activities carried out in the previous year and activity plans for the following year, and to identify joint actions within the scope of their work.

1.6 Corporate Governance

GRI 2-9

Composition of the Governance Body

SACE adopts a traditional model of corporate governance, consisting of an executive body – the Board of Directors – and a supervisory body – the Board of Statutory Auditors.

The Board of Directors was made up of nine members as at 31 December 2023. The board is vested with the broadest executive powers for the management of the company and the pursuit of the objects of the company, in accordance with law and the company's by-laws. The board is responsible for assessing the adequacy of SACE's organisational set-up, administrative arrangements and accounting system, while monitoring the performance of the company and overseeing its strategic, industrial and financial plans. It is also accountable for the internal control system and plays a pivotal role in identifying, assessing and controlling key risks for the company.

The Board of Statutory Auditors was made up of three standing auditors and two alternates as at 31 December 2023. The statutory auditors are tasked with the oversight of compliance with law and the company's by-laws, the application of the principles of correct management, and the proper implementation of the organisational set-up, administrative arrangements and the accounting system.

The Chairman of the Board of Directors is a legal representative of the Company, as is the Chief Executive Officer vis-à-vis third parties. In addition to the tasks of General Manager, the CEO is vested with executive powers within the limits of the powers delegated to the office and the guidelines established by the Board of Directors.

The board has opted to establish three board committees, each made up of four members, tasked with investigative, consultative and propositional functions:

- **the Control and Risks Committee** supports the board in matters concerning risks and the internal control system;
- **the Related Parties Committee** gives preliminary, reasoned and non-binding opinions on whether significant transactions proposed with related parties are in the interests of the company and on the convenience and substantial and procedural fairness of the related terms and conditions;
- **the Sustainability and Scenarios Committee** supports the board in assessments and decision-making concerning the **environmental, social and governance** ("ESG") sustainability of SACE operations and in relation to stakeholder engagement practices.

Board of Directors

(nominated at the AGM of 18 May 2022 for a term of three years)[1]:

- **Mr Filippo GIANSANTE**
  Chairman of the Board of Directors
- **Ambassador Ettore Francesco SEQUI**
  Deputy Chairman of the Board of Directors[2]
- **Ms Alessandra RICCI**
  Chief Executive Officer and General Manager[3]
- **Mr Vincenzo DE FALCO**[4]
- **Prof. Paola FANDELLA**[5]
- **Mr Federico LOVADINA**[6]
- **Ms Cristina SGUBIN**[7]
- **Mr Marco SIMONI**[8]
- **Ms Francesca UTILI**

[1] While nominations to the Board of Directors require candidates to be of good repute and have professional competence, as contemplated by the company's by-laws and applicable law, given the procedures in place for selecting and appointing members of the Board of Directors and the governance structure of SACE, in reporting on the composition of the management body, some of the disclosures required by the Global Reporting Initiative—namely, "independence", "number of other significant positions and commitments held by each member, and the nature of the commitments", "under-represented social groups", "competencies relevant to the impacts of the organisation" and "stakeholder representation"—are not directly applicable.
[2] Nominated Deputy Chairman by resolution of the Board of Directors of 24 May 2022.
[3] Nominated Chief Executive Officer and General Manager by resolution of the Board of Directors of 24 May 2022.

Board of Statutory Auditors

(nominated at the AGM of 18 May 2022 for a term of three years):

- **Mr Silvio SALINI**
  Chair
- **Mr Giovanni Battista LO PREJATO**
  Standing auditor
- **Ms Angela SALVINI**
  Standing auditor
- **Mr Marco CANZANELLA**
  Alternate auditor
- **Ms Giuliana TULINO**
  Alternate auditor

Pursuant to Italian Law 259/1958, as at 31 December 2023 the effective delegate of the Court of Auditors tasked with controlling SACE was Mr Natale D'AMICO, in office since 1 January 2020. Commencing as of 1 January 2024 and for a four-year term, the tasks of the effective delegate have been assigned to Mr Antonio ATTANASIO.

[4] Nominated Chair of the Related Parties Committee and member of the Sustainability and Scenarios Committee by resolution of the Board of Directors of 16 June 2022.
[5] Nominated Chair of the Control and Risks Committee and member of the Related Parties Committee by resolution of the Board of Directors of 16 June 2022.
[6] Nominated member of the Control and Risks Committee and member of the Related Parties Committee by resolution of the Board of Directors of 16 June 2022.
[7] Nominated member of the Control and Risks Committee and member of the Related Parties Committee by resolution of the Board of Directors of 16 June 2022.
[8] Nominated Chair of the Sustainability and Scenarios Committee and member of the Control and Risks Committee by resolution of the Board of Directors of 16 June 2022.
[9] Nominated member of the Control and Risks Committee and member of the Related Parties Committee by resolution of the Board of Directors of 16 June 2022.

Nomination and Selection Procedures

GRI 2-10, GRI 2-15, GRI 2-16, GRI 2-19, GRI 2-20

SACE is a state enterprise wholly owned by the Ministry of the Economy and Finance ("MEF"). As such, **nomination and selection procedures** are governed by ministerial directives for the nomination of the governance bodies and officers of companies owned or invested in by the Ministry of the Economy and Finance. Under the directives, it is the Treasury Department, in its capacity as a technical unit, that is tasked with monitoring offices due for expiry (notifying the positions by the end of January of each year on the MEF website) and conducting selection assessments, with the support of specialist senior management recruitment agencies, in order to submit candidate names to the policy unit, which then issues voting instructions. The procedure is aimed at identifying the best candidates by professional competence and expertise and ensuring an optimal composition of governance bodies, in terms of age and gender balance, with a view to pursuing the sustainable performance of the company, while also satisfying the mandatory requirements of law, regulations and company's by-laws. Candidates are assessed for their professional competence and expertise with specific reference to the business sector of the company, management and governance experience, financial markets, risk management, the legal and corporate affairs sectors and environmental, social and governance (ESG) matters.

Nevertheless, the nomination or designation of candidates to the boards of directors of companies owned or invested in by the MEF qualifies as an **administrative policy-making activity** within the meaning of Article 4 of Italian Legislative Decree No. 165 of 30 March 2001, setting forth "General Rules for the Organisation of Employment in Public Administrations". Such decisions therefore lie with the governance body of the Ministry of the Economy and Finance.

Records documenting the identification and assessment of candidates in selection procedures relevant to the composition of the governance bodies of companies owned or invested in by the MEF are excluded from freedom of information laws under the provisions of Ministerial Decree No. 561 of 13

October 1995. **Members of board committees** are required to possess an adequate level of knowledge and competence, as assessed by the Board of Directors at the time of their nomination, in relation to the tasks they are called on to fulfil. Committee members are nominated by the Board of Directors and may be removed by a reasoned resolution of the board. Their nomination lapses automatically in the event of their early termination of office as a director, for any reason. The term of office of committee members coincides with the term of office of the Board of Directors of which they are a part, and lapses when a new Board of Directors is elected. If one or more seats on a committee is left vacant for any reason, the Board of Directors will nominate a replacement.

SACE has adopted a **procedure governing directors' interests**, approved by the Board of Directors. The procedure identifies and governs the duties of members of the management body in the event of interests, or an actual or potential conflict of interests, in relation to the performance of their tasks and duties. Whenever a director of SACE holds a personal interest, or interest on behalf of others, in a company transaction, the procedure requires the director to promptly disclose the interest to the Board of Directors and to the Board of Statutory Auditors, while reiterating the general obligation to comply strictly with all provisions of applicable law.

In addition, under the Group **Code of Ethics** adopted by SACE in accordance with Italian Legislative Decree 231/2001, directors are required to refrain from pursuing any activity entailing a direct or indirect personal interest that may potentially conflict with the interests of SACE or which may interfere with their ability to make impartial decisions in the best interests of SACE and in compliance with the rules of the Code of Ethics itself.

Remuneration policies for senior executives are set by the controlling shareholder. Remuneration consists of fixed pay, designed to remunerate the role covered and the related responsibilities assigned, and a variable component tied to company earnings and individual performance. Internal regulations require that the variable component is tied to the delivery of objectives set in relation to strategic priorities for the organisation, which may also be linked to impacts generated on the economy, the environment and people. Every year, the Board of Directors approves a set of objectives for the Chief Executive Officer and General Manager, consisting of company objectives and individual objectives and their related weightings, and the setting of the variable pay component for MBO performance. At the end of the year, the Board of Directors appraises performance of the objectives, and if delivered approves payment of the variable component.

1.7 The Internal Control & Risk Management System

GRI 2-23

The **internal control and risk management system** is the set of rules, processes, procedures, functions, organisational units and human resources tasked with ensuring the proper functioning and good performance of the company while meeting the following purposes:

- implementation of company strategies and policies;
- adequate control of current and future risks and risk containment within the limits set by the company's risk appetite framework;
- the effectiveness and efficiency of company processes;
- timeliness of the company's reporting system;
- the reliability and integrity of corporate and accounting information and business intelligence, as well as the security of data and IT procedures;
- safeguarding of equity and the value of assets and protection against losses, also from a medium-long term perspective;
- compliance of Company operations with legislation in force, as well as with internal directives, policies, regulations and procedures.

Specific responsibilities are assigned to each and every level of the organisation under the internal control and risk management system. Specifically:

- **the Board of Directors** is accountable for the system as a whole and for ensuring its continuing completeness, functionality and effectiveness. The board is responsible for approving the organisational set-up of the company and the assignment of duties and responsibilities to the operating units, ensuring the arrangements continue to be adequate over time. The board additionally ensures that, in the implementation of company strategies and policies and when changes occur in internal and external factors, the risk management system is effectively able to identify, assess, also on a prospective basis, and govern risks, and guarantee the objective of safeguarding assets also in the medium/long term. Finally, the board is tasked with promoting a high level of integrity, ethics and control consciousness, so as to raise awareness in all the company's people of the importance and usefulness of internal controls.

- **Senior management** is responsible for implementing, maintaining and monitoring the internal control and risk management system, and outlining its organisational set-up and the distribution of duties and responsibilities.

- **the Board of Statutory Auditors** is tasked with assessing the efficiency and effectiveness of the internal control system, in particular as concerns the work of the Internal Auditing function, checking that it is sufficiently autonomous, independent and operational. Any anomalies or weakness in the internal control system found by the statutory auditors are reported to the Board of Directors, along with the suitable corrective measures proposed and followed up.

Alongside the supervisory body, SACE has designated a Financial Reporting Manager, tasked with overseeing the adequacy and application of administrative and accounting procedures for the formation of the separate and consolidated financial statements. The company has outlined and put in place processes to coordinate the work of the supervisory body and the financial reporting manager, in order to maximise the efficiency of the internal control and risk management system and avoid the duplication of activities.

This section includes information relating to the "report on corporate governance and ownership structures" required by Article 123 bis of Italian Legislative Decree 58/1998 (Consolidated Law on Finance). As permitted by that article for companies that do not have shares listed on regulated markets, the Company has opted not to disclose the information contemplated in Article 123 bis(1)(2), and provide solely the information required in subsection 2(b).

The internal control and risk management system is organised along three lines

First line of control

Operational units and their managers identify, assess, monitor, mitigate and report risks arising in connection with ordinary business operations, in accordance with the risk management process. Accordingly, they ensure the correct performance of operations and compliance with the operational limits assigned to them in line with the risk objectives and the procedures involved in the risk management process.

Second line of control

Risk Management assures (i) the correct implementation of the risk management process and (ii) compliance with the operational limits assigned to the various functions. Compliance & Anti-Money Laundering adopts a risk-based approach to ensure the management of non-compliance risk and the specific risk of money laundering and terrorist financing connected with business transactions.

Third line of control

Internal Auditing ensures the ongoing monitoring and periodic assessment of the effectiveness and efficiency of the risk management, control and governance system, in relation to the nature and intensity of risks.

1.8 Institutional Partnerships and Network

GRI 2-28

1.8.1. Institutional Initiatives and Events

Italy today can count on a well-organised system for exports and internationalisation, built on the contribution of several players. The operational areas in which SACE has built consolidated and structured partnerships are thus many. Those partnerships involve **major Italian institutional stakeholders**—the Ministry of Foreign Affairs and International Cooperation (MAECI), the Ministry for Business and Made in Italy (MIMIT), the Italian Trade Agency (ICE), Confindustria and industry associations—with a view to optimising the capacity to pool together and maximise the effectiveness of the initiatives pursued.

Over the course of the year, SACE took part in **numerous institutional initiatives** in the field of exports and internationalisation, organised with the aim of promoting the competitiveness of Italian enterprises on international markets. Examples include SACE's participation in the Business Forums and Country Presentations organised by Confindustria, the Italian Trade Agency and industry associations; its participation in industry missions and institutional-led growth missions; and SACE's contribution to the intergovernmental committees for bilateral economic cooperation between Italy and various foreign countries organised under the coordination of the MAECI.

SACE was also a contributor to the outcome document of the 11th Meeting of the Steering Group on Internationalisation, a direct expression of the concrete commitment of government, local institutions and the business world to better coordinating the country's internationalisation policies and strategies, by pooling together the initiatives promoted by the various players and targeting funding and investment at specific common goals. The aim of the meeting was to bring together institutions and the business world to work together in identifying resources, setting strategic guidelines for the global promotion and internationalisation of the Italian economy.

In September 2023, SACE joined the Italian Trade Agency (ICE), Simest and Cassa Depositi e Prestiti for a systemic meeting organised by the MAECI on the Diplomacy of Growth, with the aim of updating the strategy for promoting exports and the internationalisation of Italian businesses in the light of the international situation, evaluating areas of potential growth for Made in Italy exports.

At the end of 2023, SACE participated in the National Conference on Exports and the Internationalisation of Enterprises, promoted and organised by the MAECI. The initiative was an opportunity for wide-ranging discussion and debate with delegates from public export credit agencies, representatives from associations and corporate leaders on strategies to expand Italian economic interests on the international stage in a constantly changing global environment.

Finally, in 2023, SACE joined forces with other economic players to roll out measures and initiatives aimed at supporting companies in flood-stricken areas of Emilia-Romagna, Marche and Tuscany.

1.8.2. Institutional Partnerships

In performing its mandate for the promotion of the country's economic development and growth, SACE works on a continuing basis with major international partners and institutions, making a contribution to the discussion and exchange of best practices on export credit-related issues, encompassing topics concerning sustainability, the environment and climate.

SACE is a member of the **Italian delegation** led by the Ministry of Foreign Affairs and International Cooperation to the European Working Council on Export Credits (CWG), in which delegations from all the Member States that provide officially supported export credits participate. The CWG is concerned with export credit matters and is coordinated by the European Commission through its Directorate-General for Trade. The CWG meets on a monthly basis to discuss major issues in export financing at the European level and decide on the positions the European Union will present to the OECD.

SACE is a member of various **OECD working groups** on export credit, including the Working Party of Participants (comprising the countries participating in the Consensus), the Aircraft Sector Understanding (ASU) Participants Group, the Working Party of Technical Experts of the Participants and the Working Party on Export Credits and Credit Guarantees of the Export Credit Group (ECG). SACE chaired the ECG in 2023. As part of the modernisation of the OECD Consensus, encompassing the Arrangement on Officially Supported Export Credits aimed at guaranteeing a level playing field in the sector, in 2023 an agreement was reached on reforms to the Climate Change Sector Understanding. The understanding has been expanded in its scope to include new technologies and types of projects, and in financial terms (e.g. the repayment period), with the aim of maximising the reach and flexibility of support for climate change mitigation and adaptation projects.

SACE works with other **export credit agencies** around the world on a regular basis, both on an operational level and at CEO level in dedicated forums, such as the G7 Heads of ECAs and the EU Heads of ECAs Forum. At bilateral meetings between SACE and other ECAs, talks focus on comparing national insurance schemes and opinions are exchanged on markets and common issues faced. At the operational level, individual transactions are discussed and agreements negotiated on common reinsurance and coinsurance initiatives or more generally on cooperation.

International agreements signed by SACE vary in their scope and purposes, from simple **memorandums of understanding** (MoUs) to **operational agreements** concerning, for example, reinsurance arrangements. MoUs are an instrument for building closer relationships with the ECAs of other countries, with institutions and with particular companies and commercial organisations.

Coinsurance and reinsurance agreements instead set out the practical terms and conditions governing the commitments undertaken by the parties (usually two export credit agencies), on a voluntary basis, to cover a variable part of insurance operations or transfer a part of their insurance commitment to the other, where the percentages are generally proportional to the volume of goods and services provided by exporters from the two countries. To date, SACE has concluded twenty-six reinsurance agreements with other export credit agencies around the world.

SACE is a member of the **Berne Union**, a global association bringing together public and private players in the export credit insurance sector to exchange information on members' insurance activities. SACE chaired the Berne Union in 2020–2022.
The **Paris Club** is an informal group of the world's biggest industrialised countries, providing a forum for the discussion and negotiation of debt treatments for debtor countries facing payment difficulties. As Italy's export credit agency, SACE is a member of the Italian delegation (co-led by the Ministry of Foreign Affairs and International Cooperation), providing technical support on Italian exposures held by SACE in its portfolio.

SACE also participates in the main **international forums** on climate finance, both for technical support in the context of initiatives signed by the Italian government, and as a signatory institution of frameworks with a sectoral or thematic focus.
With regard to **government initiatives**, SACE supports the Ministry of the Economy and Finance within the framework of two key international partnerships, **Export Finance for Future (E3F)** and the **Clean Energy Transition Partnership (CETP)**, with the common objective of ending public funding for fossil fuels and promoting the energy transition. E3F is a coalition of ten European countries that have committed to adopting a plan to phase out public funding for fossil fuels by 2022 and to prioritise support for climate-friendly sectors, with transparency mechanisms also envisaged. The CETP is an initiative bringing together the signatories of the Statement on International Public Support for the Clean Energy Transition, a declaration signed at COP26 in Glasgow with aims in line with those of the E3F but with a broader membership, including numerous governments and some international financial institutions, for a total of over forty signatories.

With regard to the initiatives supported directly by SACE as a signatory institution, since 2021 SACE has committed to the **Poseidon Principles**, a global framework targeting the shipping sector, which brings together more than thirty financial institutions with the aim of assessing and disclosing the climate alignment of financial institutions' shipping portfolios with the decarbonisation targets set by the International Maritime Organisation (IMO).
In addition, in 2023 SACE joined the **Partnership for Carbon Accounting Financials (PCAF)**, a global partnership of financial institutions that promotes a harmonised approach to assessing and disclosing the greenhouse gas emissions associated with their portfolios. While the initiative inspired SACE to calculate the carbon footprint of its portfolio already before joining, membership will enable a more accurate measurement to be made in next monitoring report, thanks to access to industry databases, the exchange of information with other members and the technical assistance of the organisation.

RE DIREC TING

Re-directing our **commitment** to **sustainable development**

Chapter Overview

OUR NEW ESG STRATEGY

We have outlined our ESG Strategy to contribute to the sustainable development goals of the UN 2030 Agenda, evolving our operating and business model to incorporate environmental, social and governance criteria into all decision-making processes.

OUR TWO EVOLUTIONARY PILLARS

SACE PUSHES FOR SYSTEM CHANGE

We want to support system change and act as a catalyst for the sustainable transition of businesses, with a focus on the sectors of the future (including renewable energy, the circular economy, electric vehicles and shared mobility) and a special emphasis on small and medium-sized enterprises.

SACE ESG EXCELLENCE COMPANY

We want to transform SACE into an “ESG Excellence Company”, ensuring our day-to-day work sets the example for initiatives aimed at reducing environmental impacts, creating a sustainable supply chain and developing people’s skills towards a model of sustainable leadership and values.

2.1 The SACE Group ESG Strategy

The business plan **INSIEME 2025** outlines the strategic guidelines for the three-year period 2023–2025, focusing on four fundamental pillars: sustainability, technological transformation, the centrality of the customer and people care. The transformation also concerns the organisational and leadership model, to drive change towards **SACE's new and ambitious Purpose to "Create Well-being and Prosperity for the Community".**

In 2023, SACE launched its **new ESG Strategy**. The strategy builds on our Purpose and evolves the operating and business model to incorporate environmental, social and governance criteria into all decision-making processes. The ESG Strategy is based on an impact measurement system based on scientific metrics, with the aim of operating within "planetary boundaries", meaning the ecological limits within which humanity can continue to thrive.

SACE's new ESG Strategy builds on our Purpose…

PURPOSE

Create Well-being and Prosperity for the Community

STRATEGY

Entailing the evolution of our operating and business model to incorporate environmental, social and governance criteria into all decision-making processes

SDGs

The aim is to maximise the net impact on the 17 United Nations Sustainable Development Goals (SDGs).

EVOLUTIONARY PILLARS

The approach is underpinned by two evolutionary pillars:
1. "SACE Pushes for System Change"
2. "SACE ESG Excellence Company"

PLANETARY BOUNDARIES

The focus is on operating within our "planetary boundaries", meaning the ecological limits within which humanity can continue to thrive.

…and aims to maximise the net impact towards the SDGs

With the **new ESG Strategy**, SACE aims to maximise its net impact—considering both direct and indirect, positive and negative interactions—towards the **17 Sustainable Development Goals (SDGs)** set by the United Nations. The process involves an evolution in our way of operating, thinking and behaving, incorporating ESG criteria into business and operational processes and introducing an impact measurement system based on scientific metrics. To this end, eight main areas have been identified (renewable energy, water management, management of natural resources, pollution, waste management, impact on ecosystems and communities, leading fulfilling lives, and focus on social norms, global governance, and economic growth) in which the **impact of SACE's operations** will be measured in 2024. That will then form the basis for the setting of medium-long term targets to progressively reduce, in future years, the impacts found.

The Two Evolutionary Pillars of the ESG Strategy

The ESG Strategy is based on **two evolutionary pillars.**
The first, "**SACE Pushes for System Change**", aims to drive system change and the transition of enterprises, leveraging SACE's privileged position as a company that acts as a link between the financial world, businesses and institutions. SACE intends to act as **a catalyst for the sustainable transition** of the Italian economy, actively supporting customers and partners in improving their ESG practices, with a specific focus on **the sectors of the future** (such as renewable energy, the circular economy, electric vehicles and shared mobility) and a **special emphasis on SMEs**, thanks to the development of an ecosystem dedicated to them.

The second pillar of the ESG Strategy aims to transform SACE into an "**ESG Excellence Company**", ensuring our day-to-day work sets the example for initiatives aimed at **reducing environmental impacts**, creating a **sustainable supply chain** and **developing people**'s skills at SACE towards a model of sustainable leadership and values. With this in mind, SACE wants to set the example for the companies it works with to follow.

THE FIRST PILLAR
SACE Pushes for System Change

- COMMERCIAL TARGETS AND ESG VALUE PROPOSITION
- ESG ECOSYSTEM FOR SMES
- EVOLUTION OF CORE PROCESSES THROUGH THE INCORPORATION OF ESG CRITERIA

THE SECOND PILLAR
SACE ESG Excellence Company

- SUSTAINABLE PROCUREMENT
- SUSTAINABLE ORGANISATION
- FUTURE-PROOF PEOPLE CARE

THE FIRST PILLAR:

SACE Pushes for System Change

To deliver on our commitment to driving system change and transition, SACE is rolling out a great series of initiatives.

Commercial targets and ESG value proposition

ESG commercial targets have been set to prioritise actions in support of:

- **businesses in transition**, meaning enterprises pursuing the path of ecological transition or that carry on initiatives of major social value;
- **businesses investing in adaptation**, pursuing plans to reduce the damage and implications of climate change;
- **businesses engaged in the sectors of the future,** such as renewable energy, electric vehicles, shared mobility, the circular economy and manufacturing 4.0.

SACE's ambition is to reach the target of channelling 50% of its guarantees in support of ESG operations by 2030.

SACE's value proposition is also evolving in order to deploy an increasingly complete range of sustainable products. In addition to the Green Guarantees on loans provided as of 2020, products such as Green Push and ESG Reverse Factoring have been launched.

ESG ecosystem for SMEs

SACE is developing an **ESG ecosystem** dedicated to small and medium-sized enterprises, with the aim of offering **integrated solutions** that fully meet **all the needs of SMEs** in their ESG transition. The range will sweep from access to education and reporting tools to ESG ratings, advisory services, financial services and partnership opportunities. The plan is to develop an **open ecosystem** of services offered not only by SACE, but also by external partners.

Evolution of core processes through the incorporation of ESG criteria

SACE is evolving its core processes through the **systematic incorporation of ESG criteria**. These processes include policy underwriting, debt restructuring, risk management and finance.

Policy Underwriting SACE has developed an **SDG Net Impact** model, a proprietary methodology based on scientific metrics to assess the **net impact** of project-based operations towards the Sustainable Development Goals (SDGs). For all other transactions, impact measurement will be based on ESG ratings provided by external providers. The information collected this year will form the baseline for setting 2025 targets and steering operational decisions over the next few years.

Debt Restructuring The SDG Net Impact model is also applied to assessments of **debt restructuring** operations. Another new instrument introduced is the **Debt for ESG Swap (D4ESG)**, which provides restructuring facilities in exchange for initiatives put in place by the debtor for the benefit of the environment, society or local communities.

Risk Management The traditional approach to risk assessments has been expanded to include an initial application of a **climate risk propagation model** that considers the dynamic interactions between hazard, exposure and the vulnerability of social and ecological systems affected by **climate risk**. Risk factors considered include both physical risks, such as the economic impacts associated with extreme or chronic natural events, and transition-related risks, such as the introduction of new carbon emission reduction targets, technological developments, and changes in consumer preferences.

Finance A roadmap has been outlined for implementing the **Sustainable Finance** Policy in treasury investments. The plan provides for the gradual adoption **of sustainable finance strategies**, such as the application of exclusion criteria relating to controversial or emission-intensive sectors, the integration of ESG ratings in the decision-making process, and the integration of thematic investments in sustainable sectors and in asset classes that adopt best-market practices in sustainable finance, such as Green Bonds compliant with ICMA guidelines.

THE SECOND PILLAR:

SACE ESG Excellence Company

In line with our growing commitment to promoting the sustainable growth of enterprises, SACE aims to lead the transition by example. Accordingly, several initiatives have been outlined aimed at transforming SACE into an "**ESG Excellence Company**".

Sustainable Procurement

As part of our commitment to promoting a **sustainable supply chain**, SACE has decided to incorporate ESG factors into the supplier management process, with a view to triggering a virtuous circle encouraging Italian enterprises to improve their sustainability awareness and performance.
This will be done through the introduction of sustainability requirements in procurement policy and the ESG scoring of all suppliers.

Sustainable Organisation

SACE is rolling out specific initiatives aimed at reducing the **organisation's direct environmental impact**, with the objective of achieving **net zero impact** with regards to Scope 1 and Scope 2 emissions by 2025.
That ambitious goal will be made possible by actions such as the transition to a fully electric fleet, minimising emissions tied to business travel and missions, the implementation of energy efficiency measures in buildings and the use of renewable energy.

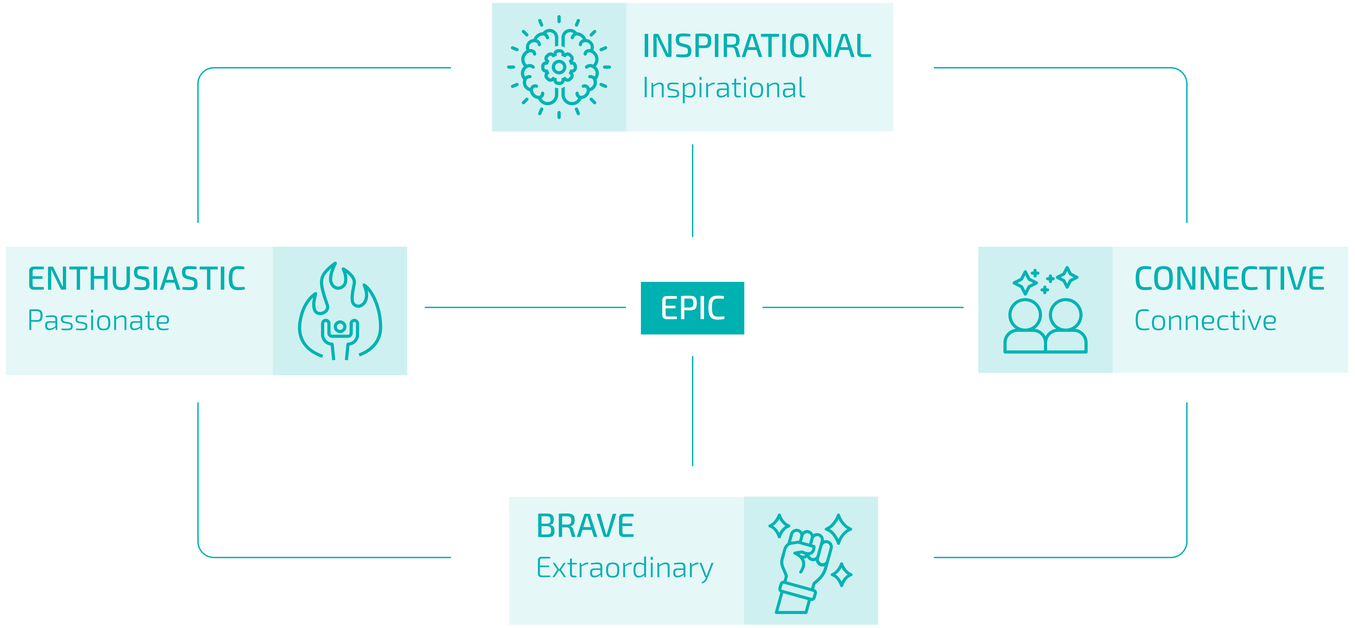
Future-Proof People Care

An enabling factor for the ESG Strategy is the evolution **of People Care processes** to support and guide people along the path of transformation, allowing each to express their potential best. This transformation targets three main areas of action: promoting diversity, equity and inclusion; offering flexibility and ensuring total well-being; and fostering **employability and a culture of lifelong learning.** The process also concerns the transition towards a skill-driven **organisational model** and a cultural approach built on a new leadership model, drawing on values and aptitudes such as courage, cooperation, the ability to inspire and to understand complex systems, and the ability to be connected with people and the external environment, all **towards a shared Purpose.**

2.1.1. The Leadership Model

Consistently with the Purpose, Vision, Mission and Values identified, the **EPIC Leadership Model** outlines the hallmarks of the SACE leadership style (Extra-Ordinary, Passionate, Inspirational, Connective), to guide each person's choices and actions, both internally and towards external stakeholders. These distinctive traits are supported by **leadership skills** which can be observed through associated behaviours that reflect company values. In January 2023, the **Leadership Model** was presented and a cultural guidance programme started up, involving a new path for the leadership team, the delivery of webinars focused on our new Values, a climate survey and several intervention projects. The EPIC Leadership Model aims to create an inclusive, transparent and open environment, breaking down organisational silos and promoting an approach based on soft skills, cross-fertilisation and the accountability of people.

For SACE, bringing out the best in people is a constant commitment, pursued through a strategy focused on the key elements of Learning, Performance, Development and Skills. SACE supports the development of future skills and employability through personalised and flexible training courses in a logic of continuous learning. SACE promotes a **skill-driven organisation** in which people and their skills represent the key to managing the organisation in an agile, dynamic and scalable way. It also encourages internal mobility and the development of soft skills through job rotation, offering people the opportunity to learn different tasks and acquire skills on the job.



2.1.2. SACE's New ESG Targets

An **Implementation Roadmap** has been outlined to roll out the ESG Strategy. The roadmap will guide SACE in its evolution by indicating clear and tangible pathways for delivering our ambitious ESG targets for 2024 through to 2030.

THE FIRST PILLAR

SACE Pushes for System Change
2024 Targets

Inclusion of ESG criteria in core processes

Net Impact assessment of **100% of all major project-related operations**

Net Impact assessment of **100% of the debt restructurings** and finalisation of **4 Debt for ESG Swaps** (D4ESGs)

ESG ecosystem for SMEs

Go-live of the platform delivering SACE and partner services for SMEs

5.6K customers registered on the platform for transition/ sustainability-related services

ESG Commercial Targets

EUR 6.5 bn of guarantees and liquidity in support of the ESG transition and/or the sectors of the future

ESG Value Proposition

Development of **new ESG products** for the SACE Group

THE SECOND PILLAR

SACE ESG Excellence Company
2024 Targets

Future-Proof People Care

Gender balance in management: **35%**

Internal mobility of Group people: **12%**

Sustainable Procurement

Integration of sustainability requirements into procurement policy

ESG scoring of **100%** of suppliers

Sustainable Organisation

Reduction in Group Scope 1 and 2 emissions: **-75%**

Reduction in greenhouse gas emissions linked to business travel and missions: **-30%**

2.2 Materiality Assessment and Stakeholder Engagement

GRI 2-25, GRI 2-29, GRI 3-1, GRI 3-2

This **Non-Financial Statement** focuses on material topics that represent the most significant impacts—actual and potential, positive and negative—of the Group's activities on the economy, the environment and people, including the impacts on their human rights. The material topics addressed in this document were identified through a **materiality assessment**. This assessment was more than just about identifying "material topics". Rather, it gives us a blueprint for identifying risks and opportunities for the company, steering our strategy towards material topics for the business and its stakeholders.
The process for identifying material topics for the purposes of non-financial reporting was conducted "in accordance" with the **GRI Sustainability Reporting Standards** ("GRI Standards") issued by the Global Reporting Initiative and the Financial Services Sector Supplements.

The updated materiality assessment conducted for the purposes of this report reflects, as it did last year, the 2021 revision of the GRI Standards, specifically the introduction of GRI 3: Material Topics, which provides step-by-step guidance on how to determine and represent material topics.

The "**GRI Content Index**" at the end of this report provides a complete list of the indicators used for reporting. The outcomes of the materiality assessment are represented in a table that lists the material topics in descending order by actual and potential impact generated, determined on the basis of assessments by stakeholders and SACE senior management. The processes involved in the materiality assessment can be summed up in the following four macro-stages:

1. Identification of the topics for assessment and their related impacts
2. Stakeholder Identification and Engagement
3. Assessment by stakeholders and SACE senior management of the impacts generated
4. Prioritisation of the topics
5. Final validation of outcomes

2.2.1. Identification of Topics

The topics covered by the 2023 assessment **reflect SACE's Vision and Strategy** and take into account the changing conditions in our operating environment as well as regulatory and sectoral trends.

Reviewed annually under the methodology adopted, the topics have been updated considering various elements, including sector benchmarking studies, the regulatory framework of reference, the involvement of SACE senior management, the 2023–2025 Business Plan and the new ESG Strategy.

2.2.2. Stakeholder Identification and Engagement

SACE's **stakeholders** are identified in the Code of Ethics, approved by the Board of Directors, where the principles guiding the company and its subsidiaries in dealings with stakeholders are set out.
In keeping with those principles, SACE has pursued numerous initiatives over the years that directly reach out to stakeholders, ensuring a constant channel for engagement and contact.

The following table shows the **major stakeholders for SACE** by category, the main stakeholder engagement initiatives run annually, and the main topics raised through those initiatives.

Category	Details	Engagement initiatives	Material topics
Customers	**Small and medium-sized enterprises, large corporates, state-owned enterprises**	Multistakeholder forums, events, materiality survey, interviews, academy, trade shows, social media networks	• Support for internationalisation and exports, innovation and digitisation; • Sustainable financing & underwriting; • Systemic transformation for a sustainable, low-carbon economy.
Banking Groups	**Banks, insurers and reinsurers**	Multistakeholder forums, events, materiality survey, newsletters; the website, social media networks	• Support for internationalisation and exports; • Support for the sustainable development of Italian SMEs; • Innovation and digitisation.
SACE People	**Employees**	Materiality survey, Intranet	• Support for the sustainable development of Italian SMEs; • People well-being; • Sustainable financing & underwriting.
Communities	**Academic world**	Multistakeholder forums, events, materiality survey, interviews, academy, trade shows, social media networks	• Support for internationalisation and exports; • Innovation and the digitisation; • Sustainable financing & underwriting; • Systemic transformation for a sustainable, low-carbon economy.
Stakeholder associations	**Trade associations**	Multistakeholder forums, events, materiality survey, newsletters, social media networks	• Support for the sustainable development of Italian SMEs; • Support for internationalisation and exports; • Innovation and digitisation.
Partners	**Export credit agencies, brokers, intermediary network**	Multistakeholder forums, events, materiality survey	• Support for the sustainable development of Italian SMEs; • Support for internationalisation and exports; • Value for customers.
Government (Central Institutions)	**Ministries: MIMIT, MAECI, Chambers of Commerce**	Multistakeholder forums, events, materiality survey	• Support for the sustainable development of Italian SMEs; • Direct contribution to protecting the environment; • Sustainable financing & underwriting.
Shareholders and bondholders	**MEF**	Annual General Meeting, materiality survey	• Support for internationalisation and exports; • Commitment to local communities and areas; • Systemic transformation for a sustainable, low-carbon economy.

2.2.3. Assessment of Impacts and Prioritisation of Topics

The process for assessing material topics involved the following activities:

- **stakeholder engagement** through a qualitative-quantitative survey assessing the likelihood and importance of the impacts associated with the various topics and identifying the top three topics. The survey targeted different categories of stakeholders, including SACE Group people, customers, industry associations, academia, institutions and banks;
- **workshops with SACE's Top Management**, where discussion led to the prioritising of material topics on the basis of the actual and potential impacts generated by them.

The assessment outcomes were processed and measured to give a final impact score for each topic, enabling the prioritisation of the material topics, as shown in the following table.

Material topic	Actual and potential impacts
Support for the sustainable development of Italian SMEs	End-to-end support for the ESG transition of SMEs, with dedicated services and solutions and enhanced networking and skills transfer.
Innovation and digitisation	Promotion of service and product innovation, in support of business competitiveness, through new solutions aimed at the digital transition of processes.
Systemic transformation for a sustainable, low-carbon economy	Promotion of a sustainable, low-carbon economy through: • support for businesses pursuing the path of the ESG transition and engaged in the sectors of the future, and which invest in climate change adaptation strategies; • a new ESG product offering.
Sustainable financing & underwriting	Contribution to a sustainable development model through the incorporation of ESG factors in the underwriting assessment process, risk management, treasury and debt recovery and restructuring plans.
People well-being	Protection of the mental and physical well-being of people and their families through welfare solutions enabling a work-life balance and flexibility; implementation of listening systems to accommodate everyone's perceptions and needs; constant monitoring of the health and safety of workers.
Value for customers	Care for the customer experience and forging positive relationships with customers, building on the measurement of satisfaction levels and the identification of needs and expectations, involving engagement and listening to the real needs of customers, clear communication and the protection of their privacy through appropriate security measures.

Material topic	Actual and potential impacts
Support for internationalisation and exports	Promotion of internationalisation through specific support by the Group for enterprises to be more competitive worldwide, in terms of financial and strategic support.
Governance and ethical business conduct	Promotion of a culture of integrity in business conduct, through the adoption of standards, organisational models and codes of conduct in support of ethical business.
Direct contribution to protecting the environment	• The Group's commitment to the use of renewable energy sources, the reduction of energy consumption • and emissions generated by business operations; contribution to combating climate change; • efficient consumption of water and other natural resources; integration of the principles of waste circularity; • adoption of cloud infrastructure and regeneration of physical infrastructure to improve their efficiency.
Diversity, Equity & Inclusion	Commitment to ensuring individuals can express all their potential, by promoting a fair and respectful working environment, with actions aimed at closing the gender pay gap and promoting gender balance in management.
Commitment to local communities and areas	Development of projects for the benefit of local communities and the third sector, with the aim of improving the quality of life of people and promoting the welfare of the local area and all places of social life, in order to reduce inequalities and support the most disadvantaged.
People development & employability	Constant investment in the enhancement of people's skills; effective listening to the needs and requirements of individuals to chart out personalised growth paths; closing of knowledge gaps and strengthening of emerging skills also through involvement in cross-functional projects, raising the internal mobility rate.
Sustainable procurement	Assessment and screening of suppliers throughout the supply chain to ensure the constant protection and promotion of ESG principles and respect for human rights.

2.2.4. Main Changes in Material Topics

In the light of the outcomes of the internal and external stakeholder engagement initiatives and of the analysis of the context, changes were made to the material topics under assessment with respect to last year.

In particular, in consideration of sectoral benchmarking outcomes and SACE's new ESG strategy, some material topics surveyed were reworded to match more closely with initiatives pursued, new products and the communication style adopted for internal and external relations. This helped generate greater awareness among internal and external stakeholders and other users of the information of how the strategy guidelines adopted by SACE address the impact areas identified by the materiality assessment.

Specifically, the following changes were made to the topics surveyed:

The 2022 material topic "Sustainable and Green Finance", in consideration of the variety of aspects it entails, was split into **Sustainable Financing & Underwriting and Systemic Transformation for a Sustainable, Low-Carbon Economy.**

The 2022 material topic "Support for SMEs and Potential High-Growth Enterprises" was reworded as **Support for the Sustainable Development of Italian SMEs** to reflect more closely the focus placed by the new ESG Strategy on steering SMEs towards sustainability.

The rewording of other 2022 material topics saw "Customer Centricity" become **Value for Customers,** "Good Governance and Ethical Business Conduct" shortened to **Governance and Ethical Business Conduct,** while "Supply Chain Management for Sustainability" was simplified to **Sustainable Procurement.**

Likewise, to standardise and make the language used more incisive, people-related topics were reworded as follows:

"Safety and Welfare for a Quality Company Life" has become **People Well-Being;**

"Human Capital Development" has been updated to **People Development & Employability;**

"Diversity and Inclusion" has been expanded to become **Diversity, Equity & Inclusion.**

For more information or to report concerns with the content of this document, please contact:

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2.3 Risks and Opportunities Tied to the Material Topics

2.3.1. Main Risks and Management Methods

Below we report the **main risks connected with material topics and the related management methods** adopted, in accordance with the provisions of Article 3 of Italian Legislative Decree 254/2016.

SACE material topics	Description of the main risks connected with material topics	Risk management (monitoring and mitigation)
Governance and ethical business conduct	• Risk of corruption in company operations arising from failure to comply with internal and external regulations • Risk of corruption in the procedures for awarding supply and service contracts • AML and export control risk • Risk of purchases of goods and services conflicting with the principles of cost-effectiveness, transparency, free market competition, non-discrimination, environmental protection and energy efficiency • Non-compliance risk: the risk of incurring judicial or administrative penalties or suffering reputational loss or damage as a result of infringements of law, regulations or governance rules • AML risk: risk arising from infringements of laws, regulations or governance rules designed to prevent the use of the financial system for the purposes of money laundering, terrorist financing or financing the proliferation of weapons of mass destruction, as well as the risk of involvement in money laundering, terrorist financing or financing the proliferation of weapons of mass destruction • **Export control risk**: Risk arising from the breach of international economic sanctions and export control laws or regulations adopted by the European Union, the United States of America and the United Kingdom • **Risk associated with the processing of sensitive, privileged or confidential information and with personal data protection requirements** • **Risk associated with financial crimes:** domestic and international corruption, anti-mafia laws	• Code of Ethics • Organisation, Management & Control Model pursuant to Italian Legislative Decree 231/2001 • Internal control system and related control functions • Establishment of a whistleblowing system • Compliance Model policy • AML policy • Export Control policy • Conflicts of Interest policy • Market Abuse policy • Specialist employee training

SACE material topics	Description of the main risks connected with material topics	Risk management (monitoring and mitigation)
Internationalisation and export support/ Sustainable financing & underwriting / Systemic transformation for a sustainable, low-carbon economy	• Reputational risks associated with supporting projects of high social and environmental impact and the related difficulty in managing their impacts • Reputational risks associated with supporting fossil fuel projects • Reputational risks tied to supporting national or international contracts awarded on the basis of corrupt practices. • Climate-related risks, including physical risk and transition risk, which may jeopardise the ability of a counterparty to make repayments or perform a contract or project. • Risk of breaches of environmental and social covenants in loan agreements by borrowers • For Green Guarantees, the risk of insuring transactions that are not eligible for the public funding earmarked • Compliance risk with internal rules and procedures for managing the environmental and social impacts of operations • Risk of non-compliance with European and international regulations (OECD)	• Impact assessment of all major transactions, not only export credit, in line with the OECD Recommendation on Common Approaches, and relative monitoring after approval • Reporting of ESG assessments carried out • Application of the Italian government's climate change policy, which provides for the gradual phasing out of support for the fossil fuel sector, with some exceptions limited to specific cases • KYC procedure • Measurement of the impact of climate-related risks on portfolio exposure; assessment of climate-related risk at project level for major transactions • Post-approval monitoring of major transactions • Preparation of self-disclosures in line with the EU Taxonomy • Assessment of compliance with the EU Taxonomy for major Green transactions • Dedicated Environmental Analysis & Sustainability unit • Set of internal assessment and monitoring rules and procedures • Internal training • Impact assessment of major transactions, in line with OECD Recommendations • Internal and external auditing to ensure the implementation of environmental and green assessment procedures (including ISO14001 certification audits)
Support for the sustainable development of Italian SMEs	• Reputational risk for the Group with SMEs • Risks connected with marketing communications for products • Risks connected with the positioning of the SACE brand • Risks connected with Group education and information activities • SACE risk exposures with SMEs	• Procedure governing marketing communications; Operational Instruction—Rules on Business Conduct and Practices • KYC procedure • Group communications plan (brand and value proposition) • Procedure for sharing with the designated business units (Marketing and product companies), as per the Operational Instruction—Setting and Execution of the Communication Plan • Centralised Education, Business Promotion & Supply Chain unit for the delivery, oversight and monitoring of education and business matching initiatives in support of the development and growth of Italian enterprises

SACE material topics	Description of the main risks connected with material topics	Risk management (monitoring and mitigation)
Value for customers	• Risks connected with marketing communications for products • Risks connected with Customer Care • Risks connected with Group business activities • Risks related to customer data protection • Risks connected with customer relationships (domestic network, units exposed to customers)	• Procedure governing marketing communications; Operational Instruction—Rules on Business Conduct and Practices • Centralised management of Customer Care and performance monitoring • Sales activities managed through the centralisation of the Group's service model in MKS • Centralised NPS measurement • Centralised Group domestic network, sales units under product companies • Centralised IT management through SIS/DSA
Innovation and digitisation	• Risk of failure, errors or delays in sorting and/or failure to take up applications • Risks connected with the sale of digital products and the use of the My SACE portal • SACE risk exposures for digital products • Cyber risks connected with the management of the MySACE portal	• Continuous monitoring of application numbers assigned, work flow optimisation and monitoring reports on document flows. • Centralised management through MKS/CCP of digital products, My SACE portal management and digital product development • Centralisation of Business and Customer system activities under the Business & Customer Applications unit
People well-being	• Compliance risk with OHS regulations • Inadequate level of staff well-being and consequent impacts on productivity	• ISO 45001:2018 certification • Employee training (Italian Legislative Decree 81/08) • Risk assessment documents • Emergency plans • Combined Interference Risk Assessment Reports • Health surveillance • Periodic updating of OHS regulations • Risk prevention and protection measures • Regular due diligence • Periodic instrumental surveys • Periodic workstation checks • Site monitoring plans • Safety dashboard • Compliance register • Psychological support and legal and social assistance service • Supplementary welfare benefits and work-life balance options • Engagement Survey
People development & employability	• Risk of not retaining talented people • Lack of adequately trained and skilled personnel • Undervaluing and lack of motivation in personnel, impacting productivity	• Investments in training and development • EPIC Leadership Model • Implementation of a "skill-driven organisation" • Personalised development plans for everyone • Promotion of internal mobility • Performance Management policy • Enhancement of our Employer Value Proposition • Promotion of a feedback culture

SACE material topics	Description of the main risks connected with material topics	Risk management (monitoring and mitigation)
Diversity, equity & inclusion	• Risk of failure, errors or delays in sorting and/or failure to take up applications • Risks connected with the sale of digital products and the use of the My SACE portal • SACE risk exposures for digital products • Cyber risks connected with the management of the MySACE portal	• Diversity, Equity, Inclusion & Gender Equality policy • Gender equality management system • Gender transition protocol • Information and awareness-raising initiatives on diversity and inclusion open to all personnel • Generational engagement and women's empowerment programmes • Workplace integration programmes • Parenting support • Monitoring of gender, age and disability indicators
Direct contribution to protecting the environment	• Non-sustainable consumption of natural resources, such as energy and water • Environmental damage caused by non-compliance with environmental management regulations • Non-sustainable waste management • Production of GHG emissions in the atmosphere • Environmental risks connected with travel, such as air pollution and climate change	• Environmental Management System certified to comply with ISO 14001:2015 and Regulation (EC) No. 1221/2009 of 25/11/2009, as amended by Regulation (EU) No. 2017/1505 and by Regulation (EU) No. 2018/2026 (EMAS) • Integrated Group policy • Monitoring plan and operational controls • Non-compliance register and preventive and corrective actions • Containment and energy efficiency measures • Design and development of a greenhouse gas inventory in accordance with ISO 14064-1:2018 • Presence of the Group Mobility Manager, tasked with developing sustainable mobility methods • Adoption of a Work Commuting Plan pursuant to Italian Interministerial Decree No. 179 of 12/05/2021
Sustainable procurement	• Selection of suppliers that do not fully comply with the principles of the Code of Ethics and the Organisation, Management & Control Model pursuant to Italian Legislative Decree 231/2001	• Code of Ethics • Organisation, Management & Control Model pursuant to Italian Legislative Decree 231/2001 and the setting up of a whistleblowing system • Regulation governing the management of accredited SACE suppliers, in accordance with Italian Legislative Decree 36/2023 and amendments and additions thereto. • Tenders Portal • Supplier reliability checks through Guida Monaci • Checks on the entity's online file • Clauses included in contracts and purchase orders requiring compliance with the Code of Ethics and the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001
Commitment to local communities and areas	• Reputational risk of establishing partnerships with third-parties that do not share the Group's ethical and social principles	• Code of Ethics • Organisation, Management & Control Model pursuant to Italian Legislative Decree 231/2001 and the setting up of a whistleblowing system • Procedure—Management of Sponsorships, Membership Fees, Events and Donations

2.4 Risks and Opportunities Associated with Climate Change

GRI 201-2

In accordance with European Central Bank (ECB) guidance and the supervisory expectations published by the European Insurance and Occupational Pensions Authority (EIOPA) for financial institutions to incorporate climate-related and environmental risks into their strategy, governance processes and risk management framework, SACE is progressively rolling out methodologies for the assessment of such risks in relation to all Group operations.
The climate-related and environmental risks identified by SACE can be divided into two categories: physical risks and transition risks.

Physical risks identify impacts resulting from extreme and frequent weather events, gradual changes in climate and environmental degradation such as air, water and soil pollution, water stress, biodiversity loss and deforestation. Physical risks are classified into:

- **acute physical risks:** dependent on the occurrence of extreme weather events (such as floods, heat waves and droughts) linked to climate change, which is increasing their intensity and frequency;
- **chronic physical risks:** determined by progressively occurring climate events (e.g. the gradual rise in temperatures and sea levels, deterioration of ecosystem services and loss of biodiversity).

Transition risks instead identify the direct and indirect impacts caused by the process of adapting to a low-carbon and more environmentally sustainable economy. These risks are linked to changes in climate and environmental policies, technological progress and changes in market confidence and preferences.

SACE assesses the potential impact of climate-related and environmental risks on its portfolio through a materiality assessment based on the dynamic interactions of three components: exposure, hazard and vulnerability.

- **Exposure** identifies the value of assets exposed in an area or at risk of being affected by a disaster;
- **Hazard** identifies the likelihood of the occurrence of a natural event that may cause death, injury or other health impacts, as well as damage and loss to property, infrastructure, services, ecosystems and resources;
- **Vulnerability** accounts for the susceptibility to damage of the assets exposed to the forces generated by an event of a certain intensity and the lack of measures in place to adapt to or mitigate the damage.

The methodology adopted by SACE for physical risk assesses the potential impacts of the risk events considered on counterparties according to the nature of the exposure, taking into account the geographical location, intended use and strategic relevance of the assets of the assessed counterparty. The objective is to include the entire value chain in the assessment of counterparties in order to identify the geographical location and intended use of all the strategic assets that could generate, in the event of physical risk events, losses and therefore delays in payments or default, with consequent economic and financial impacts for SACE.
The assessment of transition risk exposure predominantly focuses on individual counterparties, with the exception of certain transactions where this risk depends on the characteristics of the project financed or insured. In assessing hazard, SACE uses two alternative approaches:

- **an Energy Transition Indicator** developed by an external provider, which scores entities on their decarbonisation efforts, involving a qualitative analysis of their commitment, policies, measures in place and sector KPIs;
- **Climate Policy Relevant Sectors (CPRs)** developed by the University of Zurich, which enables transition risk to be assessed according to the industry sector to which the entity belongs. This approach specifically makes it possible to identify the sectors most affected by the economic and financial risk associated with a misalignment with climate objectives.

As at 31 December 2023, the assessments carried out by SACE in relation to physical risk show a medium-to-low risk profile for the Export and Strategic portfolio, in view of the fact that about 78% of exposures are located in locations with that risk profile. In relation to acute physical risks, the risk profile is medium-to-low (76% of the exposures in the Guarantees portfolio), while with regard to chronic physical risks, the risk profile is in the medium-to-high range (89% of the exposures in the Guarantees portfolio), mainly due to the geographical locations of exposures to sovereign counterparties. In relation to earthquake risk, the portfolio shows a very low exposure to this type of risk (only 3% of total exposures are in the high risk range); however, this risk event is material if we narrow the focus to counterparties residing in Italy (83% of exposures show medium risk and 11% high risk), which account for 4% of the total portfolio.

The exposure to transition risk is significant in view of our involvement in energy intensive sectors, in particular, the cruise industry (43%), oil (13%) and gas (7%). In this regard, it should be stressed that, following the international commitments undertaken by the Italian government, in March 2023 SACE released a new Climate Change Policy that provides for the phasing out of funding for the fossil fuel sector, with some exceptions limited to specific cases. At the end of 2023, SACE also launched its new ESG strategy, which includes the introduction of decarbonisation targets. In addition, for several years now, SACE has been providing Italian companies with instruments to support their transition (e.g. Green New Deal).

In view of the interconnections found between climate-related risks and traditional risks, in 2023 SACE began developing methodologies to assess the propagation of the effects of climate-related and environmental risk

events to credit risk, in terms of expected and unexpected losses, and to quantify their potential financial impacts. With reference to the methodological aspects, in line with best practices identified by the ECB, SACE is developing an incrementally complex approach, where the first step is to include the climate-adjusted component in its estimates of the probability of default and subsequently to assess the impacts that climate-related risks may have on the company's resilience. In particular, the transmission channels identified for the propagation of physical and transition risk factors to credit risk are both macroeconomic (impacts on macroeconomic variables, such as economic growth and productivity) and microeconomic (impacts on individual counterparties in terms of increased costs, reduced margins, adverse effects associated with business interruption).

The current methodologies adopted by SACE for the assessment of climate-related and environmental risks are being further developed and refined in consideration of:

- a regulatory framework in constant transformation;
- the absence of methodological benchmarks and established market practices;
- the difficulty of obtaining relevant information/data for assessing exposure to climate-related risks.

Aware of the challenges and opportunities related to climate change, SACE has placed the incorporation of climate-related risks into impact assessments and the risk framework at the centre of its strategy. This approach not only makes it possible to proactively manage the consequences of changed environmental conditions, but also presents room for new opportunities.
In relation to physical risk, the recent 2024 Budget Law requires companies under Italian law and foreign companies with an established organisation in Italy to acquire disaster risk insurance by 31 December 2024. The requirement offers SACE the opportunity to act as a reinsurer for insurance companies operating in this sector, at market prices, offering coverage of up to 50% of indemnities, and a maximum of EUR 5 billion per year over the three-year period 2024–2026. This commitment is backed by the explicit, unconditional, irrevocable, first demand and non-recourse guarantee of the State.

Insurance coverage for climate risks could therefore become a new and promising business line both in the direct insurance of companies and in the reinsurance of other insurance groups, thus contributing to the expansion of SACE's product offering and the portfolio of customers served.

In addition, for the agricultural sector, which is currently exempt from the insurance obligation but increasingly vulnerable to weather events that threaten crops, there is the prospect of developing solutions aimed at mitigating these risks. This would not only further consolidate SACE's role, but also respond to a growing need in the market.

At the same time, since 2020 SACE has been contributing to the management of transition risk with its Green Guarantees, a product reserved for sustainable investments by Italian companies. Continuing on this path, in 2023 SACE introduced Green Push, a product designed to facilitate international purchases of Italian technologies and products but which can also support projects with social or environmental purposes and transition plans aimed at improving the ESG impact of major international players. Another example in this framework is ESG Reverse factoring, a pilot product for major Italian corporate groups, targeted at the transition of suppliers. Recent cases of Debt for ESG Swaps (D4ESGs) highlight how another way SACE can play an increasingly important role in limiting the risks of economic transition is through the restructuring of non-performing loans, introducing debt restructuring approaches to the private-sector market that until now have been limited to the sovereign sphere.

Other types of products along these lines are currently being studied to increasingly contribute to furthering the progress of enterprises in their transition to a more sustainable model. SACE has set out a series of priorities to guide its efforts in the coming years in response to the risks and opportunities associated with climate change. Key points include:

- **the setting of an exit strategy** from carbon-intensive sectors, with the development of tools to support companies through their energy transition;
- **the expansion of the product range** through the development of products allowing the coverage of climate-related risks and providing businesses with support for their ecological transition;
- **the integration of business intelligence** with ESG/climate-sensitive data;
- **the further development and fine-tuning of methodologies for identifying and measuring climate-related risks** and the possible introduction of new environmental risk metrics alongside climate (e.g. biodiversity).

These initiatives demonstrate SACE's commitment to actively managing the impacts of climate change, confirming its role as a reliable and innovative partner in guiding enterprises towards a more sustainable future.

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Re-shaping our approach
to responsible governance

Chapter Overview

SUSTAINABILITY IN OUR GOVERNANCE

SUSTAINABILITY AND SCENARIOS COMMITTEE

supports Management in making sustainability-related decisions by examining ESG strategies and scenarios and monitoring regulations and best practices.

SUSTAINABILITY GROUP

promotes collective knowledge in the ESG field at SACE, promoting the exchange of information and the alignment of sustainable initiatives.

IMPACT ADVISORY COMMITTEE

assesses strategies on ESG issues and monitors developments in the regulatory framework and industry best practice.

YOUNG ADVISORY BOARD

15 talented young SACE people who contribute innovative perspectives to the company's development.

3.1 Governance and Ethical Business Conduct

GRI 2-24, GRI 2-25, GRI 2-26, GRI 205-3

SACE has specific measures in place to ensure strict integrity in corporate and business conduct. They include:

- **the Code of Ethics**
- **the Organisation, Management & Control Model** for the prevention of the offences contemplated by Italian Legislative Decree 231/01;
- the appointment of a **Supervisory Body**;
- the adoption of an internal control system envisaging **three lines of control,** as required by insurance and banking sector regulations;
- the set up of an online **whistleblowing** channel for reporting potential breaches of the Code of Ethics.

More specifically, the Code of Ethics sets out the **rules of conduct** requiring integrity and transparency in the management of conflicts of interest, the processing of information, the prevention of financial crimes and the fight against corruption in all its forms.
In accordance with OECD recommendations on anti-corruption and anti-bribery for export credit agencies, SACE has incorporated standard anti-corruption clauses and representations in its internal regulations and customer forms and contracts, with the aim of improving the effectiveness of the Organisation, Management & Control Model pursuant to Italian Legislative Decree 231/2001 and reducing credit, anti-money laundering, terrorist financing, anti-mafia and export-related risks. For all contracts, counterparties are required to acknowledge and declare their full knowledge of the principles of the Code of Ethics and the 231 Model and agree not to engage in any conduct in breach of them or that in any way induces Recipients to breach them. As in prior reporting years, in 2023 there were no confirmed incidents of corruption in the Group and no lawsuits were brought or charges laid against the organisation or its people for corruption.
Finally, whistleblowing reports can be made by anyone who learns or is the victim of conduct in breach of the rules of the Code of Ethics.
The **general principles** are:

- duty to report unlawful conduct;
- protection from reports made in bad faith;
- protection of the whistleblower;
- protection of the identity of the whistleblower
- protection of the identity of the alleged wrongdoer;
- protection of the confidentiality of information;
- protection of the integrity of whistleblowing reports;
- duty of independence and professionalism in the management of reports.

In compliance with legislation in force, SACE adopts and implements policies for the protection of data and information, for the processing of sensitive, privileged and confidential data and for the protection of personal data.

3.1.1. Governance for Sustainability

GRI 2-12, GRI 2-13, GRI 2-14, GRI 2-17, GRI 2-18

In June 2022, the Board of Directors expanded the company's **governance** system with the establishment of the **Sustainability and Scenarios Committee**. The new committee is tasked with supporting the management body in making sustainability assessments and decisions in connection with SACE's operations and its stakeholder engagement practices. The duties and responsibilities of the Sustainability and Scenarios Committee include the examination of ESG strategies and scenarios; the monitoring of developments in the regulatory framework and national and international best practice in relation to ESG issues; and the examination and assessment of the sustainability profile of business development initiatives, independently or in coordination with the board's Control and Risks Committee.

The Sustainability and Scenarios Committee is made up of **four members** of the Board of Directors, who are required to possess an adequate level of knowledge and competence, as assessed by the Board of Directors at the time of their nomination, in relation to the tasks they are called on to fulfil. The committee meets on a regular basis to perform its tasks and functions and in advance of any Board of Directors meeting in which matters having an ESG impact are due to be discussed. Committee meetings are also called when circumstances arise calling for a timely analysis or closer consideration of ESG matters. Decisions concerning the management of the organisation's impacts on the economy, the environment and people are delegated to competent bodies.

Non-financial statements are approved by the Board of Directors considering the prior opinion expressed by the Sustainability and Scenarios Committee, appraising the general layout and organisation of the contents of the statement and the completeness and transparency of the disclosures.
In view of SACE's growing engagement with ESG issues, in 2023 the **Impact Advisory Committee** was set up, consisting of the Chief Executive Officer and General Manager and up to five external experts[10] with internation-

al expertise and experience in ESG matters. The committee supports senior management and, on request, the other board committees in making strategic assessments and in communications regarding the environmental, social and governance sustainability of SACE Group operations, as well as in relation to stakeholder engagement practices, including the general framework of the Non-Financial Statement.

The Impact Advisory Committee also examines and assesses strategic issues in the field of sustainability, sharing insights, reflections and scenarios at national and international level, while ensuring the constant monitoring of developments in the regulatory framework and best practices in the sector.

As part of efforts to advance our collective knowledge, skills and experience in the ESG field, a Sustainability Group has been set up, consisting of SACE Group employees who have chosen to become "**Sustainability Ambassadors**". They work with the SACE Sustainability unit to facilitate the exchange of information on sustainability and to ensure alignment in initiatives in the field.

Finally, in 2023 SACE set up a **Young Advisory Board**, a new committee made up of fifteen talented young employees, who will help shape the company's future development. The Young Advisory Board does not have governance responsibilities, but will play a strategic role in developing innovative and unconventional new perspectives for identifying business opportunities and creative solutions.

[10] As at 31 December 2023, two experts have been engaged; they are required to meet the same criteria of good repute envisaged by the SACE by-laws for members of the Board Directors.

RE INVENTING

Re-inventing our **support** for the
sustainable growth of enterprises

Chapter Overview

2023 HIGHLIGHTS

GREEN TRANSACTIONS (FROM DECEMBER 2020 TO 31 DECEMBER 2023)

EUR 11.5 BILLION

FOR MORE THAN

600 PROJECTS

supported by SACE

2024 ESG TARGETS

GUARANTEES AND LIQUIDITY IN SUPPORT OF THE ESG TRANSITION AND THE SECTORS OF THE FUTURE

EUR 6.5 BILLION

DEBT FOR ESG SWAPS (D4ESGS)

FOUR transactions closed

ALL MAJOR PROJECT-RELATED TRANSACTIONS AND DEBT RESTRUCTURING

NET IMPACT

assessed

DEVELOPMENT OF NEW

ESG PRODUCTS

4.1 Support for Internationalisation and Exports

After the major systemic shocks of recent years, a number of contrasting factors continued to shape the global macroeconomic framework in 2023, contributing to a slowdown in economic activity compared to the previous year, but also to the resilience of some countries and sectors. The world economy grew by **2.7%**, slowing from the +3.1% growth posted in 2022, but nevertheless outperforming the initial forecast of **+1.3%.**

Uncertainty continued to run high in global markets, driven by trade wars between major world economies (especially the USA and China) and geopolitical tensions at the regional level (Ukraine and the Middle East). It was also a record year for extreme weather events, with various regions suffering major impacts in 2023. In contrast, the normalisation of commodity prices helped to mitigate in part the effects of adverse factors, and even global consumer price inflation, though still high, is estimated to **drop to 6%**.

In this framework, as Italy's **export credit agency**, SACE continued to pursue its mission of supporting Italian export growth, working alongside businesses to support their international market operations. For over forty-five years, the SACE Group has been the go-to partner for around 50,000 Italian enterprises that export and pursue growth in 168 countries, with a portfolio of insured transactions and **guaranteed investments worth EUR 161 billion** as at 31 December 2023.

That commitment to export growth and internationalisation is the cornerstone of INSIEME 2025. The new business plan sets out SACE's objective to step up its support for Italian businesses on the global markets, helping them to diversify their export markets and shore up their supply chains. In 2023, SACE committed around **EUR 20 billion** to this line of operations.

SACE's **line-up of insurance-financial products** and services is one of the most comprehensive worldwide for the ECA sector. The range covers all the needs companies face along the process of internationalisation: from the early stages where it is essential to know and evaluate counterparts, to risk management services such as credit insurance and investment protection; from the necessary guarantees to participate in tenders and competitions, to financial guarantees for accessing liquidity; up to factoring and last resort services such as debt recovery. That line-up has been completely digitised and made available on the website SACE.it, offering standardised products, fast turnaround and greater accessibility.

The facilities offered by SACE help companies approach the internationalisation process step by step, paving their way to world markets. SACE unlocks the practical levers that are fundamental for being competitive. For businesses, choosing SACE means having greater opportunities to win international orders and tenders thanks to a stronger commercial offer; managing credit risk better and growing safely on the global market; having better access to credit and loans; and diversifying their export markets, knowing they can count on one of the best export support systems in the world.

With twelve offices in Italy and another thirteen around the world, SACE supports Italian enterprises directly on the ground, through its domestic and international networks.

SACE people who work locally across Italy connect on a daily basis with all our stakeholders (enterprises, local industry associations and partner banks), listening to their needs and building lasting relationships. SACE's international network has offices in areas of high strategic potential for Italian exports. Its task is to strengthen relations with major foreign counterparties, with a view to improving the positioning and competitiveness of Italian businesses on the global markets. To achieve this in practice, SACE has developed a Push Strategy programme that gives major international buyers access to significant credit facilities, with business matching events organised to facilitate procurement from Italian companies and improve their positioning in global supply chains. In 2023, that strategy evolved into "Green Push", to steer the credit facilities guaranteed by SACE in support of Made in Italy exports as part of green transition projects at the international level.

Since the start of the Push Strategy, SACE has guaranteed EUR 7.2 billion in support of strategic industrial and infrastructure development plans, paving the way forward for Italian large corporates and SMEs alike around the world. Over the years, SACE has expanded its efforts to improve the export potential of Italian businesses, working to diversify the export markets of regular exporters and encouraging non-exporters to open up to the global markets. Accordingly, SACE has developed a wide range of support facilities and education and information tools.

They include the studies, publications and reports produced by the SACE Research Office. Among them, the Where to Export Map (outlining the opportunities and risks for Italian enterprises across the world) and Where to Export Report (showing the growth forecasts and opportunities for Italian exports) have become a reference point and a crucial compass for businesses to guide their path in the global market. The Sanctions Map on the SACE.it website is another key guide for companies operating in countries subject to sanctions by the European Union and/or the United States of America.

BREAKDOWN OF SACE GROUP'S ACTIVE CUSTOMERS (FS6)

Breakdown by sector	2023	2022
Agriculture, forestry and fishing	1.80%	1.83%
Other service activities	0.33%	0.36%
Government and defence; mandatory social security insurance	0.03%	0.04%
Arts, sports, entertainment and recreation activities	0.69%	0.68%
Hospitality and catering services	1.20%	1.08%
Financial and insurance services	0.95%	0.93%
Real estate services	3.16%	3.53%
Manufacturing	20.73%	19.09%
Professional, scientific and technical services	4.42%	4.47%
Wholesale, retail and servicing of motor vehicles and motorcycles	11.17%	8.49%
Construction	18.57%	20.55%
Mining and quarrying	0.35%	0.43%
Water supply, sewerage, waste management and remediation activities	2.57%	2.95%
Electricity, gas, steam and air conditioning supply	1.03%	0.80%
Education	0.40%	0.39%
Rentals, travel agencies and business support services	2.75%	2.37%
Healthcare and welfare services	1.21%	0.98%
Information and communication services	2.09%	1.84%
Transport and warehousing	3.40%	2.89%
N.A.	23.16%	26.29%
	100.0%	100.0%

BREAKDOWN OF SACE GROUP'S ACTIVE CUSTOMERS (FS6)

Breakdown by geographical area	2023	2022
Abruzzo	2.6%	2.5%
Basilicata	0.9%	1.0%
Calabria	1.1%	0.9%
Campania	5.8%	5.4%
Emilia-Romagna	9.7%	8.9%
International	0.8%	0.8%
Friuli-Venezia Giulia	2.4%	2.7%
Lazio	8.8%	8.4%
Liguria	1.9%	2.0%
Lombardy	26.3%	27.4%
Marche	2.9%	2.8%
Molise	0.3%	0.3%
Piedmont	6.1%	6.0%
Puglia	3.1%	3.0%
Sardinia	1.0%	1.1%
Sicily	2.7%	2.5%
Tuscany	5.1%	5.0%
Trentino-Alto Adige	1.8%	1.8%
Umbria	1.3%	1.3%
Valle d'Aosta	0.4%	0.5%
Veneto	14.7%	15.9%
N.A.	0.2%	0.0%
	100%	100%

4.1.1. Unlocking the competitiveness of Italian enterprises and investments

GRI 203-2

On the domestic market, the SACE Group supports the competitiveness of Italian companies with a long line-up of solutions, ranging from financial guarantees to support liquidity, investments and green projects, to short term credit insurance, surety bonds, specific products for construction risks and factoring services for the discounting of invoices. In total, the **Group supported projects worth EUR 35 billion in 2023**.

Our commitment to the domestic market was expanded in 2020 in response to the Covid-19 emergency, when the Italian Government tasked SACE with helping **Italian businesses stay afloat** and overcome the negative impact of the pandemic on their liquidity with the Garanzia Italia scheme. In 2022, that scheme was expanded into the Garanzia SupportItalia, an emergency instrument under the **Temporary Crisis Framework** approved by the European Commission until 31 December 2023, enabling companies to obtain state-backed guarantees on loans to cope with surging energy prices and the fallout of Russia's invasion of Ukraine.

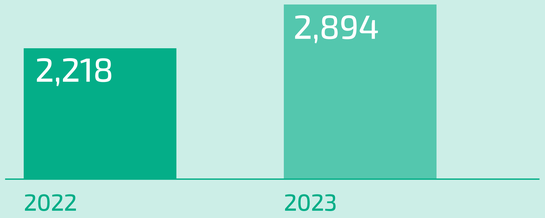
The total volume of loans guaranteed through the SupportItalia Guarantee scheme amounted to **EUR 17.4 billion in 2023**.

In 2023 SACE also continued its work in connection with another instrument in support of the economy, the "**Energy Bill Reinsurance**" facility introduced by Italian Decree Law No. 21 of 21 March 2022 (Art. 8(3)). Under an accreditation scheme outlined with the insurance industry association **ANIA**, the facility enables SACE to give state-backed guarantees to insurance companies that issue insurance cover (surety bonds or credit insurance) permitting payment terms on energy bills to be extended to up to thirty-six months.
SACE's commitment, however, to helping enterprises cope with soaring energy princes has gone beyond the instruments contemplated by the government. Drawing on its deep know-how and expertise in insurance-financial services, the Group has put together a whole **set of targeted solutions** for both energy-consuming businesses (such as facilities to access time-payment and extended terms for energy bills) and energy providers (from surety bonds to cover the risk of default on bills for which extended payment terms have been granted through to factoring services to unlock receivables).

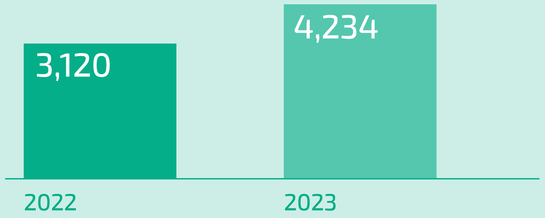
With the closing of the **Temporary Crisis Framework** at the end of 2023, SACE Group has developed two new instruments to continue providing in a structural way facilities in favour of the growth and consolidation of companies in Italy. Under the provisions of the 2024 Budget Law, SACE will be able to provide, through to 31 December 2029, the new **Archimede guarantee**, a market guarantee to unlock investments by Mid Caps and Large Corporates in infrastructure, local public services and industrial, technological and digital innovation. The guarantee facility also covers investments in industry and infrastructure with a social purpose, while also supporting sustainable transition processes and the circular economy, such as sustainable mobility, climate change adaptation and mitigation. In addition to Archimede, in 2024 the **Futuro Guarantee** facility will be activated online, offering market guarantees on medium/long-term loans to Italian SMEs, supply chains and local areas.

NUMBER OF ENTERPRISES SERVED BY THE ITALIA AND SUPPORTITALIA GUARANTEE SCHEMES

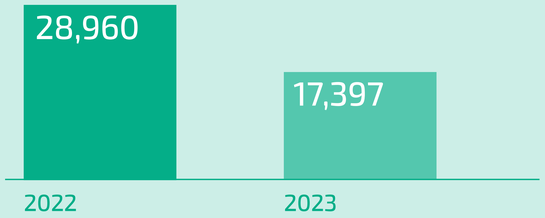
#ENTERPRISES



#TRANSACTIONS



LOAN AMOUNT (EUR/M)



4.2 Sustainable Financing & Underwriting

FS2

SACE adopts different approaches and tools to incorporate **ESG criteria** into the underwriting process, risk management and debt recovery and restructuring plans. The main approaches concern:

- due diligence of projects underlying export credit operations to assess compliance with environmental and social standards, in accordance with the OECD Recommendations on **Common Approaches on Environmental and Social Due Diligence for Officially Supported Export Credits**, and voluntary extensions that have become operational practices;
- the implementation of a **Climate Change Policy** that introduces the gradual phase-out from emission-intensive sectors and technologies and the phase-in of incentives for climate-friendly projects;
- adoption of the **Poseidon Principles**, an international framework that promotes the monitoring and disclosure of the climate alignment of the shipping portfolios of member institutions with the decarbonisation objectives of the International Maritime Organisation (IMO);
- the setting of underlying assessment criteria for measuring the impact generated by social and environmental initiatives implemented through debt restructuring instruments such as **Debt-for-ESG Swaps (D4ESGs)**;

4.2.1. OECD Environmental and Social Due Diligence (Common Approaches)

In relation to its export credit transactions, since 2001 SACE has applied the guidelines of the **OECD Recommendation on Common Approaches** for Officially Supported Export Credits and Environmental and Social Due Diligence in assessing the environmental and social impacts of export credit transactions with a redemption period of at least two years. SACE also applies the guidelines to certain products outside the scope of the Common Approaches, through an internally developed procedure that adapts the due diligence principles and criteria to the specific characteristics of insurance products not covered by the Common Approaches.

The **OECD Recommendation** specifically identifies common guidelines for conducting social and environmental due diligence (encompassing human rights at the project-level) on officially supported transactions. It sets out the criteria for classifying, and the tools for measuring, potential environmental impacts, requiring compliance with host country regulations and international standards and outlining the transparency requirements for environmental reporting.

A **review process of** the Recommendation was started up in 2023 and is expected to be completed by 2024. Its aim is to consolidate and shore up emerging practices in the environmental and social domain (i.e. biodiversity, human rights, climate change risk).

SACE classifies the export credit transactions targeted by environmental and social due diligence into **three categories**, based on the degree of the potential environmental and social impacts identified:

- **A (significant).**
- **B (manageable).**
- **C (negligible).**

An overview of the environmental procedures followed can be found on the website sace.it, along with announcements on the release of environmental and social impact studies on transactions under assessment and information on transactions guaranteed in the period that fall into impact categories A or B.

Due diligence by SACE goes beyond preventive assessments. Where required by the complexity of the project, SACE monitors the execution and performance of the project to check compliance with international standards on an ongoing basis. Active monitoring allows prompt action to be taken if a gap is found with agreed standards and collaboration in resolving issues. Economic and social performance is monitored for most of the projects of potentially significant impact (category A projects under the Common Approaches). For other projects, the decision to monitor is taken on a case by case basis, considering the nature of the transaction and the impact assessment outcomes.

SACE's environmental team regularly takes part in meetings with other environmental practitioners to exchange experiences and check the consistency of the application of the Common Approaches. The aim of these meetings is to appraise the adequacy of the principles in actual practice and their alignment with key issues emerging in international debate, to then assess their potential updating, but also to help build a common body of experience for the mutual growth of know-how and experience in the field and to promote a consistent approach among all the participants. Once a year, those meetings are opened to finance practitioners that have adopted the voluntary risk management framework of the Equator Principles, with a view to promoting the broader exchange of experiences.

4.2.2. Climate Change Policy

In line with its commitments as a member of the **Export Finance for Future (E3F**) coalition and the **Clean Energy Transition Partnership (CETP)**[11], Italy has adopted a climate policy on public support for the international fossil fuel sector that envisages the gradual **phase-out** of support and the **phase-in** of incentives for the "green transition". SACE has implemented this policy in its operations through its own Climate Change Policy, announced in March 2023, which updates and expands the previous policy introduced in May 2021. The **phase-out** plan set out by the policy puts an immediate end to support for the production of energy from oil and gas-fired power plants, as well as upstream and midstream oil projects. For other stages of the value chain, the policy sets a timeline for the gradual withdrawal of support for gas, taking into account the role it can play in the energy transition. The new policy reiterates the 2021 prohibition on support for coal and the use of routine flaring and fracking techniques in oil and gas extraction processes.

The policy also identifies the criteria to be met for operations to be eligible for support. They include, for example, alignment with the objectives of the Paris Agreement, a strategic role for Italy's energy security, the adoption of emission abatement systems or compliance with certain thresholds and the level of energy access of the destination country of the project.

In parallel with the phase-out plan, **phase-in** measures introduce a series of incentives to promote the transition. Eligibility for support is based on making a contribution to at least one of the objectives of the European Taxonomy, while doing no significant harm to any of the other objectives, or reducing climate-altering emissions. The incentives offer a discount on the premium and the maximum repayment terms, within the limits contemplated by international regulations, and the cancellation of some administrative fees.

[11] See the descriptions of the two initiatives in the section of this report dedicated to SACE's involvement with international institutions and initiatives.

4.2.3. Poseidon Principles

Since 2021 SACE has committed to the **Poseidon Principles**, a global framework promoting the assessment and disclosure of the climate alignment of financial institutions' shipping portfolios with the decarbonisation targets set by the International Maritime Organisation (IMO).

In relation to the IMO target of **reducing emissions by 50%** by 2050,[12] the last monitoring exercise showed the misalignment of SACE's shipping portfolio has improved greatly from the previous year,[13] falling just 15% short of the target values. In relation to the "Net Zero by 2050" target introduced by the IMO in 2023, the misalignment was greater, in part due to the greater number of emission factors considered.[14]

The **Poseidon Principles** represent an exercise in transparency in a sector of key significance for its global contribution to GHG emissions, as well as for SACE's exposure, while also offering a useful tool for measuring our carbon footprint by calculating the emissions generated by the shipping portfolio.

4.2.4. Debt4ESG Swaps

As part of our commitment to "promoting the well-being of the community", SACE has overhauled its debt restructuring processes to generate tangible benefits for the community. In practice that has involved identifying innovative new instruments, such as **Debt-for-Environment-Swaps**, which maximise the value generated by the economic fabric also in debt restructuring operations.

In recent decades, **Debt-for-Environment-Swaps** have largely been used in sovereign debt restructuring. They involve a "swap" of relief concessions such as cancellations, extensions and interest rates cuts as part of a swap with a series of initiatives implemented by the debtor, with positive effects on the environment.

Debt-for-Environment-Swaps are designed to satisfy the interests of three stakeholders: **the creditor**, who through the debt restructuring initiative creates positive externalities and improves its reputation on the market; **the debtor**, who reduces its debt and invests in sustainability, generating value for its country; and finally, **the planet itself**, which benefits from growing levels of sustainability and general welfare.

In keeping with its **corporate purpose**, SACE decided to adopt swaps in 2023 in debt restructuring processes, expanding their use to encompass not only sovereign counterparties, but also sub-sovereign and private entities. In addition, the scope of the swaps has been extended to cover not only "environmental" commitments, but also initiatives with "social" and "governance" impacts. As such, the instrument has been renamed "Debt-for-ESG Swap" (D4ESG).

During the year, the "scope of application" and "methods" for using the instrument were set out, which led to the first two "pilot" cases of the use of D4ESGs.

In the first case, involving a sports club, SACE swapped relief facilities such as an extension of principal repayment terms and a floating interest rate on the loan for social-impact initiatives including, for example, free access to the stadium for low-income earners to watch home matches and visit to schools to promote the values and ethics of sport.

In the second case, the swap targeted a manufacturing company already engaged in socio-environmental initiatives and with an ESG policy in place before the debt restructuring. Under the arrangement with creditors, the company was required to invest at least EUR 1.5 million per year, starting from 2024, in projects in line with the environmental, social and governance principles set out in the company's business plan. The swap also requires the company to implement additional corporate welfare and social and territorial cohesion and inclusion initiatives by the end of 2024, in accordance with the sustainability of the business plan. In the event that these initia-

[12] Compared to 2008.
[13] In 2022, the misalignment with target values was 51%.
[14] For further details on SACE's outcomes and the measurement methodology, see the Poseidon Principles 2023 Annual Disclosure Report.

tives are not implemented, there will be penalties on the interest rate applied to the outstanding debt.

In both cases, monitoring and reporting arrangements are being identified to assess the due performance of the arrangements, with the application of penalties or sanctions in the event of failure to deliver the objectives set.

The solutions adopted represent a **win-win** situation for all the parties involved. For SACE, it has maximised its financial recoveries, while creating an opportunity to generate positive impacts in line with its corporate purpose. For the debtors, the restructuring of their debt exposure enables them to continue as going concerns, while creating value for the communities where they operate.

The aim now is to pursue further opportunities to use D4ESGs, adopting an individual, case-by-case approach to debt restructuring with the goal of combining maximum financial recovery with positive impacts on the community and the ecosystem, in the hope that this will increasingly become a best practice, helping to promote sustainable and responsible models in the context of sovereign and corporate debt restructuring.

4.3 Systemic Transformation for a Sustainable, Low-Carbon Economy

FS8

In working to drive the transformation of Italian businesses and the economy as a whole, SACE supports investments in strategic infrastructure, innovation and environmental transition projects connected with the **Italian Green New Deal**.

The new **ESG Strategy** introduced in 2023 reinforces SACE's role as an accelerator of the sustainable transition of enterprises, through targeted commercial and business initiatives. These entail:

- **the identification of commercial ESG targets** for 2024, in order to prioritise operations in support of enterprises that have started the path of ecological transition, made investments in climate change adaptation strategies and are engaged in sectors of the future, such as renewable energy, the circular economy and sustainable and electric mobility.

- the ongoing development of **our ESG value proposition**, offering an increasingly wide range of products dedicated to the sustainable transition of businesses. In 2023, these efforts led to the introduction of our Green Push Strategy and ESG Reverse Factoring, alongside our Green guarantees.

With these initiatives, SACE aims to **boost enterprises of excellence in Italy**, those that leverage the ESG aspects of their business models, in order to drive the transformation towards sustainable development while improving the resilience of businesses and ensuring the competitiveness of the country's productive fabric.

4.3.1. SACE's ESG Value Proposition

SACE is continuously expanding its **ESG value proposition** to support and fast-track the sustainable transition of Italian enterprises. The proposition currently encompasses Green Guarantees, Green Push and ESG Reverse Factoring.

SACE is working in support of the European Green New Deal and Italy's ecological transition with Green Guarantees.[15] Under the provisions of framework, SACE can provide guarantees on up to 80% of state-backed loans to finance projects aimed at furthering the transition towards a low-carbon economy, the integration of low-emission technologies in production cycles for sustainable goods and services and the promotion of clean, low-emission transport.

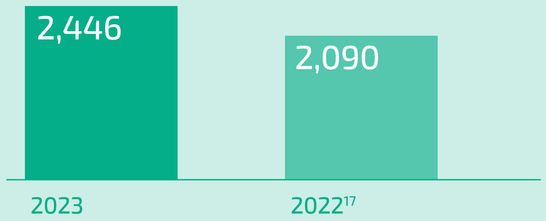
Since the introduction of the instrument in December 2020, a total of **628 operations** had been approved at 31 December 2023 (260 in 2023 alone, 90% of which for SMEs and Mid Corporates) covering a total loan amount (i.e., the total principal, including the part not covered by SACE guarantees) of **EUR 11,498 million** (EUR 4,336 million in 2023 alone), for a total commitment through the guarantees of **EUR 6,801 million** (EUR 2,272 million in 2023).

Green Guarantees involve a due diligence process to screen the eligibility of the financed activities, or a statutory declaration by the debtor for smaller transactions, to ensure that the proposed investment meets the requirements of the European Taxonomy (or, alternatively, of the indicators set by the Ministry of the Environment and Energy Security (MASE)). Specifically, projects must make a significant contribution to at least one of the environmental objectives contemplated by the Taxonomy (climate change mitigation and adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems), while doing no significant harm to any of the other objectives. The framework agreement in place between SACE and the MEF tasks SACE with assesing

PRODUCT/SERVICE WITH ENVIRONMENTAL PURPOSES

(Guarantees and Liquidity EUR/M)

GREEN GUARANTEES



the eligibility and effectiveness of projects in relation to the objectives identified by government decree.[16]

The remuneration for SACE is determined at market conditions. In the firm belief that the guarantees really can fast-track the country's energy and environmental transition, "Green" framework agreements have made with major national and regional banks, setting out standardised and digital procedures to ensure fast and streamlined access to Green Guarantees, also for SMEs planning to reduce their environmental impact and embrace a path of sustainable transformation.

In 2023, SACE unveiled **Green Push**, a new solution under the **Push Strategy** programme. First launched by SACE in 2017, the Push Strategy is designed to improve the positioning of Italian SMEs in global supply chains. It primarily targets big foreign buyers and provides access to medium/long-term financing guaranteed by SACE to unlock investment and growth plans. The strategy commits foreign buyers in the contractual agreements made to considering Italian manufacturers in the implementation of their investment plans. That commitment is facilitated by a series of business matching meetings—organised by SACE in cooperation with the Italian business associations and institutions present in the relevant countries—bringing together Italian SMEs interested in becoming accredited suppliers and the procurement teams of the foreign counterparties benefiting from the financing facilities.

Over the last few years, SACE has observed growth in the market for **ESG financing**, such as green loans and social loans, aimed at financing projects with specific environmental or social purposes, as well as sustainability-linked loans, or general-purpose loans linked to the pursuit of specific sustainability KPIs. Green Pushes were created to respond to this new market trend and actively contribute to the transition of the economy. While maintaining the objective of promoting Italian technologies and products, the Green Push Strategy targets projects with social or environmental purposes and transition plans aimed at improving the ESG impact of major international players. The strategy is a first of its kind in the **export credit agency** world and is attracting growing interest from international banks.

It was within this framework, for example, that SACE has guaranteed a EUR 300 million loan by a pool of international banks led by BNP Paribas to Raizen, a Brazilian utility, considering its solid investment plan in green and renewable energy projects and its ambitious sustainability agenda, aimed at developing twenty second-generation ethanol plants by 2030.

ESG Reverse Factoring is one of the solutions developed by SACE to indirectly support sustainable investments by enterprises. It incorporates ESG factors into standard Reverse Factoring, which enables suppliers to collect receivables from a debtor company in advance through a specific agreement with it. With Reverse Factoring ESG, SACE has introduced a reward mechanism, whereby the discount rate applied to the invoices is calculated on the basis of an ESG assessment carried out by an independent specialist. For suppliers it means undergoing an ESG assessment of their business, allowing them not only to identify areas of weakness in sustainability terms, but also to consider starting on a path of transformation and improvement of their ESG status, in order to unlock a more rewarding discount rate in the following years. In 2023, ESG Reverse Factoring was given a pilot run under an agreement with Fincantieri. The aim is to expand the instrument in 2024 to other major Italian players, for it to become a mainstay of SACE's value proposition.

[15] As required by Article 64 of the "Simplification Decree"—Italian Legislative Decree No. 76 of 16 July 2020, converted with amendments into Law No. 120 of 11 September 2020.
[16] Pursuant to Article 64 of the "Simplification Decree".
[17] The amount shown is a working figure, obtained by applying the 2023 methodology for measuring SACE's G&L Green guarantees, which takes into account the approved commitment of guarantees issued in the reference year (including any negative or positive changes in the reference year) and positive changes in guarantees issued in previous years.

RE GENE RA TING

Re-generating value
together with our **Customers**

Chapter Overview

2023 HIGHLIGHTS

2023 NET PROMOTER SCORE

+45 POINTS

LISTENING TO OUR CUSTOMERS TO DESIGN

NEW SOLUTIONS

2024 ESG TARGETS

DEVELOPMENT OF AN

ESG PLATFORM FOR SMES

with services offered by SACE and Partners

REGISTERED CUSTOMERS ON THE PLATFORM

5,600

5.1 Value for Customers

SACE strives to satisfy the full range of needs faced by Italian enterprises. It offers a comprehensive lineup of products and services tailored to the needs of our customers, who are served through a bricks & mortar sales network and via digital channels.

The **INSIEME 2025** business plan marks the evolution of SACE's identity, injecting new life and innovation in its support for enterprises in Italy and beyond through:

- **the transformation of the current SME support system**, thanks to the creation of an ecosystem dedicated entirely to them;
- **a customer-centric**, proactive and innovative approach to customers, to anticipate and meet their evolving needs;
- guidance for the **sustainable and technological transformation** of businesses
- a **technological transformation** of processes, making SACE a data-driven company based on pioneering tools.

The central focus on customers has led to the creation of a **Customer Centricity** unit, offering innovative and quality services that meet customers' needs for growth, protection and access to markets. This approach has contributed to improving customer satisfaction and retention levels, as measured through the Net Promoter Score (NPS), a key performance indicator for SACE Group.
To pursue these objectives, SACE rolled out a series of initiatives **to listen to the needs** of customers and partners—such as co-design events with businesses, intermediaries and partners and organised customer feedback through surveys—and identified actions aimed at meeting the needs that emerged.

At **co-design** events, engagement with businesses focused on an inclusive process to design best solutions for their needs and effectively support their business operations and projects.

One **co-design event** held in July 2023 brought together sixty participants—partners, SMEs, large corporates, finance providers, institutions and universities—with the dual objective of thinking about the ESG challenges facing the entire economic system on its path of transition to create lasting welfare; and jointly designing effective and innovative solutions to support the sustainable growth projects of businesses, especially small and medium-sized enterprises, as part of the SACE initiative of creating an ESG Ecosystem.

A **coverage team** ensures that Group sales networks are coordinated in their work, with reference to a potential market identified. Under the sales model adopted, a Relationship Manager is the person customers can rely on to access the full range of products and services offered, while Product Specialists offer expertise on specific products and are responsible for execution and management stages.

Customer relationships are guided by ethical principles and the key values of trust, accountability, efficiency and quality. SACE also promotes **commercial synergies** between Group products, without tying the sale of one product to the purchase of another, and in accordance with the requirements of state aid rules, antitrust regulations and administrative law.

5.1.1. Transparency and Customer Care

GRI 417-1, GRI 417-2, GRI 417-3, GRI 418-1

SACE Group seeks to promote a consistent corporate identity that is clearly recognisable by customers and built on understandable values and objectives. Accordingly, the Communication and Marketing Areas worked together to set out a **Communication Plan**, providing a consistent and effective framework for conveying our identity, based on our key values of respect, fairness and transparency.

Marketing communications are always framed so as to be recognisable as such. They are designed to convey truthful information and avoid any claim or statement, omission or ambiguity that may be misleading, especially in relation to the features or impacts of products, their price or gratuity, or their terms and conditions of sale.
During commercial dealings, all useful information is provided to put customers in a position to assess whether the proposed product meets their financial and business needs, helping them to make informed choices.

Checks on sales processes require line managers to monitor the conduct of their sales staff in making sales propositions to ensure they comply with the Group's rules of good conduct.

During the year, there were no cases of non-compliance with regulations and/or governance rules concerning marketing communications.

All products and services offered comply with regulations and are based on transparency and precise information requirements. In 2023, no cases were recorded of fines or penalties for non-compliance with statutory information requirements, just as no cases were recorded of breaches of SACE governance rules.

Customer **privacy** is duly protected and personal data are processed in accordance with the principles of lawfulness, purpose limitation and proportionality, and in compliance with the provisions set out in the Italian Data Protection Code and Regulation (EU) 2016/679 (General Data Protection Regulation or "GDPR"). In accordance with and for the purposes of the GDPR, SACE has appointed a Data Protection Officer (DPO). In 2023, no substantiated complaints were received of breaches of customer privacy. Although there was one data breach event, it did not result in the leak, theft or loss of customer data, and no breaches were found of the rights and freedoms of data subjects. In particular, with regard to impacts relating to the "nature of the breach", there was:

- **no loss of confidentiality;**
- **no loss of integrity;**
- **no loss of availability.**

In response to the aforementioned data breach (which occurred at a supplier's location), on 12 December 2023 the event was promptly notified to the Italian Data Protection Authority jointly by all SACE Group companies.

5.1.2. Measurement of Customer Satisfaction

SACE uses the **Net Promoter Score (NPS)** metric as its monitoring tool for customer relationships. The NPS specifically focuses on:

- **customer satisfaction** and propensity to repurchase;
- **customer experience** and purchasing processes;
- **level of knowledge** of the products/services offered by the Group.

This method of surveying customer satisfaction offers the key advantages of:

- the possibility of using **customer feedback**, which is essential for improving processes, products and services;
- the positive correlation with respect to the customer's purchasing habits and **economic performance**.

In 2023, the NPS for the Group was 45, showing strong improvement on the 2022 score (+45%).

The 2023 score confirms the leading role SACE plays in supporting the Italian economy, through a diversified value proposition that reaches out to all customer segments, in particular SMEs.

5.1.3. Our Digital Proposition

Started up years ago now, our **digital transformation** enables us today us to propose a seamless online and offline experience to Italian businesses, focused on the simplification and digitisation of products. Digitisation, in particular, is an ongoing process pursued by SACE, in an effort to keep abreast of the needs of customers and the demands of a market in constant evolution. Being digital enables us to respond more swiftly to new needs, but also to identify them more swiftly—or even anticipate them.

SACE has fully digitised a wide range of products and services:

- creditworthiness assessments of business counterparties;
- insurance coverage for export credits;

- performance bonds;
- factoring to unlock cash flow;
- SACE Education training programmes, focusing on topics such as Exports, Internationalisation, Sustainability, the Digital Transition and Green Business;
- the SACE Connects programme, which offers business matching events with international buyers.

With regard to the **export credit** operations, the Digital Supplier Credit product, which covers exporters in the event of default by a foreign counterparty and revocation of an order, saw important developments in 2023, including an increase in the ceiling for online transactions from EUR 5 to 10 million, the possibility for customers to manage certain types of changes through the platform after the issuance of the policy and the notification of lost receipts and claims. Targeted at Italian exporters of goods and services, the product is managed entirely on the mySACE.it portal where companies can access a reserved area to have a complete view of all digital applications and their progress.

Underpinned by the deep transformation of SACE's internal processes, the new, simplified customer journey is built on a paperless approach in which all documents have been dematerialised and digital signatures introduced for signing forms and contracts.

Other key features of the online experience offered by SACE include:

- **tools** for free quotes;
- **step-by-step** guidance through digital processes;
- customer support **chatboxes;**
- multimodal electronic payments;
- **online webinars**;
- additional digital services, such as "**Find Your Temporary Export Manager**" and the "Sanctions Risk Map".

As part of its efforts to respond as best as possible to the fast-changing needs of Italian enterprises, SACE plans to continue expanding and improving its range of online products with new digital services and content.

In addition to the digital products in the reserved area, SACE offers customer enterprises a streamlined process for products accessed through partner banks, such as the Green Guarantee and the new Futuro Guarantee, developed in 2023.

Green Guarantee is the product dedicated to the development of projects in Italy that meet the criteria set out in the Regulation and in the European Taxonomy for Sustainable Activities.

Futuro Guarantee is aimed at developing strategic supply chains and investments in Italy and around the world targeting technological innovation, digitalisation and the development of physical and digital infrastructure. Both guarantees entail standardised documents and streamlined processes for loan amounts of up to EUR 50 million, rapid turnaround times and SACE due diligence, with different levels of automation depending on the amounts.

5.2 Support for the Sustainable Development of Italian SMEs

FS16

SACE values the excellence of all Italian enterprises, but it places a special focus on **small and medium-sized enterprises**, the backbone of our country. For SMEs, pathways to sustainable and international growth, unlocked by access to insurance and financial products and services, can be more challenging.

Through a wide **range of instruments and services**, SACE aims to shore up the international reach of Italian business by breaking down the obstacles typically encountered by small and medium-sized enterprises, enhancing their competitiveness and supporting them in their export growth, internationalisation and ecological transition. SACE also champions Italian supply chains and promotes exports of Italian technologies by facilitating sustainable investments under the Push Strategy programme.
More specifically, support for SMEs is channelled through the following drivers:

- constant **coverage of the territory** to boost the number of customers served and customer satisfaction levels;
- support for a network of **partner** professionals interested in offering their customers top-level advice on the instruments and services offered by SACE;
- greater **simplification and digitisation** of processes and products to improve their effective accessibility and depth of reach and make products more **customer-friendly** for SMEs;
- evolution of training programmes to strengthen the **know-how** and skills of SMEs on export and **green** issues;
- more proactive **Customer Care**;
- organisation of marketing campaigns, **webinars** and **business matching** events to reach an ever greater number of SMEs.

5.2.1. SACE Education

SACE Education is the **SACE training hub** designed to offer a specialised, varied and **omnichannel** learning experience to Italian enterprises—especially SMEs—seeking to navigate the current global economic waters and grow in a more sustainable and innovative way, both in Italy and worldwide.

In 2023, numerous initiatives were developed in the three areas of Education to Export, SACE Academy, and Infrastructure, Green & Digital.

EDUCATION TO EXPORT

Specialist training programmes on export and internationalisation issues, including:

PUBLICATION SERIES:

- Country Focus Customs Guides covering the customs rules and systems of some of the most strategic markets for Italian exports, available free of charge in the Education section of the SACE website;
- Technical customs guides written for companies interested in finding out more about customs issues such as the **digital transformation** process, Free Trade Agreements, export restrictions and Dual Use rules, available free of charge in the **Education** section of the SACE website;
- Eleven international **Business Etiquette** fact sheets, prepared in partnership collaboration with Ca' Foscari University, and twenty Digital Export analysis fact sheets on specific strategic countries export countries, prepared in collaboration with the Polytechnic University of Milan.

EVENTS CYCLE:

- **Digital Exporting, III Edition:** a cycle of events organised in partnership with Promos, designed to present business opportunities and the digital processes for accessing selected strategic markets for Made in Italy exports. At each event, the country's political and economic outlook and its digital scenario were presented, as well as the digital tools that SACE and Promos offer in support of businesses;
- **Companies & Markets:** initiative developed jointly by SACE, ISPI and Assolombarda, targeted at all exporters and enterprises with high export potential. Six events in the series were held in 2023, each providing an in-depth picture of a specific foreign market (India, Mexico, South Africa, Brazil, Vietnam and the Persian Gulf—Focus on UAE), with insightful analyses of their geopolitical situation, macroeconomic framework and business opportunities;
- **SACE On Tour:** a series of meetings organised in partnership with Unioncamere and targeted at SMEs, with the aim of shoring up their internationalisation, market analysis and risk management skills and abilities, and delivering greater knowledge of the insurance-financial solutions offered by SACE Group to improve their competitiveness and help them grow safely in foreign markets. The nationwide roadshow stops at different cities/regions in Italy, targeting companies in the specific area of reference;
- **Export Champion Program:** Focus India—IV Edition, a training course promoted in partnership with Luiss Business School and targeted free of charge at Italian exporters. In this specific case, speakers from the Italian Embassy in India, the SACE faculty and Luiss Business School addressed participants at six meetings to provide an in-depth economic, legal and tax overview of India and a comprehensive picture of the winning tools and strategies to access the market with peace of mind;
- **Coffee with Business:** organised at SACE's Rome headquarters in partnership with Crédit Agricole Italy, the event focused on business opportunities and the services and products provided in support of internationalisation.

PODCASTS:

- SACE Education was back on the radio waves for the second season of "**Venti d'Impresa**" on Radio24, offering key tips and advice for Italian enterprises on their voyage in search of new business lands, to help them navigate the waters safely and find the right strategic route. The six episodes of the season each focused on a different international destination (Mexico, China, UAE, Brazil, India, USA), covering the market opportunities they offer, the first-hand experiences of "pioneers", tips by local experts and the "Golden Rules" not to forget.

SACE ACADEMY

SACE worked to further the education of professionals and its own SACE people by promoting **executive courses** organised in partnership with public and private business schools and universities in Italy, in some cases providing scholarships. Below are the main courses organised in 2023:

- **"Executive Programme in Sustainability"**, organised with the Scuola Superiore Sant'Anna in Pisa and targeted at the company managers and non-management employees of small and medium enterprises, aimed at fostering the skills and knowledge needed to lead the transition towards a green future, thus contributing to the sustainable growth of Italian and European business;
- **"Executive Course in Digital Transformation"**, organised with POLIMI Graduate School of Management and delivered free of charge. The objective of the course was to enable participants to successfully steer and manage the digital transition in their companies and the innovation of processes and products, understanding the implications and impacts on the internal organisation of their companies and their business models;
- **"Executive Management Course"** organised with Ca' Foscari University, UNIPA and Luiss Business School. Offering three different programmes of study, SACE Academy contributed through the provision of scholarships and educational content and the involvement of its Faculty;
- **"Executive Course in General Management"**, organised with SDA Bocconi and focused on the key issues today for business and national economic growth, such as Strategy Disruption & Technology Revolution, Logistics & Supply Chain Management, Accounting & Finance, Infrastructure & Project Financing and Leadership Management.

In addition, the year was marked by the establishment of the **SACE Academy Faculty**, made up of SACE Knowledge Ambassadors—138 people, equal to 15% of the company population, who promote the dissemination of company culture and the transfer of specialised know-how both inside and outside the organisation. The Faculty brings together and places its great wealth of knowledge at the service of Italian enterprises, to create relationships built on a solid business culture.

INFRASTRUCTURE, GREEN & DIGITAL

SACE promoted several projects aimed at supporting Italian enterprises in pursuing the path of the ecological transition and seizing all the opportunities for more sustainable growth. Specifically:

- **sectoral reports:** as part of the "NRRP Workshops" series, five reports were released, focused on the agri-food, fashion, production machinery, chemicals & pharmaceuticals and automotive sectors. In addition to presenting a picture of the industry in Italy and Europe, the reports explore how they have changed "before and after Covid", "the economic impact of the health crisis and turnaround strategies", "winning territories for doing business" and "the future for the sector";

- **digital dialogues:** with the aim of offering concrete support for the digital transition of Italian SMEs, SACE Education and LinkedIn launched a series of free-to-air, live-streamed meetings to learn more about the drivers of the digital transformation and the business models of the future. Industry experts and professionals from SACE and the world of LinkedIn spoke with companies about the changes the digital transition is bringing to markets and the new forms of organisation that small and medium-sized enterprises need to take up to compete on the domestic and foreign markets. The series was therefore an opportunity to talk about sustainable innovation in companies and to present its many faces in practice—from the digitisation of business and product processes to the strategic management of risk on "digital" markets, effective marketing and sales strategies, and brand positioning according to the market and industry of reference;

- **export innovation workshop:** an opportunity to talk shop with industry players and companies that are using Blockchain technology and AI to respond more effectively to the increasingly complex needs of international customers, with the participation of experts from the Tor Vergata Foundation and SACE. The objective of the workshop was to spread the culture of digital innovation in Italy and support SMEs in understanding the advantages of artificial intelligence and blockchain solutions for their growth on foreign markets;

- **launch of "ESG Workshops":** a digital environment offering access free-of-charge to dedicated content on ESG issues and tools to support the sustainable transition of Italian SMEs. Articles currently available focus on topics such as the Risks & Costs of the Green Transition; Growth Opportunities & Dedicated Funds; and the Twin Transition, exploring the links between sustainability and digitisation. With a view to keeping the ESG Workshops constantly up-to-date with topical content of interest for SMEs, SACE is preparing new guides for SMEs addressing the topics of Sustainability Reporting; Supply Chain; ESG Certifications & Ratings; the European Taxonomy; Sustainable Credit for SMEs; Climate Change Gap: SMEs, Insurance and Gap Protection; and Internationalization & Exports;

- organisation and participation in sustainability-focused events, including:

- **"Sustainability & Innovation":** Opportunities and Challenges for the Paper Industry, held on 24 November 2023 at Confindustria Toscana Nord, Lucca. The event was a window for debate and insight by SACE experts, companies, ESG managers from the banking world and academic institutions, providing an opportunity to illustrate, among other things, new ESG rating models, examples of transactions and the solutions and services that banks and SACE Group offer to boost the competitiveness and sustainable growth of enterprises, in Italy and around the world;

- **"Women in Export: Objective South":**a specialist course provided free of charge in partnership with Microsoft, UPS and the Federico II University of Naples, with modules focused on e-commerce strategies and tools; green innovation in business models; inclusive innovation in business models; NRRP opportunities and challenges, with a regional/industry focus; and business leadership as a driver for inclusive business models and sustainable development in business;

- involvement in **"Sustainability Week"**, an initiative promoted by Confindustria Veneto East, through the organisation of "Green Transition: Sustainable and Digital Growth TOGETHER with SACE", a room showcasing SACE products and services for the sustainability projects and energy security of enterprises.

5.2.2. SACE Connects

In an effort to leverage SACE's unique relational and **networking** capacity to create value for businesses, **business matching** programmes have been run since 2018, becoming key events unlocking new opportunities for many SMEs. In 2023, SACE stepped up its efforts in organising business matching events to promote the growth of Italian enterprises, with the aim of expanding opportunities to connect with new foreign customers. The new momentum has been captured by a new name: **SACE Connects**. The programme more forcefully targets the same objectives of developing business and global positioning opportunities for Italian suppliers, with a new brand identity that more effectively conveys our capacity to build business connections and underscores the active role SACE plays in facilitating business encounters. Only those who know the parties perfectly can create the perfect match—this is the value proposition of a programme attracting growing numbers of participants, leveraging all of SACE's deep experience and key ability to manage risks on international markets.
During the year, **66 business matching meetings** were organised in dig-

ital format or face-to-face, in Italy and around the world, as stand-alone events or as part of major international trade shows. More than 2,700 SMEs took part in the events, taking advantage of this **exclusive origination** channel.

SACE Connects helped companies to shorten distances and meet potential new customers, all carefully screened by SACE experts in line with the company values made clear in our business plan. One value of particular importance is sustainability, as reflected in the release of our **ESG Strategy**. In keeping with the goals of that strategy, some of the business matching initiatives focused on facilitating the commitments made within the scope of the Green Push Strategy, whereby SACE guarantees loans to foreign buyers that have sustainable purposes, on the condition that they commit to raising their volume of purchases of Italian goods and services.

5.3 Innovation and Digitisation

Innovation is a cornerstone of the **"INSIEME 2025"** business plan and the new course it charts for SACE. A course in which the digital transition has been paving the way forward for us day after day.

Our efforts to support SMEs in coping with the challenges of today and tomorrow and make headway with their sustainable transition build on technological innovation and the value of SACE people. This has been driving the evolution of the online SACE ecosystem, becoming ever more "open" and dynamically charged.
MySACE, the area dedicated to businesses, has been enriched with new features, including a **"Personalised Advisory"** service and the **"SACE Education"** programme.

In response to the need expressed by **users and partners** for digital support to help them navigate SACE solutions, "Personalised Advisory" was created as an **online tool** that finds the best solution for the needs of enterprises and puts them in direct contact with a SACE professional for their better understanding and user experience. An experience that seamlessly combines the potential of online and offline service into a **single journey**.
SACE Education has been a cornerstone of our relationship with Italian enterprises for years, offering a balanced mix of online and offline content and formats, events and an academy, through which SACE prepares people, before companies, for the challenges and opportunities of the market. In 2023, SACE Education was fully digitised and, through an advanced online registration system, offers users a unique and personalised experience within MySACE, helping them to chart their own growth path independently.

In 2023, SACE also made major inroads into the Italian innovation ecosystem. In this framework, SACE promoted **SIOS SUMMER—INSIEME 2023**, an event organised in partnership with **StartupItalia and LUISS University**, which brought together all the components of Italy's innovation ecosystem—startups, large and small enterprises, funds, institutions, business incubators, universities and many others—to share their knowledge and experiences and create opportunities and connections in the field of innovation. The initiative brought a greater understanding of the needs of those working in the sector and of the contribution SACE can make through a long-term commitment.
With the aim of spreading an innovation mindset among SACE people and facilitating change and evolution within the Group, an **Innovation Lab** was launched, a collaborative workspace in which all business areas participate. It is designed to intercept new trends unfolding outside the organisation, generate and implement ideas on an experimental basis, help spread a culture of error, promote the take up of new tools and methodologies and facilitate multidisciplinary collaboration.

5.3.1. Data Governance & Data Quality

DATA ASSETS

SACE Group data assets consist of data from various certified and documentary sources. The accuracy and reliability of those data are guaranteed by a series of data quality controls, carried out in line with the Group's Data Policy. The policy sets out a framework of data governance and data quality guidelines, identifying roles and responsibilities, data controls, information management processes and the relative tools.

To support data quality objectives, a series of **key performance indicators (KPIs)** are used to monitor the quality of data. The quality of its data assets, together with the range of advanced, interactive and dynamic data visualization solutions developed, has transformed SACE into a data-driven organisation.

The company offers numerous apps and dashboards, covering a full gamut of operational, management, commercial and institutional tasks. They enable a universe of data to be explored and personalised views to be created, as a **self-service business intelligence service** (also for mobile platforms).

In 2023, a Group **DATA SQUAD** was set up, building on the goals of the INSIEME 2025 business plan. Its objectives are to:

- adopt a data-driven approach in decision-making, based on objective facts;
- build awareness and unlock the value of the data and IT tools available;
- create a place for sharing, debate and support for unlocking the value of data assets;
- experiment with Business Intelligence and Artificial Intelligence solutions on specific user cases.

INFORMATION SECURITY

SACE's data assets are protected by an **Information Security Programme (ISP)**, developed and implemented in 2012. The programme sets out the governance framework for data security measures and processes, drawing on best practice, standards, methods and regulations governing data protection (ISO/IEC 27001, COBIT, Regulation (EU) 679/2016, Italian Legislative Decree 196/03).

As part of the framework, an Information Security Management System (ISMS) has been outlined and implemented, setting out the criteria, rules, roles, and responsibilities for governing the security of SACE's IT systems and the cloud services provided to Customers.

The ISMS consists of the set of policies, organisational units, responsibilities, planning activities, practices, procedures, and people. The system's synergistic organisation is designed to ensure an adequate level of data and information security for processes scoped into the perimeter through the identification, assessment and treatment of the risks to which the services themselves are subject.

The ISMS contributes to preserving three fundamental characteristics of data and information, namely:

- **confidentiality:** meaning the property of information being accessible only to authorised people;
- **integrity:** meaning the property of information remaining complete and accurate, without the possibility of being altered by external events;
- **availability:** meaning the property of information being accessible and usable at the request of an authorised entity.

The global benchmark for information security management is the ISO/IEC 27001 international standard. This standard specifies the requirements for establishing, implementing, maintaining and continuously improving an Information Security Management System in the context of an organisation. The ISO/IEC 27001:2022 and ISO/IEC 27017:2015 international standards together set out a framework of requirements and guidelines for the management of information security and **cloud** services.

In 2023, SACE upgraded to the new version of the ISO/IEC 27001:2022 standard and extended the certification to ISO/IEC 27017:2015 in order to:

- **improve the security of information and cloud services**, reducing the risks of loss, theft, alteration and unauthorised disclosure of data;
- **raise the trust of customers**, partners and authorities by demonstrating compliance with current regulations and good industry practice;
- **optimise processes and resources,** by identifying suitable responsibilities, procedures and controls for managing the security of information and cloud services;
- **stand out from the competition**, gaining a competitive advantage and a greater reputation in the market;
- **facilitate access to new markets and opportunities** by showing compatibility and compliance with international standards.

CLOUD JOURNEY

In an effort to improve the agile organisation of systems, at the end of 2023 our **on-premises data centre** in Rome was migrated to a **Cloud** infrastructure operated by a third-party provider, with the objective of:

- optimising infrastructure management costs;
- enabling the possibility of testing innovative **cloud-native** solutions (e.g. Artificial Intelligence-as-a-Service);
- facilitating the implementation of cutting-edge technologies provided **"as-a-service"**;
- boosting the security and reliability of the **data centre** thanks to configurable service levels and advanced security solutions;
- improving the flexibility of resources through the high-level configuration and allocation of virtual resources;
- complying with National Cybersecurity Agency guidelines that recommend cloud migration as a means of innovating organisations.

In addition, the **"Cloud Regions"** selected for our infrastructure are powered entirely by renewable energy.

As part of efforts to trial innovative services, SACE has started developing new business solutions to support the various group companies based on a **cloud-native** architecture, built on the following pillars:

- **microservices:** an approach to software development that splits an application into smaller, lighter services that are connected to each other through standard integration interfaces;
- **container:** technological components that contain all the necessary elements of an application, enabling the code to be created just once and then run anywhere, simplifying development and release;
- **DevOps:** an agile working methodology in which developers and IT operations teams work together to automate software and infrastructure deployment processes, building on closer and more synergistic cooperation and creating a culture and environment in which applications can be created, tested and released faster;
- **continuous integration and deployment:** the automated management of systems enables new system releases to be planned, configured and rolled out much faster than the standard approach.

RE DEFINING

Re-defining the concept
of personal well-being

Chapter Overview

2023 HIGHLIGHTS

A NEW, FLEXIBLE ORGANISATION OF WORK, BASED ON MUTUAL TRUST AND ACCOUNTABILITY

FLEX4FUTURE

AVERAGE AGE

42 YEARS

HOURS OF TRAINING

>13,000

WOMEN

49%

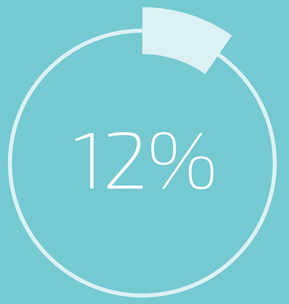
MEN

51%

2024 ESG TARGETS

GENDER BALANCE IN MANAGEMENT:

INTERNAL MOBILITY OF SACE PEOPLE:



6.1 People Well-being

GRI 2-7, GRI 2-8, GRI 2-30, GRI 202-1, GRI 401-1, GRI 401-2, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9

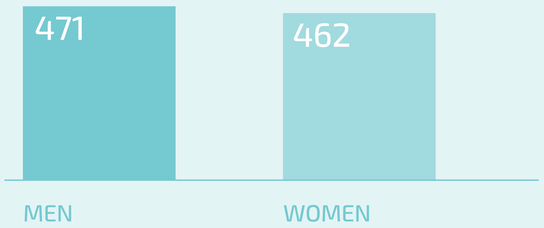
In pursuing its Mission, SACE cares for its **people**—the face of the company and the focus of long-term development. The ambitious goals that SACE has set itself can only be achieved in practice by making use of the specific knowledge and skills and the commitment of its human capital, which is unique and of great value. For this reason, SACE attaches great importance to the **development of the various skills and expertise** of its people and to the synergies generated by them, so that they can fully express themselves and develop their personal and collective knowledge.

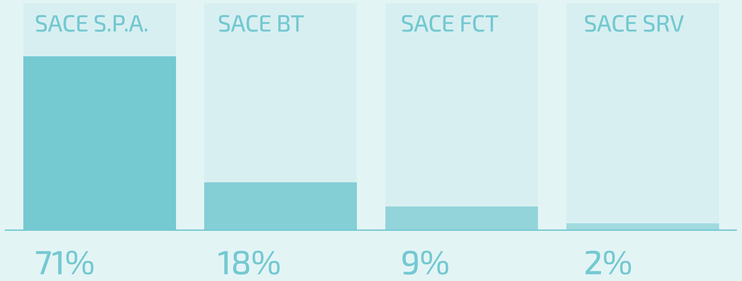
People lie at the heart of all our workplace policies. SACE offers each of its people key **growth opportunities** on both the professional and personal levels, working to ensure that everyone can find the work-life balance that is essential for the welfare and efficiency of people. The work culture at SACE is built on the values of meritocracy and equal opportunity. This entails a commitment to fighting discrimination in all its forms, whether based on sexual orientation, gender identity, ethnicity, nationality, cultural background, religion, political beliefs, age or disability, which sees SACE working day-in, day-out to create a work environment that appreciates and values diversity as a key source of wealth.
Mental health was a new area of focus for people care in 2023. In addition to the psychological support service in place for all employees, a mental health action strategy was designed, aimed at creating a community and forms of ambassadorship to promote awareness of the issue.

CLICK HERE TO VIEW THE TABLES IN THE APPENDIX

6.1.1. SACE in Figures

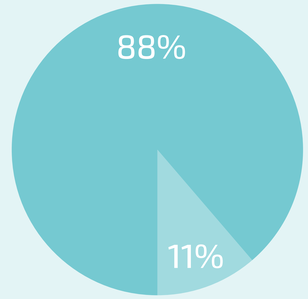
STAFF





51%

49%

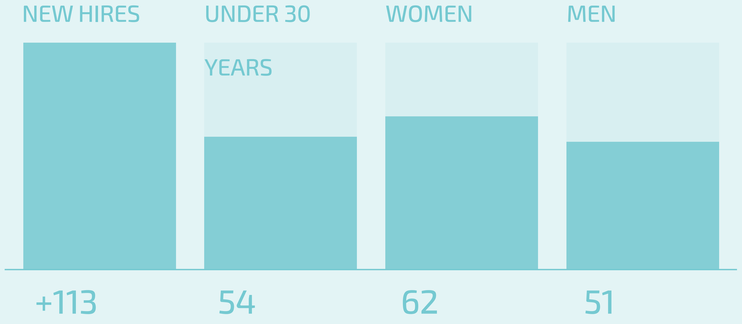


88% OF COLLEAGUES HOLD AN EDUCATIONAL QUALIFICATION EQUIVALENT TO A BACHELOR'S DEGREE OR HIGHER

42 AVERAGE AGE

PERMANENT CONTRACTS

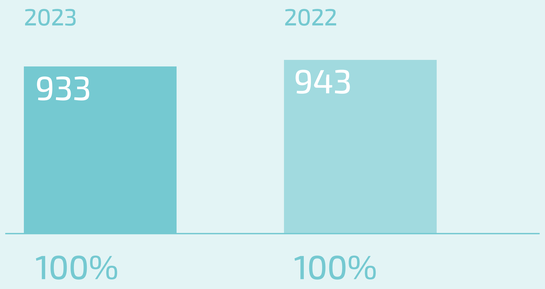
97%



The headcount for SACE Group as a whole is **933 people**, including 462 women and 471 men. Of that figure, 71% work for SACE S.p.A., 18% for SACE BT, 9% for SACE FCT and 2% for SACE SRV. The Group has achieved gender balance among its employees with 49% women and 51% men. Workers with a tertiary educational qualification equivalent to an undergraduate degree or higher make up 88% of the total head count, while the average age of workers is 42 years. Breaking the figure down by gender, 89% of female workers hold an educational qualification equivalent to an undergraduate degree or higher, with the average of women being 41 years. For men, 86% hold an educational qualification equivalent to an undergraduate degree or higher, while the **average age is 42 years.**

A total of 98% of all workers at SACE are employees, 97% of whom are employed on a permanent basis. In our international offices, 100% of employees have been hired on a permanent basis. Full-time workers make up 98% of the head count. In 2023, the Group took on 113 new employee hires, including 54 people aged under 30 and 62 women.

Employees Covered by Collective Bargaining Agreements (GRI 2-30)



6.1.2. The Importance of Work-Life Balance

SACE runs numerous **welfare** programmes for its people to help them achieve a **work-life balance.**

Alongside the **welfare** benefits provided under collective bargaining agreements for the industry (insurance and banking sectors), organisation-level agreements and company regulations provide additional benefits, such as an allowance to help cover school fees, a contribution to mortgage payments and a supplementary pension scheme. Health protection and prevention benefits instead include specific insurance cover (a private health insurance policy extended to all the direct family members of employees, accident insurance and temporary life insurance) and medical check-ups as part of a prevention programme.

In 2023, a number of "**people care**" initiatives targeted working parents in the Group, to support them in raising their children and improve their **work-life balance.** Initiatives included specific age-based programmes for children, to support people in coping with the parenting challenges tied to critical stages in their children's development. In addition, the helpline open to all our workers has become a permanent service, which people can call anonymously and free of charge to talk through problems and receive support or to access information of a legal or financial nature. The helpline is designed to help people deal with day-to-day issues better, keeping a lid on stress factors and promoting their well-being and quality of life.

The success of a company is built on the satisfaction of its people. SACE believes in the importance of a work-life balance that enables people to reconcile their professional aspirations and home life. A vision that the Group translates into a rich programme of wide-ranging initiatives to help people balance their time and energy between work and home, while promoting sustainability and **activity-based** work methods.

Smart working arrangements have also become widespread, allowing people to work at different times of the day and in different places outside the company's offices. SACE is convinced that the spread of **remote working** arrangements can be of benefit in furthering the **work-life balance** of its people, strengthening their sense of **accountability**, mutual trust and of the importance of continuous feedback, while also representing a key lever for the digitisation of the company.

At the end of 2023, SACE launched **Flex4Future**, a programme covering all workers as of 1 January 2024. Under an agreement with trade unions, it introduces new working arrangements that eliminate time tracking checks, give access to unlimited activity-based **remote working** and trial a new four-day working week on a voluntary basis.The **SACE Flex4Future** programme will be studied by the **Smart Working Observatory** run by the School of Management of the Polytechnic University of Milan to monitor the effectiveness of the new arrangements and analyse their impacts. It relies on a partnership with **Microsoft** for the development of innovative technologies to enable the transformation.

Our people also enjoy a **flexible benefit** plan, which unlocks access to benefits and services that people can tailor to their needs, with a view to boosting their purchasing power. Under the plan, people can convert all or a part of their production bonus into value-added **benefits,** such as medical services, education, contributions to a supplementary pension scheme, services for elderly family members in need of home care, mobility and transport benefits, as well as personal well-being and entertainment services.

Finally, in an effort to promote an active and healthy lifestyle, employees can use the **gym facilities** set up in our head office in Rome.

6.1.3. Occupational Health & Safety at SACE

Occupational health and safety is a fundamental pillar of **company welfare**, which SACE monitors constantly. The company attaches great importance to health and safety in all aspects of its activities and works towards objectives for continuous improvement in the area. SACE ensures that staffing, instrumental goods and funding earmarked for occupational health and safety matters are constantly sufficient to translate in practice its commitment. The protection of health and safety also involves targeted training courses on the legal and regulatory framework, the organisation of first aid teams and fire squads and the distribution of medical equipment on company premises.

As a company incorporated within the European Union, SACE applies the provisions of Regulation (EC) 593/2008 and those of Italy's Consolidated Health & Safety Law (Legislative Decree 81/2008). In addition, since 2014 SACE has adopted an occupational health and safety management system conforming to the requirements of the ISO 45001:2018 international standard, obtaining certification of the system for its Rome, Milan, Brescia, Turin, Mestre, Verona, Bologna, Florence, Ancona, Naples, Bari and Palermo offices. Within the scope of the OHS management system, SACE has prepared a risk assessment report identifying and assessing all the risks to which workers are exposed and has adopted a company OHS policy setting out the underlying principles and commitments of SACE Group in the field of health and safety and procedures aimed at raising awareness of the risks and promoting responsible behaviour by all employees and/or contractors through communication campaigns and worker participation, consultation, information and training.

In terms of participation, SACE encourages all workers to play their part in the process of preventing risks and protecting the health and safety of their fellow workers and others, while screening suppliers and steering purchasing to ensure our business partners comply with OHS principles. To achieve all this in practice, the Group sets and works towards measurable OHS targets, which are reviewed on a regular basis to ensure continuous improvement in the field.

For this purpose, all our workers and workers' safety representatives can report health and safety issues to the Prevention and Protection Service via e-mail to sicurezza@SACE.it, and environmental matters via email to gestioneambientale@SACE.it.

SACE strives to create and maintain a working environment that protects the physical and mental health and the moral dignity of all SACE people, through a commitment underpinned by compliance with occupational health and safety regulations. For this reason, the safety and health conditions of the workplace are constantly monitored, with technical and organisational measures adopted as required.

All **SACE People** have a duty to make safe and proper use of company assets so as to keep the environment as free as possible from health or safety hazards, reporting any anomalies or malfunctions.

SACE People have a duty to comply with safety directives and to immediately report any accidents, dangerous behaviour or conditions and potentially hazardous situations to a designated safety officer. SACE People have a duty to comply with all provisions and instructions given for the purposes of their collective and personal protection.

SACE People undergo the medical examinations and health checks required of them by current legislation; everyone must take care of their own safety and health and that of other people in the workplace.

In 2023, six workplace accidents were recorded for all SACE Group employees, none of which were of a serious nature.[18] Investigations into the accidents found they were not caused by non-compliance on the part of the employer. As such, although they occurred during working hours, it was not necessary to take corrective measure, apart from one case, in which immediate corrective actions were put in place to completely eliminate the causes.

Work-related Injuries (GRI 403-9)

	2023	2022
Number of hours worked	1,533,871	1,575,841
Number of recordable work-related injuries	6	3
Rate of recordable work-related injuries	3.9%	1.9%
Number of fatalities as a result of work-related injury	0	0
Number of high-consequence work-related injuries	0	1
Rate of high-consequence work-related injuries	0%	0.6%

[18] All the accidents involved falls for slipping: two on-site in the workplace, two off-site during commuting and two during business trips/events on the premises of SACE partners.

6.2 People Development & Employability

GRI 404-1, GRI 404-2, GRI 404-3

Training and Leadership Model

In 2023, alongside the standard **training programmes** run by the company (management, behavioural, IT, language, specialist and business training), other initiatives were implemented to facilitate the uptake of company's transformation, and to promote people's growth and development. They included:

- the delivery of 713 individual training plans, involving the mapping of technical/specialist and business **skill-based** courses;
- the delivery of seven **webinars** covering the introduction of the new EPIC Leadership model and the new Values model to the entire population to spread and raise awareness of its adoption in terms of associated behaviours;
- a **training** and **team coaching** programme targeted entirely at the leadership team, to push ahead with the roll-out of the new leadership model, building on the efforts made in 2022;
- targeted training courses for new roles such as, for instance, **Manager as a Coach**, delivered to all new managers appointed in 2023, along with training programmes, divided into three different levels, for talented young people in the group;
- building on the Values project, the launch of the EPIC Leadership Hub, an **e-learning** platform delivering more than fifty courses and over one hundred briefs on **soft skills**, with a view to providing training on the skills identified by the leadership model;
- the launch of a feedback culture campaign, involving a communications and awareness-raising plan, the development and go-live of "TellMe", a **company app** for sharing daily **feedback**, and various **feedback** training events involving more than one hundred people on a voluntary basis.

Sustainability Training

In-house training initiatives at SACE in 2023 included the introduction of specific training **modules focused on sustainability**. Specific focus sessions open to all SACE people addressed key issues such as GHG emissions reporting (Carbon Footprint), sustainability reporting (NFS) and updates on new corporate sustainability reporting requirements (CSRD). Other topics under the spotlight included SACE's ESG commitment and its new Climate Change Policy and the Climate and Environmental Risk Integration Plan, as well as issues connected with the new ESG strategy, which incorporates sustainability into every aspect of business processes. This training approach reflects SACE's deep commitment to promoting sustainability as a key skill for the future, preparing people to actively contribute to the company's innovation and long-term success.

Focus on Talent Development
The 70–20–10 model

With the introduction of our new Purpose and new **People Care** strategy in September 2023, reorganisation efforts at SACE have shifted the attention onto the individual development of people, with a **development** strategy aimed at empowering people to take their careers into their own hands, in line with the concept of a **skill-based organisation**. The goal is to create a dynamic, flexible and innovative environment that is challenging and inclusive, placing value on the diversity and uniqueness of all our people. Work in 2023 culminated in the launch of our new **Employer Value Proposition** (EVP): "**Lead Your Journey**"—**Multiply YOUR Skills, Craft YOUR Growth, Shape Tomorrow**.

The 70–20–10 learning model is a framework for learning and reinforcing knowledge and skills. It divides learning into three categories of experience for the optimal development of human resources.

70% through on-the-job experience

20% through relationships and social interactions

10% through formal training and education

In 2023, major efforts were channelled into developing a new **Skill-based Career Framework**, which as of 2024 will enable career paths to be personalised on the basis of skills possessed and professional growth ambitions. Between September and December 2023, around 900 individual development assessments were held across the entire company population, with an average assessment level of 8.92 out of 10. Personalised development plans based on the 70–20–10 model were also built,
thanks to the creation of a new **Talent Team** dedicated to furthering the **Talent Partnership** and supporting the individual development of people. The digital tool developed and released by the Talent Team enables individual development plans to be drawn up and used for the in-depth assessments mentioned above, allowing SACE people to chart a personal path of conscious and effective development.

Performance Management

Performance Management at SACE is based on the following principles:

- **the value of Transparency**, meaning accessibility for all to the criteria and logic of the process and incentives;
- **promotion of a strong sense of Accountability**, as everyone is involved at every stage of the process. Cross Evaluations also encourage widespread accountability for the development of the SACE Team;
- **EPIC-driven,** as it is not geared exclusively to the assessment of outcomes, but focuses above all on the enabling behaviours expressed and used by the Team;
- **encouragement of a cross evaluation** promoting common performance objectives that build connections and synergies across different areas, rather than focusing exclusively on the person's own area of competence, so as to unlock the contribution everybody can make to achieving great common outcomes.

At SACE, **Performance Management** is not simply about assessment. SACE promotes feedback as a key means of building genuine relationships and steering performance to ever-higher levels by identifying strengths and areas for improvement. "Continuous" feedback is a key opportunity for engagement and mutual exchange. It is essential to periodically review behaviours, activities and challenges and is promoted at all levels of the Group through formal meetings (Goal Setting, Mid-Year, Feedback Sharing, Cross-Evaluation) and informal channels (TellMe App).

In 2023, a **Cross Evaluation** process was introduced to give more comprehensive feedback on performance in relation to leadership skills, with as much as 90% of the population taking part.

CLICK HERE TO VIEW THE TABLES IN THE APPENDIX

70—On-the-Job Development—Shape Tomorrow

In this framework, every person is responsible for their own training, development and career path and can move within the Group in a transparent and flexible way by taking advantage of internal mobility opportunities and participating in cross-cutting and cross-functional projects. On-the-job development means the development of people through their daily work experiences.
Since September, internal job postings have unlocked sixteen job rotation opportunities and more than ten cross-functional projects are ongoing. In particular, the seven Engagement Survey projects started up in response to a climate survey attracted more than 220 applications, with a total of 56 employees involved.

20—Development Initiatives—Craft your Growth

Networking and social learning initiatives run by SACE account for 20% of development. In 2023, a Growth Map was launched, consisting of more than fifteen types of development initiatives, including Mentoring, Coaching, Shadow Leadership, a Buddy Club, Brand Ambassadors, a Young Advisory Board and a D&I Community. People can identify the best initiative for their own development thanks to the help of a talent partner. total of 56 employees involved.

10—Learning Initiatives—Multiply your Skills

In 2023, the Epic Leadership Hub unlocked access to a library of courses to enhance the soft skills and leadership skills people need for their personal development.

Employer Branding

On 1 December 2023, SACE organised its first **Metaverse Job Fair**.
The initiative in numbers:

356 registrations for the event;

over 40 universities involved in the initiative;

+ 40 SACE representatives involved;

10,600 views of the initiative's social media posts.

General information

Total group employees at 31 December 2023 = 943
Total new hires = 113

Average hours of training per year per employee (GRI 404-1)

	2023			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Senior managers	8.6	10.7	9.2	22.2	24.2	22.8
Middle managers	11.4	12.2	11.8	21.1	23.9	22.3
Office workers	18.3	16.6	17.3	21.6	24.4	23.2
Total	13.6	14.4	14.0	21.4	24.2	22.8

Employees Receiving Regular Performance and Career Development Reviews by Gender (GRI 404-3)

	2023	2022
Men	461 97.9%	465 96.9%
Women	450 97.4%	453 97.8%
Total	911 97.6%	918 97.3%

Employees Receiving Regular Performance and Career Development Reviews by Employee Category (GRI 404-3)

	2023	2022
Senior managers	59 96.7%	58 93.5%
Middle managers	460 98.9%	441 99.1%
Office workers	392 96.3%	419 96.1%
Total	911 97.6%	918 96.7%

6.3 Diversity, Equity & Inclusion

GRI 401-3, GRI 405-1, GRI 405-2, GRI 406-1

SACE Group appreciates **diversity as strategic driver** underpinning the competitiveness of the organisation and generating innovation. The Group actively promotes the understanding, inclusion and valuing of diversity by creating a workplace in which people can fully express themselves and that fosters organisational well-being. Initiatives are implemented to promote the inclusion of diversity in all its forms, built on an approach that is both targeted and across the board to cover gender equality, parenthood, sexual orientation and gender identity, generational differences, disability and intercultural diversity. The value placed on diversity and the promotion of inclusion policies has found concrete expression in the approval of an internal **Diversity, Equity & Inclusion** Policy, together with the specific and general gender policies adopted in accordance with UNI PdR 125/2022. A Gender Transition Protocol has also been adopted to ensure protections for people in transition and the option of using an alias identity. D&I initiatives in 2023 involved a calendar of **seminars** and **workshops** open to all our people and run in partnership with external professionals and non-profit associations, continuing the Group's commitment to raising awareness, spreading information and involving the organisation in D&I matters, with a view to generating a positive impact on the environment in which the Group operates.

SACE supports several associations that promote the culture of inclusion. Major initiatives include our support for the association **D.i. Re—Donne in Rete contro la violenza** and its nationwide network of women's shelters. Empowerment and networking were instead the focus of the company's promotion of the **Young Women Network**, involving over forty young women from the company. Awareness-raising and training on gender equality, language and gender identity issues also continued during the year through the ongoing partnership with the associations **Valore D** and **Maschile Plurale**. SACE also organised events with the Italian Dyslexia Association, active in supporting people with specific learning disorders from childhood through adulthood, and with the "Plus Roma" association, which works to empower people living with HIV. Another important topic targeted by awareness-raising activities this year was that of neurodiversity, especially with reference to job experiences. A gender equality management system has been rolled out which encompasses the measurement of KPIs. The aim in 2024 is to obtain certification of the system. A 30-hour self-employment course was also organised for inmates nearing the end of their prison terms, run in partnership with "Semi di Libertà", an association that works for the social reintegration of prisoners and former prisoners, and with the scientific coordination of the Department of Management of Sapienza University of Rome. In the area of **recruitment**, SACE has joined UNHCR's Welcome project, which promotes the employment of people under international protection, supporting the work of the Adecco Foundation, an implementing partner of the project.

SACE actively supports its people in reconciling parenting responsibilities with work by offering remote working and flexible working arrangements. Employees with children also have a special paid leave benefit, which they can use on an hourly basis during work hours to manage duties and commitments, such as mandatory infant vaccinations.

The SACE Group is conscious of the different generations that compose its workforce, and how action plans need to reach out to all age groups. Accordingly, a **generational cross-fertilisation** project was designed in 2023, to be implemented in 2024. One case of discrimination was reported during the year. The incident was managed in accordance with internal procedures and through the implementation of specific corrective measures, underlining the company's commitment to an inclusive and respectful work environment.

Diversity of Governance Bodies (GRI 405-1)

	2023	2022
Men	50%	50%
Women	50%	50%
<=29 years of age	0%	0%
30–50 years of age	50%	45.8%
>= 51 years of age	50%	54.2%

Employees by Employee Category and Gender (GRI 405-1)

	2023	2022
Senior managers	61	62
Men	72.1%	67.7%
Women	27.9%	32.3%
Middle managers	465	445
Men	55.5%	55.5%
Women	44.5%	44.5%
Office workers	407	436
Men	41.5%	43.8%
Women	58.5%	56.2%
Total	933	943

Employees by Employee Category and Age Group (GRI 405-1)

	2023	2022
Senior managers	61	62
<=29 years of age	0%	0%
30–50 years of age	41%	42.5%
>= 51 years of age	59%	54.8%
Middle managers	464	445
<=29 years of age	0.4%	0%
30–50 years of age	70.3%	72.8%
>= 51 years of age	29.3%	27.2%
Office workers	408	436
<=29 years of age	28.9%	33.5%
30–50 years of age	61.3%	59.2%
>= 51 years of age	9.8%	7.3%
Total	933	943

CLICK HERE TO VIEW THE TABLES IN THE APPENDIX

6.4 Commitment to Local Communities and Areas

GRI 413-1, GRI 2-28

"**SACE for the Community**" is the corporate social responsibility programme run by SACE since 2022. It is designed to engage SACE people in promoting positive change for society, with a focus on long-term sustainability. In 2023, SACE people had the chance to give their time and talent in support of a number of third-sector organisations.

SACE believes partnerships between the **business world and the third sector** are a major opportunity for making an effective contribution to the sustainable and lasting growth of the community. Companies can play a key role in generating positive impacts for the communities and the environment where they work, by supporting the efforts of local non-profit organisations.

SACE for the Community is part of this process and aims to facilitate concrete and lasting social initiatives where SACE operates.

Under the programme, SACE has partnered with several associations in Rome, Milan, Bologna and Venice, standing out for their high social impact. A wide range of projects were selected to reflect the diverse sensibilities and interests of all SACE people, involving them at various levels, from the collection of donations to volunteer work in the field, in direct contact with beneficiaries. SACE people had the opportunity to contribute their time and aptitudes to the welfare of the community in which they live.

SACE also works with associations that promote the culture of inclusion and has implemented a system for managing and measuring gender equality KPIs, with the aim of obtaining certification.

Other initiatives were activated in response to the earthquake in Turkey and in support of the populations affected by floods in the Emilia-Romagna region.

In 2023, through the **Impatto Positivo di Regusto** project, SACE contributed to the distribution of 20,000-equivalent meals to disadvantaged communities in Italy, identified through the Public Register.

SACE also supported two major social-environmental impact projects targeting communities in Ecuador and Zambia. In Ecuador, in partnership with **WAMI**, SACE has offset its water consumption by installing taps to guarantee access to clean water for disadvantaged local communities. In Zambia, SACE supported the **Improved Cookstoves** project for the distribution of energy-efficient stoves to around 45,000 low- and middle-income households, improving indoor air quality and reducing greenhouse gas emissions.

RE CREATING

Re-creating the meaning
of "**Sustainability**"

Chapter Overview

2023 HIGHLIGHTS

ELECTRICITY PURCHASED
FROM RENEWABLE SOURCES

100%

ITALIAN SUPPLIERS

96.4%

2024 ESG TARGETS

REDUCTION OF OUR
DIRECT EMISSIONS

REDUCTION OF GREENHOUSE GAS
EMISSIONS PRODUCED BY BUSINESS
TRAVEL AND MISSIONS

FROM 2024, ONLY
VEHICLES THAT ARE

FULL
ELECTRIC

ESG SCORING
OF SUPPLIERS

100%

7.1 Direct Contribution to Protecting the Environment

SACE embraces **environmental protection** as an essential value and believes in the importance of collective and cross-cutting efforts to ensure the well-being of present and future generations. Protecting the ecosystem is a challenge, but also an opportunity. It is a goal we pursue by adopting a holistic, systemic and long-term view based on the awareness that the environmental, economic and social dimensions of sustainable development are closely interconnected.

7.1.1. Environmental Management System

The twin objective of incorporating sustainability into all business processes and adopting strategies to reduce the impact of our operations on the environment has prompted SACE to implement and have certified an **Environmental Management System** (EMS) in accordance with the **UNI EN ISO 14001:2015** standard. In 2023, the EMS certification was confirmed for the entire Group by the third-party certifier RINA. The attention focused by SACE on direct and indirect environmental impacts and its adoption of sustainable practices is demonstrated by the fact that there were no recorded cases of environmental non-compliance, or regulatory measures or sanctions imposed on the group in 2023, as in previous years.

To consolidate and make the most of the outcomes delivered by the EMS, efforts are continuing to obtain **EMAS Registration** (Eco-Management and Audit Scheme) showing the organisation's compliance with the requirements of Regulation (EC) 1221/2009. Accordingly, in 2023, the **Environmental Declaration** was updated and subsequently validated by RINA. The document expresses the Group's intention to operate with maximum transparency towards the main stakeholders with whom the organisation engages.

Every year SACE sets targets for the continuous improvement of the organisation's environmental performance. The targets are fully incorporated into strategic planning, translating the commitments of the **Integrated Environment and Occupational Health and Safety Policy** into specific milestones. Reaching the targets is a process involving the participation and efforts of the entire Group. In 2023, targets were set and initiatives pursued in the following areas.

CIRCULAR ECONOMY

A partnership has been started up with the Regusto platform, a sustainability marketplace where third-sector entities meet with companies to facilitate the processes of donating and selling food and non-food products. With the aim of **reducing waste production** and lengthening the life of assets otherwise destined for disposal, SACE has donated furnishings to the CEAS Social Cooperative for their reuse in the community. The initiative, combined with the purchase of **Impact Tokens**—a tool created by the benefit company **Recuperiamo s.r.l.** to highlight the impact generated on Italian territory—has generated an environmental benefit equal to 12,129 kg of CO_2eq. emissions avoided, 26,975 m^3 of water saved and 40,646 m^2 of land saved.

PROTECTING BIODIVERSITY

SACE has joined the **Posidonia** project run by **zeroCO2** and **Worldrise** , which aims to restore the coastal ecosystem in north-eastern Sardinia. By planting 300 Posidonia Oceanica plants—one of the most effective Mediterranean marine species for carbon capture and storage—12 m^2 of seabed have been rehabilitated in the Golfo Aranci. SACE's support for this project responds to the need to provide a concrete solution to the climate crisis and the loss of biodiversity, and to the need to spread awareness among its people of the importance of this ecosystem for the Mediterranean Sea.

IMPORTANCE OF WATER

SACE is a **Water Equal Office**. Thanks to our partnership with **WAMI**, and based on office water consumption in 2023, SACE has offset its water footprint with the installation of three taps connecting 24 people in Ecuador to the local water network for an average duration of 35 years. The initiative also marked the start of an innovative, engaging and interactive process to raise awareness among SACE people of the importance of water and reducing our water footprint. In addition, thanks to the purchase of **WAMI** beverages and water bottles, given out to employees in 2023, 1,190,000 litres of water was donated to water projects around the world, guaranteeing a precious resource to local communities that do not have access to it.

CLIMATE CHANGE MITIGATION

As part of our sustainability strategy, SACE has chosen to support the **Improved Cookstoves** project. In addition to the social benefits it brings for local communities in Zambia, the project will reduce greenhouse gas emissions by an estimated 429,490 tonnes of CO_2 per year, helping to mitigate climate change. In practice, SACE's support for the project involved the purchase of approximately 1,000 carbon credits, offsetting Scope 1 and Scope 2 emissions generated by our offices in 2023. The project is Gold Standard certified, one of the most reliable international standards on the voluntary carbon market.

7.1.2. Organisational Carbon Footprint

The quantification and disclosure of **greenhouse gas emissions** generated by the organisation helps to raise awareness in SACE people of our environmental impacts and the areas to target for their reduction. This is why SACE prepares **a GHG inventory** in accordance with the international standard UNI EN ISO 14064-1:2019, following the guidelines of the GHG Protocol. First reported in 2021, the inventory provides a detailed understanding of all the emissions generated by SACE and is verified every year by the third party assurer RINA which guarantees its plausibility and degree of reliability.

The inventory covers two main areas for measurement: the **Operational Carbon Footprint**, which tracks **Scope 1, 2 and 3** emissions (in relation to transport and products used by the organisation), and the **Portfolio Carbon Footprint**, which captures the Scope 3 indirect emissions linked to the insurance-financial work of SACE SpA, specifically the emissions generated by guaranteed transactions (portfolio emissions).

The **Operational Carbon Footprint**[19] zooms in on the direct and indirect emissions produced by SACE group operations, in particular those tied to our offices in Rome, Milan, Mestre and Bologna. The carbon footprint is calculated as the sum of data from operational activities multiplied by the emission factors sourced from relevant databases. The location-based approach found a carbon footprint for 2022 of 1,951 tCO_2eq. In the second reporting year, the GHG inventory was expanded to be more exhaustive in coverage and to determine the priorities for action. Its scope was extended to include emissions tied to commuting, remote working and the purchase of office furniture to obtain a more accurate estimate, with a resulting increase in emissions of around 360 tCO_2eq compared to 2021. After the sharp drop witnessed in the years 2020–2021 as a result of the health emergency, emissions associated with business trips returned to more normal levels, registering an increase of approximately 158 tCO_2eq compared to 2021, but were still below pre-pandemic levels. As a result, the overall increase of approx. 725 tCO_2eq was driven mainly by category 3 (indirect emissions from transportation) operating emissions.

The **Portfolio Carbon Footprint** snapshots the emissions generated by the transactions guaranteed by SACE. There is currently no specific standard applicable to export credit agencies. As such, SACE adapted the guidance provided by the Partnership for Carbon Accounting Financials (PCAF) for the banking sector to the specific nature of its own business. In October 2023, SACE became a member organisation of the PCAF to access to the sector databases it develops and constantly updates, exchange information with the other members and access the technical assistance services provided by the Partnership. The PCAF standard uses a measurement method that sums up the emissions associated with the insured activity or project by the weigh of SACE's commitment. This method resulted in the calculation of 18,058,787 tCO_2eq emissions generated and 2,654,085 tCO_2eq of emissions avoided. The PCAF uses a scale from 1 (excellent quality) to 5 (poor quality) to score the quality of the emission data used in calculations. The data used by SACE scored 1 and 2, with an overall average exposure-weighted score of 1.62. The quality score is based on the source of the data and reflects the distribution of transactions taken into account, with more detailed information compared to transactions using with emission factors.

In 2023, the PCAF methodology was updated and SACE fine-tuned its use of the methodology based on the experience gained in 2022. As a result, the outcomes for the two years are not comparable. Additionally considering the expansion of the scope of the **Operational Carbon Footprint**, it has been decided to use the more accurate result of 2022 as the new baseline for future years.

7.1.3. Sustainable Mobility

The promotion of **sustainable mobility** is a central tenet of SACE's vision and business practice. Over the last year, initiatives were consolidated and stepped up to ensure a responsible approach to commuting by SACE people.

The active engagement of all employees at every level of the Group led to a major overhaul of the SACE Commuting Plan. An engagement survey and in-depth data collection found an improvement in outcomes, showing that the Commuting Plan fully reflects the needs and expectations of the company community. The monitoring activity was not limited to the collection of key data for the review of the plan, but also looked at the level of employee satisfaction and identified any gaps between their habits and propensities towards sustainable mobility in order to steer the search for new solutions and new projects. The updating of the plan was not only designed to comply with statutory requirements, but represented an opportunity to step up

[19] The data stated here differ from the data for 2022 reported in the following subsection for Scope 1 emissions, location-based Scope 2 emissions and indirect emissions associated with travel. The difference is due to the different calculation methodologies used. The carbon footprint data in this section were calculated in accordance with UNI EN ISO 14064-1:2018; in the second case, reference was made to the conversion factors published by the ABI in its "Guidelines on the Application in Banks of GRI (Global Reporting Initiative) Standards for Environmental Disclosures—December 2022".

internal engagement and promote a sustainability-oriented company culture. Thanks to the efforts made in 2023 and in previous years, the mobility habits of our employees have changed significantly.

The European Mobility Week 2023 was an important opportunity to spread awareness of SACE's initiatives and promote a corporate culture oriented towards sustainability. Events such as bike tours and dedicated webinars promoted the active involvement of our people and their families, promoting awareness and the adoption of more sustainable mobility practices. During the year, SACE continued to work with the Mobility Managers of the Rome's Trident district, with a view to rolling out joint sustainable mobility initiatives that go beyond the company's borders. This synergy represents a further step forward in SACE's commitment to promoting more sustainable and responsible mobility, both inside and outside the organisation.

Area of analysis	ISO 14064 category	tonnes CO_2eq. 2021	tonnes CO_2eq. 2022	Change %
Operational Impact	Scope 1: Direct emissions	376	328	-13%
	Scope 2: Indirect emissions from imported energy, location-based	642	637	-1%
	Scope 3: Indirect emissions from transportation	110	811	637%
	Scope 3: Indirect emissions associated with use of products from the organisation	98	175	79%
Portfolio Impact	Scope 3: Indirect emissions associated with use of products from the organisation	24,315,212	18,058,787	-26%
TOTAL EMISSIONS GENERATED		**24,316,439**	**18,060,738**	**-26%**

Main measures adopted in 2023

Flex4Future
Flex4Future was launched as a trial at the end of 2023 and will be monitored to verify its benefits also in terms of environmental sustainability.

Local Public Transport Incentives
Provision of a contribution, through the company's recreational club (CRAL) for the purchase of annual public transport passes.

Company Fleet
The fleet is currently being replaced by electric vehicles.

Active Mobility
Launch of Bike To Work Days, an initiative to promote the use of bicycles for commuting to work. At our Rome headquarters, there is a bike point and the number of bike racks for parking bicycles has been doubled. Cyclists can also use the showers and locker rooms provided in the SACE fitness area.

Cut-Back on Business Travel
Video-conferencing equipment is available in various meeting rooms at our offices so as to minimise business travel and reduce the company's carbon footprint as a result.

Shared Mobility Agreements
In order to encourage and facilitate more sustainable transport, agreements have been made with leading providers of shared mobility services. The agreements provide for the payment of monthly subscriptions or daily codes.

SACE Goes Green
A challenge has been launched via the Wecity app to promote the use of environmentally-friendly means of transport by employees, as an alternative to driving to work.

7.1.4. Energy Consumption and Emissions

GRI 302-1

Energy Consumed within the Organisation (GJ)[20] (GRI 302-1)

	2023	2022
Total energy consumption	9,430.0	11,765.2
Non-renewable fuel	3,494.1	2,919.8
Natural gas	—	—
Heating oil	—	—
Fleet vehicles (diesel)	1,692.1	2,919.8
Fleet vehicles (petrol)	1,802.0	1,769.9
Electricity purchased	5,935.8	7,075.5
Renewables	5,935.8	7,075.5

Electricity is the main form of energy used in our offices. **Electricity** powers lighting systems, air conditioning systems, office equipment, water heaters for sanitation facilities and building utilities. In an effort to reduce our consumption and deliver both economic and environmental benefits, guidelines were phased in from the end of 2022 and throughout 2023 to promote "common sense energy use" in our buildings, based on the provisions of Regulation (EU) 2022/13692 of 5 August 2022. To improve energy management, in our Rome headquarters:

- a **100% Green** option was activated in 2020 for our Rome offices, for which all electricity purchased for the premises is generated by renewables;
- 24 m^2 of solar panels have been installed, with a total power of 1.34 kW and 24.91 TOE of **annual savings.**

Hybrid vehicles make up 62.5% of the company fleet, including 70 hybrid petrol and 5 hybrid diesel vehicles. During the year, an additional 16 hybrid vehicles and 5 electric vehicles were ordered to replace conventional cars, which will bring the percentage up to 76% of the fleet.

Starting in 2024, new orders will only be placed for zero-emission **full-electric** vehicles, to contribute towards the target of reducing emissions generated.

ENERGY INTENSITY (GJ/n) (GRI 302-3)

	2023	2022
Total number of workers (including employees, interns and contractors) considered for the ratio[21]	965	875
Total energy consumption	9,430.0	11,765.2
Energy intensity ratio (per-capita)	9.8	13.4

[20] For the measurement of diesel and petrol consumption in gigajoules (GJ), reference was made to the conversion factors published by the ABI in its "Guidelines on the Application in Banks of GRI (Global Reporting Initiative) Standards for Environmental Disclosures—December 2023".

[21] For 2023, reference was made to the entire workforce. For 2022, reference was made to employees at the Rome and Milan offices only.

EMISSIONS (GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4)

SACE measured its emissions by classifying them into:

- **Scope 1:** direct emissions of greenhouse gases from the consumption of gas for heating and from fuel consumption by company cars.
- **Scope 2:** energy indirect emissions of greenhouse gases from the generation of electricity purchased and consumed by the organisation.
- **Scope 3:** other indirect emissions as a consequence of the organisation's activities that are excluded from Scope 1 and Scope 2 emissions.

Scope 1 Direct GHG Emissions (tCO_2 equivalent) (GRI 305-1)

	2023	2022
Total direct GHG emissions	258.2	347.1
fleet vehicles (diesel)	125.7	216.8
fleet vehicles (petrol)	132.6	130.3
natural gas	—	—
heating oil	—	—

Scope 2 Indirect GHG Emissions [22] (tCO_2 equivalent) (GRI 305-2)

	2023	2022
Scope 2 (location-based)	443.8	513.5
Scope 2 (market-based)	023	77,524

Scope 3 Gross Indirect GHG Emissions from Business Travel[25] (tCO_2 equivalent) (GR 305-3)

	2023	2022
Total indirect emissions from business travel	1,312.4	1,128.1

Emission Intensity (CO_2eq/n) (GRI 305-4)

	2023	2022
Total number of workers (including employees, interns and contractors) considered for the ratio[26]	965	875
Total Emissions (Scope 1 + Scope 2 location-based)	702.0	860.6
Total Emissions (Scope 1 + Scope 2 market-based)	258.2	424.6
Total emission intensity (Scope 1 + Scope 2 location -based) (per capita)	0.7	1.0
Total energy intensity (Scope 1 + Scope 2 market-based) (per capita)	0.3	0.5

ENERGY EFFICIENCY (GRI 302-4, GRI 305-5)

The operational measures and behavioural practices adopted at the Rome headquarters during the year led to **303,187 kWh of power savings** compared to 2022. Specifically, **operational measures** included:

- the seasonal resetting of thermostats to 19°C in winter and 26°C in summer;
- the limitation of the temperature control range on thermostats to 19-22°C in winter and 25-27°C in summer;
- the installation of timers on electrical panels to minimise consumption during office closing times;
- the reduced opening of premises during periods of low attendance (e.g. Christmas holidays).

In addition, the internal energy awareness campaign continued, aimed at promoting and spreading the take-up of **virtuous practices**, summed up in the rules:

Do not open the windows in rooms, as an air purification system is in place and by keeping the windows closed, room temperatures remain stable;
Keep the doors to offices closed so as to keep room temperatures stable;
Do not switch on lights when there is sufficient natural light;
Switch off the lights when you are the last person to leave an office or a meeting room;
Take the stairs when you can;
Use the energy savings options on your monitor and laptop;
Put your computer on stand-by when you take a break and switch off the monitor, mouse and computer when you leave your work station;
Do not leave battery chargers in power sockets when you are not using them.

[22] The calculation of emissions from electricity consumption is based on the emission factor provided by ABI in its "Guidelines on the Application in Banks of GRI (Global Reporting Initiative) Standards for Environmental Disclosures—14 December 2023".
[23] SACE has committed to purchasing only energy generated by renewables, however the issue of the guarantees of origin for 2023 is still pending. The value of market-based emissions in the absence of the guarantees would be 757.15 tCO_2eq.
[24] The figure has been restated (see GRI Content Index).
[25] The calculation of Scope 3 indirect emissions is based on the emission factor provided by DEFRA in "UK Government GHG Conversion Factors for Company Reporting (2023)" and "with radiative forcing", meaning they the values take into consideration the climate change effects of the aviation sector, in addition to CO_2.
[26] For 2023, reference was made to the entire workforce. For 2022, reference was made to employees at the Rome and Milan offices only.

The combination of these operational measures and behavioural practices led to a reduction in the following GHG emissions:

Reduction of GHG emissions (tCO_2 equivalent)[27] (GRI 305-5)

	Location-based	Market-based
Total reduction in greenhouse gas emissions	81.6	139.2

7.1.5. Management of Raw Materials and Waste

GRI 301-1, GRI 301-2, GRI 306-1, GRI 306-2, GRI 306-3

SACE promotes the removal, reduction, recycling and reuse of waste in its own operations and throughout its value chain, in an effort to limit the impacts of waste.
To minimise the possible adverse impacts deriving from products acquired upstream of the value chain, SACE strives to adopt measures to facilitate circularity, starting with its purchasing processes.
With regard to internal and downstream activities in customer relations, SACE relies on **digitalisation and dematerialisation** processes to reduce the consumption of paper and other consumables.

Materials Used by Weight or Volume

Total materials used by weight (KG) (GRI 301-1)

	2023	2022
Total materials used	2,309.8	3,084.3
Renewable materials	2,309.8	3,079.9
Paper	1,902.6	2,696.4
Paper products (e.g., folders, business cards, envelopes, etc.)	157.9	139.8
Other (e.g. wooden stirrers)	249.3	243.7
Non-renewables	—	4.4
Plastic (e.g., drinking cups)	—	—
Toner	—	4.4

Recycled Input Materials Used

Overall, **recycled paper** and other recycled paper products accounted for 30% of materials purchased. Recycled paper is a constituent part of the paper purchased, which is made up of 20% pre-consumer content (uncoated and unprinted paper salvaged from production waste) and 10% post-consumer recycled content (paper already used and recycled).

Recycled Input Materials (Kg) (GRI 301-2)

	2023	2022
Paper	570.1	808.9
Paper products (e.g., folders, business cards, envelopes, etc.)	47.4	41.9
Recycled toner	—	—
Plastic (e.g., drinking cups)	—	—
Other	—	—
Total recycled input materials used	617.5	850.9
Total input materials used	2,309.8	3,084.3
% Recycled input materials used	26.7	27.6

Waste Generated by Composition and Disposal Method[28]

Waste produced at SACE Group offices is divided into:

- **municipal solid waste**, with the separate collection of paper, glass, aluminium cans, plastic and other waste not for recycling;
- **hazardous and non-hazardous special waste**, produced by office and maintenance activities.

Waste management involves separate collection procedures by composition of the waste, the producer and the site of production. At the Rome office, special waste, whether hazardous or not, is held in a temporary depot located on the technical premises of the basement floor, where access is restricted to authorised handlers and hauliers. At our other offices, surplus, broken and/or unsafe materials are transferred from the local offices to the head office in Rome, for their disposal or reuse. At larger local offices, waste management is instead outsourced to authorised service providers engaged in accordance with public procurement regulations.

[27] The calculation of emissions from electricity consumption is based on the emission factor provided by ABI in its "Guidelines on the Application in Banks of GRI (Global Reporting Initiative) Standards for Environmental Disclosures—14 December 2023".
[28] Data refer to the Rome offices of SACE S.p.A., BT, FCT and SRV, plus the Milan offices of SACE S.p.A., BT and FCT.

The loading and unloading of special waste is registered in records certified by the local chamber of commerce. The records are held at each site producing special waste (Rome and Milan) and must be kept by law for a period of five years from the last entry registered.

Municipal solid waste is collected by the service provider engaged for the cleaning of premises, which takes the waste to collection points for its disposal by the municipal waste collection company. In order to ensure compliance with local council regulations in the different municipalities where SACE and Group company offices are located, waste management guidelines have been introduced that explain how different types of waste are to be treated under the rules applicable in each of the municipal areas.

In 2023, all special waste produced was sent for recovery.

Launched in 2021, the **Zero Waste campaign** aims to encourage, engage and raise awareness among our people of the importance of reusing goods. In 2023, the initiative enabled around fifty monitors in disuse, but still in good working condition, to enjoy a second life.

Waste generated (Kg) (GRI 306-3)

	2023	
Total weight of waste generated	9,860.0	19,760.0
End-of-life equipment	240.0	1,340.0
End-of-life equipment containing hazardous components	2,820.0	400.0
Other batteries and accumulators (lithium)	—	50.0
Components removed from end-of-life equipment	240.0	—
Mixtures of concrete, bricks, tiles and ceramics	—	—
Paper and cardboard	—	—
Edible oil and fat	—	—
Plastic (e.g., drinking cups)	—	—
Bulky waste	6,560.0	17,970.0
Toner	—	—

7.2 Sustainable Procurement

GRI 204-1

The incorporation of ESG factors into **procurement** marks a major step towards promoting a **sustainable supply chain**. SACE Group's goal is to initiate a virtuous circle that encourages Italian enterprises to improve their ESG awareness and performance, by leading the way as a promoter of a supply chain built on sustainability. In 2023, all SACE suppliers were scored by a third-party provider to identify their **ESG performance**. The mapping exercise aimed to encourage suppliers to continuously improve their ESG performance. When choosing suppliers, ESG performance is considered in the assessment of the quality and competitiveness of bids, with a bonus awarded to high ESG performers. The approach, however, is not simply about rewarding top performers, but entail an explicit commitment to supporting enterprises, especially small and medium-sized enterprises, in their sustainable transition.

In this way, SACE Group aims not only to reward ESG excellence, but also to act as a guide for enterprises in the supplier network, facilitating their transition towards more sustainable and responsible practices.

SACE group makes extensive use of **Italian suppliers** at all twelve of its major offices in Italy, applying rules in procurement processes based on merit and equal opportunities.

Breakdown of the Supplier Register

	2023	2022
International	3.6%	1.4%
Italy	96.4%	98.6%

SACE's comprehensive **Supplier Register** is largely made up of Italian suppliers. In December 2023, 797 businesses were accredited in the Supplier Register, of which **70% were SMEs** and microenterprises. Of the total, 75% were service providers. In 2023, efforts were made to reach out to start-ups and innovative SMEs to encourage their accreditation. The initiatives attracted great interest from the sector, leading to the accreditation of a large number of innovative SMEs and start-ups.

Appendix

6.1 People Well-Being

Number of employees by region and type of contract (GRI 2-7)

	2023			2022		
	Men	Women	Total	Men	Women	Total
Northern Italy	**98**	**108**	**206**	**105**	**110**	**215**
Temporary employees	1	2	3	5	3	8
Permanent employees	97	106	203	100	107	207
Northern Italy %	**47.6%**	**52.4%**	**100.0%**	**48.8%**	**51.2%**	**100.0%**
Temporary employees %	0.5%	1.0%	1.5%	2.3%	1.4%	3.7%
Permanent employees %	47.1%	51.5%	98.5%	46.5%	49.8%	96.3%
Central Italy	**351**	**350**	**701**	**353**	**349**	**702**
Temporary employees	8	16	24	33	32	65
Permanent employees	343	334	677	320	317	637
Central Italy %	**50.1%**	**49.9%**	**100.0%**	**50.3%**	**49.7%**	**100.0%**
Temporary employees %	1.1%	2.3%	3.4%	4.7%	4.6%	9.3%
Permanent employees %	48.9%	47.6%	96.6%	45.6%	45.2%	90.7%
Southern Italy	**6**	**2**	**8**	**6**	**1**	**7**
Temporary employees	-	-	-	-	-	-
Permanent employees	6	2	8	6	1	7
Southern Italy %	**75.0%**	**25.0%**	**100.0%**	**85.7%**	**14.3%**	**100.0%**
Temporary employees %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Permanent employees %	75.0%	25.0%	100.0%	85.7%	14.3%	100.0%
International	**16**	**2**	**18**	**16**	**3**	**19**
Temporary employees	-	-	-	-	-	-
Permanent employees	16	2	18	16	3	19
International %	**88.9%**	**11.1%**	**100.0%**	**84.2%**	**15.8%**	**100.0%**
Temporary employees %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Permanent employees %	88.9%	11.1%	100.0%	84.2%	15.8%	100.0%
Total	**471**	**462**	**933**	**480**	**463**	**943**
Total %	**50.5%**	**49.5%**	**100.0%**	**50.9%**	**49.1%**	**100.0%**

Number of employees by employment basis and gender (GRI 2-7)

	2023			2022		
	Men	Women	Total	Men	Women	Total
Northern Italy	**98**	**108**	**206**	**105**	**110**	**215**
Full-time	98	102	200	105	105	210
Part-time	-	6	6	-	5	5
Northern Italy %	**47.6%**	**52.4%**	**100.0%**	**48.8%**	**51.2%**	**100.0%**
Full-time %	47.6%	49.5%	97.1%	48.8%	48.8%	97.7%
Part-time %	0.0%	2.9%	2.9%	0.0%	2.3%	2.3%
Central Italy	**351**	**350**	**701**	**353**	**349**	**702**
Full-time	350	341	691	352	339	691
Part-time	1	9	10	1	10	11
Central Italy %	**50.1%**	**49.9%**	**100.0%**	**50.3%**	**49.7%**	**100.0%**
Full-time %	49.9%	48.6%	98.6%	50.1%	48.3%	98.4%
Part-time %	0.1%	1.3%	1.4%	0.1%	1.4%	1.6%
Southern Italy	**6**	**2**	**8**	**6**	**1**	**7**
Full-time	6	2	8	6	1	7
Part-time	-	-	-	-	-	-
Southern Italy %	**75.0%**	**25.0%**	**100.0%**	**85.7%**	**14.3%**	**100.0%**
Full-time %	75.0%	25.0%	100.0%	85.7%	14.3%	100.0%
Part-time %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
International	**16**	**2**	**18**	**16**	**3**	**19**
Full-time	16	2	18	16	3	19
Part-time	-	-	-	-	-	-
International %	**88.9%**	**11.1%**	**100.0%**	**84.2%**	**15.8%**	**100.0%**
Full-time %	88.9%	11.1%	100.0%	84.2%	15.8%	100.0%
Part-time %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	**471**	**462**	**933**	**480**	**463**	**943**
Total %	**50.5%**	**49.5%**	**100.0%**	**50.9%**	**49.1%**	**100.0%**

Workers who are not employees (GRI 2-8)

	2023	2022
Workers who are not employees	10	11
Internships	22	44
Workers who are not employees %	31.3%	20.0%
Internships %	68.8%	80.0%
Total	**32**	**55**

Ratio of a standard entry-level wage compare to local minimum wage (GRI 202-1)[29]

2023	2022
1	1

New employee hires by gender (GRI 401-1)[30]

	2023	2022
Men	51	68
Women	62	66
Men %	45.1%	50.7%
Women %	54.9%	49.3%
Total	**113**	**134**

New employee hires by age group (GRI 401-1)

	2023	2022
<=29 years of age	54	90
30–50 years of age	43	42
>= 51 years of age	16	2
<=29 years of age %	47.8%	67.2%
30–50 years of age %	38.1%	31.3%
>= 51 years of age %	14.2%	1.5%
Total	**113**	**134**

Employee turnover by gender (GRI 401-1)

	2023	2022
Men	60	38
Women	63	38
Men %	48.8%	50.0%
Women %	51.2%	50.0%
Total	**123**	**76**

Employee turnover by age group (GRI 401-1)

	2023	2022
<=29 years of age	53	40
30–50 years of age	46	30
>= 51 years of age	24	6
<=29 years of age %	43.1%	52.6%
30–50 years of age %	37.4%	39.5%
>= 51 years of age %	19.5%	7.9%
Total	**123**	**76**

New employee hire and employee turnover rates by age group and gender (GRI 401-1)

	2023	2022
Total new employee hire rate	**12.1%**	**14.2%**
Men	10.8%	14.4%
Women	13.4%	14.3%
<=29 years of age	45.0%	61.6%
30–50 years of age	7.2%	6.9%
>= 51 years of age	7.5%	1.1%
Total employee turnover rate	**13.2%**	**8.1%**
Men	12.7%	7.9%
Women	13.6%	8.2%
<=29 years of age	44.2%	27.4%
30–50 years of age	7.7%	4.9%
>= 51 years of age	11.3%	3.2%

Workers covered by an occupational health and safety management system (GRI 403-8)

	2023	2022
Number of workers covered by the occupational health and safety management system implemented by SACE	965	998
Percentage	100%	100%

[29] Local minimum wage means minimum wage payable under collective bargaining agreements.

[30] The figure on SACE Group new hires and terminations includes transfers of employees between Group companies, for a total of 43 people.

6.2 People Development & Employability

Average hours of training per year per employee (GRI 404-1)

	2023			2022		
	Men	Women	Total	Men	Women	Total
Senior managers	8.6	10.7	9.2	22.2	24.2	22.8
Middle managers	11.4	12.2	11.8	21.1	23.9	22.3
Office workers	18.3	16.6	17.3	21.6	24.4	23.2
Total	**13.6**	**14.4**	**14.0**	**21.4**	**24.2**	**22.8**

Employees receiving regular performance and career development reviews by gender (GRI 404-3)

	2023	2022
Men	461	465
	97.9%	96.9%
Women	450	453
	97.4%	97.8%
Total	**911**	**918**
	97.6%	**97.3%**

Employees receiving regular performance and career development reviews by gender (GRI 404-3)

	2023	2022
Senior managers	59	58
	96.7%	93.5%
Middle managers	460	441
	98.9%	99.1%
Office workers	392	419
	96.3%	96.1%
Total	**911**	**918**
	97.6%	96.7%

6.3 Diversity, Equity & Inclusion

Employees by employee category and gender (GRI 405-1)

	2023	2022
Senior managers	**61**	**62**
Men	72.1%	67.7%
Women	27.9%	32.3%
Middle managers	**465**	**445**
Men	55.5%	55.5%
Women	44.5%	44.5%
Office workers	**407**	**436**
Men	41.5%	43.8%
Women	58.5%	56.2%
Total	**933**	**943**

Employees by employee category and gender (GRI 405-1)

	2023	2022
Senior managers	**61**	**62**
<=29 years of age	0.0%	0.0%
30–50 years of age	41.0%	45.2%
>= 51 years of age	59.0%	54.8%
Middle managers	**465**	**445**
<=29 years of age	0.4%	0.0%
30–50 years of age	70.1%	72.8%
>= 51 years of age	29.5%	27.2%
Office workers	**407**	**436**
<=29 years of age	29.0%	33.5%
30–50 years of age	61.4%	59.2%
>= 51 years of age	9.6%	7.3%
Total	**933**	**943**

Ratio of basic salary of women to men (GRI 405-2)

	2023	2022
Senior managers	0.9	0.9
Middle managers	0.9	0.9
Office workers	1	1

Ratio of remuneration of women to men (GRI 405-2)

	2023	2022
Senior managers	1	0.9
Middle managers	0.9	0.9
Office workers	1	1

Compulsory parental leave (GRI 401-3)

	2023	2022
Employees that were entitled to parental leave	**934**	**943**
Men	472	480
Women	462	463
Employees that took compulsory parental leave	**56**	**46**
Men	29	20
Women	27	26
Employees that returned to work in the reporting period after compulsory parental leave ended	**46**	**39**
Men	29	20
Women	17	19
Employees that returned to work after compulsory parental leave ended that were still employed by SACE 12 months after their return to work	**39**	**43**
Men	20	21
Women	19	22

Compulsory parental Leave—rates (GRI 401-3)

	2023	2022
Rate of return to work after compulsory parental leave ended	**82.14%**	**84.78%**
Men	100%	100%
Women	63%	73%
Retention rate of employees that returned to work after compulsory parental leave ended that were still employed 12 months after their return to work	**100%**	**100%**
Men	100%	100%
Women	100%	100%

GRI Content Index

Statement of Use	SACE Group has reported the information cited in this GRI Content Index in accordance with the GRI Standards for the period 1 January 2023–31 December 2023.
Title of GRI 1 used	GRI 1: Foundation 2021

General Disclosures

GRI STANDARD	DISCLOSURES	LOCATION	OMISSIONS			REF. No. APPLICABLE GRI SECTOR STANDARD(S)
			DISCLOSURES OMITTED	REASON	EXPLANATION	
GRI 2—General Disclosures 2021	2-1 Organisational details	1.1 The Group				
	2-2 Entities included in the organisation's sustainability reporting	Methodological Note				
	2-3 Reporting period, frequency and contact point	Methodological Note				
	2-4 Restatements of information	Scope 2 Market-Based Emissions for 2022 have been restated on the basis of the Cancellation Certificates (guarantees of origin) actually received for the year 2022, certifying 1,670 MWh of renewable energy consumed				
	2-5 External assurance	Auditor's Limited Assurance Report				
	2-6 Activities, value chain and other business relationships	1.1 The Group 1.2 The SACE value chain (1.2.1 Suppliers, 1.2.2 Counterparties) 1.3 Our Journey So Far				
	2-7 Employees	6.1 People Well-Being				
	2-8 Workers who are not employees	6.1 People Well-Being				

GRI STANDARD	DISCLOSURES	LOCATION	OMISSIONS			REF. No. APPLICABLE GRI SECTOR STANDARD(S)
			DISCLOSURES OMITTED	REASON	EXPLANATION	
GRI 2—General Disclosures 2021	2-9 Governance structure and composition	1.6 Corporate Governance				
	2-10 Nomination and selection of the highest governance body	1.6 Corporate Governance				
	2-11 Chair of the highest governance body	The Chairman of the Board of Directors is not a senior executive of the organisation				
	2-12 Role of the highest governance body in overseeing the management of impacts	3.1.1 Governance for Sustainability				
	2-13 Delegation of responsibility for managing impacts	3.1.1 Governance for Sustainability				
	2-14 Role of the highest governance body in sustainability reporting	3.1.1 Governance for Sustainability				
	2-15 Conflicts of interest	1.6 Corporate Governance				
	2-16 Communication of critical concerns	1.6 Corporate Governance				
	2-17 Collective knowledge of the highest governance body	1.6 Corporate Governance				
	2-18 Evaluation of the performance of the highest governance body	1.6 Corporate Governance 3.1.1 Governance for Sustainability				
	2-19 Remuneration policies	1.6 Corporate Governance				
	2-20 Process to determine remuneration	1.6 Corporate Governance				
	2-21 Annual total remuneration ratio	Annual total remuneration ratio: 8.1 Change in the annual total remuneration ratio: 2.0				
	2-22 Statement on sustainable development strategy	Letter to the Stakeholders 2.1 The SACE Group ESG Strategy				
	2-23 Policy commitments	1.5 Code of Ethics and the Organisation, Management & Control Model 1.7 The Internal Control & Risk Management System				
	2-24 Embedding policy commitments	3.1 Governance and Ethical Business Conduct				
	2-25 Processes to remediate negative impacts	2.2 Materiality Assessment and Stakeholder Engagement 2.3 Risks and Opportunities Tied to the Material Topics 3.1 Governance and Ethical Business Conduct				
	2-26 Mechanisms for seeking advice and raising concerns	3.1 Governance and Ethical Business Conduct 1.5 Code of Ethics and the Organisation, Management & Control Model				

GRI STANDARD	DISCLOSURES	LOCATION	OMISSIONS			REF. No. APPLICABLE GRI SECTOR STANDARD(S)
			DISCLOSURES OMITTED	REASON	EXPLANATION	
	2-27 Compliance with laws and regulations	There were no documented incidents of non-compliance with laws and regulations during the reporting period				
	2-28 Membership associations	1.8 Institutional Partnerships and Network 6.4 Commitment to Local Communities and Areas				
	2-29 Approach to stakeholder engagement	2.2 Materiality Assessment and Stakeholder Engagement				
	2-30 Collective bargaining agreements	6.1.1 SACE in Figures				

Information on economic performance

GRI 201: Economic Performance 2016 General Disclosures 2021	201-2 Financial implications and other risks and opportunities due to climate change	2.4. Risks and Opportunities Associated with Climate Change				

Disclosures of Indirect Economic Impacts

GRI 203: Indirect Economic Impacts	203-2 Significant indirect economic impacts	Letter to the Stakeholders 4.1.1. Unlocking the competitiveness of Italian enterprises and investments				

Material topic

GRI 3: Material Topics 2021	3-1 Process to determine material topics	2.2 Materiality Assessment and Stakeholder Engagement				
	3-2 List of material topics	2.2 Materiality Assessment and Stakeholder Engagement				

Governance and Ethical Business Conduct

GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Governance and Ethical Business Conduct				
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	3.1 Governance and Ethical Business Conduct				

GRI STANDARD	DISCLOSURES	LOCATION	OMISSIONS			REF. No. APPLICABLE GRI SECTOR STANDARD(S)
			DISCLOSURES OMITTED	REASON	EXPLANATION	
Support for Internationalisation and Exports						
GRI 3: Material Topics 2021	3-3 Management of material topics	4.1. Support for Internationalisation and Exports				
Specific Sector Supplement Indicators—G4	FS6 Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector	4.1. Support for Internationalisation and Exports				
Sustainable Financing & Underwriting						
GRI 3: Material Topics 2021	3-3 Management of material topics	4.2. Sustainable Financing & Underwriting				
Specific Sector Supplement Indicators—G4	FS2 Procedures for assessing and screening environmental and social risks in business lines	4.2. Sustainable Financing & Underwriting				
Systemic Transformation for a Sustainable, Low-Carbon Economy						
GRI 3: Material Topics 2021	3-3 Management of material topics	4.3. Systemic Transformation for a Sustainable, Low-Carbon Economy				
Specific Sector Supplement Indicators—G4	FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	4.3. Systemic Transformation for a Sustainable, Low-Carbon Economy				

GRI STANDARD	DISCLOSURES	LOCATION	OMISSIONS			REF. No. APPLICABLE GRI SECTOR STANDARD(S)
			DISCLOSURES OMITTED	REASON	EXPLANATION	
Value for Customers						
GRI 3: Material Topics 2021	3-3 Management of material topics	5.1. Value for Customers				
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	5.1.1. Transparency and Customer Care				
	417-2 Incidents of non-compliance concerning product and service information and labelling	5.1.1. Transparency and Customer Care				
	417-3 Incidents of non-compliance concerning marketing communications	5.1.1. Transparency and Customer Care				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	5.1.1. Transparency and Customer Care				
Support for the Sustainable Development of Italian SMEs						
GRI 3: Material Topics 2021	3-3 Management of material topics	5.2. Support for the Sustainable Development of Italian SMEs				
Specific Sector Supplement Indicators—G4	FS16 Initiatives to enhance financial literacy by type of beneficiary	5.2. Support for the Sustainable Development of Italian SMEs				
Innovation and digitisation						
GRI 3: Material Topics 2021	3-3 Management of material topics	5.3 Innovation and Digitisation				

GRI STANDARD	DISCLOSURES	LOCATION	OMISSIONS			REF. No. APPLICABLE GRI SECTOR STANDARD(S)
			DISCLOSURES OMITTED	REASON	EXPLANATION	
People Well-Being						
GRI 3: Material Topics 2021	3-3 Management of material topics	6.1. People Well-Being				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	6.1. People Well-Being				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.1. People Well-Being				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	6.1. People Well-Being				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	6.1. People Well-Being				
	403-2 Hazard identification, risk assessment, and incident investigation	6.1. People Well-Being				
	403-3 Occupational health services	6.1. People Well-Being				
	403-4 Worker participation, consultation, and communication on occupational health and safety	6.1. People Well-Being				
	403-5 Worker training on occupational health and safety	6.1. People Well-Being				
	403-6 Promotion of worker health	6.1. People Well-Being				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.1. People Well-Being				
	403-8 Workers covered by an occupational health and safety management system	6.1. People Well-Being				
	403-9 Work-related injuries	6.1. People Well-Being				

GRI STANDARD	DISCLOSURES	LOCATION	OMISSIONS			REF. No. APPLICABLE GRI SECTOR STANDARD(S)
			DISCLOSURES OMITTED	REASON	EXPLANATION	
People Development & Employability						
GRI 3: Material Topics 2021	3-3 Management of material topics	6.2. People Development & Employability				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	6.2. People Development & Employability				
	404-2 Programs for upgrading employee skills and transition assistance programs	6.2. People Development & Employability				
	404-3 Percentage of employees receiving regular performance and career development reviews	6.2. People Development & Employability				
Diversity, Equity & Inclusion						
GRI 3: Material Topics 2021	3-3 Management of material topics	6.3. Diversity, Equity & Inclusion				
GRI 401: Employment 2016	401-3 Parental leave	6.3. Diversity, Equity & Inclusion				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	6.3. Diversity, Equity & Inclusion				
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	6.3. Diversity, Equity & Inclusion				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	6.3. Diversity, Equity & Inclusion				

GRI STANDARD	DISCLOSURES	LOCATION	OMISSIONS			REF. No. APPLICABLE GRI SECTOR STANDARD(S)
			DISCLOSURES OMITTED	REASON	EXPLANATION	
Commitment to local communities and areas						
GRI 3: Material Topics 2021	3-3 Management of material topics	6.4. Commitment to local communities and areas				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	6.4. Commitment to local communities and areas				
Direct contribution to protecting the environment						
GRI 3: Material Topics 2021	3-3 Management of material topics	7.1. Direct contribution to protecting the environment				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	7.1.5. Management of Raw Materials and Waste				
	301-2 Recycled input materials used	7.1.5. Management of Raw Materials and Waste				
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	7.1.4 Energy Consumption and Emissions				
	302-3 Energy intensity	7.1.4 Energy Consumption and Emissions				
	302-4 Reduction of energy consumption	7.1.4 Energy Consumption and Emissions				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	7.1.4 Energy Consumption and Emissions				
	305-2 Energy indirect (Scope 2) GHG emissions	7.1.4 Energy Consumption and Emissions				
	305-3 Other indirect (Scope 3) GHG emissions	7.1.4 Energy Consumption and Emissions				
	305-4 GHG emissions intensity	7.1.4 Energy Consumption and Emissions				
	305-5 Reduction of GHG emissions	7.1.4 Energy Consumption and Emissions				

GRI STANDARD	DISCLOSURES	LOCATION	OMISSIONS			REF. No. APPLICABLE GRI SECTOR STANDARD(S)
			DISCLOSURES OMITTED	REASON	EXPLANATION	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	7.1.5. Management of Raw Materials and Waste				
	306-2 Management of significant waste-related impacts	7.1.5. Management of Raw Materials and Waste				
	306-3 Waste generated	7.1.5. Management of Raw Materials and Waste				

Sustainable Procurement

GRI 3: Material Topics 2021	3-3 Management of material topics	7.2. Sustainable Procurement				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	7.2. Sustainable Procurement				

The EU Taxonomy for Sustainable Activities

The European Union taxonomy establishes a framework for determining whether an economic activity can be considered environmentally sustainable. The classification system and its criteria are set out in Regulation (EU) 2020/852[31] ("Taxonomy Regulation") and related delegated acts.

For the purposes of determining whether a given economic activity is environmentally sustainable, Article 9 of the Taxonomy Regulation sets out six environmental objectives:

- climate change mitigation;
- climate change adaptation;
- the sustainable use and protection of water and marine resources;
- the transition to a circular economy;
- pollution prevention and control;
- the protection and restoration of biodiversity and ecosystems.

For each of the above objectives, the European Commission has established technical screening criteria for determining the conditions under which a specific economic activity qualifies as contributing substantially to one or more of the objectives of the taxonomy.[32]

SACE Group prepares its disclosures in accordance with the methods and performance indicators set out in Delegated Regulation (EU) 2021/2178[33] for financial undertakings subject to the obligation to publish non-financial information, using, in particular, the KPIs for insurance companies.[34]

Details of the methodology and indicators to be used for the disclosures required by the Taxonomy Regulation are set out in Article 6 of the Delegated Regulation (EU) 2021/2178, which requires companies to disclose the information specified in Annex IX of the Regulation, presented in tabular form by using the templates set out in Annex X. Under the regulation, two different key performance indicators (KPIs) are required to be calculated and disclosed:

- an underwriting KPI of the non-life investee insurance and reinsurance undertakings, presenting the non-life insurance gross premiums written corresponding to Taxonomy-aligned insurance or reinsurance activities in accordance with points 10.1 and 10.2 of Annex II to Climate Delegated Act;[35]
- an investment KPI of the investments of insurance or reinsurance undertakings, showing the weighted average of the value of investments that are directed at funding, or are associated with Taxonomy-aligned economic activities.

The disclosures required for SACE Group in relation to the two KPIs are presented below.

Disclosure of the Underwriting KPI

(Re)insurance is considered an economic activity that potentially makes a substantial contribution to the Taxonomy objective of climate change adaptation. Specifically, for the purposes of assessing eligibility, (re)insurance undertakings are required to show that:

the insurance activity falls within the following scope (Lines of Business):

- a) medical expense insurance;
- b) income protection insurance;
- c) workers' compensation insurance;
- d) motor vehicle liability insurance;
- e) other motor insurance;
- f) marine, aviation and transport insurance;
- g) fire and other damage to property insurance;
- h) assistance.

the activity is connected to one or more climate-related perils, as listed in the Climate Delegated Act.[36]

For the purposes of assessing alignment, in addition to the foregoing criteria, the insurance activity must be shown to meet the technical screening criteria set out in points 10.1 and 10.2 of Annex X to the Climate Delegated Act.

[31] Regulation (EU) 2020/852: https://eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:32020R0852
[32] Delegated Regulation (EU) 2021/2139: https://eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:32021R2139&from=EN; Delegated Regulation (EU) 2023/2486: https://eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=OJ:L_202302486
[33] Delegated Regulation (EU) 2021/2178: https://eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:32021R2178
[34] SACE prepares consolidated financial statements in accordance with the provisions of the IAS/IFRS, Italian Legislative Decree 209/2005, ISVAP Regulation 7/2007, as amended by Measure No. 74 of 8 May 2018 in relation to technical preparation criteria, and IVASS Provisions, Regulations and Circulars, where applicable.
[35] Delegated Regulation (EU) 2021/2139: https://eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:32021R2139. Under the regulation, operations that can contribute to the objective of climate adaptation and restrict the underwriting of climate-related perils do not include credit insurance.
[36] See in particular Annex II, Appendix A—Classification of climate-related hazards.

The outcomes of the assessment for SACE Group[37] for the year 2023 are reported in the table below.

Economic activities (1)	Absolute premiums, year t (2)*	Proportion of premiums, year t (3)*	Proportion of premiums, year t (4)**	Climate change mitigation (5)	Water and marine resources (6)	Circular economy (7)	Pollution (8)	Biodiversity and ecosystems (9)	Minimum safeguards (10)
A.1 Non-life insurance and reinsurance underwriting activities that are environmentally sustainable (Taxonomy-aligned)	Intended	%	%	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no
A.1.1 Of which reinsured									
A.1.2 Of which deriving from reinsurance activities									
A.1.3 Of which reinsured (retrocession)									
A.2 Non-life insurance and reinsurance underwriting activities that are Taxonomy-eligible but not environmentally sustainable (not Taxonomy-aligned).	**5,741,288**	**3.40%**							
B. Life insurance and reinsurance underwriting activities that are not Taxonomy-eligible	**163,188,845**	**96.60%**							
Total (a.1+A.2+B.)	**168,930,133**	**100%**							

The non-life premium component of SACE BT is not aligned with the Taxonomy, but several product redesign initiatives are underway as part of a project started up by the Company in 2023, aimed at incorporating sustainability factors within the organisation, starting from compliance with IVASS Provision 131/2023.

In addition, with the introduction of the insurance obligation envisaged by the 2024 Budget Law, which requires Italian enterprises (excluding agricultural concerns) to acquire insurance coverage against natural disasters (floods, landslides and earthquakes) by the end of 2024, SACE BT aims to play a leading role in the non-life insurance market for natural disasters with a focus on SMEs, in synergy with sustainability transition processes. The proportion of gross premiums considered Taxonomy-eligible was found to be approximately 3.40% of total premiums written, with reference to products in the following Business Lines:

- maritime, aviation and transport insurance—Ministerial Class 6 (“Ships”);
- fire and other damage to property insurance—Ministerial Classes 8 and 9 (“Fire” and “Other Damage to Property”).

Compared to 2022, Taxonomy-eligible portfolio premiums declines (by approximately 30%) due to the run-off of the public-sector insurance business, not considered strategic for SACE BT.

[37] The scope of the KPI only includes SACE BT S.p.A., as it is the only Group company engaged in non-life insurance.
* The premiums reported in columns (2) and (3) show gross premiums written by SACE BT.
** In accordance with regulatory provisions, column (4) will be populated as of 2024 (See Delegated Regulation (EU)2021/2178, Annex X).

Disclosure of the Investment KPI

As part of SACE Group's commitment to reporting its investments in accordance with the Taxonomy Regulation, all the organisational units of reference were involved in internal assessments of, among other things, the materiality of the Group's exposures to counterparties subject to NFRD requirements and the estimated effort required to source the data required to disclose the KPIs contemplated by the regulation.

Based on the assessments carried out, it was found that the Group's investments in undertakings subject to non-financial reporting requirements accounted for only a small portion of the overall investment portfolio. As such, after careful consideration, the Group decided not to measure and disclose the investment KPI for the year 2023, but is committed to providing a more comprehensive disclosure of the indicator in future reporting years. This approach taken is in line with the goal of providing transparent and meaningful disclosures to SACE's stakeholders.

Methodological Note

In the disclosures reported, SACE Group has used precise data and information where available. Where the information required by the regulations is not available, this is reported in a methodological note.

As concerns the underwriting KPI, gross premiums written refer to precise and up-to-date data. Specifically, to measure the proportion of taxonomy-eligible gross premiums written in total non-life insurance premiums, SACE looked at premiums written for the individual products marketed, identifying the products that afford specific coverage for climate-related perils. Only the proportion of the premiums written referring to the coverage of climate risks were considered taxonomy-eligible.[38]

[38] As specified in point 25 of Commission Notice 2022/C 385/01 and point 67 of the "Draft commission notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets" of 21 December 2023.

Auditor's Limited Assurance Report

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

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

To the board of directors of
SACE S.p.A.

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5.1.g) of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2023 consolidated non-financial statement of the SACE Group (the "group") prepared in accordance with article 4 of the decree and approved by the board of directors on 26 March 2024 (the "NFS").

Our procedures did not cover the information set out in the annex "The European taxonomy for sustainable activities" to the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of SACE S.p.A. (the "parent") for the NFS

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

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

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

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

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

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Limited, società di diritto inglese.

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Pescara Rimini Torino Treviso
Trieste Varese Verona

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Auditors' independence and quality control

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

Auditors' responsibility

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

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

Specifically, we performed the following procedures:

1 Analysing the material aspects based on the group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.

2 Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.

3 Gaining an understanding of the following:

- the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
- the entity's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
- the main risks generated or borne in connection with the aspects set out in article 3 of the decree.

Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 4.a).

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

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

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

a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence;

b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information:

- with reference to SACE S.p.A., SACE BT S.p.A. and SACE SRV S.r.l., which we have selected on the basis of their business and contribution to the key performance indicators at consolidated level, we obtained documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2023 consolidated non-financial statement of the SACE Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards, as described in the "Methodological note" section of the NFS.

Our conclusion does not extend to the information set out in annex "The European taxonomy for sustainable activities" to the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Other matters

The NFS presents the corresponding figures included in the 2022 consolidated non-financial statement for comparative purposes, on which other auditors performed a limited assurance engagement and expressed their unqualified conclusion on 13 April 2023.

Rome, 11 April 2024

KPMG S.p.A.

(signed on the original)

Mario Sanges
Director of Audit

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