

nexi

2022

CONSOLIDATED  
NON-FINANCIAL  
STATEMENT





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This is the English translation of the original Italian document "Dichiarazione consolidata di carattere non finanziario". In any case of discrepancy between the English and the Italian versions, the original Italian document is to be given priority of interpretation for legal purposes.

**2022  
AT A GLANCE**

**exi**



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# 1. LETTER TO STAKEHOLDERS

**GRI** **GRI 2-22: Statement on sustainable development strategy**

Dear Readers,

After the 2021 merger with Nets, in 2022 Nexi Group focused on business transformation and development. Through the incorporation of SIA, the Group expanded into other geographies, combining extraordinary resources and expertise in digital technology and innovation.

Thus continues Nexi's journey toward becoming a European PayTech, with offices in more than 25 countries, with the industrial size, geographic scale and technological capacity to act as a driver of digital change in Europe and make a key contribution to the transition to a cashless society.

In this profoundly evolving context, Nexi Group continues to focus on supporting its partner banks, citizens, businesses and the Public Administration to digitize payments, offering innovative, secure and reliable solutions and services, suitable to serve all markets, including the most evolved and those with the greatest potential for development.

In pursuing this commitment, Nexi promotes progress because in everyday life, as well as in social and commercial relations and in the way we do business, digitization plays an essential role that should lead Europe towards greater simplification and social inclusion: in short, towards the future. We constantly monitor the expectations of our stakeholders, as we have done over the past year, because even in the midst of complexity, we want to make sure that we are addressing the challenges we consider most important and that we are working in the right direction.

The past year was challenging in many respects, especially because of the conflict in Ukraine, which affected the macroeconomic environment. As a European provider of primary services and infrastructure, Nexi immediately activated various internal activities and tools to ensure the usual standards of service and security for citizens, businesses and Public Administration, in full compliance with internationally defined rules. Among the many actions

taken in the face of the crisis, Nexi Group also decided to support the UN Refugee Agency (UNHCR) with a donation of 500,000 euros and to promote several fundraising initiatives, both centrally and locally.

Despite the critical international scenario, the Group's strong positioning allowed it to maintain a solid economic performance, benefiting from the synergies sought and practiced, geographic diversification, and presence in structurally attractive markets with great growth potential. Nexi has continued to play a key role for the communities and territories served, continuously and effectively ensuring the Group's utility services, even overcoming the difficulties related to the energy crisis.

In addition, during 2022, the Group developed its ESG Strategy, which is one of the pillars of the Business Plan communicated to the market on Capital Markets Day last September. The strategy is based on six pillars, which include various goals, such as climate neutrality by 2022, further strengthening and promoting diversity, equity and inclusion to be achieved through specific initiatives, and the development of employee networks and communities. Regarding social aspects, the Group also continues its educational efforts in the digitization of payment services to pursue the financial inclusion of diverse segments of the population. Likewise, the Group is active on the data and information security front, raising awareness among its customers and end users about the threats of the virtual world and the actions to be taken to mitigate the risk of fraud.

Nexi confirmed its CDP Leadership Level, with a result of "A-," and was included for the third consecutive year in the S&P Global Sustainability Yearbook. Nexi also updated and made its ESG goals more ambitious, reinforcing its commitment to reducing CO2 emissions, and confirming its commitment to becoming Net Zero by 2030, 10 years ahead of international targets resulting from the Paris Agreement. In November 2022, Nexi also launched Planet Care, the new sustainability-oriented service linked to Nexi cards, which raises awareness among citizens to adopt a more conscious and environmentally friendly approach to consumption by offering them the opportunity to calculate the carbon footprint, on a monthly basis, of all their purchases paid for with the cards. Finally, In November 2022, Nexi also launched Planet Care, Nexi's new sustainability-oriented card-related service, which raises awareness of a more environmentally conscious approach to consumption by offering people the opportunity to calculate the carbon footprint, on a monthly basis, of all their purchases paid for with cards.

In November 2022, Nexi also launched Planet Care, Nexi's new sustainability-oriented card-related service, which raises awareness of a more environmentally conscious approach to consumption by offering people the opportunity to calculate the carbon footprint, on a monthly basis, of all their purchases paid for with cards. Finally, Nexi has started to use recycled materials and ocean plastics for the production of payment cards and has continued to improve the responsible management of the entire supply chain, a factor of strategic importance in ensuring the high quality of products and services and compliance and adherence to the Group's principles.

The Group is also committed to its employees. Every day more than 10,300 highly qualified people work together at Nexi: we thank each and every one of them for their contribution to achieving the Group's ambitions. Thanks to the unique combination of cultures, perspectives and skills - and passion and energy - Nexi is able to put customers at the center of its day-to-day business and steer the future of payments in the countries and geographies in which it operates. In January 2022, Nexi received the Top Employers Italy award from the Top Employers Institute. The Institute has been certifying corporate excellence in human resource management for more than 30 years. This is a valuable recognition for us, the result of numerous actions implemented over the past year: from the analysis of working conditions to the benefits attributed to our people, from investments dedicated to training and skills development to policies aimed at professional and personal growth, to constantly improve the well-being of the people who work in the company.

Finally, Nexi confirmed its commitment to developing strategic partnerships that can strengthen the digitization of small businesses. These include: the partnership with Illimity Bank S.p.A., to offer digital payment collection services to support SMEs in our country; the partnership with Olivetti, an IoT specialist operating within TIM Enterprise, aimed at enriching Olivetti's evolved cash systems offering with Nexi's digital payment solutions; or the partnership with Microsoft, also aimed at digitizing SMEs, businesses, public administration and financial institutions in several European markets.

The next pages describe the journey over the past twelve months, which has seen the Group achieve important results in terms of sustainability and ESG.

In 2023, Nexi will further support the payments digitization process in Italy and Europe and strengthen its sustainability action, measurement and reporting assets to accompany and reinforce its role as a leading PayTech in Europe.

Enjoy your reading!



L'Amministratore Delegato  
Paolo Bertoluzzo

A handwritten signature in black ink, appearing to be 'PB' followed by a stylized flourish.

Il Presidente  
Michaela Castelli

A handwritten signature in black ink, appearing to be 'M Castelli'.

## 2. READER'S GUIDE

This Consolidated Non-Financial Statement of the Nexi Group for the year 2022 (hereinafter also referred to as the "Document"), drafted pursuant to Articles 3 and 4 of Legislative Decree 254/2016 and divided into six different chapters, is aimed at presenting stakeholders with a summary of the activities, initiatives, and projects put in place during 2022 with reference to the main ESG issues.

The document opens with the letter to stakeholders, a communication from the Group Chairman and the CEO addressed to all stakeholders. This is followed by the executive summary, which provides a summary of the main information on the Group's operations during 2022, this reader's guide, and a graphical representation of the main achievements, initiatives, and commitments undertaken.

The first chapter outlines the Nexi Group's business model and mission, together with an overview of governance, business ethics, and risk management within the Group. The chapter also provides a snapshot of the Group's response to the socio-economic environment, as required by the reporting authorities.

The second chapter is aimed at representing to stakeholders the Nexi Group's approach to sustainability, the new ESG strategy and the ratings obtained, the main stakeholder engagement initiatives, and the analysis that led to the definition of the new 2022 Materiality Matrix.

The third chapter tells of the Group's commitment to value its people, both in relation to those who work there and to its customers. Regarding the latter, customer base satisfaction, complaints management, and data security represent three key pillars, together with the contribution to digitalization as a founding principle of the Group's operations.

The fourth chapter illustrates Nexi Group's commitment to environmental protection and the fight against climate change, addressing the management of the real estate and data centers, employee mobility, decarbonization targets, the identification of climate risks and, finally, responsible consumption and supply chain management.

The fifth chapter fulfills the mandatory disclosure according to the European Taxonomy Regulation for Environmentally Sustainable Business Activities (Reg. (EU) 2020/852). The Group's performance is reported through specific non-financial indicators, linked to the topics identified as material, within chapter six of the document. These indicators correspond to the GRI Sustainability Reporting Standards, which ensure transparent and comparable reporting of results.

In addition to last year, the Statement includes a section drafted in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) on the disclosure of transparent and comprehensive information on climate change-related risks and opportunities. The TCFD Report will also be published separately on the Group's website.

Finally, the document concludes with a section on the methodology and scope of reporting covered. The Consolidated Non-Financial Statement of Nexi S.p.A. as of 31 December 2022 (hereinafter also referred to as the "Statement") has been prepared pursuant to Legislative Decree 254/2016 and the scope of the companies reported in this Statement includes the entire corporate perimeter, following the changes in the corporate structure that occurred in 2022. Unlike in 2021, where the data for Nets is from 1 July to 31 December, in 2022 the data for all these companies is from 1 January to 31 December.

To ensure comparability with information from previous years, the quantitative data included in the Statement are represented as follows:

- historical quantitative data for 2019 and 2020 for the Group's Italian companies;
- quantitative data to 2021 for the Group's Italian companies;
- consolidated quantitative data to 2021 for Nexi, for the period between 1 January and 31 December 2021, and Nets, for the period between 1 July and 31 December 2021, except for the data which, also in line with the GRI Standard's requirements, present a snapshot as of 31 December 2021.



### 3. EXECUTIVE SUMMARY

# 350<sub>M</sub>

euros invested annually  
in IT & Innovation

Nexi Group is the result of the merger of Nexi, Nets, and SIA, three of Europe's largest players in the payments market and, to date, present in more than 20 countries. The European PayTech has the scale, capabilities, and territorial proximity to provide the simplest, fastest, and most secure payment solutions to individuals, businesses, and financial institutions.

Market leader in digital payment solutions, Nexi Group aims to change the way people and businesses pay and collect every day to simplify citizens' lives, foster business development, improve the efficiency of Public Administration, and support the digital inclusion and development of the territories in which Nexi Group companies operate. This objective is pursued thanks to a team of over 10,000 people and the approximately EUR 350 million invested annually in IT & Innovation.

The Nexi Group recognizes the social, environmental, and economic impact that digitalization can have in Europe and through its promotion, protects every aspect related to sustainability every day.

Digital payments and the cash-less transition contribute to society's progress according to ESG principles. As a Group, Nexi is committed to supporting this evolution, managing its day-to-day activities by adopting principles of business ethics, anti-corruption, and transparency. As a result, during 2022, there were no incidents of corruption, no legal actions regarding competitive behavior/antitrust violations/monopoly episodes, and no incidents of non-compliance regarding marketing communications.

In line with these values, already since 2019, Nexi has been working to establish a solid ESG foundation, with the formalization of the Group's Sustainability Policy in 2020, which outlines the principles that the Group pursues and promotes, further strengthened by participation in the UN Global Compact from 2022. The Nexi Group's ESG path was further strengthened in 2022 thanks to the formalization of the Group's ESG strategy, which is one of the pillars of the strategic plan approved by the Board of Directors and communicated during the Capital Market Day in September 2022 and is also consistent with the results of the Group's first consolidated Materiality Matrix.

Despite the critical nature of the international scenario, Nexi has guaranteed the continuity of its services and confirmed its commitment to enhancing the value of its people (175,099 hours provided in 2022) and welfare programmes, as well as its customers, by monitoring the degree of satisfaction (Net Promoter Score increased by 18% compared to 2021), managing complaints and protecting data security. In 2022, 32% of new employees are under 30 years old and 42% of employees are women.

The Group also has a Human Rights Statement and a Corporate Bodies Diversity Policy and counted zero incidents of discrimination in 2022.

Strong attention is also paid to the environment and the fight against climate change, through responsible management of real estate and data centers, promotion of green mobility for employees, analysis of climate risks and setting decarbonization targets, recognized by the Science Based Target Initiative. The Group confirmed its CDP Leadership Level, with a result of 'A-', and was included in the S&P Global Sustainability Yearbook for the third consecutive year. Nexi also updated and made its sustainability targets more ambitious, reinforcing its commitment to reduce CO<sub>2</sub> emissions, becoming Net Zero by 2040, 10 years ahead of its international commitments under the Paris Agreement. In November 2022, Nexi launched Planet Care, the new sustainability-oriented service linked to Nexi cards, which raises awareness among citizens to adopt a more conscious and environmentally friendly approach to consumption, offering them the opportunity to contribute to the preservation of the planet. Planet Care allows Nexi cardholders to be informed about the impact their purchases have on the environment and to actively collaborate in reducing that impact. In addition, Nexi has continued its efforts to improve responsible supply chain management, a factor of strategic importance in ensuring the high quality of products and services and respect for and adherence to the Group's principles.

Finally, the Nexi Group spreads a digital culture and promotes digital inclusion among its employees and the community in which it operates through campaigns to foster the company's transformation into a cashless society. Several projects were implemented in 2022, supporting private customers, merchants, and the Public Administration in their daily activities. The Group's activities support the main sectors of the economic scenario, facilitating transactions for all stakeholders, and ensuring equal access to financial products for all populations and minorities.

## 4. 2022 SNAPSHOT



### Ambition

We want to shape the way People pay and Businesses accept payments, by **offering to our customers the most innovative and reliable solutions**, thanks to our scale and the competence and energy of our people.

**We will drive the transition to a cashless Europe by making every payment digital because it is simpler**, faster, and safer for everyone.



### Purpose

**We drive progress** by simplifying transactions and by empowering people and businesses to enjoy closer relationships and **prosper together**.

~2.2<sub>M</sub>

Merchants

~170<sub>M</sub>

Cards

>1<sub>k</sub>

Top Financial  
Institutions

>350<sub>M</sub>

Annual Total IT  
& Innovation  
Spend

>9,000

Payment  
Specialists

Zeroing  
commissions  
on transactions up  
to **€10** in  
support for small  
merchants  
in Italy



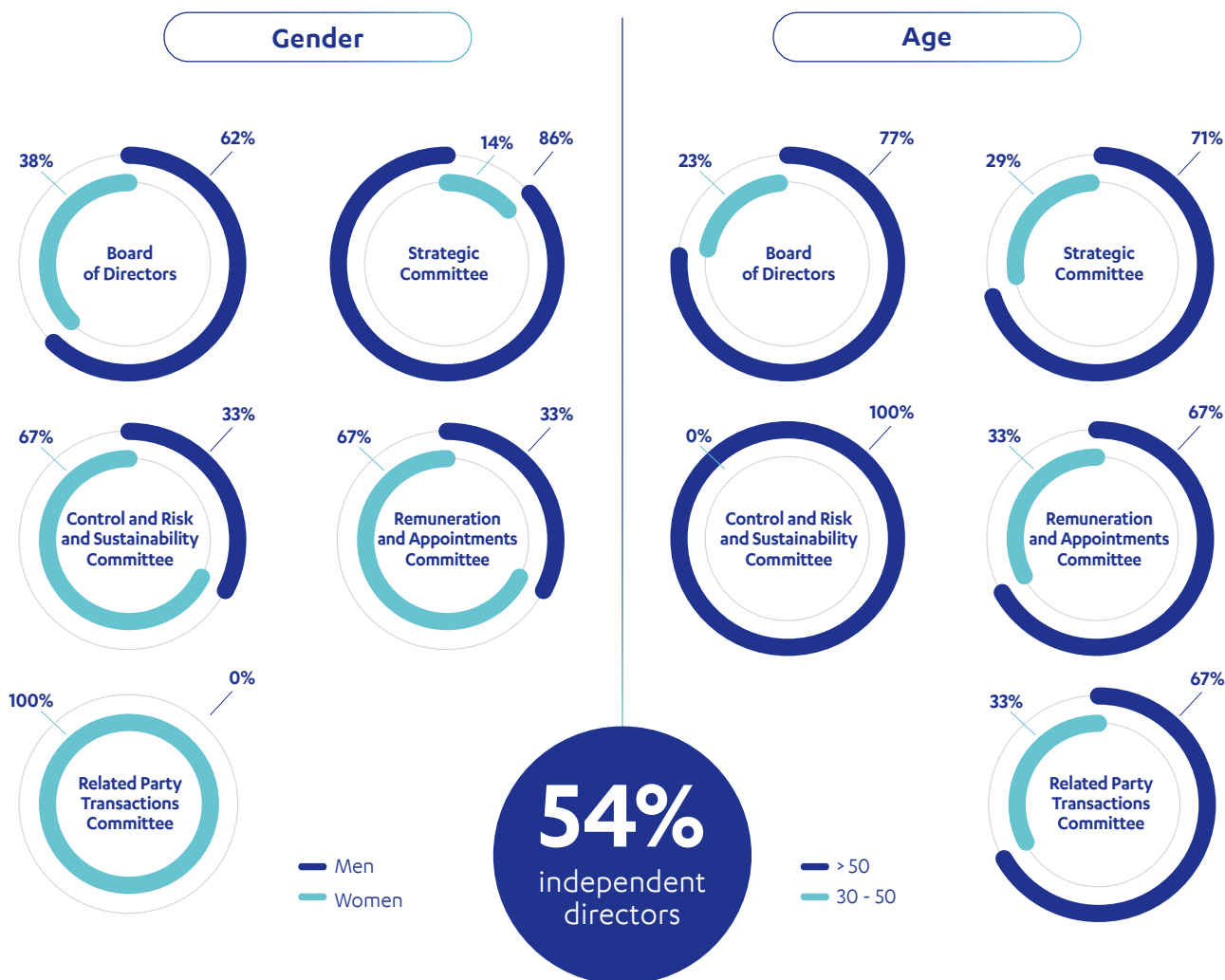
## Sustainability

- Nexi Group **become a UN Global Compact participant**
- Nexi Group **included in S&P Global Sustainability Yearbook** for the third consecutive year
- **First Group ESG strategy**



## Governance

### Board of Directors and Committees composition



## People in Nexi

**10,347**  
TOTAL EMPLOYEES

of which **58%** **42%**

**PERMANENT CONTRACTS**

**TEMPORARY CONTRACTS**

**NORDICS** **2,091** **70**  
**1,383** **778**  
**2,161 TOTAL**

**POLAND** **789** **203**  
**532** **460**  
**992 TOTAL**

**DACH** **1,105** **93**  
**769** **429**  
**1,198 TOTAL**

**1,792**  
New employees in 2022  
of < 30 years **568**

**OTHERS**  
Netherlands, Belgium, South Africa **58** **33**  
**55** **36**  
**91 TOTAL**

**NET PROMOTER SCORE**  
**+18%** vs 2021 e  
**+11.5%** vs target 2022

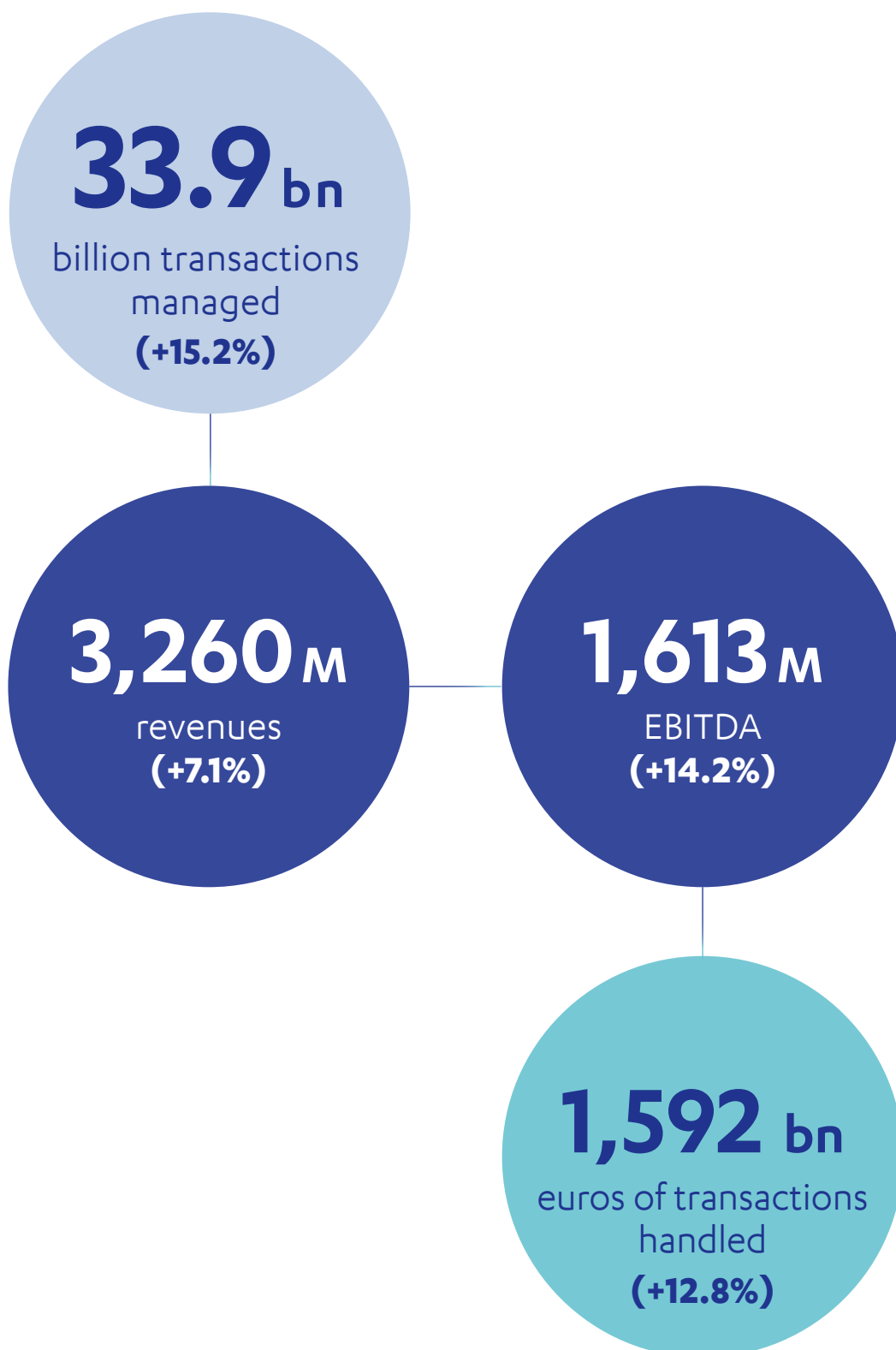
**ITALY** **3,751** **4**  
**2,260** **1,495**  
**3,755 TOTAL**

**GREECE** **972**  
**386** **586**  
**972 TOTAL**

**CEE** **1,039** **139**  
**615** **563**  
**1,178 TOTAL**



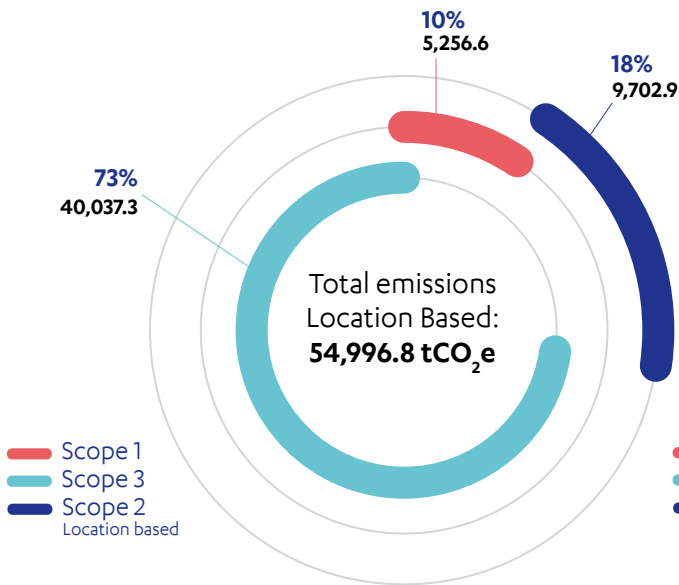
## Economic results



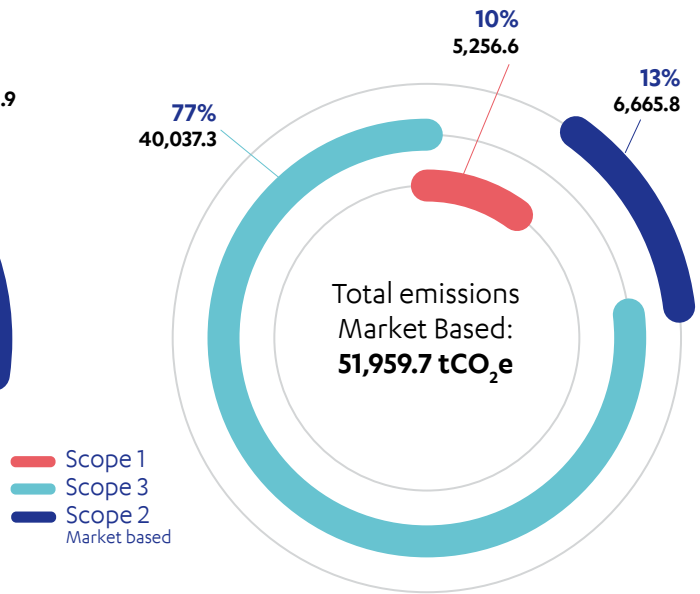


# Environmental Commitment

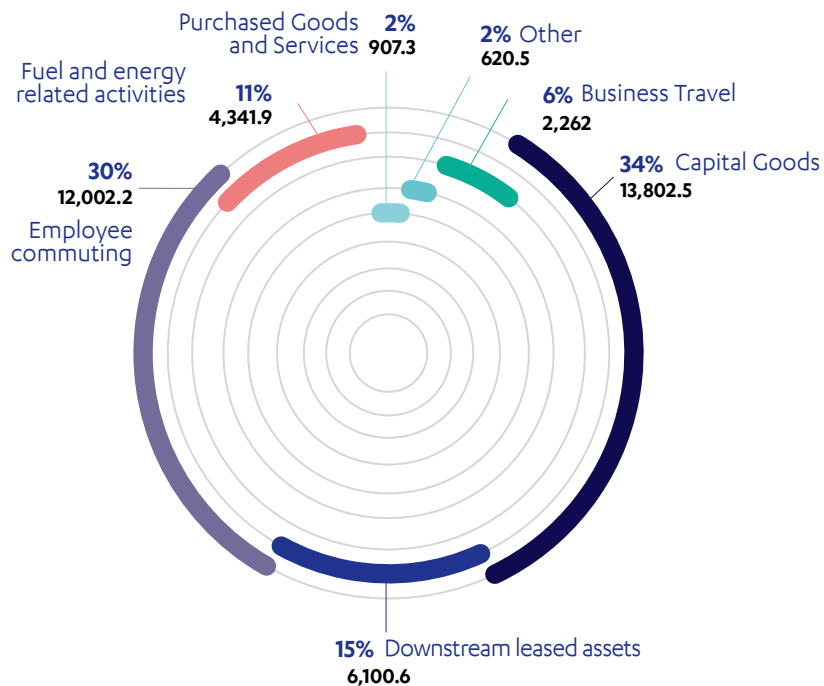
**LOCATION BASED**



**MARKET BASED**



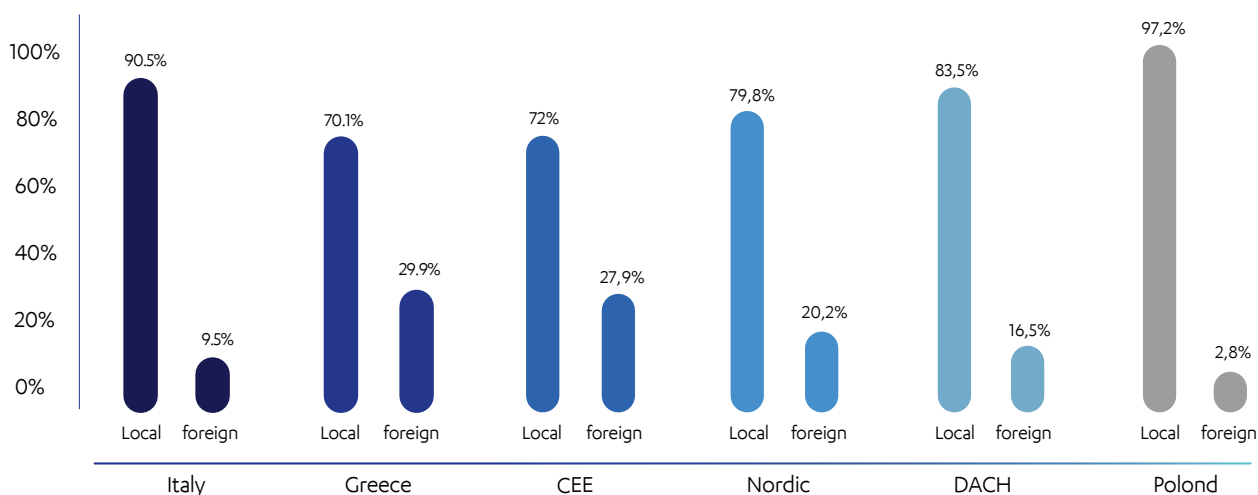
**SCOPE 3 BY CATEGORY**





## Responsible Supply Chain

### PROPORTION OF SPENDING ON LOCAL SUPPLIERS



## Nexi as a responsible and transparent operator in the market



zero incidents of corruption



zero legal actions regarding competitive behavior/ anti-trust/ monopoly violations



zero incidents of non-compliance regarding marketing communications



zero incidents of discrimination

**NEXI  
GROUP**



# 1

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# 1.1 GROUP OVERVIEW AND BUSINESS MODEL

- GRI 2-1: Organizational details**
- GRI 2-6: Activities, value chain, and other business relationships**
- GRI 2-28: Membership associations**

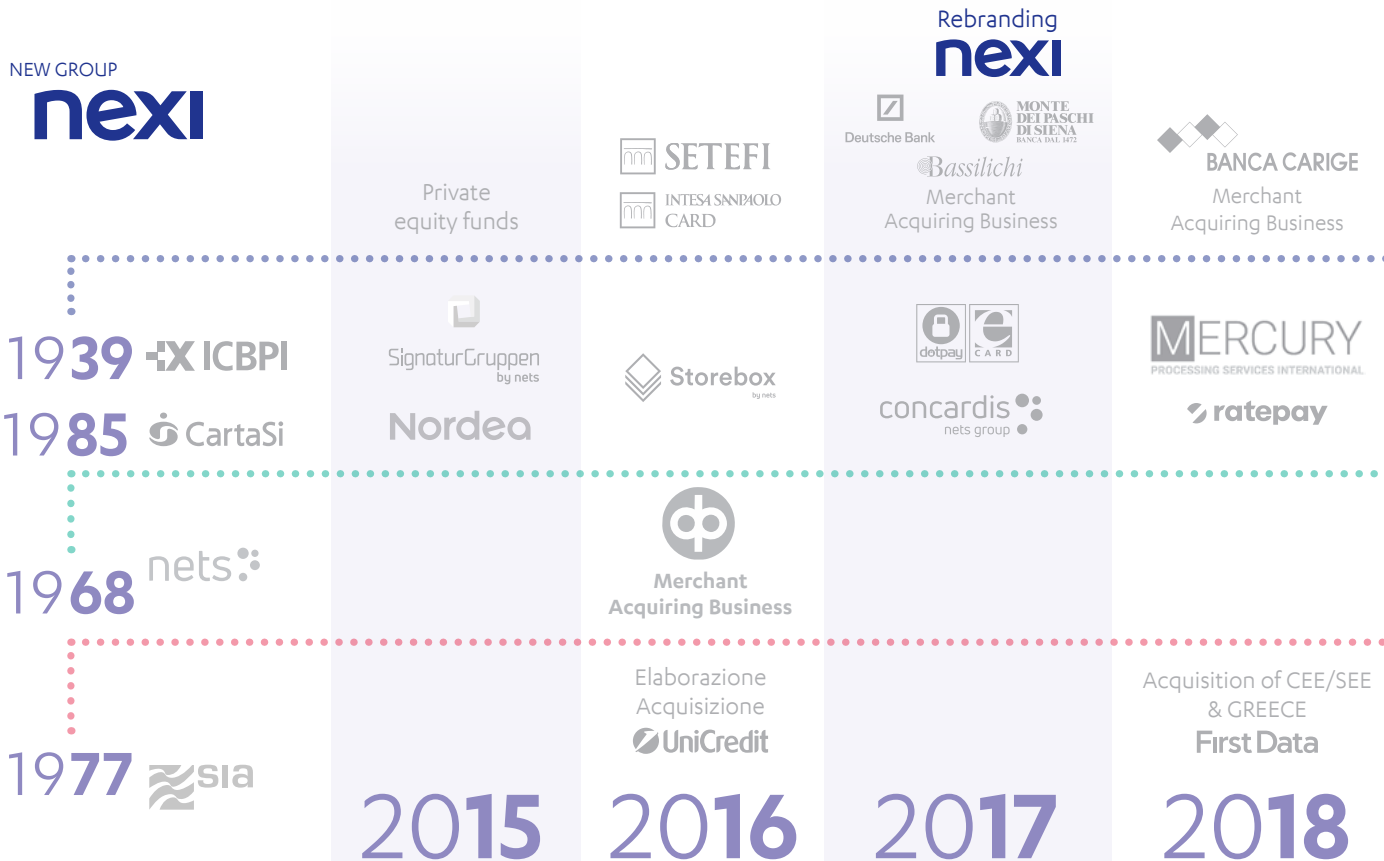
The Nexi Group is the European PayTech with the size, capabilities, and territorial presence to provide simple, fast, and secure payment solutions to individuals, businesses, financial institutions, and the public administration.

The organization boasts a portfolio of innovative products, e-commerce expertise, and industry-specific solutions. Through its solutions, it can support the economic system, which is increasingly based on digital information technologies, and participate in the growth and efficiency of the global market for payment services.

In particular, the Nexi Group operates in three different market segments:

- **Merchant Services & Solutions;**
- **Cards & Digital Payments;**
- **Digital Banking & Corporate Solutions.**

## THE LEADING PAYTECH, EUROPEAN BY SCALE, LOCAL BY NATURE



## Merchant Services & Solutions

The Merchant Services & Solutions Business Unit offers, in support of every type of counterparty, solutions for the acceptance of digital payments, for the management of POS payment terminals, for the acceptance of acquiring flows (i.e., acceptance of payments via cards or other digital instruments belonging to credit or debit circuits) and for customer care activities.

Through this offer, in collaboration with partner banks, the organization responds to the needs of all types of businesses: from retail-to-retail chains to supporting merchants for both physical and digital payments.

## Cards & Digital Payments

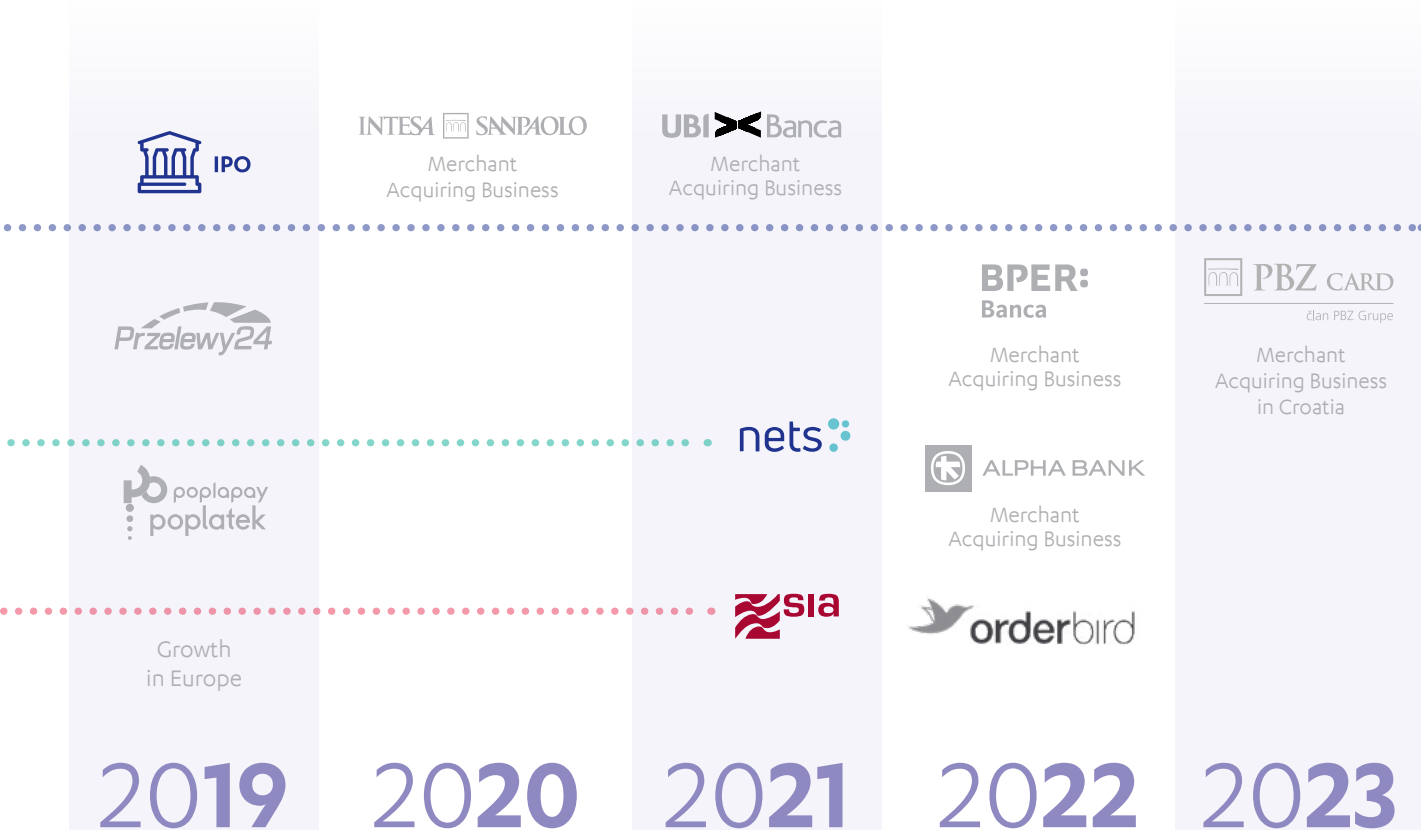
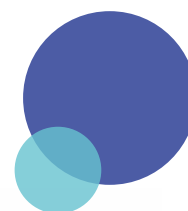
The Group, through its Cards & Digital Payments unit, together with its partner banks, offers a wide range of issuing services (including services relating to the procurement, issuing, and management of payment cards for individuals and companies) using advanced anti-fraud systems to guarantee speed, reliability, and security of user authentication systems and rapid execution of payment transactions.

## Digital Banking Solutions

Through its Digital Banking Solutions Business Unit, the Nexi Group offers three different types of services: ATM management, clearing services<sup>1</sup>, and Digital Corporate Banking services.

In September 2022, the Group approved the Strategic Plan, medium-long-term financial objectives, and the new Target Operating Model (TOM), which will take effect on 1 January 2023.

<sup>1</sup> The Group operates in the Italian market as a clearing house for domestic and international payments in compliance with standard banking regimes.



The new Target Operating Model (TOM), effective from January 2023, defined the Nexi Group's new organization by structuring it as:

- 1) Group Business Units and Corporate Functions that promote internationality, scale, and long-term development;
- 2) Region Units that promote market and customer proximity.

The new structure is defined to operate as follows:

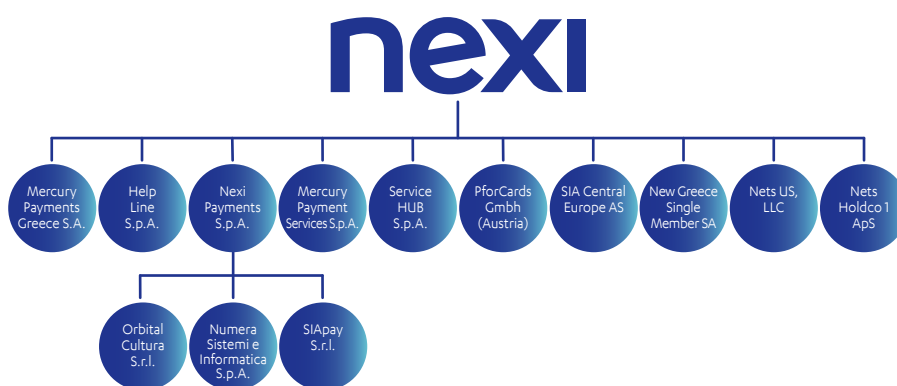
- the Business Units, promote internationality, economies of scale, and innovation;
- Group-wide functions enable centralized benefits of scale in technology, processing platforms, digital, operations, and talent/skills through investment and process standardization;
- national-level organizations ensure a strong local drive to ensure proximity to customers and people, maximizing growth opportunities and people involvement.

### The organizational structure of Nexi Group

The year 2022 was characterized by the completion of a path of strategic transactions, already finalized in 2021, which transformed the Group's corporate structure to its current configuration.

At the turn of 2021-2022, Nexi announced the signing of the deed of merger with SIA, as well as the signing of all other agreements to be entered into as part of the merger. The Merger, which follows the merger with Nets, effective July 1, 2021, enabled Nexi to consolidate its position as the Italian PayTech leader in Europe, driving the transition to a digital and cashless economy across Europe, covering the entire digital payments value chain and serving all market segments with the most comprehensive and innovative range of solutions.

The Group, with parent company Nexi S.p.A., listed on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A., since April 16, 2019, as a result of the merger with SIA is present in more than 20 countries. The Group intends to grow together with its stakeholders by leading the transition to a cashless Europe and making every payment digital because it is more convenient, faster, and safer. In that goal lies the mission of driving progress. Indeed, digitizing payments simplifies the lives of citizens, promotes business development, and improves the efficiency of public administration, thus supporting digital inclusion, development, and growth in the territories where the Group operates.



In 2022, the Group continued with its integration and with the internationalization of its

activities. Some actions were necessary to facilitate this process, including revisiting the organizational structure, certain key processes for conducting business activities, activities aimed at coordinating management and personnel, and integrating and rationalizing the existing IT systems, policies, structures, and services of the Nexi Group and those of the companies acquired and/or merged.

Consistent changes were therefore made to the organizational structure as of 1 January 2022, following the:

- contribution of SIA's "Payments" business unit to Nexi Payments;
- contribution of SIA's "Customer Operations" business unit to Service Hub;
- fine-tuning of Nexi Payments' organizational model.

The transaction left unchanged the organizational structures of Help Line, Mercury Payment Services, SIA Pay, SIA Central Europe, SIA Greece (which became Nexi Greece Processing Services Single Member as of 30 June 2022), and PforCards.

The resources of the integrated branches were merged, by area of competence, into the new organizational structures, also to strengthen the current functions with a view to knowledge sharing and guarantee continuity in areas previously overseen by SIA, in full compliance with existing contracts.

Nexi Payments opera anche in servicing per la Capogruppo Nexi S.p.A. negli ambiti:

- Group Audit;
- Corporate & External Affairs and ESG: Group Legal Strategy and Transformation, Group Public Affairs, Group Corporate Governance;
- CFO Area: Group Finance Transformation, Group Finance & Treasury (tranne Italian Treasury), Strategic Planning & Reporting (per alcune funzioni), Administration (Group Accounting Consolidation e Rules & Accounting Standards), Group M&A, Investor Relations, Group Procurement;
- Direzione Transformation & Strategy: Group Brand Strategy, Group Business Strategy, Nexi-SIA Transformation Office;
- CIO Area: Group CIO.

Nexi Payments also acts in servicing for the parent company Nexi S.p.A. in the areas:

- Group Audit;
- Corporate & External Affairs and ESG Area: Group Legal Strategy and Transformation, Group Public Affairs, Group Corporate Governance;
- CFO Area: Group Finance Transformation, Group Finance & Treasury (except Italian Treasury), Strategic Planning & Reporting (for some functions), Administration (Group Accounting Consolidation and Rules & Accounting Standards), Group M&A, Investor Relations, Group Procurement;
- Transformation & Strategy Department: Group Brand Strategy, Group Business Strategy, Nexi-SIA Transformation Office;
- CIO Area: Group CIO.

Nexi Payments maintains functional coordination of Help Line Operations, Mercury Pay-

ment Services, and Service Hub to continue the convergence of Group Operations models.

The organizational structure of Service Hub approved following the merger with SIA saw the implementation of several changes, during the first half of the year, to create greater operational efficiency and implement a more organic and strengthened supervision of operations activities.

In the Mercury Payment Services area, the main organizational change concerned the area reporting to the Governance & Guidelines Customer Operations structure, in which two distinct call-center structures were defined, aimed at guaranteeing the telephone assistance service dedicated to merchants and cardholders respectively.

In Help Line, the main organizational change concerned the Customer Value Management structure, which was divided into two staff structures.

In Nets, the main organizational changes concerned:

Group Functions:

- in Technology, a new CTO organization was created in Nets;
- the Finance function in Issuer & Security Services and Merchant Services merged with Finance in Group Functions;
- the HR function in Issuer & Security Services and Merchant Services merged with HR in Group Functions.

Merchant Services:

- in the e-Com business, the PSP business was delayed enabling faster decision-making. In addition, the rebuilding of the digital services business with a focus on key verticals began;
- control functions (including subsidiaries) centralized and changed reporting lines to ensure compliance;
- the 1st and 2nd level of detail of the Compliance structure was compacted and moved from Finance/Legal to Group Corporate & External Affairs and ESG;
- organizational adjustments were implemented within corporate functions to accommodate the new organizational set-up envisaged by the Nexi Group's new Operating Model (01/01/2023);
- within Merchant Solutions and eComm, a new operating model was implemented, shifting commercial responsibility to the DACH and Nordics markets; eComm was separated from Central Merchant Solutions.

As far as SIA Central Europe is concerned, the first half of the year saw two reorganizations that slightly altered the structure of the Customer Operations and IT Infrastructures Departments, while a third, which came into effect on July 1, saw the creation of a new service line.

The main organizational change that took place in 2022 in SIA Central Europe was the creation of the Windows, EUS support, and Unix-Oracle structures, with the simultaneous optimization of the Distributed Network structure, to improve the quality of internal cooperation, and communication between teams and cost management within Technology & Infrastructures.

In the second half of the year, a major reorganization took place, which led to the creation

of the new Business Solutions service line.

- created with the goal of being closer to customers, focusing on business and product development.

In Nexi Greece Processing Services, the reorganizations were designed to complete the value chain and to increase the quality of the testing and network management processes. The company welcomed three new top management positions: Managing Director, CFO, and Head of Legal, Commercial, and Compliance.

In the second half of the year, organizational changes had less of an impact, both given the new organizational model and because of certain revisions expected at the beginning of 2023.

Regarding Nexi Payments Greece Societe Anonyme on 30 June 2022, the transaction with Alpha Bank was closed. The transaction was carried out through a spin-off by Alpha Bank of its merchant-acquiring branch, in favor of this new entity, called Nexi Payments Greece Societe Anonyme, which obtained a license to operate as a payment institution. The company operates as a provider of payment services within the Greek market. The organizational structure of Nexi Payments Greece Societe Anonyme is aligned with the current principles of the institutional framework, which governs the operations of payment institutions and is structured to meet the needs of the main business sectors in which the company operates.

For 2022, the organization of PforCards was confirmed and the only change applied at the organizational level concerned the modification of the 'Run' and 'Development' areas into 'Fraud and Development - Run & Change' and 'Self-service lifecycle - Run & Change'. The new structure arose from the need to have a clear definition of responsibilities and to respond better to customer requirements.

**For more details on the changes in the Group's organizational structures that occurred in 2022, see the Financial Report, available at [www.nexigroup.com](http://www.nexigroup.com)**

# 1.2 GOVERNANCE

- GRI 2-9: Governance structure and composition**
- GRI 2-10: Nomination and selection of the highest governance body**
- GRI 2-11: Chair of the highest governance body**
- GRI 2-12: Role of the highest governance body in overseeing the management of impacts**
- GRI 2-13: Delegation of responsibility for managing impacts**
- GRI 2-14: Role of the highest governance body in sustainability reporting**
- GRI 2-15: Conflicts of interest**
- GRI 2-16: Communication of critical concerns**
- GRI 2-17: Collective knowledge of the highest governance body**
- GRI 2-18: Evaluation of the performance of the highest governance body**
- GRI 2-19: Remuneration policies**
- GRI 2-23: Policy commitments**
- GRI 2-24: Embedding policy commitments**
- GRI 2-25: Processes to remediate negative impacts**
- GRI 2-26: Mechanisms for seeking advice and raising concerns**
- GRI 207-1: Approach to tax**
- GRI 207-2: Tax governance, control, and risk management**
- GRI 207-3: Stakeholder engagement and management of concerns related to tax**
- GRI 207-4: Country-by-country reporting**

The Corporate Governance of Nexi S.p.A. is inspired by and complies with the principles and recommendations of the Corporate Governance Code for Listed Companies promoted by Borsa Italiana. The Group adopts a "traditional" administration and control system that complies with the provisions of the regulations on listed issuers and the recommendations of the Corporate Governance Code to which it adheres.

### ACTIVITIES OF THE BOARD OF DIRECTORS AND ENDOCONSILIAR COMMITTEES OF NEXI S.P.A.

<b>Shareholders' Meeting</b>	Expresses its opinion on the most important decisions of the organization, such as the appointment of the Board of Directors, approval of the consolidated financial report, and amendments to the Articles of Association.
<b>Board of Directors (BoD)</b>	Implements all activities useful for the achievement of the organization's objectives, except for those expressly reserved to the Shareholders' Meeting by law or by the Articles of Association. It is also responsible for defining the Group's business plan, with the support of the various Board Committees.
<b>Strategic Committee</b>	Advises on various aspects, including strategic plans, business plan guidelines, corporate performance, extraordinary transactions, financial policies, and the organizational structure of Subsidiaries.
<b>Audit and Risk and Sustainability Committee</b>	Assesses the adequacy of periodic financial and non-financial reporting. It expresses opinions on aspects relating to the identification of corporate risks, monitors the autonomy and effectiveness of the Audit Function, and provides guidance and advice to the Board of Directors on sustainability.
<b>Remuneration and Appointments Committee</b>	Advises the Board of Directors on the definition of remuneration policies for directors and executives with strategic responsibilities.
<b>Related Party Transactions (RPT) Committee</b>	Expresses opinions concerning Related Party Transactions.

The Nexi Group has a 'Corporate Bodies Diversity Policy', this document refers to the principles of the Group's sustainability policy, to the principles of diversity and inclusion, and the promotion of a culture of sustainability and transparency.

With the Corporate Body Diversity Policy, the Group intends to promote:

- the enhancement of gender diversity, experience, and skills of Group resources;
- individual involvement in the impact of its daily activities from a social, environmental, and governance point of view, through training and awareness-raising activities;
- compliance with the legal provisions for listed companies and the relevant regulations, including the Consolidated Finance Act and the Corporate Governance Code.

For further details, please refer to the "Report on Corporate Governance and Ownership Structure" of Nexi S.p.A. available at [www.nexigroup.com](http://www.nexigroup.com).

**COMPOSITION OF THE BOARD OF DIRECTORS AND ENDOCONSILIAR COMMITTEES OF NEXI S.P.A.**

Composition of the Board of Directors and Endoconsiliar Committees of Nexi SpA	Role in the BoD	Executive Director	Independent director	Strategic Committee	Audit and Risk and Sustainability Committee	Remuneration and Appointments Committee	Related Party Transactions Committee
Michaela Castelli	President		x	Member	Member	Member	
Paolo Bertoluzzo	Managing Director	x		President			
Luca Bassi	Director			Member			
Elisa Corghi	Director		x			President	Member
Maurizio Cereda	Director		x			Member	
Jeffrey David Paduch	Director			Member			
Francesco Pettenati	Director			Member			
Marinella Soldi	Director		x		President		
Stefan Goetz	Director			Member			
Bo Einar Lohmann Nilsson	Director			Member			
Marina Natale	Director		x				President
Elena Antognazza	Director		x				Member
Ernesto Albanese	Director		x		Member		

**COMPOSITION OF THE BOARD OF DIRECTORS AND ENDOCONSILIAR COMMITTEES BY GENDER AND AGE**

	Women (n)	Women (%)	Men (n)	Men (%)	30-50 (n.)	30-50 (%)	>50 (n.)	>50 (%)	Total (n.)
Strategic Committee	1	14%	6	86%	2	29%	5	71%	7
Control Risk and Sustainability Committee	2	67%	1	33%	0	0%	3	100%	3
Remuneration and Appointments Committee	2	67%	1	33%	0	0%	3	100%	3
Related Parties Transaction Committee	3	100%	0	0%	0	0%	3	100%	3

**ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS AND BOARD COMMITTEES**

	Number of meetings	Participation rate (*)
Board of Directors	11	89%
Strategic Committee	12	100%
Related Party Transactions Committee	2	83%
Compensation and Nominating Committee	12	94%
Audit and Risk and Sustainability Committee	15	98%

(\*) The attendance rate was calculated taking into account the maximum number of meetings each Member could have attended since taking office.

### The Role of the Chairman

Under Article 17 of the Articles of Association, the Board of Directors elects the Chairman from among its members, if not already elected by the Shareholders' Meeting. The Chairman convenes and chairs the Board of Directors, setting the agenda and ensuring that issues of strategic importance are dealt with as a priority.

### The role of the CEO

The Chief Executive Officer of Nexi Group coincides with General Manager and is responsible for the direction and coordination of the various corporate components, to promote the implementation of the Group's business plan. Furthermore, he ensures the coordination of the activities of all the companies belonging to the Group's perimeter.

### The Role of the Board of Directors

The directors meet the requirements of honorability and the criteria of competence and fairness, by the law, and are subject to the so-called 'interlocking prohibitions'<sup>2</sup>.

The Report on Corporate Governance and Ownership Structure of Nexi Group, available at [www.nexigroup.com](http://www.nexigroup.com) provides information on the composition of the Board in terms of curriculum vitae, qualifications, independence, and participation of the directors.

The remuneration of the members of the Board of Directors is determined at the Shareholders' Meeting. For more information on the remuneration policies and remuneration of the Board of Directors and directors with strategic functions for 2022, please refer to the Remuneration Report approved by the Shareholders' Meeting of Nexi Group, held on 5 May 2022, available at [www.nexigroup.com](http://www.nexigroup.com).

## Sustainability Governance

The Board of Directors is the body responsible for the **strategic direction** and supervision of **sustainability activities, results and impacts**. It:

- defines the principles, guidelines, objectives and commitments on sustainability issues relevant to the Group, in line with strategic objectives and stakeholder expectations;
- oversees the application of the principles and guidelines in all the perimeter companies;
- periodically assesses the results and impacts of the management of relevant sustainability issues, in consideration of the evolution of the context inside and outside the Group;
- defines the path for integrating the strategic objectives assigned to Top Management and Executive Directors with Sustainability Objectives;
- approves the Consolidated Non-Financial Statement;
- represents the highest governing body to oversee the response to climate change;
- approves and oversees the Group's involvement in external initiatives and formalizes action plans.

The Sustainability Policy, which enshrines guiding principles and responsibilities is adopted by all major legal entities of the Group.

<sup>2</sup> Prohibition of the highest management, supervisory and control bodies of a company from assuming similar responsibilities in competing organizations.

The Control and Risk and Sustainability Committee makes proposals and advises the Board of Directors on sustainability issues. It:

- examines and evaluates sustainability issues related to the business activity, to continually improve the Nexi Group's sustainability profile;
- monitors alignment with current regulations and best market practices on sustainability issues;
- examines and evaluates the Consolidated Non-financial Statement.

**Top Management** formulates **sustainability plans and related goals** and is responsible for their implementation in line with the strategies, principles, guidelines, and objectives defined by the Board of Directors. It:

- contributes to identifying sustainability issues relevant to the Group;
- proposes initiatives and objectives, taking into account business-related risks;
- participates in the initiatives identified and reports to the Board of Directors on the results achieved concerning the objectives set;
- carries out advocacy activities internally and externally, dealing with stakeholder involvement;
- reports to the ESG function on any significant developments related to sustainability issues;
- periodically reports to the Board of Directors on climate change issues.

The function responsible for sustainability issues, within the Group Corporate & External Affairs & ESG division, is the **ESG function**. Its tasks include:

- the coordination and monitoring of the process of drafting the consolidated non-financial statement;
- the development of the ESG strategy, including the monitoring of its implementation, and the positioning in ESG terms of the Group, through continuous dialogue and involvement of Top Management;
- continuous dialogue with the Control and Risk and Sustainability Committee on the consolidated non-financial statement, the development of sustainability strategies, the results achieved, and the principles and guidelines defined by the Board of Directors.

The findings of the Board of Directors Self-Assessment for the year 2022 confirm that it is aware of the importance of sustainability, safety, and environmental issues. Ad hoc in-depth sessions on ESG issues have been held with the incoming board members in charge after December 30, 2021, and the level of commitment and sharing of the path taken by the Group is good. For 2023, planning activities are underway for additional training sessions on ESG issues.

Details of the Self-Assessment process and findings were presented and discussed at the Board meeting on March 6, 2023 (and previously by the Compensation and Nominating Committee at its meeting on March 2, 2023) and summarized in the Report on Corporate Governance and Ownership Structure available at [www.nexigroup.com](http://www.nexigroup.com).

Several initiatives were carried out in 2022 that testify to the Group's commitment to the sustainable management of its activities, and, in this regard, important recognitions were obtained, proving that the challenges faced are in line with stakeholder expectations. In particular:

- participation in the United Nations Global Compact, for the achievement of the Sustainable Development Goals by 2030;
- inclusion in S&P Global's Sustainability Yearbook, for the third consecutive year;
- significant improvement in Nexi Group's ESG Corporate Sustainability Assessment rating awarded by S&P Global with a 5-point increase from 2021 to 73\* (out of 100) this year, confirming Nexi Group as a top performer in the payments industry. The score increase, which had also already shown strong growth in 2021, demonstrates Nexi Group's commitment to ESG issues, which continue to play an increasingly strategic role in the company's growth;
- achievement of an "A-" score in CDP's environmental rating, confirming the 2021 result and showing significant improvement compared to the C rating in 2020;
- Inclusion, in continuity with 2021, of Nexi S.p.A. in the MIB ESG Index, the first ESG index dedicated to Italian blue-chips and designed to identify large Italian-listed issuers with ESG best practices;
- revision of the Science Based Targets (SBTi)CO<sub>2</sub> emission reduction targets, to extend the climate ambition to the entire Group perimeter reinforcing Nexi Group's active role in the path towards decarbonization. The previously approved targets, in line with global climate change goals to help limit global warming to 1.5°C above pre-industrial levels, included a commitment to reduce absolute scope 1 and 2 GHG emissions in Italy by 42% by 2030, starting from the 2020 baseline. They also included a commitment that 78 percent of capital goods suppliers in Italy would adhere to SBTi by 2025<sup>4</sup>. Target revision activities carried out in 2022 were aimed at including all Group geographies in the decarbonization journey. Targets are now under review at SBTi and approval is expected in the third quarter of 2023, in line with the technical timeline set by the body;
- Commitment of the Group to Net Zero emissions by 2040, 10 years ahead of the Paris Agreement target;
- neutralization of emissions produced in 2021 by financing specific projects<sup>5</sup>;
- award as Top Employer Italy 2023 for Nexi by the Top Employers Institute, the certification body for business excellence in HR, which has been present in our country for more than 30 years;
- the Diversity & Inclusion Board was involved in several initiatives and was extended to Nexi, becoming representative of the entire Group;
- Nomination for the SDG Tech Awards 2022 for Nets Climate Action Service, in the area of digital solutions. SDG Tech Awards is the leading award dedicated to sustainability in the Nordics, a multi-stage program with the goal of creating a permanent community of companies that share their know-how on green technologies, support each other, and collaborate to accelerate the green transition;
- Nets nomination from Sustainary.org, a nonprofit global partnership platform aimed at improving knowledge and access to sustainable technology, to share ideas and promote business innovation.

At Capital Markets Day 2022, the Nexi Group also presented its first formalized ESG strategy, which is one of the founding pillars of the new business plan. More information on the Group's sustainability strategy is available by referring to "ESG Strategy and Ratings."

<sup>3</sup> Science Based Targets (SBTi) provide companies with a clearly defined pathway to reduce emissions in line with the goals of the Paris Agreement. More than 4,000 companies worldwide are already working with the initiative.

<sup>4</sup> For more details on the initiatives defined to achieve SBTi's approved goals, please refer to Section 3 of the Declaration paragraph "Environmental Protection."

<sup>5</sup> For more information, please refer to the "Decarbonization Targets" section where a brief description of the projects is given.

\* At the time of publication in April 2023, the score was updated a 74.

## The System of Internal Controls and Group Risk Management - SCIGR

Nexi's Board of Directors has implemented a System of Internal Controls and Risk Management (SCIGR) that complies with the provisions of the Corporate Governance Code and is appropriate to the nature and size of the organization. The system is based on the following four pillars

- the Management and Coordination Regulations, which govern relations between the parent company and its subsidiaries;
- the Group Regulatory System Guidelines, consisting of the set of codes, regulations, guidelines, policies, procedures and operating instructions;
- the Enterprise Risk Management process and the identification of the Group Enterprise Risk Management function;
- the Audit function is responsible for the overall assessment of the suitability and adequacy of the Group's internal controls and risk management system.

The System consists of a set of rules, procedures, and organizational structures aimed at the effective identification, measurement, management, and monitoring of the organization's risks, to contribute to the sustainable development of the Group.

Subsidiaries are independently responsible for the definition and operation of their internal control system, in compliance with the Group's guidelines, with the Corporate Governance Code of Italian listed companies and with the reference framework consisting of the Articles of Association, the Code of Ethics and the Organization, Management and Control Model under Legislative Decree 231/01. In addition, the internal control systems adopted by the various companies are consistent with the models of the COSO Framework<sup>6</sup>.

The parent company and subsidiaries implement organizational solutions that

- guarantee the separation between operational and control functions and avoid situations of conflict of interest in the allocation of responsibilities;
- make it possible to adequately identify, measure and monitor all risks assumed or conceivable in the various operating segments;
- are inspired by process-based logic, regardless of the positioning of the relevant activities in the organizational and corporate structure;
- define control activities at all operational levels and enable the identification of tasks and responsibilities;
- guarantee reliable information systems and reporting procedures appropriate to the various management levels to which the control functions are assigned;
- they activate information flows that are useful for enabling the fulfillment of responsibilities concerning internal control systems;
- establish, through management, specific control activities and monitoring processes to ensure the effectiveness and efficiency of internal control systems over time and to prevent any irregularities and/or fraudulent actions;
- ensure that any anomalies found are promptly brought to the attention of the Board of Directors and the Board of Auditors and promptly dealt with;
- enable the traceability of activities and relevant documentation, ensuring their identification, and reconstruction from the sources and elements of information supporting the activities.

<sup>6</sup> Committee of Sponsoring Organizations.

### Board of Statutory Auditors

The Board of Statutory Auditors of Nexi S.p.A. is composed of a chairman, two Standing Auditors and two Alternate Auditors elected at the Nexi S.p.A. Shareholders' Meeting of 5 May 2022. The Board verifies the proper strategic and management control carried out by the Parent Company over the Group companies and works in close cooperation with the corresponding bodies of the Subsidiaries.

MEMBERS OF THE BOARD OF AUDITORS	ROLE
Giacomo Bugna	President
Mariella Tagliabue	Acting auditor
Eugenio Pinto	Acting auditor
Serena Gatteschi	Alternate Auditor
Sonia Peron	Alternate Auditor

The 'Policy on the diversity of corporate bodies', regarding the composition of the Board of Statutory Auditors:

- recommends that shareholders consider candidates belonging to different age groups for the role of Statutory Auditors, to ensure a proper balance between continuity and change in the composition of the Board of Statutory Auditors;
- requires that at least one-third of the Statutory Auditors belong to the least represented gender and recommends that the gender balance also be respected within the lists for both standing and alternate auditors, where the number is greater than three;
- requires that Statutory Auditors possess adequate skills and professionalism requirements;
- requires that Statutory Auditors meet the requirements of independence, consistent with the provisions of the law.

By 31<sup>st</sup> December 2022, at least one-third of the members belong to the least represented gender.

The Board of Statutory Auditors of Nexi Group also acts as the Parent Company's Supervisory Body under Legislative Decree 231/2001 and identifies itself as the "Internal Control and Audit Committee" under Article 19 of Legislative Decree 39/2010.

The Board of Auditors also monitors compliance with the 'Related Party Transaction Procedure', which identifies the rules governing the approval and execution of related party transactions carried out by the organization, to ensure the transparency and substantive and procedural fairness of such transactions.

The outcomes of the self-assessment process of the Nexi Board of Auditors for the year 2022 were presented and discussed at the Board meeting on March 6, 2022.

The self-assessment shows a positive overall picture of the functioning of the Board of Auditors, from which it emerges that this body has been able to adopt effective and efficient modes of operation as well as aligned with the relevant regulatory framework.

## The Organization, Management and Control Model 231 and the Code of Ethics

The Nexi Group Italian companies have an **Organization, Management and Control Model** pursuant to Legislative Decree 231/2001 approved by the Board of Directors, following the endorsement of the Supervisory Board. All activities and organizational structures are subject to controls on the implementation of the Model, to continuously monitor its effectiveness and updating.

Against a backdrop of increasing attention to corporate governance issues, as well as the establishment of an organizational, corporate and Group model that is capable of managing business risk more effectively, the Nexi Group has formalized a document summarizing the ethical principles by which the Group is inspired, the Code of Ethics.

The Group Code of Ethics, which is unique for all companies, aims to clearly and transparently define the set of values promoted by the Group in the conduct of its activities. In conducting its activities, the Group aims to combine profitability and competitiveness with scrupulous respect for professional ethics.

Therefore, the Code of Ethics establishes the ethical values and principles of conduct to which the Group orients its activities toward all internal and external stakeholders. Among the main values promoted are the principles of honesty, fairness, transparency, and impartiality. In addition, guiding principles, complementary to legal obligations and self-regulation, are promoted to guide conduct consistent with the Group's mission. The contents of the Code of Ethics and its possible updates - including any amendments and/or additions made by the Group - are defined and approved by the Board of Directors of the Nexi Group.

The Code is subsequently adopted by the Board of Directors of each subsidiary. Among the main values promoted are the principles of honesty, fairness, transparency, and impartiality. In addition, guiding principles, complementary to legal obligations and self-regulation, are promoted to guide conduct consistent with the Group's mission.

The following are the addressees of the Code of Ethics and are therefore required to know and observe the ethical values and principles of conduct established therein

- the members of the Corporate Bodies (shareholders, members of the Board of Directors, members of the Board of Auditors and members of the Supervisory Board, where established);
- all employees of the Group, both of the Parent Company and of the subsidiaries - including foreign subsidiaries (even those gained after the adoption of the Code) and all persons bound by any working relationship with the Group, including temporary workers (hereinafter also referred to as 'Personnel');
- suppliers of goods and services, within the limits of their existing relations with the Group, including external consultants and professionals, as well as all collaborators who in any capacity act in the name of and/or on behalf of the Group.

The contents of the Code of Ethics and its possible updates - including any amendments and/or additions made by the Group - are defined and approved by the Board of Directors of the Nexi Group. The Code is subsequently adopted by the Board of Directors of each subsidiary.

The Code of Ethics represents the basis on which the preventive control system is implemented, entrusted to a special Supervisory Board with autonomous powers of initiative and control. According to the rules laid down in the Code of Ethics, the Group does not tolerate corruption in all forms and takes all necessary measures to avoid such offences. For more information on the Code of Ethics, please refer to [www.nexigroup.com](http://www.nexigroup.com), where the document is publicly available.

### Reporting unlawful conduct

The organization has information channels to facilitate the flow of information and reports of unlawful conduct, both by employees and external parties, about the violation of internal rules, regulations, and procedures, including violations of the Code of Ethics and Model 231.

Regarding Nexi each report may be addressed:

- to an e-mail box addressed to the Supervisory Board;
- to the address of the Group company's head office by mail, for the attention of the Supervisory Board (in the case of anonymous reports);
- to the mailbox addressed to the person in charge of the internal system for reporting breaches of rules (Whistleblowing) identified as the Head of the Group Compliance Function, or the Audit Function if the report is addressed to the latter, who then informs the Supervisory Board.

It is noted that Nets differs in that it uses a system by which reports are submitted to a dedicated reporting portal. Once the report is submitted, admin users will receive a notification by e-mail and/or SMS and will be able to access the report, whereas the reporting person can receive and submit messages within the system whilst staying entirely anonymous.

In both systems anyone making a report in good faith is protected against any form of retaliation, discrimination, or penalization, and the anonymity of the whistle-blower is guaranteed regardless.

In 2022, no reports were received through the Whistleblowing channel which fell within the scope of the policy. Likewise, nowhere were any reports received by the Audit Function, even with reference to what was made known to the Head of the Function in the role of Secretary of the Supervisory Board.

During 2022, no reports of discrimination were received for any of the Group companies. Anti-Corruption Policy.

The Nexi Group Anti-Corruption Policy, approved by the Board of Directors, has the task of:

- defining principles aimed at identifying and deterring potential acts of corruption to protect the integrity and reputation of the organization;
- outlining roles and responsibilities for the fight against corruption;
- identifying the main risk areas where corruption could occur.

All Group companies are required to adhere to the Policy, along with their governing bodies, employees, suppliers, and any other business partners acting for or on behalf of Nexi, wherever they carry out their activities. The Anti-Corruption Policy is publicly available at [www.nexigroup.com](http://www.nexigroup.com). The Nexi Group is also committed to providing periodic anti-corruption training.

With regards to Nets, the Nets Ethical Policy, the Anti-Bribery and Corruption Policy, and the Conflicts of Interest Policy all combine to regulate the treatment of conflicts of interest within Nets. Nets Compliance is responsible for carrying out annual monitoring of compliance in the Nets perimeter companies, including on the issue of conflicts of interest. The Ethics Policy and the Anti-Corruption Policy<sup>7</sup> were both updated in December 2022, whereas the new Conflicts of Interest Policy was adopted in March 2022. In the Ethics Policy, Nets expresses its fundamental commitment to act in compliance with all applicable laws and regulations, thus demonstrating its commitment to the relationship between Nets and its stakeholders. In this regard, Nets undertakes to cooperate legally and ethically with official investigations into any potentially illegal activities involving Nets. Finally, the Conflicts of Interest Policy builds further on this basis, providing guidance to enable Nets employees to avoid ethical concerns arising from conflicts of interest involving their employment at Nets. Training on both the Anti-Bribery and Corruption Policy as well as the Conflict-of-Interest Policy was rolled out in iLearn to all employees at Nets in 2022, including external consultants, and will be provided at least once a year.

**No sanctions for non-compliance with regulations or laws relating to corruption and money laundering were recorded in 2022, in line with 2021.**

<sup>7</sup> Nets has its own ABC Policy which is aligned with the Nexi Group Policy.

### Evolution of the Group Internal Control System

The project to extend the audit assessment of the Internal Control System, initiated in 2021, continued during 2022:

- an "interim" assessment, referring to the first half of the year, was introduced for the Companies subject to assessment in 2021, the result of which was brought to the attention of the Audit Risk and Sustainability Committee and the Board in July 2022;
- in the assessment process for 2022, in addition to the Nets companies already assessed for the previous year, the subsidiaries that entered the Group following the integration of the SIA Group were also included in the scope.

The IT tool in use for the management and collection of evidence related to the assessment process, the Internal Control System - ICS based on the COSO Framework, was made available to the Control Functions of the Companies concerned for direct independent input of the required data.

The last assessment of the Group's ICS was conducted in the first quarter of 2023 and resulted in an overall positive result in the panel of Companies considered.

### The Role of the Audit Function

The Audit Function of each Group company is responsible for the independent verification of the functioning, adequacy, and consistency of the SCIGR with the guidelines defined by the Board of Directors. The function is responsible for periodically assessing the completeness, functionality, and adequacy of the Internal Control System.

In particular, the Audit Function:

- defines and implements an audit plan, approved by the Board of Directors following the prior opinion of the Control, Risk and Sustainability Committee, to review and assess the adequacy and effectiveness of the Internal Control System;
- verifies, both on an ongoing basis and according to specific needs, the functioning and suitability of the risk management and internal control system, through an annual and multi-year audit plan approved by the Board of Directors, based on a prioritization of the main risks;
- prepares periodic reports containing information on its activities, risk management methods and compliance with the defined plans. The periodic reports contain an assessment of the suitability and adequacy of the risk management and internal control system;
- transmits the reports mentioned in the previous points to the chairmen of the control body, the Control and Risk and Sustainability Committee and the management body, as well as to the CEO;
- verifies, as part of the audit plan, the reliability of information systems, including accounting systems.

### Independent third-party audits

The Nexi Group conducts internal reviews and audits on multiple issues, including those related to cybersecurity. Given its role and positioning in the financial market, the Nexi Group's most relevant companies are supervised by financial authorities. In addition, the Group is periodically subjected to security assessments and audits by its clients regarding the services provided to them. Finally, for the purpose of maintaining security certifications (such as PCI, ISO, and ISAE 3402) annual audits are conducted by independent and qualified third parties.

**During 2022, in line with previous years, no reports were received from the Audit Function concerning ascertained bribery, also concerning what was reported to the Head of the Function in the role of Secretary of the Supervisory Board.**

### **Nexi Group's audit plan on sustainability topics**

The 2022 audit plan included audit activities on sustainability themes, with reference to the material themes represented in the 2021 Materiality Matrix related to compliance with laws and regulations, along with those related to the operational area of business services for customers, and also themes related to employee and supplier management.

Listed below are the main audit activities carried out in 2022, linked to the material topics:

#### **Nexi S.p.A.**

- Audits related to L. 262/05
- Application of Group guidelines about Reward
- Institutional Reports
- Environmental, Social and Governance Audits
- Assessment on the Group's Data Centers

#### **Nexi Payments**

- Audits for SA 8000 Certification (social responsibility standard)
- ISO14001 Environmental Management System
- ISO 9001 Quality Management System
- Audit on the anti-money laundering process
- Transparency and Customer Disclosure
- Award system
- Business continuity of services

#### **Mercury Payment Services**

- ISO 9001 Quality Management System

#### **Help Line**

- ISO 9001 and UNI EN 15838 certification

#### **Service Hub**

- ISO 9001 Quality Management System
- Continuity of operations card factory

#### **SIA Central Europe**

- Procurement

#### **Nexi Greece Processing Services**

- Procurement

### **Nets' audit plan on sustainability issues**

Nets Group Internal Audit is an independent assurance function anchored in Nexi Group Internal Audit.

An audit universe is established based on processes and to some degree on the different legal entities. Said audit universe is updated as the basis for audit planning. For each of the +100 subprocesses, the objectives are identified together with the risks related to the objectives for the subprocess. For each risk, there is an initial assessment of both inherent and residual risk, where likelihood and impact are assessed for both.

Furthermore, the importance of the subprocess is assessed and it is mandatory to audit based on regulatory of customer requirements. There are also ad hoc audits initiated by management and Board.

Some of the main audit activities in the field of sustainability are listed below:

- Concardis AML audit
- Nets Denmark A/S AML audit
- GDPR Governance
- Ratepay Risk Management
- Ratepay Human Resources
- Paytrail AML
- Group Business Continuity / Risk Management

### **The role of the Compliance & AML function**

#### **Non-compliance risks**

The Nexi Payments Compliance & AML function is responsible for ensuring that Nexi Group's activities comply with applicable laws and regulations, that the Group complies with contractual clauses in its communications with customers and with the Supervisory Authorities and helps and advice in relation to specific requests made by corporate bodies. The function also aims to disseminate a corporate culture based on the principles of honesty, fairness, and compliance through the provision of specific training.

Specifically, with reference to the measurement of non-compliance risk:

- the impact scales of inherent and residual non-compliance risk in qualitative and quantitative terms were aligned with the ERM methodology;
- the frequency of non-compliance risk measurement activities has been changed;
- the measurement of the "Compliance System Maturity" was introduced, to be understood as the combination of the levels of adequacy and effectiveness of the Compliance system, because of the tests carried out.

Regarding activities carried out in ex-ante on project initiatives, the following updates have been introduced:

- "Compliance Impact Analysis" was introduced in order to define the specific adjustments that must be implemented to comply with current regulations;
- an "assurance" activity by the Compliance Function on the execution of tests by the relevant structures carried out before the "go live";
- ways of handling potential nonconformities arising from project activities.

During the year, in collaboration with the Cybersecurity Area and the Risk Management Function, attention was paid to information systems compliance, addressing the security measures in new projects and services.

With regards to Nets, the Nets Compliance & Regulatory Function, oversees legal and compliance risks, defining minimum requirements through policies and supporting their implementation and monitoring through frameworks, tools, processes, and control activities, facilitating risk and compliance management, and assessing the compliance of the activities of individual Nets entities with the approved Group-wide strategy. Its areas of focus include financial crime prevention, anti-corruption, and bribery, GDPR data protection and PSD2 compliance. During 2022, compliance governance maturity continued to receive focus as the establishment of three Lines of Defense (LoD) matured among the Nets perimeter entities. Emphasis continued to be placed on the development of the compliance framework through the implementation of group policies, the division of responsibilities between 1LoD and 2LoD, the development of independent monitoring in the 2LoD compliance domains and continuous 2LoD reporting. Group policies subject to annual review were updated during the year, i.e., to reflect legislative changes as well as to align with Nexi Group Guidelines, and key new policies were introduced in the PSD2 area, including a new PSD2 Group Policy and an Incident Reporting Group Policy. Monitoring exercises also received additional depth, as the Financial Crime monitoring programme was launched in the Group subsidiaries, and a new PSD2 monitoring programme was launched in Nets Denmark, to be subsequently extended also to the subsidiaries.

### Anti-Money Laundering

During 2022, the Group's commitment to AML awareness and training activities continued. Online courses were provided and specific focuses on Transparency and Anti-Money Laundering (Issuance/Purchase), Antitrust, Unfair Business Practices, Market Abuse and Related Party Transactions, as well as on Legislative Decree 231/2001 were planned. With reference to Nets, several e-learning training courses on Compliance have been launched, including the topics of Anti-Corruption, Anti-Money Laundering and Conflict of Interest.

To prevent and combat money laundering and terrorist financing, the Function has adopted the AML Policy in addition to the AML Manual<sup>8</sup>. The Head of Nexi Payments' Compliance & AML Function is also the MLRO<sup>9</sup> and the Delegated Officer for the reporting of suspicious transactions pursuant to Art. 35 of Legislative Decree 231/2007. 35 of Legislative Decree 231/2007. Regarding internal AML policies and procedures, in 2022 the AML Policy was updated to incorporate the latest update of the "Group Guidelines on the Prevention of Money Laundering and Terrorist Financing", to adequately regulate the AML profiles related to the new configurations of the "Payment Initiation Services" (PIS) and the "Commercial Cards Platform", as well as the internalization of the management and maintenance of the "Single Computer Archive". The Anti-Money Laundering Manual was consequently updated to incorporate these changes, to ensure consistency with the principles set out in the Anti-Money Laundering Policy published at [www.nexigroup.com](http://www.nexigroup.com). Regarding the Nets perimeter, the priorities in the area of financial crime prevention were driven by the mitigation activities initiated following the Danish FSA inspection in 2020. The overall financial crime prevention framework is on a good level where the AML/CTF risk has been downgraded. Annual training has been completed and monitoring activities for Financial Crime prevention has been implemented and completed across the Nets perimeter. From a sanctions perspective the war in Ukraine has been a huge focus ensuring alignment, clear communication, and overview of current situation across the Nets perimeter.

In the 2022 reporting period, the Concardis GmbH Anti-Money Laundering organization was characterized by the ongoing integration of Concardis into Nets, a special audit by BaFin in the Digital Service segment, and BaFin's order to take measures to eliminate deficiencies in the business organization and money laundering prevention. To remediate the BaFin findings and other findings by the auditors a comprehensive remediation program was set up at the end of 2021, which was driven forward with considerable effort in 2022.

<sup>8</sup> The law is currently being revised to integrate the provisions defined by the V Directive on AML.

<sup>9</sup> Responsible for communicating cases of AML.

Furthermore, Nets policies were adopted, and respective AML pieces of training were provided to relevant employees. The Covid-19 pandemic did not lead to any fundamental changes in the content of the principles and procedures in the area of money laundering prevention. After extensive assessment, the Ukraine-Russia crisis also had no significant impact on the internal security measures and the business of Concardis GmbH.

#### **Business Continuity**

Service reliability is a key factor for the Nexi Group, which has developed a Business Continuity Management System (BCMS) whose objective is to ensure the ability to deliver critical services, as required by current regulations, at an acceptable minimum service level and in line with the operational risk appetite defined in the Enterprise Risk Management framework. The Group's policies have been defined with the aim of ensuring a uniform approach for all its member companies and guaranteeing consistency in the results for the year. For this reason, an updated Group Business Continuity Policy was approved by the Board of Directors of Nexi S.p.A. and applied to all new Group companies. A dedicated team at European level constantly updates and verifies the Business Continuity strategies and solutions for all scenarios required by the applicable European regulations, including CODISE, PSD2, Privacy, EBA, through test activities planned and executed regularly throughout the year. This has required significant investments in recent years, aimed at increasing the resilience of services with appropriate technological and organizational measures, as well as the need to increase the number of people in the team to manage the Group on a European scale. Nexi's focus on operational excellence continued in 2022, which also aims to increase the level of services offered and the attention to the demands of its stakeholders.

#### **Lobbying activities**

Nexi Group is aware of the need to contribute to the decision-making processes of institutions and governments, making them representative, inclusive, and participatory, reflecting the demands of the different stakeholders. Among the Sustainable Development Goals that make up the UN Sustainable Development Agenda 2030, there is also a specific target, aimed at ensuring "responsive, inclusive, participatory, and representative decision-making at all levels". The target underlines the need for decision-making processes that involve all the relevant stakeholders. By contributing to the regulatory process related to the Group's operational areas, also in view of the partnership between the Group and the Public Administration, Nexi acts in transparency with its stakeholders, explaining why certain decision strategic and business decision have been taken in certain way.

To mitigate the risks of potential conflicts of interest, Nexi acts in accordance with applicable law, as well as with its Model 231, the Group's Code of Ethics, the Policy for the regulation of conflict of interest, and the Anti-Corruption Policy.

The Nexi Group is active in lobbying in all European member states in which it operates, with a specific focus on, Italy, Denmark, and Germany. The Group's activities are mainly regulated by EU legislation, and therefore Nexi is active in Brussels where it engages with European institutions, both independently and through the European Digital Payment Industry Association (EDPIA). Nexi is particularly active on issues related to digital pay-

ments, retail financial services, anti-money laundering, cybersecurity, digital assets and data, and consumer protection. The objective of this activity is to provide the Group's point of view concerning future policies or legislation under discussion among different institutions. Nexi's views are conveyed through positioning papers presented to key stakeholders in individual meetings or as part of events in which the Group participates in which it intervenes directly.

The Corporate Affairs team is part of the Group Corporate and External Affairs & ESG Function, and it is located in different European member states to support local operations in the interaction with the national Authorities the Corporate Affairs team is responsible for representing the interest of the Nexi companies towards European and National institutions, with the objective to bring our view on how the help the digitalization of SMEs and the creation of a cashless society. To ensure proper information flows and governance of the topic, the Corporate affairs team director reports to Group Corporate and External Affairs & ESG Director on a weekly basis and any time deemed relevant.

Nexi Group is registered in the Italian<sup>10</sup> and in the European Lobbying Register with the identification number: 844755843952-38.

<sup>10</sup> Please refer to [https://rappresentantidiinteressi.camera.it/sito/legal\\_50/scheda-persona-giuridica.html](https://rappresentantidiinteressi.camera.it/sito/legal_50/scheda-persona-giuridica.html).

## 1.3 BUSINESS ETHICS AND TRANSPARENCY

- GRI 2-27: Compliance with laws and regulations**
- GRI 205-3: Established incidents of corruption and actions taken**
- GRI 206-1: Legal actions for anti-competitive behavior, antitrust and monopoly practices**
- GRI 417-3: Incidents of non-compliance concerning marketing communications**

### The management of privileged information

In Nexi Group, the "Regulation for the handling of relevant/privileged information, the establishment and maintenance of the list of relevant information, the insider list and internal dealing"<sup>11</sup> is in place to regulate, in addition to the obligations of confidentiality and reporting, the process of managing documents and confidential and privileged information, as well as the preservation and updating of registers of persons who have access to the aforementioned information and compliance with internal dealing obligations. The regulation aims to ensure compliance and proper disclosure of inside information to the market, guaranteeing maximum confidentiality until the information is published. For more information on the subject, see [www.nexigroup.com](http://www.nexigroup.com) where the document is publicly available.

### Taxation management

#### Approach to Taxation

The integration with Nets, launched in 2021, has been progressively evolving, in line with the strategic goal of being a PayTech leader in Europe. While engaged in a complex and transversal redesign of its processes, the objective of the correct application of tax regulations remains a priority for the Group, as evidenced by the creation of a dedicated function within the **Group's Chief Financial Officer**.

The management of taxation is functional to the Group's business and its sustainable development, including through a high level of attention to tax compliance which mitigates the risk of unethical or illegal behavior, in line with the Code of Ethics and the prevention of tax offenses under Models 231 and 262.

In particular, by the system of internal controls, to correctly identify potential tax risks, the Group monitors the risk of non-compliance with tax regulations through the specific supervision of Subject Matter Experts of the CFO Function. Likewise, as part of its Sustainability Policy, the Group reaffirms its commitment to comply with tax regulations and reduce the level of tax-related risks. Bearing in mind the goal of reducing the risk of litigation, the management of tax compliance is overseen by a specific organizational procedure, and the correct interpretation of tax regulations is pursued through participation in working groups, taking into account the expert opinions provided by professionals of primary standing and the guidelines of the Internal Revenue Service.

This approach will be gradually extended to Nets as the integration process currently underway evolves. Information on the Group's activities in each country was provided in detail through the Country-by-Country Report (Law No. 208 of December 28, 2015) for the year 2021, filed at the end of 2022.

<sup>11</sup> <https://www.nexigroup.com/content/dam/corp/downloads/group/governance/documents-procedures/regulations/RR-016-it.pdf>

### **Governance, control, and risk management in the fiscal area**

Although tax strategy and a control framework are not explicitly formalized, the goal of proper tax enforcement remains a priority for the Group. Tax compliance is mainly implemented by the Tax Department within the Group's Accounting and Taxation Department in the CFO function. Controls are provided for in the 262 framework (POG 136).

The Nexi Group does not have a process for reporting unethical or illegal behavior and organizational integrity specifically related to tax. However, the general whistleblowing and liability safeguards under Mod. D. Lgs. no. 231/2001. In addition, the Nexi Group duly complies with IAS disclosure requirements in its annual report (e.g., IAS 37 disclosure on tax disputes).

### **Stakeholder engagement and management of tax-related reports**

The management of tax compliance is controlled by the correct interpretation of tax regulations, which is pursued through participation in working groups, considering the expert opinions provided by professionals of primary standing and the guidelines of the Internal Revenue Service. Relations with the Internal Revenue Service are oriented toward maximum transparency and avoidance of litigation. Nexi, also with the intention of promptly monitoring legislative developments and interpretations of the Tax Administration, adheres to trade associations such as APSP (Association of Payment Service Providers) and ABI (Italian Banking Association).

### **The Antitrust Program**

In 2022, no lawsuits were reported or concluded in connection with anti-competitive behavior and antitrust violations, or monopolistic practices for the Group's entire perimeter.

### **Conflicts of interest**

The Substantive Conflict Management Policy, supported by the Code of Ethics and Model 231, identifies the different types of conflicts of interest and lists organizational, procedural, and administrative measures aimed at identifying and managing actual or potential conflicts of interest.

The Internal Committees of the Board of Directors have an obligation for members to notify the Chairman of any potential conflicts of interest, and in case of conflicts of interest, the Chairman of the Board of Directors is required to take appropriate measures to resolve them. More information can be found at [www.nexigroup.com](http://www.nexigroup.com) where the document can be accessed.

### **Transparency obligations**

Given the business model with which Nexi provides services and products through its partner banks, first-, second- and third-level safeguards have been defined to verify that the activities carried out comply with the transparency provisions.

Fair and transparent customer information is also ensured by the publication of pre-contractual information documents on [www.nexigroup.com](http://www.nexigroup.com).

### **Transparency and fairness in marketing campaigns**

In all its activities, the Nexi Group is guided by principles and guidelines of transparency and fairness, supported by self-regulatory transparency obligations, managed by the Compliance department.

Nexi's commercial communications are carried out by the marketing areas of the Cards & Digital Payments Business Unit, within which the Customer Value Management (CVM) function, in collaboration with the Brand & Communication area, responsibly manages the commercial campaigns dedicated to customers, both private and corporate, and merchant customers.

The CVM function has defined and formalized specific procedures for any type of customer-facing campaign. Communications are organized in a predefined hierarchy (service, regulatory, informational, training, product and service information, marketing), and each type of communication has a specific priority level, and certain contact rules enforced through the marketing function.

Regarding the monitoring of these procedures, specific indicators have been defined, along with a contact management dashboard, to check compliance with objectives and to handle any issues in a timely manner.

The CVM function sends out campaigns to private and business customers, respecting the preferences expressed in terms of data processing and privacy, and monitors the adequacy of the information and compliance with the preferences expressed daily. In this respect, the main variables analyzed are:

- number of contacts made per channel and per specific time interval (day, week, month, quarter, year);
- history of customer contacts on both the inbound and outbound channels to improve the level of service and facilitate customer management;
- the percentage of requests to unsubscribe from Nexi's commercial communications, both to fulfil them and to verify that they do not exceed the predefined threshold;
- monthly Net Promoter Score survey with analysis of all customer records with specific reference to commercial communications, to identify any problems from customers and implement actions to improve the quantity and manner of communications;
- weekly monitoring of Contact Centre activities, of the reasons that led the customer to contact it, to promptly detect any problems or reports;
- detailed analysis of all complaints and prompt action to resolve them.

In addition, time intervals have been defined during which no commercial communications are made, and limits have been set on the number of contacts per channel and timing.

Commercial and non-commercial communications are scheduled monthly and reviewed weekly to optimize the contact plan, in the interest of customers.

Finally, a Reach dashboard is in place aimed at checking the daily status of privacy consents and contact data to have complete control over related trends

In all other entities, sales and marketing communication campaigns are managed according to the national rules and standards in force in the countries where the Group operates.

For large key accounts (LAKA), the LAKA Marketing Function communicates with existing LAKA merchants as follows:

- In Nets Sweden, Finland, Denmark and Norway, the e-mail communication tool always offers customers the option of cancellation if they do not wish to receive communication, in accordance with the applicable national rule;
- In Germany, an e-mail communication tool called Clever Reach always offers customers the option of cancellation if they do not wish to receive communication, according to local rules and regulations in Germany.

In its marketing and communication activities on its e-commerce channels, the Group acts in compliance with all applicable data protection laws, due to the need to collect and process data. With regards to the Nets entities, the main data storage and processing system is the HubSpot CRM system, which also operates in compliance with all the data protection laws.

Nets has also signed a Data Protection Agreement which implies that all communications must be based on explicit consent from the user and the option to unsubscribe is automatically included in the e-mail design. The configuration described above covers all Nets locations - Sweden, Denmark, Norway, Germany, and Austria.

**In 2022, there were no instances of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising promotion, and sponsorship.**

## Certified Management Systems

### Quality Management System Certifications

In 2022, the following legal entities maintained their 2021 Quality Management System certifications according to ISO 9001: 2015, certified by the DNV-GL Certification Institute:

- Help Line S.p.A. ISO 9001 (100% coverage), related to "Provision of customer support in payment products/systems and banking/financial markets";
- Help Line UNI EN ISO 18295 (100% coverage) relating to the requirements for the "customer contact center" and aimed at providing customer-focused "best practices" to meet customer expectations;
- Mercury Payment Services ISO 9001 certification (100% coverage) relating to "Provision of customer support services in payment products/systems and banking/financial markets. Card issuing operations";
- Orbital Cultura Srl ISO 9001 (100% coverage), relating to "Management of high-technology systems for art, culture and leisure";
- Orderbird GmbH TÜV certification ISO 9001 (quality management);

In connection with the corporate transaction for the integration of SIA into the Nexi group, the certification of Nexi Payments ISO 9001 was extended to 100% of the activities from SIA (including the foreign offices - branches - in Belgium, the Netherlands and Germany). the new certification scope is:

*Creation, development, implementation, management, and related support of digital payment solutions (payment and acceptance) dedicated to Private Customers, Merchants, Companies and Public Bodies, in cooperation with partner banks. Creation, development, implementation, management and related support of technology infrastructures and services, s/w solutions and IT and application outsourcing dedicated to*

Central Banks, Clearing Houses, banking and consortium associations, Public Administration, in the areas of Private Customers and Merchants, Digital Payments, Network Services, Capital Markets, Large Data Banks and Digital Document Storage.

In 2022, in connection with the integration of SIA into the group, the company Service Hub obtained certification (100% coverage) of its activities (including the foreign offices in Hungary and Germany) for the following purpose:

- Provision of Customer Support services in E-money, Digital Payments, Network Services and Capital Markets. Provision of Contact Centre services in the E-money sector. Provision of value-added services, such as dispute and fraud management, in the E-money sector. Provision of payment card production and personalization services.

#### Security certifications

- ISO27001 - Information Security
- ISO27017 - Security controls for Cloud services
- ISO27018 - Personal Identifiable Information security in public clouds
- ISO22301 - Business Continuity
- PCI-DSS - Cardholder data security (including P24, Paytrail, Poplatek)
- PA DSS - Payment Application Data Security Standard (incl.: Poplatek)
- PCI-3DS - ACS Security
- PCI-PIN - Payment cards PIN security
- PCI-CPP - Card Production physical requirements
- PCI-CPL - Card Production logical requirements
- PCI-SSF - Software Security Framework (including Nets Estonia)
- Electronic signature (E-Signing) - The electronic signature is certified by Certum and complies with the European eIDAS standard (incl.: P24)

#### Environmental management system certifications

In 2022, Nexi Payments maintains ISO 14001 certification. The certification covers "Digital payment solutions: provision of POS terminals and related software and services."

#### Social responsibility - Certification

Nexi Payments has maintained the SA8000:2014 certification Social Accountability for compliance with the ethical and legislative requirements that ensure the protection of health and safety at work, as well as the workers' rights. Regarding the integration of SIA, Nexi Payments has extended the application to its foreign subsidiaries (Belgium, the Netherlands and Germany) and to the new Italian branches in Rome, Milan and Verona.

#### Other certifications

Since July 2020, Mercury Payment Services has been Mastercard Card Quality Management (CQM) certified (50% coverage); the CQM programme is part of Mastercard's supplier approval process for companies involved in the management and personalization of payment cards. The approval is based on the company's Quality Management System, certified by UNI EN ISO 9001: 2015, and is issued by the international circuit Mastercard only to suppliers who complete the procedures defined in the CQM programme as part of the process of personalizing and issuing payment cards.

**EMVCo Certifications**

- EMV 3-D secure access control server product (Nets Estonia)
- EMV 3-D secure server product (Nets Estonia)

**Data center management systems**

The Pero and Settimo Milanese sites host the Nexi Payments Data Centers and are ISO 9001 certified. The Settimo Milanese site is also ISO 14001 certified.

The certification of management systems, according to ISO 9001, is carried out by an accredited third party. The certificate is valid for three years and is subject to an annual maintenance audit (concerning SA 8000, there is a six-monthly maintenance audit). The evidence available in the company are the audit reports, issued by the third party, and the Certificate issued for each legal entity (published on the intranet for Nexi Payments, Help Line, Mercury Payment Services and Service Hub). Information on possession of certification is publicly available at [www.nexigroup.com](http://www.nexigroup.com).



# 1.4 RISK MANAGEMENT

**GRI** 201-2: Financial implications and other risks and opportunities due to climate change

## Enterprise Risk Management

In line with the recommendations of the Corporate Governance Code of listed companies, Nexi Group Enterprise Risk Management (ERM) focuses on the management of risks relevant to the creation and protection of value through the integration of risk management culture and practices in the processes of strategy definition and performance management.

The mission of ERM model is to promote informed decisions, based not only on expected results but also on underlying risk profile to ensure a proper management in line with risk objectives. To this end, Nexi Group’s ERM model has the following goals:

- to identify, prioritize and regularly monitor major corporate risks, so as to guide investments and resources devoted to risk management towards the most critical and relevant area of exposures for the Group business;
- to assign roles and responsibilities for managing risks in a clear and shared way;
- to spread the culture of risk and a “risk-based approach” in the Group decision-making processes, boosting the management awareness of the major risks the company is exposed to.

Nexi Group and all its Legal Entities have adopted the Group Enterprise Risk Management Policy, which outlines:

- the core set of principles qualifying the ERM model adopted by the Group;
- the roles and responsibilities of corporate bodies and functions involved in the implementation of the ERM model;
- the implemented risk management framework, in terms of activities, involved actors and methodologies which represent minimum requirements and standards for risk analysis, assessment and monitoring purposes at Group level.



The list of risk categories that have been identified as potentially applicable to Nexi is presented below.

#### RISK CATEGORIES POTENTIALLY APPLICABLE TO NEXI

Risk categories	Description	Risk Management objectives
<b>Strategic risks</b>	Typical business risks, able to influence the Group's performance and in particular strategic decisions and/ or significantly affect the Group's business model and its concrete applicability	The objective of risk management is to create awareness, also by quantifying the impact on corporate targets where relevant and feasible, in order to support risk-informed decisions
<b>Operational risks</b>	Risks related to the performance of business processes in an inefficient and/or ineffective manner, including security, legal and contractual risks and/or related to ICT systems, with negative consequences on the Group's operations and/or performance	The goal is to mitigate their impact and/or probability from a cost/benefit perspective in line with the defined risk appetite, according to the Operational and Security Risk Framework adopted to comply with the EBA guidelines
<b>Non-compliance risks</b>	Risk of incurring judicial or administrative penalties, significant financial losses or reputational damage as a result of violations of mandatory rules (laws, regulations) or self-regulation (e.g., Articles of Association, Codes of Conduct, Corporate Governance Codes)	Given the nature of these risks, the related compliance actions are aimed at minimizing their occurrence, considering the necessary time to adapt that particularly complex new regulations may require, as well as the alignment of new products and services to the regulatory context in a particularly evolving international market
<b>Financial risks</b>	Risks related to the availability of capital, credit and liquidity management, and/or related to the volatility of the main market variables (interest rates, exchange rates, etc.)	The risk management activities are aimed at measuring the risk and monitoring it, in line with the risk appetite and the defined risk limits

Risk Management activities are an integral part of Nexi Group sustainability strategy. Therefore, the Group annual risk assessment process also includes the identification, assessment, and monitoring of ESG risks.

After the risk identification and evaluation, Risk Management Function periodically monitors the risks exposure and the progress of the related mitigation plans defined with the risk owners. This evidence is reported quarterly to the Control, Risk and Sustainability Committee and periodically to Nexi S.p.A. Board of Directors.

The mission of the ERM model, the reference principles, roles and responsibilities are reported on the website [www.nexigroup.com](http://www.nexigroup.com) in the Sustainability section.

For further details regarding the main financial, operational and reputational risks to which the Group is exposed, which have emerged in the context of Enterprise Risk Management, expressed in the various aspects and framed in the current macroeconomic, political and regulatory context, please refer to the 2022 Consolidated Financial Report on the website [www.nexigroup.com](http://www.nexigroup.com).

## Main activities carried out by the Risk Management Function in 2022

To improve risk identifying, management and monitoring, in 2022 the Risk Management Function carried out, among other, the following activities:

- The Function analyzed risks potentially impacting Group Strategic Plan targets, related to inertial market evolution, growth initiatives, market risk and saving initiatives. In addition, Nexi Group performed a stress testing analysis based on a European pessimistic macroeconomic scenario due the Russia – Ukraine conflict, leading to higher gas prices, surge in inflation, reduction of households' real incomes, consumer spending, and, ultimately, GDP growth.
- Given the increasing need for the company to ensure greater monitoring of supply chain risks and in line with the provisions of the EBA guidelines on outsourcing, during 2022, the Group conducted specific projects at local level to improve the governance, processes, and activities for managing suppliers, with reference to outsourcers, and related risks.

With specific reference to ESC, the function defined an audit plan to verify onsite ESG practices conducted by critical vendors (e.g., Pos, Atm suppliers).

- The Function has further strengthened the measurement and assessment of credit risk for issuing and acquiring activities. It also defined a credit risk appetite framework with the aim of evolving and enhancing the credit risk monitoring systems, as well as producing specific reports for top management.
- The Function conducted an analysis to understand potential risks due to the energy crisis that could potentially impacts Nexi Group business. The main workstreams of the analysis included:
  - Business continuity impacts on our buildings and suppliers in case of energy and gas supply interruption;
  - Business impacts due to Nexi exposure towards corporate clients potentially affected by energy costs increase that could face liquidity stress and thus difficulties in settling the amounts drawn from Nexi credit cards.
- The monitoring of reputational risk is a fundamental pillar of the Risk Management Framework, in line with regulatory provisions, as well as a tool for monitoring phenomena that may have an impact on Nexi Group reputation with its various stakeholders. In this direction, with specific reference to Nexi Payments, the Risk Management Function continued to monitor and report to the Risk & Control Committee a reputational dashboard, with the aim of providing a concise representation of the status of Nexi reputation with reference to the main stakeholders (customers, Supervisory Authorities, public). The representation is based on a list of indicators collected in a structured and continuous manner by various functions and allows Risk Management to capture a possible worsening trend in reputation.

## Identification and assessment of ESG risks within the risk assessment activities

Given the aim of creating and at the same time protecting value for all its stakeholders, Nexi Group considers risk management activities to be an integral part of its sustainability strategies. The structured and proactive management of corporate risks helps to reduce the volatility of results over time and protects tangible and intangible assets, which are key elements of the Group's sustainability in the medium to long term.

The Risk Management Function cooperates with the ESG Function in a structured way to manage specific ESG issues to ensure better risk control. Both Functions periodically report the results of their activities to the Control Risk and Sustainability Committee. ESG risks, including climate-related risks, are also included in the Enterprise Risk Management model for assessing and monitoring Group risks.

## Emerging risks and medium to long-term trends

Emerging risks and medium to long-term trends that could have a significant impact on Nexi Group in the coming years include the following:

- Macroeconomic 2023 outlook presents uncertainties mainly due to a mix between recession and inflation impacts that reflect multiple spillovers from the Russia-Ukraine conflict and the energy crisis. The main effects on Nexi Group could be related to lower consumer payments due to inflation, decreasing real consumption growth, and higher interest expenses. Nexi Group Strategic Planning closely monitors the transaction volumes evolution to capture any possible sign of Nexi Group volumes slow-down, especially on discretionary spending.
- Regulatory evolution and adaptation to the ongoing changes happening in the payment industry's regulatory environment, both at the European and local levels. Indeed, the Group is exposed to the risk of additional restrictions and/or constraints applied to operators in the payment sector and of increased oversight from Supervisory Authorities, thus increasing the costs linked to compliance with new regulations and/or to the results of such enforced oversight. In line with the current evolution of the sustainability-related regulatory framework at the European and Local level, the Group may also be impacted by more stringent laws and regulations related to relevant ESG topics, including sustainability reporting and/or the inclusion of ESG criteria in the evaluation of the supply chain. Nexi monitors the evolution of the external context and emerging regulations, to implement compliance actions to minimise risks and avoid sudden/abrupt changes on its operations.
- The Group is subject to the competition from different players, especially in the acquiring segment, such as vertical fintech specialists and integrated software vendors, delivering vertically integrated services often with a leaner business model than Nexi Group. In the long term, this could lead to the loss of revenues and/or profits due to price pressure / market share erosion, especially in increasingly strategic segments (e.g., eCommerce). In particular, the ISV trend is increasing over time and is likely to propagate in Europe in the next 3-4 years. Nexi Group will continue to monitor and analyze the evolution of the digital payments industry to identify emerging trends and to address the risk, the company has developed specific growth initiatives, to gain market share across countries.

## Relation between Materiality Analysis and Enterprise Risk Assessment

Risk Management activities are an integrating part of Nexi Group sustainability approach and hence the annual Group ERM assessment process also includes the identification, evaluation, and monitoring of ESG risks.

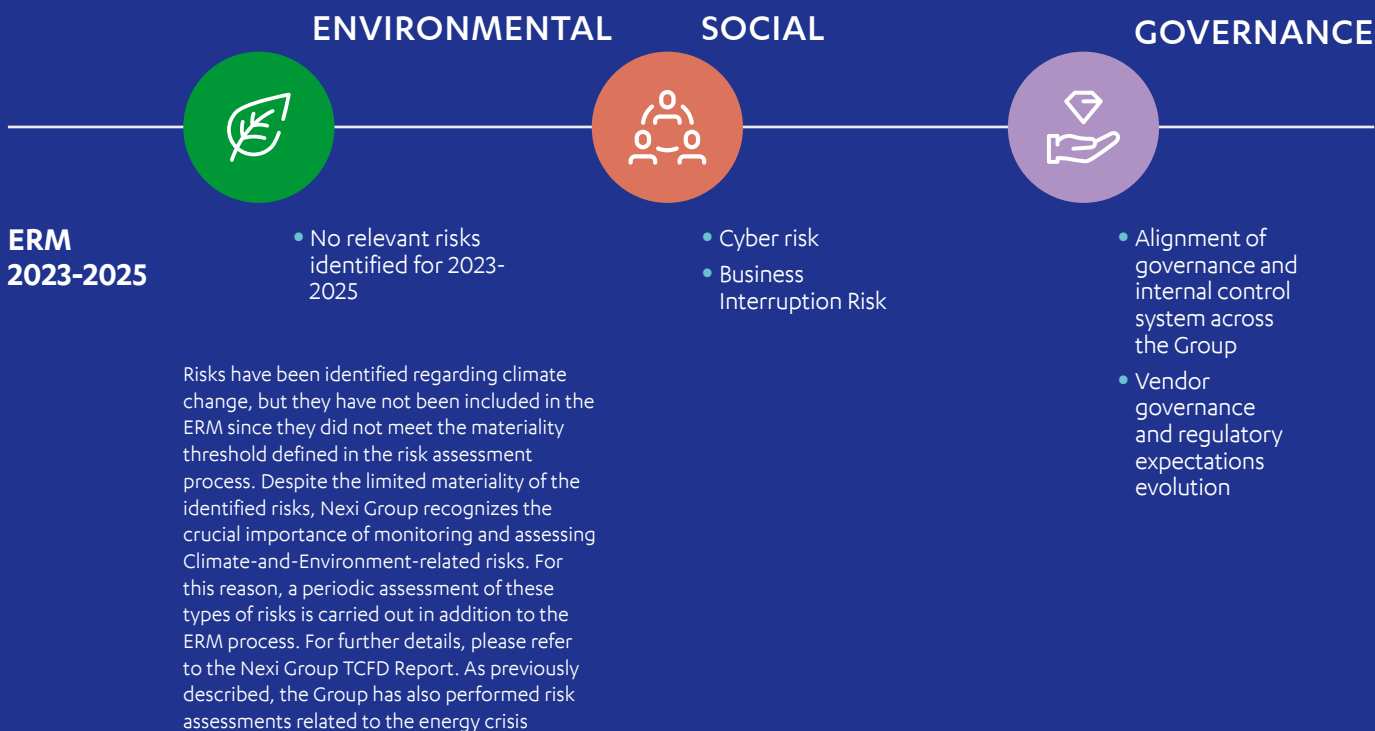
On an annual basis, the relationships between relevant ESG areas and topics and the identified ERM risks are reported and updated in the Non-financial Statement, and the related mitigation plans and safeguards in place are disclosed.

The following table highlights the relation between material topics and ESG risks identified with the Enterprise Risk Management process.

### Relationship between materiality analysis and business risk assessment

#### Relevant ESG Areas and Topics 2022

- Climate change
- Responsible consumption
- Environmental protection
- Hazardous substances
- Data security
- Society digitalization & progress
- Customer centricity
- Financial inclusion
- Diversity, equity and inclusion
- Training & development
- Employee welfare
- Accessible products / services
- Customer well-being
- Social dialogue
- Business ethics, transparency & risk management
- Indirect economic impacts
- Corporate citizenship
- Governance and accountability



In the following table are represented the main risks identified with regards to the material topics identified in 2022, as well as the associated mitigation plans.

Material Topics	ERM Risks	Risk Description	Mitigations Plan and Controls in Place
Business ethics, transparency & risk management	Alignment of governance and internal control	Risk that internal control system and governance structure of the combined legal entities are not yet completely aligned and/or implemented across the whole Group, potentially leading to gaps in the compliance with Group policies and procedures, operational issues and/or poor coordination in executing strategy and achieving business objectives.	<b>Strengthen governance and internal control system</b> in Nexi Group through the target operating model finalization, full implementation of Group policies and procedures, setup of information flows and implementation of second level controls.
	Vendor governance and regulatory expectations evolution	<ul style="list-style-type: none"> <li>Increasing regulatory expectations on vendor management (e.g., EBA guidelines and DORA)</li> <li>Potential poor performance from suppliers due to fragmented governance and improvable monitoring capabilities</li> </ul>	The main action plan goals are: <ul style="list-style-type: none"> <li>Mapping of local activities and local requirements on vendor risk management to define a mitigation plan of progressive alignment across the Group.</li> <li>Definition and implementation of on-site ESG audits to be performed on selected suppliers.</li> </ul>
Data security	Cyber risk	Risk of theft or compromise of personal data managed by the Group, following external cyberattacks and/or disclosure of internal data and consequent reputational impacts or sanctions.	Progressively standardize the key target security solutions at Group level aiming to reduce the risk of data leakage.
Society digitalization & progress			
Customer centricity	Business interruption Risk	Risk of interruption of systemic processes or critical systems, owned by the Group or by an outsourcer / supplier, due to malfunction, errors or natural events, potentially caused by climate change, resulting in the inability to serve Clients (banks, merchants and private customers) appropriately, in terms of timing and service.	Main action plan goals are the progressive alignment on governance and activities on BCM and DR procedures.
Financial inclusion			
Diversity, equity and inclusion			
Training & development			
Employee welfare			
Climate Change	because the identified climate change related risks do not meet the quantitative thresholds to be included. Yet due to the centrality of the topic, Climate Related Risks are assessed and continuously monitored by the Group. For further details please refer to the TCFD report included in this document.	Nexi Group has defined initiatives aimed at mitigating climate change risks and improve its environmental impacts: <ul style="list-style-type: none"> <li>Climate commitment to source 100% of its energy from certified renewable resources for both Data Center and Group's facilities in Italy</li> <li>Natural gas phase out in the Group headquarters in Corso Sempione</li> <li>Purchase of project-based carbon credits</li> </ul>	

## 1.5 OUR RESPONSE TO THE SOCIOECONOMIC CONTEXT

### The context following the spread of the Covid-19 Pandemic and the Conflict in Ukraine

#### Impacts on business trends during 2022

On a general level, statistical evidence and industry analyses confirm that the advent of the pandemic has accelerated the transition from cash to digital payment instruments. According to ECB<sup>12</sup> studies on payment habits, the weight of cash in the number of physical channel transactions in the Eurozone, which had already declined from 79% to 72% in the three-year period 2016-19, dropped below 60% in 2022; in Germany and Italy, the preference for cash has dropped by more than 10 percentage points in the last three years. According to a Nets survey, mobile payments have become the second preferred payment option for consumers in Scandinavia, after cards and before cash<sup>13</sup>.

Contributing factors include the progressive digitization of economies, increasingly convenient and technologically advanced payment solutions and, in the Italian market, new regulations to combat tax evasion by tracking money flows.

Especially in the first half of the year, after the first months still characterized by the Omicron variant of Covid-19, business performance was sustained by the full opening of economic activities and by the partly unexpected, strong rebirth of tourism and related industries, after the closures and restrictions of the previous two years. The context of uncertainty following the conflict in Ukraine and the drop in confidence associated with acute tensions over the cost of living, however, inevitably weakened the recovery trend in the second half of the year. Already by the third quarter, Eurozone GDP growth had all but disappeared, with domestic demand and industrial production slowing down<sup>14</sup>.

#### Long-term impacts on operations, strategies, and economic and financial performance

Since the initial phase of the Covid-19 pandemic, the Nexi Group has implemented remote working arrangements, where not already provided for, for almost all its employees and collaborators, complying with the requirements of the emergency regulations. The company's directives on the subject aim to promote behavior based on environmental sustainability, responsibility, trust, and well-being, implementing initiatives aimed at achieving a work-life balance.

For the Italian perimeter, the smart working agreement, signed in December 2021 with the trade unions of the companies operating in Italy, was signed by about 95% of employees. This agreement has been extended until 30 June 2023. The Group's foreign companies have implemented specific hybrid working guidelines and introduced plans to cover and reimburse expenses incurred by staff for remote working tools.

<sup>12</sup> "SPACE" study on payments, available on the ECB website Study on the payment attitudes of consumers in the euro area (SPACE) (europa.eu).

<sup>13</sup> Latest study on payment habits available on Nets website.

<sup>14</sup> Banca d'Italia.

Even in the most acute phases of the health emergency, the Group was thus able to offer its banking partners and end customers services in line with the usual levels of quality and timeliness.

Concerning personnel operating in areas close to the military conflict in Ukraine, Nexi promptly took action to provide information and organizational support and assistance.

From a strategic and commercial point of view, the Group's commitment to supporting private individuals, merchants, partner banks, companies and P.A. continued, to meet their expectations and new operational needs. Direct evidence of this is, inter alia, the investment in Orderbird, which strengthens the commercial proposition in the hospitality sector in the heart of the European market, the development of the Softpay solution on the Scandinavian market and the strategic collaboration with Microsoft in the field of digital innovation on a European scale, as well as the partnership with GoHenry for the financial education of the digital consumers of the future. In addition, in Italy, in support of small merchants, the initiative of zeroing commissions on transactions up to EUR 10 was continued and confirmed for 2023.

## Impacts of the conflict in Ukraine

With the outbreak of the war in Ukraine and the economic and financial sanctions enforced by the international and European community Nexi Group established a specific sanctions task force to ensure speedy implementation and compliance of the sanctions' regime enforced by the US, UK, and EU. Furthermore, Nexi Group cooperated and communicated with all relevant vendors, suppliers, and customers to ensure all relevant stakeholders understood the measures and steps Nexi Group has taken and is taking to comply with the sanctions regime and to demand adherence from all stakeholders. The sanctions task force met initially regularly and subsequently when needed to inform the whole business of the steps needed to continue to adhere diligently to the sanctions' regime. Nets are in regular dialogue with authorities regarding the impacts of the sanction's regime.

As a European provider of mission-critical services and infrastructure, Nexi has activated a series of internal garrisons to ensure the usual standards of service and security for citizens, businesses, and public administrations in full compliance with internationally decided sanctions.

Among the various actions implemented in the face of the crisis, Nexi Group decided to support the UN Refugee Agency (UNHCR) with a €500,000 donation and to promote a fundraiser among employees in favor of UNICEF (United Nations Children's Fund), which - together with its partners - brings assistance to children and their families in Ukraine and neighboring countries.

These activities were accompanied by the creation of a special channel dedicated to Ukrainian citizens for accessing employment positions in Nets, with the possibility of obtaining support regarding relocation and work visas. In addition to these central initiatives are the numerous local initiatives of the various companies in Poland, Italy, and Germany, which have activated additional fundraisers or contributed to local activities.

The military conflict in Ukraine and the consequent restrictive and sanctioning measures adopted on an international scale - including the blocking of payment circuits and instruments used by natural and legal persons from Russia and Belarus - did not produce significant direct effects on the Group's economic-financial performance. Nor have any specific cyber-attacks been identified against the Group's systems, networks, and infrastructures.

# 65%

**of Europeans' consumers spending enhanced by the Group**

# NEXI'S SUSTAINABILITY APPROACH



# 2

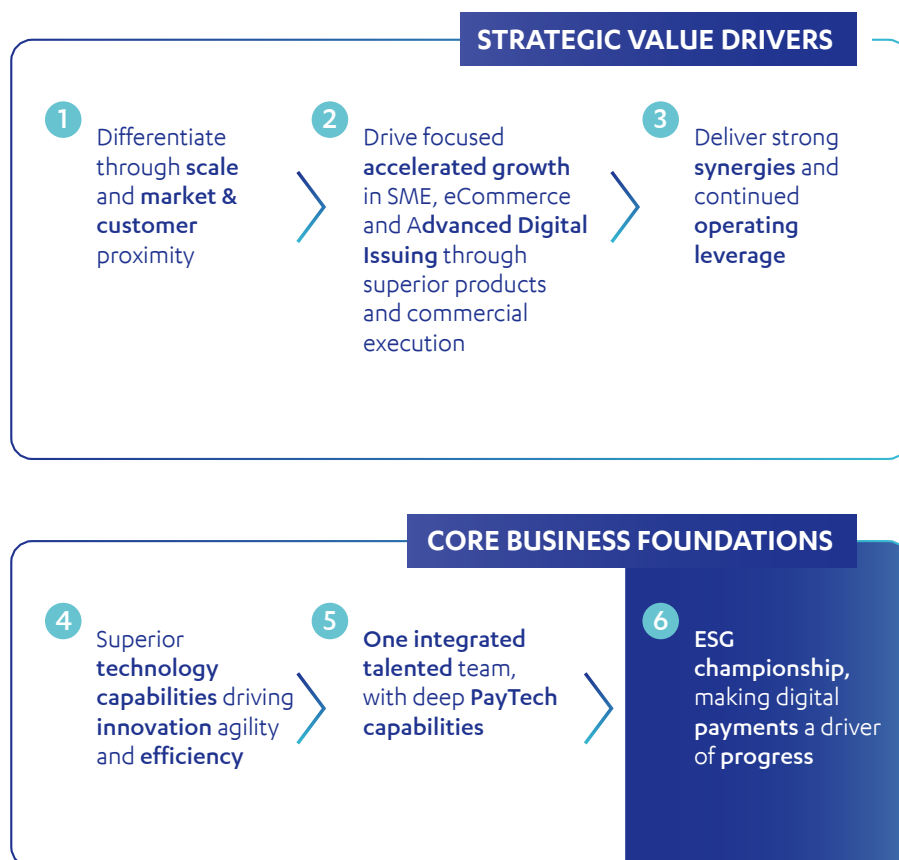
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## 2.1 ESG STRATEGY AND RATINGS

Since 2019 Nexi has built solid ESG foundations, with the formalization of the Group Sustainability Policy in 2020, which outlines the principles to which the group subscribes to and promote, further strengthened by the participation in the UN Global Compact from 2022<sup>15</sup>.

The Nexi Group’s ESG journey was further strengthened in 2022 by the formalization of the first ESG strategy, within the Group Strategic Plan dopo strategy which represents one of the pillars of the strategic plan approved by the Board of Directors and communicated during the Capital Market Day, in September 2022 and is also coherent to the results of the first combined Group Sustainability Matrix.

### NEXI GROUP - STRATEGIC PLAN



<sup>15</sup> The United Nations Global Compact is a non-binding United Nations pact, based on 10 principles regarding human rights, labor, environment, and anti-corruption. It is aimed to get businesses and firms worldwide to adopt sustainable and socially responsible policies and to report on their implementation.

Within this framework, the Group has identified six main areas of action, consistent with the business activities of the Group and aligned to stakeholders' expectations. For each area, the Group has identified the specific initiatives and action plans to be implemented between 2023 and 2025.

For each initiative, the Group has identified specific monitoring targets<sup>16</sup>, that the Top management reviews monthly. Moreover, each theme has been associated with the relevant SDGs to which the Group contribute with its actions.

<sup>16</sup> Targets are not disclosed for confidentiality reasons.

    <b>SOCIAL PROGRESS, DIGITIZATION, AND INCLUSION</b>			
TOPICS	SUPPORT SMES / MICRO BUSINESSES DIGITIZATION	DRIVE DIGITAL INCLUSION AND INCREASE PROXIMITY TO LOCAL COMMUNITIES	SUPPORT PUBLIC SERVICES AND PA / CITIZENS DIGITIZATION
<b>KEY INITIATIVES</b>	Provide SMEs and micro-businesses with: <ul style="list-style-type: none"> <li>Simple and accessible solutions to accept digital payments (e.g., SoftPOS, MobilePOS)</li> <li>Access to E-commerce, also bundling physical and digital products</li> <li>Integrated financial offering, also in collaboration with partners</li> </ul>	<ul style="list-style-type: none"> <li>Provide training on digital transformation and payments to merchants in Nexi relevant geographies</li> <li>Provide, at favorable conditions, solutions for digital charitable donations to specific groups</li> </ul>	<ul style="list-style-type: none"> <li>Provide digital ticketing for public transport in additional cities across Nexi relevant geographies</li> <li>Broadening number of services that can be paid digitally</li> </ul>
  <b>SECURITY AND TRUST</b>			
TOPICS	GUARANTEE PERFECT SECURITY AND SERVICE CONTINUITY	PROMOTE CUSTOMER CENTRICITY AS A BUSINESS FOUNDATION	
<b>KEY INITIATIVES</b>	<ul style="list-style-type: none"> <li>Adopt Group IT Security best practices across all relevant geographies, including relevant ISO certifications</li> <li>Guarantee (for core services / critical systems) flawless IT service availability and response with minimal interruption</li> </ul>	<ul style="list-style-type: none"> <li>Roll-out Net Promoter System on relevant Group geographies, leveraging internal best practices</li> <li>Continuously improve customer satisfaction, adopting a "close-the-loop" approach across relevant Group geographies</li> </ul>	
   <b>SUSTAINABLE PRODUCTS AND SUPPLY CHAIN</b>			
PRIORITY TOPICS	DRIVE DEMATERIALIZATION AND IMPROVE ECO-FRIENDLY DESIGN OF PRODUCTS TO SUPPORT CIRCULARITY	PROMOTE NEXI'S SUSTAINABILITY STANDARDS ACROSS SUPPLY CHAIN	
<b>KEY INITIATIVES</b>	<ul style="list-style-type: none"> <li>Issue cards using recycled / ocean plastic to reduce emissions, reuse waste materials and fight environmental pollution</li> <li>Scale-up dematerialized solutions with lower environmental impact, such as Soft POS, Digital Receipt, and Virtual Cards</li> </ul>	<ul style="list-style-type: none"> <li>Extend risk assessment process to all potentially critical suppliers (e.g., by product category and/or spend threshold) at Group level and conduct a third-party assessment of ESG-related risks and define a remediation plan (if needed)</li> </ul>	



## DECARBONIZATION

TOPICS	FIGHT CLIMATE CHANGE, ACHIEVING NET ZERO ON DIRECT AND INDIRECT EMISSIONS	ACCELERATE GREENER CONSUMPTION BEHAVIORS (REDUCE “FACILITATED” EMISSIONS)
<b>KEY INITIATIVES</b>	<ul style="list-style-type: none"> <li>Update and extend Net Zero targets (certified by SBTi) to include SIA and Nets, and implement actions to reduce emissions (Scope 1, 2, 3)</li> <li>Achieve 100% renewable energy target, purchase quality European GOs and evaluate on-site generation potential (optional)</li> <li>Offset gross carbon emissions through the purchase of certified carbon credits, and build a diversified and long-term carbon offsetting portfolio</li> </ul>	<ul style="list-style-type: none"> <li>Launch of carbon calculator functionality on NexiPay app, to raise cardholders’ awareness on carbon emissions (and start activation on Servicing cards where partner banks are interested)</li> </ul>



## DIVERSITY, INCLUSION AND TALENT DEVELOPMENT

TOPICS	INVEST IN PEOPLE ENGAGEMENT AND CONTINUOUS CAPABILITIES UPGRADE	ENSURE PROPER GENDER / MINORITIES REPRESENTATION AND PROMOTE AN INCLUSIVE CULTURE
<b>KEY INITIATIVES</b>	<ul style="list-style-type: none"> <li>Activate specific initiatives to further improve employee satisfaction based on the Engagement Index at Group level</li> <li>Invest further in comprehensive Training Programs at Group level to upgrade people capabilities</li> <li>Scale-up job rotations programs</li> </ul>	<ul style="list-style-type: none"> <li>Upgrade Human Resources processes, setting short-term targets</li> <li>Develop a methodology to measure “Equal Pay” across the whole Group</li> <li>Reduce gender pay-gap</li> <li>Provide DE&amp;I Training to all employees</li> </ul>



## GOVERNANCE

PRIORITY TOPICS	ADHERE TO HIGH ETHICAL STANDARDS AND DISCLOSE COMPREHENSIVE POLICIES	ADOPT A BEST-IN-CLASS GOVERNANCE TO ENSURE ACHIEVEMENT OF ESG TARGETS
<b>KEY INITIATIVES</b>	<ul style="list-style-type: none"> <li>Disclose policies at Group level on most relevant ESG topics: Taxation, DE&amp;I, Board Diversity, Sustainability, Human Rights, Anti-Bribery and Corruption, Treatment of Personal Data</li> <li>Leverage on Nets’s experience to establish a Group Diversity &amp; Inclusion Board at managerial level</li> </ul>	<ul style="list-style-type: none"> <li>Include ESG targets in the remuneration strategy</li> </ul>

## 2.2 STAKEHOLDER ENGAGEMENT

The understanding and engagement of stakeholders represent fundamental values for Nexi Group, which is aware of the primary role they play in the pursuit of sustainable development goals.

Understanding stakeholders' expectations, and anticipating their needs and interests, enables Nexi Group to strengthen its relationships and effectively manage risks and opportunities, establishing a lasting dialogue aimed at long-term value creation.

From the perspective of shared value creation, and in line with previous years, several stakeholder engagement activities were carried out during 2022, managed by dedicated corporate functions.

Nexi Group's stakeholder categories are identified through the analysis of internal documents and interviews with management, considering the recommendations established by the Principle AA1000 Stakeholder Engagement Standard<sup>17</sup>, reviewed, and updated periodically, to improve the practices continuously.




There were no significant changes in the categories of stakeholders to be considered in 2022, even after the integration of Nets and SIA into the Group.

In 2022, the Group continued to ensure constant dialogue with all categories of stakeholders, as well as the provision of specific training offered to Banks and merchants, the definition of partnerships with the Public Administration, universities, and the Innovation community, as well as interventions and sponsorship of numerous events on the evolution of digital technologies.

The following table summarizes the main engagement initiatives for different categories of stakeholders, with reference to the most significant engagement activities carried out during the year.

**GRI 2-29: Approach to stakeholder engagement**

<sup>17</sup> Dependence, responsibility, tension, influence, different perspectives. For more information about the standard refer to <https://www.accountability.org/standards/aa1000-accountability-principles>.

STAKEHOLDER CATEGORY	MANNER OF ENGAGEMENT	MAIN INITIATIVES - 2022
 <p><b>CUSTOMERS</b></p> <p><i>Partner banks</i></p> <p><i>Private customers</i></p> <p><i>Merchants, Public Administration</i></p>	<p>The customer is at the center of the Nexi Group. Daily activities, new products, innovation, and investments are always calibrated by putting the customer at the center. For this reason, the Nexi Group constantly monitors and detects the needs of its customers through customer satisfaction surveys, as well as through the constant detection and analysis of the Net Promoter Score (NPS) and related feedback, through the management of complaints and the analysis of feedback on digital application stores. The Group's constant goal is to spread the culture of customer satisfaction among all its people, with the aim of improving service and customer relationship levels to achieve excellence.</p> <p>Dialogue with Partner Banks is also promoted through various meetings, aimed at sharing strategic visions on innovation in digital payment services and supporting their daily activities.</p>	<ul style="list-style-type: none"> <li>• New surveys have been introduced and specific improvement actions have been identified in the three Business Units, particularly with regard to the Intesa Sanpaolo book, for which specific transactional have been included and improvement actions have been implemented for customer care, including a reactive replacement of some "top-offender" terminals</li> <li>• Consistent with previous years, a new NPS survey dedicated to Partner Banks was carried out</li> <li>• Bi-annual online Customer Satisfaction surveys of merchants;</li> <li>• Transactional surveys for Merchant Services</li> <li>• Annual online Customer Satisfaction surveys of partner banks</li> <li>• Annual Customer Satisfaction survey for IeS customers, to support the sustainable reforestation process: for each survey completed by customers, Nets donated to the Global Climate Institute, for a total of 3,530 euros, to plant trees in Tanzania</li> <li>• 6 webinars for Banks</li> <li>• 5 Thought Leadership events with Banks</li> </ul>
 <p><b>EMPLOYEES</b></p> <p><i>Employees</i></p> <p><i>Collaborators</i></p>	<p>Dialogue with employees is aimed at informing and involving all colleagues in company initiatives, both those related to human resources issues (e.g., welfare, training) and those related to the brand, company strategy, products and services and commercial activities. Dialogue is also aimed at conveying and reinforcing corporate values.</p>	<ul style="list-style-type: none"> <li>• Our Voices Survey: Nexi Group's main tool for listening to employees</li> <li>• Newsletters and specific communications on company updates (business and strategy)</li> <li>• Corporate events and conventions in a fully digital format</li> <li>• Training activities for employees</li> <li>• Online training courses to expand knowledge and skills on all topics covered by the Group</li> </ul>
 <p><b>INSTITUTIONS AND REGULATORS</b></p> <p><i>National and European Governance and Audit Institutions and Bodies</i></p>	<p>Relations with regulatory agencies are managed through specific functions that work to ensure compliance with laws and respond to mandatory requirements or specific requests. Nexi Group has also joined the main national financial associations and actively supports dialogue with the institutions on issues related to the country's digitization process.</p> <p>During 2022, Nexi Group's constant commitment aimed at collaboration and interaction with the authorities in the area continued.</p> <p>Educational and professional support was guaranteed constantly, also for 2022, through individual interlocutions with the various authorities, as well as by supporting the insights and needs emerging from time to time.</p>	<ul style="list-style-type: none"> <li>• Institutional dialogues on the digitalization of payments and support for SMEs</li> <li>• Working groups and technical tables</li> <li>• Participation in trade associations and organizations</li> </ul>

**STAKEHOLDER CATEGORY**

**MANNER OF ENGAGEMENT**

**MAIN INITIATIVES - 2022**



**FINANCIAL COMMUNITY**

Shareholders, Investors, Rating agencies, ESG data providers

Dialogue with investors and the global financial community through the dedicated Investor Relations Department is constant and aimed at developing the shareholder base in a long-term perspective.

During 2022, the Group enhanced an active and constant dialogue with the global financial community to foster a greater understanding of the new entity after the merger with Nets and SIA, to support a fair assessment of the company and continue to build its shareholder base over the long term. Furthermore, in September 2022 the Group hosted its first Capital Markets Day event to present to the financial community the strategy and the medium-term financial targets of the Group.

Starting in 2022 the Group also applied the "Policy for managing dialogue with all the shareholders and other investors", which sets out the procedures for managing the dialogue between the Board members and the financial community.

- Institutional dialogues on the digitalization of payments and support for SMEs
- 730 institutional investors met
- 16 days of participation in international conferences
- 19 days of roadshows
- <one-to-one meetings/group meetings/conference calls
- 5 institutional conference calls to present their quarterly economic results to the market
- Capital Markets Day event



**INNOVATION COMMUNITY**

Fintech, Start-up, Developers

The Group continuously cooperates with an international ecosystem of fintech companies, start-up accelerators and incubators, business partners and developers, and start-ups themselves to develop innovative solutions.

- Fedeuf - Salone dei pagamenti
- 6 Nexi Academy
- Campaign to support digital payments
- Shape the Future event
- D&I in Finance, organised by ABI
- Feduf partnership with ABI for digital culture and digital inclusion
- Women&Tech Tecnovisionarie Prize
- Copenhagen Fintech, Nordic-based international fintech hub and incubator promoting Nordic fintech solutions, including green finance topics and sustainable finance, Nets was a corporate sponsor of the hub for the 6th year running.
- Nets' Climate Action Service, a carbon offsetting solution designed to provide cardholders with climate-related information on their consumption and to enable them and their issuers to proactively engage with the climate impact related to their personal consumption. Multiple engagements with banks, NGOs, and public regulators to ensure sustainable and compliant implementation of carbon footprint compensation activities on behalf of both banks and end consumers.
- At the 4th edition of the SDG Tech Awards in December 2022, the largest sustainability award in the Nordics and a tandem event to COP27, Nets A/S was nominated by the nomination committee for our greentech innovation, "Nets Climate Action Service is an API based mobile app plug-in that enables banks to help their customers make automatic micro-donations to carbon offsetting climate projects".

continued

**STAKEHOLDER CATEGORY**

**MANNER OF ENGAGEMENT**

**MAIN INITIATIVES - 2022**



**COMMUNITY**

Local and national social fabric, environment, schools and universities

Nexi Group constantly promotes public debates and increases its participation in national and international events and projects to spread the culture of digital payments and digital progress.

- During 2022, the Nexi Group's constant commitment to cooperation and interaction with the authorities in the area continued
- ANCI sponsorship
- Lumsa event with focus on the ESG topic: "From Corporate Sustainability to Everyday Sustainability"
- Giunti educational press



**SUPPLIERS**

The Group's Supply Chain Management Function and those responsible for expenditure are in regular contact with suppliers throughout the duration of the contract. The Supply Chain Function also monitors the relevant level of satisfaction.

In the Nexi Group, suppliers are assessed through a qualification process using the Niuma portal. Suppliers that could be environmentally and socially critical are subjected to a self-assessment through a questionnaire.

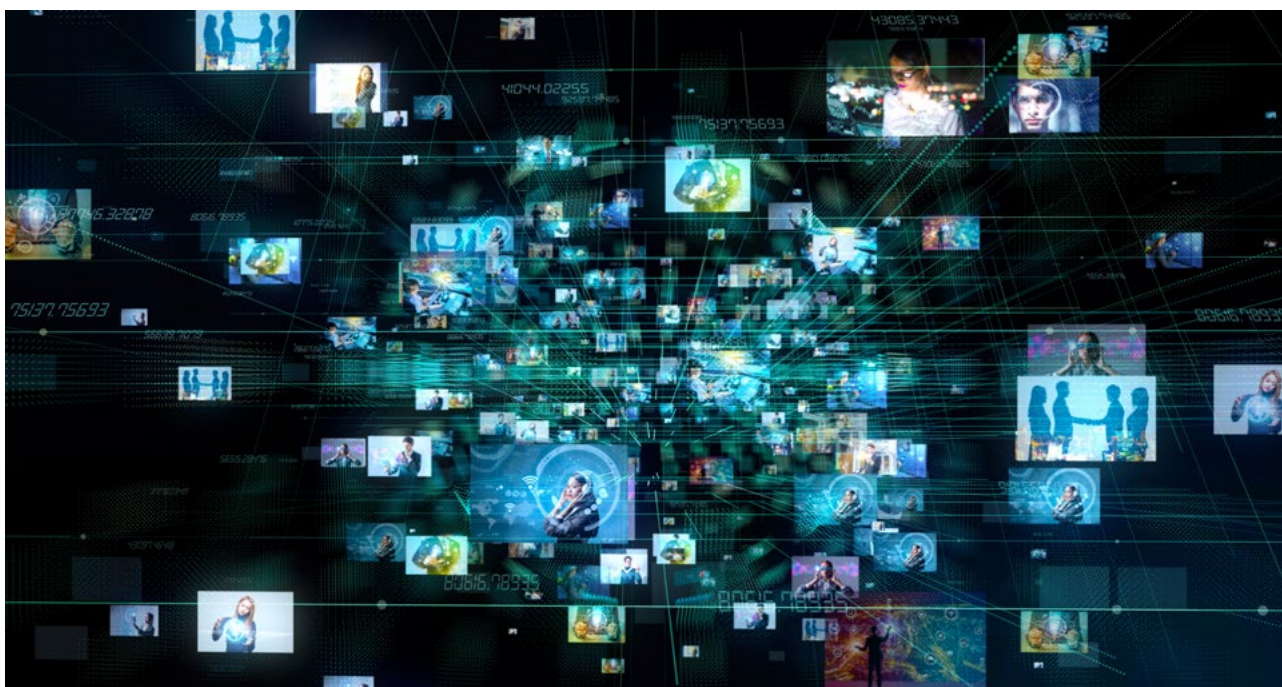
Suppliers were also engaged during the materiality assessment process, through a questionnaire.



**MASS MEDIA**

Relations with the mass media are managed by the External Communication & Media Relations Function, which ensures that all messages transmitted to the main press organizations, including digital media, comply with corporate guidelines and the Group's activities while ensuring an adequate reputation and image for the Group.

- 57 press releases issued
- Publication of 16,177 articles



## 2.3 THE MATERIALITY ANALYSIS

Materiality analysis is a key tool for defining environmental, social, and governance priorities, consistent with business strategy and relevant international reporting frameworks, including the GRI Standards. In an ever-changing context, identifying, assessing, and monitoring material issues enables the Nexi Group to adequately assess ESG risks and opportunities and make informed investment and resource allocation decisions.

The materiality analysis process, which involves different categories of Stakeholders, is coordinated by the ESG Function with the contribution and support of all corporate functions dedicated to managing and dialoguing with different categories of Stakeholders, through a process that also involves Nexi Group management and corporate bodies.

In 2022, the Group has started the process aimed at updating the materiality analysis, to incorporate the requirements of the latest version of the GRI Standards<sup>18</sup> and capture the changes related to the recent acquisitions of Nets and the merger with SIA. The materiality analysis process will be further strengthened from 2023 onwards given the Group's evolving business environment.



The first of the three steps that led to the definition of the materiality matrix was a stakeholder mapping activity, aimed at reviewing and updating the categories of internal and external stakeholders to be involved in the assessment of material issues.

Secondly, a review of the material issues included in the 2021 Materiality Matrix was carried out in light of the Group's changed context, to define an exhaustive list (long list) of potentially relevant issues for subsequent evaluation. In addition to the review of the Nexi Group's materiality matrix from previous years and other relevant internal documents, industry and benchmark analyses, analysis of emerging legislation and reporting standards, and in-depth analysis of other relevant sustainability-related initiatives were conducted. This process led to the definition of 24 potentially material topics subsequently submitted for assessment, divided into the categories: Environment, Social and Governance. The issues were further examined in terms of their positive and negative impacts, as discussed in more detail below, in line with the GRI Standards and with the support of the relevant functions.

Stakeholder engagement aimed at assessing the issues covered the following categories: Top Management, employees, Board of Directors, investors, customers, regulators, civil society, suppliers, media, and innovation community<sup>19</sup>. Each stakeholder category was engaged through a channel defined according to the specifics of the category, with the full support of the responsible functions.

The stakeholder engagement process led to the identification of 10 material topics, represented in Nexi Group's Materiality Matrix 2022.

The x-axis of the matrix represents the impact that each ESG topic generates according to the Group's internal perspective, while the y-axis of the matrix represents the impact that each ESG topic generates according to the stakeholder perspective.

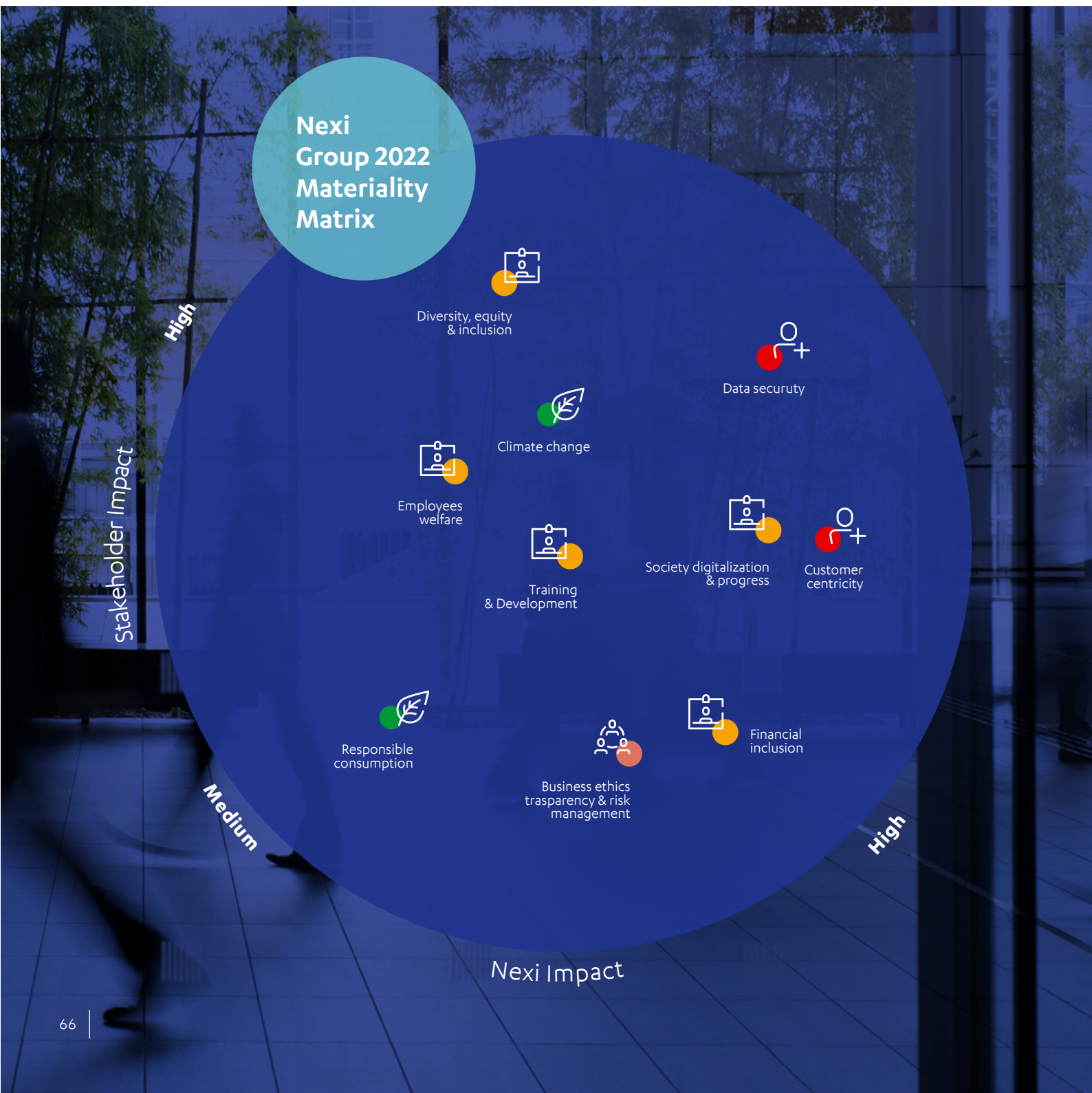
-  **3-1: Process to determine material topics**
-  **3-2: List of material topics**

<sup>18</sup> The new version of GRI Standard 2021 defines "material topics", the topics that represent the organization's impacts on the economy, the environment, and people, including human rights impacts. GRI Standards 2021 establish new guidance on how to determine material topics, suggesting a four-step process. More details on the reporting methodology can be found in the Methodological Note of this Document.

<sup>19</sup> More detail on stakeholder engagement initiatives can be found in section "2.2 - Stakeholder engagement" of this document.

Subsequently, the draft of the Materiality Matrix was submitted to the Control and Risk and Sustainability Committee for a prior opinion and then approved by the Board of Directors of Nexi S.p.A. in July 2022.

The Materiality Matrix 2022 is largely consistent with the previous Materiality Matrix. The changes found between the results of the two materiality analyses can be attributed to the different assessment approaches, the change in the scope of the analysis, and emerging market trends that increase interest and expectations for some specific topics.



The list of identified material topics with their respective definitions and related sustainability areas is presented below:

## ENVIRONMENTAL

- **Climate Change:** progressive reduction and offsetting of greenhouse gas emissions that contribute to climate change to achieve Net Zero commitment based on scientific data and international guidelines. Promotion of the use of energy from Renewable sources.
- **Responsible consumption:** commitment to the responsible use of resources, including products, packaging, and digital solutions by also making consumers aware of the carbon footprint of their purchases, based on the circularity principles of reduce, reuse, and recycle

## SOCIAL

- **Diversity, equity & inclusion:** fostering a culture that promotes diversity, equity, accessibility, and inclusion, within the Group and beyond.
- **Employee welfare:** ensuring decent and safe working conditions, especially focusing on occupational health and safety prevention, promotion, and training activities. Ensuring fair pay and responsibly managing all career stages: hiring, performance evaluation, training, and terminations.
- **Training & development:** commitment to the continuous development of stakeholders' knowledge, enhancing employees' skills and competencies, and facilitating personal and professional growth through a system of differentiated development paths that enhance their abilities and aptitudes.
- **Customer centricity:** commitment to improving customer experience and satisfaction through continuous innovation, listening and implementation of best practices.
- **Data security:** ensuring the security of technology systems, infrastructure, and data management. Act with respect for customer privacy and relevant legislative requirements.
- **Financial inclusion:** ensuring equal access to financial products for all populations and minorities. Support the path toward digitization of SMEs.
- **Society digitalization & progress:** ensuring awareness and engagement with communities and the processes of digitization of society, playing a positive role in accessibility to finance and financial education initiatives. Promoting innovation within communities and supporting social and economic growth by, for example, creating employment opportunities for the communities in which the Group operates.

## GOVERNANCE

- **Business ethics, transparency & risk management:** permanent commitment to sound ethical, responsible, and transparent decision-making without any anti-competitive practices, corruption, conflict of interest, fraud, or money laundering. Proper and adequate management of accounting and taxation. Ensure oversight and monitoring of the integrated system of risks and related controls to guard against them. Ensuring the highest levels of transparency, especially in ESG and along the supply chain.

Lastly, in line with the GRI Standards 2021, the impacts generated by the organization on the environment, people and the economy were analyzed in relation to the various material topics identified during the process, also considering the consequences that these impacts could have on stakeholder decisions:

ESG AREA	MATERIAL TOPICS	GENERATED IMPACTS	
		Positive	Negative
Environmental	Climate Change	<ul style="list-style-type: none"> <li>Contribution to the transition to an economy based on the use of renewable energy sources</li> </ul>	<ul style="list-style-type: none"> <li>Air pollution and contribution to climate change</li> </ul>
Environmental	Responsible consumption	<ul style="list-style-type: none"> <li>Increase consumer awareness of the resources required to produce a product and its environmental and social impact</li> </ul>	<ul style="list-style-type: none"> <li>Production of negative externalities along the value chain with indirect impacts on workers and communities</li> <li>Dispersion of harmful and polluting substances due to incorrect and adequate management of waste and materials</li> </ul>
Social	Diversity, equity & inclusion	Promoting a fair and inclusive working environment	<ul style="list-style-type: none"> <li>Cases of discrimination at the workplace</li> </ul>
Social	Employee welfare	Increased levels of employee satisfaction, commitment, and consistency	Loss of retention and attraction due to inadequate welfare and well-being measures
Social	Training & development	Development of human capital and creation of shared knowledge and know-how	Lack or inadequate training for employees, with negative impacts on the provision of services
Social	Customer centricity	<ul style="list-style-type: none"> <li>Increase the quality of the services and products offered to customers and their satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Lack of transparent and clear communication on the Group's commercial information</li> <li>Significant increase in the number of customer complaints</li> </ul>
Social	Data security	<ul style="list-style-type: none"> <li>Contribution to the development of secure payment systems for the benefit of all stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Malfunctioning of computer systems and its architecture</li> <li>Breach of customer privacy and loss of sensitive data</li> </ul>
Social	Financial inclusion	<ul style="list-style-type: none"> <li>Support for the development of basic financial skills and services accessible to the weakest sections of the population</li> </ul>	<ul style="list-style-type: none"> <li>Failure to create solutions for fair access to financial products for the entire population and for minorities</li> <li>Lack of solutions for the digitization of payments and support for SMEs</li> </ul>
Social	Society digitalization & progress	<ul style="list-style-type: none"> <li>Social cultural promotion of innovations in the payment sector and development of a "cashless society"</li> <li>Creation of job opportunities in the communities in which the Group operates</li> </ul>	
Governance	Business ethics, transparency & risk management	<ul style="list-style-type: none"> <li>Promotion of a corporate culture based on integrity and transparency</li> <li>Promotion of a corporate culture of compliance with laws, regulations and business ethics</li> </ul>	<ul style="list-style-type: none"> <li>Non-compliance incidents with negative impacts on relations with institutions and regulators</li> <li>Corruption incidents resulting in loss of reputation among stakeholders and economic fallout</li> </ul>

The impact analysis carried out in 2022 will be further strengthened and will lay the foundation for the launch of the 2023 materiality analysis.

## 2.4 ESG RATINGS

ESG ratings are intended to provide a summary assessment of the Group's sustainability performance. Among the various ESG ratings, Nexi Group responds to the CSA<sup>20</sup> questionnaires from S&P Global and CDP<sup>21</sup>. In both assessments, Nexi's ratings have improved significantly in recent years, reflecting the Group's strengthened sustainability commitment.

The S&P Global Corporate Sustainability Assessment 2022 awarded Nexi S.p.A. a 5-point increase, from 68 in 2021 to 73 (out of 100) this year and shows an improvement in the company's rating in all three ESG dimensions.

The most significant improvement is represented by the 'environmental' score, confirmed in the also rating obtained by the Group in the CDP rating for 2022. In the third year of participation, Nexi S.p.A. maintained the 'A-' rating already obtained in 2021 from a 'C' rating in 2020. This improvement in environment is driven by several initiatives launched since 2020, including the approval of the net zero Science Based Targets (SBTi) initiative and the ISO 14001 environmental certification of Nexi Payments.

The company has also made good progress in the "Social" and "Governance" dimensions. In the "Social" area of the CSA. The main improvements are driven by the commitment to human rights, a significant improvement in the supplier evaluation process, and the People Strategy. In contrast, the increase in the "Governance" score reflects continued efforts to improve transparency and disclosure and is the result of the higher standard of information security and information security management.

Nexi Group has also obtained positive results in the Sustainalytics ESG Risk Rating, that measure a company's exposure to industry-specific material ESG risks and how well a company is managing those risks. Nexi "Exposure" area of the assessment, that refers to the extent to which a company is exposed to different material ESG issues, taking into consideration subindustry and company-specific factors such as its business model, is "Low"; while "Management" area, that refers to how well a company is managing its relevant ESG issues, is "Strong".

Nexi Group is also part of the Italian stock exchange's MIB ESG rating.

<sup>20</sup> S&P's Global ESG scores are based on the Corporate Sustainability Assessment (CSA), which is an annual assessment of companies' sustainability practices. It covers over 10,000 companies from around the world. The CSA focuses on criteria for industry-specific and financially relevant sustainability, and has done so since 1999. All companies are assessed using the industry-specific CSA questionnaire and methodology that reflects the score of a company relative to its industry peers. The CSA focuses on past and current ESG performance.

<sup>21</sup> Nexi reveals its impact on climate change through the CDP, a global nonprofit that runs the world's leading environmental disclosure platform. The CDP urges companies and governments to reduce greenhouse gas emissions, safeguard water resources, and protect forests. In 2021, more than 13,000 companies with over 64 percent of global market capitalization disclosed environmental data through CDP. This is in addition to the more than 1,100 cities, states and regions that have disclosed, making CDP's platform one of the richest sources of information globally on how companies and governments are driving environmental change.

# VALUING PEOPLE



# 3

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# 3.1 THE CENTRALITY OF OUR PEOPLE

- GRI 2-7 Employees**
- GRI 2-8: Workers who are not employees**
- GRI 2-20: Process to determine remuneration**
- GRI 2-21: Annual total compensation ratio**
- GRI 2-30: Collective bargaining agreements**
- GRI 401-1: New employee hires and employee turnover**
- GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees**
- GRI 402-1: Minimum notice periods regarding operational changes**
- GRI 403-1: Occupational health and safety management system**
- GRI 403-2 Hazard identification, risk assessment, and incident investigation**
- GRI 403-3: Occupational health services**
- GRI 403-4: Worker participation, consultation, and communication on occupational health and safety**

The Group is committed to creating a dynamic culture based on people’s involvement and merit the Nexi Group. The Group welcomes the diversity of cultures, perspectives, and skills. Every single person plays a key role in achieving our ambition to shape the future of digital payments across Europe.

The Nexi Group has become a very diverse organization in terms of professional and cultural background, including diversity of skills, gender, and age. The commitment to achieving an appropriate transformation process was driven primarily by the organic growth of new managers, professionals, and specialists, and by the acquisition of new skills and the strengthening of those already present within the Group.

The Group’s People Strategy aims to enhance the skills, passions, abilities, and background of each employee, to:

- create value for all the Group’s stakeholders;
- pursue and ensure the sustainability of the organization’s growth in the medium and long term;
- establish a culture based on performance and merit;
- strengthen leadership in the management and development of our people.

*The number of employees of the Nexi Group as of 31 December 2022 is 10,347, located in more than twenty countries.*

## Diversity Management

For Nexi Group, it is essential to create a dynamic, diverse, and inclusive workplace, where everyone feels welcome and can disclose their full potential. The main driver is to continue the development towards ensuring a forward-looking Group, that can attract and develop talent regardless of nationality, ethnicity, gender, sexual orientation, religion, or belief.

Toward the end of 2022, Nexi began to integrate the experiences, processes, and procedures coming from Nets.

In 2022 the Diversity and Inclusion Board (D&I Board) at Nets continued to drive the company’s diversity and inclusion agenda and to set out its priorities and activities. The D&I Board held monthly meetings, with a focus on gender equality and diversity. To strengthen and coordinate D&I activities across the Group, the D&I Board was restructured and extended across the Nexi Group. The new structure has entered into force at the beginning of 2023.

In 2022, the share of women in Nexi Group was 42%. During the year, the Group focused its efforts on:

- strengthening the presence of women in a management position;
- developing a membership of the women in payments network;
- providing female managers with the tools and skills to enable them to access career paths and professional development based on merit.

Diversity is also one of the key topics addressed in the Group's ESG Strategy, defined in 2022.

At the end of the year, 29.6% of managerial positions and 22.3% of executive positions were held by women. In line with the Group's efforts towards D&I, the representation of diversity, including gender diversity, at all levels of business, remains one of the priorities included in the Group's ESG strategy.

Several initiatives were carried out in 2022 to continue the work started in 2021 with the approval of the Diversity Policy by the Board of Directors:

- the Diversity & Inclusion Board was involved in several initiatives and was extended to Nexi, becoming representative of the entire Group;
- in November 2022, on world day against violence against women, three meetings on the subject were organized to raise awareness among the entire company population;
- "WIN" – women in Nexi – an Internal networking and development group was launched;
- several employees were involved in female leadership empowerment initiatives.

In addition, clear DEI-related targets were set for 2023 for various business processes.

In 2022, several initiatives were carried out to reinforce the different skills present throughout the Group, including the 'Nexchange' program, an international development program for internal talent, which offers the opportunity to move to a different Group location for a period of 3-6 months with the aim of getting to know new cultures, learning new skills and sharing one's own with colleagues. The Group also offered leadership training courses to key executives and managers, covering topics such as cultural sensitivity and leading multinational teams.

Looking ahead to 2023, a major focus will be on further consolidating the Diversity, Equity, and Inclusion function across Nexi Group. This includes for the Nexi DEI Board to meet and setting up a work plan, having a Diversity Policy across the whole Nexi Group, working towards the targets that have been set, and ensuring the employee networks such as WIN and LGBTI+ are operating across the Group.

**GRI 403-5: Worker training on occupational health and safety**

**GRI 403-6: Promotion of worker health**

**GRI 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships**

**GRI 403-9: Work-related injuries**

**GRI 404-1: Average hours of training per year per employee**

**GRI 404-2: Programs for upgrading employee skills and transition assistance programs**

**GRI 404-3: Percentage of employees receiving regular performance and career development reviews**

**GRI 405-1: Diversity of governance bodies and employees**

**GRI 405-2: Ratio of basic salary and remuneration of women to men**

**GRI 406-1: Incidents of discrimination and corrective actions taken**

<sup>22</sup> For further details, please refer to Chapter 2.

## Performance Management, Training & Development

### Performance Management

Performance Management is the process adopted to improve the contribution of each individual employee to the company's results according to a merit-based approach. Performance evaluations are transparently communicated to shareholders, employees, and external persons and, as in previous years, are based on the following criteria:

- WHAT, clear and measurable qualitative and quantitative individual and company objectives;
- HOW, behaviors in line with company values.

All fixed-term and permanent Nexi employees with at least three months' seniority are subject to the Performance Management process.

Professional development is an ongoing process, captured by Nets in the "Growth Journey". Through the Growth Journey, the ambition is to support employees' growth and employability in Nets and beyond. The company encourages all leaders and employees to always look for ways to strengthen their own growth and employability inside and outside Nets. This is also one of the main reasons why development is a key element embedded in Nets performance and development concept, resumed in the word "ImpACT". Through "ImpACT" and Growth Plan Tool employees and leaders conduct development check-ins to ensure reflection on individual desires, opportunities ahead in short-term and long-term ambitions, and development actions to initiate to make them happen. The Growth Journey builds on the belief that development should be owned by the individual, who is in the driver's seat, with direct support from both the leader and the organization. During 2022, 3,671 employees belonging to Nexi (87% of the Nexi workforce) were involved in the Performance Management system. Within Nets, 3,867 employees were involved in the system, representing (86% of the Nets' population).

### The reward system

In light of the ongoing integration path between Nexi, Nets, and SIA, the Group's reward system sees processes still parallel.

For the Italian companies, in continuity with previous years, Nexi's Reward system is based on the following principles:

- alignment with business values and strategy
- performance
- competitiveness and fairness
- transparency and communication

Consistent with the objective of creating sustainable value over time for all stakeholders and in accordance with the provisions of the Corporate Governance Code for Listed Companies in Borsa Italiana, a path has been defined for the progressive integration of the strategic objectives of Upper management and for the Executive Directors with sustainability objectives, also known as ESG (Environmental, Social, and Governance).

As for Nets, the principles underlying remuneration are designed to be simple and transparent, in line with the requirements of the People Strategy. Nets operate by seeking standardization and simplicity as the foundations for the experience of its employees and

for its business activities and strategy. The incentive system is closely linked to the financial performance achieved by Nets and determined according to the specific responsibilities for each professional position. To remain competitive in the markets of different countries, the target of the incentive system varies according to the geographical area.”

Details about the process for designing the remuneration policies of Nexi Group are fully described in the Remuneration Report, submitted to the approval of the AGM (Annual General Meeting) of Nexi Group Shareholders. For further information, please refer to Section I of the Remuneration Report available at [www.nexigroup.com](http://www.nexigroup.com).

## Training & Development

The Nexi Group's approach to learning paths is based on a mix of different tools, methods, and content to ensure a more engaging learning experience. In 2022, the structures and processes dedicated to the training and development of people are still disjointed between NEXI, Nets, and SIA. Training plans will be progressively integrated in the coming years to ensure consistent and need-based skill development opportunities.

### TRAINING & DEVELOPMENT IN NEXI

The Nexi Group's approach to learning paths is based on a mix of different tools, methods, and content to ensure a more engaging learning experience. In 2022, the structures and processes dedicated to the training and development of people are still disjointed between NEXI, Nets, and SIA. Training plans will be progressively integrated in the coming years to ensure consistent and need-based skill development opportunities.

In 2022, Nexi's main goal was to support all employees in the profound change brought about by the mergers, while maintaining a strong focus on the topics of security and compliance.

All training was delivered with the support of leading companies in the market (Polytechnic Institute of Milan MIP, ABI training, Oxford, BIP consulting, Cegos) or by capitalizing on internal expertise using colleagues as subject matter experts.

In March 2022, a needs analysis was conducted by asking each individual manager to indicate the courses needed by its area, to ensure total alignment between planned activities and the needs of the business and employees.

From this analysis, the following courses to be provided to employees were identified, they can be summarized in the following macro areas:

Specialized/Technical (54% of the hours provided) - Related to business and technical updates necessary to keep employees' skills up-to-date and to offer the most excellent service in the market. Including, among others:

- Events on specific topics such as Risk and Credit Management, Data management, Blockchain, and Crypto
- CIO area training: Specific courses for the IT area (cloud, Containers & VM, Networking, Cybersecurity, Programming, and Testing among others) with a strong focus on technical certifications and Agile PM methodologies
- OPS area training: courses dedicated above all to the world of Customer Management

to guarantee constantly updated skills for operators and the highest standard of customer relationship management. Certification of 16 colleagues as Green Belts of the Lean Six Sigma methodology for process optimization.

- Tools and Processes for managing new customers and daily activities
- English: for the purposes of supporting the internationalization of the Nexi Group and in addition to the digital platform already available to all employees, over 800 colleagues requested to have the opportunity to participate in English courses in small groups (2-4 people) with mother-tongue teachers.

All the training provided for the CIO and OPS area was evaluated by means of an assessment to understand the starting skills versus those required by the market in the near future (SkillUP program).

- Compliance (24% of the hours provided) - It includes all courses necessary to ensure constant alignment with regulations, legislative requirements, and annual updates. It focuses also on specific categories, and it's expected for the onboarding of new hires. In particular, courses on H&S, IT Security, AML, GDPR, Business Continuity, Antitrust, SA8000, OPC (Related Party Transactions), Transparency, OAM update courses, PSD2 - Strong Customer Authentication, Market Abuse, DGLS 231/2001, Code of Ethics and Anti-Bribery Policy.
- Business (14% of the hours provided) - Hours delivered mainly by the PayUP platform, which was updated in 2022 with new content recorded directly by internal SMEs. For the first time, the content was recorded in English and subtitled in Italian, so that it could also be enjoyed by Group colleagues abroad.
- One Nexi (8% of the hours provided) - Soft Skills training catalog oriented towards the development of employees to follow a common and shared training direction. It also includes dedicated paths for managers through the Leadership, Managerial Academy, and training such as coaching.

## TRAINING & DEVELOPMENT IN NETS

Nets strongly believes in Experience-based learning. Nets knows from research in learning that most learning happens through Experience (70%) in the flow of work/on the job. Learning also happens through Exposure (20%) to people and to new perspectives; and of course, through Education and training (10%), whether this is longer formal programmes or shorter bite-sized learning opportunities. That is why Nets believes in learning through Experience – Exposure – Education (also called the 70-20-10 model) and provides guidance through ImpACT framework for everyone on how to work with all three types of learning.

To support the “10% Education”, Nets offers a variety of different learning opportunities through iLearn, a digital CrossKnowledge learning platform. Through iLearn Nets provides a mix of both structured, guided learning paths within specific areas, and learning channels around different topics where employees and leaders can choose from interest, relevance to their individual development and growth, as well as a huge library where they can search for numerous different learning opportunities.

Nets' training initiatives carried out in 2022:

- for technical upskilling across the organization, Nets had 200 licenses for Pluralsight;
- for language upskilling, Nets provide access to Learnlight (a digital language training platform).
- compliance trainings in 2022;
- to continuously raise awareness around cybersecurity and security in general, the Annual Security training was carried out. In addition to the annual mandatory security training, all new employees are also asked to complete a shorter Security Briefing, when they join Nets;
- GDPR awareness is handled through different trainings across Nets. At the end of 2022, the latest mandatory GDPR Awareness MOCH 2022 training for Nets Nordic employees was provided. In addition, a Nets GDPR onboarding course for new employees runs continuously. For the DACH region, Datenschutz is pushed to all new employees. GDPR was also pushed to all employees in Nets CEE and also to new employees;
- awareness and knowledge around Anti-money laundering is handled through different pieces of training. At the beginning of 2022, the latest mandatory Anti-Money Laundering and Counter-Terrorist Financing for Nets Nordic was launched. For the DACH area, Geldwäschrprävention Basisschulung ZI was launched in July 2021;
- Anti-Bribery and Corruption is an important area, hence also an area of training from a compliance perspective. In April 2022, Anti-Bribery and Anti-Corruption (ABC) training was launched for Nets Nordic;
- to support the employees in being aware of when potential conflicts of interest occur and how to deal with them, mandatory training in Conflict of interest was Launched in November 2022 for all learners in iLearn;
- when becoming part of Nexi Group, all new employees are invited to take mandatory training and tests around MAR/RTP.
- other mandatory training in 2022:
  - introduction to Diversity & Inclusion;
  - development of Leader Onboarding;
  - OneDrive for Business Policy was launched as mandatory training for all learners in iLearn. The training introduces the learners to what OneDrive is, and how to use it and not to use it, according to new GDPR rules.
  - during 2022 a renewed Onboarding process has been developed for new employees to ensure full knowledge of tools. As part of new onboarding processes developed in Nets, a virtual introduction session to the iLearn platform every month was launched;
  - new updated ImpACT Learning Channel, including introduction to the frame of ImpACT, trainings for employees on the different ImpACT elements and new guides and templates for check-ins;
  - what is your next step? Learning Channel: introduction to channel, business units, inspirational videos of growth stories, and content to empower the employee to focus on their growth and development;
- to continue supporting knowledge in the Payment industry, in 2022 Nets has also launched two new modules on Payment industry risks and challenges;
- in 2022, Nets has also continuously updated for other training from previous years:

**Security Academy** (launched in November 2020) – upskilling specialists around security specifics, and everyone on security awareness. The Academy was pushed in a welcome e-mail to new employees during 2022;

**Product Academy** (launched in October 2020) – upskilling around management and knowledge of Nets’ products and services. The Academy is pushed in a welcome e-mail to new employees during 2022;

**Agile Learning Hub** - launched December 2021 to strengthen general understanding of agile principles, provide SAFe trainings and expand knowledge around how different roles at Nets work with Agile. The Academy is pushed in welcome e-mail to new employees in 2022;

**Leadership Academy** (Re-Launched in 2022) – develop leadership knowledge and competencies in topics such as: Leading in a hybrid model, managing well-being, leading diverse and inclusive teams;

**leadership programmes** launched in June 2021 had positive feedback and impacts and they have been held during 2022;

**Learn2LEAD** - newer leaders, a strong connection to ImpACT;

**LEAD4Change** - developing leader’s abilities to drive and lead change;

**LEAD4TheFuture** - developing leader’s abilities to lead in a hybrid model/world.

## Employee welfare

For the Nexi Group, welfare is an important supplementary element to the compensation package, part of a broader reward strategy focused on the real needs, motivations, and values of individuals. The Group adopts different types of benefits for full-time employees, in line with the specificities of the Group’s various legal entities and the labor markets in which the Group operates, which are governed by different regulations in the various geographical areas.

Nexi considers welfare to be an important supplementary element of the compensation package, part of a broader rewarding strategy focused on the real needs, motivations, and values of individuals.

The main benefits offered to employees are:

- supplementary pension with a company supplement;
- health care for all employees and tax-dependent family members;
- paid leave for medical examinations, plus additional leave for family members with certified disabilities;
- annual allowance for each disabled family member, plus an additional annual allowance for training needs and for the purchase of equipment to support the children of employees with learning disabilities (DSA);
- discounts on the purchase of annual passes for public transportation for employees who are members of the company’s recreational club;
- possibility of converting part or all of the production bonus into a pension fund and/or non-monetary services.

All Nexi employees, regardless of job category and type of contract, are entitled to the following insurance coverage:

- life insurance policy;
- occupational and non-occupational accident policy; and
- permanent disability insurance;
- health care.

For Italian legal entities, in accordance with current regulations, pension contributions are regularly paid and absences are managed in accordance with the law or contract. All Nexi employees (100%) are in Italy and hired in accordance with the National Collective Labor Agreements (CCNL).

All Nexi Payments and Help Line employees benefit from the provisions of a Contratto Integrativo Aziendale (CIA) - Supplementary Corporate Agreement - signed in 2019 and valid until the end of 2022, which among other provisions introduced or improved elements aimed at increasing work-life balance, such as:

- flexibility of working hours;
- paid leave for medical visits and clinical examinations, including for similar needs related to family members;
- paid leave hours and benefits available throughout the year for employees with disabled family members.

All Mercury Payment Services employees benefit from the provisions of the union agreements signed in 2019, which include supplemental health coverage for employees' family members and subsidized banking terms. All provisions of the supplementary agreement signed in 2019 continue to be applied, including those that promote work-life balance. A new supplementary agreement for Mercury Payment Services was signed in October 2021, which, in addition to incorporating the provisions of previously signed agreements on re-conditions, further integrated and enriched the chapter on work-life balance.

Work-life balance was strengthened in Nexi in 2020 with the issuance of the Smart Working Regulation, a new flexible mode of work organization applicable to almost all employees. The regulation was replaced in December 2021 by the agreement reached with labor unions on Smart Working.

In January 2022, SIA was merged into Nexi Payments; a new company, Service Hub, was also formed because of this corporate transaction. Employees in the old SIA perimeter maintained (until Dec. 31.23) the second-level treatments they had in the previous company, which among other provisions introduced or improved elements aimed at increasing work-life balance, such as:

- flexibility of working hours;
- paid leave for medical visits and clinical examinations;
- benefits available throughout the year for employees with disabled family members.

Regarding smart working, these employees also benefit from the Nexi Payments agreement.

Meetings with trade unions are planned during 2023 to reach an agreement on harmonized second-level treatments valid for all Nexi Italy employees.

Help Line S.p.A. guarantees at its expense, in favor of employees, hired permanently, life coverage for any cause of death (indemnity liquidation in favor of the legal heirs of the deceased employee), medical expense reimbursement coverage (reimbursement of medical services, related to a medical condition, that the employee incurs, e.g. surgeries, hospitalizations, therapies, high-diagnostic examinations, etc.), permanent disability coverage from illness, and occupational and non-occupational accident coverage (both - permanent disability and accident - guarantee the settlement, in favor of the employee who applies for it and falls within the conditions of coverage, of an indemnity). Help Line S.p.A. employees can enroll in the company's Supplementary Pension Fund, paying into it their

severance pay, a percentage of their salary, and a percentage borne by the company. There is a welfare plan resulting from the conversion of performance bonuses using a platform that allows the purchase of goods and services through welfare credit while taking advantage of the tax benefit. The company recognizes employees who cover the bonus to welfare, the payment of an additional portion of the credit to be allocated to the plan. As for parental leave, it is provided by current legal provisions.

In compliance with current regulations, pension contributions are regularly paid, and absences are managed as required by law or contract. All Nexi employees (100%) are located in Italy and hired in accordance with the National Collective Labor Agreements (CCNL).

All the Group companies adopt various welfare tools, some examples are:

- some of the existing welfare initiatives in Service Hub Romania are flexible working hours, smart working/remote working, transportation subsidies, meal vouchers, welfare platform, parental leave, pension plan, medical insurance, and other insurance (life, travel);
- for Nexi Payments Greece some examples of welfare tools are health care for all employees (Nexi processing Greece) and dependents (Nexi Payments Greece) - Including annual check-ups, eye and dental check-ups (both companies), temporary disability insurance for illness or accident up to 12 months. (Nexi processing Greece), maternity allowance (Nexi Payments Greece);
- inside P4Cards there are the following welfare tools: hourly flexibility, smart working, leave for medical appointments, and legally required insurance;
- Nexi / SIA CE considers welfare as an important supplementary element of the remuneration package and the main benefits offered to employees are: a supplementary pension plan with a supplement for the company (Slovakia, Hungary); health care for all employees (Slovakia) life and accident insurance policy (Slovakia, Hungary, Serbia);
- SIA Pay benefits from the same terms of coverage as in NexiPayment, ServiceHub, and HelpLine (reimbursement for medical expenses, life, occupational and non-professional accidents, and permanent disability from illness);
- Nets Denmark, which includes all Nordic legal entities, offers many benefits, including life insurance (according to the CBA), critical illness insurance, disability insurance, and pension plan (defined contribution).
- in the Finnish subsidiary of Nets Denmark A/S, the benefits offered are the same regardless of the type of employment. Only long-term incentive plans are not offered to temporary employees. In addition, fully paid parental leave requires employment to have lasted at least 9 months;
- Nets Estonia subsidiary offers a variety of benefits to its full-time employees, including health care, parental leave;
- Nets subsidiary Switzerland (formerly CCV) varied benefits to its full-time employees, including comprehensive health checks, parental leave, and social security.

The insurance coverage in place for Nexi Group employees varies from country to country, depending on local regulations and market practices.

In 2022, through the Group broker AON, the insurance policies in place for the employees of each Group subsidiary were mapped:

- most of the Group's foreign subsidiaries have taken out life and accident insurance for their employees;
- the local insurances of some subsidiaries are to be aligned with market practice;
- non-homogeneity of the insurance policies of the subsidiaries in the same country, due to the integration of Nets and SIA Group companies into Nexi.

However, the harmonization process has already started with the health insurance policy for employees of Italian companies.

## Employee engagement

### Our Voices Survey

Nexi Group puts great importance and value on listening to its employees, especially during this time of integration between different entities from different regions and countries. Hence why the Our Voices Survey was developed.

The Our Voices Survey is the main tool in Nexi Group for listening to employees and gives an opportunity to the employees to share their experiences working at Nexi Group as well as provide input and feedback on what Nexi needs to prioritize to drive engagement and improve the company.

The first Our Voices survey was conducted in November 2022, as the first survey across the Group<sup>23</sup>.

This is an annual survey with anonymous answers, managed by a major international survey company. The questionnaire includes questions related to engagement, engagement drivers, and leadership as well as questions and topics related to the development of the Nexi Group company, culture, and ESG topics. This first Group-wide survey provides a baseline for the company and a starting point for the Group. Going forward the survey results will provide information on how Nexi Group progresses with engagement and on the transformation journey.

87% of the company's population participated in the Our Voices 2022 survey, showcasing an increase in response rates for each legacy company population (Nexi, SIA, and Nets), compared to the previous survey conducted in each company.

The Group results are communicated to all employees through videos and dedicated area meetings for the different functions. Group-wide results and actions are discussed in ExCo, and area-specific results and actions are discussed in Unit/Country-specific management meetings. Additionally, each leader was provided within two weeks of survey-close, with access to a dashboard with their team's results and are asked to discuss the results with their team, as well as to jointly set up actions to further strengthen involvement and engagement.

Group-wide actions will be monitored regularly and brought to the attention of ExCo on a quarterly basis.

The Engagement level in Nexi Group is 65%<sup>24</sup>, based on the first survey, conducted in November 2022. This result sets the baseline for engagement as the full Group and will be going forward to provide the internal benchmark to compare and monitor progress.

Initial analyses of the results can be summarized in some general considerations:

- The survey shows that "local" people and teams are real strengths of the Group. The results show that employees value their colleagues and work well in their teams. It is emphasized that learning is an important aspect of daily work;
- the survey showed particular interest in the topics of Customer Centricity and simplification, both of internal processes and the products offered;
- promoting an international and inclusive spirit is considered a central goal.' It will be important to foster a sense of belonging to the Nexi Group and an inclusive culture and organization, with equal opportunities and where diverse opinions are valued.

<sup>23</sup> The Our Voices 2022 survey was conducted across Nexi, SIA and Nets and the different subsidiaries (except Orderbird).

<sup>24</sup> Percentages of favourable answers (4 or 5 on a 5-point survey scale) on the questions related to engagement.

## Health & Safety

Nexi Group is an employer responsible for occupational safety and follows the national regulations and regulations in force in the countries in which the company operates. In light of the recent integration between NEXI, Nets, and SIA, the processes connected to the management of health and safety issues are still being integrated, as they derive from different geographical and regulatory contexts.

### Occupational health and safety management system

In light of the evolving pandemic environment, 2022 has been dedicated to completing the "safe" return of colleagues to all locations.

In Italy, where 36% of the Group's employees work, special attention was paid to so-called 'Covid-19 fragile' colleagues, for whom the risk of contagion is greater and the consequences on their health status may be more serious. The activity was carried out in collaboration with the company's Competent Doctor who, being the only one entitled to examine the health records of colleagues, was able to investigate the issues in depth by accompanying the colleagues when they returned to their offices or, where this was not yet possible, by carrying out constant monitoring of their health condition; the collaboration between the Competent Doctor, H&S and HR was fruitful.

Health & Safety continued to offer psychological support to colleagues throughout the year 2022, guaranteeing confidentiality and free of charge as it was totally managed by the team of psychologists of the company's Medical Officer.

In 2022, an implementation of the Work-Related Stress Risk Assessment was carried out through the administration of a questionnaire to the entire company population, regarding which, for the year 2023, improvement actions will be implemented and guaranteed based on the results of the assessment.

Also, in 2022, Nexi offered its employees free access to the flu vaccine for all companies in the perimeter.

Furthermore, attention continued to be paid to the verification of the technical and professional requirements of Nexi's suppliers, as well as to the Interference Risk Assessment (DUVRI) potentially occurring in the workplaces of the various sites; in addition to the validation and documentary verification of the PSCs for the various activities, both internal and external, this also included the verification of the technical and professional suitability of the companies.

Particular attention was given to Environmental Risk and its assessment in all workplaces; this was also through environmental surveys of various kinds, aimed at mitigating risks.

The activity of monitoring the workplace continued to ensure the best health and safety conditions, throughout 2022, the offer of PPE (surgical masks and FFP2) to employees at all sites continued.

New in 2022 was the integration of the SIA Group with the consequent risk assessment of the new Italian and foreign locations.

Nexi's employees were consulted, through the involvement of their representatives (RLS), with meetings aimed at defining and sharing the actions taken to mitigate risks at the company level. In addition, the RLS were involved in inspections of all workplaces, fostering a process of timely monitoring of the various situations in the workplace, with consequent improvement actions to be undertaken.

Nets continued to provide support to employees during months of the pandemic to enable them to work from home. All new employees and those returning from an extended leave of absence were offered a work-at-home allowance to improve ergonomics and the work-at-home environment. Once the situation improved in the spring, each team was mandated to decide how best to implement the hybrid work modes for their team. Hybrid work modes have become an integral part of our work culture. Some of the offices, such as the one in Helsinki, have been restructured to foster new ways of working and interacting among teams. In addition, various activities, such as sports events and office meetings, have been reintroduced at several Nets locations to support and improve employee well-being and the work environment.

When it comes to the occupational health and safety management system Nets Denmark follows Group Policies and work-related injuries in Nets are regulated by local legislation and in the Human Resources handbook.

The procedure is that work-related injuries in Nets must be reported at the latest 14 days after the first day of absence if the work-related injury has resulted in the absence or if the employee in question is eligible for compensation.

The reporting ensures that the relevant authorities or immediate manager are informed about the injury and that the employee can claim compensation. Therefore, it is important that the employee or immediate manager reports the work-related injury as soon as possible by using a specific form which must be submitted in the form of a ticket to HR Shared Services via the HR Service Portal. In case of a personal injury, the employee can contact their local work environment group. The work environment group will involve HR when needed, and as soon as possible in cases that cause sickness absence.

In 2022, seven minor occupational accidents occurred. In line with previous years, no fatalities occurred.

## Hazard identification, risk assessment, and incident investigation

Workplace health and safety assessments are carried out according to current legislation in the Group's various geographies. During these assessments, the workplace is examined through physical inspections, but also by gathering feedback from employees on their well-being, physical environment, and ergonomics. Employees are also encouraged to report any work-related hazards by informing their immediate supervisor, safety, and labor representative, or human resources. In some countries, the assessment is conducted in close collaboration with local health care and labor and safety councils.

In 2022, in the Italian perimeter, attention continued to be paid to the verification of the technical and professional requirements of Nexi Group suppliers, as well as to the Interference Risk Assessment (DUVRI) potentially able to occur in the workplaces of the various locations; in addition to the validation and documentary verification of the PSCs for

the various activities both internal and external, this also by verifying the technical and professional suitability of the firms.

Particular attention has been given to Environmental Risk and its assessment in all workplaces; this is also by means of environmental surveys of various kinds designed to mitigate risks. Workplace monitoring activities continued in order to ensure the best health and safety conditions. Throughout 2022, the provision of PPE (surgical masks and FFP2) to employees at all locations continued.

New in 2022 was the integration of the SIA Group with the resulting Risk assessment of the new Italian and foreign locations. Nexi employees were consulted, through the involvement of their representatives (RLS), with meetings aimed at defining and sharing actions taken to mitigate risks at the company level. In addition, RLSs were involved in inspections of all workplaces, fostering a process of timely monitoring of the various situations concerning workplaces, with consequent improvement actions to be taken. With reference to the Group's foreign offices, the activities in place vary in the application of current regulations.

For the Nexi Group, employee well-being is understood as living the company to the fullest, being able to reconcile work and personal needs, and carrying out its activities in health and safety is central.

## Occupational health services at Nexi

Nexi has embarked on a journey with labor organizations that have led to important agreements alongside the CIA such as:

- the union agreement on smart working, which promotes the reconciliation of work and personal needs and is combined with work by objectives, trust, and a sense of responsibility;
- agreement on the company bonus and the conversion of the amount into welfare, with a company contribution, as well as the possibility of using a platform with the content of purchasable services and goods and usable conventions;
- elimination of time stamps, aimed at facilitating flexibility, building trust by focusing on work by objectives;
- health policies, improved year by year, represent extended protection for the entire corporate population with important coverage for employees and their family members;
- Recourse to sector funding for training aimed at all employees

Numerous free initiatives for employees were implemented during the year, such as:

- flu vaccination;
- social security counseling service;
- tax assistance for tax return;s
- psychological counseling also to support employees in the hardships manifested after the negative period experienced due to the pandemic.

## Occupational health services in Nets

Nets is an employer responsible for workplace health and safety and follow the national rules and regulations in force in the countries where the Company operates. Currently, Nets does not have a single management system for health, safety, and environment (HSE); however, the elements covered by national regulations are based on collaboration and dialogue between employer and employee representatives, with a focus on creating a safe working environment. In 2022 Nets complied with national regulations and local agreements on HSE. Nets carries out the following health, safety and environment activities:

- compulsory meetings for Working Environment Committees;
- compulsory health, safety and environment training;
- continuous dialogue on the pandemic emergency between the Crisis Management Team (CTM) and the National Committees;
- implementation of hybrid working and supporting employees with home office equipment;
- provision of flu vaccine, part of the Occupational Health Care Agreement and follow-up on the use of overtime and sick leave, as part of the obligations.

Nets set up the Working Environment Committee in most countries; the committee's objective is to work for a totally healthy working environment within the company. All the committees participate in planning workplace safety and the environment in the company and monitor its development. The composition of the committees varies according to national legislation but includes worker and employer representatives and the health professional of the country in question. It is compulsory to participate in training courses and obtain appropriate certificates in all countries. The work of the committees in all geographical areas is documented and may be subject to controls by national authorities or others (e.g., National Labor Inspectorate or clients).

In 2022 the following activities and initiatives were carried out:

- Health checks for night workers in line with Danish Work Environment Act
- Online guidance for working from home was provided to employees such as the benefits of having ergonomic chairs
- First Aid courses

Nets facilitates workers' access to non-occupational medical and healthcare services in various ways, through programs offered to workers to address major non-work-related health risks, including specific health risks. Some examples of these initiatives are:

- health checks are provided to employees every two years;
- ongoing online guidance regarding ways to educate employees on the best ergonomic practices is provided;
- flu vaccines are given out annually;
- First Aid courses are provided twice a year;
- the possibility of having massages through a wellness club is provided to employees;
- health insurance (stress, physiotherapy, Psychologist, etc.) is also always provided.

## Participation and consultation in Nexi

Nexi employees have been consulted, through the involvement of their representatives (RLS), with meetings aimed at defining and sharing the actions taken to mitigate risks at the company level. In addition, RLSs have been involved in inspections of all workplaces, fostering a process of timely monitoring of different situations concerning workplaces, resulting in improvement actions to be taken.

## Participation and consultation in Nets

Information about health, workplace environment and safety work in Nets is provided to the employees on Intranets, Employee handbook and in some emergency cases by mail to inform employees of health measures.

The cooperation related to occupational health and safety at workplaces is subject to the provisions of the Act on Occupational Safety and Health Enforcement and Cooperation on Occupational Safety and Health at Workplaces, Occupational Health Care Act, and the collective agreement. The employer appoints a person familiar with occupational safety matters as the occupational safety manager for the workplace. The employees at the workplace elect the occupational health and safety representative and two deputies. The duties of an occupational health and safety representative are determined in accordance with section 31 of the Act on Cooperation in Occupational Safety and Health. If persons employed by another employer work at the same workplace, they have the right to turn to the occupational health and safety representative in occupational health and safety matters related to the circumstances at the workplace.

## Worker training on occupational health and safety

Nexi Group values occupational health and safety in its workspaces, hence why all legal entities carry out trainings related to the topic, some examples are included in the document.

To enhance the focus on occupational health and safety of workers, 20 training courses on the topic of Health and Safety were conducted for the Nexi Italy perimeter through e-learning platforms and HR activities.

With regards to occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations, Nets Denmark is required by law to provide Occupational Health and Safety training to employees working within the Work Environment Organisation (WEO). Training regarding work-related hazards, hazardous activities, or hazardous situations has not been provided in 2022 to employees outside the WEO.

Once a year Nets Finland organizes first aid courses to interested participants. Employees also can request a physiotherapist to assess their work ergonomics. Once a year Nets Branch Norway organizes a voluntary first aid course. All employees that request so, can take a EHS course. Employees also can request a physiotherapist to assess their work ergonomics.

## Promotion of workers' health

For the entire Nexi Group, it is very important to promote health and safety, especially in recent years following the Covid-19 pandemic, which is why various initiatives related to the topic are put in place.

A psychological support program and a flu vaccination campaign have been activated within Nexi's Italian perimeter to support workers.

With regards to Nets, they are an employer responsible for the promotion of workplace health and safety and follows the national rules and regulations in force in the countries where the Company operates. Some examples of initiatives carried out in Nets companies are:

- Health check for night workers ct. Danish Work Environment Act
- Online guidance re. ergonomic in the home office
- First Aid Courses
- Possibility of participating in subsidized sports activities and programs.

## Collective Bargaining Agreements

The Nexi Group currently operates in various areas of the world, with legal entities located in different regions and countries having different laws and regulations. All group entities operate according to the legal requirements of the country in which they are located, complying with all laws and regulations, including local labor and market standards.

In Italy, Belgium and Greece (Nexi Payments Greece and Nexi Greece Single Member SA) all employees are covered by collective bargaining agreements. In Austria, an IT-CBA industry contract, along with supplementary agreements between companies and employees, and the IT-CBA contract applies specifically to PforCards. In other countries, national regulations on bargaining agreements guide the Group's conduct on the topic.

In Italy, where 36% of employees of the Group are located, in the event of significant operational changes that could substantially affect employees' work lives, the collective agreement provides for a special union procedure that can last from a minimum of 15 days to a maximum of 50 days. These provisions are contained in Article 19 of the collective bargaining agreement. 100% of employees in Italy are covered by collective agreements.

Nets carries out frequent consultations and negotiations with the National Labor Council based on national law, the collective agreement and the applicable company agreement. Whenever changes are made, employees are informed in accordance with the regulations on the notice period established in national legislation, the collective agreement, or the company agreement.

For the minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them, Nets Denmark follows local legislation, the Danish Salaried Employees Act. Pursuant to this, the employees must have a minimum of 14 days and up to 6 months' notice before the changes. This can vary, depending on the employee's seniority at Nets Denmark.

In Nets negotiation is governed by the provisions stated in the CBA. Prior to making the changes Nets must discuss them within the Workers Council in Denmark.

With regards to the branches located in Finland, according to the Finnish Co-operation Act, any proposal on significant operational changes that could substantially affect employees must be negotiated with employees or their representatives at least for 2-6 weeks. Any amendments to an employee's terms and conditions must follow the employee's own notice period which derives either from the collective bargaining agreement or individual agreement.

For the Norwegian branches, according to the Main collective agreement between Finans Norge & Finansforbundet any changes that will significantly alter the employees has to be communicated to the union representatives as soon as a committee has started discussing such changes. Any amendments to the employees' terms and conditions must follow the contract's notice period, which in Norway is 3 months from the beginning of the month, and one month for contracts in probation period.



## 3.2 VALUING CUSTOMERS

**GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data**

### Customer centricity

The daily activities, new products, innovation and investments of the Group are always calibrated by putting the customer at the centre.

For this reason, Nexi Group constantly monitors and detects the needs of its customers through both customer satisfaction surveys and through the constant detection and analysis of the Net Promoter Score (NPS), as well as through the management of complaints and the analysis of feedback on digital application stores.

The Group's constant aim is to spread the culture of customer satisfaction among all its people, with the aim of improving service levels and customer relations. To this end, the change management initiatives launched, in the Italian perimeter, in the previous years have been further strengthened in 2022:

- periodic listening to a selection of customer calls by Upper management, in compliance with privacy regulations, to identify possible improvement initiatives;
- sharing the results of the most recent surveys aimed at gathering private customers' perceptions and its services in corporate staff meetings;
- launch of "Customer Olympics" initiative in Italy to spread Customer Centricity culture across all organization level and to generate engagement which included activities such as:
  - Competition between teams made up of L3 Nexi and "ex" SIAs, based on the following Olympic disciplines:
    - Listening to calls from the call center operator (on site or by remote working)
    - Observe the installation or maintenance of a POS
    - Listen to ATM monitoring calls
    - Replacing old CartaSI window sticker with the new Nexi;
- presenting the "NexToCustomers" program to colleagues of other regions (Nordics, Dach, and CSEE) to spread the Customer Centricity framework and to align the same NPS methodology in the whole Nexi Group. This was done through meetings with colleagues from other Regions to explain why Customer Centricity is important, and the methodology used, taking Italy as an example
- the presence of specific NPS targets for the Business Units: this initiative was already present in previous years, some Nexi employees have a specific NPS target that flows to their MBO. The targets are differentiated by BU because the performance of individual BUs is different

Consistent with previous years, also in 2022 the Group invested in listening to customers to continually improve its solutions and explore customer needs affected by external context (i.e. Russia-Ukraine war and the costs increasing of raw materials and energy).

This process has been further strengthened, in the Italian perimeter, in 2022 by:

- the introduction of new surveys and the identification of specific improvement actions in business units;
- the implementation of a new NPS survey dedicated to Partner Banks;
- the evolution of the detection method, with increased frequency and automation of some aspects of NPS.

Also in the Nordics, most of the customer interactions are monitored through surveys of merchant customers and IeS (issuing, e-Security, digitization) service customers of the Cards & Digital Payments Business Unit to identify areas of improvement and the areas of services and products most appreciated.

Based on the results, the aim is to continue to work to improve accessibility to services, reducing waiting times and improving agent skills to ensure more effective contact resolution. For this reason:

- all IeS customers (Issuing, e-security, digitization customers) across Nordic regions have been included in the annual survey;
- the Annual Customer Satisfaction Survey has been conducted throughout Customer Agency.

## Net Promoter Score

The continuous improvement path is confirmed in 2022 by the Net Promoter Score value achieved on the Italian perimeter (+18% vs 2021 and +11.5% vs 2022 target).

During the year, NPS values above 50 were reached for some customer categories (cardholders and partner banks). Indeed, in 2022, Nexi Group launched important initiatives for Intesa Sanpaolo merchants (e.g. micropayments, replacement of old POS,...) and merchants and Intesa Sanpaolo Partner Bank particularly appreciated the attention to their needs and expectations.

In addition, in 2022, the Group extended the NPS calculation to Unicredit bank as part of the Partner Bank NPS survey and began to extend NPS methodology to the whole Group.

The 2023 NPS target will be calculated based on a different weight of Nexi Group customer clusters: 10% owners, 60% Group merchants and 30% Partner Banks, unlike previous years when the overall NPS value was calculated as the average of three customer clusters (owners, merchants and Partner Banks).

With a view to continuous improvement, once the NPS methodology is extended to the Group's different geographies, NPS indicators will be included among the specific management objectives for the other Nexi Group regions outside Italy as well as included in the metrics for calculating remuneration.

## Complaints

Complaint management is an important tool to monitor customer satisfaction and ensure the quality of service provided. In this sense, the management operated by the Group is inspired by the principles of transparency, quality and continuity of service.

In this regard, Nexi Group has internal regulations that define the roles, responsibilities and operating methods useful for identifying critical areas and areas for improvement,

to strengthen the relationship of trust with customers and reduce operational risks and damage to reputation.

For the Italian perimeter, the customers can submit a complaint in writing in the manner indicated on the website [www.nexigroup.com](http://www.nexigroup.com) in the dedicated sections. The dedicated functions are responsible for responding to each complaint in writing within 15 working days, in accordance with the rules established by self-regulatory initiatives or supervisory regulations on complaints relating to payment systems.

The Complaints Management Function processes requests for clarification from the Supervisory Bodies in the field of banking and financial transactions and services, as well as periodically ensuring the required information flows to the Group's corporate bodies.

For Nexi Payments Greece, the Complaints Management process is initiated by the merchant, who addresses a complaint via email ([npgr.complaints@nexigroup.com](mailto:npgr.complaints@nexigroup.com)) or post. The Complaints Officer is responsible for responding to complaints appropriately and in a timely manner. Based on the PSD2 Directive 2015/2366 and the respective local law 4537/2018, a written response is requested within a reasonable period and at the latest within 15 working days from receipt of the complaint.

In the Nordics, all the customers have the possibility to send a written complaint which will be handled by the Complaints Manager in the country. In some countries it is also possible to issue a verbal complaint. In the latter case, the guidelines prescribed by PSD2 and the requirements of local authorities.

## Brand reputation and Brand awareness

In 2022, Nexi further increased and strengthened its position in the market with an innovative solution offering for all Stakeholders, Customers, Merchants, and Public Administrations.

In particular, Nexi is positioned to balance the values of Innovation, Proximity, Reliability and Security, and Leadership/Internationality/Quality.

According to research by Nextplora (Dec22 on data Nov22) and Reputation Institute, ReputationTracking (Dec2022), Nexi's Brand Reputation and Notoriety continue to grow in terms of brand recognition, association with the world of digital payments and especially in terms of reputation and brand awareness. With a Reputation (overall) of 82.7 percent for Top familiar with Nexi.

## Data security

### Privacy and data security

Information security is among Nexi Group's top priorities, and is essential to safeguarding business, gaining and maintaining customer trust, ensuring compliance with regulatory obligations, and maintaining competitive advantage, profitability, and growth.

Nexi Group promotes an environment of ethical and controlled information handling, aiming to protect information and information systems against Security threats that may adversely affect Nexi Group and its stakeholders.

In addition, Nexi Group maintains strong relationships on Security matters with all related

external stakeholders, including customers, suppliers, relevant authorities, security expert groups at international scale, as well as peers and counterparties within the financial market ecosystem.

Internally, the Nexi Group has established a framework consisting of regulations, codes, policies, standards, and organizational procedures that aim to define governance, planning, design, and implementation activities, roles and responsibilities, processes, and resources to maintain the confidentiality, integrity, and availability of managed information (our security policies are applicable to the Nexi Group, including all subsidiaries and lines of business). This set of documents includes the Group Information Security Policy, which is updated regularly or when significant changes occur and approved by the Board of Directors.

At external level, Nexi Group has published on the official website information relevant to the importance of cyber security and its relevance for the whole Group. In addition, this section details further the approach adopted by the Group to be resilient-by-design and to grant security on product and services offered<sup>25</sup>.

An Information Security incident is a suspected or confirmed violation of the confidentiality, integrity or availability of information assets that could cause harm to Nexi Group and related stakeholders. Nexi Group's information assets are a potential target for internal and external Security attacks. This fact implies that, regardless of the preventive controls in place, Security incidents could still occur. In such cases, immediate and effective actions are required to resolve the incidents, minimize their adverse impacts on business operations and customers, avoid significant financial, legal or reputational implications and, most importantly, prevent their reoccurrence.

For this reason, the Security Incident Response Plan (IRP) is established and maintained, including roles and responsibilities, communication channels and escalation paths, as well as the management workflow covering the entire incident lifecycle (prediction and detection or reporting, investigation and analysis, classification and assignment, response and containment, eradication, recovery, incident closure and reporting, evaluation of lessons learned and forensics). The IRP includes requirements for classification and ensuring reporting of personal data breaches to designated data breach management procedures under GDPR.

In order to identify, mitigate, and manage IT risks, the Nexi Group conducts assessment activities annually, or when there are significant changes in the organization and its processes. Specifically, the Group has defined an approach for risk identification that combines:

- Enterprise Risk Management - ERM risk analysis, which consists of a top-down approach aimed at identifying the main security risks applicable to Nexi Group environments.
- IT Risk Assessment (ITRA) - IT risk analysis, which consists of a bottom-up approach aimed at assessing the effectiveness and efficiency of IT and security controls applied to ICT resources.

This combined approach allows Nexi Group to evaluate the cyber risks starting from different perspectives with converging results. In particular, the defined process starts with the ERM assessment that identifies the main risks and security gaps that are then compared to the results of ITRA for consistency check.

Related remediation activities are then identified and implemented according to the results emerging from the two analyses according to the risk prioritization level adopted. In addition, the Group has defined multiple security capabilities that are adopted to mitigate those risks, such as:

- (i) workstation security;
- (ii) external Network Security;

<sup>25</sup> The section is available publicly at the following address: <https://www.nexigroup.com/en/sustainability/stakeholder/clients/cyber-security/>

- (iii) local network security;
- (iv) application and server security;
- (v) data security;
- (vi) security monitoring;
- (vii) vulnerability management performed at application and infrastructural level;
- (viii) third party security;
- (ix) security awareness;
- (x) physical security (e.g., access criteria / monitoring, classification of business areas, ...).

Finally, to mitigate potential impacts on a financial level, Nexi Group has also contractualized a cyber insurance that covers economic impacts deriving from data breach scenarios.

The Nexi Group has defined a Security Master Plan that is used to track and monitor all security initiatives that have been or will be developed over the years to achieve the target security architecture. This tool is periodically reported to the CISO (Chief Information Security Officer) and CIO (Chief Information Officer) so that top management is aligned on the goals, objectives, and performance achieved on current initiatives.

The Security Master Plan is constantly supplemented and enriched by:

- IT Risk Assessment results and remediation plans;
- improvement plans deriving from certifications obtained (e.g., ISO27001, PCI-DSS, ...);
- activities performed by the control functions (audit, risk and compliance);
- improvements deriving from ERM reporting on key risks that impact the Group.

Key stakeholders, including top management (CIOs and CISOs), are periodically engaged through dedicated IT Risk Assessment and ERM reporting. In addition, the Board of Directors is also periodically informed through dedicated IT resilience reporting that includes relevant updates on internal cybersecurity-related topics from the Master Plan, overviews of incidents that have occurred, and threat information from external sources.

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## Managing privileged information

The “Regulation for processing Relevant/Privileged Information, the establishment and maintenance of the Relevant Information List, the Insider List and Internal Dealing” is in force in Nexi for the management of privileged information.<sup>26</sup>

<sup>26</sup> The Regulation for handling relevant/inside information, set up and management of the RIL, insider list and internal dealing defines inside information as “information of a precise nature which has not been made public, relating directly or indirectly to the Issuer, including with reference to one or more subsidiaries, or to one or more Financial Instruments of the Issuer, and which, if made public, would be likely to have a significant impact on the prices of the Financial Instruments or on the prices of related derivative financial instruments.”

The Regulation aims to regulate, in addition to confidentiality and reporting obligations, the process of managing documents and information concerning Nexi and the companies belonging to the relevant Group, with particular reference to confidential information and privileged information, as well as the establishment, keeping and updating of the records of the subjects who have access to the aforementioned information and the Internal Dealing obligations. The Regulation is aimed at ensuring compliance with the laws and regulations in force on the subject and ensuring Nexi's timely, complete and adequate communication to the market of the Group's privileged information while guaranteeing the utmost confidentiality until their dissemination to the public.

## Cybersecurity, Privacy and Compliance training

In the Nexi Group, mandatory training is provided in constant compliance with current regulations and includes courses on privacy, money laundering, occupational health and safety, with the aim of providing adequate knowledge in compliance with legal and industry regulations and promoting a culture of transparency and fairness.

Security training is mandatory for all employees. In addition specific trainings are provided to relevant roles and functions. For the first time, a single mandatory annual security e-learning course was distributed across the Nexi Group in 2022. The course covered the main aspects of the Nexi Group End User Security Code of Conduct. It also contained information about the Nexi Group Security Framework and the Payment Card Industry Data Security Standard (PCI DSS).

In 2022, Group Compliance training was provided integrating the ex-SIA perimeter, thus also including courses in English for the non-Italian perimeter.

In 2022, the focus was on IT Security Awareness, giving priority to the security and protection of information in order to preserve the protection of information assets and to increase the awareness of each employee.

In the area of Privacy, all activities that need to process personal data have seen Nexi Group increase its commitment to adapt its organizational model and operating methods. The new Group GDPR course and specific online course on the 'Go GDPR' application and on System Administrators were delivered.

The Anti-Corruption and Code of Ethics course was delivered, with the objective of defining the set of values that the companies of the Nexi Group must be inspired by in the performance of their business activities, as well as disseminating the principles aimed at identifying and preventing potential acts of corruption that could emerge in the performance of the same activity.

With Business Continuity training, the Nexi Group raised staff awareness on the issue of Business Continuity, as required by current regulations, reference standards and Group Policy.

The Group continued to provide training on regulations:

- Anti-Money Laundering;
- Antitrust;
- Unfair Commercial Practices;
- Market Abuse and Related Party Transactions;
- Courses on Legislative Decree 231/2001.

For the maintenance of SA8000 and ISO14001 certifications, online courses and specific focus on Social Accountability and Environmental Management System were delivered.

## Data Protection

Nexi Group's Data Protection Officer (DPO) is responsible for monitoring compliance with EU Regulation 2016/679 on data protection (the so-called GDPR) and any other applicable provisions relating to the protection of individuals with regard to the processing of personal data at Italian and European level. In particular, the DPO is involved in all matters relating to the protection of personal data, advises on obligations and compliance with existing legislation, issues opinions on data protection impact assessments, informs and advises the Board of Directors and, finally, acts as a point of reference for the Data Protection Authority and stakeholders.

Privacy complaints are handled according to specific internal regulations, in particular the privacy regulation entitled "Protection and processing of personal data", and the procedure relating to the "Management of data subjects' rights". In 2022 in reference to Nexi Group, the Function, in collaboration with the Data Protection Officers of the various Group companies, supports HR Function with the Group Employees Survey "Our Voices Survey" for the data protection issues and the assessment of the supplier involved.

During 2022 periodical meeting related to the DPOs' community were organized with the aim of sharing best practices on the subject of personal data protection, ensuring consistency on the subject within the Group; in particular in 2022 third party risk management was the main topic.

Two important initiatives were also carried out in 2022:

- the Data Retention project continued with the aim of identifying and deleting personal data stored on electronic or paper media that exceeded the retention periods established by law;
- an assessment of the ex SIA third-party providers designated as data processors was carried out in order to identify the providers processing data in non-European countries in order to perform a Transfer Impact Assessment (TIA) and update the contracts with the new Standard Contractual Clauses approved by the European Commission in 2021.

Finally, in order to strengthen all employees' awareness on the importance of proper management and protection of personal data, in compliance with current regulations, specific training courses were held remotely in 2022.

Nets GDPR governance is structured in a hybrid approach with certain activities carried out and supported centrally in corporate functions and the rest decentralised under the direct responsibility of the respective business and corporate units. The model also applies three lines of defence.

The first line of defence is corporate entities who have designated employees as GDPR advisors to the unit. In 2022 additional GDPR expert resources were allocated by business units to support operational compliance.

The first line is supported by several transversal GDPR procedures and tools, including by example the compliance tool for data mapping and repository of processing activities, a Data Subjects Rights portal, a retention control and compliance platform, and applications support for Data Breach procedures.

The second line of defence is responsible for monitoring compliance with the GDPR through the Nets DPO Office. The Nets DPO office is responsible for monitoring, advising and enforcing compliance with the GDPR and local data protection regulations in all

countries in which Nets entities operate. For legal entities operating on a "stand-alone" basis, designated local DPOs are contracted who interact with the Nets DPO office.

The third line of defence is internal audit who is responsible for carrying out internal audits regarding e.g. compliance with the GDPR.

In 2022 various GDPR compliance assurance activities was continued, including but not limited to:

- roll-out of 2nd line monitoring across entities;
- new GDPR e-learning platform was established;
- international data transfer compliance.

## Reports of alleged violations of the Privacy Code

In 2022, Nexi Group received 3,245 requests from stakeholders, pursuant to Articles 15 et seq. of the GDPR, all of which were processed. Of these requests, 3,241 were received from external parties and substantiated by the organization, 4 from regulatory bodies.

It should be noted that during 2022, Nexi Group recorded 10 minor events for which a report to the Data Protection Authority was not necessary, as they were not classified as high risk for the rights of the data subjects.



## 3.3 OUR CONTRIBUTION TO MODERNIZATION

### Financial inclusion

As mentioned in the Sustainability Policy, Nexi Group contributes to the spread of the digital payments culture and of new technologies by facilitating access to services for the community, including the services provided by Public Administration. The Group's activities also support key production sectors in the reference economic landscape by facilitating financial transactions for all the actors involved.

Nexi Group aims at providing equal opportunities in accessing financial products for all populations and minorities and supporting the micro businesses digitalization journey.

### Merchant Services & Solutions

Nexi Group continued its efforts to invest in new payment products and services to ensure complete and up to date portfolio solutions for already existing customers and for new ones. New vertical-focused solutions have been designed to meet ever-evolving merchants' needs and to meet the latest market trends. Focusing on customer centricity, during the, in Merchant Services value creation was pursued by offering multiple initiatives and new product/services, as:

- **"Micropayments"**: a promotion dedicated to small merchants, reducing POS transaction fees on payments up to €10;
- **"Nexi Welcome"**: a campaign to support small businesses in the experience of receiving payments via mobile, with a zero monthly fee policy and a single percentage commission on major credit and debit cards;
- **"POS Extra zero-fee"**: a solution to ensure business continuity in the event of faults and/or increase in flow volumes in the point of sale;
- **Connexi value**: banks and partners digital onboarding channel enabler to target SME acquisition and activation;
- **POS network renewal** by spreading innovative dual connectivity POS to boost Nexi range performances both on new acquisitions and on actual network through Upsell and obsolete devices replacement;
- **SmartPOS**: new services and features added such as tips acceptance and CRM & Loyalty ready-to-use solutions;
- **SoftPOS**: solution to enable merchants to use Android devices to accept contactless card payments, already launched in Nordics and DACH, launch in Italy expected in 2023;
- **Merchant Financing (Nordics)**: solution aimed at providing financing to merchants using data on transaction volumes and revenues to calculate financing options and repayment schedules, assisting SME merchants in managing their operating capital and cash flow needs;
- **Data Analytics (Nordics)**: solution developed for SME & LAKA retailers and partners enabling them to create customizable dashboards with in-depth analyses of performance, consumer behavior and industry benchmarking;

- **“SmartPay” (Nordics):** innovative POS solution which allows customers to accept mobile payments via smartphone, tablet or terminals (android-based). Available in Germany and in Austria;
- **“China-card package by SmartPay” (Nordics):** enable of new card schemes by Smart-pay; expansion of card acceptance to address a broader, global customer base;
- **“Sales-Supporting campaigns” (Nordics):** different campaigns to support small businesses with a reduced terminal price or a monthly waiver fee.

During the 2022, the Group's digital channel offering was strengthened and enriched by:

- **self-care solutions:** Nexi Business has improved the merchant experience through the creation and implementation of a smart webform which guides the user in the resolution of a specific set of issues;
- **Up-selling capacity:** together with an improved experience, Nexi Business has enriched its portfolio of products and services with the introduction of new commercial propositions (e.g., Kit Start) and capabilities (e.g., POS addition on existing shops);
- **Nexi Enterprise:** the LAKA portal has been consolidated both in terms of user experience and performance to provide large clients with a better and more user-friendly customer experience.

Moreover, in 2022, Nexi Group evolved its e-commerce offer with the following advancements:

- **boost:** a new bundled proposition was launched to enhance and increase payment acceptance rates for more than 10,000 merchants in Italy ecommerce customer base. The bundle includes transaction risk analysis, advanced tokenization, and fast checkout;
- **omnichannel proposition** to support first use cases: Click and Collect and Card Tokenization at POS for Nexi POS and ecommerce customers, to enhance multichannel payment experiences;
- **platforms consolidation** by dismissal of two local gateways migrating more than 15,000 merchants in back-book to gateway target XPAY;
- **expansion of Plug-Ins** to increase reach of XPAY solution to new platforms;
- **Nexi Relay (Nordics):** deliver of new payment methods via Nexi Relay, providing a single point of integration to APMs for the full Nexi Group of PSPs;
- **Recurring Payments (Nordics):** the already existing Subscription payment capabilities on Easy will now support recurring payment;
- **Oracle Integration (Nordics):** upgraded Oracle Payment Interface (OPI) integration in Netaxept which manages connections to hotels and their booking systems, supports key pre-authorization use cases;
- **Paytrail “Shop-in-Shop” (Nordics):** smooth shopping experience for consumers, allowing the sale of products or services of several different merchants in the same shopping cart and transaction;
- **P24 - Integration with Donateo (Nordics):** a technological digital fundraising platform using the latest solutions in the field of non-cash payments in the charity sector;
- **P24 - Integration with Visa Mobile Pay (Nordics):** a new electronic wallet provided by VISA, simplifying the card transaction process. The solution allows a customer to confirm the online transaction in the bank's mobile application - without entering card details;
- **P24 - Merchant Verification Module (Nordics):** development and expansion of the MVM (merchant verification module) for marketplace platforms, shop platforms - a solution that allows automatic onboard new merchants granting a better and smoother digital experience.

## Cards & Digital Payments

In 2022, Nexi Group launched several projects to achieve ambitious goals in terms of ESG strategy and digital positioning, in particular:

- **Carbon Calculator and Donation Platform Program:** a new sustainability-oriented approach to accelerate greener consumption behavior as well as making customers taking an active role in solving ESG issues through charity activities;
- **Green cards:** improving eco-friendly design of products using recycled/ocean plastic to drive products' dematerialization through digital properties;
- **YAP:** the money app for Gen Z and Millennials has been continuously improved through the year, reaching one million customers at the end of the year;
- **Nexi International Debit:** spread of international debit cards with a mix of upgraded digital and innovative functionalities enabled for being useful, fully digital and usable online and worldwide;
- **"Commercial" cards:** increased go-to-market efforts for Commercial products aimed at medium and large-sized companies to effectively manage business travel expenses, to optimize e-procurement and working capital and to increase efficiency from travel expenses managed through a business travel agency;
- **Digital Identity core platform (Nordics):** digital Identity platform is running on cutting-edge infrastructure, which is flexible and modular covering all aspects of a state-of-the-art solution;
- **Digital Identity for Enterprise (Nordics):** MitID for Enterprise and the new onboarding was successfully launched in Denmark. The solution includes Qualified Electronic Signatures, Qualified Time Stamping service, Single Sign-on, IAM support, and Power of attorney system;
- **Lending Platform (Nordics):** an extensive product suite powering banks and merchants to offer consumers BNPL products and other versatile financing options at different touch points;
- **Nexi Pay Smart:** to further sustain the widespread of digital payment solutions through cardholders and partner banks.

## Digital Banking & Corporate Solutions

The innovation roadmap for Corporate Banking, Instant Payments, ATM and Open Banking services continued in 2022. The development of cutting-edge technological solutions in the field continued in 2022, as demonstrated by the following solutions:

- **PagoPA:** service providing electronic payments to central and local public entities throughout ATMs of Italian Network and in the near future onboarding institutional initiatives;
- **CBI Globe PSD2 Gateway (Global Open Banking Ecosystem):** technology infrastructure gateway that enables banks and financial institutions to comply with PSD2 regulatory requirements by providing access to account data to authorized third parties;
- **CBI Globe Active Functionality:** platform that allows third-party providers to reach all the financial institutions operating in the Italian banking market;
- **PagoinConto (PISP):** a solution which enables Partner Banks and large companies to provide an innovative account-based payment service;
- **Check IBAN:** service that allows to verify, with certainty and in real time, the correctness and existence of a debtor/creditor's IBAN and its match with the tax code/VAT number of the account holder;

- **Check IBAN Plus:** service allowing companies and public bodies to verify, with certainty and in real time, the correctness and existence of their debtor/creditor's IBAN and its match with the tax code/VAT number of the account holder;
- **Nexi Open:** open ecosystem offering Partner Banks a wide range of turnkey services and innovative solutions based on open banking technology;
- **Smart Onboarding:** service to collect real-time information (personal data, contacts, IBAN and identity documents) provided by the Intermediaries with which end users have a current account relationship, subject to their consent.

## Society digitalization and progress

In 2022, Nexi Group continued the journey to become the leading European Paytech supporting the transformation into a cashless society through its commitments in digital innovation and digital payments development.

During the whole year, the Group has been focusing on reinforcing its solutions portfolio for merchants, consumers, and banks to provide always more digital payments solutions. This commitment results in an improvement of already available solutions as well as in bringing to the market new innovative products, making Nexi a real point of reference in the digital payments ecosystem. Moreover, Nexi Group has continued to be a reference player in payments ecosystem by supporting and participating in multiple events both in Italy, the Nordics, Poland, DACH region as well as Europe to contribute to the public debate on digital development with different areas of interest, such as: digital and mobile payments, fraud prevention, omnichannel solutions, open banking.

In the Italian perimeter, in 2022, the *Brand & Communication* activities were meant to increase development, support products and services of all the Business Units in partnership with partner Banks. In particular, the function operated actively in *Cards & Digital Payments products and services, Digital Banking Solutions and Merchants services and solutions*.

Some of the initiatives developed are:

- the advertising campaign aimed at developing the awareness on digital payments through press page, banner, dressing tram, domination on metro stations;
- the integration of renewal journeys, credit card remakes and duplicates with focus on a safe use of the card and useful services connected with the card for new clients of credit cards;
- the reward program *iosi* dedicated to all the customers with monthly coupons, gift cards and many other benefits;
- "Project Pay Like a Ninja" an initiative to support the education to the knowledge and use of digital payments with the target of secondary school students;
- the Salone dei Pagamenti training session with a focus on the origin of coins, the evolution of digital payments, the crypto currencies, and mobile payments, with the target of secondary school students and universities;
- the new joint venture between Nexi and Alpha Bank with the aim of transforming merchant solutions in Greece and thus open the way of new era of digital payments.

In the Nets perimeter, in 2022, the *Brand & Communication* activities were meant to increase development, support products and services of all the Business Units in partnership with partner Banks.

Some of the initiatives developed are:

- numerous engagements with SME segments in all geographies to boost e-commerce
- in the DACH perimeter running pilot projects on acceptance of cryptocurrencies
- expanding our offerings on soft-pay solutions enabling SME merchants easier access to payments
- “dankort” national scheme introduced to Apple Pay for the largest Danish bank issued cards
- continuous dialogue with authorities in all geographies to share payment data to enable governments to make more informed policy choices.

Moreover, the increase of customer satisfaction value perception and the development of partnership ecommerce registered in 2022 and the launch of the Nexi Partner Program. The latter is an ecosystem of more than one hundred web agencies, software houses, associations and affiliated e-commerce platforms. The program has the objective of letting grow digital payments world and render it more accessible to all merchants. In fact, by becoming Nexi Partner Program Partners clients get the brand mark Partner Qualified Partners and offer the customers the advantage to have inside their business Nexi payment solutions suitable to their needs. The Nexi Group aims to become, more and more, a driver of innovative and technologically advanced solutions in the payments markets and, for this reason, constantly invests in technology and expertise, with a constant focus on excellence and security of its products and services.

In 2022, the Nexi Group's technology investments amounted to 350 million euros. Regarding business innovation, medium- to long-term strategic developments and initiatives to be developed on an annual basis are defined by the Group's Business Strategy Function. Through its activities, the Function supports Top Management and the Board of Directors in defining, monitoring, and reviewing the guidelines of the Group's strategic plan. The Function constantly collaborates with an international digital innovation ecosystem consisting of international fintech communities, startup accelerators and incubators, developers, investors, commercial banks, and business partners.

## Group Partnerships

During the whole 2022, Nexi Group reinforced its partnership network through several key strategic deals with partners to strengthen together the digitalization of the payment ecosystem going towards a cashless society. Among all, the most relevant ones are:

- **Microsoft:** Nexi Group was selected by Microsoft as one of its preferred digital payments' providers for e-commerce in core European markets thanks to its unique differentiated positioning combining large scale & customer proximity;
- **Global Blue:** the leading technology company in tax free shopping and added value payments, signed a strategic partnership to provide frictionless omnichannel payment experience for the hospitality, restaurants, and retail;
- **Zucchetti:** another important contribution to SMEs digitization by allowing them to provide businesses and merchants with a fully integrated offer (core banking, open banking, merchant services and issuing services);
- **Olivetti:** to further push digitalization, Nexi Group partnered with Olivetti, a company specializing in IoT and operating as part of TIM Enterprise;
- **Plug&Play:** this collaboration represents an important bridge between Europe and Silicon Valley allowing Nexi Group to connect and engage with new startups approaching payment ecosystem;
- **Piteco:** the partnership enables large corporations and SME to have a new digital payment solution to optimize e-procurement and working capital with a complete integration in their authorization and payment processes.

# NEXI'S COMMITMENT TO THE ENVIRONMENT



# 4

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## 4.1 ENVIRONMENTAL COMMITMENT<sup>27</sup>

- GRI 302-1: Energy consumption within the organization**
- GRI 302-2: Energy consumption outside of the organization**
- GRI 302-3: Energy intensity**
- GRI 305-1: Direct (Scope 1) GHG emissions**
- GRI 305-2: Energy indirect (Scope 2) GHG emissions**
- GRI 305-3: Other indirect (Scope 3) GHG emissions**
- GRI 305-4: GHG emissions intensity**

The Group contributes to combating climate change by measuring its direct and indirect impact, as well as the impact of climate on its business model, committing to reducing the level of its emissions and increasing the resilience of its operations. Actions related to environmental sustainability are consistent with a progressive reduction of the Group's environmental impact through the definition of initiatives aligned with its environmental commitment, constant monitoring, and actions to reduce greenhouse gas emissions from its data centers, production sites and real estate.

In addition, the Nexi Group adopts policies that incentivize the use of sustainable modes of transportation, strives for continuous monitoring and improvement of the impact of products, services, and processes, and regularly assesses its consumption of raw materials and energy, defining actions to reduce them.

### Buildings and properties

With regard to Nexi **buildings and properties** in the Italian perimeter, in 2022 Nexi has continued implementing activities aimed at reorganising its workspaces, with the aim of ensuring a safe, comfortable and environmentally friendly workplace.

Several initiatives have been put in place during 2022, such as:

- the start of the LEED (Leadership in Energy and Environmental Design) certification process for the Milan-Gonin building;
- in Italy, the paperless initiative, which has led to a reduction of almost 90% in the use of paper in paper consumption data and the plastic less project, which has included the installation of water fountains in all Italian offices to avoid the use of plastic bottles;
- Nexi Payments' commitment to improving energy and water consumption and support for obtaining Green Building Council certification for Nexi Payments SA branch.

Particular attention was paid to reduce energy consumption due to the reduced availability of natural gas and the risk of power interruptions. Therefore, action was taken by carefully setting the equipments, reducing space heating in winter and restricting cooling in summer, reducing office lighting hours, implementing an IoT platform to adjust efficiently heating/cooling parameters and sensitising employees on the issue.

Moreover, in Italy, some plant modernizations have made it possible to reduce energy consumption in 2022, such as: continued installation of led lamps in Milan headquarter, disposal of the gas heating system serving the Corso Sempione building in Milan, the replacement of old diesel generator and old gas heating boilers with new ones., the re-vamping of Marcallo Card Production HVAC system with a more efficient one and the installation of a new cooling chiller.

These optimisations for the Italian perimeter will continue in 2023 by several initiatives, including: the modification of the heating control system, the switching off of cooling machines - when possible- and the complete switching off of lighting, including advertising after working hours. And, in terms of plant modernisation, with the installation of a photovoltaic power plant, new infrastructure for the cooling of Data Center and the upgrade of

<sup>27</sup> Note that for the environment data, the Nets Denmark A/S UK Branch and Nets Denmark A/S (French branch) were excluded from the reporting boundary.

the Data Center UPS (*Uninterruptible Power Supply*) system with higher efficiency systems.

In addition to the improvements and enhancements of the energy impact, the actions that are leading to better environmental performance are the reductions in office spaces. Some perimeter optimisations already completed are: the reduction in the number of offices building in Milan from 4 to 2 following the merger with SIA, the office space reduction in South Africa, the reduction of office space in Hungary and the office space reduction in Denmark in two locations, for the 50% and the 24% respectively. For 2023, the consolidation of Roma's two offices and of all operations in 1/3 of the total office area in Greece are planned.

In order to improve energy efficiency, an external Energy Management service has been engaged for the Italian perimeter, in order to:

- monitor consumption and identify actions, interventions and procedures to promote a rational use of energy;
- draft energy statements;
- support Nexi in providing public authorities with the energy data required by the relevant laws;
- integrate energy saving policies with environmental and corporate policies in an increasingly consistent, efficient manner and in line with industry best practice.

## Data Centres

During 2022, the Group carried out an in-depth mapping and evaluation of its Data Centres, whose current organization and geographical distribution is the result of the merger of Nexi Nets and SIA. In line with the initiatives carried out in the previous financial year, in 2022 the Group continued its journey of insourcing and consolidation, aimed at simplifying internal processes, improving the services offered by the Group, increasing energy efficiency and reducing the overall environmental impact connected to Data Centres. Specific actions were carried out in Norway, Denmark, Finland and Greece to:

Decommission peripheral facilities;

Optimize the infrastructures;

Increase energy efficiency of the "target facilities" (i.e., the Data Centres considered strategic for the Group).

Further planning started in the last quarter of 2022 and will be carried out from 2023 across the Group, also in accordance with the long term decarbonization targets.

## Employee mobility

In the Italian perimeter, and with the intention of extending initiatives to the entire group, special attention is worth giving to employee mobility as, since the end of 2020, the Group started introducing several strategies and policies to support sustainable mobility for commuting trips and encourage alternative transport solutions. Moreover, to monitor mobility indicators, every year the Group submits a Mobility survey to all employees.

In this regard, the initiatives carried out are:

- car-pooling program: the Group, in 2022, introduced a company car-pooling platform where employees can share rides for home-work trips (JojobRT);
- incentives program which rewards employee who choose to travel sustainably with monetary incentives to those who walk, use micro-mobility or car-pool to work;

- incentives for public transport;
- car-sharing program: several partnerships with mobility providers both for business travel and commuting;
- micro-mobility infrastructure: installation of specific charging stations (13 station in Milan headquarters) or possibility to use public stations by joining A2A E-Moving.

In 2023, Nexi Group will gradually open new charging stations in other satellite offices on the Italian perimeter, following the spread of plug-in vehicles. Projections show that with a larger plug-in fleet and an increasing number of electronic recharging stations, fleet emissions could decrease by more than 25%.

The Group car fleet in 2022 is composed of 476 vehicles, of which 91% in Italy. Compared to 2021, the fleet has doubled (+16%) due to the merger with SIA. It is worth highlighting that the incremental growth of cleaner vehicles (*hybrid and plug-in hybrid*) led to reduce diesel fueled vehicles from 90% to 58%.

## Decarbonization targets

In line with the Group's commitment, mentioned in the Sustainability Policy available at [www.nexigroup.com](http://www.nexigroup.com), to reduce its impact on the environment, in 2021, the Parent Company's Board of Directors approved the Nexi Group's direct and indirect emissions reduction targets for the Italian perimeter. The targets were then approved by the Science Based Targets initiative (SBTi), a prestigious international network created by WRI, CDP, WWF and the UN Global Compact.

The decarbonization targets are aligned with global climate change goals to help limit global warming to 1.5°C above pre-industrial levels. In this context, Nexi Group has committed to reducing absolute Scope 1 and Scope 2 GHG emissions by 42% in Italy by 2030, starting from the 2020 baseline. In addition, the Group pledged that 78% of capital goods suppliers in Italy will adhere to SBTi by 2025.

The Nexi Group had also committed in 2021 to revise by the end of 2022 the targets already approved by Science Based Targets (SBTi), to extend the climate ambition to the entire Group perimeter reinforcing its proactive role in the path to decarbonization.

Target review activities carried out in 2022 were aimed at updating the baseline, including emissions from all Group geographies in assessing the starting point from which to reduce impacts. At the time of publication of this document, the targets are under review by SBTi and approval is expected in the third quarter of 2023, in line with the technical timeframe set by the body.

## Zero emissions by 2040

As early as 2021, the Group made a commitment to achieve zero net emissions by 2040, ten years earlier than required by the Paris agreements. Target review activities carried out in 2022 also covered this issue, with the aim of increasing the level of ambition by modifying the commitment into a specific target now being approved by SBTi.

## Decarbonization as a pillar of the Group's ESG strategy

Decarbonization is one of the founding pillars of the Group's ESG strategy. In this context, combating climate change through the achievement of the net zero goal is only one of the Group's targets. In parallel with the progressive reduction of emissions, which will require action in all Group geographies and the involvement of many functions, starting in 2022 the

Group will neutralize its emissions through the purchase of carbon credits. Indeed, in 2022, carbon credits were purchased to fully cover emissions.

The Nexi Group purchased project-based carbon credits during the reporting period:

- Safe Water Access Project in Rwanda: currently, the low quality of water in the country does not allow families to consume it without first boiling it in inefficient ways. This project will improve the efficiency of these boilers and reduce consumption, allowing the reduction in CO<sub>2</sub>e emissions and the access to drinking water for local communities. The Nexi Group purchased 6,365 certificates, equivalent to 6,365 metric tonnes of CO<sub>2</sub>e. This project follows the Gold Standard methodology;
- Forest protection project in Zimbabwe: REDD+ project with the aim of avoiding the release of carbon emissions into the atmosphere when trees are burnt. The Nexi Group purchased 25,462 certificates, equivalent to an amount of 25,462 metric tonnes of CO<sub>2</sub>e. This project is a Verified Carbon Standard (VCS) certified project.

In addition, also in light of the Group's role at the European level, the adoption of green consumption behaviors is promoted through ad hoc initiatives such as:

- the provision to CheBanca! customers of new International debit cards and Classic credit cards made from recycled plastic recovered from the oceans;
- the Nets Climate Action Service, a carbon offsetting solution designed to provide cardholders with climate-related information about their consumption and to enable them and their issuers to proactively engage in addressing the climate change impacts of their consumption;
- the integration of Mastercard's carbon calculator within the Planet Care service, which enables card;
- Nexi issued cardholders to be informed about the impact their purchases have on the environment.

## Climate risks

In 2022, the Nexi Group conducted a dedicated analysis of climate-related risks and opportunities over a long-term horizon (10-30 years), integrated into the broader Enterprise Risk Management process, led by the Enterprise Risk Management (ERM) function. A scenario analysis was applied, where possible, for both physical and transitional risks to quantify the Group's relative exposure.

The assessment was conducted in line with the recommendations made by the Task Force for Climate-related Financial Disclosures (TCFD), the European Commission's non-binding guidelines on climate-related disclosure reporting, to be progressively aligned with the expectations of the Financial Stability Board and the Bank of Italy.

The Group appears to be potentially exposed to risks related to:

- emerging regulations and the introduction of a carbon tax;
- the increase in the severity and frequency of floods;
- the generalized rise in average temperatures and related energy needs for cooling data centers.

In terms of opportunities, however, the following were identified:

- the consolidation of data centers into buildings with a higher level of energy efficiency;
- The use of hybrid and electric vehicles for the corporate fleet;
- the installation of a thermoregulation system for cooling the Milan Sempione office.

As a result of the analysis, the identified risks did not exceed the materiality threshold that would have determined their inclusion in the ERM.

## 4.2 RESPONSIBLE CONSUMPTION AND VALUE CHAIN

- GRI 2-6: Activities, value chain, and other business relationships**
- GRI 204-1: Proportion of spending on local suppliers**
- GRI 301-1: Materials used by weight or volume**
- GRI 306-1: Waste generation and significant waste-related impacts**
- GRI 306-2: Management of significant waste related impacts**
- GRI 306-3: Waste generated**
- GRI 306-4: Waste diverted from disposal**

### Responsible consumption

The Nexi Group identifies "responsible consumption" as a material topic, understood as the responsible sourcing and use of resources, packaging and its life cycle.

In fact, the recovery and recycling of materials used in activities are basic principles of the Group's approach to waste management, which is regulated by an organizational procedure that assigns roles and responsibilities for the management of all types, either through direct management or through an external supplier, always in full compliance with current regulatory provisions.

The management of POS terminals represents one of the most relevant issues: in the case of rental, at the end of the life cycle, their management is regulated by specific contractual agreements with POS suppliers, to whom obsolete terminals are resold to replace new ones, according to a buy-back scheme. Thereafter, the responsibility for choosing between reuse and disposal is then solely that of the suppliers.

In addition, a sales model is offered through retailers, Amazon, and in direct mode: if requested by the customer, this service provides for the collection of WEEE (Waste Electrical and Electronic Equipment) material, in compliance with industry regulations. In addition, to avoid the purchase of new terminals when not needed, the Group provides POS repair/reconditioning.

Regarding the packaging and delivery of new POS, the Group has opted to use separator boxes instead of individual boxes, allowing it to reduce the volume of paper/cardboard used and thus reduce the impact of transportation. In 2022, about 15 % of the POS sold by Nexi Payments S.p.A., Mercury Payment Services, and SIA were delivered this way. In addition, some POS models (MPOS, GPRS, and Cordless) are preferentially delivered by carrier, thus avoiding the need for an on-site technician, and reducing travel for installations. In addition, receipts for technical interventions are preferably written in electronic format (about 96% of interventions made on behalf of Nexi Payments S.p.A., Mercury Payment Services and SIA), thus reducing the use of paper.

At Nets waste management of the terminals is handled according to different national guidelines and regulations in the four different locations. In particular, in Switzerland and Germany is handled by a supplier, in Finland is handled out of location office and in Denmark, Sweden and Norway is handled out of central warehouse.

All rented end of life cycle terminals is returned to Nets for registration and destruction. The terminals are sent to a waste/recycling suppliers for disposal and recycling. The same goes for accessories: they are not registered when returned but disposal and recycling apply as well.

In the Nordic supply chain, terminal management is handled off-site and in accordance with national regulations. All leased terminals at the end of their lifecycle are returned for registration and destruction, in accordance with PCI, then sent to an external entity in charge of disposal and/or recycling. The same methodology is applied for accessories to terminals, which, however, are not registered when they are returned, but are routed directly for recycling.

In fact, there is an agreement with a waste supplier to collect and recycle all hardware, i.e., terminals, cables, poles, etc. This contract guarantees disposal and/or recycling according to industry standards and requirements. Notably, the procedure already existed for all leased terminals but, during 2022, the same service began to be offered to LAKA (Large and Key Accounts) customers who need to replace them. The initiative was very well received by customers and thousands of terminals were recycled.

During 2022, an LCA analysis was conducted for Dankort, the main digital payment instrument in Denmark, to clarify the environmental impact of paper and digital receipts and calculate the potential environmental benefit. The analysis reports a significant reduction in carbon footprint by converting a paper receipt to a digital receipt provided that renewable energy is used to operate the datacenter.

For the Italian perimeter, regarding the scrapping of other types of material, such as rolls, printers and PDAs, there is a procedure, drafted according to current legislation. Whereas, for ATM equipment, as well as their components and accessories, an analysis is carried out to determine their state and degree of obsolescence before their disposal. These analyses are useful in determining whether the equipment can be reconditioned and then reassigned to the partner bank branch or, if to be considered obsolete, and therefore to be disposed of by certified and qualified entities in accordance with current regulations.

Finally, for the Italian perimeter, regarding workplace waste, this is collected in special containers for separate collection, which is then carried out by a specialized company. Non-hazardous waste produced in the payment card personalization facility is also included. Special waste, on the other hand, is disposed of by specialized companies selected and controlled by the Real Estate and Facility Management Function. In the case of leased offices, in cooperation with the owners, the Facility Management Function is responsible for waste management, which is collected, recycled or disposed of in accordance with national regulations.

## Responsible supply chain

The Nexi Group recognizes in its Sustainability Policy the importance of actively controlling its supply chain to enhance the environmental sustainability of its business through specific procedures and the involvement of suppliers, collaborators, and business partners. The pursuit of responsible supply chain management enables the Nexi Group to ensure high quality products and services while respecting human rights and ESG criteria throughout the entire value chain.

The chain covers several purchasing areas: ATM, POS, consulting, facilities, IT licenses, IT developments, application maintenance, and processing.

The Group Human Rights Statement, available at [www.nexigroup.com](http://www.nexigroup.com) define the Group's commitment to the respect and protection of Human Rights in all countries in which it operates and is committed to identifying, mitigating and, when possible, preventing potential violations related to its operations and its entire supply chain.

Regarding supplier selection, the process is based on assessments according to the principles of fairness, cost-effectiveness, quality, innovation, continuity, and ethicality in line with the Group's Purchasing Policy and Code of Ethics. The organizational procedure "Qualification and Evaluation of Suppliers" stipulates that all suppliers involved in the selection process must be qualified for inclusion in the supplier register. The only exception is institutional suppliers, if they cannot be replaced or whose order is less than 30,000 euros per year. Registered suppliers are required to view and comply with the principles contained in Model 231 and the Code of Ethics. Procurement processes are not yet centralized, what is mentioned above is applicable only to Italy.

A continuous monitoring process is carried out in terms of technical suitability, presence of certifications and compliance with regulations protecting social aspects, and economic-financial soundness. In addition, the quality of the service/product provided and compliance with contractual commitments are periodically monitored. This evaluation process makes it possible to identify possible improvement actions and to rethink the relationship with the supplier.

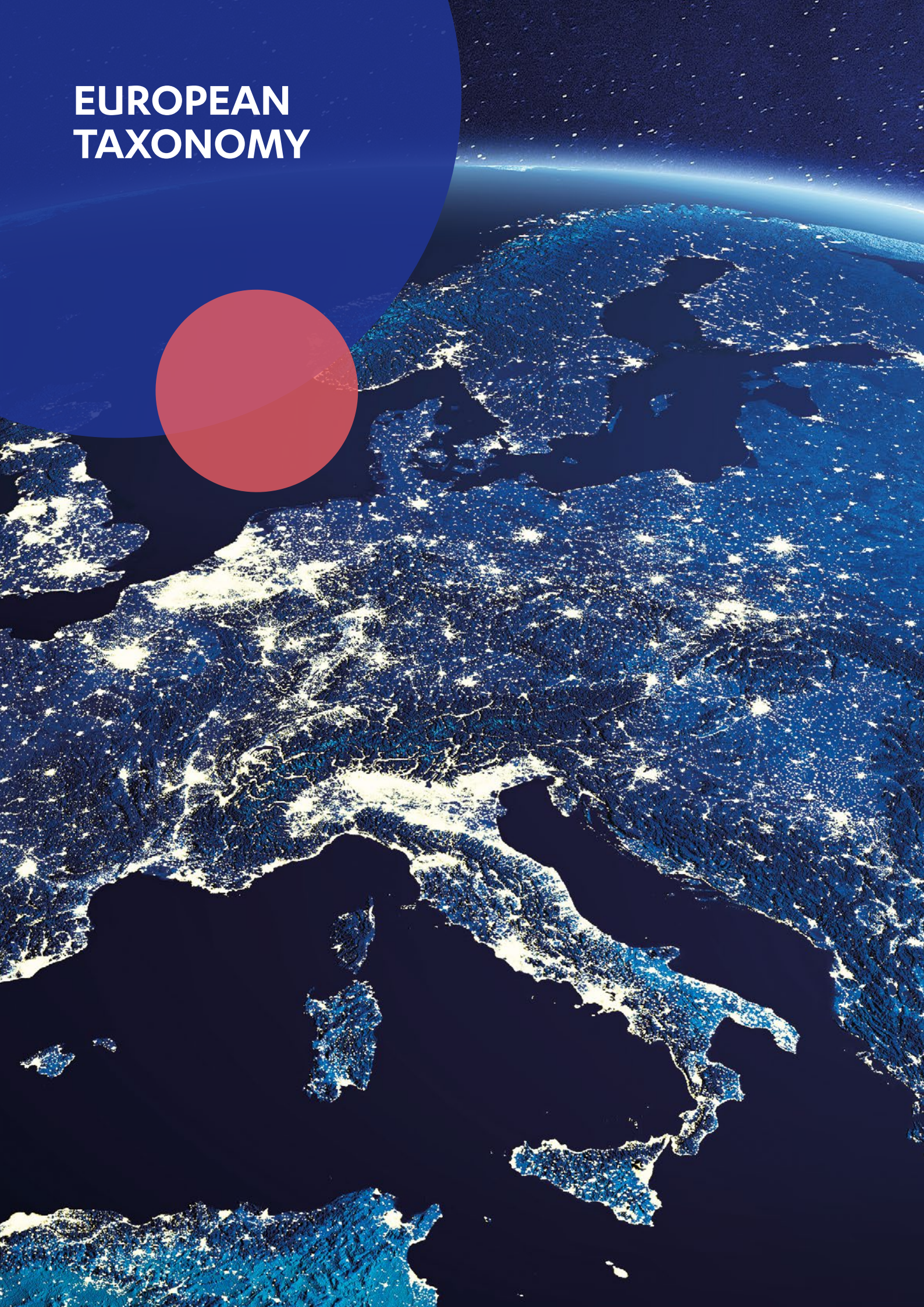
To mitigate any possible risk, any use of subcontractors is subject to explicit approval and verification by the Group. To minimize risks, loss of knowledge of processes or data in case of activities outsourced to third-party suppliers, the "Outsourcing of Business Functions" policy has been defined for the outsourcer management process. This policy identifies a system of reference rules so that supplier selection processes and the control and mitigation of risks related to activities take place in full compliance with specific principles of control and responsibility.

In 2022 Nets adopted a Modern Slavery Statement and revised the Supplier Code of Conduct to also reflect the content of the statement as well as a more specific requirement for suppliers when it comes to their work with the environment and due diligence in their supply chain. As part of the implementation of the Norwegian Transparency Act, the internal guidelines on due diligence were revised, relevant colleagues were trained, and pilot assessments of a handful of suppliers were carried out. The learnings from the dialogues with suppliers provided with insights for further assessments and audits of suppliers.

Finally, regarding the relationship with suppliers, the Group's commitment is to collect information through a self-assessment questionnaire on issues pertaining to labor, human rights, environmental management, and governance to categories of suppliers operating in the most critical product categories in terms of possible ESG risks, namely ATM, POS and facility area. Based on the results of self-assessment questionnaires and internal analysis, a plan has been established to conduct on-site audits, where necessary, for field verification of issues in the ESG area.



# EUROPEAN TAXONOMY



# 5

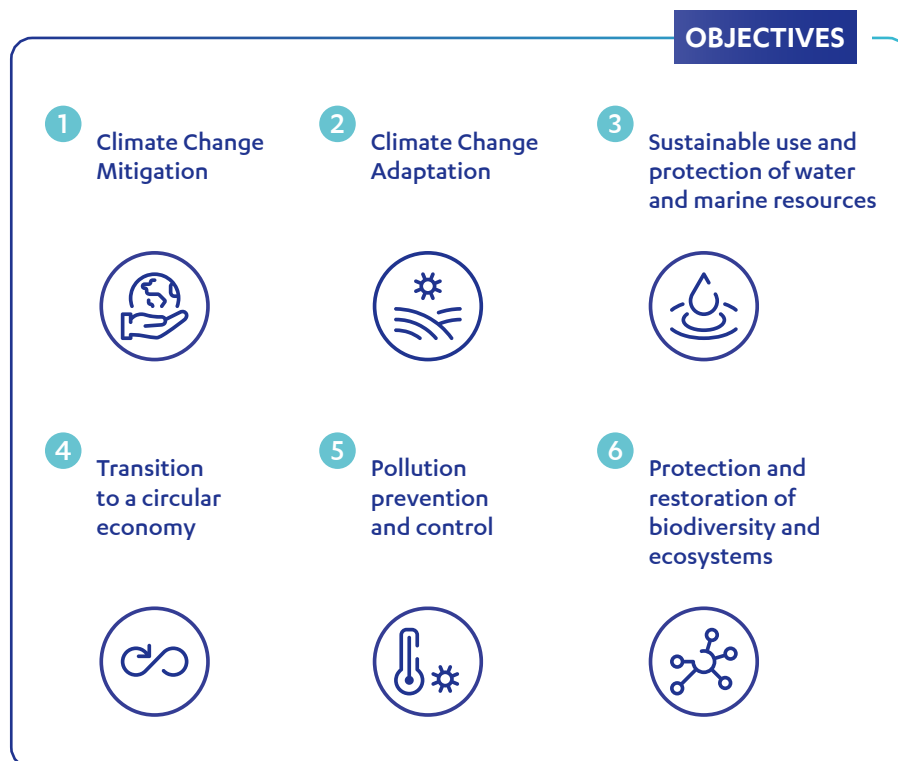
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# EUROPEAN TAXONOMY

In June 2020, the European Council and the European Parliament adopted Regulation (EU) 2020/852 (so-called Taxonomy Regulation), aimed at defining a framework for redirecting capital flows towards sustainable investments. The Regulation aims to gradually develop a taxonomy to be incorporated into European legislation, which can be the basis for the classification of "environmentally sustainable activities" in different sectors.

The European Taxonomy is designed to standardize and support organizations in the identification of which economic activities can be considered environmentally sustainable. In this way, the enforcement of the Regulation should create confidence among investors, protect private investors from greenwashing, help companies to become more climate and environmentally friendly, mitigate market fragmentation, and help target investments.

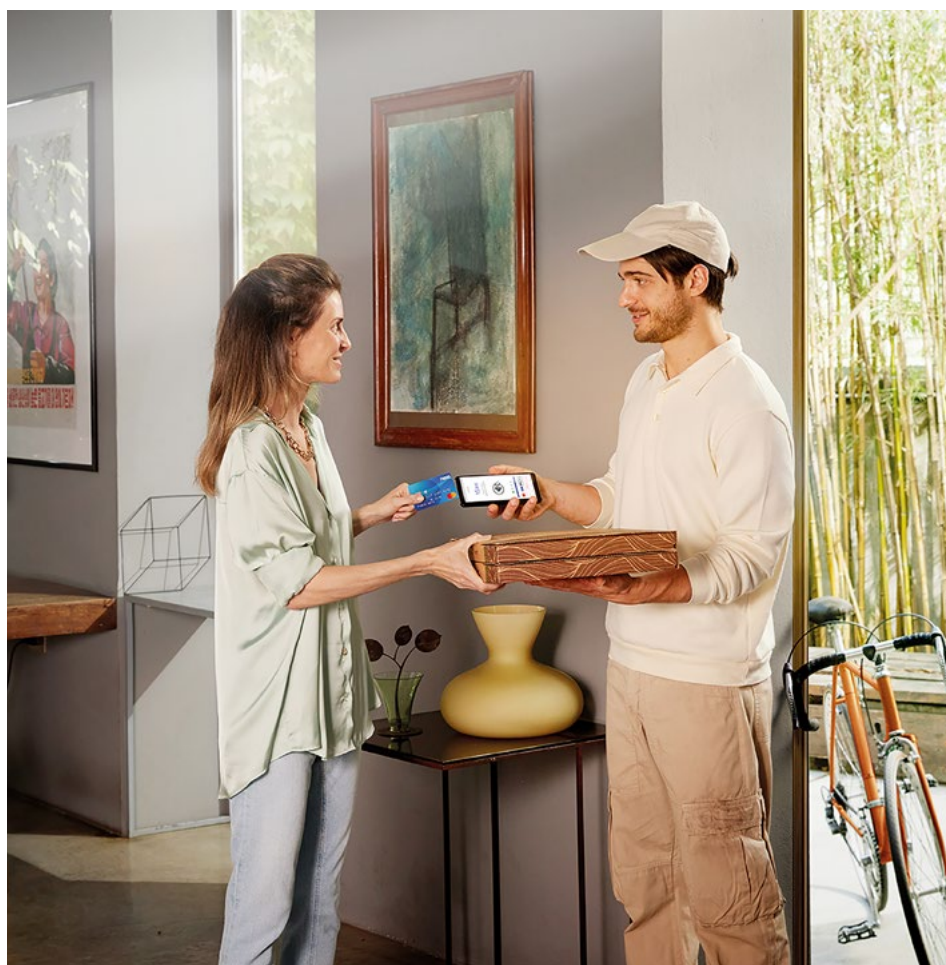
To qualify as environmentally sustainable, an economic activity must substantially contribute to one or more of the six environmental objectives set out in article 9 of the Taxonomy Regulation:



A delegated act, Delegated Regulation (EU) No. 2021/2139, was adopted on June 4, 2021. It specifies the application and content of the technical screening criteria that specific economic activities must meet for the first two environmental, climate-related objectives. Currently, a final delegated act on the other four environmental objectives has not yet been adopted.

Starting from the year 2021, as part of the scope of application of the Non-financial Reporting Directive (NFRD), Nexi Group is subject to disclosure obligations related to reporting its economic activities falling within those considered environmentally sustainable under the Taxonomy classification, in accordance with the provisions of Taxonomy Regulation (EU) no. 2020/852, Delegated Regulation (EU) No. 2021/2139 (Climate Delegated Act), and Delegated Regulation (EU) No. 2021/2178 (Disclosure Delegated Act) on the content of information and how it is presented.

According to the updates of the Regulations to 2022, in this statement the disclosure under the EU Taxonomy of Nexi Group concerns only the eligibility and alignment to the first two objectives, that are climate change mitigation and climate change adaptation, providing the percentage of eligible and aligned economic activities with reference to turnover, CapEx and OpEx.



## 5.1 NEXI'S POSITION AND COMMITMENT FOR THE FUTURE

Nexi Group carried out an assessment of its activities and business model, analyzing the three elements expected for the purpose of KPIs disclosure required by the EU Taxonomy Regulation: turnover; expenses related to the acquisition, maintenance, and improvement of its assets and the current structure of its operating expenses. The goal was to understand the level of integration of sustainability into the business, in relation to what is defined by the Taxonomy.

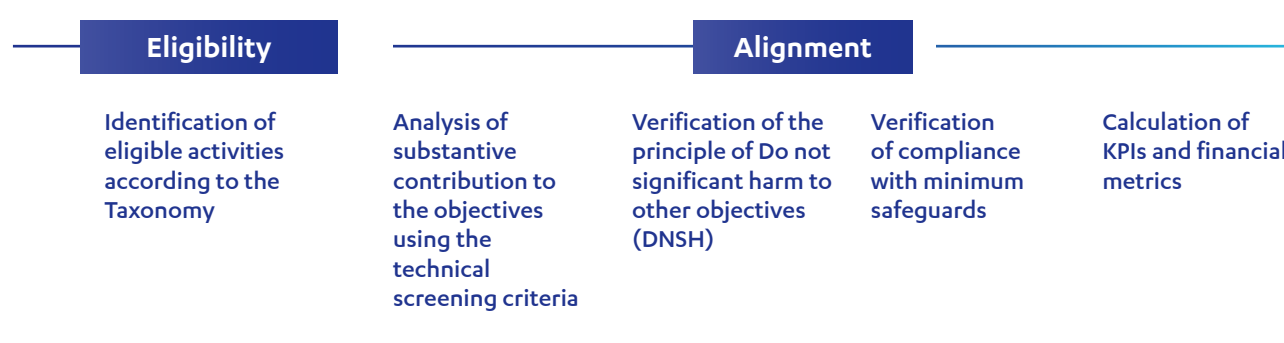
Based on the conditions set by the Regulations and the industries considered in the Climate Delegated Acts, it was found that the business model and activities of Nexi Group are not included by the Taxonomy. In particular, the Group's revenue generation does not pertain to any of the activities listed in the Regulation.

Nonetheless, the Group is committed to monitoring future developments in the regulatory context, in order to continue to assess the impacts that the Regulations generate on the Group, and also to target its investments and adjust its expenditures with a perspective to aligning with regulatory guidance on sustainability, collaborating where necessary with its suppliers to collect the information necessary for a more complete analysis of eligibility and alignment to Taxonomy requirements.

Nexi Group is also committed to actively monitoring developments on the future publication of the Delegated Acts related to the other four environmental objectives to understand the level of impact on the Group's activities and business model.

## 5.2 METHODOLOGY AND IMPLEMENTATION PROCESS

To calculate the Taxonomy-eligible and Taxonomy-aligned proportion of turnover, CapEx and OpEx, Nexi Group has structured a methodology that meets the requirements of the Regulation. The main steps on which the process was based are summarized in the following infographic:



The process of determining eligible and aligned activities was conducted by involving different functions of the Group, with the aim of converging expertise and experience in the analyses performed and the determination of results. In particular, Nexi Group's management control carried out the following activities:

- identification of eligible activities according to the Taxonomy;
- quantification of the proportion of eligible CapEx and OpEx for each activity, serving as a collection point for all Group companies and consolidating the data;
- collection of the underlying details, in order to identify the activity that generated the expenditure.

The process then involved other Group functions for the purpose of analysis and in-depth technical screening criteria and DNSH (Do Not Significant Harm) principles. Based on the cases of activities identified, the assessment was carried out in collaboration with the functions of Facility management, Mobility management and Supply chain.

Understanding the peculiarities of all Group entities, rooted in multiple countries, was made possible through dedicated meetings with the functions listed above in each geographical area.

Verification, on the other hand, of compliance with minimum safeguards was carried out by the ESG function in cooperation with the Group Compliance and Legal functions.

Assessments carried out and in-depth analysis regarding the variables to be considered to calculate the alignment led the Group to consider the percentage of 0% of Turnover, CapEx and OpEx as aligned according to the European Taxonomy. More details will be provided in the following paragraphs.

## 1. Identification of eligible activities according to the Taxonomy

An economic activity is defined as eligible for the EU Taxonomy when it is reported and described among Delegated Acts. Therefore, to determine whether an activity is eligible for the Taxonomy, it is necessary to verify whether the description of the activity matches with the descriptions of activities listed in Annex I (climate change mitigation) and Annex II (climate change adaptation) of the Climate Delegated Act.

In order to determine which activities are eligible under the Taxonomy, preliminary analyses using NACE codes and screening analyses of economic activities were conducted with the various business functions involved.

Following the considerations in the section “Nexi’s position and commitment for the future”, the analyses conducted led to the identification of the following eligible activities<sup>28</sup>:

- 5.5: Collection and transport of non-hazardous waste in source segregated fractions;
- 6.5: Transport by motorbikes, passenger cars and light commercial vehicles;
- 6.6: Freight transport services by road;
- 7.2: Renovation of existing buildings;
- 7.3: Installation, maintenance and repair of energy efficiency equipment;
- 8.1: Data processing, hosting and related activities.

## 2. Analysis of substantive contribution to the objectives using the technical screening criteria

The substantial contribution assessment process was conducted considering the climate change mitigation objective, which was deemed most significant for the Group’s current business model structure. Activities assessed as eligible underwent an initial alignment analysis, verifying compliance with the technical screening criteria.

Based on the nature of the activities identified as eligible, even considering that the Taxonomy does not include the Group’s core activities, the possibility of examining compliance with the technical screening criteria on most expenditures (operating and capital) depends mainly on information held by product and service suppliers.

Therefore, in 2022 the Group started the process of defining the information flows necessary to collect the information to ensure the verifiability of the data on the part of operating and capital expenditures aligned with the Taxonomy, which will be strengthened and improved in the coming years, also in light of regulatory developments. For these reasons, Nexi Group strives to strengthen its relationships with its suppliers on this issue, collecting timely information on technical screening criteria and DNSH for those that fall under the Taxonomy Regulation and raising awareness on the topic among smaller suppliers that do not currently collect such details on their activities.

With specific reference to economic activity 8.1, which relates to data processing, hosting and related activities, for the year 2022 the analyses focused on strengthening the disclo-

<sup>28</sup> As will be shown in the following sections, the listed eligible activities relate only to CapEx and OpEx KPIs.

sure related to eligibility. For the purposes of drafting the NFS 2023, the Group is committed to gathering information to assess the alignment of its activities with the economic activity 8.1 considered in the Regulation.

### 3. Verification of the principle of Do not significant harm to other objectives

As indicated in the previous step, for all the relevant activities identified, Nexi Group conducts the DNSH assessment in collaboration with third parties (suppliers, service providers etc.). Therefore, the considerations expressed in the previous step also apply to the verification of the principles of Do not significant harm to other objectives.

### 4. Verification of compliance with minimum safeguards

The European Taxonomy establish that an economic activity, in order to qualify as environmentally sustainable, must be carried out in compliance with minimum safeguards, as laid down in Article 18 of the EU Taxonomy Regulation 2020/852.

In this circumstance, the European Union's goal is to ensure that entities conducting environmentally sustainable activities, labeled as Taxonomy-aligned, meet certain minimum governance standards and do not violate social norms, including human rights and labor rights. In other words, the purpose is to prevent green investments from being labeled and considered "sustainable" even when they involve corruption practices, violation of tax laws, anticompetitive practices, and negative impacts on human rights, including labor rights.

In order to satisfy the requirements to be compliant with the minimum safeguards, the Platform on Sustainable Finance drawn up a Report<sup>29</sup> summarizing the main requirements under the principles of the international organizations mentioned in Article 18 of European Regulation 2020/852, analyzing overlaps and excluding principles unrelated to the context of the European Taxonomy.

Nexi Group based its analysis on the guidance of this Report, assessing compliance with the requirements against four key areas:

- Human rights;
- Corruption;
- Taxation;
- Fair competition.

### 5. Calculation of KPIs and financial metrics

Based on the previous steps, the percentage of eligibility and alignment was calculated, associating each activity with the financial metrics required by the Regulations: turnover, CapEx and OpEx.

<sup>29</sup> Source: [https://finance.ec.europa.eu/systemfiles/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards\\_en.pdf](https://finance.ec.europa.eu/systemfiles/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards_en.pdf)

## 5.3 OVERALL RESULTS

Based on the analysis conducted, the overall results obtained are as follows:

KPI	Non-eligible activities	Eligible activities	Aligned activities
Turnover	100%	0%	0%
CapEx	84.5%	15.5%	0%
OpEx	60.4%	39.6%	0%

### Eligible and aligned economic activities - Revenues

Nexi Group is one of the main players operating in Europe which offers digital payment solutions to Partner Banks, companies, citizens and Public Administration<sup>30</sup>. Such solutions are not explicitly included in the in the EU Taxonomy scope, which currently focuses mainly on economic activities with high carbon impacts such as manufacturing, electricity production, construction, and transport.

Nexi Group has therefore assessed its business model with respect to the economic activity "8.1. Data processing, hosting and related activities", as relevant to the first two environmental objectives - climate change mitigation and climate change adaptation. However, the legal entities of Nexi Group do not generate revenues directly attributable to the aforementioned economic activity, as it represents a single component of a complete range of integrated services, thus making it inaccurate and potentially misleading to evaluate the economic activity as a source of revenue in its own right. In conclusion, in 2022 Nexi Group considers not reporting turnover eligible and aligned according to EU Regulation 2020/852.

### Eligible and aligned economic activities - CapEx

The CapEx KPI refers to the increase in tangible and intangible assets during 2022 before depreciation, amortisation, write-downs and revaluations, including those resulting from impairment or the application of the fair value method. The KPI covers costs recognised for property, plants and equipment (IAS 16), intangible assets (IAS 38) and leasing (IFRS 16).

For the purposes of this disclosure, Nexi Group has taken into account the increases in the Group's tangible and intangible assets equal to €559.4M, as disclosed in the Group Consolidated Financial Report.

The proportion of eligible CapEx under the EU Taxonomy (86.8M, equal to 15.5% of total CapEx) is represented by the part of capital expenditure, as defined above, that relates to activities, processes or the purchase of assets associated with the following economic activities:

- 6.5: Transport by motorbikes, passenger cars and light commercial vehicles - Nexi Group incurred capitalised car rental expenses;
- 7.2: Renovation of existing buildings - During 2022, Nexi Group renovated some of its headquarter buildings;

<sup>30</sup> For further details on Nexi Group's business model, please refer to Paragraph 11 "Group Overview and Business Model" of this Statement.

- 7.3: Installation, maintenance and repair of energy efficiency equipment - Nexi Group incurred maintenance and refurbishment costs related to new electric systems and lighting equipment;
- 8.1: Data processing, hosting and related activities – Nexi Group incurred expenses during the year related to project costs for full processing platforms (issuance, acquisition, payments) and purchases of hardware and data centre implementations.

Based on the verification of the technical screening criteria and the respect of the DNSH, the CapEx-related activities listed above cannot be defined as Taxonomy-aligned.

The summary of the results obtained from the eligibility and alignment steps, regarding the CapEx is available at chapter 6.

## Eligible and aligned economic activities - OpEx

The OpEx KPI refers to costs related to data centre management and other ICT management operations, configuration, repair and management of POS and ATM terminals, car rental and maintenance, as well as real estate and other facility management expenses.

For the purpose of this disclosure, the OpEx considered by Nexi Group amount to €467.3M.

The proportion of OpEx eligible for the EU Taxonomy (185.2M, equal to 39.6% of total OpEx) is represented by the part of operational expenditure, as defined above, associated with the economic activities listed below:

- 5.5: Collection and transport of non-hazardous waste in source segregated fractions – Nexi Group incurred non-hazardous waste management non-capitalized costs;
- 6.5: Transport by motorbikes, passenger cars and light commercial vehicles – Nexi incurred car rental costs;
- 6.6: Freight transport services by road – Nexi Group incurred transport costs for the distribution of cards and terminals;
- 7.2: Renovation of existing buildings – Nexi Group incurred renovation and maintenance costs of buildings;
- 7.3: Installation, maintenance and repair of energy efficiency equipment – Nexi Group incurred costs of maintenance of lighting infrastructure and electric systems;
- 8.1: Data processing, hosting and related activities – represented by expenses for data processing and functioning of Data Centers (connectivity and facility management).

Based on the verification of the technical screening criteria and the respect of the DNSH, the OpEx-related activities listed above cannot be defined as Taxonomy-aligned.

The summary of the results obtained from the eligibility and alignment steps, regarding the OpEx is available at chapter 6.

# SUSTAINABILITY PERFORMANCE INDICATORS



6

SUSTAINABILITY PERFORMANCE  
INDICATORS

# SUSTAINABILITY PERFORMANCE INDICATORS

Please note that the figures reported for the three-year period reflect the changes that have taken place at the company perimeter. To ensure comparability with the information from previous years, the quantitative data included in the Non-Financial Statement are represented as follows:

- historical quantitative data for 2020 for the Group's Italian companies;
- consolidated quantitative data to 2021 for Nexi, for the period between 1 January and 31 December 2021, and Nets, for the period between 1 July and 31 December 2021, except for the data which, also in line with the GRI Standard's requirements, present a snapshot as of 31 December 2021;
- consolidated quantitative data for 2022.

## GOVERNANCE

### GRI 2-9 GOVERNANCE STRUCTURE AND COMPOSITION

Composition of the BoD and Internal Board Committees of Nexi SpA	Role in the BoD	Gender	Executive director	Independent director	Tenure <sup>1</sup>	Strategic Committee	Control and Risk and Sustainability Committee	Remuneration And Appointments Committee	Related Party Transactions Committee	Under-represented social groups	Competencies relevant to the impacts of the organization	Stakeholder representation
Michaela Castelli	President	F		x	2022-2024	x	x	x		No	ESG, Risk and Compliance	Voting majority
Paolo Bertoluzzo	Managing director	M	x		2022-2024	x				No	Payments	Voting majority
Luca Bassi	Director	M			2022-2024	x				No	Finance	Voting majority
Elisa Corgi	Director	F		x	2022-2024			x	x	No	Finance	Voting majority
Maurizio Cereda	Director	M		x	2022-2024			x		No	Finance	Voting majority
Jeffrey David Paduch	Director	M			2022-2024	x				No	Financial Services	Voting majority
Francesco Pettenati	Director	M			2022-2024	x				No	IT	Voting majority
Marinella Soldi	Director	F		x	2022-2024		x			No	ESG, Risk and Compliance	Voting majority
Stefan Goetz	Director	M			2022-2024	x				No	Finance	Voting majority
Bo Einar Lohmann Nilsson	Director	M			2022-2024	x				No	Payments	Voting majority
Marina Natale	Director	F		x	2022-2024				x	No	Finance	Voting majority
Elena Antognazza	Director	F		x	2022-2024				x	No	Payments	Voting majority
Ernesto Albanese	Director	M		x	2022-2024		x			No	ESG	Voting majority

(1) The Directors were appointed by the Shareholders Meeting on 5.5.2022. In the same date the Board of Directors appointed Michaela Castelli and Paolo Bertoluzzo respectively Chairwoman and CEO, in continuity with the previous term of office, by granting the latter management powers.

### GRI 2-21 ANNUAL TOTAL COMPENSATION RATIO

	2022
Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual) - <b>NEXI</b> <sup>1</sup>	68.3
Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual) - <b>NETS</b>	23.9

(1) Please note that salaries are given by the total of gross annual remuneration (Retribuzione Annua Lorda - RAL) and short-term incentive system to target. The RAL of part-timers has been repartitioned to full-timers since they were then averaged according to the declared headcounts. Due to non-integrated reporting systems, due to period changes over the last two years, the information necessary to report the relationship between the percentage increase in total annual remuneration of the highest paid person and the average percentage increase in total annual remuneration of all employees (excluding the aforementioned person) is not available. The Group is committed to providing such disclosure in future reporting years.

## GRI 2-27 COMPLIANCE WITH LAWS AND REGULATIONS

	Unit of measurement	2022	2021	2020
Total number of significant instances of non-compliance with laws and regulations	n.	1 <sup>1</sup>	1 <sup>2</sup>	0
<i>of which instances for which fines were incurred</i>	n.	0	1	0
<i>of which instances for which non-monetary sanctions were incurred</i>	n.	1	0	0
Total number of fines for instances of non-compliance with laws and regulations that were paid	n.	0	1	0
Monetary value of fines for instances of non-compliance with laws and regulations that were paid	€	0	400	0

- (1) PFor Concardis GmbH an order was issued by BaFin in August 2022 relating to certain issues within compliance with laws in the payments industry, relating to namely lack of closing of previous annual audit findings (most notably lack of an electronic transaction monitoring system). More information can be found via: [https://www.bafin.de/SharedDocs/Veroeffentlichungen/DE/Massnahmen/60b\\_KWG\\_84\\_WpiG\\_und\\_57\\_GwG/meldung\\_2022\\_11\\_09\\_Concardis\\_57\\_GWG.html](https://www.bafin.de/SharedDocs/Veroeffentlichungen/DE/Massnahmen/60b_KWG_84_WpiG_und_57_GwG/meldung_2022_11_09_Concardis_57_GWG.html)
- (2) The incident of non-compliance was detected in Nets CEE d.o.o. (Croatia). Following that case, related to the collection of personal sensitive data, the company paid a penalty equal to the monetary value shown in the GRI 2-27 table (400 euros).
- (3) Please note that the KPI does not include ongoing tax litigations, since Nexi Group has still not received any related sanction or fine. Please refer to the Annual Report for further information.
- (4) Please note that by excluding Nets and SIA from the reporting boundary, and thus making the covered boundary comparable to the year 2020, no significant instances of non-compliance with laws and regulations were recorded in 2022.

## GRI 2-28 MEMBERSHIP ASSOCIATIONS

The main associations of which the Nexi Group is a member:

<b>EDPIA - EUROPEAN DIGITALPAYMENTS INDUSTRY ALLIANCE</b>	Association bringing independent payment service providers based in Europe together. The aim is to contribute to the debate in defining the economic environment for digital payments, strengthening the visibility and understanding of this sector among regulators and European society.
<b>ABI - ITALIAN BANKING ASSOCIATION</b>	Association that operates by promoting initiatives for the growth of the banking and financial system, in a competitive perspective consistent with national and European Union legislation.
<b>ASSOFIN - ITALIAN CONSUMER AND REAL ESTATE CREDIT ASSOCIATION</b>	Association bringing together the main financial operators operating in the areas of credit to families and providing its members with a series of coordination, representation and legal, tax, administrative and advisory services on matters of common interest through its Internal Commissions and with the help of professionals and consultants.
<b>ASSBBB - ASSOCIATION FOR THEDEVELOPMENT OF BANK AND STOCK MARKET STUDIES</b>	Association founded in 1973 to stimulate the interest of the academic and research world in economic, financial and especially banking studies in order to increase the knowledge and professional development of the operators of the banking and financial industry of our country.
<b>ASSONEBB - NATIONAL ENCYCLOPAEDIA ASSOCIATION OF THE BANK AND BORSA SPA</b>	Association for the development and dissemination of knowledge and banking and financial culture founded in 2005 following the transformation of the Encyclopaedia of the Bank and Borsa SpA founded in 1972 by a group of banks, including the Bank of Italy.
<b>VALORE D</b>	Association of large companies created in Italy to support women's leadership in companies, promote gender balance and an inclusive approach in organisations.
<b>A.P.S.P. - ASSOCIATION OF PAYMENT SERVICE PROVIDERS</b>	An association that aims to disseminate and promote the development, information and knowledge of payment institutions and therefore payment services and to promote related cultural activities.
<b>ANBP - NATIONAL ASSOCIATION OF POPULAR BANKS</b>	An association that has embraced the cardinal principles of Popular Credit, contributing to the development of a strong and organic identity based on the key concept of localism as an enhancement of the territory, social commitment and support for SMEs and families.
<b>ANRA NATIONAL RISK MANAGER ASSOCIATION</b>	An association that has brought together risk managers and company insurance managers since 1972.
<b>ASPEN INSTITUTE IT</b>	Association whose mission is the internationalization of the entrepreneurial, political and cultural leadership of the country through a free comparison of different ideas and backgrounds to identify and promote common values, knowledge and interests.

<b>ITALIAN INTERNAL AUDITORS ASSOCIATION</b>	A non-profit association established in 1972 as an Italian affiliate of IIA, Institute of Internal Auditors to improve the governance, risk management and control systems of organizations through the enhancement of the Internal Audit Function.
<b>ASSONIME</b>	Association of Italian public limited companies. It deals with the study and treatment of problems affecting the interests and development of the Italian economy.
<b>COMUFFICIO</b>	National Association of Manufacturers, Importers and Distributors of ICT products and services.
<b>IAB ITALY</b>	Association that has stimulated the collaboration of its partners since 1998, with the aim of developing standards, research, certifications, training activities and meetings to discuss the digital advertising industry and best practices. IAB's work aims to build a sustainable future for digital advertising and give companies all the tools to overcome the challenges of the present and the future.
<b>ISACA</b>	With almost 140,000 associates in over 200 Chapters worldwide, it provides skills, certifications, communities, sponsorship and training courses relating to Assurance and Audit, Security, Cybersecurity, Risk and ICT Governance. Founded in 1969, ISACA is an independent non-profit association.
<b>RETAIL INSTITUTE</b>	Benchmark association of retail in Italy, promoting the culture and growth of the sector as a whole through the offer of essential content and strategic activities in order to be updated and competitive in an increasingly complex market scenario.
<b>AGCM - ITALIAN ANTITRUST AUTHORITY</b>	Independent administrative authority to protect competition and the market.
<b>EDPIA - EUROPEAN DIGITAL PAYMENTS INDUSTRY ASSOCIATION</b>	The European Digital Payments Industry Alliance represents the interests of independent Payment Services Providers headquartered in Europe. Its purpose is to contribute to EU policy debates that define the business environment for digital payments, and to strengthen the visibility and understanding of the European payments industry amongst policy makers and European society.
<b>PSMEG - PAYMENT SYSTEM MARKET EXPERT GROUP</b>	The expert group's objective is to advise the Commission in the area of payments and to assist the Commission in the preparation of legislative acts or policy initiatives regarding payments, including fraud prevention issues related to payment industry and users.
<b>ERPB - EUROPEAN RETAIL PAYMENTS BOARD</b>	Nets is a member of the high-level strategic body tasked with fostering the integration, innovation and competitiveness of euro retail payments in the European Union under the European Central Bank.
<b>EFIP - EUROPEAN FORUM FOR INNOVATION IN PAYMENTS</b>	The European Forum for Innovation in Payments (EFIP) is an informal joint initiative of the ECB and the European Commission. The main objective of the Forum is to contribute to increased economic efficiency and a deeper Single Market by fostering the development of an integrated, innovative and competitive market for retail payments in the EU. The Forum provides a platform for the exchange of information and views on issues of common concern to all stakeholders.
<b>EUROPEAN CARDS PAYMENT ASSOCIATION</b>	Association to represent the interests of its Members on subjects which impact the use and / or users of payment cards or similar payment instruments, including measures intended to promote the creation of a single European market for card payments (SEPA for Cards).
<b>ECSG - EUROPEAN CARD STAKEHOLDERS GROUP</b>	The ECSG is a multi-stakeholder group whose main task is the definition of SEPA requirements for card-based services. Its membership is open to any entity which is active in the market for card related or card-based services in an EEA Member State. The ECSG brings together industry sectors along the value chain of card-based services.
<b>THE BERLIN GROUP</b>	The 'Berlin Group' is a pan-European payments interoperability standards and harmonisation initiative with the primary objective of defining open and common scheme- and processor-independent standards in the interbanking domain between Creditor Bank (Acquirer) and Debtor Bank (Issuer), complementing the work carried out by e.g. the European Payments Council. The Berlin Group has been established as a pure technical standardisation body.
<b>NEXO STANDARDS</b>	Nexo standards is an open, global association dedicated to removing the barriers present in today's fragmented global payment acceptance ecosystem. members represent the full spectrum of payments stakeholders, including acceptors, processors, schemes and vendors.
<b>EPI - EUROPEAN PAYMENTS INITIATIVE</b>	31 European banks/credit institutions and 2 third-party acquirers launched this initiative to create a new pan-European payment solution leveraging Instant Payments and cards.
<b>DANISH PAYMENTS COUNCIL</b>	The Danish Payments Council is a forum for collaboration on the payments of consumers and firms. The Council was set up by Danmarks Nationalbank and includes representatives of a broad range of stakeholders in the Danish payments infrastructure.

<b>DANISH CHAMBER OF COMMERCE</b>	The Danish Chamber of Commerce is the network for the service industry in Denmark. It is one of the largest professional business organisations in Denmark whose goal is to make running a business easier by means of political influence and policy development.
<b>DANISH FINANCE SECTOR EMPLOYER ORGANISATION</b>	The Danish Finance Sector Employer organisation negotiates working conditions and collective agreements for the sector and aims to further the financial sector's regulatory environment.
<b>THE DANISH ICT INDUSTRY ASSOCIATION</b>	The Danish ICT Industry Association is the largest independent representative for the ICT business community in Denmark and aims to strengthen international competitive position and cost-effectiveness and works on legislative and regulatory affairs with key stakeholders.
<b>COPENHAGEN FINTECH</b>	Copenhagen Fintech aims to develop Copenhagen as one of the leading Fintech Hubs in the global financial services industry by supporting and catalyzing the next era of technology-led corporate and startup innovators.
<b>FSOR (FINANCIAL SECTOR FORUM FOR OPERATIONAL RESILIENCE)</b>	The FSOR is a Danish forum for collaboration between authorities and key financial sector participants to strengthen operational resilience.
<b>NORDIC FINANCIAL CERT</b>	Nordic Financial Cert Ensure to strengthen the Nordic financial industry's resilience to cyber attacks, by enabling Nordic financial institutions to respond rapidly and efficiently to cyber security threats and online crime. As a collaborative initiative, it allows members to work together when handling cyber crime, sharing information and responding to threats in a coordinated manner.
<b>ICT NORWAY</b>	ICT Norway is the interest group for the Norwegian ICT industry. ICT Norway works to enlarge the market and remove obstacles, increase value for the industry, and helps reduce risk exposure and R&D cooperation, and access to capital and consortiums.
<b>CARD PAYMENT SWEDEN</b>	Card Payment Sweden (CPS) is an industry association of card acquirers and issuers that promotes the use of cashless payments by card in Sweden. CPS wants the Swedish market to continue to enjoy secure, efficient and commercially viable cashless payment transactions, that will benefit society as a whole.
<b>FINANCE FINLAND</b>	Finance Finland aims to influence the regulation and decision-making that affects the financial sector in Finland by raising decision-makers' awareness of the impact that regulation has on the financial sector and ultimately on society. We bring expertise to legislative processes and take part in societal discussion whenever it concerns the financial sector. Finance Finland also represents financial employers in the labour market.
<b>ESTONIAN CHAMBER OF COMMERCE AND INDUSTRY</b>	The Estonian Chamber of Commerce and Industry (ECCI) is the largest Estonian representative organization of entrepreneurs and was founded to represent and protect common interests of Estonian merchants, manufacturers, bankers, and ship-owners. The mission of the ECCI is to develop entrepreneurship in Estonia through business services and playing an active role in designing economic policy.
<b>EPSM - EUROPEAN ASSOCIATION OF PAYMENT SERVICE PROVIDERS FOR MERCHANTS</b>	The EPSM is a non-profit trade association of payment service providers for merchants. EPSM's main objectives are to represent its members' interests and to provide a platform for exchanging news, information and views on the European payments market.
<b>ESTONIAN TAXPAYERS ASSOCIATION</b>	The Estonian Taxpayers Association is a non-profit established in 1995 which protects the interests and rights of taxpayers, seeks an optimal tax burden and monitors the effective use of collected taxes.
<b>BVZI - GERMAN FEDERATION ASSOCIATION OF PAYMENT AND E-MONEY INSTITUTIONS</b>	The aim of BVZI is to act in its members' common interests in its dealing with legislative authorities, the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), the German Federal Bank (Deutsche Bundesbank), German Banking Community (Deutsche Kreditwirtschaft), the German Federal Ministry of Finance (Bundesfinanzministerium) and card organisations.
<b>BITKOM</b>	The overarching goal of Bitkom is to make Germany a leading digital location, to advance the digital transformation of the German economy and administration, to strengthen digital sovereignty and to achieve broad social participation in digital developments. Bitkom aims to create political awareness of data-driven business models, protection and security, platform models, disruptive technologies and work 4.0.
<b>DFKA - DEUTSCHE FACHVERBAND FÜR KASSEN UND ABRECHNUNGS-SYSTEMTECHNIKIM BARGELD</b>	The DFKa is an entrepreneurial professional association that represents the interests of its members and the industry.

<b>BdS - BUNDESVERBAND DIE SYSTEMGASTRONOMIE</b>	The Federal Association of System Gastronomy eV (BdS) is an employer and business association that negotiates collective agreements and influences stakeholders through policy development.
<b>HGK - CAMERA DELL'ECONOMIA CROATA</b>	The Croatian Chamber of Economy is an independent professional and business organisation of all legal entities engaging in business.
<b>AMERICAN CHAMBER OF COMMERCE CROATIA</b>	AmCham participates in the political process and contribute to the development of the Croatian economy and society as a whole. AmCham's policy advocacy activities are primarily conducted through expert Committees and Task Forces formed by AmCham's members.
<b>PONIP - POLSKA ORGANIZACJA NIEBANKOWYCH INSTYTUCJI PŁATNOŚCI</b>	PONIP aims to protect common rights and represent the interests of the associated members to public administration bodies, trade unions and other organizations and institutions.
<b>ZBP - POLISH BANK ASSOCIATION</b>	The Polish Bank Association is representing and protecting common interests of member banks, inter alia with respect to legal regulations related to banking; Participating in legislative work of legislative commissions of the Sejm and the Senate; Cooperating with the National Bank, the government and the competent ministries in the area of operation of legal regulations applicable to the Polish banking system; Promoting of the banking sector and financial services; Constructing of the inter-bank infrastructure.
<b>ZDS - ASSOCIATION OF EMPLOYERS OF SLOVENIA</b>	The aim of the ZDS is to establish the employers' legal interests and frame common positions in relationship towards social partners is subject to a successful implementation of expectations and requirements of employers
<b>NATIONAL PAYMENTS COUNCIL - BANK OF SLOVENIA</b>	National Payments Council provides a dialogue between all key stakeholders in the payment services market. The aim is to support balanced and sustainable development of the market for secure and efficient payment services in Slovenia, and to ensure its adaptation to changes in the international arena and an adequate place within the Single Euro Payments Area (SEPA)

#### Other Group Nexi collaborations:

ABI LAB - Research and Innovation Centre for the banking sector, promoted by ABI to promote collaboration between banks, companies and institutions in research and dissemination activities.

CBI CONSORTIUM - CUSTOMER TO BUSINESS INTERACTION - Consortium created with the support of the ABI for the digitalisation of payments and collections. Manages the "CBI Service", the "CBILL Service" and the Nodo services, defining the rules and the technical-regulatory standards in the cooperative environment.

CTC - CREDIT PROTECTION CONSORTIUM - A non-profit consortium that manages a credit information system of a positive and negative type (already known as a risk centre) to reduce credit and operational risk, at the service of financiers, banks and consumers.

FEDUF - FOUNDATION FOR FINANCIAL EDUCATION AND SAVINGS - Foundation that pursues purposes of social utility by promoting Financial Education, in the broader concept of education for conscious and active economic citizenship.

CONFINDUSTRIA SERVIZI - Federation of Industry Sectors that represents Innovative and Technological Services in Italy.

CONSEL - ELIS CONSORTIUM - Non-profit consortium and limited liability company that adheres to the ELIS Manifesto, founded on 9 April 1992 by STET, Italcementi, Ericsson and Cedel.

MIP CONSORTIUM - Business school of the Polytechnic Institute of Milan, engaged for over 40 years in the provision of managerial training programmes.

NETCOMM CONSORTIUM - Consortium of Italian Digital Commerce, a benchmark in e-commerce and digital retail on the national and international scene. Founded in 2005, it brings together over 400 companies composed of international companies and small and medium-sized companies of excellence.

DIGITALLY SRL - Project created to promote youth employment. It offers training experience on digital tools and techniques, soft skills and the project work most requested by companies, with the aim of helping young people and professionals acquire the skills necessary to fill the positions most sought after by the market.

EACHA - EUROPEAN AUTOMATED CLEARING HOUSE ASSOCIATION - Cooperation Forum of European ACHs. Currently composed of 26 institutions, it meets twice a year to discuss European developments in retail payments.

ITALIAN ENVIRONMENT FUND - FAI Founded in 1975 with the aim of acting for the protection, safeguarding and enhancement of the Italian artistic and natural heritage through the restoration and opening to the public of historical, artistic or naturalistic assets received by donation, inheritance or loan. It promotes the education and awareness of the community for the knowledge, respect and care of art and nature and intervenes in Italy to defend the Italian landscape and cultural heritage.

HRC INTERNATIONAL ACADEMY SRL HRC Academy is the place where junior and middle HR talents have the dual opportunity to make a concrete and superior contribution to the achievement of the objectives of HR Management and the company and simultaneously grow very quickly, developing precious and rare distinctive skills through an extraordinary national and international learning by doing path at the most important and prestigious companies on the European and world scene.

RETAIL INSTITUTE - Benchmark association of retail in Italy, promoting the culture and growth of the sector as a whole through the offer of essential content and strategic activities in order to be updated and competitive in an increasingly complex market scenario.

**Other Associations:**

A.P.S.P.  
ANBP  
ANRA Associazione Nazionale Risk Manager  
ASPEN INSTITUTE IT  
ASSOCIAZIONE ITALIANA INTERNAL AUDITORS  
ASSONIME  
BORSA ITALIANA SPA  
COMUFFICIO  
CONCILIATORE BANCARIO FINANZIARIO  
Confindustria Servizi  
CONSEIL EUROPEAN D  
Consel - Consorzio ELIS  
CONSOB  
CONSORZIO ABI LAB  
CONSORZIO MIP  
CONSORZIO NETCOMM  
DIGITALLY SRL  
EACHA  
FONDO AMBIENTE ITALIANO - FAI  
HRC INTERNATIONAL ACADEMY SRL  
IAB ITALIA  
ISACA  
IVASS ISTITUTO PER LA VIGILANZA SULLE ASSICURAZION  
PROMETEIA S.P.A.  
RETAIL INSTITUTE  
THE EUROPEAN HOUSE-AMBROSETTI SPA  
Women & Tech

## Donations

The Group has always greatly valued community engagement through initiatives such as donations and activities that can bring value.

<b>Nexi SpA</b>	<b>Amount</b>
UNHCR	500,000 €
Unicef <sup>(1)</sup>	90,000€
COMITATO ITALIANO PER L'UNICEF FONDAZIONE ONLUS	10,000 €
<b>TOTAL</b>	<b>600,000 €</b>

(1) SIAPay S.r.l participated in the initiative carried out by Nexi Group at individual level, donating to UNICEF.

<b>Nexi Payments SpA</b>	<b>Amount</b>
UNHCR - PROGETTO NATALE DIPENDENTI	55,000 €
CONVENZIONE UNISI	23,200 €
FOND. DON GINO RIGOLDI	20,000 €
CONSEL CONSORZIO ELIS	15,000 €
PROSOLIDAR CARICO AZIENDA	14,598 €
ASS. AMICI DI COMETA	10,000€
MOIGE ONLUS	10,000 €
ASS. DONNE E TECNOLOGIE	5,000 €
ISTITUTO BRUNO LEONI	4,500 €
TORNEO MILANO SOLIDALE	4,000 €
FONDAZIONE OPEN ONLUS	3,000 €
FOND. ARCHE' ONLUS	1,000 €
<b>TOTAL</b>	<b>165,298 €</b>

<b>Nets Nordics</b>	<b>Amount</b>
UNICEF	15,734€

<b>LAKA Marketing</b>	<b>Amount</b>
UNICEF	8,000€

<b>Ordebird</b>	<b>Amount</b>
Ukraine contribution	14,115€

<b>Ratepay</b>	<b>Amount</b>
Donations	280€
Nets CEE Donations	13,700 €
Nets Estonia AS Donations	1,875 €
<b>TOTAL</b>	<b>63,704 €</b>

### 205-3 CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

	<b>Unit of measurement</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Total number of confirmed incidents of corruption	n.	0	0	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	n.	0	0	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	n.	0	0	0
Total number of public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases	n.	0	0	0

**GRI 206-1 LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOR, ANTI-TRUST, AND MONOPOLY PRACTICES**

	Unit of measurement	2022	2021	2020
Legal actions accepted	n.	0	0	0
Unaccepted legal actions	n.	0	0	0
<b>Total</b>	<b>n.</b>	<b>0</b>	<b>0</b>	<b>0</b>

**GRI 207-4 COUNTRY-BY-COUNTRY REPORTING**

Names of the resident entities	Primary activities of the organization	Number of employees	Revenues from third-party sales	Revenues from intra-group transactions with other tax jurisdictions	Profit/loss before tax	Tangible assets other than cash and cash equivalents	Corporate income tax paid on a cash basis	Corporate income tax accrued on profit/loss
NEXI S.p.A. - NEXI PAYMENTS S.p.A. - MERCURY PAYMENT SERVICES S.p.A - HELP LINE S.p.A. - ORBITAL CULTURA SRL - SERVICE HUB S.p.A.	Holding shares or other equity instruments; Regulated financial services; Provision of services to unrelated parties	1,951	2,190,479,733	94,660,581	426,769,619	311,138,038	149,137,185	100,913,714
NETS TOPCO 3 SARL	Holding shares or other equity instruments	0	14,544	0	-29,932,482	0	9,629	9,629
BILLBIRD S.A. - CENTRUM ROZLICZEN ELEKTRONICZNYCH POLSKIE EPLATNOSCI S.A. - TOPCARD SP. Z O.O. - ECARD S.A. - P24 DOTCARD SP. Z O.O. - PAYPRO S.A. - REMENTI INVESTMENTS S.A. - POLSKIE EPLATNOSCI SP. Z O.O. (FORMER PAYLANE)	Sales, marketing or distribution; Regulated financial services	900	64,684,902	2,330,427	24,893,885	0	0	882,680
CONCARDIS AUSTRIA GMBH	Sales, marketing or distribution	16	20,876	3,110,080	364,459	60,035	-5,568	-900
NETS SCHWEIZ AG	Sales, marketing or distribution	129	19,354,341	0	-3,847,902	2,448,360	-1	0
CONCARDIS GMBH - CONCARDIS HOLDING GMBH - CPG SALES GMBH - CPG SERVICE GMBH - EVERGOOD GERMANY 1 GMBH - RATEPAY GMBH - NETS DENMARK A/S, GERMAN BRANCH	Manufacturing or production; Holding or managing intellectual property; Sales, marketing or distribution; Provision of services to unrelated parties; Regulated financial services	768	479,694,172	34,667,335	-44,190,812	205,219,753	103,527	133,001

Names of the resident entities	Primary activities of the organization	Number of employees	Revenues from third-party sales	Revenues from intra-group transactions with other tax jurisdictions	Profit/loss before tax	Tangible assets other than cash and cash equivalents	Corporate income tax paid on a cash basis	Corporate income tax accrued on profit/loss
NASSA A/S -NETS A/S-NETS CARDS PROCESSING A/S-NETS DANID A/S-NETS DENMARK A/S-NETS HOLDCO 1 APS-NETS HOLDING A/S-SIGNATURGRUPPEN A/S-STOREBOX APS	Holding shares or other equity instruments; Regulated financial services; Sales, marketing or distribution	1,050	317,831,786	96,942,206	2,539,991,542	4,425,741	-840,484	-3,824,650
NETS ESTONIA AS-NETS DK A/S- EESTI FILIAALNETS ESTONIA AS- LATVIA FILIALE	Sales, marketing or distribution	95	4,840,846	1,117,202	606,868	76,613	0	0
CHECKOUT FINLAND OY-PAYTRAIL OY-JPAYTRAIL TECHNOLOGY OY-POPLATEK OY-POPLATEK PAYMENTS OY-NETS DK A/S, FINNISH BRANCH	Research and development; Regulated financial services	473	49,274,884	4,528,214	6,935,370	417,011	1,073,547	1,353,356
NETS CEE D.O.O. (CROATIA)	Regulated financial services	303	34,404,843	12,424,183	4,455,979	6,678	0	115,187
NETS DK A/S LIETUVOS BRANCH	Sales, marketing or distribution	1	60,460	0	6,408	0	141	19
ITP BALTIC SIA (LATVIA)-NETS DK A/S LATVIAN BRANCH	Provision of services to unrelated parties; Sales, marketing or distribution	1	29,614	0	563	0	0	0
EDIGARD AS-NASSA TOPCO AS-NETS HOLDCO 5 AS-NETS BRANCH NORWAY	Holding shares or other equity instruments; Regulated financial services	340	203,187,370	16,329,656	-68,466,320	10,091,596	0	392,474
NETS SWEDEN ABNETS BRANCH SWEDEN	Regulated financial services	129	84,031,713	798	-3,862,114	219,649	30,760	149,319
NETS CEE D.O.O. (SLOVENIA)	Regulated financial services	55	1,833,650	515,304	-187,179	23,712	0	2,477
NETS DENMARK A/S, UK BRANCH	Sales, marketing or distribution	26	0	0	19,713	0	273	0

(1) The data shown relate to the 2021 tax period; this is because, to meet the GRI standard, the Nexi Group uses the data collected for Country-by-Country Reporting introduced by Italian tax legislation (Article 1, paragraphs 145 and 146 of Law No. 208/2015) and which must be sent to the local tax authorities within 12 months of the last day of the tax period being reported.

**GRI 405-1 a DIVERSITY OF GOVERNANCE BODIES**

	2022					2021					2020				
	Men (n)	Men (%)	Women (n)	Women (%)	Total	Men (n)	Men (%)	Women (n)	Women (%)	Total	Men (n)	Men (%)	Women (n)	Women (%)	Total
Board of directors	8	62%	5	38%	<b>13</b>	11	73%	4	27%	<b>15</b>	9	69%	4	31%	<b>13</b>
Strategic Committee	6	86%	1	14%	<b>7</b>	8	89%	1	11%	<b>9</b>	6	86%	1	14%	<b>7</b>
Control and Risk and Sustainable Committee	1	33%	2	67%	<b>3</b>	-	0%	3	100%	<b>3</b>	1	33%	2	67%	<b>3</b>
Remuneration and Appointments Committee	1	33%	2	67%	<b>3</b>	-	0%	3	100%	<b>3</b>	1	33%	2	67%	<b>3</b>
Related Party Transactions Committee	-	0%	3	100%	<b>3</b>	1	33%	2	67%	<b>3</b>	1	33%	2	67%	<b>3</b>

**GOVERNANCE BODIES COMPOSITION**

	2022							2021							2020						
	Under 30 years old (n)	Under 30 years old (%)	30-50 years old (n)	30-50 years old (%)	Over 50 years old (n)	Over 50 years old (%)	Total	Under 30 years old (n)	Under 30 years old (%)	30-50 years old (n)	30-50 years old (%)	Over 50 years old (n)	Over 50 years old (%)	Total	Under 30 years old (n)	Under 30 years old (%)	30-50 years old (n)	30-50 years old (%)	Over 50 years old (n)	Over 50 years old (%)	Total
Board of directors	-	0%	3	23%	10	77%	<b>13</b>	-	0%	5	33%	10	67%	<b>15</b>	-	0%	7	54%	6	46%	<b>13</b>
Strategic Committee	-	0%	2	29%	5	71%	<b>7</b>	-	0%	3	33%	6	67%	<b>9</b>	-	0%	5	71%	2	29%	<b>7</b>
Control and Risk and Sustainable Committee	-	0%	-	0%	3	100%	<b>3</b>	-	0%	1	33%	2	67%	<b>3</b>	-	0%	2	67%	1	33%	<b>3</b>
Remuneration and Appointments Committee	-	0%	1	33%	2	67%	<b>3</b>	-	0%	1	33%	2	67%	<b>3</b>	-	0%	2	67%	1	33%	<b>3</b>
Related Party Transactions Committee	-	0%	1	33%	2	67%	<b>3</b>	-	0%	1	33%	2	67%	<b>3</b>	-	0%	1	33%	2	67%	<b>3</b>

**GRI 417-3 INCIDENTS OF NON-COMPLIANCE CONCERNING MARKETING COMMUNICATIONS**

	Unit of measurement	2022	2021	2020
Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship	n.	0	0	0
Incidents of non-compliance with regulations resulting in a fine or penalty	n.	0	0	0
Incidents of non-compliance with regulations resulting in a warning	n.	0	0	0
Incidents of non-compliance with voluntary codes	n.	0	0	0

## SOCIAL

GRI 2-7 EMPLOYEES <sup>(1)</sup>

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Italy</b>	<b>2,260</b>	<b>1,495</b>	<b>3,755</b>	-	-	-	-	-	-
Part time	39	411	450	-	-	-	-	-	-
Full time	2,221	1,084	3,305	-	-	-	-	-	-
<b>Greece</b>	<b>386</b>	<b>586</b>	<b>972</b>	-	-	-	-	-	-
Part time	5	16	21	-	-	-	-	-	-
Full time	381	570	951	-	-	-	-	-	-
<b>Nordic countries</b>	<b>1,383</b>	<b>778</b>	<b>2,161</b>	-	-	-	-	-	-
Part time	45	64	109	-	-	-	-	-	-
Full time	1,338	714	2,052	-	-	-	-	-	-
<b>DACH</b>	<b>769</b>	<b>429</b>	<b>1,198</b>	-	-	-	-	-	-
Part time	49	104	153	-	-	-	-	-	-
Full time	720	325	1,045	-	-	-	-	-	-
<b>Poland</b>	<b>532</b>	<b>460</b>	<b>992</b>	-	-	-	-	-	-
Part time	77	33	110	-	-	-	-	-	-
Full time	455	427	882	-	-	-	-	-	-
<b>CEE</b>	<b>615</b>	<b>563</b>	<b>1,178</b>	-	-	-	-	-	-
Part time	6	27	33	-	-	-	-	-	-
Full time	609	536	1,145	-	-	-	-	-	-
<b>Others (Netherland, Belgium, South Africa)</b>	<b>55</b>	<b>36</b>	<b>91</b>	-	-	-	-	-	-
Part time	1	2	3	-	-	-	-	-	-
Full time	54	34	88	-	-	-	-	-	-
<b>Total part time contracts</b>	<b>222</b>	<b>657</b>	<b>879</b>	<b>114</b>	<b>514</b>	<b>628</b>	<b>26</b>	<b>328</b>	<b>1,636</b>
<b>Total fulltime contracts</b>	<b>5,778</b>	<b>3,690</b>	<b>9,468</b>	<b>3,611</b>	<b>2,181</b>	<b>5,792</b>	<b>1,027</b>	<b>609</b>	<b>354</b>
<b>Total</b>	<b>6,000</b>	<b>4,347</b>	<b>10,347</b>	<b>3,725</b>	<b>2,695</b>	<b>6,420</b>	<b>1,053</b>	<b>937</b>	<b>1,990</b>

## EMPLOYEES PERMANENT CONTRACTS/ TEMPORARY CONTRACTS

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Italy</b>	<b>2,260</b>	<b>1,495</b>	<b>3,755</b>	<b>1,078</b>	<b>960</b>	<b>2,038</b>	-	-	-
Non-guaranteed hours	-	-	-	-	-	-	-	-	-
Permanent contracts	2,257	1,494	3,751	1,078	960	2,038	-	-	-
Temporary contracts	3	1	4	-	-	-	-	-	-
<b>Greece</b>	<b>386</b>	<b>586</b>	<b>972</b>	-	-	-	-	-	-
Non-guaranteed hours	-	-	-	-	-	-	-	-	-
Permanent contracts	386	586	972	-	-	-	-	-	-
Temporary contracts	-	-	-	-	-	-	-	-	-
<b>Nordic countries</b>	<b>1,383</b>	<b>778</b>	<b>2,161</b>	<b>1,347</b>	<b>773</b>	<b>2,120</b>	-	-	-
Non-guaranteed hours	-	-	-	-	-	-	-	-	-
Permanent contracts	1,350	741	2,091	1,323	743	2,066	-	-	-
Temporary contracts	33	37	70	24	30	54	-	-	-
<b>DACH</b>	<b>769</b>	<b>429</b>	<b>1,198</b>	<b>577</b>	<b>353</b>	<b>930</b>	-	-	-
Non-guaranteed hours	-	-	-	-	-	-	-	-	-
Permanent contracts	722	383	1,105	537	312	849	-	-	-
Temporary contracts	47	46	93	40	41	81	-	-	-
<b>Poland</b>	<b>532</b>	<b>460</b>	<b>992</b>	<b>505</b>	<b>465</b>	<b>970</b>	-	-	-
Non-guaranteed hours	-	-	-	-	-	-	-	-	-
Permanent contracts	463	326	789	412	290	702	-	-	-
Temporary contracts	69	134	203	93	175	268	-	-	-
<b>CEE</b>	<b>615</b>	<b>563</b>	<b>1,178</b>	<b>218</b>	<b>144</b>	<b>362</b>	-	-	-
Non-guaranteed hours	-	-	-	-	-	-	-	-	-
Permanent contracts	563	476	1,039	216	142	358	-	-	-
Temporary contracts	52	87	139	2	2	4	-	-	-
<b>Others (Netherland, Belgium, South Africa)</b>	<b>55</b>	<b>36</b>	<b>91</b>	-	-	-	-	-	-
Non-guaranteed hours	-	-	-	-	-	-	-	-	-
Permanent contracts	36	22	58	-	-	-	-	-	-
Temporary contracts	19	14	33	-	-	-	-	-	-
<b>Total non-guaranteed hours</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Permanent contracts</b>	<b>5,777</b>	<b>4,028</b>	<b>9,805</b>	<b>3,566</b>	<b>2,447</b>	<b>6,013</b>	<b>1,053</b>	<b>936</b>	<b>1,989</b>
<b>Total Temporary contracts</b>	<b>223</b>	<b>319</b>	<b>542</b>	<b>159</b>	<b>248</b>	<b>407</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>Total</b>	<b>6,000</b>	<b>4,347</b>	<b>10,347</b>	<b>3,725</b>	<b>2,695</b>	<b>6,420</b>	<b>1,053</b>	<b>937</b>	<b>1,990</b>

(1) The geographical breakdown given in the table has changed from the geographical breakdown given in the 2021 Statement. The approach adopted in 2022 reflects the significant changes in the geographical areas in which the Group operates following the merger between Nexi and SIA.

(2) The "Others" category includes Nexi Group employees operating in the following countries: Netherlands, Belgium and South Africa.

(3) Tables for GRI 2-7 also contain data on Storebox Aps. Please refer to the "Methodological Note" section for more details.

(4) It should be noted that excluding Nets and SIA from the reporting boundary, and thus making the covered boundary comparable to 2020, the total number of employees in 2022 is 4,213, of which 2,444 are men and 1,769 are women.

## GRI 2-8 WORKERS WHO ARE NOT EMPLOYEES

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Stage	11	14	25	15	7	22	17	17	34
Interim	8	2	10	5	4	9	4	6	10
Collaboration contracts	3	3	6	4	1	5	4	2	6
<b>Total</b>	<b>22</b>	<b>19</b>	<b>41</b>	<b>24</b>	<b>12</b>	<b>36</b>	<b>25</b>	<b>25</b>	<b>50</b>

(1) Data on "Workers who are not employees" does not include Nets' workforce.

(2) Please note that for Nexi Payments Greece S.A. and Nexi Greece S.A., the number of external workers is not available as the responsible for them are each business owner, so it is not possible to provide you any data. Also, for SIA Central Europe, the number is not available as counted as service providers.

(3) Please note that excluding Nets and SIA from the reporting perimeter, thus making the covered perimeter comparable to 2020, the number of non-employees in 2022 is 37, of which 20 are men and 17 are women.

**GRI 401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER**

Employee turnover by gender	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees hired (n.)	1,035	757	1,792	293	210	503	87	97	184
<b>Incoming Turnover rate (%)</b>	<b>17.3%</b>	<b>17.4%</b>	<b>17.3%</b>	<b>7.9%</b>	<b>7.8%</b>	<b>7.8%</b>	<b>8.3%</b>	<b>10.4%</b>	<b>9.2%</b>
Employees who left (n.)	732	514	1,246	246	189	435	70	66	136
<b>Outbound Turnover rate (%)</b>	<b>12.2%</b>	<b>11.8%</b>	<b>12.1%</b>	<b>6.6%</b>	<b>7.0%</b>	<b>7.0%</b>	<b>6.6%</b>	<b>7.0%</b>	<b>6.8%</b>

Employee turnover by age	2022				2021				2020			
	< 30 years old	30-50 years old	> 50 years old	Total	< 30 years old	30-50 years old	> 50 years old	Total	< 30 years old	30-50 years old	> 50 years old	Total
Employees hired (n.)	568	1,044	140	1,752	163	288	24	475	10	145	29	184
<b>Incoming Turnover rate (%)</b>	<b>56.0%</b>	<b>17.3%</b>	<b>4.6%</b>	<b>17.4%</b>	<b>24.5%</b>	<b>7.2%</b>	<b>1.6%</b>	<b>7.7%</b>	<b>27.8%</b>	<b>10.8%</b>	<b>4.7%</b>	<b>9.2%</b>
Employees who left (n.)	218	801	215	1,234	98	264	50	412	7	100	29	136
<b>Outbound Turnover rate (%)</b>	<b>21.5%</b>	<b>13.3%</b>	<b>7.1%</b>	<b>12.2%</b>	<b>14.7%</b>	<b>6.6%</b>	<b>3.3%</b>	<b>6.7%</b>	<b>19.4%</b>	<b>7.5%</b>	<b>4.7%</b>	<b>6.8%</b>

Employees hired and who left by region	2022		2021		2020	
	Employees hired	Employees who left	Employees hired	Employees who left	Employees hired	Employees who left
Italy	262	305	75	62	184	136
Greece	205	180	-	-	-	-
Nordics	608	365	194	199	-	-
DACH	370	235	108	80	-	-
Poland	229	63	105	73	-	-
CEE	118	98	21	21	-	-
<b>Total</b>	<b>1,792</b>	<b>1,246</b>	<b>503</b>	<b>435</b>	<b>184</b>	<b>136</b>

Rate of employees hired and who left by region	2022		2021		2020	
	Employees hired	Employees who left	Employees hired	Employees who left	Employees hired	Employees who left
Italy	6.8%	7.9%	3.7%	3.0%	9.2%	6.8%
Greece	21.1%	18.5%	-	-	-	-
Nordics	28.1%	16.9%	9.1%	9.4%	-	-
DACH	30.9%	19.6%	11.6%	8.6%	-	-
Poland	23.1%	6.4%	10.8%	7.5%	-	-
CEE	10.0%	8.3%	5.8%	5.8%	-	-

- (1) The number of employees hired in the table of "Employee turnover by gender" does not correspond to the number of employees hired in the table of "Employees turnover by age" because Nets does not record the age group for 40 employees hired. These employees are therefore excluded from the table of "Employees turnover by age".
- (2) The number of employees who left in the table of "Employee turnover by gender" does not correspond to the number of employees who left in the table of "Employees turnover by age" because Nets does not record the age group for 15 employees who left and the gender for 3 employees who left. For this reason, 15 employees who left are excluded from the table of "Employees turnover by age" and 3 employees who left are excluded from the table of "Employees turnover by gender".
- (3) The "Others" category includes Nexi Group employees operating in the following countries: Netherlands, Belgium, and South Africa.
- (4) Please note that excluding Nets and SIA from the reporting boundary, and thus making the covered boundary comparable to the year 2020, in 2022 the incoming turnover rate overall amounts to 4.7% and the outgoing turnover rate amounts to 5.4%.

**GRI 403-9 WORK-RELATED INJURIES**

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Total number of work-related injuries</b>	<b>3</b>	<b>4</b>	<b>7</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>-</b>	<b>1</b>	<b>1</b>
of which occurred to employees	3	4	7	2	1	3	0	1	1
of which occurred to workers who are not employees but whose work and/or workplace is controlled by the organization	-	-	-	-	-	-	-	-	-
<b>Total number of High-consequence work-related injuries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which occurred to employees	-	-	-	-	-	-	-	-	-
of which occurred to workers who are not employees but whose work and/or workplace is controlled by the organization	-	-	-	-	-	-	-	-	-
<b>Total number of fatalities as a result of work-related injury</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which occurred to employees	-	-	-	-	-	-	-	-	-
of which occurred to workers who are not employees but whose work and/or workplace is controlled by the organization	-	-	-	-	-	-	-	-	-

**GRI 403-9 RATE OF WORK-RELATED INJURIES**

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Rate of work-related injuries</b>	<b>-</b>	<b>-</b>	<b>0.5</b>	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>	<b>-</b>	<b>0.8</b>	<b>0.3</b>

(1) Please note that excluding Nets and SIA from the reporting boundary, there were no occupational accidents in 2022.

(2) The rate by gender is not reported due to the non-availability of worked-hours data divided by gender in some of the geographies in which the Group operates.

**GRI 404-1 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE**

<b>Total hours of training by gender and employee category</b>	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	2,535	1,096	3,631	4,028	670	4,698	2,099	592	2,691
Managers	21,619	13,172	34,790	13,714	10,869	24,583	14,861	10,034	24,895
Other employees	80,875	55,529	136,404	13,706	19,249	32,955	14,175	17,739	31,914
<b>Total</b>	<b>105,029</b>	<b>69,796</b>	<b>174,825</b>	<b>31,448</b>	<b>30,788</b>	<b>62,236</b>	<b>31,135</b>	<b>28,365</b>	<b>59,500</b>

<b>Average hours of training by gender and employee category</b>	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	18.9	28.1	21.0	45.3	35.3	43.5	27.6	32.9	28.6
Managers	28.3	40.4	31.9	26.8	36.0	30.2	33.0	40.6	35.7
Other employees	18.3	17.3	17.8	16.4	21.4	19.0	27.2	26.5	26.8
<b>Total</b>	<b>19.7</b>	<b>19.5</b>	<b>19.6</b>	<b>21.9</b>	<b>25.3</b>	<b>23.5</b>	<b>29.6</b>	<b>30.3</b>	<b>29.9</b>

(1) The data in the table "Total hours of training by gender and employee category" do not include hours of training provided to employees of Signaturgruppen A/S, SIAPay S.r.l., SIA Central Europe, Nexi Greece S.A., Nexi Payments Greece S.A., and PforCards GmbH.

(2) The data in the table "Average hours of training by gender and employee category" do not include hours of training provided to employees of Signaturgruppen A/S, SIAPay S.r.l., SIA Central Europe, Nexi Greece S.A., Nexi Payments Greece S.A., and PforCards GmbH.

(3) Please note that Signaturgruppen A/S does not have a formal procedure for handling training activities. Activity is handled upon request on an ad hoc basis. Technical, informational and awareness training sessions have been held for the whole company every second Friday. On one occasion, an external lecturer gave security awareness and IT-security training.

(4) Please note that excluding Nets and SIA from the reporting boundary, thus making the covered boundary comparable to 2020, in 2022 the total number of training hours provided amounted to 108,445 (+77.6% compared to 2021). On the other hand, with reference to the average hours of training provided, they stand at 25.7 hours on average for 2022.

## CYBERSECURITY TRAINING

Total number of employees trained in IT security by employee category	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	72	24	96	53	11	64	5	3	8
Managers	482	185	667	438	255	693	89	51	140
Other employees	2,993	1,840	4,833	484	652	1,136	57	78	135
<b>Total</b>	<b>3,547</b>	<b>2,049</b>	<b>5,596</b>	<b>975</b>	<b>918</b>	<b>1,893</b>	<b>151</b>	<b>132</b>	<b>283</b>

(1) The data in the table "Total number of employees trained in IT security by employee category" do not include hours of training provided to employees of Signaturgruppen A.S., SIAPay S.r.l., SIA Central Europe, Nexi Greece S.A., Nexi Payments Greece S.A., and PforCards GmbH. The data in the table do not include 29 Nets employees who have conducted cybersecurity training because the gender and employee category could not be identified.


**404-3 PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS**

Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period - NEXI	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives receiving performance review	95.8%	85.0%	<b>93.5%</b>	95.1%	93.3%	<b>94.8%</b>	98.7%	94.7%	<b>97.9%</b>
Managers receiving performance review	97.6%	100.0%	<b>98.3%</b>	98.7%	96.4%	<b>97.9%</b>	96.9%	96.4%	<b>96.7%</b>
Other employees receiving performance review	88.4%	81.5%	<b>85.3%</b>	97.5%	99.0%	<b>98.3%</b>	96.7%	97.7%	<b>97.2%</b>

Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period - NETS	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives receiving performance review	68.8%	66.7%	<b>69.4%</b>						
Managers receiving performance review	63.4%	68.2%	<b>64.5%</b>						
Other employees receiving performance review	73.6%	75.6%	<b>74.4%</b>						

(1) The data in the tables "Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period" do not include employees of Orderbird GmbH, SIAPay S.r.l., SIA Central Europe, Nexi Greece S.A., Nexi Payments Greece S.A., and PforCards GmbH.

(2) Data on performance and career development review of Nets employees are collected from the yearly "Our Voices" survey, conducted in November 2022 across Nexi Group (excluding Orderbird GmbH). The reported data are % of respondents who have answered "yes" on the question of performance and career development review. In total 86% of Nets population (Nets and its subsidiaries, excluding Orderbird GmbH) participated in the survey.



Employees by gender and employee category	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	136	39	175	216	64	280	76	19	95
Managers	788	332	1,120	735	414	1,149	451	247	698
Other employees	5,076	3,976	9,052	2,774	2,217	4,991	526	671	1,197
<b>Total</b>	<b>6,000</b>	<b>4,347</b>	<b>10,347</b>	<b>3,725</b>	<b>2,695</b>	<b>6,420</b>	<b>1,053</b>	<b>937</b>	<b>1,990</b>

Percentage of employees by gender and employee category	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	77.7%	22.3%	1.7%	77.1%	22.9%	4.4%	80.0%	20.0%	4.8%
Managers	70.4%	29.6%	10.8%	64.0%	36.0%	17.9%	64.6%	35.4%	35.1%
Other employees	56.1%	43.9%	87.5%	55.6%	44.4%	77.7%	43.9%	56.1%	60.2%
<b>Total</b>	<b>58.0%</b>	<b>42.0%</b>	<b>100.0%</b>	<b>58.0%</b>	<b>42.0%</b>	<b>100.0%</b>	<b>52.9%</b>	<b>47.1%</b>	<b>100.0%</b>

(1) The total for this indicator differs from the one reported in the other tables due to the non-availability of the data broken down by age group in some of the geographies in which the Group operates.

Employees by age and employee category	2022				2021				2020			
	Under 30 years old	30-50 years old	Over 50 years old	Total	Under 30 years old	30-50 years old	Over 50 years old	Total	Under 30 years old	30-50 years old	Over 50 years old	Total
Executives	0	83	87	170	1	171	107	279	0	59	36	95
Managers	17	660	428	1,105	28	746	350	1,124	7	448	243	698
Other employees	997	5,295	2,519	8,811	637	3,081	1,041	4,759	29	834	334	1,197
<b>Total</b>	<b>1,014</b>	<b>6,038</b>	<b>3,034</b>	<b>10,086</b>	<b>666</b>	<b>3,998</b>	<b>1,498</b>	<b>6,162</b>	<b>36</b>	<b>1,341</b>	<b>613</b>	<b>1,990</b>

Percentage of employees by age and employee category	2022				2021				2020			
	Under 30 years old	30-50 years old	Over 50 years old	Total	Under 30 years old	30-50 years old	Over 50 years old	Total	Under 30 years old	30-50 years old	Over 50 years old	Total
Executives	0.0%	48.8%	51.2%	1.7%	0.4%	61.3%	38.4%	4.5%	0.0%	62.1%	37.9%	4.8%
Managers	1.5%	59.7%	38.7%	11.0%	2.5%	66.4%	31.1%	18.2%	1.0%	64.2%	34.8%	35.1%
Other employees	11.3%	60.1%	28.6%	87.4%	13.4%	64.7%	21.9%	77.2%	2.4%	69.7%	27.9%	60.2%
<b>Total</b>	<b>10.1%</b>	<b>59.9%</b>	<b>30.1%</b>	<b>100.0%</b>	<b>10.8%</b>	<b>64.9%</b>	<b>24.3%</b>	<b>100.0%</b>	<b>1.8%</b>	<b>67.4%</b>	<b>30.8%</b>	<b>100.0%</b>

Employees belonging to protected categories by gender	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees with disabilities	96	84	180	41	47	88	39	38	77
Other types of employees classified as protected categories	9	7	16	1	4	5	2	7	9
<b>Total</b>	<b>105</b>	<b>91</b>	<b>196</b>	<b>42</b>	<b>51</b>	<b>93</b>	<b>41</b>	<b>45</b>	<b>86</b>

(1) The age composition of Nets employees does not include 261 employees, as the figure was not available at this level of detail at the date of this Statement.

(2) The indicator does not include data from some Nexi Group companies as information on disability or membership of protected categories cannot be collected in accordance with the regulations of the countries in which the Group operates.

(3) Tables for GRI 405-1 also contain data on Storebox Aps. Please refer to the "Methodological Note" section for more details.

(4) Please note that excluding Nets and SIA from the reporting boundary, and thus making the perimeter covered comparable to 2020, in 2022, the total number of employees amounts to 5,627 (+176% compared to 2021), of which 3,093 are men and 2,534 are women.

(5) Please note that excluding Nets and SIA from the reporting boundary, and thus making the perimeter covered comparable to 2020, in 2022, the number of employees belonging to protected categories amounts to 196 (+111%), of whom 105 are men and 91 are women.

**GRI 405-2 RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN**

Employees by gender and employee category	2022		2021		2020	
	Basic salary	Remuneration	Basic salary	Remuneration	Basic salary	Remuneration
Executives	86.8%	79.6%	91.0%	87.9%	92.7%	89.8%
Managers	86.5%	86.3%	83.6%	82.2%	90.4%	89.9%
Other employees	80.8%	80.1%	80.8%	79.2%	91.8%	92.0%
<b>Total</b>	<b>81.6%</b>	<b>80.7%</b>	<b>85.2%</b>	<b>84.0%</b>	<b>91.6%</b>	<b>90.6%</b>

(1) Data and averages do not include employees of the German branches of Nexi Payments S.p.A. and Service HUB S.p.A.

(2) The basic salary corresponds to the gross annual remuneration (GAR). Remuneration is calculated as salary plus any bonus/reward system.

(3) Tables for GRI 405-2 also contain data on Storebox Aps. Please refer to the "Methodological Note" section for more details.

**GRI 406-1 INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN**

	Unit of measurement	2022	2021	2020
Total number of incidents of discrimination	n.	0	0	0

**GRI 418-1 SUBSTANTIATED COMPLAINTS CONCERNING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA**

	Unit of measurement	2022	2021	2020
Total number of substantiated complaints received concerning breaches of customer privacy	n.	<b>3,245</b>	<b>368</b>	<b>177</b>
- of which complaints received from outside parties and substantiated by the organization	n.	3,241	363	177
- of which complaints from regulatory bodies	n.	4	5	-
Total number of identified leaks, thefts, or losses of customer data	n.	<b>54</b>	<b>38</b>	<b>3</b>

(1) Please note that excluding Nets and SIA from the reporting boundary, and thus making the covered boundary comparable to 2020, in 2022 the total of substantiated complaints concerning breaches of customer privacy and loss of customer data amounted to 3,203.

## NUMBER OF CUSTOMER COMPLAINTS

Categories	Description	2022		2021		2020	
		n.	%	n.	%	n.	%
Complaints received concerning outcome of the dispute after its definition	The customer does not agree with the dispute	3,607	6%	3,072	17.0%	4,763	51.9%
Complaints received concerning terms and conditions of contracts	The signed contract establishes terms and (economic or service-related) conditions that the customer declares have been applied differently	3,160	6%	2,409	13.3%	1,647	18.0%
Complaints received concerning loyalty programme #iosì	The customer complains about the loyalty programme (rewards, fees, points, etc.)	477	1%	952	5.3%	1,304	14.2%
Complaints received concerning services ancillary to cards (production and delivery of reports, insurance, provision of PIN codes, delivery of duplicates after card blockage, delivery of new cards, etc.)	Complaints by cardholders on a number of card-related services	1,357	2%	434	2.4%	304	3.3%
Complaints received concerning installation and maintenance of POS terminals	Merchant complaints on installation and maintenance of POS terminals	4,894	9%	1,234	6.8%	180	2.0%
Complaints received concerning correct/complete information at contact stage	The customer claims to have received unclear/incomplete/incorrect information during the contact phase	180	0%	128	0.7%	97	1.1%
Complaints received concerning Covid-19	Merchants complain about receiving commission charges during lockdown periods / T&E merchants complain about Circuit rules ensuring refunds to cardholders on the basis of services not provided due to the pandemic	6	0%	123	0.7%	183	2.0%
Complaints received concerning authorisation processes	The customer complains about a denied authorisation, a revocation not processed	3,324	6%	121	0.7%	64	0.7%
Complaints received concerning Call Centre accessibility (IVR and operator)	The customer states that the IVR is not user friendly or there are service shortcomings	98	0%	110	0.6%	77	0.8%
Complaints received concerning other reasons	-	38,317	70%	9,530	52.6%	556	6.1%
<b>Total</b>		<b>55,420</b>	<b>100%</b>	<b>18,113</b>	<b>100%</b>	<b>9,175</b>	<b>100%</b>

Complaints outcome	2022		2021		2020	
	n.	%	n.	%	n.	%
Accepted	6,178	15.5%	2,739	15.1%	1,428	15.6%
Not accepted	11,549	29.0%	6,836	37.7%	7,591	82.7%
Processing	131	0.3%	55	0.3%	156	1.7%
Not tracked	21,908	55.1%	8,483	46.8%	-	0.0%
<b>Total</b>	<b>39,766</b>	<b>100%</b>	<b>18,113</b>	<b>100%</b>	<b>9,175</b>	<b>100%</b>

- (1) For Poplatek, Concardis GmbH, Nets Denmark A/S, a complete view on complaints status (accepted/not accepted/...) is not available.
- (2) Please note that in SIApAY S.r.l., the total number of complaints in 2022 was lower than in the previous year despite the substantial increase in customers with agreements and in the volume of transactions managed.
- (3) Please note that for Nets Denmark A/S, there is a new set-up on use of digital signature, and so the terminal incident in DACH requiring many terminals to be replaced.
- (4) Please note that for Orderbird GmbH, only the real complaints if they are legitimate as complaints are tracked, therefore all are accepted.
- (5) Please note that for Nexi Greece S.A., the data is not collected because a formal repository of complaints does not exist at this stage.
- (6) It should be noted that excluding Nets and SIA from the reporting boundary, and thus making the boundary covered comparable to 2020, the total number of complaints in 2022 amounts to 7957 (-4% compared to 2021).

## ENVIRONMENTAL<sup>28</sup>

<sup>28</sup> Note that for the environment data, the Nets Denmark A/S UK Branch and Nets Denmark A/S (french branch) were excluded from the reporting boundary.

### GRI 204-1 PROPORTION OF SPENDING ON LOCAL SUPPLIERS<sup>(1-2)</sup>

Proportion of spending on local suppliers	2022	2021	2020
<b>ITALY</b>			
Spending on procurement from local suppliers (%)	90.5%	91.0%	94.0%
Spending on procurement from foreign suppliers (%)	9.5%	9.0%	6.0%
<b>GREECE</b>			
Spending on procurement from local suppliers (%)	70.1%		
Spending on procurement from foreign suppliers (%)	29.9%		
<b>CEE</b>			
Spending on procurement from local suppliers (%)	72.1%	76.4%	
Spending on procurement from foreign suppliers (%)	27.9%	23.6%	
<b>NORDICS</b>			
Spending on procurement from local suppliers (%)	79.8%	78.1%	
Spending on procurement from foreign suppliers (%)	20.2%	21.9%	
<b>DACH</b>			
Spending on procurement from local suppliers (%)	83.5%	83.4%	
Spending on procurement from foreign suppliers (%)	16.5%	16.6%	
<b>POLAND</b>			
Spending on procurement from local suppliers (%)	97.2%	97.7%	
Spending on procurement from foreign suppliers (%)	2.8%	2.3%	

- (1) The proportion of expenditure on local suppliers is calculated by considering expenditure on "local" suppliers (i.e., based in the same geographical areas as the Group's operating sites) as the numerator and total expenditure on suppliers of the same operating sites as the denominator.
- (2) As a definition of local suppliers, the Nexi Group considers persons or organizations that are based in the geographic areas of Italy, Greece, Nordic Countries (Denmark, Norway, Sweden, Finland, Estonia, Latvia, Lithuania and the United Kingdom), DACH (Germany, Austria and Switzerland), Poland and CEE (Croatia, Slovenia, Bosnia and Herzegovina, Romania, Serbia, Hungary, Czech Republic, Slovakia) and offer products or services to the affiliated companies of the Group in the specific geographic areas.

### GRI 301-1 MATERIALS USED BY WEIGHT OR VOLUME

	Unit of measurement	2022	2021	2020
Renewable materials used	ton	61.6	61.9	6.9
Non-renewable materials used	ton	671.6	406.0	181.9
<b>Total</b>	<b>ton</b>	<b>733.2</b>	<b>467.9</b>	<b>188.8</b>

- (1) For Paytrail, the materials account for zero as it is an ecommerce business for which no physical material is needed. Invoices are sent by e-invoice or by e-mail. No physical material is also used by Signaturgruppen A/S, Nets Estonia AS, Nexi Payments S.p.A. (B/NL/D), Nets Branch Norway.
- (2) For Nets Schweiz, the use of cartridge is estimated by assuming one equal to 0.5kg.
- (3) For Polskie ePłatności, the disposal of 9,725 (due to the lost PCI certifications or repair costs that exceed POSes value) is not included.
- (4) For the perimeter of Nets Branch Norway, the Facility Management does not use materials to produce and package the organization's primary products and services.
- (5) Service HUB S.p.A. uses recycled paper and envelopes only for HR activities in a very small amount, therefore, they are not able to quantify.
- (6) Please note that for Poplatek and Concardis GmbH, the materials used could not be estimated. For the carbon footprint calculation, the emissions related have been included by estimating the tCO<sub>2</sub>e based on average CO<sub>2</sub>e emissions per employee.
- (7) It should be noted that excluding Nets and SIA from the reporting boundary, and thus making the boundary covered comparable to 2020, the total materials used in 2022 amount to 196.1 tons (-32.1% compared to 2021).


**GRI 303-3 WATER WITHDRAWAL**

	Unit of measurement	2022		2021		2020	
		All areas	Water stressed areas	All areas	Water stressed areas	All areas	Water stressed areas
<b>Surface water</b>	<b>Megaliters</b>	<b>4.6</b>	<b>5.4</b>	<b>0.7</b>		<b>-</b>	<b>-</b>
Fresh water (≤ 1000 mg/L total dissolved solids)	Megaliters	4.6	5.4				
Other water (> 1000 mg/L total dissolved solids)	Megaliters						
<b>Groundwater</b>	<b>Megaliters</b>	<b>818.6</b>	<b>99.5</b>	<b>937.9</b>	<b>0.6</b>	<b>591.9</b>	<b>1.6</b>
Fresh water (≤ 1000 mg/L total dissolved solids)	Megaliters	818.6	91.4				
Other water (> 1000 mg/L total dissolved solids)	Megaliters		8.1				
<b>Seawater</b>	<b>Megaliters</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fresh water (≤ 1000 mg/L total dissolved solids)	Megaliters						
Other water (> 1000 mg/L total dissolved solids)	Megaliters						
<b>Produced water</b>	<b>Megaliters</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fresh water (≤ 1000 mg/L total dissolved solids)	Megaliters						
Other water (> 1000 mg/L total dissolved solids)	Megaliters						
<b>Third-party water</b>	<b>Megaliters</b>	<b>34.2</b>	<b>10.4</b>	<b>35.7</b>	<b>3.5</b>	<b>37</b>	<b>2.2</b>
Fresh water (≤ 1000 mg/L total dissolved solids)	Megaliters	30.0	9.4				
Other water (> 1000 mg/L total dissolved solids)	Megaliters	4.2	1.0				
<b>Total water withdrawal</b>	<b>Megaliters</b>	<b>857.4</b>	<b>115.3</b>	<b>974.3</b>	<b>4.1</b>	<b>628.9</b>	<b>3.8</b>

- (1) Please note that the reporting methodology has been refined and, with respect to 2021 and 2020, only the value previously reported under "of which from areas with extremely high-water stress" was considered for category "water stressed areas".
- (2) For Paytrail, the water withdrawal can't be estimated as it is included in monthly office rents. As for Nexi Payments Greece S.A., which became operational in Q3 2022.
- (3) The decrease in Nets Denmark A/S is caused by the closure of one location, while the increase for P24 Dotcard Sp. z o.o. is due to a higher number of employees physically present in the office.
- (4) For Orderbird AG, some Italian offices, some offices of Nexi Payments S.p.A., the water withdrawal has been estimated for working days in 2022, for an average water usage per employee per number of employees in office per day.
- (5) Please note that where water withdrawals were generally reported it was assumed to refer to "Third-party water" - "Other water (>1,000 mg/L Total Dissolved Solids)", as was the case for SIA Central Europe, Nexi Payments Greece SA and Nexi Payments S.p.A. (Belgium, Netherlands).
- (6) Please note that the increase registered in 2022 by P24 Dotcard Sp. z o.o. is due to the higher number of employees physically present in the office.
- (7) Please note that for the Italian perimeter, the data provided was calculated, for the third-party water resources, through invoices, for groundwater from the meter readings, and in case of missing data, they have been estimated considering last year trend or the number of people in the office, the number of working day in a year and the average consumption of water in a day by a person (50 l/g). The same methodology has been used by Nexi Payments B.N.L.D, when the data of some offices was not available or only partially available.
- (8) Nexi Payments Greece S.A. went operational in 2022 Q3 and they do not have water data. In any case, the contribution would be very small due to the office spaces (1000sq.m.) and personnel (<40ppl).
- (9) Signaturgruppen A/S does not use water in production but only for office-housing. Consumption is part of the housing agreement and as such is paid for through our rent, no qualitative information of how much is used and the source it comes from is available.
- (10) Please note that for Nets Schweiz AG, the data collected corresponds to that of 2021, as the number of employees and entities remained unchanged. This is since it was not possible to get the data from the building in which the office is located as there is a type of production in it that measures probably 90% of the water consumption.
- (11) Please note that for Poplatek, water consumption is included in the office rent, and it is not possible to obtain a view of the data.

**GRI 306-3 WASTE GENERATED**

	Unit of measurement	2022		2021		2020	
		Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste
Waste produced	ton	8.64	2237.22	2.3	723.8	11.3	653.1
<b>Total</b>	<b>ton</b>	<b>2245.85</b>		<b>726.1</b>		<b>664.4</b>	
Percentage of waste	%	0.4	99.6	0.3	99.7	1.7	98.3

- Please note that in Ordebird AG all the waste that is generated in the office is discarded together, so there is no way to differentiate waste production by specific categories. Also, we do not have hazardous waste. The cleaning team disposes 15 120-liter bags of garbage from our office every week. We calculate according to this for the years 2022 and 2021. In 2020, due to the home office performing because of the COVID-19 pandemic, the amount of waste produced decreased significantly.
- Please note that for Paytrail, the data reported include only Jyväskylä data and this is estimate included in the monthly office rent (property owner estimate based on building's total consumption), while the data from Tampere office is not available as the property owner can't estimate the amount of waste because there are different kind of companies in building (offices, restaurants...).
- Please note that for Polskie ePłatności, only general information about waste is available: all the offices are rented, and owners of buildings do not provide such detailed information.
- Please note that for Ratepay GmbH, the increase in waste is due to the more attendance of employees in the office than the previous year.
- Please note that for Poplatek, the waste generated could not be estimated. For the carbon footprint calculation, the emissions related have been included by estimating the tCO<sub>2e</sub> based on average CO<sub>2e</sub> emissions per employee.
- Please note that for the Greek perimeter, in some cases, waste was collected in m<sup>3</sup> instead of tons, as for the conversion there are no specific indications for waste but only for materials before delivery. The value of the density of the individual material expressed in kg/m<sup>3</sup> has been divided by 1000 to obtain the equivalent tons and for some materials for which there are different types (e.g., polymers), the average density of the possible varieties in the collection can be calculated. Please note that the factors used are 1 m<sup>3</sup> = 1.2 tons (paper); 1 m<sup>3</sup> = 1.17 tons (plastic - calculated average with polyamide [PA], polypropylene [PP] and soft and hard polyvinyl chloride [PVC]); 1 m<sup>3</sup> engine oil = 0.86 tons (engine oil - average calculated with SAE 0W-30, 10W-40, 10W-60, 15W-40, SAE 30, SAE 5W-40).

**GRI 306-4 WASTE DIVERTED FROM DISPOSAL**

	Unit of measurement	2022		2021		2020	
		Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste
Waste diverted from disposal	ton	2.4	972.2	1.1	649.9	-	-
<b>Total</b>	<b>ton</b>	<b>974.6</b>		<b>651.0</b>		<b>-</b>	

Waste diverted from disposal by recovery method	Unit of measurement	2022		2021		2020	
		Onsite	Offsite	Onsite	Offsite	Onsite	Offsite
<b>Hazardous waste</b>	<b>ton</b>	<b>1.0</b>	<b>1.3</b>	<b>0.2</b>	<b>1.0</b>	-	-
Preparation for reuse	ton	0.0	0.0	-	-	-	-
Recycling	ton	1.0	1.3	-	1.0	-	-
Other recovery operations	ton	0.0	0.0	0.2	-	-	-
<b>Non-hazardous waste</b>	<b>ton</b>	<b>282.1</b>	<b>690.1</b>	<b>382.9</b>	<b>264.0</b>	-	-
Preparation for reuse	ton	0.0	16.1	-	3.7	-	-
Recycling	ton	282.1	632.7	25.4	260.3	-	-
Other recovery operations	ton	0.0	41.3	357.5	-	-	-
<b>Total</b>	<b>ton</b>	<b>283.1</b>	<b>691.4</b>	<b>383.1</b>	<b>264.9</b>	<b>-</b>	<b>-</b>

- Please note that in Ordebird AG all the waste generated by the office is disposed. There is no reuse or recycling in any way.
- Please note that for Paytrail, the data reported include only Jyväskylä data and this is estimate included in the monthly office rent (property owner estimate based on building's total consumption), while the data from Tampere office is not available as the property owner can't estimate the amount of waste because there are different kind of companies in building (offices, restaurants...).
- Please note that for Polskie ePłatności, the higher amount of reused waste is a consequence of much higher purchases of terminals. Recycling is higher as well because of employees' offices return (higher order of stationary).
- Please note that for Nets Denmark A/S Finnish branch, the data has been collected from supplier digital records available through service portal and the service is provided by L&T Environmental services.
- Please note that for Ratepay GmbH, Paypro S.A., Nets CEE and Orberbird AG a breakdown of waste diverted from disposal by recovery method is not available.
- Please note that for Nets Branch Norway, the figures for waste have been collected from the supplier, while for the waste diverted from disposal the figures have been collected from the supplier's website which tells where waste (percentage) should be sent for recycling.
- Please note that for the Greek perimeter, in some cases, waste was collected in m<sup>3</sup> instead of tons, as for the conversion there are no specific indications for waste but only for materials before delivery. The value of the density of the individual material expressed in kg/m<sup>3</sup> has been divided by 1000 to obtain the equivalent tons and for some materials for which there are different types (e.g., polymers), the average density of the possible varieties in the collection can be calculated. Please note that the factors used are 1 m<sup>3</sup> = 1.2 tons (paper); 1 m<sup>3</sup> plastic = 1.17 tons (plastic - calculated average with polyamide [PA], polypropylene [PP] and soft and hard polyvinyl chloride [PVC]); 1 m<sup>3</sup> = 0.86 ton (engine oil - average calculated with SAE 0W-30, 10W-40, 10W-60, 15W-40, SAE 30, SAE 5W-40).
- Please note that the total of waste diverted from disposal in 2021 has been subject of restatement with respect to last year Non-Financial Statement.

**GRI 302-1 ENERGY CONSUMPTION WITHIN THE ORGANIZATION**

**GRI 305-1 DIRECT (SCOPE 1) GHG EMISSIONS**

**GRI 305-2 ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS**

Energy consumption <sup>1</sup>	Unit of measurement	2022	2021	2020
<b>Direct emissions - Scope 1<sup>2</sup></b>	<b>tCO<sub>2</sub>e</b>	<b>5,256.6</b>	<b>2,038.7</b>	<b>1,075.5</b>
<b>Total direct energy</b>	<b>Gj</b>	<b>79,121.9</b>	<b>31,551.6</b>	<b>17,635.3</b>
<b>- Renewable</b>	<b>Gj</b>	<b>1,057.09</b>	<b>497.2</b>	<b>1,011.8</b>
- of which self-produced photovoltaic energy	kWh	293,636.0	138,113.9	281,052.0
<b>- Not renewable</b>	<b>Gj</b>	<b>78,064.8</b>	<b>31,056.6</b>	<b>16,623.5</b>
-of which natural gas consumption	m <sup>3</sup>	187,277.1	138,199.8	176,280.5
-of which diesel consumption for generators	l	30,566.6	8,075.0	2,350.0
-of which petrol consumption attributable to the company fleets	l	589,629.0	143,187.4	9,845.7
-of which diesel consumption for company cars	l	1,233,198.6	397,242.2	140,872.7
-of which LPG consumption for company cars		2,239.8	-	-
-of which additional company fleet consumption- petrols	estimate l	22,941.6	44,373.9	6,968.9
-of which additional company fleet consumption - diesels	estimate l	18,452.7	94,533.8	94,721.0
<b>Indirect emissions - Scope 2 Location Based</b>	<b>tCO<sub>2</sub>e</b>	<b>9,702.9</b>	<b>4,432.0</b>	<b>3,281.8</b>
<b>Indirect emissions - Scope 2 Market Based</b>	<b>tCO<sub>2</sub>e</b>	<b>6,665.8</b>	<b>3,630.5</b>	<b>91.6</b>
<b>Total indirect energy</b>	<b>Gj</b>	<b>156,173.9</b>	<b>64,019.3</b>	<b>40,105.4</b>
<b>-renewable</b>	<b>Gj</b>	<b>94,019.6</b>	<b>35,152.9</b>	<b>38,564.8</b>
-of which electricity purchased from the grid covered by GO for the Group offices	kWh	12,972,071.0	7,331,862.7	8,614,778.2
-of which electricity purchased from the grid covered by GO for the activities of the Data Centres owned by the Group <sup>4</sup>	kWh	13,144,490.5	2,432,845.3	2,097,668.8
<b>-not renewable</b>	<b>Gj</b>	<b>62,154.2</b>	<b>28,866.4</b>	<b>1,540.6</b>
-of which non-renewable electricity purchased from the grid for the Group offices	kWh	10,104,110.5	6,659,627.6	-
-of which non-renewable electricity purchased from the grid for the activities of the Data Centres <sup>4</sup>	kWh	2,320,333.4		
-of which non-renewable electricity for plug-in hybrid car consumption	kWh	174,160.0	78,332.0	8,046.6
-of which district heating <sup>2</sup>	kWh	3,966,149.5	960,830.8	243,090.0
-of which district cooling <sup>2</sup>	kWh	700,315.0	319,640.2	176,800.0

(1) Data reported from 2020 to 2022 are not directly comparable due to the different perimeters adopted for the calculation for the three subsequent years. More specifically:

- 2020: calculations refer to Nexi Spa (italian perimeter only);
  - 2021: after the merge between Nexi Spa and Nets (1st July 2021), in line with the Financial declaration, results include data for Nexi Spa across the entire year, while Nets data refers to 6 months (1 January 2021-31 June 2021);
  - 2022: after the merger with SIA Spa on 31 December 2021, the perimeter includes all activities performed across the countries where the group operates for the entire year.
- (2) Electricity consumption for the following legal entities has been estimated based on the office surface: Signaturgruppen A/S, Poplatek. District heating consumption for the following legal entities has been estimated based on the office surface: Hattalova (Slovakia, SIA Central Europe), Budapest (Hungary, SIA Central Europe), Belgrade (Serbia, SIA Central Europe), Nets Estonia, Radnička cesta (Croatia, Nets CEE), Ljubljana (Slovenia, Nets CEE), Concardis GmbH. Natural gas consumption used for heating for the following offices has been calculated based on square meters. Gland (Nets Switzerland), Rivera (Nets Switzerland), Glattburg (Nets Switzerland), Signaturgruppen A/S, Poplatek.
- (3) Emissions related to vehicle use include the company-owned fleet and long-lease cars, which include conventional, mild hybrid, plug-in hybrid and full electric plug-in vehicles. It includes both Scope 1 (fuels) and Scope 2 (electricity) emissions. The data was provided with different units of measurement such as liters of fuel, kWh consumed, kilometers driven and economic data referring to reimbursements, as well as the type and model of the vehicles. For the sole purpose of presenting the kilometers traveled in this table it was considered that 40% of the kilometers traveled by plug-in electric vehicles were fueled by petrol or diesel.
- (4) The emissions for data centers were calculated taking into account the ownership of the buildings and racks, in line with the approach used in 2021. In 2022, data collection was carried out separately to approach all possible cases. For group-owned buildings:
- within Scope 1 are considered the use of diesel to power back-up generators and refrigerant gas losses;
  - within Scope 3 are considered the waste generated.
- For racks owned by the group, emissions related to electricity consumption are considered within Scope 2. For racks leased managed by Nexi Group, emissions related to electricity consumption are included in Scope 3 "Upstream Leased Assets".
- Given the complexity of gathering data on electricity consumed by racks, there are omissions for some data centers in Germany (4), Poland (2), Italy (2) and the United Kingdom (1). As regards the data for waste, diesel to power back-up generators and refrigerant gas losses, there is an omission for one data center in Norway.

**GRI 302-2 ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION**

**GRI 305-3 OTHER INDIRECT (SCOPE 3) GHG EMISSIONS**

Energy emissions <sup>1</sup>	Unit of measurement	2022	2021	2020
<b>Indirect emissions - Scope 3</b>	<b>tCO<sub>2</sub>e</b>	<b>40,037.3</b>	<b>8,354.4</b>	<b>1,247.3</b>
<b>Of which produced from fuel and energy extraction and reprocessing:</b>	<b>tCO<sub>2</sub>e</b>	<b>4,341.9</b>	<b>2,225.7</b>	<b>837.3</b>
<b>Of which produced from materials used</b>	<b>tCO<sub>2</sub>e</b>	<b>907.3</b>	<b>599.7</b>	<b>331.4</b>
Materials used by weight or volume <sup>2</sup>	ton	772.9	415.3	188.80
<b>Of which produced by capital goods<sup>3</sup></b>	<b>tCO<sub>2</sub>e</b>	<b>13,802.5</b>	<b>-</b>	<b>-</b>
<b>Of which produced by Business Travel<sup>4</sup></b>	<b>tCO<sub>2</sub>e</b>	<b>2,262.0</b>	<b>344.1</b>	<b>72.4</b>
- of which car	Km	25,263.6	823,983.1	9,203.0
- of which train	Km	1,442,027	660,706.0	582,636.0
- of which aircraft	km	10,432,521	461,523.0	246,714.0
<b>Of which produced by waste</b>	<b>tCO<sub>2</sub>e</b>	<b>45.5</b>	<b>16.0</b>	<b>6.2</b>
Waste by type and disposal methods	ton	1,865.8	751.1	664.4
<b>Of which produced by Upstream Leased Assets- Market Based<sup>6</sup></b>	<b>tCO<sub>2</sub>e</b>	<b>250.7</b>	<b>936.2</b>	<b>-</b>
- of which electricity purchased from the network covered by GO for the activities of fully outsourced Data Centres <sup>7</sup>	tCO <sub>2</sub> e	7,466,089.1	2,839,458.5	1,584,739.5
<b>Of which produced by employee commuting<sup>8</sup></b>	<b>tCO<sub>2</sub>e</b>	<b>12,002.5</b>	<b>2,841.7</b>	<b>n.d.</b>
<b>Of which produced by use of sold products<sup>9</sup></b>	<b>tCO<sub>2</sub>e</b>	<b>293.3</b>	<b>90.2</b>	<b>n.d.</b>
<b>Of which produced by the end-of-life treatment of sold-products<sup>10</sup></b>	<b>tCO<sub>2</sub>e</b>	<b>31.0</b>	<b>17.5</b>	<b>n.d.</b>
<b>Of which produced by leased assets<sup>11</sup></b>	<b>tCO<sub>2</sub>e</b>	<b>6,100.6</b>	<b>1,283.3</b>	<b>n.d.</b>

- (1) The emissions related to fuel- and energy-related activities showed a methodological update compared to 2021 in terms of more accurate emission factors for electricity consumption. In the case of electricity covered by Guarantees of Origin, the specific energy sources (hydro, solar, wind), where available, were taken into account.
- (2) The data for materials used were not available for: Concardis GmbH, Nets CEE, Poplatek, Signaturgruppen A/S. The estimates have been completed based on emissions intensity related to waste used by the rest of the Group.
- (3) Emissions related to the Capital Goods category are related to terminals purchased during the year. For the first time, these values are included in NFS in 2022, in line with the group's ongoing commitment to improve the mapping of its environmental impacts. Where possible, emissions were calculated using a supplier-specific approach; where this was not possible, it was assumed that supplier-specific emission factors could also be applied to all other terminals.
- (4) Emissions related to business travel include, as in previous years, emissions related to travel by train, plane, rental car, taxi and public transport. In line with the group's ongoing efforts to improve the mapping of its environmental impacts and consequently develop a more comprehensive and transparent disclosure, emissions related to hotel expense reports have also been added for the year 2022. In a limited number of cases (taxis and public transport, a percentage of plane and train trips), data on kilometers traveled was not available, so emissions were calculated using emission factors for economic data. Therefore, in this table, the kilometers related to the above-mentioned exceptional cases are not included as activity data but included in the calculation of emissions.
- (5) Waste was not reported by the following legal entities: Concardis GmbH, Nets CEE, Nets Branch Norway, Signaturgruppen A/S. Estimates were completed based on the reported tCO<sub>2</sub>e intensity per employee in the rest of Nexi Group.
- (6) The emissions for data centers were calculated considering the ownership of the buildings and racks, in line with the approach used in 2021. In 2022, data collection was carried out separately to approach all possible cases. For group-owned buildings:  
 - within Scope 1 are considered the use of diesel to power back-up generators and refrigerant gas losses;  
 - within Scope 3 are considered the waste generated.  
 For racks owned by the group, emissions related to electricity consumption are considered within Scope 2. For racks leased managed by Nexi Group, emissions related to electricity consumption are included in Scope 3 "Upstream Leased Assets". Given the complexity of gathering data on electricity consumed by racks, there are omissions for some data centers in Germany (4), Poland (2), Italy (2) and the United Kingdom (1). As regards the data for waste, diesel to power back-up generators and refrigerant gas losses, there is an omission for one data center in Norway.
- (7) The emissions associated with the Upstream Leased Assets category were calculated through a Market-Based approach, with the objective of emphasizing the use of electricity covered by Guarantees of Origin.
- (8) The emissions generated by employee commuting involved the adoption of the Mobility Survey results gathered for the Italian perimeter in 2022. The survey results already reflected the smart working policy applied during 2022: 2 days of work from home and 3 days in the office. The survey results were used to calculate the company-specific emission factor at a group level. This choice is driven by the high quality data gathered at Italian level, the alignment with last year methodology and the lower granularity of information available at a group level.
- (9) Scope 3 emissions due to the use of sold products were calculated for the first time in 2021, in line with the group's ongoing commitment to improve the mapping of its environmental impacts and consequently to develop a more comprehensive and transparent disclosure. No supplier-specific data on POS electricity consumption are available. Therefore, the calculation of emissions was estimated from information available online from POS manufacturers. For the former Nets perimeter, the electricity consumption of installed POS was included in the Downstream Leased Assets category, as it is not possible to estimate the port share of sold and leased terminals. The emission factor used for this category is Location Based and varies for individual countries. The underlying assumption is that the country where the terminal is used corresponds with the country where the terminal is leased. Data for Nexi Payments Greece S.A. were not available.
- (10) Scope 3 emissions due to end-of-life treatment of sold products were calculated for the first time in 2021, in line with the group's ongoing commitment to improve the mapping of its environmental impacts and consequently to develop a more complete and transparent disclosure. For Nexi Group, this category includes terminals sold and cards sold.
- (11) Scope 3 emissions from the consumption of leased products were calculated for the first time in 2021, in line with the group's ongoing commitment to improve the mapping of its environmental impacts and consequently to develop a more comprehensive and transparent disclosure. No supplier-specific data on POS electricity consumption are available. Therefore, the calculation of emissions was estimated from information available online from POS manufacturers. For the former Nets perimeter, the electricity consumption of active POS at the end of the year has been included in the Downstream Leased Assets category, as it is not possible to estimate the portions of terminals sold and leased. The emission factor used for this category is Location Based and varies for individual countries. The underlying assumption is that the country where the terminal is used corresponds with the country where the terminal is leased. Data for Nexi Payments Greece S.A. have not been provided.
- (12) Emission factors from various sources were used to calculate CO<sub>2</sub> emissions, including: IPCC, CEDA, IEA, Ecoinvent, AIB, DEFRA 2022

**GRI 302-3 ENERGY INTENSITY**

	Unit of measurement	2022
Total number of employees	n.	10,347
Energy consumption within the organization	Gj	235,295.7
<b>Energy intensity</b>	<b>Gj/n.</b>	<b>22,7</b>




**GRI 305-4 GHG EMISSIONS INTENSITY**

<b>GHG emissions intensity (Scope 1 + Scope 2 Location Based)</b>	Unit of measurement	2022
Total number of employees	n.	10,347
Direct emissions (Scope 1 and Scope 2 Location Based)	tCO <sub>2</sub> e	14,959.5
<b>GHG emissions intensity</b>	<b>tCO<sub>2</sub>e/n.</b>	<b>1.4</b>

<b>GHG emissions intensity (Scope 1 + Scope 2 Market Based)</b>	Unit of measurement	2022
Total number of employees	n.	10,347
Direct emissions (Scope 1 and Scope 2 Market Based)	tCO <sub>2</sub> e	11,922.4
<b>GHG emissions intensity</b>	<b>tCO<sub>2</sub>e/n.</b>	<b>1.2</b>




<b>GHG emissions intensity (Scope 3)</b>	Unit of measurement	2022
Total number of employees	n.	10,347
Other indirect emissions (Scope 3)	tCO <sub>2</sub> e	40,037.3
<b>GHG emissions intensity</b>	<b>tCO<sub>2</sub>e/n.</b>	<b>3.9</b>

## EUROPEAN TAXONOMY: ELIGIBLE AND ALIGNED ECONOMIC ACTIVITIES - CAPEX

Economic activities	Code	Absolute CapEx	Proportion of CapEx	Substantial contribution criteria		DNSH criteria (Does Not Significantly Harm)						Minimum safeguards	Taxonomy-aligned proportion of CapEx, 2022	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems				
		€/000	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>															
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>															
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	0	0%	0%	0%		N		N	N		Y	0%	-	-
															
Renovation of existing buildings	7.2	0	0%	0%	0%		N		N	N		Y	0%	-	-
															
Installation, maintenance and repair of energy efficiency equipment	7.3	0	0%	0%	0%		N			N		Y	0%	-	-
															
Data processing, hosting and related activities	8.1	0	0%	0%	0%		N		N	N		Y	0%	-	-
<b>CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>0</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>		<b>N</b>		<b>N</b>	<b>N</b>		<b>Y</b>	<b>0%</b>	<b>-</b>	<b>-</b>

Economic activities	Code	Absolute CapEx	Proportion of CapEx	Substantial contribution criteria		DNSH criteria (Does Not Significantly Harm)							Minimum safeguards	Taxonomy-aligned proportion of CapEx, 2022	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems					







#### A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)






Transport by motorbikes, passenger cars and light commercial vehicles 	6.5	110	0.02%													
Renovation of existing buildings 	7.2	2,291	0.41%													
Installation, maintenance and repair of energy efficiency equipment 	7.3	224	0.04%													
Data processing, hosting and related activities	8.1	84,160	15.04%													
<b>CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>86,784</b>	<b>15.51%</b>										<b>15.51%</b>	-	-	
<b>Total (A.1 + A.2)</b>		<b>86,784</b>	<b>15.51%</b>										<b>15.51%</b>	-	-	

#### B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

<b>CapEx of Taxonomy-non-eligible activities (B)</b>		<b>472,651</b>	<b>84.49%</b>													
<b>Total (A + B)</b>		<b>559,436</b>	<b>100%</b>													

## EUROPEAN TAXONOMY: ELIGIBLE AND ALIGNED ECONOMIC ACTIVITIES - OPEX

Economic activities	Code	Absolute OpEx	Proportion of OpEx	Substantial contribution criteria		DNSH criteria (Does Not Significantly Harm)						Minimum safeguards	Taxonomy-aligned proportion of OpEx, 2022	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems				
		€/000	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>															
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>															
Collection and transport of non-hazardous waste in source segregated fractions	5.5	0	0%	0%	0%		N		N			Y	0%	-	-
															
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	0	0%	0%	0%		N		N	N		Y	0%	-	-
															
Freight transport services by road	6.6	0	0%	0%	0%		N		N	N		Y	0%	-	-
															
Renovation of existing buildings	7.2	0	0%	0%	0%		N	N	N	N		Y	0%	-	-
															
Installation, maintenance and repair of energy efficiency equipment	7.3	0	0%	0%	0%		N			N		Y	0%	-	-
															
Data processing, hosting and related activities	8.1	0	0%	0%	0%		N	N	N			Y	0%	-	-
															
<b>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>0</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>		<b>N</b>	<b>N</b>	<b>N</b>	<b>N</b>		<b>Y</b>	<b>0%</b>	<b>-</b>	<b>-</b>

Economic activities	Code	Absolute OpEx	Proportion of OpEx	Substantial contribution criteria		DNSH criteria (Does Not Significantly Harm)						Minimum safeguards	Taxonomy-aligned proportion of OpEx, 2022	Category (enabling activity)	Category (transitional activity)	
				Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems					
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																
Collection and transport of non-hazardous waste in source segregated fractions	5.5	159	0.03%													
																
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	1,181	0.25%													
Freight transport services by road	6.6	14,547	3.11%													
																
Renovation of existing buildings	7.2	1,882	0.40%													
																
Installation, maintenance and repair of energy efficiency equipment	7.3	379	0.08%													
																
Data processing, hosting and related activities	8.1	167,010	35.74%													
																
<b>OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>185,159</b>	<b>39.63%</b>										<b>39,63%</b>	<b>-</b>	<b>-</b>	
<b>Total (A.1 + A.2)</b>		<b>185,159</b>	<b>39.63%</b>										<b>39,63%</b>	<b>-</b>	<b>-</b>	
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																
<b>OpEx of Taxonomy-non-eligible activities (B)</b>		<b>282,117</b>	<b>60.4%</b>													
<b>Total (A + B)</b>		<b>467,276</b>	<b>100%</b>													



# TCFD REPORT



```
#define ASM_VMX_VMREAD_RDX_RAX ".byte 0x07, 0x00, 0x00, 0x00"
static __always_inline unsigned long vmcs_read2(unsigned long va
{
    unsigned long va
asm volatile ( __ex_clear(ASM_VMX_VMREAD_RDX_RAX, 0)
              : "=r"(value) : "d"(value) : "cc");
return value;
}
#include <stdint.h>
int main(int argc, char *argv) {
    intb4_t src = argc;
    intb4_t dst;
    volatile
    ...
```

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# TCFD REPORT

## Executive Summary

Through the following report, Nexi Group is committed to reporting on what it has done to contribute to the fight against climate change: the document is structured into four areas of detail, which correspond to the disclosure areas defined by the *Task Force on Climate-related Financial Disclosures* (TCFD), concerning the approach to climate change in terms of governance, strategy, risk and opportunity analysis, metrics used and objectives.

The Group has a Control and Risk and Sustainability Committee to support the Board of Directors in assessing risks and opportunities arising from climate change, and an ESG strategy that identifies decarbonization as one of the main pillars. During 2022, the Nexi Group continued to work diligently quantifying its emissions impacts more accurately and comprehensively considering the overall scope following the acquisitions of SIA and Nets, and undertook the updating of its GHG emission reduction targets already approved by the Science-Based Targets Initiative, which are still pending.

The targets have the ambition to reach Net Zero by 2040, ten years ahead of 2050 (the target set by the European Union in response to the Paris Agreement) and concern the reduction of absolute GHG emissions of Scope 1 and 2 in Italy by 42% by 2030, starting from the 2020 baseline, and the commitment for 78% of capital goods suppliers in Italy to adhere to SBTi by 2025.

In addition, the Group has started to neutralize its emissions from 2022 onwards on the 2021 carbon footprint through the purchase of carbon credits, in particular through a water quality improvement project in Rwanda and a forest protection project in Zimbabwe.

Finally, during the last two years, an initial analysis was conducted to identify and assess the risks and opportunities arising from climate change, quantifying their economic impacts through the construction of future scenarios along the entire value chain.

## Governance

In 2022, in accordance with the previous year, Nexi Group identifies “**climate change**” as a **material topic**.

The Board of Directors (BoD) represents the highest governing body for **climate-related issues and for overseeing the definition of the Group’s response to climate change**.

The BoD is the body responsible for developing strategies and policies, setting sustainability objectives and commitments, overseeing the application of the Sustainability Policy, and assessing the results and the adequacy of sustainability guidelines. The Board defines the path of progressive integration of the Top Management and Executive Directors’ strategic objectives with sustainability aspects, for climate change. In addition, the Board approves and supervises the involvement in external initiatives and formalises reporting obligations and action plans.

The **Control and Risk and Sustainability Committee** supports the Board in promoting activities related to climate impacts on the Group, including the process of risks and opportunities arising from climate change. The Committee is established within Nexi Spa’s Board of Directors and is assigned consultative, propositional, and preparatory functions to assist the Board with climate-related activities.

Climate-related topics are scheduled in the agenda of the Control and Risk and Sustainability Committee as part of the periodic updates of the Corporate and Social Responsibility function to the Committee itself. The Committee examines and evaluates the issues related to the conduct of business and the dynamics of interaction with stakeholders, but also monitors the Group’s positioning on sustainability issues, aiming for constant alignment with current and emerging regulations and market best practices.

Within the next two years, the Group plans to have one or more board members with **competencies in climate-related issues**. The Board of Directors has launched a series of reflections to further enhance expertise on ESG issues, including climate-related issues, useful to support and undertake further initiatives in this area by the Group in the medium-long term. In this regard, in 2022 the Group began planning specific training activities to be carried out during 2023.

Furthermore, in terms of the **highest management-level position(s) or committee(s) with responsibility for climate-related issues**:

- the **Chief Risks Officer (CRO)** is responsible for risk management activities and oversees the implementation of the ERM Framework, including ESG assessment. The CRO reports quarterly to the Risk Control and Sustainability Committee and directly to the CEO;
- the **Chief Information Officer (CIO)** is responsible for ensuring business continuity, including initiatives taken against acute physical risks and improving the energy efficiency of the Group’s data centres, and reports directly to the Chief Executive Officer;
- the **director of the Global Real Estate and Facility Management** function reports on a regular basis to the Chief Administrative Officer and oversees all activities related to creating a green and more energy efficient workplace by identifying and implementing energy efficiency improvement initiatives in all office buildings and production facilities;
- the **director of the Group Procurement function** reports to the CFO and is responsible for managing procurement actions, including climate-related aspects. He is also responsible for qualifying suppliers in terms of environmental issues;

- the **director of the Group Corporate & External Affairs and ESG function** oversees the implementation of Group decarbonization targets and reports periodically to the Board of Directors and the internal Board committees.

Moreover, within the path of progressive integration of sustainability goals into the strategic objectives of Top Management and Executive Directors, as well as in the **variable incentive systems**, the Nexi Group plans to include incentives for management linked to climate goals already by the next fiscal year.

## Strategy

The Group is constantly striving to reduce its impact on the environment, and the Group's ESG strategy considers decarbonization one of the pillars to be pursued and, to this end, identifies best practices and initiatives to be undertaken for climate neutrality.

The targets identified by the Group are:

- SBTi-approved targets for zero emissions in 2040;
- 100% use of renewable energy;
- climate neutrality starting in 2022.

Initiatives identified and implemented to align with emission reduction targets include:

- updating and extending the short-term targets to include SIA and Nets, and obtaining SBTi approval for such target extension;
- setting long-term decarbonization targets to include the entire Group to achieve zero emissions by 2040, and obtaining SBTi approval for such targets;
- Scope 1 and Scope 2 reduction actions through: the electric fleet, use of renewable energy, phasing out combustion heating;
- identification of actions for Scope 3 categories, such as low-carbon travel for employees, supplier engagement programs, low-carbon POS alternatives.

Regarding these initiatives, it is worth noting that as early as 2021, the Board of Directors had approved direct and indirect emissions reduction targets for the Group's Italian perimeter, which were submitted to and then approved by the Science Based Target initiative (SBTi), a prestigious international network created by WRI, CDP, WWF, and the UN Global Compact.

During the last four months of 2022, the CO<sub>2</sub> emission reduction targets were extended to the entire Group and shared with SBTi. As of the date of publication of this report, these targets are under review and approval is expected in the second half of 2023.

In addition, in parallel with the gradual reduction of its impacts, the Group has begun to neutralize its emissions from 2022 on the 2021 carbon footprint. This activity was done through the purchase of credits for reforestation projects.

Second, the targets identified for using 100% renewable energy are:

- achieving the target of 100% renewable electricity by 2024 at the Group level;
- the purchase of quality European Guarantees of Origin;
- the assessment of on-site generation potential.

While in terms of climate neutrality from 2022 onward, the targets include:

- offsetting gross carbon emissions through the purchase of certified carbon credits;
- the reporting of a climate neutrality declaration;
- the construction of a diversified, long-term carbon offset portfolio.

Climate neutrality initiatives required an extra-budget for 2022, and from now on, an annual recurring budget will be allocated.

In 2021, Nexi Italia conducted a first specific analysis to identify the risks and opportunities arising from climate change and quantify the related economic impacts through the construction of future scenarios (with a time horizon of 10 to 20 years). In 2022, this analysis was also extended to the perimeter of the acquired companies Nets and SIA, the results of which will be discussed in more detail in the next section of the report.

## Climate-related risks and opportunities

### Identification and monitoring of climate-related risks and opportunities

In line with the recommendations of the Corporate Governance Code for Listed Companies (Corporate Governance Code), Enterprise Risk Management (ERM) focuses on the management of relevant risks in relation to value creation through the integration of risk management culture and practices into strategy setting and performance management processes.

Each event identified is evaluated for impact, likelihood, and maturity of the management system according to four-level risk scales. In light of the risk assessment, which is suitable for prioritizing identified events based on residual risk exposure, risks considered to have substantial impact are those that could have an economic impact of more than 5% of corporate EBITDA.

The Enterprise Risk Assessment process also integrates the identification and monitoring of climate-related risks. No major risks related to climate change have been identified for the period 2023-2025 with substantial impacts on the Nexi Group. However, given their strategic and reputational importance, these types of risks are monitored and assessed periodically in order to understand their potential implications and define a path for mitigation and adaptation. To this end, the Group conducted an analysis to identify potential risks and opportunities arising from climate change. The methodology and approach take into account quantitative and qualitative elements to arrive at a comprehensive mapping of events that could affect the Nexi Group's value chain and assess the related financial impacts.

In fact, there are several aspects analyzed with respect to which climate change-related risks and/or opportunities could arise, and many actions taken to mitigate and/or incentivize these effects:

- (a) current regulations: the Group implements constant monitoring designed to minimize the risk of incurring penalties, financial losses or reputational damage;
- (b) emerging regulations: the Group implements continuous adjustment actions to avoid sudden changes in the operating environment;
- (c) technology: risks and opportunities related to the technological climate and development have been monitored, particularly in terms of technologies used and prevention of obsolescence;
- (d) legal: actions are carried out to mitigate the risk of incurring judicial or administrative sanctions, significant financial losses, or reputational damage due to violations of applicable regulations or self-regulation;
- (e) market: risks and opportunities related to customer and stakeholder expectations, such as cost increases related to greener supplies, are analyzed;
- (f) reputation: the risk of suffering reputational damage is analyzed and, to this end, the Group monitors its reputation through the Reputational Institute's RepTrack® index, which also considers environmental aspects;

- (g) acute physical risks: physical risks can impact assets (data centers, offices and credit card establishments), suppliers and/or customers, affecting business continuity and/or revenues. To mitigate this risk, Business Continuity and Disaster Recovery plans are in place to ensure the continuity of the Group's strategic assets;
- (h) chronic Physical Risks: structural increases in temperature could result in increased energy costs required to cool data centers and facilities used for credit card personalization.

## The analysis of climate scenarios

The Group has implemented several climate scenario analyses as a tool to identify potential climate-related risks and opportunities, considering both 1.5°C and 4°C temperature increases over a time horizon of 2030 and 2050, including:

1. the risk analysis on Nexi Group facilities, with a focus on physical climate risks and transition risks and opportunities;
2. risk analysis on customers and suppliers, with a focus on physical climate risks and transition risks.

## The risk analysis on Nexi Group's facilities

### Focus on physical weather risks

The organization may be exposed to extreme weather events that could directly and indirectly impact the continuity of business operations.

The perimeter selected consists of the data centers and credit card production facilities considered strategic for the Group (those being divested were excluded) located in the EU 27.

Denmark, Italy and Finland are the countries where the largest number of facilities in the perimeter are located, of which facilities located in Italy contribute 55% of the Total Asset Value analyzed.

Among the most significant physical risks, potential impacts from flash floods, extreme wind, and earthquakes were considered through the following factors:

- the probability of an event occurring considering the high spatial resolution geographic assessment;
- the impacts related to earthquake events based on the location of structures and the evolution of climate change phenomena;
- estimated losses.

To analyze the extreme risk of wind and flood on facilities in terms of direct damage to buildings, machinery, and assets and indirect damage to business, the key economic variables considered are the Cost in terms of Revenue per day of Facility shutdown to estimate the losses resulting from business interruption, and the Estimated Value of Facility and, in particular, the analysis considers:

- the probability of the event based on the geographical assessment made by leveraging the most up-to-date analysis methodologies (e.g., integrating satellite data, 3D physical models, etc.) to capture the local scale of the phenomena. This assessment highlights structures that are not located in areas exposed to coastal and fluvial flood risk such as landfall risk and are therefore not considered. As for pluvial flooding, which has a greater impact on farm structures, the following factors were considered: soil type, land slope, and rainfall intensity;

- scenario-based impact: risk maps are available both on the time horizon and in the future perspective, based on projecting the frequency and intensity of the phenomena as a function of RCP climate scenarios. The two physical scenarios chosen are RCP 2.6 (mitigation scenario) and RCP 4.5 (stabilization scenario);
- vulnerability assessment is done by estimating vulnerability curves based on business type, architectural features, hazards, sectors, and asset type to estimate direct damage to property, assets, and machinery and indirect damage related to business interruption. The curves also consider the business sector for which the facility is used and the Ateco code. For facilities with ongoing operations as of the second floor, losses from flood risk to machinery and goods are estimated to be zero. Therefore, flood risk is a significant factor in quantifying the loss for all facilities with ground floor activities and business interruption loss;
- expected losses are quantified for three decades and for two chosen scenarios.

To analyze seismic risk on structures, the analysis was done following the same extreme risk methodology used for wind and flood risks, without considering scenarios.

The countries most exposed to seismic risk are Croatia, Slovenia, and Italy even though the structures within the analysis boundary are mainly located in areas not exposed to seismic risk.

From the overall analysis, no locations were found to be highly exposed to extreme wind and earthquakes, while the main natural event to which Nexi Group facilities could be exposed in terms of estimated losses is flooding. However, it should be noted that the Group has insurance policies in place to mitigate any losses from this type of event.

In addition, to manage potential risks of business continuity and unavailability of locations, also due to natural disasters, a Business Continuity Management System (BCMS) has been implemented with the aim of increasing the resilience of processes and services provided, paying particular attention to the satisfaction of its customers.

#### **Focus on risks and opportunities related to transitional climate risks**

With regard to transition risks, the Group has identified the risk arising from the emergence of new regulations and emission reporting requirements that cause an increase in indirect (operational) costs and the opportunity to use more efficient modes of transportation in order to reduce indirect (operational) costs.

Regarding the identified risk, the Group is not affected by carbon pricing mechanisms, but has conducted an analysis with a medium- and long-term perspective regarding the increase in future costs of GHG emissions by considering two alternative scenarios: New Development Scenario (1.5°C temperature increase) and Stated Policies Scenarios- STEPS (4°C temperature increase) in the medium (2030) and long (2050) term.

The Group estimated the financial impact based on 2019 emission levels as a baseline and global emission reduction targets (i.e. SBTi -42%) in 2030.

The response to this risk is based on an emission reduction strategy, defined in line with science-based targets. To achieve the targets, the Group is pursuing several emission reduction initiatives. The cost of responding to the risk considers investments currently underway with reference to the renewal of the corporate fleet (e.g., investment in charging stations) with hybrid cars and building efficiency initiatives (e.g., renovation of thermo-cooling systems).

Second, the Group estimated the opportunity from using more efficient means of transportation and reducing operating costs by switching to hybrid or electric vehicles. This initiative would reduce Scope 1 emissions and align with the defined scientific target.

Nexi Group plans to gradually replace its fleet with hybrid or electric vehicles by 2024. The impact of the opportunity was estimated by considering the emissions, consumption levels, leasing costs, maintenance, other ancillary costs, and incentives of the hybrid corporate fleet compared to the conventional fleet.

### **The risk analysis on customers and suppliers**

In addition to the analysis on facilities, the Group's suppliers and customers may also be exposed to physical and transition risks that could directly and indirectly impact the continuity of operations and expected revenues. More specifically, the Nexi Group assessed how a representative perimeter of suppliers and customers are positioned with respect to nine climate change events associated with chronic physical risk (temperature change, heat stress, change in wind patterns, change in precipitation patterns and types, thawing permafrost, sea level rise, water stress, soil and coastal erosion, and land degradation), eight climate change events associated with acute physical risk (heat waves, fires, windstorms, droughts, heavy rainfall, floods, landslides, and subsidence), and earthquake risk.

In addition, taking into consideration two Transition Scenarios (Ordinary Scenario and Hot House world scenario), for transition risk Nexi assessed how the revenues, investments, and EBITDA of each supplier and customer in the selected perimeter would be impacted by the requirements and regulatory changes that a transition to the Net Zero 2050 goal entails.

The customer portfolio taken into analysis consists of about 20,000 customers, selected based on transacted volumes and/or revenues.

On the other hand, as far as suppliers are concerned, the scope of analysis is composed of about 2,000 suppliers of the Nexi Group, prioritized based on total spending towards each supplier.

### **Focus on physical risk**

The methodology used to estimate the physical risk exposure of the customers and suppliers under analysis is as follows:

- a list of locations with their coordinates was prepared for each company, and a joint assessment of geographic hazard and expected impact was made for each location based on its sector. A summary risk score is assigned for each individual company by aggregating the assessments for each local unit, with criteria that may consider the importance of each (e.g., number of employees);
- hazard maps have been defined for each business location and local unit, highlighting the degree to which the area is exposed to a specific natural or climatic hazard. Specifically, the maps used to construct the physical hazard scores detect exposure to 18 physical and natural hazards, distinguishing between:
  - chronic risk events: which refer to climatic phenomena that generate progressive changes that can cause indirect damage (e.g., increased labor costs, production, cooling...);
  - acute risk events: pertaining to extreme phenomena that can cause direct damage to assets (e.g., loss of goods in inventory, damage to machinery...);
  - earthquake risk: not related to weather-climate phenomena, this risk is similar to the acute risk indicator in that it concerns extreme phenomena that can cause material damage to assets.

Finally, a summary measure of future physical risk (2040) is provided for each counterparty with details of its determinants (flood, landslide, wind, drought) considering all corporate locations (headquarters and local units). The summary scores are intended to summarize the overall hazard and guide the organization's choices in terms of monitoring, risk mitigation, and credit policy.

The result of the analysis is that 6% of customers in scope, with a transaction volume of 2% of the total in scope, have a very high exposure to physical risks, determined mainly by acute risk (mainly cold spells, frost, and floods). In contrast, no significant risk is associated with chronic risk. While, as far as suppliers are concerned, it is reported that most of them are not affected by climate change events related to physical risks.

### **Focus on transition risk**

The same perimeter considered for physical risk was analyzed in terms of transition risk. Transition risk represents the possible financial impact suffered by the company due to the transition to an environmentally sustainable economy (e.g., low carbon).

The methodology used to estimate the transition risk exposure of customers and suppliers in scope of analysis is as follows:

- the scenarios used as inputs are the "hot house world" scenarios, which assume the continuation of only the policies already implemented, and the "net zero 2050" scenario, which represents the most favorable scenario by which climate policies limit global warming to 1.5°C, reaching net CO<sub>2</sub> emissions globally in 2050;
- the macro determinants represent three main variables related to the transition: policies and regulation, technology, and market demand. The effects on these macrofactors, depending on the scenarios considered, are summarized through macroeconomic variables made available by the NGFS (Network for greening the financial system), similar to what the European Banking Authority did for transition risk assessment and estimation;
- the model estimates the impact on revenues, investments, and costs by integrating a top-down approach, based on sectoral assessments, and a bottom-up approach, which is based on estimating models on individual counterparties' balance sheets;
- for each counterparty, a summary measure of Future Transition Risk (2050) is provided, detailing the relevant determinants (Revenues, EBITDA, and Investments). The output is summarized in scores from 1 to 5 indicating the impact of a 30-year horizon due to the transition to a low-carbon economy.

The results show that 0.2% of customers and 3% of perimeter suppliers have very high exposure to transition risks. The exposure is mainly determined by the efforts in terms of investment expenditure expected to be incurred to keep up with the transition regulations.

## Metrics and targets

### Carbon footprint

Within the framework of the Climate Strategy in 2023, the Nexi Group has continued to work in this direction, primarily by quantifying the impacts in terms of emissions in an increasingly accurate and complete manner. In fact, the Nexi Group has calculated the direct and indirect GHG emissions for 2022 considering the Group's complete perimeter, following the acquisitions of SIA and Nets. While preserving the methodological approach in line with the one used for 2021, there have been some updates to improve the completeness of the inventory:

- in line with the group's ongoing commitment to improve the mapping of its environmental impacts, the results for 2022 include the Capital Goods category in Scope 3, corresponding to emissions generated by the purchase of terminals (POS and ATMs);
- reporting of 9 Scope 3 categories for SIA for the first time<sup>31</sup>;
- increased granularity of activity data in favour of a better level of detail for individual legal entities of the group and, at the same time, improved quality of the data used. This improvement, in line with the group's decarbonisation objectives, allows more precise identification of emission hotspots and possible reduction actions<sup>32</sup>;
- use of increasingly accurate and specific emission factors, based on the latest available databases, while preserving data comparability<sup>33</sup>.

During 2022, the Nexi Group has also calculated its direct and indirect GHG emissions for the full year 2021 considering the complete Group perimeter, after SIA and Nets acquisitions. In line with international best-practices, the update of SBT near-term targets and the development of Net Zero targets, the GHG Protocol requires the baseline to include the companies that, at the moment of developing the targets, were included in the perimeter of the Group, regardless of their presence in the perimeter in the base year. This should be done independently of the date of entry of these companies in the group. This practice allows the comparison of like-for-like perimeters. The value of the 2021 base year emissions will be included in the CDP Climate change questionnaire.

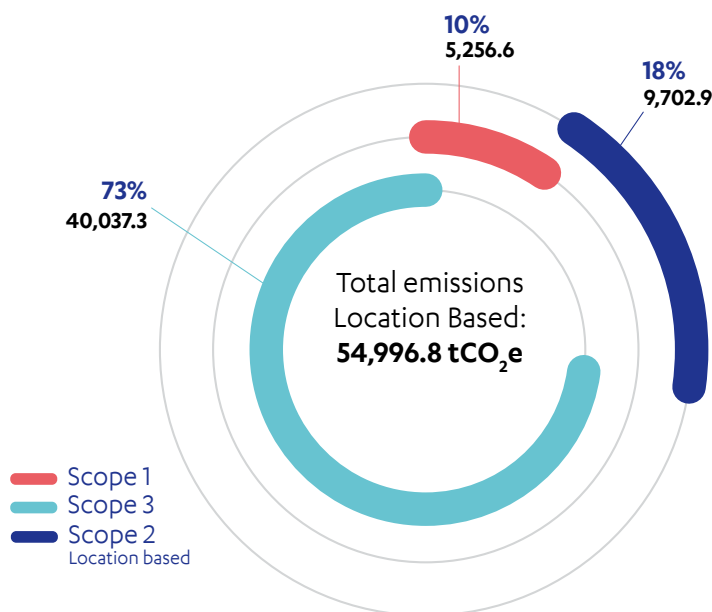
<sup>31</sup> In SIA's last non-financial reporting, the company only reported emissions related to business trips.

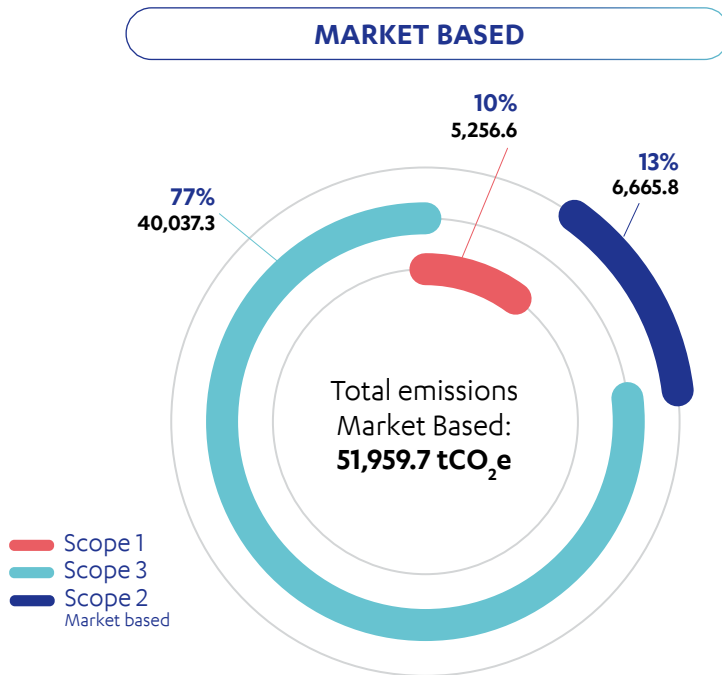
<sup>32</sup> Inclusion of emissions related to overnight stays in hotels for business trips and more detailed estimation of business trips by public transport. Emissions related to the consumption of hybrid cars (Scope 1 and 2) were calculated more accurately due to improved data collection. For data centers owned (buildings), emissions referring to waste, refrigerant gas leakages and diesel used to back-up generators were included. Different cases were also identified for data center ownership, e.g. owned buildings with leased racks.

<sup>33</sup> Categories with the biggest change in emission factors: Fuel and Energy Related activities not included in Scope 1 and 2, Scope 1, district cooling and district heating.

### CARBON FOOTPRINT NEXI GROUP 2022

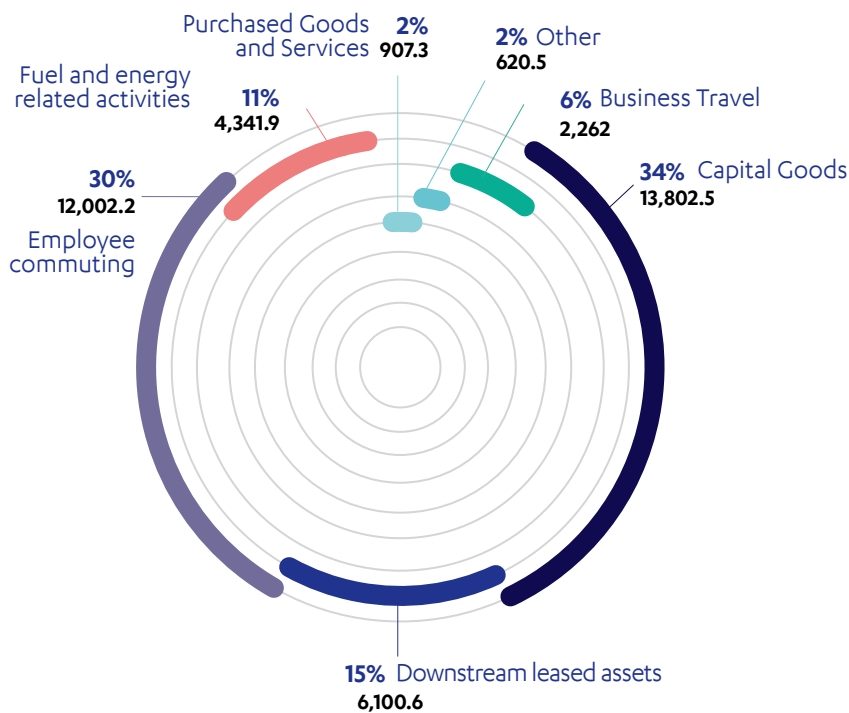
#### LOCATION BASED





## CARBON FOOTPRINT NEXI GROUP 2022

### SCOPE 3 CATEGORIES



## Decarbonization targets

During 2022, the Nexi Group worked on the update of its direct and indirect science-based targets already approved by the Science-Based Targets Initiative. As for now, these targets are pending the approval process.

The targets approved by SBTi during 2021 contribute to limiting global warming to 1.5°C above pre-industrial levels and cover:

- the reduction of absolute greenhouse gas (GHG) emissions of Scope 1 and 2 in Italy by 42% by 2030, from the 2020 baseline;
- the commitment for 78% of capital goods suppliers in Italy to adhere to SBTi by 2025.

The updated targets were resubmitted for validation by the Science-Based Targets Initiative in December 2022 and are currently in the approval process. These short-term targets update responds to the need to broaden the perimeter of the target, in line with the commitment made to extend the emission reduction targets to the entire Group perimeter by 2022.

## Net zero targets

Giving continuity to the commitment to achieve net zero emissions by 2040, the Nexi Group has developed science-based **Net Zero** targets. These targets were submitted to the Science-Based Targets Initiative in December 2022 and are currently in the approval process. Such targets have the ambition to reach Net Zero emissions by 2040, ten years before 2050, which is the target set by the European Union in the European Green Deal in response to the Paris Agreement.

The update of the short-term targets and the development of the Net Zero targets made it necessary to also recalculate the baseline of direct and indirect emissions, in line with target-setting guidelines. The baseline has been updated to 2021 and covers the entire perimeter of the Group (including SIA and Nets) to facilitate like-for-like comparison.

## Offsetting initiatives

The Nexi Group purchased project-based carbon credits during the reporting period:

- Safe Water Access Project in Rwanda: currently, the low quality of water in the country does not allow families to consume it without first boiling it in inefficient ways. This project will improve the efficiency of these boilers and reduce consumption, allowing the reduction in CO<sub>2</sub>e emissions and the access to drinking water for local communities. The Nexi Group purchased 6,365 certificates, equivalent to 6,365 metric tonnes of CO<sub>2</sub>e. This project follows the Gold Standard methodology.
- Forest protection project in Zimbabwe: REDD+ project with the aim of avoiding the release of carbon emissions into the atmosphere when trees are burnt. The Nexi Group purchased 25,462 certificates, equivalent to an amount of 25,462 metric tonnes of CO<sub>2</sub>e. This project is a Verified Carbon Standard (VCS) certified project.

## Supplier engagement

As previously mentioned, the Group works with its value chain on climate change risks and opportunities. As far as the relationship with suppliers is concerned, the Group's commitment is to collect up-to-date information on their behaviour in this regard and their awareness of the issue.

To enable this, a self-assessment questionnaire on labour, human rights, environmental management and governance issues was shared with particular categories of suppliers operating in the most critical product categories in terms of possible ESG risks, namely ATM, POS (terminals) and facility area.

Based on the results of the self-assessment questionnaires and internal analyses, a plan was defined to conduct on-site audits, where necessary, to verify ESG issues in the field.

The success of the initiative is represented by the response rate to the questionnaire, which corresponds to the totality.

Furthermore, it is worth noting that more than 25% of the Group's suppliers (in terms of expenditure) are ISO14001 certified.

# REPORTING METHODOLOGY AND SCOPE



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# METHODOLOGICAL NOTE

## Legal requirements and reporting principles

The Consolidated Non-Financial Statement of Nexi S.p.A. as of December 31, 2022 (hereinafter also the "Statement") has been prepared in accordance with Legislative Decree 254/2016 (hereinafter also the "Decree"), taking the form of a stand-alone document as permitted by the aforementioned Decree<sup>34</sup>.

This document has been prepared in accordance (*in accordance*) with the Sustainability Reporting Standards published by the Global Reporting Initiative (GRI), in their latest version (2021), and refers to the period between January 1st and December 31st, 2022.

With the aim of providing comprehensive reporting on the Group's performance to all other Stakeholders, a selection of qualitative and quantitative indicators have been voluntarily added to the GRI Standards indicators, related to certain material issues identified by the Group. A GRI Standards Content Index detailing the content reported in accordance with the GRI is available on page 177 and following.

The aspects reported within the Statement have been identified through a materiality analysis process carried out during 2022 and in line with the principles of the GRI Standards - relevance, inclusiveness, sustainability context, completeness, and reporting scope - to the extent necessary to ensure an understanding of the business activities carried out by the Group, its performance, its results, and the impact generated on Stakeholders and the Group itself.

In 2022, the Nexi Group Materiality Matrix was updated to identify any changes attributable to the merger of SIA, which took place in December 2021 with fiscal effect from January 2022, in relation to the expectations of all Group Stakeholders and the impacts that governance, economic, social, and environmental aspects could have on their decisions. Details of the analysis conducted to update the Materiality Matrix can be found within section "2.3 the materiality analysis" of this document. In 2022, the process of aligning the materiality analysis in relation to the methodology proposed within the "GRI 3: Material Topics 2021" standard was initiated and will continue during 2023.

In addition, the Statement was prepared considering the Enforcement Priorities defined by the European Securities and Markets Authority (ESMA) for 2022.

As of the 2021 reporting, Nexi S.p.A. is subject to disclosure requirements on the integration of sustainability into its business activities, in accordance with the classification defined by the European Taxonomy and pursuant to Regulation (EU) 2020/852, Delegated Regulation (EU) 2021/2139 on climate and Delegated Regulation (EU) 2021/2178 on the content and presentation of information. The quantitative indicators associated with the European Taxonomy are presented through the form and references of the Consolidated Annual Financial Statements. The auditor's report is attached to this Statement and does not include the information on the European Taxonomy set out in a separate section in Chapter 4 "European Taxonomy" of the Statement.

<sup>34</sup> Decreto legislativo n. 254/2016, art. 4 e art. 5, punto 3 b.

Instead, to provide full disclosure on climate change-related risks and opportunities, Nexi S.p.A.'s Statement also includes within it reference to the disclosure requirements published in June 2017 by the Task Force on Climate-related Financial Disclosures (TCFD). As of 2022, Nexi S.p.A. prepares a separate report dedicated to TCFD requests, available on page 156 of this statement.

### Reporting period and perimeter

The perimeter of social and environmental data and information includes all companies consolidated line by line by the parent company Nexi S.p.A, which were operational as of 31/12/2022. Any scope limitations are specified in the individual chapters and properly commented on in the text; however, these do not limit the understanding of the Group's activity and the impact it produces.

In particular, the scope of the companies reported in this Statement includes the Parent Company Nexi S.p.A. and the companies listed below. In addition, it should be noted that, as a result of the changes in the corporate structure that occurred in 2022, in order to facilitate the reading of the DNF and to ensure the best comparability of data and information with what is reported in the DNF 2021, the companies on the list are identified within the document as "Nexi" or "Nets," based on the following distinction:

#### Nexi:

Nexi Payments S.p.A (99.48%)  
 Nexi Payments Greece S.A. (90.01%)  
 Mercury Payment Services S.p.A (100%)  
 Help Line S.p.A. (69.24%)  
 Service HUB S.p.A. (100%)  
 SIApay S.r.l. (100%)  
 SIA Central Europe. a.s. (100%)  
 Nexi Greece S.A. (100%)  
 PforCards GmbH (100%)  
 SIA RS d.o.o. Beograd (100%)  
 SIA Croatia d.o.o. (100%)  
 SIA Czech Republic. s.r.o. (100%)  
 SIA Romania Payment Technologies S.r.l. (100%)  
 SIA Payment Services s.r.o (100%)

#### Nets:

Nets US LLC (100%)  
 Nets Topco 3 Sarl (100%)  
 BillBird SA (100%)  
 Nets Holdco 1 ApS (100%)  
 Nets Holdco 5 AS (100%)  
 Nets A/S (100%)  
 Nassa Topco AS (100%)  
 Centrum Rozliczen Elektronicznych Polskie ePlatnosci S.A. (100%)  
 TopCard Sp. z.o.o. (100%)  
 Team4U Sp z.o.o. (75%)  
 Polskie ePlatnosci Sp. z o.o. (100%)  
 Rementi Investments S.A. (100%)  
 Concardis GmbH (100%)  
 Orderbird GmbH (98.15%)  
 Concardis Austria GmbH (100%)  
 Paytec Payment Provider GmbH (100%)  
 Orderbird AG (98.15%)

CPG Sales GmbH (100%)  
 GfIB Wireless GmbH (98.15%)  
 Evergood Germany 1 GmbH (100%)  
 Concardis Holding GmbH (100%)  
 Nets CEE d.o.o. (Croatia) (100%)  
 Nets CEE d.o.o. (Slovenia) (100%)  
 Nets Cards Processing A/S (100%)  
 Nets DanID A/S (100%)  
 Nets Denmark A/S (100%)  
 Nets Estonia AS (100%)  
 Nets Sweden AB (100%)  
 Nets Schweiz AG (100%)  
 P24 Dotcard Sp. z o.o. (100%)  
 PayPro S.A. (82%)  
 eCard S.A. (18%)  
 Paytrail Oyj (100%)  
 Paytrail Technology Oy (100%)  
 Checkout Finland Oy (100%)  
 Poplatek Oy (100%)  
 Poplatek Payments Oy (100%)  
 Ratepay GmbH (100%)  
 Signaturgruppen A/S (100%)

Environmental information of the companies SIA Croatia s.o.o, SIA Czech Republic s.r.o, SIA Romania Payment Technologies S.r.l., Nets Holdco 5 AS, Nets AS, Concardis Holding GmbH are excluded from the scope of consolidation. Storebox Aps is included only with relation to headcount and remuneration data. The decision to exclude these companies is in line with the provisions of Article 4 of the Decree as the performance of these companies, although included in the scope of consolidation, is not necessary in order to understand the Group's business, its performance, results and the impact produced by it. Any additional boundary limitations are appropriately noted within the text.

Unlike in 2021, where data for Nets are to be understood from July 1 to December 31, in 2022 data for all these companies are included from January 1st to December 31st.

Where required by GRI standards, quantitative data have been provided by geographic area, with the following categorization:

- Italy;
- Greece;
- CEE;
- Nordics;
- DACH;
- Poland

To ensure comparability with information from previous years, the quantitative data included in the Statement are represented as follows:

- historical quantitative data as of 2019 and 2020 for the Group's Italian companies;
- quantitative data as of 2021 for the Group's Italian companies;
- consolidated quantitative data as of 2021 for Nexi, period from January 1<sup>st</sup> to December 31<sup>st</sup>, 2021, and Nets, period from July 1<sup>st</sup> to December 31<sup>st</sup>, 2021, except for the data that, also in line with the GRI Standard's requirements, present a timely picture as of December 31<sup>st</sup>, 2021.

Finally, as part of the reporting of material issues and related management methods, for greater completeness and clarity in the representation of information, where useful, separate disclosure is provided for Nets and Nexi, so that individual specifics are appropriately highlighted.

Where it has not been possible to obtain quantitative data with the reporting tools available to the Group, the reporting has necessarily made use of estimates, appropriately reported, based on the best available methodologies.

### **The reporting process**

The preparation of the Statement was carried out in accordance with the organizational procedure "Preparation of the Consolidated Non-financial Statement," which governs:

- responsibilities and involvement of corporate functions including the identification and evaluation of relevant material issues;
- methods of extraction, collection and attestation by owners of non-financial data;
- activities of responsibility of corporate bodies including the issuance of the favorable opinion of the Audit and Risk and Sustainability Committee on the Materiality Matrix and Statement and their approval by the Board of Directors of Nexi S.p.A.

The Consolidated Non-Financial Statement was approved by the Board of Directors of Nexi S.p.A. at its meeting on 6<sup>th</sup> March 2023 and is subject to limited audit by the external auditing firm PricewaterhouseCoopers S.p.A., in accordance with the criteria set forth in the "International Standard on Assurance Engagement 3000 Revised". The external auditors' report is attached to the Statement and does not include the information on the European Taxonomy given in the separate section of this Statement on page 119 et seq.

### **Distribution of the Statement**

The Declaration is transmitted to Consob and the Milan Companies Register in accordance with the procedures set forth in Legislative Decree 254/2016 and Consob Resolution No. 20267 of January 18, 2018.

It is also disseminated by publication on the website [www.nexigroup.com](http://www.nexigroup.com) in the Sustainability section and distributed, together with the Consolidated Financial Report 2022, at the Annual Meeting of Shareholders at the end of the financial year. The Statement is published annually.

Further information on the Statement and its contents can be obtained by contacting the Nexi Group ESG Function by writing to the following e-mail address: [csr@nexi.it](mailto:csr@nexi.it).

## RECONCILIATION STATEMENT OF MATERIAL TOPICS AND GRI STANDARDS CONTENT INDEX

Areas of Italian Legislative Decree 254/2016	Material Topics Identified by the Nexi Group	GRI Standards	Scope of impacts		Limitations
			Impacts within the Nexi Group	Impacts external to the Nexi Group	
<b>Fight against corruption</b>	<b>Business ethics, transparency &amp; risk management</b>	<u>205: Anti-corruption</u> <u>206: Anti-competitive Behavior</u> <u>207: Tax</u> <u>417: Marketing and labeling</u>	Nexi Group	Customers Community and territory	
<b>Employment and labor-related</b>	<b>Diversity, equity &amp; inclusion</b>	<u>405: Diversity and Equal Opportunity</u> <u>406: Non-discrimination</u>	Nexi Group		
<b>Human Rights</b>	<b>Employees welfare</b>	<u>401: Employment</u> <u>402: Labor/Management Relations</u> <u>403: Occupational Health and Safety</u>	Nexi Group		
	<b>Training &amp; Development</b>	<u>404: Training and Education</u>	Nexi Group		
<b>Social</b>	<b>Customer centricity</b>	Note 33	Nexi Group	Customers	
	<b>Data security</b>	<u>418: Customer Privacy</u> Note 33	Nexi Group	Customers	
	<b>Financial inclusion</b>	Note 33	Nexi Group	Customers Community and territory	
	<b>Society digitalization &amp; progress</b>	Note 33	Nexi Group	Innovation Community and territory	
<b>Environment</b>	<b>Climate change</b>	<u>201: Economic performance</u> <u>302: Energy</u> <u>305: Emissions</u>	Nexi Group	Community and territory Environment	
	<b>Responsible consumption</b>	<u>204: Procurement Practices</u> <u>301: Materials</u> <u>306: Waste</u>	Nexi Group	Community and territory Environment Suppliers	
	-	<u>303: Water and Effluents</u>	Nexi Group	Community and territory Environment	

33 For material topics not directly related to GRI Standards aspects, Please refer to the GRI Standards Content Index on page 177.

## GRI Standards Content Index

Statement of use	Nexi S.p.A. has reported in accordance with the GRI Standards for the period from January 1, 2022 to December 31, 2022.		
GRI 1 used	GRI 1: Foundation (2021)		
GRI Standard / Other source	Disclosure	Location / Notes	Omission
<b>GENERAL DISCLOSURES</b>			
<b>GRI 2: General disclosures - 2021</b>	2-1: Organizational details	pg. 20	
	2-2: Entities included in the organization's sustainability reporting	pg. 172 (Nota metodologica)	
	2-3: Reporting period, frequency and contact point	pg. 175 (Nota metodologica)	
	2-4: Restatements of information		
	2-5: External assurance		
	2-6: Activities, value chain and other business relationships	pg. 110-113	
	2-7: Employees	pg. 72, 141-142	
	2-8: Workers who are not employees	pg. 142	
	2-9: Governance structure and composition	pg. 26-30	
	2-10: Nomination and selection of the highest governance body	pg. 27	
	2-11: Chair of the highest governance body	pg. 27	
	2-12: Role of the highest governance body in overseeing the management of impacts	pg. 27	
	2-13: Delegation of responsibility for managing impacts	pg. 28-30	
	2-14: Role of the highest governance body in sustainability reporting	pg. 28-30	
	2-15: Conflicts of interest	pg. 43	
	2-16: Communication of critical concerns	pg. 27-37	
	2-17: Collective knowledge of the highest governance body	pg. 26	
	2-18: Evaluation of the performance of the highest governance body	pg. 28	
	2-19: Remuneration policies	pg. 28	
	2-20: Process to determine remuneration	pg. 72-75	
	2-21: Annual total compensation ratio	pg. 72-75, 131 Due to non-integrated reporting systems and perimeter changes over the last two years, the information needed to report the relationship between the percentage increase in total annual remuneration of the highest paid person and the average percentage increase in total annual remuneration of all employees (excluding highest paid person) is not available. The Group is committed to providing such disclosure in future reporting years.	
	2-22: Statement on sustainable development strategy	pg. 4-7	
	2-23: Policy commitments	pg. 28-30	
	2-24: Embedding policy commitments	pg. 28-30	
	2-25: Processes to remediate negative impacts	pg. 28-34	
	2-26: Mechanisms for seeking advice and raising concerns	pg. 33-34	
	2-27: Compliance with laws and regulations	pg. 132	
	2-28: Membership associations	pg. 20-25, 132	
	2-29: Approach to stakeholder engagement	pg. 61-64	
	2-30: Collective bargaining agreements	pg. 79-80, 87-88	

GRI Standard / Other source	Disclosure	Location / Notes	Omission
<b>MATERIAL TOPICS</b>			
<b>GRI 3: Material Topics - 2021</b>	3-1: Process to determine material topics	pg. 65-68	
	3-2: List of material topics	pg. 66-67	
<b>BUSINESS ETHICS, TRANSPARENCY &amp; RISK MANAGEMENT</b>			
<b>GRI 3: Material Topics - 2021</b>	3-3: Management of material topics	pg. 42-47, 67-68, 176	
<b>GRI 205: Anti-corruption - 2016</b>	205-3: Confirmed incidents of corruption and actions taken	pg. 17, 137	
<b>GRI 206: Anti-competitive Behavior - 2016</b>	206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	pg. 17, 43, 95, 138	
<b>GRI 207: Tax - 2016</b>	207-1: Approach to tax	pg. 43	
	207-2: Tax governance, control, and risk management	pg. 43	
	207-3: Stakeholder engagement and management of concerns related to tax	pg. 43	
	207-4: Country-by-country reporting	pg. 43, 138-139	
<b>GRI 417: Marketing and Labeling - 2016</b>	417-3: Incidents of non-compliance concerning marketing communications	pg. 17, 44-45, 140	
<b>DIVERSITY, EQUITY &amp; INCLUSION</b>			
<b>GRI 3: Material Topics - 2021</b>	3-3: Management of material topics	pg. 53, 67-68, 72-73	
<b>GRI 405: Diversity and Equal Opportunities - 2016</b>	405-1: Diversity of governance bodies and employees	pg. 72-73, 140, 146	
	405-2: Ratio of basic salary and remuneration of women to men	pg. 147	
<b>GRI 406: Non-discrimination - 2016</b>	406-1: Incidents of discrimination and corrective actions taken	pg. 11, 17, 147	
<b>TRAINING &amp; DEVELOPMENT</b>			
<b>GRI 3: Material Topics - 2021</b>	3-3: Management of material topics	pg. 67-68, 74-78	
<b>GRI 404: Training and Education - 2016</b>	404-1: Average hours of training per year per employee	pg. 74-77, 144-145	
	404-2: Programs for upgrading employee skills and transition assistance programs	pg. 74-77, 81-82	
	404-3: Percentage of employees receiving regular performance and career development reviews	pg. 81-82, 145	

GRI Standard / Other source	Disclosure	Location / Notes	Omission
<b>EMPLOYEES WELFARE</b>			
<b>GRI 3: Material Topics - 2021</b>	3-3: Management of material topics	pg. 67-68, 78-81	
<b>GRI 401: Employment - 2016</b>	401-1: New employee hires and employee turnover	pg. 143	
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	pg. 78-81	
<b>GRI 402: Labor/ Management Relations - 2016</b>	402-1: Minimum notice periods regarding operational changes	pg. 87-88	
<b>GRI 403: Occupational Health &amp; Safety - 2018</b>	403-1: Occupational health and safety management system	pg. 82-83	
	403-2: Hazard identification, risk assessment, and incident investigation	pg. 84	
	403-3: Occupational health services	pg. 84-85	
	403-4: Worker participation, consultation, and communication on occupational health and safety	pg.86	
	403-5: Worker training on occupational health and safety	pg.86-87	
	403-6: Promotion of worker health	pg.87	
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pg.84-86	
	403-9: Work-related injuries	pg. 144	
<b>DATA SECURITY</b>			
<b>GRI 3: Material Topics - 2021</b>	3-3: Management of material topics	pg. 67-68, 92-97	
<b>GRI 418: Customer Privacy - 2016</b>	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	pg. 147	
-	Cybersecurity training	pg. 145	
<b>CUSTOMER CENTRICITY</b>			
<b>GRI 3: Material Topics - 2021</b>	3-3: Management of material topics	pg. 67-68, 90-92	
-	Net Promoter Score	pg. 91	
-	Number of customer complaints	pg. 148	
<b>SOCIETY DIGITALIZATION &amp; PROGRESS</b>			
<b>GRI 3: Material Topics - 2021</b>	3-3: Management of material topics	pg. 67-68, 101-103	
-	Investments in technology	pg. 10, 12, 102	
-	Donations	pg. 137	
<b>FINANCIAL INCLUSION</b>			
<b>GRI 3: Material Topics - 2021</b>	3-3: Management of material topics	pg. 67-68, 98-101	

GRI Standard / Other source	Disclosure	Location / Notes	Omission
<b>CLIMATE CHANGE</b>			
<b>GRI 3: Material Topics - 2021</b>	3-3: Management of material topics	pg. 67-68, 107-109	
<b>GRI 201: Economic Performance - 2016</b>	201-2: Financial implications and other risks and opportunities due to climate change	pg. 48-49	
<b>GRI 302: Energy - 2016</b>	302-1: Energy consumption within the organization	pg. 152	
	302-2: Energy consumption outside of the organization	pg. 153	
	302-3: Energy intensity	pg. 154	
<b>GRI 305: Emissions - 2016</b>	305-1: Direct (Scope 1) GHG emissions	pg. 152	
	305-2: Energy indirect (Scope 2) GHG emissions	pg. 152	
	305-3: Other indirect (Scope 3) GHG emissions	pg. 153	
	305-4: GHG emissions intensity	pg. 154	
<b>RESPONSIBLE CONSUMPTION</b>			
<b>GRI 3: Material Topics - 2021</b>	3-3: Management of material topics	pg. 67-68, 110-113	
<b>GRI 204: Procurement Practices - 2016</b>	204-1: Proportion of spending on local suppliers	pg. 149	
<b>GRI 301: Materials - 2016</b>	301-1: Materials used by weight or volume	pg. 149	
<b>GRI 306: Waste - 2020</b>	306-1: Waste generation and significant waste-related impacts	pg. 110-111	
	306-2: Management of significant waste-related impacts	pg. 110-111	
	306-3: Waste generated	pg. 151	
	306-4: Waste diverted from disposal	pg. 151	
<b>GRI STANDARDS DISCLOSED NOT RELATED TO ANY MATERIAL TOPIC</b>			
<b>GRI 303: Water and Effluents - 2018</b>	303-3: Water withdrawal	pg. 150	





**NEXI SPA**

**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED  
NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,  
PARAGRAPH 10, OF LEGISLATIVE DECREE NO. 254/2016 AND  
ARTICLE 5 OF CONSOB REGULATION NO. 20267 OF JANUARY  
2018**

**YEAR ENDED ON 31 DECEMBER 2022**



## ***Independent auditor's report on the consolidated non-financial statement***

*pursuant to article 3, paragraph 10, of Legislative Decree no. 254/2016 and article 5 of CONSOB regulation no. 20267*

To the Board of Directors of Nexi SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation No. 20267/2018, we have undertaken a limited assurance engagement on the consolidated non-financial statement of Nexi SpA and its subsidiaries (the "Group") for the year ended on 31 December 2022 prepared in accordance with article 4 of the Decree, and approved by the Board of Directors on 6 March 2023 (the "NFS").

Our review does not extend to the information set out in the paragraph "5-European Taxonomy" of the NFS, required by article 8 of European Regulation 2020/852.

### ***Responsibilities of the Directors and the Board of Statutory Auditors for the NFS***

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016 and updated versions, by the GRI – Global Reporting Initiative (the "GRI Standards"), disclosed within the paragraph "Methodological Note" of the NFS, identified by them as the reporting standard.

The Directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary to ensure an understanding of the Group's activities, its performance, its results and related impacts.

Finally, the Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for the identification and management of risks generated and/or faced by the Group.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

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### ***PricewaterhouseCoopers SpA***

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### ***Auditor's Independence and Quality Control***

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

### ***Auditor's responsibilities***

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our work in accordance with 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 (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. analysis of the relevant matters reported in the NFS relating to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;
2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;
3. comparison of the financial information reported in the NFS with the information reported in the Group's consolidated financial statements;
4. understanding of the following matters:
  - business and organisational model of the Group with reference to the management of the matters specified by article 3 of the Decree;
  - policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
  - key risks generated and/or faced by the Group with reference to the matters specified in article 3 of the Decree.

With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under point 5 a) below;



5. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

In detail, we held meetings and interviews with the management of Nexi SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at a group level,
  - a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidence;
  - b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information.
- for Nexi Payments SpA, Nets Denmark AS e SIAPay Srl, which were selected on the basis of their activities and their contribution to the performance indicators at a consolidated level, we carried out interviews during which we met local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

### **Conclusion**

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Nexi Group for the year ended on 31 December 2022 is not prepared, in all material respects, in accordance with articles 3 and 4 of the Decree and with the GRI Standards selected, as disclosed within the paragraph “Methodological Note” of the NFS.

Our conclusions on the NFS of Nexi Group do not extend to the information set out in the paragraph “5 - European Taxonomy” of the NSF, required by article 8 of European Regulation 2020/852.

Milan, 6 April 2023

PricewaterhouseCoopers SpA

*Signed by*

Lia Lucilla Turri  
(Partner)

*This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the NFS 2022 translation*



## Nexi SpA

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