

**2020**  
CONSOLIDATED  
NON-FINANCIAL  
STATEMENT

IN ACCORDANCE WITH ITALIAN LEGISLATIVE  
DECREE NO. 254 OF 30TH DECEMBER 2016



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.

# CONTENTS

<b>Letter to Stakeholders</b>	<b>2</b>
<b>2020 Highlights</b>	<b>4</b>
<b>1 Methodological note</b>	<b>7</b>
<b>2 The Nexi Group</b>	<b>11</b>
The mission for a cashless society	12
The business model	14
The response to the Covid-19 emergency	16
<b>3 The definition of our priorities</b>	<b>19</b>
Stakeholder engagement	20
Materiality Matrix	24
<b>4 Institutional responsibility, ethics and integrity</b>	<b>33</b>
Corporate Governance	34
Internal Control and Risk Management System - ICRMS	39
Ethics, transparency and fairness in the business conduct	49
<b>5 Modernisation and progress of the Country</b>	<b>55</b>
Business innovation	56
Digital culture	59
<b>6 Customer centricity</b>	<b>61</b>
Customer satisfaction	62
Net Promoter Score	63
Data security	65
Business continuity and operational excellence	66
<b>7 Responsibility towards People</b>	<b>69</b>
Diversity management	71
Performance management and Rewards	73
Training	74
Sustainable Welfare	76
People Survey	77
Health and Safety	78
<b>8 Supply chain</b>	<b>81</b>
<b>9 Environmental protection</b>	<b>85</b>
Fighting climate change	86
Responsible management of consumption and waste	89
The best solutions for our Data Centres	90
<b>10 Reconciliation statement of material topics and GRI Content Index</b>	<b>93</b>
<b>11 GRI Standards Indicators</b>	<b>103</b>
<b>12 Auditors' Report</b>	<b>121</b>

[GRI 102-14]

## LETTER TO STAKEHOLDERS

Dear Readers, Nexi's vision and ambition forcefully emerged in 2020: every payment will be digital because it is more convenient, faster, safer. The pandemic context generated by SARS-CoV-2, Covid-19, has accelerated the path Nexi has taken towards the goal of changing the way people and companies pay and collect every day, in order to simplify the lives of citizens, promote the development of businesses, improve the efficiency of public administration, support digital inclusion and the development and growth of the areas where the Group operates.

From the very early stages of the epidemic, we have put forth the utmost commitment to guarantee operational continuity, since our role as strategic infrastructure has been also recognised by the Government. We have activated the careful monitoring of operating levels in all areas of the country with the establishment of a task force dedicated to crisis management, reporting directly to top management. The same service levels have thus been ensured to all customers, with the greatest safety and protection of Nexi's people, in full compliance with the guidelines defined by the competent authorities. In little time, all the Nexi Group companies allowed more than 95% of employees to work remotely, including call centre activities, and at the same time adequate safety and personal protection standards have been guaranteed to the other personnel in service at the operating offices. Thanks to these measures, even in the most acute phases of the lockdown, Nexi continued pursuing its strategic commitments of digitalisation and innovation, prosecuting investments in technology, services and skills, maintaining as its primary objective the centrality of the customer, the care of the relationship, the excellence and security of the service offered, all with the constant objective of guiding the country in the transition towards a cashless society.

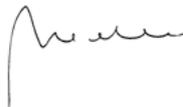
This commitment has resulted in concrete support to merchants, even the smallest ones, to promote their daily business continuity through the various initiatives with which Nexi has joined the Digital Solidarity programme promoted by the Ministry for Technological Innovation and Digitalisation. In particular, during the lockdown periods Nexi allowed merchants to convert part of their business remotely, through the use of Mobile POSs with zero fees for mobile payments, i.e., upon delivery, or by enabling them, with the Pay-by-Link service, to so-called call & collect models that allow payment by email, chat, SMS. Nexi has offered merchants concrete financial support with the reimbursement of commissions on micro-payments, i.e., transactions up to 10 euros of expenditure.

In this context, the role of our people, their commitment, their dedication, their ability to adapt to the situation in

such a complicated, and for some of them also dramatic, moment has been crucial. We acted with immediacy and care from the first moments of the health emergency to protect them and their families, guaranteeing job stability by activating the mandatory remote working system and at the same time expanding the offer of corporate welfare services. These include the possibility of receiving the flu vaccine free of charge or accessing competent medical support both at the Group offices and through the telephone channel, launching initiatives to support psychophysical well-being through individual psychological counselling courses and webinars or streaming courses conducted by experts on relevant topics such as nutrition, physical exercise and assistance to the elderly, integrating parenting support tools such as access to a dedicated platform for babysitters or elderly care, the provision of variable remuneration even in the event of an employee's absence due to maternity or paternity, the purchase of training tools or packages to support the children of employees with certified learning disorders diagnoses.

The numerous internal communication activities developed in digital format were fundamental in ensuring the engagement of all the people of the Group, as well as ensuring the provision of constant information on the strategy and evolution of company choices, on the performance of results, and on the various commercial and personnel management initiatives adopted. Among these, "digital coffees" have become more and more popular and important as moments for dialogue and sharing knowledge; these initiatives, continued in the first months of 2021, and are still ongoing.

**Chairperson**  
**Michaela Castelli**




Nexi has also been close to its community through solidarity initiatives such as fundraising for the #unicelafaremo initiative in favour of the Covid-19 Fiera Milan Hospital, which has collected one million euros.

In 2020, Nexi confirmed its active role in the field of innovation and promotion of digital culture through collaborations with research institutes, start-ups, schools and universities. Nexi Open, the value-added services ecosystem based on partnerships (more than 30 signed in 2020 alone) with world-renowned Fintech, has been launched, which allows us to go beyond the compliance phase of adaptation to the European PSD2 Directive, creating new business models for the sector. The objective is to offer Partner Banks the opportunity to expand their offer of digital financial services for customers, responding to their needs more effectively and quickly. We collaborated with FEduF, the Foundation for Financial and Savings Education created per the initiative of the Italian Banking Association. It guides new generations in the discovery of digital payments and the most innovative payment solutions, such as payment apps and credit cards, teaching them how to use the solutions consciously through training webinars that involved over 3,000 secondary schools.

During the health emergency, Nexi also intensified its dialogue with Stakeholders with the aim – first of all – of intercepting the new and contingent expectations and needs generated by the pandemic context, responding to the concerns expressed, ensuring the normal conduct of the Group's activities and the continuous operation of the services offered. In May, we conducted a Quick Survey aimed at the entire company population, in addition to the usual annual People Survey, to understand their point of view on the remote work experience of the first months of the health emergency, and to explore their preferences and expectations for the future. The level of participation reached 89% and the evidence that emerged allowed to improve the organisation of remote work and that in the office, and to identify additional support

and communication tools and necessary welfare actions.

In this context, we updated our materiality Matrix for 2020, directly involving all the Group Stakeholder categories to concretely ensure the principle of inclusiveness. The new Matrix reflects the strategic priorities in the sustainability areas relevant to the Group, on which we have invested and will continue to invest with the aim of increasingly integrating sustainability into our strategy, daily operations and corporate culture. Within this integration process, on 30 July 2020 the Nexi Board of Directors approved the Sustainability Policy which establishes the reference principles on which the Group's approach to managing environmental, social and governance issues (ESG) is based, and identifies the guidelines for action on which we intend to move.

At the same time, we have strengthened our Enterprise Risk Assessment process by further integrating sustainability aspects into the identification, assessment and management of related risks, and have committed to progressively adhere to the Task Force on Climate-related Financial Disclosures recommendations established by the Financial Stability Board for reporting on risks and opportunities arising from climate change.

In accordance with the above-mentioned commitment, we have revised and extended the inventory of our emissions to more accurately and transparently report the indicators of direct Scope 1 emissions and indirect Scope 2 and Scope 3 emissions with the ambitious objective of defining emission reduction targets in accordance with the Science Based Target Initiatives criteria, in line with the Paris Agreement.

In 2020, we reinforced the dialogue and the relationship with operators and analysts to assess the sustainability performance, established from our listing. For the first time, we were included in the ESG ratings of S&P Global, CDP, Standard Ethics and MSCI. Nexi's presence in the 2021 edition of S&P Global's Sustainability Yearbook, in the first year of the Group's participation in the Corporate Sustainability Assessment – an annual assessment process that analyses the sustainability performance of over 7,000 companies with the largest capitalisation in the world – testifies to our efforts and the centrality of sustainability in our daily actions.

Lastly, from a corporate point of view, Nexi's 2020 was characterised by the announcement of two important strategic aggregation operations, with Nets and SIA. With the completion of these operations scheduled for 2021, the new Group will prove to be one of the leading PayTech companies in Europe with scale, geographical presence and unique skills that can promote the transition to a cashless and digital economy, not only in Italy but throughout Europe.

In the current year, Nexi continues its journey developing growth paths for its people and new collaborations in the technological field, in the continuous improvement of processes, products and solutions for society and the environment, for sustainable success over time.

Thank you, to all of Us!



# 2020 HIGHLIGHTS

## Our response to the Covid-19 emergency

### FOR OUR CLIENTS:

- Participation to the **Digital Solidarity initiative** promoted by the Italian Ministry for Technological Innovation and Digitisation
- **Communication and training** in order to guide customers in the **transformation** of digital and **contactless** payment systems

### FOR OUR PEOPLE:

- **95%** of the **employees working remotely**
- **Welfare** enhancement to support **health and safety, psychophysical well-being** and **parenthood**
- **Transfer of Top Management** variable **compensation** to **MBO** and employees' **performance bonus** payment

### FOR THE COMMUNITY:

- Simplified access for everyone to the **“Italian Government Cashback system”**
- **1 million euros** raised for the construction of **Fiera Milan Hospital**



## • Institutional responsibility, ethics and integrity

- **Sustainability Policy** for the Group
- Inclusion in the **Sustainability Yearbook 2021** of S&P Global
- **No episodes of corruption and no violations of anti-competitive behaviour or antitrust regulations**
- **Information Security Policy** and Information Security **Management System** in line with the ISO standards

## • Modernization and progress of the Country

- **100 million euros** invested in innovating **products and services offered**, including **SmartPOS®** ecosystem, **Mobile Payments, Instant Payments and ATMs**
- Launch of **Nexi Open**, the ecosystem of **digital financial services** in partnership with leading **world-class fintechs**

## • Customer centricity

- **23 NPS** points gained in the field of listening to the customer's voice
- Approximately **8.000** interviews in the **Customer Satisfaction** field
- Continuous **improvement** of **operational excellence**

## • Responsibility towards people

- **100%** of Group employees covered by the **National Collective Labour Agreement**
- **96%** of Group employees **received regular performance evaluation of personal development**
- **SkillUp** program to monitor IT and digital competencies and develop the growth of Nexi's human capital

## • Supply chain

- **94%** of procurement budget spent on **Italian suppliers**
- All suppliers **acknowledged** the **Sustainability Policy**

## • Environment protection

- **100%** energy from **renewable sources** covered by guarantees of origin
- **99%** recycled waste
- More accurate and transparent **reporting** of **Scope 1, Scope 2 and Scope 3 indicators** in compliance with the **GHG Protocol**



# 1

---

METHODOLOGICAL NOTE

# METHODOLOGICAL NOTE

## Reporting standards

The Consolidated Non-Financial Statement of Nexi - hereinafter also the Statement or NFS - was drawn up pursuant to Italian Legislative Decree no. 254/2016 - hereinafter also Decree-, and Consob Resolution no. 20267 of 18 January 2018 and in accordance with the GRI Standards, Core Option, defined in 2016 by the Global Reporting Initiative, and subsequent updates, taking the form of an autonomous document, as permitted by the aforementioned Decree<sup>1</sup>.

The Statement has also been prepared taking into account the documents issued during the year by ESMA and Consob with reference to the impacts of the Covid-19 pandemic.

With the aim of providing complete information on the Group's performance to both the financial community and all other Stakeholders, qualitative and quantitative voluntary indicators have been added to the GRI Standards indicators, with reference to some material topics, in line with the requirements of the standards themselves. The GRI Content Index summarising the data and information contained in the Statement in consideration of the material topics identified are available on page 96 and following.

The aspects reported in the Statement were identified following the principle of materiality and the principles of the GRI Standards (relevance, inclusiveness, context of sustainability and completeness) and ensure an understanding of the activities carri-

ed out by the Group, the results, the impact produced on them as well as on its Stakeholders. In 2020, the latter were directly involved in order to update the materiality Matrix of the Nexi Group, in line with the commitment of attention to the needs expressed by the same in the 2019 Statement. Details of the analysis conducted to update the materiality Matrix are shown on page 24 and following.

In defining the quality of the data and information contained in the Statement, the principles of the GRI Standards were applied, balancing positive and negative aspects, comparability, accuracy, timeliness, reliability and clarity. The data and information included in the Statement were processed by means of precise extractions and calculations and, where specifically indicated, by estimates.

The Nexi Consolidated Non-Financial Statement was approved by the Board of Directors of Nexi at its meeting of 11 March 2021 and subject to a limited assurance by the external auditing firm PricewaterhouseCoopers SpA, according to the criteria indicated by the "International Standard on Assurance Engagement 3000 Revised".

The report issued by the external auditing firm is attached to the Statement.

## Reporting period and boundary

The data and information contained in the Statement relate to the period 1 January 2020 – 31 December 2020 and, where possible, are compared with the previous year, the year of the Statement's first publication.

<sup>1</sup> Italian Legislative Decree no. 254/2016, art. 4 and art. 5, paragraph 3 b.

The reporting scope includes the Parent Company Nexi SpA based in Corso Sempione 55, Milan – hereinafter also Nexi – and the following fully consolidated companies as of 31 December 2020:

- Nexi Payments SpA – hereinafter also Nexi Payments- is a 99.07% direct subsidiary<sup>2</sup>;
- Mercury Payment Services SpA – hereinafter also Mercury Payment Services - is a 100% direct subsidiary;
- Help Line SpA – hereinafter also Help Line - is a 69.24% subsidiary.

The offices and addresses of the companies are listed in the chapter GRI Standards Indicators.

There are no changes in scope compared to 2019.

During the second year of the Statement's publication, calculation processes and methodologies were refined; this led to some restatements with respect to the data published in the 2019 Statement. These restatements are reported in detail within the individual chapters of the Statement or in the note to the tables included in the GRI Standards Indicators chapter.

## Reporting process

The Statement was prepared in accordance with the organisational procedure "Preparation of the Consolidated Non-Financial Statement" which governs:

- responsibility and involvement of company functions, including the identification and evaluation of relevant material topics;
- methods of extraction, collection and certification by the owners of non-financial data;
- responsibility activities of the corporate bodies, including the issuance of the favourable opinion of the Control, Risk and Sustainability Committee on the materiality Matrix and NFS and their approval by the Nexi Board of Directors.

The process of collecting non-financial, qualitative and quantitative information involved 35 Group functions, to which specific training sessions were provided during 2020 on the obligations envisaged by the Decree and on the entire Statement reporting process.

## Statement structure

The Statement is divided into three main sections.

The first illustrates the mission and business model of the Nexi Group, with a focus on the mitigation actions adopted during the year in response to the impacts generated by the Covid-19 pandemic.

The second section presents the methods and main initiatives for engaging Nexi Group Stakeholders, the materiality analysis and the update of the materiality Matrix for 2020. The material topics identified in the materiality Matrix are therefore linked to the Sustainable Development Goals (SDGs) defined by the United Nations in 2015 with evidence of the main results achieved by the Nexi Group in 2020 with reference to the goals themselves.

The third section describes the management methods and policies adopted, the responsibilities, the specific initiatives and the commitments made in relation to each material topic. Quantitative performance indicators are instead reported at the end of the Statement, in the section of the GRI Standards Indicators.

## Dissemination of the Statement

The Statement is transmitted to Consob and the Business Register kept by the Chamber of Commerce of Milan in the manner provided for by Italian Legislative Decree no. 254/2016 and Consob Resolution no. 20267 of 18 January 2018. It is also disseminated through publication on the website [www.nexi.it](http://www.nexi.it) in the Sustainability section and on the company intranet and distributed, together with the Consolidated Financial Report 2020, on the occasion of the Annual Shareholders' Meeting at the end of the year.

The Statement is published annually.

For further information on the Statement and its contents, please contact the Corporate Social Responsibility Function of the Nexi Group by writing to the following e-mail address: [csr@nexi.it](mailto:csr@nexi.it).

<sup>2</sup> The consolidation area also includes the "non-core" company Orbital Cultura Srl (formerly BassmArt Srl) wholly owned by Nexi Payments SpA, not significant for the purposes of the NFS 2020.



# 2

---

## THE NEXI GROUP

The mission for a cashless society	12
The business model	14
The response to the Covid-19 emergency	16

# THE NEXI GROUP

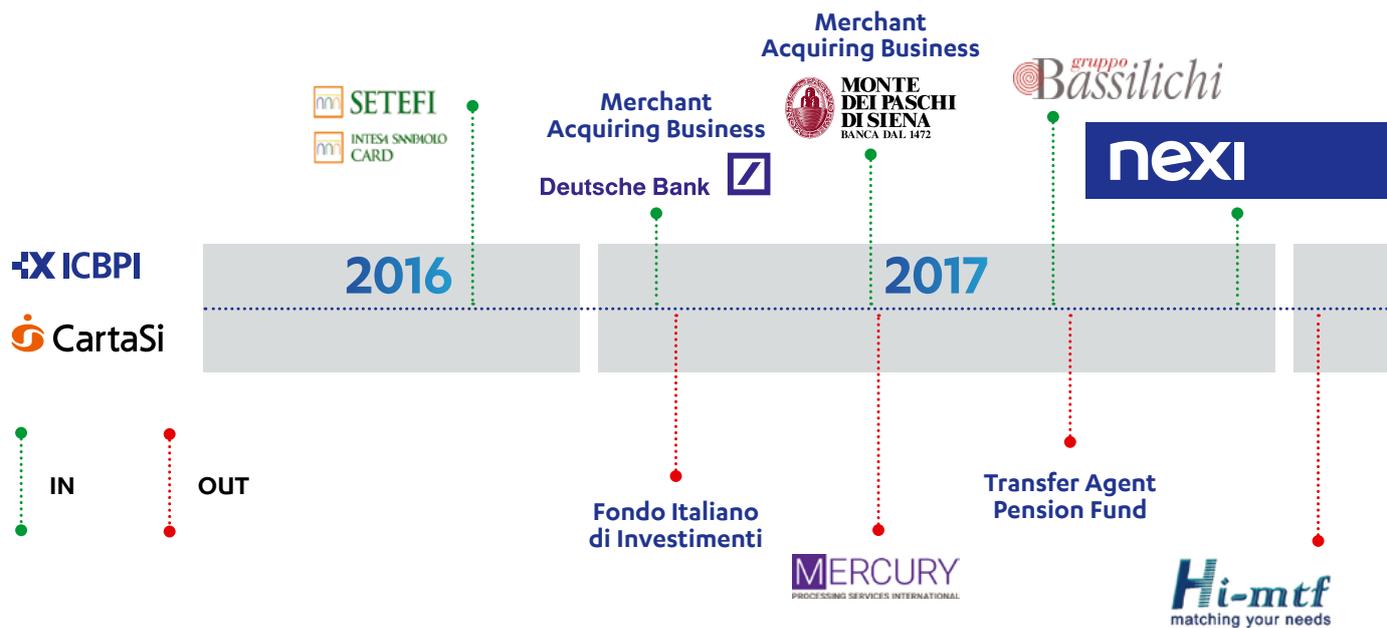
## The mission for a cashless society

Nexi is the leading PayTech company in Italy and a reference for digital payments in our country. With the completion of the two mergers with Nets and SIA planned for 2021, the new Group will prove to be the European leader in PayTech with scale, geographical presence and unique skills that can promote the transition to a cashless and digital economy in Europe.

Listed on the Italian Equities Market of Borsa Italiana, Nexi operates in consolidated partnerships with about 150 banking institutions and its technology connects banks, stores and citizens with the aim of changing the way people and companies pay and collect every day, thereby accelerating the spread of digital payments and the transition to a cashless society, essential for the modernisation of the country.

Nexi’s vision since its inception in 2017 is that every payment will be digital because it is more convenient, faster, safer and because the digitalisation of payments can simplify the lives of citizens, promote the development of businesses, improve the efficiency of public administration, and therefore support digital inclusion and the development and growth of the areas where it operates.

Through the training of its people, the commitment to the promotion of digital culture and collaborations in the technological field, innovation processes and the continuous improvement of processes, products and solutions for society and the environment, Nexi contributes to the achievement of the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda.

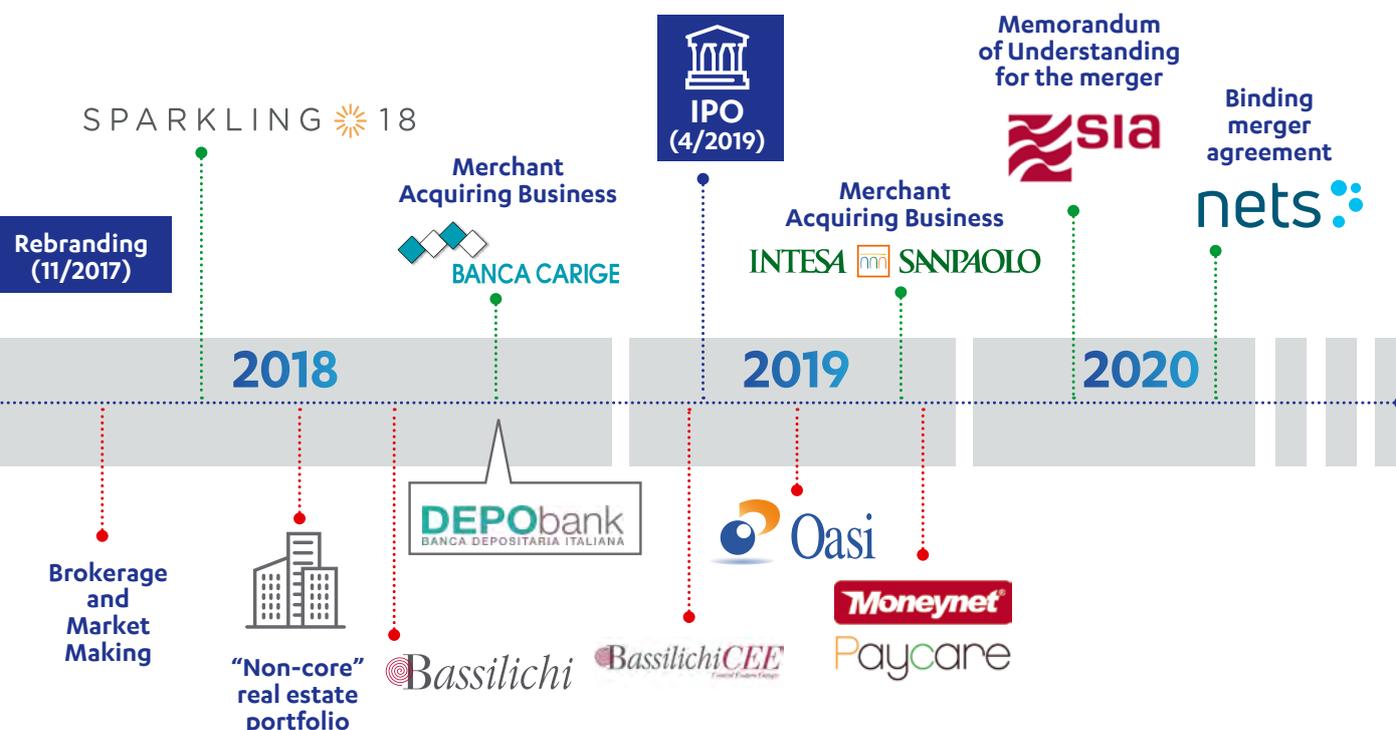


**In the process of integrating Sustainability into its strategy, daily operations and corporate culture, on 30 July 2020 the Nexi Board of Directors approved the Sustainability Policy of the Group**, which establishes the reference principles on which the approach to Sustainability is based in relation to the management of environmental, social and governance issues<sup>3</sup>, as reported:

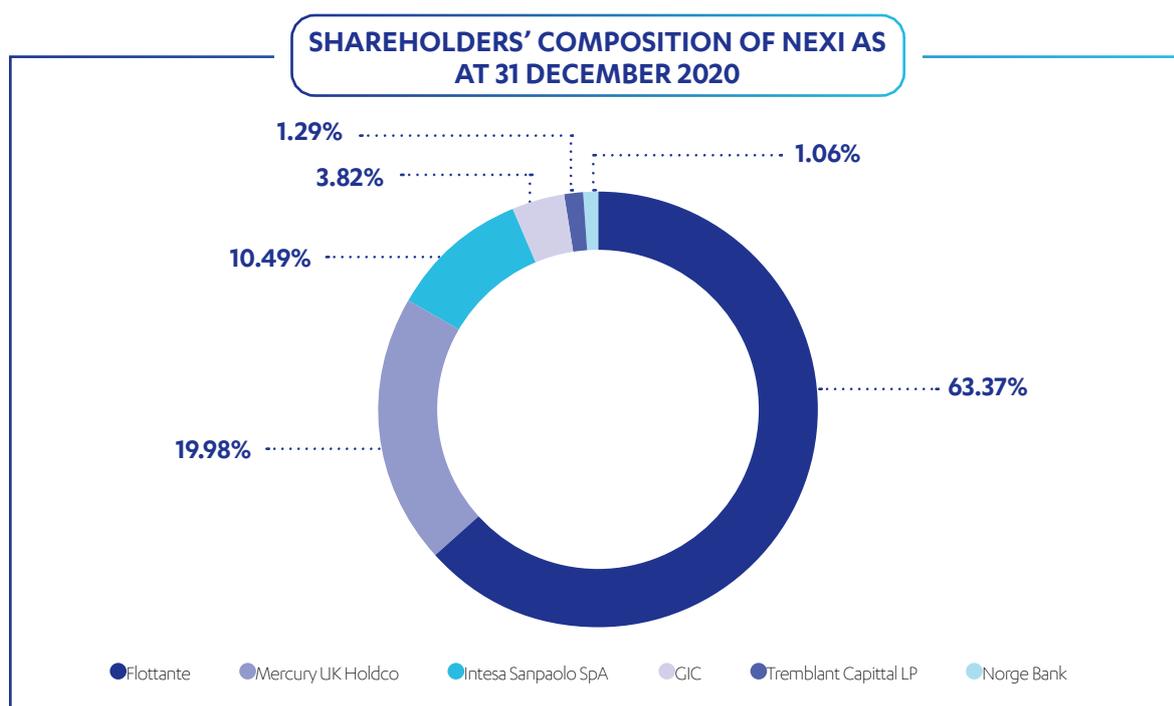
- **Dialogue with Stakeholders:** dialogue with internal and external Stakeholders, to understand their needs and expectations;
- **Materiality approach:** identification of sustainability issues relevant to the Group and to all Stakeholders;
- **Collaboration:** contribution of the Group’s organisational units, each for its own skills and activities, to proactively contribute to the responsible management of sustainability issues;
- **Training and promoting a culture of sustainability:** awareness-raising on the impacts of daily activities and on empowerment initiatives with reference to sustainability issues;
- **Transparency and reporting:** adequate information on the Group’s sustainability performance.

Based on these principles, with a view to continuous improvement, the Nexi Board of Directors has therefore defined its commitments and guidelines on material sustainability issues for its business and for all Stakeholders. Nexi completed several corporate operations in 2020:

- 30 June 2020, the acquisition of the merchant acquiring business unit of Intesa Sanpaolo was completed, in execution of the agreements signed on 19 December 2019;
- 5 October 2020, Nexi announced having signed a memorandum of understanding for the integration of the company SIA in Nexi through merger by incorporation with the aim of creating, in the digital payments market, an Italian player with a European dimension with best-in-class skills and product portfolio;
- 2 November 2020, Nexi announced having agreed on a negotiations exclusivity period with SIA to reach a binding agreement between the parties for a merger between the two groups, an agreement reached and communicated on 15 November.



<sup>3</sup> The Policy is published on the website [www.nexi.it](http://www.nexi.it) in the Sustainability section.



#### Main Group indicators for the year 2020 and change compared to 2019<sup>4</sup>

n. 5.7 billion transactions managed	(-9.1%)	€1,044 million Operating Revenues	(-2.8%)	€135 million Capex	(-19.2%)
€417 billion in transactions managed	(-11.4%)	€601 million EBITDA	(+2.5%)	Net Financial Position	€-2,281 million

## The Business Model

The Group's business is divided into three Business Units – hereinafter also BUs – which cover the main areas of the digital payments market: **Merchant Services & Solutions, Cards & Digital Payments, Digital Banking Solutions.**

### Merchant Services & Solutions

It offers solutions and support to every type of operator, guaranteeing services and products for accepting digital payments, managing POS payment terminals, acquiring flows and customer care activities. Together with the Partner Banks, the BU focuses on merchant needs and supports their activities, supporting all types of business ranging from retail to large distribution chains, for payments in both the physical world and on the online channel.

<sup>4</sup> The changes indicated are calculated on an annual basis. Operating Revenues and EBITDA are reported on a proforma basis. For further details, please refer to the Consolidated Management Report, published on the website [www.nexi.it](http://www.nexi.it)

During 2020, the Merchant Services & Solutions business line generated revenues of 550 million euros (equal to approximately 53% of the Group's total revenues), with an annual decrease of 3.4%, reflecting the trend of transactions carried out by customers, down 12.9% in number and 14.5% in value due to the lockdown period related to Covid-19. E-commerce suffered a less significant impact than the physical channel (-2% in terms of transaction value).

**Profit totalling approximately Euro 550 million** (accounting for roughly 53% of the Group's overall profit)

**900k**  
**Merchant served**

## Cards & Digital Payments

This BU provides products and services for making payments, both physically and digitally, for individuals and companies. It ensures the maximum reliability and security of transactions through sophisticated anti-fraud systems, such as biometrics.

In 2020, the Cards & Digital Payments business line generated 380 million euros in revenues (approximately 36% of the Group's total revenues), down 1.9% compared to the previous year, due to the impact of Covid-19, in particular on the transactional component. The transactions carried out by customers recorded a 4.0% reduction in number and 7.6% in value, despite the number of cards handled having grown to about 43 million.

**Profit totalling approximately Euro 380 million** (accounting for roughly 36% of the Group's overall profit)

**43 million** **payment cards managed**

## Digital Banking Solutions

This BU offers a wide range of products and services to Banks and Electronic Money Institutes: from Clearing & Settlement services to the management of receipts and payments with related back office activities, from Instant Payments to Digital Corporate Banking, from brokerage and regulation services to services for the digitalisation of public administration.

During 2020, the Digital Banking Solutions business line generated 114 million euros in revenues (approximately 11% of the Group's total revenues), down 3.1% from the previous year due to a limited impact of Covid-19 on ATM maintenance activities and clearing traffic, as well as lower revenues from the resale of ATM terminals.

**Profit totalling approximately Euro 114 million** (accounting for roughly 11% of the Group's overall profit)

**12.800**  
**ATM operated**

## THE RESPONSE TO THE COVID-19 EMERGENCY

In 2020, **Nexi increased all its efforts to support operators facing the period of economic crisis generated by the pandemic, while, at the same time, investing in the protection of its people** with the aim of simultaneously guaranteeing their health and ensuring the continuity of the services offered in total safety. In view of the circumstances arising from the pandemic, starting in March **Nexi's top management wanted to send a significant message** to its employees, customers, merchants and shareholders, **voluntarily and unilaterally renouncing short-term variable incentives for the year 2020, regardless of business performance later in the year, donating these fees to support part of the payment of the MBO and the Production Award for all employees.** The achievement level of the company's objectives was impacted by the Covid-19 emergency, but it nevertheless recorded a solid financial performance also thanks to a careful cost containment policy. This meant that for the year 2020, the entry gate threshold was still exceeded, equal to 85% of the target value of the Group EBITDA. It was therefore possible to pay the short-term variable remuneration – MBO – for the rest of the company population depending on the achievement level of the objectives.

### Strategic actions and measures to combat the impacts of Covid-19 on economic and financial performance

After a very positive two-month period in January and February, with total volumes growing annually by more than 13% and 5% respectively in terms of number and value, the rapid spread of the health crisis and the consequent government quarantine measures had an immediate impact on the flow of managed transactions, decreasing up to 45-50% on an annual basis already in the second half of March. The progressive easing of the lockdown measures was reflected in a gradual recovery of volumes managed starting in May and in a subsequent marked acceleration during the summer months, with a weekly peak of +6% at the beginning of August. In the last months of the year, however, customer operations inevitably suffered from the new restriction measures introduced in Italy, as in the rest of Europe, in order to circumscribe the "second wave" of Covid-19. Beginning at the end of October, the transactions showed a consequent, new phase of weakness, although without revisiting the lows of the first semester.

It should also be noted that about half of the Group's revenues, being derived from fees for the base installed at customers' premises (mainly fees on cards and terminal management), are independent of the volume of transactional flows concretely managed in a given period. Beyond business continuity plans, in order to mitigate the negative repercussions on economic and financial performance, **Nexi has implemented a range of strategic actions and contingent initiatives to contain operating costs and update and remodulate project activities and investment plans for a total value of over 100 million euros.** Targeted actions focusing on consultancy, marketing, incentive systems and investments of lesser strategic value or otherwise deferrable were implemented after careful evaluation by the competent business units, with the aim of maintaining the usual focus on the commercial offer and on the strategic guidelines for development and growth. In this perspective, Nexi has at the same time launched specific initiatives to support or anticipate product demand trends in the new market context, in parallel with the expected acceleration towards omni-channel models.

### Actions to combat Covid-19 impacts for customers

In 2020, **starting from the beginning of the pandemic**, Nexi carried out numerous projects and several activities, managed almost entirely remotely, to **ensure the continuity of the business and the solutions offered to its customers**, merchants, private individuals, public administration and large companies. The infrastructures and digital payment products offered by the Group were in fact **essential for ensuring the operation of the entire economic system and** allowed citizens, businesses and small merchants to **continue operating priority services.**

In particular, Nexi joined the **Digital Solidarity programme** promoted by the Ministry for Technological Innovation and Digitalisation with initiatives such as the reimbursement of commissions on micro-payments, transactions up to 10 euros of expenditure, the *Pay-by-Link* service for merchants without e-commerce channels with zero commissions and the *Nexi Welcome* initiative that includes the use of a Mobile POS with zero fees.

**Communication and training** activities aimed at the commercial networks of the Partner Banks continued without interruption, carried out **digitally** through dedicated webinars. Specific communication initiatives for customers, both individuals and companies, were added to support them in the transformation to digital services and assist them in the use of e-commerce services or guide them in the transformation of their business model, made necessary by the emergency.

## ACTIONS TO COMBAT COVID-19 IMPACTS ON PEOPLE

In 2020, the offer of welfare services for employees and their families was expanded and further enriched to meet the needs that emerged to counter the Covid-19 emergency. In particular, dedicated People Caring actions were implemented in three intervention areas:

- **Health & Safety.** Free flu vaccine, possibility to take coronavirus infection diagnostic tests at discounted prices, home drug delivery service, competent doctor support both at the company one day a week and by phone, possibility of benefiting from health coverage even with a positive Covid-19 diagnosis.
- **Psychophysical well-being.** Psychological counselling to support colleagues during lockdown; webinars conducted by experts on practical and psychological issues related to the pandemic such as exercise and care for the elderly; subscription to wellness and physical exercise packages at reduced prices, also through apps and streaming.
- **Parenting.** Employees' children had a digital teaching platform available for learning while having fun, with teaching content certified by the Ministry.

In 2020, the **remote working** system was launched as a flexible way of working. By signing a specific policy, employees were allowed to continue working in a new manner, flexibly organising their time in line with the provisions of the current National Collective Labour Agreement. Those who had newly signed the Smart Working agreement received a dedicated welfare contribution, which is also scheduled for 2021. It can be used to purchase goods and services within the welfare portal, in accordance with current legislation.

Several further initiatives were pursued in response to the Covid-19 emergency:

- **Team Coaching** sessions for all company teams and based on the Predictive Index tool, "Work Smarter With Others" workshop for about 1,500 people;
- definition of a **Netiquette** to share the rules and principles that Nexi has decided to use while working remotely;
- **Nexi in Touch**, programme for the inclusion of new hires in the company. The programme includes the use of content on a digital platform which is related to business strategy, organisation, industry regulations and participation in networking events. New hires can use the platform to create their own network of relationships with colleagues and develop a sense of belonging to the company itself.

In the context of the health emergency, Nexi has also launched and intensified a series of **internal communication activities** in digital format, thus ensuring continuity of dialogue, keeping all employees informed and engaged on strategy, products and services, business activities and related personnel management issues. In particular, the "digital coffee" initiative, which will also continue in 2021, has ensured moments for meeting and discussions among people, aimed at facilitating mutual knowledge and increasing interaction between the company's people.

### Actions to combat Covid-19 impacts on the community

During 2020, Nexi actively participated in solidarity initiatives related to Covid-19, in particular through the fundraising entitled **#uniticelafaremo in favour of the Fiera Milan Hospital**, which led to the collection of one million euros. Nexi also supported its Partner Bank Banco BPM in the implementation of the campaign **#InsiemeStraordinari** to create a donation portal involving 12 NGOs present in the territory.

In December, Nexi accompanied the launch of the **"State Cashback"** plan, created to encourage digital payments and facilitating access through its own apps offering additional benefits, including economic ones, in addition to those guaranteed by the State. For those subscribed through Nexi's mobile payments app Nexi Pay, purchases made with smartphones using Apple Pay, Google Pay and Samsung Pay were immediately counted, in addition to those made with cards. For YAP customers, the accumulated cashback is credited directly to the App, ready to be spent online. Nexi is also committed to a communication plan articulated on all its channels to inform owners and merchants, supporting the Government's initiative.

**STEMintheCity**, the initiative promoted by the Municipality of Milan – in collaboration with important public and private sector entities and the support of the United Nations created to spread the STEM culture, remove cultural stereotypes that distance girls from studying technical-scientific subjects – of which **Nexi has been an active sponsor since 2018, has become a completely digital project**. Nexi was involved on the theme "The Professions of the future in the IT field: Data & Analytics and IT Security Management".



# 3

---

## THE DEFINITION OF OUR PRORITIES

Stakeholder engagement

20

Materiality Matrix

24

## THE DEFINITION OF OUR PRIORITIES

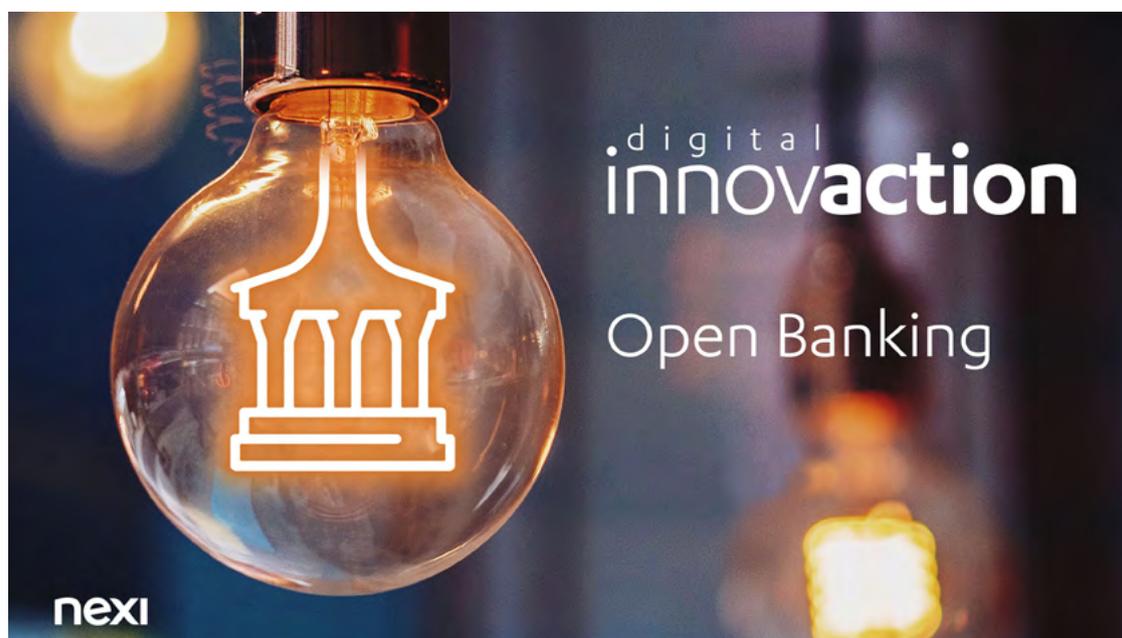
### Stakeholder engagement

The Group's focus on its Stakeholders is based on the principles enshrined in the Code of Ethics and the Sustainability Policy. Constant and regular Stakeholder engagement is supervised and managed by dedicated company functions that are organised to understand their interests and points of view in a constantly evolving context, with a view to creating shared value.

During 2020, the year in which the Covid-19 health emergency caused uncertainty in the markets, risks in health and safety conditions and new working methods, the **Group intensified dialogue with its**

**Stakeholders.** The purpose of this renewed attention to inputs from the different Stakeholder categories was to intercept the new and contingent expectations and needs generated by the pandemic context, to respond to the concerns expressed, to ensure the normal performance of the Group's activities as well as the continuous operation of the services offered.

The following table summarises the main engagement initiatives for the individual categories of Nexi Group Stakeholders, with particular reference to the **most significant engagement experiences carried out in 2020**<sup>5</sup>.



<sup>5</sup> In line with the approach followed in 2019, the Group's Stakeholders were identified through the analysis of documents such as the Code of Ethics and considering the variables envisaged by the "AA1000 Stakeholder Engagement Standard" Principle (responsibility, influence, tension, dependence, different perspectives). The Stakeholder categories "Environment" and "Community and Territory" identified in the 2019 Statement were attributed to the "Community" category this year.

**ENGAGEMENT ACTIVITIES CARRIED OUT IN 2020**

**STAKEHOLDER CATEGORY**



*Partner Banks, Owners, Merchants, Public Administration*

**CORPORATE ENGAGEMENT FUNCTIONS**

Business and Customer Centricity & MS Transformation

**KEY 2020 ENGAGEMENT INITIATIVES**

- Quarterly Customer Satisfaction surveys through telephone interviews: about 2,000 Nexi owner customers were interviewed as well as about 2,000 customers of competing companies, along with more than 2,500 Nexi merchant customers interviewed and about 1,300 customers of other companies
- Net Promoter Score - NPS surveys: more than 30,000 merchant customers and 135,000 owner customers and 200 Partner Bank contact persons involved
- Collaboration initiatives with Partner Banks in support of merchants: 15 conferences on e-commerce, five events on product and service dissemination for a total of over 1,000 collaborators involved
- Training initiatives for the Partner Banks' commercial networks: about 30 webinars and training conferences for a total of over 10,000 customers involved
- Nexi Digital Week dedicated to Partner Banks: about 900 participants
- Payments Fair: 18 in-depth interventions held by Group collaborators, with 2,500 participants
- Sponsor of outreach events: ABI#ilCliente, Forum PA, RTD PA, Utility day



*Employees, Collaborators*

People Development and Internal Communication

- Annual People Survey, 1,902 employees involved
- Quick Survey to understand the new needs generated by Covid-19
- Newsletters and specific communications on updates related to the pandemic
- Short videos with a focus on the health emergency, business performance and evolution (the videos are subtitled for the benefit of those with hearing problems)
- Corporate events and conventions in totally digital format
- Consultation of workers through the involvement of their representatives (RLS), with meetings and interviews aimed at updating and sharing the actions to be taken at corporate level; workers were consulted on various topics through the Survey.
- Meetings with Nexi Payments and Help Line corporate trade union representatives. Of the total 35 meetings, only the first five were held with physical participation, the remaining remotely
- Employee training, including additional safety training and *New Way of Working*

STAKEHOLDER CATEGORY	CORPORATE ENGAGEMENT FUNCTIONS	KEY 2020 ENGAGEMENT INITIATIVES
 <p><b>INSTITUTIONS AND REGULATORS</b></p> <p><i>National and European Governance and Audit Institutions and Bodies</i></p>	<p>Institutional Affairs, Compliance&amp;AML, Legal Affairs&amp;Strategic Projects, Corporate Social Responsibility</p>	<ul style="list-style-type: none"> <li>• Institutional dialogues on the digitalisation of payments and support for SMEs</li> <li>• Working groups and technical tables</li> <li>• Preparation of One-to-One and group meetings</li> <li>• Participation in associations<sup>6</sup></li> </ul>
 <p><b>FINANCIAL COMMUNITY</b></p> <p><i>Shareholders, Investors, Rating agencies, ESG data providers</i></p>	<p>Investor Relations, Corporate&amp;Regulatory Affairs and Corporate Social Responsibility</p>	<ul style="list-style-type: none"> <li>• Participation in 19 international conferences, 16 road show days, one-to-one meetings, group meetings, conference calls for a total of 1,246 investors involved</li> <li>• Six institutional conference calls to present the Group's quarterly economic results to the market</li> <li>• Two Shareholders' meetings</li> <li>• 17 Board of Directors meetings</li> <li>• CSA (Corporate Sustainability Assessment) ESG Assessment of S&amp;P, CDP, Standard Ethics and MSCI</li> <li>• Conference calls and one-to-one meetings with the main ESG providers and ESG investment funds</li> </ul>
 <p><b>INNOVATION COMMUNITY</b></p> <p><i>Fintech, Start-ups, Developers</i></p>	<p>Business Innovation</p>	<ul style="list-style-type: none"> <li>• Digital e-commerce events: Prestashop Day, e-Commerce hub, E-commerce Day, Web Marketing Festival, Netcomm Forum Live, E-commerce Week</li> <li>• Main Sponsor and interventions at Milan Digital Week</li> <li>• Interventions at Wired Next Fest 2020</li> <li>• Interventions at lab Forum</li> <li>• Interventions at Milan Finance Digital Week</li> </ul>

<sup>6</sup> GRI Standards content index.

STAKEHOLDER CATEGORY	CORPORATE ENGAGEMENT FUNCTIONS	KEY 2020 ENGAGEMENT INITIATIVES
 <p><b>COMMUNITY</b></p> <p><i>Local and national social fabric, environment, schools and universities</i></p>	<p>Brand &amp; Communication, Institutional Affairs</p>	<ul style="list-style-type: none"> <li>• Launch of the “<i>Contactless and Mobile</i>” communication campaign to promote the use of contactless payments during the pandemic</li> <li>• Financial education project in schools in collaboration with the Foundation for Financial Education and Savings (FEduF), involving 3,000 secondary schools through training webinars</li> <li>• Support through the supply of the XPay platform to Vivogreen: initiative for the construction of the first store totally from an invisible payments perspective in Italy, developed with the support of schools in Terni and dedicated to the relaunch of local products and the ‘zero waste’ policy</li> <li>• Four digital conferences on payments in collaboration with the Polytechnic Institute of Milan, for a total of about 2,000 participants</li> <li>• Main Sponsor of Campus Digital Party, training event dedicated to graduates and those about to graduate: more than 1,000 students involved</li> <li>• Cycle of informative interviews on the latest developments in digital payments</li> </ul>
 <p><b>SUPPLIERS</b></p>	<p>Supply Chain Management</p>	<ul style="list-style-type: none"> <li>• Purchasing portal</li> <li>• One-to-one meetings</li> </ul>
 <p><b>MASS MEDIA</b></p>	<p>External Communication &amp; Media Relations</p>	<ul style="list-style-type: none"> <li>• 63 press releases issued</li> <li>• Publication of 6,298 articles in print and in the top 100 information websites</li> </ul>

The suggestions and areas for improvement emerging from employee and customer satisfaction surveys are included in the reference chapters “Customer Centricity” and “Responsibility towards People”.

## Materiality Matrix

In 2020, **Nexi's materiality Matrix was updated in line with the commitment made in 2019 to directly involve Stakeholders in assessing the relevance of material topics**. The objective of the 2020 materiality analysis was to ensure the principle of Stakeholder inclusiveness and to best respond to their expectations and interests, using the inputs received to identify areas of action and possible opportunities<sup>7</sup>.

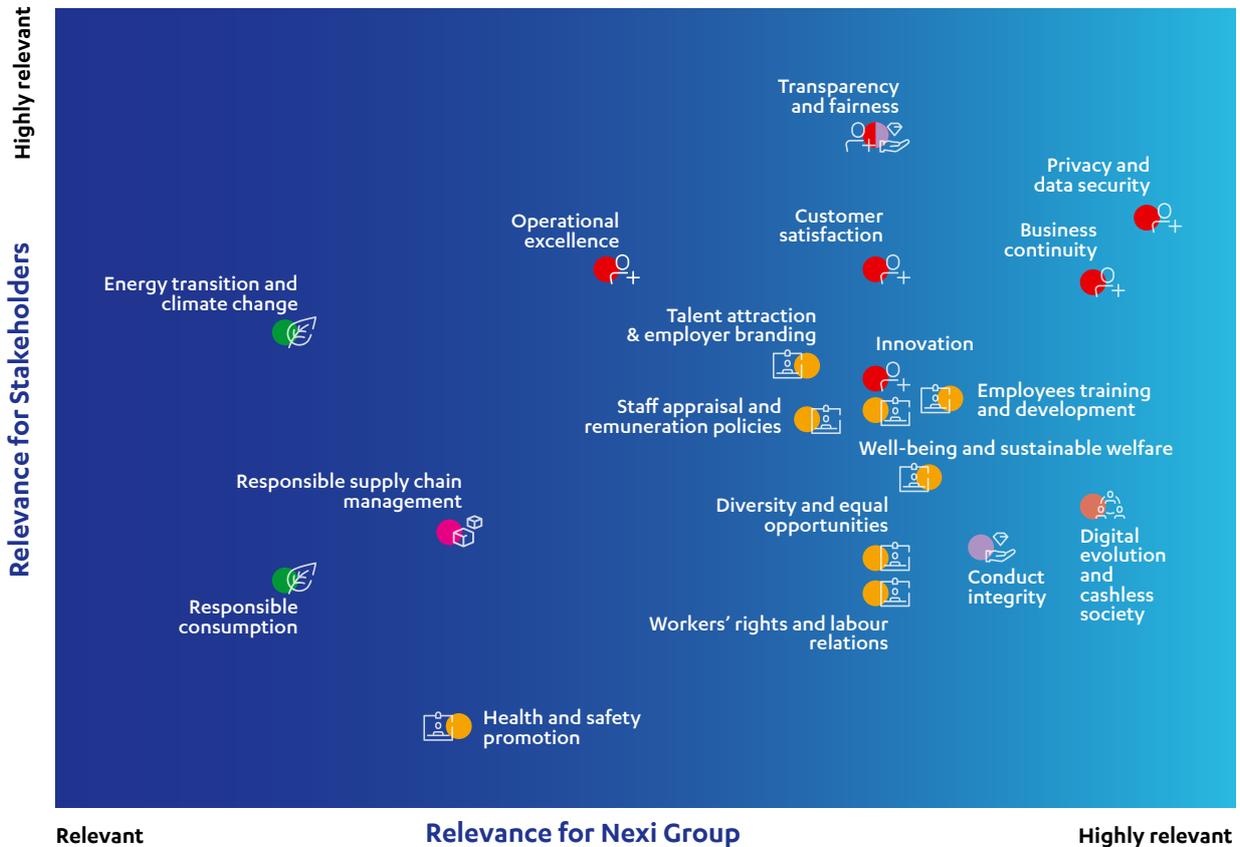
Starting from the material topics included in last year's Matrix, key internal documents were examined, including the business plan, sector and benchmark analyses, emerging legislation and issues addressed by the media, the elements subject to evaluation by rating agencies, ESG analysts and institutional investors.

**18 topics were identified, which are in line with the topics represented in the 2019 Materiality Matrix**. On the other hand, the process for assessing the impacts of these topics on the Group and on the Stakeholders was divided into the following phases:

1. **direct involvement of Top Management** to identify the relevance of the Nexi Group in terms of impact on strategy, corporate governance structure, performance and prospects for the medium-long term;
2. **direct involvement** of a substantial **sample of Stakeholders**, considering all categories, by responding to an anonymous survey in order to understand the relevance of the material topics in terms of influence on their decisions;
3. **elaboration** of survey results by **considering topics and Stakeholder categories in terms of the strategic role** played by each category, reflecting their degree of responsibility, relevance, tension and dependence;
4. **sharing of survey results with Top Management, the CEO and the Chairperson of the Nexi Board of Directors** to ensure alignment with the business strategy;
5. presentation of the draft **materiality Matrix to the Control, Risk and Sustainability Committee for prior opinion** on 17 December 2020;
6. **approval** of the **materiality Matrix** by the **Board of Directors** at its meeting on 22 December 2020;
7. **sharing of the materiality Matrix in the Boards of Directors meetings of the Nexi** Group companies to provide appropriate information.

<sup>7</sup> The materiality Matrix is updated periodically in accordance with the organisational procedure "Preparation of the Consolidated Non-Financial Statement", on an annual basis or more frequently to consider changes in the Group's internal and external context.

## NEXI GROUP MATERIALITY MATRIX 2020



### Legend

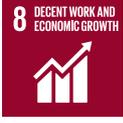
Areas of the Legislative Decree 254/2016<sup>8</sup>

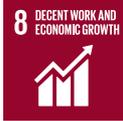


The various material topics, unchanged compared to 2019, were therefore traced back to the relevant sustainability areas of the Nexi Group and the related United Nations Sustainable Development Goals.<sup>9</sup>

<sup>8</sup> The issue relating to respect for human rights, in consideration of the territorial, regulatory and business context in which the Group operates, is included in the topics: "Workers' rights and labour relations", "Diversity and equal opportunities", "Health and safety promotion", "Wellbeing and sustainable welfare" and "Responsible supply chain management".

<sup>9</sup> Some material topics have been renamed. "Payment digitalisation in Italy" in "Digital evolution and cashless society", "Energy efficiency and CO<sub>2</sub> emissions" in "Energy transition and climate change", "Responsible consumption and waste management" in "Responsible consumption", "Employment and labour relations" in "Workers' rights and labour relations".

RELEVANT MATERIAL TOPICS		
<p><b>Transparency and fairness</b> Compliance to transparency and fairness regulations and principles in the customer and market relationship</p> <p><b>Conduct integrity</b> Constant commitment in the fight against corruption and promotion of ethical behaviours in corporate conduct and culture</p>	<p><b>INSTITUTIONAL RESPONSIBILITY, ETHICS AND INTEGRITY</b></p>	
<p><b>Innovation</b> Continuous investments to accelerate the development of simple and technologically advanced solutions in the digital payments field</p> <p><b>Digital evolution and cashless society</b> Commitment and active participation in the Country modernization and progress through expertise and business solutions that enable to substitute cash transactions with safer, simpler and more efficient digital payments</p>	<p><b>MODERNIZATION AND PROGRESS OF THE COUNTRY</b></p>	 
<p><b>Privacy and data security</b> Commitment in privacy protection and data security, to ensure the proper use of sensible information and to prevent cyber-attacks which may compromise the company's and clients' data</p> <p><b>Customer satisfaction</b> Commitment to achieve a leading position in digital payments' customer experience, strive to improve in all instances of customer interaction and be an excellent partner for Banks</p> <p><b>Business continuity</b> Delivery of a reliable and uninterrupted service, guaranteed by an effective governance and high operational and technological standards</p> <p><b>Operational excellence</b> Constant improvement of the service offered through dedicated initiatives and programs</p>	<p><b>CUSTOMER CENTRICITY</b></p>	 

RELEVANT MATERIAL TOPICS		
<p><b>Employees training and development</b> Commitment to foster the personal and professional growth of Nexi's employees, through a system of personalized development paths that enhance their skills and attitudes</p> <p><b>Talent attraction &amp; Employer Branding</b> Ability to attract and retain talents by offering a professional, dynamic work environment suitable for meeting the challenges of the future</p> <p><b>Staff appraisal and remuneration policies</b> Performance evaluation and career development strategies that both value Nexi's employees and ensure a fair remuneration, even considering sustainability targets' achievements</p> <p><b>Diversity and equal opportunities</b> Enhancement of all diversities and promotion of the inclusion of all Nexi's employees, preventing all forms of discrimination and ensuring fair growth paths for everyone</p> <p><b>Well-being and sustainable welfare</b> Care for the well-being of Nexi's employees and their families, through work-life balance solutions and personalized welfare services tailored to their specific needs</p> <p><b>Workers' rights and labour relations</b> Protection of workers' rights according to current legislation and promotion of the dialogue with trade union representatives</p> <p><b>Health and Safety promotion</b> Prevention, promotion and training activities on health and safety in the workplace</p>	<p><b>RESPONSIBILITY TOWARDS PEOPLE</b></p>	    
<p><b>Responsible supply chain management</b> Selection of suppliers who both respect social and environmental sustainability criteria and provide a high quality service</p>	<p><b>SUPPLY CHAIN</b></p>	
<p><b>Energy transition and climate change</b> Use of renewable resources, energy efficiency and actions to reduce direct and indirect emissions into the atmosphere</p> <p><b>Responsible consumption</b> Sustainable management of internal processes and waste disposal, in order to optimize the life cycle of products and the consume of materials, supporting the development of circular economy</p>	<p><b>ENVIRONMENTAL PROTECTION</b></p>	  

## NEXI'S MAIN RESULTS IN 2020

(With reference to the targets of the Sustainable Development Goals)



### GOOD HEALTH AND WELL-BEING

- Enabling more than **95% of employees to work remotely**, including for call Center activities, and guaranteeing adequate safety and personal protection standards to other personnel working at the operating offices
- **Compulsory training** for all workers on general **risks**, specific risks for workers and on the **Covid-19** pandemic
- Verification of the technical-professional requirements of Nexi Group suppliers and **assessment of Interference Risks (DUVRIs)** that could potentially occur within the workplace
- **Zero deaths** and only one **workplace** accident
- **Welfare initiatives for employees:** life insurance policy, occupational and non-occupational accidents policy, permanent disability policy due to illness; supplementary pension, health care for employees and for all family members, leave for paid medical examinations and additional leave for those with family members with disabilities



### QUALITY EDUCATION

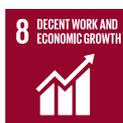
- **30 average hours of training** per employee
- **MBA sponsorship** in collaboration with Luiss Business School, master's degree in innovation, digital and transformation in collaboration with RCS Academy Business School; promotion and sponsorship of other training courses for employees
- **Nexi Academy** dedicated to new graduates and those about to graduate and aimed at developing technical skills and soft skills relevant to the world of work
- **Leadership school** - specific courses for management
- **SkillUp project for mapping and enhancing people's skills** and aimed at developing the Group's human capital
- Daily online learning spaces during the period of greatest remote working, **"learning square"**, dedicated to almost the entire company population and defined in collaboration with *The Human Resources Community HRC*
- Funding of **scholarships** in collaboration with the non-profit organisation Elis for the benefit of young IT engineering students with little resources specialising in innovation at the Innovation Hub of the Polytechnic Institute of Milan
- **Financial education** programmes on digitalisation **in collaboration with FEduF**, 3,000 secondary schools involved

**NEXI'S MAIN RESULTS IN 2020***(With reference to the targets of the Sustainable Development Goals)***GENDER EQUALITY**

- **The female presence** in the Group is **47%**
- Strengthening **women's presence in governance**:
  - Board of Directors: 31%
  - Strategic Committee: 14%
  - Control, Risk and Sustainability Committee: 67%
  - Remuneration and Appointments Committee: 67%
  - Related Party Committee: 67%
- **Partnership with Valore D** to support women's leadership in the company, launching management paths dedicated to C-level, senior and middle managers
- **Mentoring paths as part of the Women Empowerment Programme**, an intercompany programme dedicated to senior and young female managers
- Membership in the **European Women on Boards path**, an international project aimed at C-level managers and focused on digital transformation, new trends and leadership development
- Participation in the **StartUp Italia project "Unstoppable Women"** within Milan Digital Week to enhance those who, in the female universe, have distinguished themselves in innovation
- **BrightSky app development funding** to provide information, resources and support to women subjected to violence and people close to them in absolute confidentiality and anonymity
- **Parenting support** through a dedicated platform to take advantage of babysitting or elderly care services, provision of variable remuneration even in the event of an employee's absence due to maternity or paternity

**AFFORDABLE AND CLEAN ENERGY**

- **100% of energy purchased** from the grid comes from **renewable sources** covered by guarantees of origin, for both the Group offices and for the Data Centers

**DECENT WORK AND ECONOMIC GROWTH**

- Hiring of more than **400 people in the three-year period 2017-2020**
- **100% of Group employees covered by the National Collective Labour Agreement**
- **Graduate Programme** to facilitate the integration of young people into the world of work
- **Support for merchants during the lockdown periods** to convert part of their business to remote business, through the use of Mobile POSs with zero fees for mobile payments, i.e., upon delivery, or by enabling them, with the *Pay-by-Link* service, to so-called call & collect models that allow payment by email, chat, SMS. Financial support with the reimbursement of commissions on Micropayments, i.e., transactions up to 10 euros of expenditure. Definition of "Social Commerce" initiatives to support small and medium-sized merchants in remote selling through pages on major social networks

## NEXI'S MAIN RESULTS IN 2020

(With reference to the targets of the Sustainable Development Goals)



### INDUSTRY, INNOVATION AND INFRASTRUCTURE

- **100 million euros invested in technology**
- Approximately **43 million payment cards managed, approximately 900,000 merchants, 12,800 ATMs, approximately 480,000 e-banking workstations and 900 million transactions in clearing services**
- **Cybersecurity and privacy risk governance**
- Specific **cybersecurity training**
- **Support of scientific research and innovation** through partnerships and collaborations<sup>10</sup>



### REDUCED INEQUALITIES

- **YAP app development for access to digital payment tools** for younger groups
- Adoption of the **Code of Ethics, Sustainability Policy**
- **Anonymous channels to communicate any violations of regulations and corruption episodes**, as required by the Whistleblowing Policy and the mechanisms of the 231 Supervisory Body (no reports received through the Whistleblowing channel, nor from the Audit Function regarding ascertained episodes of discrimination)
- Annual **allowances for employees with family members with disabilities**
- **Provision** for training needs and **purchase of equipment to support the children of employees suffering from learning disorders (DSA)** during the pandemic
- Fundraising for **#uniticelafaremo in favour of the Covid-19 Fiera Milan Hospital**, which has collected **one million euros**



### RESPONSIBLE CONSUMPTION AND PRODUCTION

- Obligation **of all suppliers to acknowledge and comply with the principles included in the 231 Model, the Code of Ethics and the Sustainability Policy**
- Verification of **compliance with regulations** to protect **social aspects and economic and financial soundness for suppliers**
- **Approximately 99% of waste** produced is **destined for recycling**
- **Digitalisation projects** (e.g. digital on-boarding of customers) to promote the reduction of paper use in processes

<sup>10</sup> The complete list of Group partnerships and collaborations is given in the GRI Standards Indicators chapter

## NEXI'S MAIN RESULTS IN 2020

*(With reference to the targets of the Sustainable Development Goals)*



### CLIMATE ACTION

- **Extension of the Group's emissions inventory** for a more accurate and transparent reporting of direct Scope 1 emissions **and indirect Scope 2 and Scope 3 emissions** with the ambitious objective of defining emission reduction targets in accordance with **the Science Based Target Initiatives criteria**, aligned with the Paris Agreement
- **ISO 14001 certification** for Nexi Payments<sup>11</sup>



### PEACE, JUSTICE AND STRONG INSTITUTIONS

- Definition of the **Code of Ethics, 231 Model and Sustainability Policy**
- **Anti-money laundering and anti-terrorism** regulations
- **Approval of the Anti-Corruption Policy in March 2021**
- **Enterprise Risk Assessment process, integrated with sustainability aspects** for the identification, assessment and management of related risks
- **Commitment to progressively adhere to the recommendations** of the Task Force on Climate-related Financial Disclosures established by the Financial Stability Board for reporting on risks and opportunities arising from climate change
- **SA8000 certification for Nexi Payments**<sup>12</sup>

<sup>11</sup> In relation to the activities of "Digital payment solutions: provision of POS terminals with related software and services through the design, development, delivery and assistance phases". The certification was issued in January 2021 by the Certification Body DNV-GL.

<sup>12</sup> At the date of drafting the Statement, the Certification Body DNV-GL is in the process of issuing the certificate.



# 4

---

## INSTITUTIONAL RESPONSIBILITY, ETHICS AND INTEGRITY

Corporate Governance	34
Internal Control and Risk Management System - ICRMS	39
Ethics, transparency and fairness in the business conduct	49

[TRANSPARENCY AND FAIRNESS: GRI 103-1, GRI 103-2, GRI 103-3]

[CONDUCT INTEGRITY: GRI 103-1, GRI 103-2, GRI 103-3, MANAGING PRIVILEGED INFORMATION]

[PRIVACY AND DATA SECURITY: GRI 103-1, GRI 103-2, GRI 103-3]

[GRI 102-5] [GRI 102-18] [GRI 102-11] [GRI 102-15] [GRI 102-16] [GRI 102-17] [GRI 102-19] [GRI 102-22] [GRI 102-24] [GRI 102-25] [GRI 102-26] [GRI 102-27]

[GRI 102-28] [GRI 102-30] [GRI 102-31] [GRI 102-32] [GRI 103-2] [GRI 201-2] [GRI 205-3] [GRI 206-1] [GRI 207-1] [GRI 207-2]

[GRI 207-3] [GRI 207-4] [GRI 417-3] [GRI 418-1] [GRI 419-1]

# INSTITUTIONAL RESPONSIBILITY, ETHICS AND INTEGRITY

## Corporate Governance

Nexi's Corporate Governance model is inspired by and adheres to the recommendations and principles of the **Corporate Governance Code of Listed Companies 2020 promoted by Borsa Italiana**. The structure is based on a traditional model that complies with the provisions of the legislation on listed issuers.

### ACTIVITIES OF THE BOARD OF DIRECTORS AND INTERNAL BOARD COMMITTEES

#### Shareholders' Meeting

Expresses its opinion on the most important decisions of the company, appointing the Board of Directors, approving the consolidated financial report and amendments to the Articles of Association

#### Board of Directors

Performs all appropriate acts for the achievement of the corporate purposes, except as expressly reserved by law or by the Articles of Association to the Shareholders' Meeting. The Board of Directors is also responsible for determining the Nexi Group's unitary business plan with the support of the various Internal Board Committees

#### Strategic Committee

Provides advisory on many aspects including Group strategic plans, Group business plan guidelines, business line performance, extraordinary operations, financial strategies and policies and the organisational structure of subsidiaries

#### Control, Risk and Sustainability Committee

Assesses the suitability of periodic, financial and non-financial information, expresses opinions on specific aspects related to the identification of the main corporate risks, monitors the autonomy, adequacy, effectiveness and efficiency of the Audit Function and serves propositional and advisory functions vis-à-vis the Board of Directors in relation to sustainability

#### Remuneration and Appointments Committee

Plays an advisory and propositional role vis-à-vis the Board of Directors on the definition of remuneration policies for directors and managers with strategic responsibilities

#### Related Party Committee

Responsible for expressing opinions on Group related party transactions

## STRUCTURE OF THE NEXI BOARD OF DIRECTORS AND THE INTERNAL BOARD COMMITTEES

	Role in the BoD	Strategic Committee	Control, Risk and Sustainability Committee	Remuneration and Appointments Committee	Related Party Committee	Chief Executive Officer	Independent Director
Michaela Castelli	Chairperson	Member					X
Giuseppe Capponcelli	Vice-Chairperson	Member					
Paolo Bertoluzzo	CEO	Chairperson				X	
Luca Bassi	Director	Member		Member			
Francesco Casiraghi	Director	Member	Member				
Elisa Corghi	Director		Chairperson	Member	Chairperson		X
Simone Cucchetti	Director	Member					
Federico Ghizzoni	Director						
Maurizio Mussi	Director						
Jeffrey David Paduch	Director	Member					
Antonio Patuelli	Director				Member		X
Marinella Soldi	Director		Member	Chairperson	Member		X
Luisa Torchia	Director						X

Composition of the BoD and Internal Board Committees by gender and age group	"Women no."	"Women %"	"Man no."	"Man %"	"30-50 no."	"30-50 %"	">50 no."	">50 %"	"Total no."
Board of Directors	4	31%	9	69%	7	54%	6	46%	13
Strategic Committee	1	14%	6	86%	5	71%	2	29%	7
Control, Risk and Sustainability Committee	2	67%	1	33%	2	67%	1	33%	3
Remuneration and Appointments Committee	2	67%	1	33%	2	67%	1	33%	3
Related Party Committee	2	67%	1	33%	1	33%	2	67%	3

### THE ROLE OF THE CHAIRPERSON

Pursuant to art. 17 of the Articles of Association, the Board of Directors elects the Chairperson from among its members, if not already elected by the Shareholders' Meeting. The Chairperson convenes and chairs the Board of Directors, establishing the agenda and ensuring that matters of strategic importance are treated with priority. The Chairperson does not have management powers and therefore does not have an operational role.

### THE ROLE OF THE CHIEF EXECUTIVE OFFICER

The management of Nexi is entrusted to the Chief Executive Officer (CEO), which coincides with the role of General Manager.

In line with the guidelines set by the Board of Directors, the CEO is responsible for directing and coordinating the various corporate components for the purposes of implementing the Group's corporate business plan. The Chief Executive Officer ensures the coordination and unitary management of the companies registered within the Group perimeter.

Participation to the meetings of the BoD and the Internal Board Committees	Number of meetings	Average participation rate
Board of Directors	17	91%
Strategic Committee	12	100%
Control, Risk and Sustainability Committee	9	96%
Remuneration and Appointments Committee	7	76%
Related Party Committee	14	100%

The Directors meet the requirements of honourability and meet the criteria of competence and fairness in accordance with the law and are also subject to the so-called interlocking prohibitions.

The Report on Corporate Governance and Controlling Structures of Nexi, available on the website [www.nexi.it](http://www.nexi.it), provides information on Nexi's Directors in relation to their *curriculum vitae*, diversity, independence qualifications, attendance at meetings of the Board and the Internal Board

Committees of which they are members and any positions held in other companies.

The remuneration due to the members of the Board of Directors is determined by the Shareholders' Meeting. For more information on the policies and remuneration of the Board of Directors and Managers with strategic tasks, please refer to the Remuneration Report available on the website [www.nexi.it](http://www.nexi.it).

## SUSTAINABILITY GOVERNANCE

**The Nexi Board of Directors is the body responsible for the strategic direction and supervision of the Group's activities, results and sustainability impacts. Specifically:**

- it defines the principles, guidelines, objectives and commitments in reference to sustainability issues relevant to Nexi, in line with the Group's strategic objectives and with the needs and expectations of the Group's internal and external Stakeholders
- it supervises the correct dissemination of the principles and guidelines defined in this Policy, as well as their application to all Group companies, as well as to the relative Corporate Bodies, employees, collaborators, suppliers and all other business partners operating in the name and on behalf of the Group in the territories where the Group operates;
- it periodically assesses the results and impacts as well as the adequacy and effectiveness of the principles and guidelines for planning and managing relevant sustainability issues, in consideration of the evolution of the Group's internal and external context;
- in line with the objective of creating sustainable value over time for all Stakeholders and in accordance with the Corporate Governance Code of Listed Companies, as part of the performance recognition programmes and the remuneration policy provisions through the Remuneration and Appointments Committee, it defines the path of progressive integration of strategic objectives for top management and executive directors with sustainability objectives, so-called ESG, with reference to components related to environmental, social and governance sustainability parameters;
- it draws up and approves the Consolidated Non-Financial Statement, in accordance with the requirements of current legislation, in order to ensure adequate reporting of the activities carried out by the Group on sustainability, the results achieved, the commitments undertaken and the relevant impacts produced by the Group and on the Group with reference to the relevant sustainability issues.

**The Board of Directors of the Nexi Group companies:**

- transposes the Sustainability Policy approved by the Parent Company's Board of Directors;
- is responsible for the full and correct implementation of the principles and guidelines included in the Policy;
- promptly informs the Parent Company's Board of Directors of any developments deemed significant regarding the relevant sustainability issues within its competence.

**The Control, Risk and Sustainability Committee carries out propositional and consultative functions vis-à-vis the Parent Company's Board of Directors regarding sustainability.** Specifically:

- it examines and evaluates the sustainability issues related to the performance of business activities and the interaction dynamics with Stakeholders, with the aim of continuously improving the Group's sustainability profile;
- it monitors Nexi's position on sustainability issues with the aim of constantly aligning with current and emerging regulations and best market practices;
- it expresses, at the request of the Board of Directors, opinions on any further sustainability issues;
- it examines and evaluates the Non-Financial Statement of the Group.

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

- it contributes to identifying relevant sustainability issues;
- it proposes initiatives and objectives, also taking into account the risks related to the business and those inherent to sustainability issues;
- it implements the initiatives and reports on the results achieved and progress with respect to the objectives defined and approved by the Nexi Board of Directors;
- it carries out internal and external advocacy activities, dealing with the involvement of the Group's internal and external Stakeholders;
- it promptly reports any developments deemed significant regarding the sustainability issues relevant to the Group for which it is responsible to the Function responsible for Corporate Social Responsibility.

**The Function responsible for Corporate Social Responsibility**, within the Corporate & External Affairs Function:

- coordinates and monitors the overall process of preparing the Group's Consolidated Non-Financial Statement;
- coordinates the development of the sustainability strategy through dialogue and the involvement of Management;
- reports to the Control, Risk and Sustainability Committee on the Group's Consolidated Non-Financial Statement, on the development of sustainability strategies, on the results achieved and progress with respect to the objectives in line with the strategy, principles and guidelines defined by the Nexi Board of Directors.

In 2020, in the process of integrating sustainability into the strategy, planning and daily operations and corporate culture of the entire Group, the **Control, Risk and Sustainability Committee and the Nexi Board of Directors were regularly involved** in the following activities:

- supervision and monitoring of the project plan conducted in 2020 to improve sustainability performance, taking into account the results of the assessments of the main ESGs - Environmental, Social, Governance - data providers, the competitive environment in which the Group operates, the evolution of the regulatory environment and best practices;
- examination and approval of the 2020 materiality Matrix;
- examination and approval of the Consolidated Non-Financial Statement in compliance with Italian Legislative Decree no. 254/2016;
- evaluation of the results achieved in 2020 and definition of the action plan for 2021.

**The results of the 2020 Board of Directors Self-Assessment conducted by an external advisor confirm that the Board of Directors is aware of the importance of issues related to sustainability, safety and the environment.** Ad-hoc in-depth sessions have been held on ESG themes and the level of commitment and sharing of the path undertaken by the Group is good.

**All the Directors agree on devoting more space to sustainability issues on the agenda of the Board of Directors, in order to consolidate oversight of the issues and always launch new initiatives and planning.**

The details of the Self-Assessment process and the results were presented and discussed at the Board meeting of 11 March 2021 (and previously by the Remuneration and Appointments Committee at the meeting of 3 March 2021) and summarised in the Report on Corporate Governance and Controlling Structures of Nexi.

This integration process also includes the following **actions and recognitions related to sustainability for 2020**:

- **approval of the Nexi Group’s Sustainability Policy in the Nexi Board of Directors meeting on 30 July 2020.** Inspired by the main national and international standards and drawn up in harmony with the Code of Ethics, 231 Organisational Model and all Group policies and procedures currently in force, the Policy establishes the reference principles underlying the approach to sustainability in relation to the management of Environmental, Social and Governance issues;

---

- **Directors’ involvement in a dedicated induction session** on sustainability issues;

---

- **introduction of a specific objective in the MBO scheme of the CEO and Managers with Strategic Responsibilities, constituted by “People Value”,** aimed at keeping management increasingly focused on long-term growth objectives;

---

- **Nexi’s inclusion in the 2021 edition of S&P Global’s Sustainability Yearbook, in the first year of the Group’s participation in the Corporate Sustainability Assessment** - an annual assessment process that analyses the sustainability performance of over 7,000 companies with the largest capitalisation in the world. S&P Global is one of the world’s leading independent rating providers and provides the capital market with analyses and research that increase transparency on ESG factors;

---

- **Nexi’s inclusion in CDP ratings** (formerly Carbon Disclosure Project). The CDP, supported by over 500 international investors with over US \$96 billion in managed assets, promotes worldwide attention to managing risks and impacts related to climate change, inviting companies to provide detailed and timely information on their ability to manage the issue;

---

- **Nexi’s inclusion in Standard Ethics ratings.** The agency’s assessment focuses on corporate governance, environmental and social aspects and measures the level of compliance with EU, OECD and UN guidelines, providing a measure of the level of adherence of the practices adopted by applicant companies to the major international sustainability guidelines;

---

- **Inclusion in the MSCI ESG rating.** The rating measures the long-term resilience to sector-specific ESG risks and compares the relative exposure to these risks and the relating risk management approach of different peers operating in a specific sector;

---

- **Nexi’s inclusion in the Bloomberg Global Gender-Equality Index, GEI, in its first year of participation.** The index measures gender equality based on five pillars: female leadership and **talent pipeline**, equal pay and equal pay for men and women, inclusive culture, anti-harassment policies and advocacy for women;

---

- **ISO 14001 environmental certification for Nexi Payments** in relation to the activities of “Digital payment solutions: provision of POS terminals with related software and services through the design, development, delivery and assistance phases<sup>13</sup>”;

---

- **certification for Nexi Payments** with respect to the international standard **SA 8000 Social Accountability** by the Certification Body DNV-GL<sup>14</sup>.

<sup>13</sup> Certification issued in January 2021 by the Certification Body DNV-GL.

<sup>14</sup> At the date of drafting the Statement, the Certification Body DNV-GL is in the process of issuing the certificate.

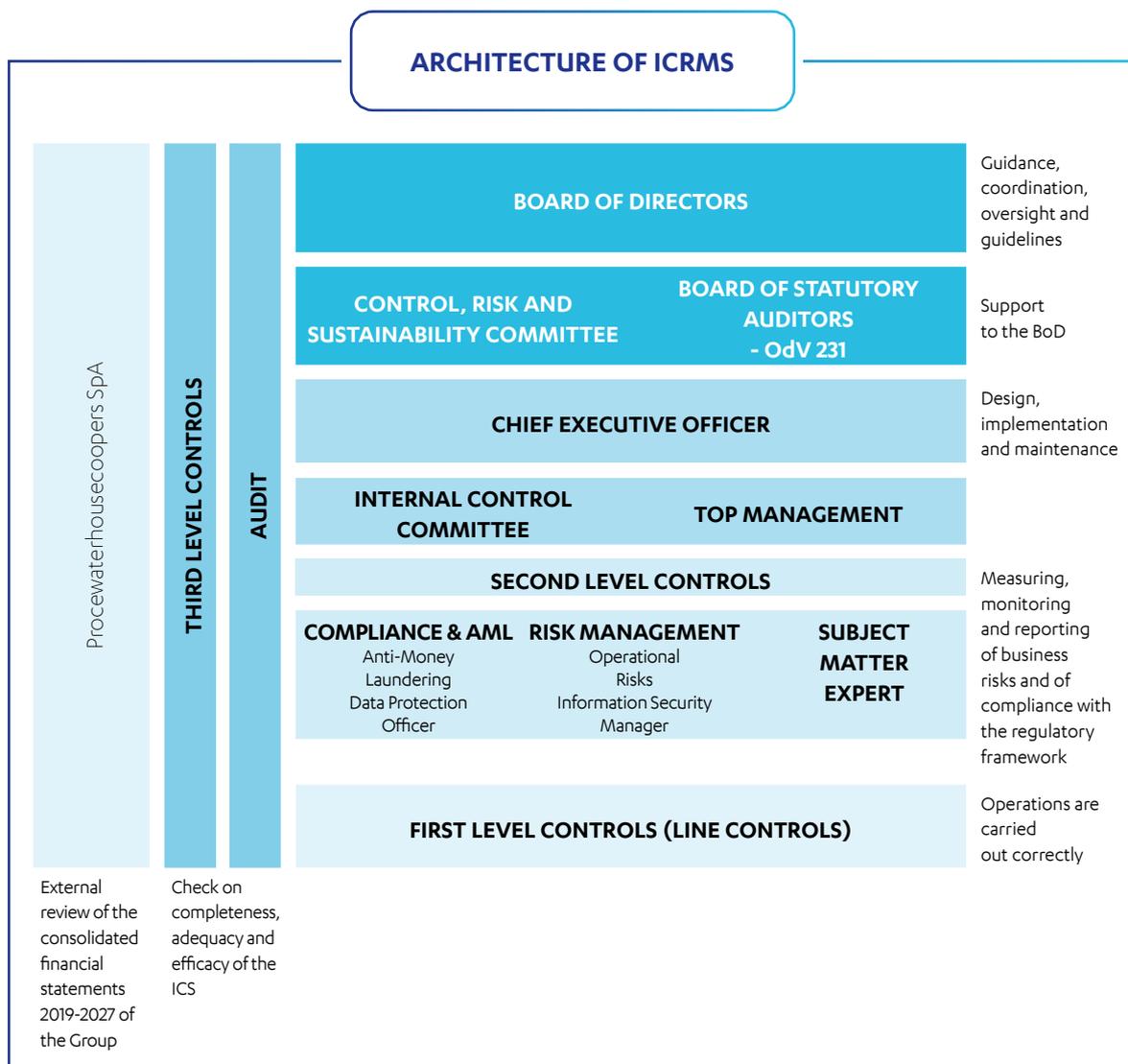
## Internal Control and Risk Management System - ICRMS

Nexi's Board of Directors has implemented an Internal Control and Risk Management System (ICRMS) that complies with the provisions of the Corporate Governance Code and is adapted to the nature and size of the company. It has the aim of defining the Group's strategic lines and risk management policies, as well as assessing the adequacy of the organisational, administrative and accounting structure of subsidiaries of strategic importance.

In fact, the ICRMS is constituted by the set of rules, procedures, organisational structures and resources with the following purposes:

- effectiveness and efficiency of business processes;
- safeguarding the value of assets and protecting against economic losses;
- reliability and integrity of accounting and management information;
- compliance with applicable laws and regulations, as well as internal policies, plans, regulations and provisions.

The implementation and evaluation of the organisational, administrative and accounting structure and the internal controls and risk management system of the relevant subsidiaries Nexi Payments and Mercury Payment Services are exclusively carried out by the corporate bodies of the same, in accordance with the supervisory regulations as also implemented in the Group Regulations on the exercise of management and coordination activities.



## Board of Statutory Auditors

The **Board of Statutory Auditors**, composed of three statutory auditors and two alternative auditors elected by the Shareholders' Meeting of Nexi on 13 February 2019, **verifies the correct exercise of strategic and management control performed by the Parent Company on the Group companies and operates in close collaboration with the corresponding bodies of the subsidiaries.**

The Nexi Board of Statutory Auditors **also performs the role of 231 Supervisory Body of the Parent Company and identifies itself as the "Internal Control and Audit Committee"** pursuant to art. 19 of Italian Legislative Decree no. 39/2010.

The results of the **self-assessment process of the Nexi Board of Statutory Auditors for the financial year 2020**, presented and discussed at the Board meeting of 11 March 2021, **report an adequate diversity of its members both in terms of gender diversity, experience, training and acquired skills.** The results of the self-assessment are summarised in the Report on Corporate Governance and Controlling Structures of Nexi.

The Nexi Board of Statutory Auditors also **supervises compliance with the "Related Party Transactions Procedure –RPT" with the general principles indicated in the regulation containing provisions on related party transactions, adopted by Consob** with resolution no. 17221 of 12 March 2010 and subsequent amendments and additions (RPT Regulation), as well as its observance, and reports to the Shareholders' Meeting of the company pursuant to Article 2429, second paragraph, of the Italian Civil Code or Article 153 of the TUF (Consolidated Financial Intermediation Law).

Available on the website [www.nexi.it](http://www.nexi.it), the Procedure identifies the rules governing the approval and execution of Related Party Transactions carried out by Nexi, directly or through subsidiaries, in order to ensure the transparency and substantial and procedural correctness of the transactions themselves.

For details of the related party transactions concluded in 2020, please refer to the Consolidated Financial Report published on the website [www.nexi.it](http://www.nexi.it).

### MEMBERS OF THE BOARD OF STATUTORY AUDITORS

	ROLE
Piero Alonzo	Chairperson
Mariella Tagliabue	Statutory Auditor
Marco Giuseppe Zanobio	Statutory Auditor
Tommaso Ghelfi	Alternative Auditor
Andrea Carlo Zonca	Alternative Auditor

### THE 231 ORGANISATION, MANAGEMENT AND CONTROL MODEL AND THE CODE OF ETHICS

Nexi Group companies are equipped with an **Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001** (hereinafter also "231 Model") **approved by the Board of Directors after a positive opinion by the Supervisory Body**, established at the individual Group companies and identified in the Board of Statutory Auditors, to guarantee the proper functioning and constant updating of the Model. The Model is **continuously monitored in order to ensure its effectiveness over time and its updating** with respect to: significant legislative developments, significant changes in the organisational structure or activity of the company, violations of the Model by top managers or their subordinates, results of assessment activities aimed at testing its effectiveness, as well as whenever deemed appropriate by the company. All organisational activities and structures are subject to checks related to the implementation of the 231 Model and compliance with the Code of Ethics by the Supervisory Body of each Group company, which reports to the Corporate Bodies on this matter and prepares and implements the annual plan of relevant supervisory activities, also through the Audit Functions in the Group.

**The Code of Ethics is an integral part of the 231 Model. The Code of Ethics has been adopted in order to clearly and transparently define the set of values from which must inspire the performance of business activities.** The Code contains references and guiding principles, complementary to legal obligations and self-regulation, which guide the conduct in continuity and consistency with the Group's mission and its fundamental values. The Code of Ethics is the basis on which the preventive control system is implemented, entrusted to a special Supervisory Body with autonomous powers of initiative and control. The Code and any updates thereto are defined and approved by the Board of Directors of each Nexi Group company.

**During 2020, the project to review and harmonise the various models of the Group companies was launched, which has already seen the finalisation of the 231 Models and the Codes of Ethics of Nexi, Nexi Payments, Mercury Payment Services and Help Line.** These updates aim to integrate the contents into the Group's mission and to harmonise them with the requirements contained in the new version of the Model. With a view to continuously reviewing the content, all Group companies have also scheduled an updating with the aim of transposing the latest legislative and organisational developments. The 231 Model of Nexi, Nexi Payments, Help Line and Mercury Payment Services, including the respective Codes of Ethics, is available on the websites [www.nexi.it](http://www.nexi.it), [www.mercurypaymentservices.it](http://www.mercurypaymentservices.it) and [www.helpline.it](http://www.helpline.it). **All Group employees are invited to review the updates to the 231 Models with specific communications.**

#### REPORTING ILLEGAL BEHAVIOURS

**The Group provides dedicated information channels to facilitate the flow of information and any reports of illegal behaviour, both by employees and outsiders, in violation of internal rules, regulations and procedures including violations of the Code of Ethics and 231 Model.** In particular, information can be addressed:

- to an email address for the Supervisory Body. Each Group company has a dedicated email address indicated in the respective Codes of Ethics;
- in the case of anonymous reports, by ordinary/internal mail to the attention of the head of the internal reporting system for violations of rules or, if the reported person is the pro tempore Head of the Compliance & AML function of Nexi Payments, to the "Head of the Audit Function";
- to the email address of the Head of the internal whistleblowing system identified as the Head of the Group Compliance Function, or the Audit Function if the report is addressed to the same, who informs the Supervisory Body.

Any person who makes a report in good faith is protected by the Group against any form of retaliation, discrimination or penalisation and, in any case, the whistleblower's anonymity is ensured. During 2020, the Group organisational procedure relating to "Whistleblowing" was updated with particular reference to the operating methods with which it is possible to submit a report.

Similar to 2019, during 2020 **no reports were received through the Whistleblowing channel, nor were reports received from the Audit Function**, also with reference to what was made known to the Head of the Function in the role of Secretary of the Supervisory Body for Nexi, Nexi Payments and Help Line Companies.

**No reports were received during 2020 regarding ascertained episodes of discrimination for any of the Group companies.**

#### ANTI-CORRUPTION POLICY

During 2020, the drafting of the Anti-Corruption Policy was initiated in order to define and disclose the principles aimed at identifying and preventing potential acts of corruption to all Stakeholders both inside and outside the Group, to protect its integrity and reputation, identify the main areas at risk and define roles and responsibilities within the Group. The Policy will be approved in 2021.

**There were no penalties for non-compliance with regulations or laws relating to corruption and money laundering in 2020, in line with 2019.**

## The role of the Audit Function

**The Audit Function is tasked with periodically evaluating the completeness, functionality and adequacy of the Group's Internal Control System as a whole**, including the IT system and cybersecurity, as well as the effective compliance with legal, statutory, supervisory, regulatory and internal rules. Its activity is based on the prior evaluation of the Internal Control System (ICS) during the planning of verification activities, on the constant assessment of the risks characterising the company's activity as well as on the degree of coverage of the company ICS itself. The Audit Function has issued its own Internal Manual that identifies the reference standards - as well as all the fundamental steps to follow in the audit process - and the Policy that regulates audit activities by third parties for Nexi and its suppliers.

**During 2020, the Audit Function continued the refinement process of the ICS assessment process** both with the adjustments already started in the first half (i.e., changes and evolutions of the Group) and through the standardisation and automation of information processing and analysis processes.

Also for 2020, the COSO Framework was adopted as regulated in the new Group Organisational Procedure that describes the process adopted by the Audit Function in order to reach an overall assessment of the ICS in terms of adequacy and effectiveness. **The last ICS assessment was carried out in the first quarter of 2021, with reference to the year 2020, and reported a "favourable" opinion of the Control System of the main companies that make up the Group<sup>15</sup>:**

In addition, a new periodic management report was developed during the reporting period which is dedicated to all the components of top management. This report provides each member a complete view of the status of the findings relating to their area, the results of the audit interventions carried out during the period, as well as the main critical points that emerged.

The interventions mentioned above all seek to improve the effectiveness of the audit action through a clearer, more direct correlation with the main corporate risks. To this end, **constant discussion and collaboration with the Risk Management Function** is also particularly useful.

The 2020 Audit plan envisages the following interventions in the relevant sustainability areas:

- **Nexi Payments**
  - Audit for SA 8000 Certification (social responsibility standard)
  - Staff Development process analysis
  - Award system
  - ISO14001 Environmental Management System
- **Mercury Payment Services**
  - Staff Development process analysis
- **Help Line**
  - Staff Development process analysis
  - ISO 9001 and UNI EN 15838 Certification

## The role of the Compliance & AML Function

The objective of **ensuring compliance of the company's operations with the rules of the supervised Group companies is entrusted to the Compliance & AML Function through controls implemented, ex ante and continuously, according to a risk-based approach**. The Compliance & AML Function **also carries out assessments on the respect of contractual clauses in communications to customers and Supervisory Bodies and on the impacts deriving from the new design with respect to the applicable regulations**. It provides assistance and advice in relation to specific requests that may be formulated by the Corporate Bodies and supervised Group companies with respect to the relevant regulatory areas. In addition, **it collaborates in training staff, also in order to spread a corporate culture based on the principles of honesty, fairness and compliance with rules**.

**During 2020, similar to the previous year, no reports were received from the Audit Function regarding verified corruption, also with reference to what was disclosed to the Head of the Function in the role of Secretary of the Supervisory Body for Nexi, Nexi Payments, Mercury Payments Services and Help Line.**

The Compliance & AML Function of Nexi Payments includes the Anti-Money Laundering Function and the Group's Data Protection Officer (DPO), who works in specific reference to the relevant regulatory areas.

<sup>15</sup> Nexi, Nexi Payments, Mercury Payment Services and Helpline, while it was not applied to Orbital Cultura due to its size and reduced operation.

## Anti-money laundering

To prevent and combat the implementation of money laundering and terrorist financing operations, **in 2020 the Anti-Money Laundering Function adopted the Anti-Money Laundering Policy in addition to the Anti-Money Laundering and Anti-Terrorism Regulation already present in 2019**, in transposition of Directive (EU) 2015/849 (so-called “IV Anti-Money Laundering Directive”), subsequently amended by Directive (EU) 2018/843 (so-called “V Anti-Money Laundering Directive”). The Head of the Compliance & AML Function also serves as the company’s Head of Anti-Money Laundering and is the company’s Anti-Money Laundering Delegate for the reporting of suspicious transactions pursuant to art. 35 of Italian Legislative Decree 231/07.

## Protection of privacy: The DPO and the General Data Protection Regulation (GDPR)

**The Group’s DPO is entrusted with the task of supervising all Group companies’ compliance with the General Data Protection Regulation of 2016 and any other current provisions relating to the protection of individuals in terms of the processing of personal data at Italian and European level.** In particular, the DPO must be involved in all issues related to the protec-

tion of personal data, provides advice on the obligations and compliance with current legislation, issues opinions regarding the data protection impact assessment, informs and provides advice to the Board of Directors and lastly acts as a reference contact for the Guarantor Authority for the protection of personal data and data subjects.

The Group Privacy Regulation called “Protection and Processing of Personal Data” also regulates the methods of handling privacy complaints. To strengthen Nexi’s data protection, online training courses have been renewed for all employees, including Privacy Liaisons, Privacy Coordinators and System Administrators, as well as the Board of Directors. Privacy Readiness activities were defined in 2020 which sought to develop an adequate level of corporate maturity with respect to the legislation on the protection of personal data through internal awareness-raising activities regarding personal data protection issues and on the fundamental organisational and regulatory principles of Nexi (organisational privacy model, legal basis, etc.).

The internal regulatory framework on the protection of personal data has been updated in view of the organisational/operational changes that have occurred. In addition, a tool was implemented dedicated to the DPO’s management of his operational obligations, as well as to the conservation and archiving of the related acts.

### REPORTS OF ALLEGED PRIVACY CODE VIOLATIONS

In 2020, the Nexi Payments DPO Office received 172 requests from data subjects, pursuant to Articles 15 et seq. of the GDPR, all processed. Of these requests, 155 were received by natural persons, 17 by non-natural persons. In two cases the request was received directly from the Privacy Guarantor Authority. In particular, the Guarantor Authority sent Nexi Payments two requests for information relating to two customer appeals, which were processed and for which, at the date of this Statement, no response has yet been received from the Authority.

During 2020, it should be noted that Nexi Payments recorded three minor events which did not need to be reported to the Guarantor Authority, since there were no elements to qualify them as serious or high risk for the rights of the data subjects.

During 2020, the Mercury Payment Services DPO Office received five requests from data subjects, all of which were processed.

Mercury Payment Services was not involved in security incidents during 2020.

## The role of the Subject Matter Experts

**Subject Matter Experts are identified in company structures responsible for ensuring, on an ongoing basis, the compliance of activities and processes with the regulations of their respective competence.**

## Enterprise Risk Management

Consistent with the recommendations of the Corporate Governance Code of listed companies, **Nexi Group's Enterprise Risk Management 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.**

**In February 2020, the Nexi Board of Directors approved** (and subsequently implemented by the Boards of Directors of the subsidiaries) **the Group Enterprise Risk Management Policy** which outlines:

- the **reference principles** that inspire the Enterprise Risk Management model;
- the **roles and responsibilities of the Corporate Bodies and management** involved in the ERM model. In particular, the Board of Directors, the Control, Risk and Sustainability Committee, the Risk Management Function, Management (risk owners) and the Audit Function play a key role within the ERM process;
- the **adopted risk management framework**, activities, actors involved and methodologies.

Therefore, the mission of the ERM model is to promote informed decision-making based not only on expected returns, but also on the underlying risk profile, ensuring adequate management consistent with the propensity to corporate risk. To this end, the Nexi Group's ERM model has the following objectives:

- identify, prioritise and periodically monitor the main corporate risks in order to direct investments and resources towards the most critical and relevant exposures for the Group's business;
- assign roles and responsibilities related to the management of corporate risks in a clear and shared manner;
- enhance the existing risk management safeguards, coordinating them and, where possible, strengthening them;
- disseminate the risk culture and the "risk-based approach" in the Group's decision-making processes, increasing management's awareness of the main risks to which the company is exposed.

**The Risk Management Function monitors the exposure to risks and the progress of the related mitigation plans defined with the company structures involved, on a monthly basis. This evidence is reported quarterly to the Control, Risk and Sustainability Committee and periodically to Nexi's Board of Directors.**

### RISK CATEGORIES POTENTIALLY APPLICABLE TO NEXI

Risk categories	Description	Risk Management objectives
Strategic risks	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 decision-making processes
Operational risks	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 propensity, in application of the operational and safety risk framework adopted during 2020 also to transpose the EBA guidelines
Non-compliance risks	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 minimising their occurrence, taking due account of the necessary adaptation times 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
Financial risks	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, for management consistent with the propensity to risk and the defined limits

The mission of the ERM model, the reference principles, roles and responsibilities are reported on the website [www.nexi.it](http://www.nexi.it) 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 2020 Consolidated Financial Report on the website [www.nexi.it](http://www.nexi.it).

### Main activities carried out by the Risk Management Function in 2020

With a view to strengthening the tools for identifying and monitoring the risks to which Nexi is exposed, in 2020 the Risk Management Function initiated and carried out, among others, the following activities:

- in response to the pandemic, **identification and monitoring of the potential risks due to Covid-19 and its impacts on the company**, contributing to the definition of mitigation plans to safeguard employee health and safety and guarantee the continuity of operational activities;
- **active participation in Board of Directors meetings aimed at analysing the risks associated with the two mergers with Nets and SIA** and verification of how these transactions would have impacted Nexi's risk profile in the medium term;
- **reputational risk monitoring**, a fundamental pillar in the framework of Risk Management activities consistent with the relevant regulatory provisions, as well

as a tool to monitor phenomena that may impact reputation vis-à-vis the various Stakeholders. In this perspective, in 2020 the **Risk Management Function launched a review of the Reputational Risk dashboard already present in the company. The Function's aim was to create a dashboard capable of providing top management and the Control, Risk and Sustainability Committee with a summary representation of Nexi's reputational status with reference to the main Stakeholders** (customers, Supervisory Authorities, general public). The fundamental elements of this dashboard include the indicators of the level of customer satisfaction such as Net Promoter Score, Customer Satisfaction and RepTrack. Specific indicators have also been developed for other Stakeholders;

- launch of the **project aimed at designing an "Operations Customer Dashboard"** to strengthen monitoring of customer service performance levels in order to continuously improve the customer journey;
- launch of a **worksite to strengthen supply chain risk monitoring**, through the development of a third-party risk assessment methodology, also in line with the provisions of the recent EBA Guidelines;
- initiation of an **ESG risk assessment with the aim of identifying and analysing the risks associated with environmental, social and governance issues that could compromise the achievement of strategic and sustainability objectives in the medium-long term, with a focus on the entire value chain**. In line with Nexi's general risk management framework, this activity allows to vertically analyse environmental, social and governance issues, assign a risk assessment and define mitigation strategies where necessary.

## IDENTIFICATION AND ASSESSMENT OF ESG RISKS WITHIN THE RISK ASSESSMENT

Given the purpose of creating and at the same time protecting the value of all its Stakeholders, Nexi believes that risk management activities are an integral part of sustainability strategies. In fact, the structured and proactive management of corporate risks reduces the volatility of corporate results over time and protects tangible and intangible assets, which are key elements of the Group's sustainability in the medium-long term.

**The Risk Management Function collaborates structurally with the Corporate Social Responsibility Function 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.**

The ESG risks are also explained in the risk model in the annual Group Enterprise Risk Assessment process in order to facilitate their identification and assessment during interviews with the people involved in the process.

## EMERGING RISKS AND MEDIUM-LONG TERM TRENDS

Among the **emerging risks and medium-long term trends** that could have a significant impact on the Nexi Group in the coming years, the following should be highlighted:

- **evolution of Covid-19, or risk of other pandemics:** it is impossible to exclude the persistence of the epidemiological emergency from Covid-19 (so-called Coronavirus) or the emergence of other pandemics, as well as the prolongation, re-introduction and/or possible tightening of precautions and restrictions – in particular relating to the conduct of commercial and industrial activities as well as the movement of goods and people – that could be implemented in Italy, Europe and in the world. These events could have distressing effects on national and international macroeconomic performance and negative repercussions on the relevant markets of the Nexi Group. Nexi has developed and implemented emergency plans within the context of crisis management, and has monitored the evolution of the pandemic through extraordinary sessions of the Board of Directors and meetings with top management. This monitoring is continuing in 2021 with the aim of preserving the health and safety of workers, operational continuity and business results;
- **Combination Execution:** the complexity of executing merger projects with Nets and SIA will require significant effort and continuous monitoring in 2021 in order to achieve the expected synergies, consolidate IT infrastructures, adequately monitor local regulatory requirements and preserve the Group's people and talents. In this regard, the company has developed an articulated inter-functional plan that is subject to regular monitoring also at the recommended level;
- **aggregation of merchants:** risk of lost market shares and/or lower Nexi business growth due to the reduction in points of sale caused by the aggregation of merchants and the growing presence of international buyers. Nexi constantly monitors the market structure to identify changes in the commercial landscape, in parallel with the development of new tools and technologies in order to expand its range of products and services to be offered to merchants (e.g., Pay-by-Link) and preserving its market shares also in the face of the continuous increase in competition and the probable worsening of economic conditions resulting from the pandemic, with impacts on consumption and a reduction in points of sale.
- **alternative payment channels:** risk of the growth of start-ups / Fintech / other players and/or their entry into the digital payments market, also due to the effect of the PSD2 regulation in the European market, with the consequent increase in competition and development of alternative payment channels (e.g., account to account, ledger to ledger). Nexi will continue to monitor and analyse the evolution of the digital payments sector with the aim of identifying emerging trends relating to new solutions and payment methods (e.g., QR code payments, A2A, L2L, etc.). In addition, the profile of this risk may vary following the completion of the combination operations with Nets and SIA, as Nexi will be able to benefit from the technologies developed and implemented by the two companies to better respond to continuous market developments.

Although a risk area related to environmental aspects has not been identified, as reported in the Sustainability Policy, Nexi intends to progressively incorporate the recommendations expressed by the Task Force for Climate-related Financial Disclosures - TCFD - and the European Commission's Non-Binding *Guidelines on Climate Information Reporting* in order to disclose clear, comparable and consistent information on the risks and opportunities presented by climate change.

In relation to the connection between the risks that could impact the Group and the material topics represented in the materiality Matrix, the following page shows a matrix linking the risks identified in the ERM and the material topics themselves, as well as a table of the mitigation plans associated with the main risks.

The Nexi Group is also equipped with specific safeguards, such as the presence of Subject Matter Experts for Health and Safety issues and related to the management of labour law issues, and a People Development Function for issues related to diversity and welfare.

Risk Management activities are an integral part of Nexi's sustainability strategy. Therefore, the Group's annual risk assessment process also includes the identification, assessment and monitoring of ESG risks. The following table highlights the relationship between the material topics identified in 2020 and the ESG risks identified during the Enterprise Risk Management process.

MATERIAL TOPICS INCLUDED IN THE MATERIALITY MATRIX AND ENTERPRISE RISK MANAGEMENT					
MATERIAL TOPICS					
 CUSTOMERS	 GOVERNANCE	 STAFF	 COMMUNITY	 ENVIRONMENT	 SUPPLY CHAIN
<ul style="list-style-type: none"> <li>• Privacy and data security</li> <li>• Customer satisfaction</li> <li>• Business continuity</li> <li>• Innovation</li> <li>• Operational excellence</li> <li>• Transparency and fairness</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct integrity</li> </ul>	<ul style="list-style-type: none"> <li>• Employees training and development</li> <li>• Talent attraction &amp; employer branding</li> <li>• Diversity and equal opportunities</li> <li>• Well-being and sustainable welfare</li> <li>• Staff appraisal and remuneration policies</li> <li>• Workers' rights and labour relations</li> <li>• Health and safety promotion</li> </ul>	<ul style="list-style-type: none"> <li>• Digital evolution and cashless society</li> </ul>	<ul style="list-style-type: none"> <li>• Energy transition and climate change</li> <li>• Responsible consumption</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible supply chain management</li> </ul>
ERM					
 CUSTOMERS	 GOVERNANCE	 STAFF	 COMMUNITY	 ENVIRONMENT	 SUPPLY CHAIN
<ul style="list-style-type: none"> <li>• Cyber risk</li> <li>• Service interruption</li> <li>• Fraud</li> <li>• Poor service quality</li> <li>• GDPR compliance</li> <li>• Implementation of PSD2</li> </ul>	<ul style="list-style-type: none"> <li>• Antitrust</li> <li>• Related parties/ Executives conflict of interests</li> <li>• Compliance with anti-money laundering laws</li> <li>• Compliance with the Market Abuse Law</li> <li>• Compliance with Italian Law 262/2005</li> </ul>	<ul style="list-style-type: none"> <li>• Organization interruption due to mergers or acquisitions</li> <li>• Trade union tensions</li> <li>• Loss of critical know-how</li> </ul>	<ul style="list-style-type: none"> <li>• Alternative payment channels</li> <li>• Evolution of the Italian regulatory context</li> <li>• Evolution of national debt</li> </ul>	<ul style="list-style-type: none"> <li>• No significant risks identified</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier-related risks</li> </ul>

## MITIGATION PLANS IN RELATION TO THE MAIN RISKS RELATED TO MATERIAL TOPICS

Material topics	ERM RISKS	Risk description	Mitigation plans and protections in place
Privacy and data security, Customer satisfaction, Business continuity, Innovation, Operational excellence	Cyber risk, GDPR, Compliance	Risk of theft or compromise of personal data managed by the Group, following external cyberattacks and/or disclosure of internal data and consequent reputational or sanctioning impact pursuant to the GDPR.	<ul style="list-style-type: none"> <li>Continuation in the implementation of strategic IT security initiatives and technical safeguards to protect data from external and internal access</li> <li>Cybersecurity and data protection policies and procedures</li> <li>Cybersecurity training / awareness</li> <li>Cyber insurance coverage</li> <li>ISO 27001 and PCI-DSS Certifications</li> </ul>
	Fraud	Risk of increased disputes and disputes due to fraudulent transactions on electronic payments.	<ul style="list-style-type: none"> <li>Continuous improvement of artificial intelligence systems and anti-fraud rules</li> <li>Strengthening the operational structure responsible for protecting and monitoring fraud</li> </ul>
	Customer disruptions	Risk that the service offered is not fully adequate and/or in line with customer requests due to operational interruptions and/or manual errors, with consequent economic and reputational impacts.	<ul style="list-style-type: none"> <li>Continuous monitoring of specific customer satisfaction indicators (e.g., NPS, customer satisfaction)</li> <li>KPI monitoring dashboard at customer bank level to monitor the customer journey</li> </ul>
	Implementation of PSD2	Risk of increased litigation and fraud due to delays in issuing SCAs.	<ul style="list-style-type: none"> <li>Implementation of an additional knowledge factor and adaptation of the merchant fleet to 3DS technologies</li> </ul>
Conduct integrity, transparency and fairness	Antitrust	Risk of non-compliance with Antitrust legislation and relative exposure to inspections by the competent authority.	<ul style="list-style-type: none"> <li>Operating policies and procedures</li> <li>Online training for employees</li> <li>Antitrust workshop for top management and key business roles</li> <li>Training initiatives for employees in order to improve knowledge on specific topics such as unfair business practices, internal / external communication, exchange of sensitive information</li> </ul>
	Compliance with anti-money laundering laws	Risk of non-compliance with Anti-money Laundering regulations and relative exposure to inspections by the competent authority.	<ul style="list-style-type: none"> <li>Operating policies and procedures</li> <li>Online training for employees</li> <li>Strengthening customer on-boarding processes</li> <li>Continuous monitoring of positions through an AML tool and definition of the necessary actions based on the risk profile of customers</li> </ul>
	Compliance with Italian Law 262/2005	Risk of non-compliance with Regulation 262/2005 and relative exposure to inspections by the competent authority.	<ul style="list-style-type: none"> <li>Implementation of administrative and accounting procedures and controls for the preparation of the consolidated financial statements of the new Group</li> </ul>
Talent attraction & Employee Branding, Staff appraisal and remuneration policies	Loss of critical know-how	Risk of not being able to develop and/or adequately update the critical skills necessary for the evolution of the business and/or processes with high technical content, with the consequent loss or unavailability of know-how and critical skills for the future.	<ul style="list-style-type: none"> <li>Continuous employee training through classroom sessions or corporate online platform</li> <li>Mapping critical skills in core company functions and implementing agreed mitigation actions to develop and retain talent</li> <li>Performance Management tool aimed at all employees for the assessment and monitoring of professional performance</li> </ul>
Responsible supply chain management	Risks related to third parties	<p>Risks - non-exhaustive list - of:</p> <ul style="list-style-type: none"> <li>Business interruption, due to an operational block by the supplier</li> <li>Inadequately protected transfer of critical know-how</li> <li>Outsourcing of critical skills</li> <li>Suppliers' access to confidential data / information</li> <li>Financial and/or ethical conduct of the supplier not in line with Nexi's principles</li> <li>Human rights violations.</li> </ul>	<ul style="list-style-type: none"> <li>Mapping of suppliers and analysis of risk scenarios related to third parties and development of related mitigation actions</li> <li>Contractual clauses relating to confidentiality obligations and compliance with privacy and security regulations</li> <li>Definition of the governance model overseen by third parties, in line with the EBA Guidelines</li> </ul>

## Ethics, transparency and fairness in the business conduct

### Management of privileged information

The “**Regulations for processing Relevant/Privileged Information, the establishment and maintenance of the Relevant Information List, the Insider List and Internal Dealing**” are in place in Nexi for the management of privileged information.

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.

### Taxation management

With operating offices only in Italy, the Group operates **in compliance with the current tax regime and through constant dialogue with the national tax authorities**. Compliance with tax laws and practices is also a commitment enshrined in the Sustainability Policy together with that of reducing the level of tax risk deriving from the Group’s activities. In particular, in order to correctly identify potential risks of a fiscal nature, the Group monitors the risk of non-compliance with tax legislation through the specific supervision of Subject Matter Experts, namely the CFO.

The prevention of tax offences is supervised by the 231 Model.

The amounts relating to direct taxes allocated to the Group for the year 2020, quantified on the basis of the accounting standards adopted by IAS/IFRS, are reported in the Consolidated Financial Report available on the website [www.nexi.it](http://www.nexi.it).

## The Antitrust Programme

Nexi has always been committed to ensuring compliance with antitrust rules.

Following the safeguards already in place, **since 2019 Nexi has implemented the Antitrust Programme at Group level**, aimed at:

- **strengthening governance** in antitrust matters both at the individual company and Group level;
- **strengthening the awareness and knowledge of all employees** on the subject and improving the Group’s reputation in the markets;
- **more effectively managing the risks of both violations and sanctions** relating to antitrust matters.

The Antitrust Programme has been modelled and calibrated based on the specific activities carried out by Nexi, as well as the respective reference markets in which it operates. In particular, work has been carried out on:

- specific mapping of all sensitive business functions (i.e., those exposed to potential antitrust risks, including, by way of non-exhaustive example, the Business functions);
- interviews aimed at key personnel of the Functions concerned, in order to identify the specific risks related to antitrust issues;
- specific assessment of antitrust risks and subsequent implementation of internal processes and controls (where necessary).

In addition to the Programme, **in order to strengthen governance on antitrust aspects, the Nexi Board of Directors has approved** the following documents:

- **Code of Conduct**, aimed at providing a systematic framework for competition protection;
- **Guidelines for Antitrust Authority inspections**, aimed at providing staff with instructions on the behaviours to be observed in the event of surprise inspections, in maximum collaboration with the Competition Authorities;
- **Complaint procedure/request for clarification**, for conduct apparently not in compliance with the provisions of the Antitrust Code of Conduct.

The above documents have been sent to all employees for easy consultation.

Online training was provided for all employees and **in 2020 90% of the Nexi population completed the course on antitrust matters, while top management and the CEO were provided with a specialist training session in 2020.**

The Antitrust Programme and its training activities are subject to periodic monitoring and review by the antitrust team within the Corporate and External Affairs Function in order to ensure their long-term effectiveness.

**Also for 2020, no legal actions were reported or concluded during the reporting period in relation to anti-competitive behaviour and violations of antitrust regulations, nor monopolistic practices in which Nexi was identified as a participant.**

## Conflicts of interest

**The Group has a Policy that all companies must comply with in order to identify and manage conflict situations of a substantial nature.** The Policy is superordinate, together with the Code of Ethics, the Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/01 of each Group company and the Group Regulations on Related Party Transactions; to all existing policies and procedures within Group companies that deal with the identification and management of potential conflicts of interest and constitutes the basis of any specific procedure on the matter to be adopted at Group level. The Policy identifies the different types of conflicts of interest and lists the organisational, procedural and administrative measures for the identification and management of actual or potential conflicts of interest. **Nexi's Internal Board Committees have an obligation for members to notify the Chairperson of potential conflicts of interest and the occurrence of such conflicts. Nexi's Chairperson of the Board of Directors is required to take appropriate measures to resolve such conflicts.**

## Transparency obligations

Nexi Payments has adopted the "Regulatory Text for the correct fulfillment of Transparency obligations", approved by the CEO in 2019, with the aim of regulating the roles and responsibilities to ensure compliance with the provisions of Transparency in accordance with the Bank of Italy Provision on the transparency of banking and financial operations and services of 9 February 2011 and subsequent amendments.

The purpose of this text is to ensure:

- an assessment of the structure of the products offered with reference to the comprehensibility, by customers, of their structure, their characteristics and the risks

typically associated therewith, as well as their compliance with mandatory legal requirements;

- transparency and fairness in the marketing of products and services;
- periodic training for the members of Nexi Payments' Organisational Units involved in contract review and customer support activities;
- that the quantification of the fees requested from customers is certified in writing and formally approved, whenever current legislation requires that they cannot exceed or are in any case adequate and proportionate to the expenses incurred;
- timely compliance with the self-regulatory initiatives to which the Group has adhered;
- the possibility for the customer to obtain, at any time and within a reasonable period, the updated text of the contract, in their choice of electronic or paper format, if unilateral changes have been made;
- timely repayment of unduly charged expenses to the customer;
- adequate standards of transparency and fairness even when, at one or more stages of marketing, third parties outside the organisation are involved.

**Considering that the business model with which Nexi provides services and products is mainly through Partner Banks, first, second and third-level safeguards have been defined in order to verify that the placement activity carried out by these subjects complies with the Transparency Provisions.**

**The correct and transparent information to customers is also guaranteed by the publication of the documentation relating to the pre-contractual information on the website [www.nexi.it](http://www.nexi.it) and [www.mercurypayments.it](http://www.mercurypayments.it) in the Transparency section.**

## Transparency and fairness in marketing campaigns

In carrying out its activities, the Nexi Group is guided by principles and guidelines on transparency and fairness of conduct with its customers, complementary to the self-regulation obligations on transparency managed by the Compliance & AML Function.

**The commercial communication carried out by Nexi Payments for Nexi Group customers is ensured by governance focused on the two Customer Value Management Functions - CVM - dedicated to both private and corporate customers and merchant customers.** The CVM Functions have defined and formalised

specific contact rules for the management of marketing campaigns aimed at their respective customers.

**The CVM Function of customers sends campaigns to private customers, respecting the preferences expressed by the same in terms of data processing and privacy for contacts and the receipt of commercial communications.**

In addition, the **CVM Function constantly and daily monitors, for all campaigns, indicators** that allow to verify and guarantee the adequacy of the information and full compliance with the preferences expressed by customers regarding data processing and privacy. Specifically:

- **number of contacts made** by channel and by specific time interval (day, week, month, quarter, year);
- **percentage of requests to unsubscribe from receiving commercial communications**, both to immediately follow up on the desire expressed and to verify any anomalies;
- **analysis of all customer *verbatim* reports** with particular reference to those relating to commercial communications in the relational survey, on a monthly basis, and transactional, following certain events that the customer had with Nexi, to identify any problems encountered by customers and implement related improvement interventions that act on the number and methods of communication;
- **weekly verification of the reasons for contact with the contact centre** with particular reference also to commercial communications in order to promptly detect problems or reports from customers;
- detailed **analysis of all complaints**.

In addition, within the same governance, periods of the day have been defined during which commercial communications are not made, for example on weekend days after 6:30 pm, and limits have been placed on the number of contacts per channel and time period, always respecting the necessary consents in relation to the specific data processing granted.

**Also in 2020, there were no incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising promotion, and sponsorship.**

### Incorrect Business Practices

Since 2019, the Corporate and External Affairs Function has overseen the management of Incorrect Business Practices - IBP. **At the end of 2020, Nexi launched the online IBP training plan for employees in the company areas impacted by this legislation** (Business and Marketing Functions and Sales Function). The training focused on the main unlawful conduct regarding unfair, misleading and aggressive commercial practices **in order to ensure that the information conveyed in advertising messages to customers is true, correct and comprehensive and that all the initiatives are clear and transparent.**

The monitoring will be enhanced in 2021 with the publication of Internal Guidelines to ensure that Nexi's advertising communications and commercial initiatives towards customers are established in a correct and transparent manner.

## CERTIFIED MANAGEMENT SYSTEMS

### Quality management

Also in 2020, Nexi Group companies maintained the certifications already in place in 2019 relating to quality management systems according to the **standard ISO 9001:2015**, certified by the Certification Body DNV-GL:

- Nexi Payments (100% coverage) for support to Partner Banks in the entire chain of digital payment solutions dedicated to private customers, merchants, medium/small businesses and banks and for the creation and management of software solutions and IT services and technological and application outsourcing dedicated to Payment Systems in the market of Financial Institutions and Public Administration and Companies;
- Help Line (100% coverage) relating to the provision of customer care services in particular in the money supply chain;
- Orbital Cultura (100% coverage) for the Management of high-tech systems for the arts, culture and leisure;
- Mercury Payment Services, for financial collection services via payment cards through the use of POS, the development of dedicated software applications, telephone customer support services and proprietary services concerning the customisation of payment cards.

### Other quality certifications

- Help Line is certified through the standard **UNI EN ISO 18295**, which specifies the requirements of "customer engagement processes" (*contact centre*) and aims at providing the "best practices" focused on the customer in order to meet their expectations.
- Mercury Payment Services obtained **Mastercard Quality Management** certification in August 2020. This is a technical quality certification required by Mastercard, necessary for the Group for the issuing activity offered through the Partner Banks.

### Social Responsibility Management

**In 2020 Nexi Payments underwent the verification of certification with respect to the international standard SA 8000 Social Accountability** by the Certification Body DNV-GL, with a successful outcome<sup>16</sup>. This certification is a tool for the company and workers to ensure full compliance with ethical and legislative requirements regarding the protection of safety, health at work and workers' rights. This objective requires the active participation of all interested parties and above all of the workers themselves, who participate via representation in the *Social Performance Team* and in the *Health and Safety Committee* established in the company.

<sup>16</sup> At the date of drafting the Statement, the Certification Body DNV-GL is in the process of issuing the certificate.

### Information security and business continuity management

Nexi Payments

- **ISO/IEC 27001** – Information security
- **ISO/IEC 22301** – Business Continuity
- **PCI-DSS** – Payment card data security
- **PCI-3DS** – ACS systems security
- **PCI-PIN** – Payment card PIN security<sup>17</sup>
- **ISO 22301** – Systemic processes managed (ACH and ATM - cash withdrawal)

Mercury Payment Services

- **PCI-DSS** – Payment card data security
- **PCI-3DS** – ACS systems security
- **PCI-CPP** – Card Production physical requirements
- **PCI-CPL** – Card Production logical requirements

Help Line

- **ISO/IEC 27001** – Information security
- **ISO/IEC 22301** – Business Continuity
- **PCI-DSS** – Payment card data security

### Environmental management

**In 2020 Nexi Payments received ISO 14001 environmental certification** in relation “Digital payment solutions: provision of POS terminals with related software and services through the design, development, delivery and assistance phases”. Issued in January 2021 by the Certification Body DNV, this certification is also a managerial tool for the continuous improvement of environmental performance.

### Data Centres management systems

The Pero and Settimo Milanese sites in the province of Milan, host **Nexi Payments’ Data Centres and are ISO 9001 certified**. The Settimo Milanese site is also ISO 14001 certified<sup>18</sup>.

<sup>17</sup> Issued in 2019, the certification is valid for two years.

<sup>18</sup> Upon the drafting of this Statement, activities are underway to obtain ISO 14001 certification for the site of Pero, Milan.



# 5

---

## MODERNISATION AND PROGRESS OF THE COUNTRY

Business innovation

56

Digital culture

59

# MODERNISATION AND PROGRESS OF THE COUNTRY

## Business innovation

Innovation and technological research are the foundation of the path undertaken by Nexi aimed at achieving the strategic objective of becoming a driver of innovative and technologically advanced solutions in the payments market in Italy and providing excellent service to citizens and all customers. **The Group constantly invests in technology and expertise, with a constant focus on product and service excellence and safety. In 2020, the investments in technology amounted to approximately 100 million euros** and were mainly related to POS and ATM products and services, as well as software development and other technological developments.

The medium-long term strategic developments and the initiatives to be developed on an annual basis are defined by the Group's *Strategy Innovation* Function which, with its activity, supports top management and the Nexi 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, start-up accelerators and incubators, developers, investors and business banks, business partners and start-ups themselves.



## OPEN BANKING

Over the past few years, many investments have been made in Open Banking in order to seize the opportunities deriving from the second European Payments Directive, PSD2. **The development of cutting-edge technological solutions in the fintech field continued in 2020.**

In particular:

- **CBI Globe** (Global Open Banking Ecosystem), the CBI Consortium platform that contains the technological infrastructure gateways enabling Banks, third parties and end customers to carry out information and device operations according to the rules of the PSD2;
- **development of the SaaS Payment Initiation Service Providers (PISP)** solution, which was developed internally for the benefit of Partner Banks and large companies to enable an innovative payment service. It allows banks and companies more efficient collections management and offers end customers a simple digital user experience;
- **accreditation as an Account Information Service Provider (AISP)** and PISP authorised by the Central Regulator.

**In 2020, Nexi Open was also launched, the open ecosystem that aims to transform Open Banking into a concrete business opportunity, offering Partner Banks a very wide range of “turnkey” services and ideas.**

**nexi open** Nexi Open includes over 30 partnerships signed in 2020 for the integration of various highly innovative solutions, including:

- Experian, in the context of open credit services that include digital on-boarding, credit scoring and instant lending for individuals and businesses;
- Conio, to enable banks’ customers to purchase and trade cryptocurrencies;
- Cred and Responsive, which offer wealth management solutions;
- Meniga, the Personal and Business Financial Management solution;
- Yolo and Net Insurance, which enrich the offer with insurance products and services.

In 2020, collaboration also continued with:

- Plug and Play, a leader in the field of incubation and acceleration that represents an important connection point between Italy, Europe and Silicon Valley;
- Le Village by Crédit Agricole, the international network developed by the banking group in France and Europe, Le Village by CA Milan is an “open ecosystem” that supports the growth of start-ups and accelerates company innovation.



## Merchant Services & Solutions

In 2020, the Group continued to significantly invest in the development of services for operators, with the aim of supporting them in their growth and guaranteeing revenue opportunities even in a difficult economic context such as that characterised by the Covid-19 health emergency. On the one hand, new offers were made and new services were launched to guarantee the business continuity of small merchants during the lockdown; on the other, the technological upgrade of e-commerce platforms for large customers continued, with a view to omni-channel and cross-border aspects.

**To cope with the changes in the market environment caused by the health emergency, several product innovation initiatives have been launched to meet operator needs:**

- **“Nexi Go” programme** that allows Partner Banks to support merchants in the most critical phase of the lockdown. In fact, Nexi Go provides services and solutions to seize new business opportunities and improve the collection experience inside and outside the store thanks to the *Pay-by-Link* system, or create an e-commerce site thanks to the new Social Commerce solution and the XPay platform;
- **“Micropayments” promotion** for small merchants, which reduces POS transaction fees for all payments less than 10 euros;
- **“Nexi Welcome” campaign** to support small craftsmen, professionals and small businesses in the mobile collection experience, without any fees and with a single commission as a percentage on the main credit and debit cards;
- **new Nexi Mobile POS**, a new compact and portable collection tool that responds to the transformation of retailers’ distribution models and allows installation with home delivery without the presence of a technician, with remote support;
- **online POS sales**, with an acquiring agreement, to ensure the sale of terminals while bank branches are closed;
- **POS Extra zero-fee service** to ensure service continuity in the event of faults and/or increase in flow volumes in the point of sale.

In 2020, the offer of analytics through Nexi Business was further enriched **and the Nexi SmartPOS® application ecosystem continued to be expanded** to support merchants in managing their business, including:

- “Discount Vouchers”, to create personalised campaigns of offers and loyalty programmes for customers;
- “Customer Reviews”, to create personalised surveys and collect customer feedback upon payment;
- “Notes”, to manage and share deadlines and reminders;
- “Meal vouchers”, to accept the main paper and electronic meal vouchers and request the special price directly from the terminal.

The following **innovations** are highlighted in the e-commerce field:

- **creation of packages including an e-commerce site and XPay gateway**, with select, vertical partners in specific product categories to support merchants and help them launch their e-commerce site easily, quickly and under advantageous conditions;

- **XPay launch of the service dedicated to hotels, “Worry-free collection”**, which guarantees hotels the certainty of collections even in the event of a dispute, managed completely digitally.

In addition, Nexi has developed an **all-inclusive solution to guarantee customers and Partner Banks access to the “State Cashback” incentive programme**, in particular:

- possibility for Nexi card customers to register for the programme and verify purchases made directly from the NexiPay and YAP App;
- automatic reporting of acquiring flows to PagoPA for merchants with Nexi solutions.

## Cards & Digital Payments

Partner Banks support for the renewal of their offer continued in 2020. In particular:

- further support for the adoption of digital payment solutions such as **Mobile payments**, wearables, i.e., new card management features such as “Spending Control” also extended to Prepaid Cards and the introduction of the “Multiexpense” service for splitting cumulative purchases over 50 euros into instalments;
- **“Nexi Pay Smart” programme** for periodic sending to customers with information to support use of the card and its services, in particular on security systems, on how to make online purchases, on new biometrics systems, on the regulatory adaptations of the PSD2 and, in December, on the operation of the “State Cashback” programme;
- **feature development in YAP**, the smartphone payment and money exchange app designed specifically for millennials;
- **launch of Nexi Debit Premium**, the advanced international debit card designed for the most demanding customers, frequent travellers, for those who want exclusive and completely digital services;
- **launch of new Commercial Corporate Pay and Travel account products**, aimed at middle-and large-scale companies for the optimisation of working capital (Corporate Pay) and increased efficiency in the management of travelling staff for Travel Account.

## Digital Banking Solutions

The **innovation roadmap for Corporate Banking, Instant Payments and ATM services continued in 2020**. Initiatives have been implemented to promote the automation of bank branches thanks to ATM self-banking solutions and the most advanced Digital Corporate Banking solutions, with the aim of also making the experience of accessing banking services easy for large companies.

## Digital culture

**Nexi is constantly committed to fostering public debate and the promotion of digital culture, also thanks to the development of specialist training activities.** In particular, 2020 included the following highlights:

- **“Nexi per te”**, a monthly editorial programme that informs merchants of all the latest digital payments legislation and advice on how to best manage their business during a health emergency;
- **the campaign “Scopri nuove abitudini. Paga contactless”** to raise awareness about contactless payment within the Rome and Milan subways, because it is safer and helps respect social distancing;
- collaboration with Mastercard for the **contactless campaign “Scopri nuove strade”** to promote the use of cashless payment systems while respecting social distancing;

- **dissemination and educational communication plan for Open Banking in collaboration with “La Repubblica”** by creating a magazine for Partner Banks and a section open to all on the newspaper’s website;
- **collaboration with FEduF**, the Foundation for Financial and Savings Education created per the initiative of the Italian Banking Association. **It guides new generations in the discovery of digital payments and the most innovative payment solutions**, such as payment apps and credit cards, teaching them how to properly use the solutions through training webinars that involved over 3,000 secondary schools.

## Innovation awards granted in 2020

To confirm its constant commitment to innovation, in 2020 Nexi obtained the following awards:

- First prize for payment products and services with the product Nexi Digital Corporate Mobile App at the XVI edition of the *“Financial Innovation Italian Awards”*
- First prize as innovative financial intermediary of the year at the XVI edition of the *“Financial Innovation Italian Awards”*
- Honourable mention for the product Nexi SmartPOS® at the XXVI Compasso d’Oro
- Selection in the ADI DESIGN INDEX 2020 of “Corporate Pay and Travel Account virtual credit cards”







---

## CUSTOMER CENTRICITY

Customer satisfaction	62
Net Promoter Score	63
Data security	65
Business continuity and operational excellence	66

[CUSTOMER SATISFACTION: GRI 103-1, GRI 103-2, GRI 103-3, NET PROMOTER SCORE INDICATOR]

[PRIVACY AND DATA SECURITY: GRI 103-1, GRI 103-2, GRI 103-3]

[OPERATIONAL EXCELLENCE: GRI 103-1, GRI 103-2, GRI 103-3]

[BUSINESS CONTINUITY: GRI 103-1, GRI 103-2, GRI 103-3]

# CUSTOMER CENTRICITY

**The customer is central for the Nexi Group:** its daily activities, new products, innovation and investments are always calibrated by placing the customer at the centre. For this reason, the company constantly monitors and detects customer needs both through Customer Satisfaction surveys, and through the detection and constant analysis of the Net Promoter Score (NPS) and associated feedback, as well as through the management of complaints and the analysis of feedback on digital application stores.

The Group has the constant objective of spreading the culture of customer centricity among all its people, with the aim of improving service levels and the relationship with the customers themselves, thereby achieving excellence. To this end, the Change Management **initiatives launched in 2019 continued and were strengthened in 2020, and new initiatives more closely related to the pandemic context were launched.**

Initiatives launched in 2019 continued and strengthened:

- **periodic listening to a selection of customer calls by top management**, in compliance with privacy regulations, to identify particular improvement initiatives;
- **sharing results of the most recent surveys** aimed at collecting end customers' perception of Nexi and its services at company staff meetings.

Initiatives launched in 2020:

- **creation of the digital channel within the "NEX-ToCustomers" Group** in order to involve and raise awareness among employees about customer experiences and update them on ongoing initiatives;

- launch of "digital coffees" focused on the presentation of the Customer Centricity programme and sharing among employees;
- **introduction of specific NPS objectives for the Business Units** in 2020.

## Customer satisfaction

**In 2020, the Customer Satisfaction detection process was characterised by important developments with the aim of expanding measurements and rationalising the logical flow of indicators built according to the customer journey.** A dashboard composed of the following indicators was thus provided:

- Reputation
- Overall satisfaction
- Mental loyalty (the likelihood of repeating the choice of supplier)
- Behavioural loyalty (likelihood of remaining a customer within 12 months)
- Advocacy (recommendability)
- Net Promoter Score (NPS)

The survey of a sample of the Group's private customers and merchants, as well as of competitors, is carried out through telephone interviews on a quarterly basis, and the products and services used, as well as brand attributes and the specific processes that involve them, are subject to evaluation.

The Customer Satisfaction detection process carried out long ago with the support of Doxa wanted to integrate the detection of reputation indicators and the main underlying drivers through a project which

began in the second half of 2020 and involves the same Doxa and RepTrak.

These are the main results that emerged:

- **Private customers:** in the first part of 2020, there was a slight decrease in customer satisfaction, both in terms of Nexi's recommendability and overall satisfaction, remaining at values above 80 out of 100 and with a recovery in the second part of the year, where a substantial realignment to the values of the end of 2019 is observed for both indicators. Similar behaviour is highlighted for the mental and behavioural loyalty indicators. The experiences which revealed significant improvement compared to the first part of the year in terms of satisfaction are those of new owners and those related to disputes.
- **Merchant customers:** the pandemic has strongly impacted the perception companies have of their suppliers, in particular banks. From the lockdown period onwards, merchants were generally disappointed with their service providers (telephony, utilities, banks, insurance). However, during the peak period the banking sector experienced the highest number of negative (39%) and positive (15%) ratings, clearly segmenting customers according to the institutions' ability to act in a concrete and timely manner. Despite this, considering the results of the three quarters of 2020 for Nexi customers, the assessments in terms of overall satisfaction remain slightly lower than those of 2019, those of recommendability and mental loyalty slightly higher, while those of behavioural loyalty are substantially aligned.

## Net Promoter Score

Also in 2020, Nexi constantly invested in listening to customers, with a view to continuously improving its solutions and further exploring their needs in light of the radical changes in consumption habits that have resulted from the new social context.

**In fact, customer listening was further strengthened in 2020.** It has been carried out since 2018 using constant surveys and analysis of the Net Promoter Score indicator, as well as the feedback associated with both the overall experience perceived by customers and their points of contact with Nexi.

In particular, **in 2020:**

- **new surveys were introduced and specific improvement actions were identified in the three Business Units;**
- **a new NPS survey was carried out dedicated to Partner Banks,** in collaboration with the Sales Function;
- **the detection method has been evolved, increasing the frequency and automating some aspects of the NPS,** such as the indicator on Customer Service for owners.

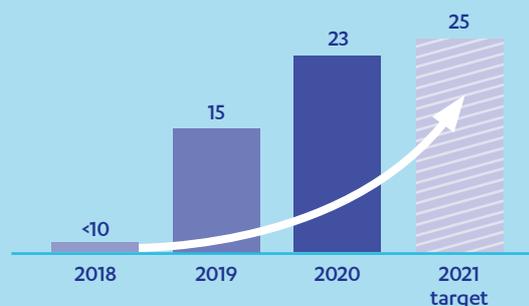
Those responsible for the single NPSs are involved through work tables held on a bi-weekly or monthly basis, with the sharing of feedback received from end customers in order to verify the progress of the NPS, the result of the initiatives introduced and to identify new improvement actions that may emerge from the analysis of data and verbatim tracked in special systems.



### THE CUSTOMER'S VOICE: OUR NPS

The 2020 NPS data and the target set for 2021 confirm the path of continuous improvement that Nexi is pursuing to meet the needs and expectations of all its customers (owners, merchants and Partner Banks). Also in the pandemic context generated by Covid-19, the attention and support that Nexi has provided has been strongly recognised, reaching a maximum NPS value of 40 in some of the categories of customers with which Nexi relates. To ensure constant alignment of the Group's strategic activities with the priorities defined by our customers, the NPS indicators reported were indicated among the specific objectives for management and included among the metrics underlying their remuneration as

early as 2020, as stated in the Report on the remuneration policy and remuneration paid.



NPS is calculated as the arithmetic average of the NPSs detected for all categories of Nexi Group customers (owners, merchants and Partner Banks)

### BRAND REPUTATION AND BRAND AWARENESS

Nexi constantly combines the digitalisation of payment systems for customers and payment acceptance with innovation. The Group is also identified as being a leader in future-oriented and technology-focused digital payments, with constant attention to market needs.

Brand awareness monitoring highlights important growth in the Nexi brand reputation: among customers, solicited awareness reached 51%, with peaks of 65% on some targets.\*

Nexi's overall reputation is monitored quarterly according to the global RepTrak Score standard; it grew by more than five points compared to the end of 2019 reaching 73.

### CLAIMS MANAGEMENT

Inspired by the principles of transparency, assistance and quality, claims management is an important lever for managing and monitoring customer satisfaction.

To this end, the Group has **internal regulations that define roles, responsibilities and operating methods useful for detecting critical areas and those for improvement for strengthening the relationship of trust with customers and reducing operational risks and reputational damage.**

The customer can make a complaint in writing in the manner indicated on the website [www.nexi.it](http://www.nexi.it) and [www.mercurypayments.it](http://www.mercurypayments.it) in the appropriate sections. Nexi Payments and Mercury Payment Services and the dedicated functions are responsible for responding to each complaint in writing, within 15 days, in compliance with the rules established by self-regulatory initiatives or the supervisory rules on complaints about payment systems.

The Function responsible for complaints management must also process any requests for clarification made by the Supervisory Bodies in the field of banking and financial operations and services, as well as periodically provide the planned information flows to the Group's Corporate Bodies.

(\*) Relative to October 2020 monitoring

## Data security

With the aim of guaranteeing data security, the Nexi Group as a whole has decided to equip itself with an Information Security Management System (ISMS) which is developed according to the level of IT risk defined by the company and updated periodically with respect to the evolution of the reference context.

**In addition to being one of the founding pillars of the company strategy, over the last few years data security has been substantiated in a significant investment plan, in line with industry best practices, which has strengthened both the technical and organisational safeguards of Nexi.**

Specifically, the main areas of intervention in 2020 were:

- strengthening data security through database clean-up activities (retention periods and accesses)
- strengthening network security (e.g., DB Firewall, Virtual Desktop Infrastructure extension) and Security Operation Centre (SOC)/threat intelligence services
- strengthening Endpoint Detection and Response (EDR) technologies and the propagation of security agents
- strengthening ATM fleet hardening measures
- introduction of Strong Customer Authentication (SCA)/Access Management/API Gateway technologies and File Integrity Monitoring (FIM) technologies.

**The Group's commitment to ensuring the pursuit of the security of information assets and the management of the ISMS is enshrined in the "Information Security Policy" approved by the Nexi Board of Directors in 2020.**

In addition to the Policy, the ISMS includes organisational structures, regulatory dossiers, operating instructions, procedures and technical documentation which regulate planning, design and implementation activities, roles and responsibilities, processes and resources, personnel behaviour and controls that pertain to the automated processing of information designed to **guarantee**:

- **confidentiality**, the information is accessible, in the manner established, only to those who are expressly authorised;
- **integrity**, the information is modifiable, in the manner established, only to those who are expressly authorised; the requirement is to safeguard the completeness, accuracy and compliance of information during acquisition, storage, processing and presentation;
- **availability**, the information is accessible and usable, in the established procedures, only to authorised processes and users and only when the actual need is evidenced.

**The ISMS is integrated with the IT Risk Assessment process, which is carried out through a collaboration of the Risk Management and Security Governance Function. It represents the effectiveness and efficiency of the controls applied to the Information and Communication Technologies (ICT) resources adopted at Group level.**

### NEXI'S TRANSACTION SECURITY SERVICES

- **ALERT NEXI.** By activating the Nexi Alert SMS service from the Company Portal, card purchases can be kept under control. The customer receives an SMS with each payment.
- **SERVIZI SMS.** Servizi SMS allows to request information via SMS on the latest transactions, card balance, remaining availability, #ios balance and much more. This service allows customers to have all the information at their fingertips. Thanks to the SMS ioCONTROLLO, customers can also check the total expenses made with a card every week.
- **NEXI PAY APP.** The Nexi Pay App has a special notification service that alerts the customer every time the credit card is used for expenses and purchases greater than 2 euros.
- **EMAIL ALERT.** The Email Alert service allows receiving via email, with the desired frequency, information about credit card availability and the latest transactions carried out.
- **3D SECURE.** It is the Verified by Visa and Mastercard® SecureCode™ fraud protection system, which guarantees protection for online purchases. An SMS is received for each purchase which contains a unique security code to be entered at the time of payment to confirm the purchase.
- **ANTIPHISHING.** Nexi uses antiphishing services that proactively identify and block phishing campaigns.

### FRAUD MANAGEMENT

Nexi has **a team of specialists dedicated to the prevention of fraud**, which thanks to the most advanced technologies, supports the Group in intercepting fraudulent phenomena. **Fraud risk is included in the Group's Enterprise Risk Management**, in order to monitor the actions and safeguards put in place for the continuous improvement of artificial intelligence systems and anti-fraud rules.

## Business continuity and operational excellence

**Nexi considers the reliability of its services essential, and has thus developed a Business Continuity Management System** whose objective is to guarantee the ability to deliver critical services, as required by current legislation, at an acceptable minimum service level in line with the propensity to operational risk defined in the Enterprise Risk Management framework.

Group Policies have been defined aimed at ensuring a homogeneous approach for all companies, or ensuring the consistency of the results of the annual financial year. **A dedicated team constantly updates and verifies Business Continuity strategies and solutions for all the scenarios envisaged by applicable legislation** (including CODISE, PSD2, Privacy).

This has required significant investments in recent years, aimed at increasing the resilience of services with appropriate technological and organisational measures.

**In 2020, the monitoring of the most relevant service indicators was consolidated both in terms of measuring operational performance and measuring the quality of services provided to customers through the creation of specialised dashboards.** In particular, as part of the improvement initiatives, useful reports were produced to monitor disputes related to issuing services, credit management and assistance to Partner Banks. Project results are constantly being provided to top management.

In 2020, new transformation initiatives were implemented in Nexi Payments, and some of the projects launched

in 2019 were completed. In addition, the operational structures have been engaged in ensuring service levels despite the Covid-19 emergency.

**Consistent with the strategic lines and business objectives, the operating areas have also ensured the specialist contributions necessary to support and finalise the acquisition initiatives and innovative evolution of the business, as well as the regulatory adjustments in the sector.** The most important initiatives developed during 2020 include:

- **Paperless & Process Review**, the elimination of the paper pin on all licensed credit cards for cardholder customers was successfully finalised, all while maintaining the same levels of security and improving the customer experience;
- **on-boarding issuing**, the digitalisation of business card contracts offered by Nexi with direct issuing methods was initiated, ensuring compliance through the introduction of digital signatures;
- **on-boarding merchants**, as part of the digital evolution of the services provided to merchants, the development of the new solution with Salesforce technology continued over the year;
- **end-to-end dispute management**, implementation of front end and back office processes entirely redesigned to reduce management times and eliminate reprocessing, to offer customers a simpler and more linear experience in full compliance with primary, secondary and international regulations governing this delicate operational area;
- **review of ATM Digital Corporate Banking processes**, the transformation plan launched in 2019 for the rationalisation of activities through the creation of high-level support teams supported by more effective tools is underway and will be completed in 2021.

Un giorno con tutti  
i POS Nexi potrai  
incassare anche  
a distanza, in modo  
semplice e sicuro.

Quel giorno è oggi  
con Pay-by-Link.\*



Solidarietà digitale

Message published on [www.nexi.it](https://www.nexi.it) with the following information: Visit the site [nexi.it/pay-by-link](https://www.nexi.it/pay-by-link). Service available and free of charge through Nexi Business. Non prevede costi aggiuntivi per tutto il 2020.

Nexi e la tua Banca a supporto della tua attività: con Pay-by-Link trasformi il tuo POS in uno strumento per incassare a distanza anche senza avere un sito e-commerce. Senza costi aggiuntivi fino al 31.12.2020.



Incassi a distanza con un link di pagamento



Accetti tutte le carte dei principali circuiti di pagamento



Ideale per consegne a domicilio

**nexi**  
every day, every pay

Chiedi in filiale o vai su [nexi.it/pay-by-link](https://www.nexi.it/pay-by-link)

Nexi aderisce al "Programma di Solidarietà Digitale" promosso dal Ministero per l'Innovazione tecnologica e la Digitalizzazione per supportare gli esercenti italiani con servizi digitali gratuiti.



\* Nexi campaign to support merchants' business continuity during pandemic, together with its Partner Banks, according to the Government Solidarity Program. In particular, the campaign promoted Pay-by-Link, the service that allows remote commerce and payments acceptance even without an e-commerce site.





---

## RESPONSIBILITY TOWARDS PEOPLE

Diversity management	71
Performance management and Rewards	73
Training	74
Sustainable Welfare	76
People Survey	77
Health and Safety	78

[EMPLOYEES TRAINING AND DEVELOPMENT: GRI 103-1, GRI 103-2, GRI 103-3]  
 [TALENT ATTRACTION & EMPLOYER BRANDING: GRI 103-1, GRI 103-2, GRI 103-3]  
 [STAFF APPRAISAL AND REMUNERATION POLICIES: GRI 103-1, GRI 103-2, GRI 103-3]  
 [DIVERSITY AND EQUAL OPPORTUNITIES: GRI 103-1, GRI 103-2, GRI 103-3]  
 [WELL-BEING AND SUSTAINABLE WELFARE: GRI 103-1, GRI 103-2, GRI 103-3]  
 [WORKERS' RIGHTS AND LABOUR RELATIONS: GRI 103-1, GRI 103-2, GRI 103-3]  
 [HEALTH AND SAFETY PROMOTION: GRI 103-1, GRI 103-2, GRI 103-3]  
 [GRI 102-41] [GRI 401-2] [GRI 402-1] [GRI 403-1] [GRI 403-2]

## RESPONSIBILITY TOWARDS PEOPLE

People represent a fundamental strategic lever of the Nexi Group and a key factor for its success. The profound cultural transformation initiated in 2017 seeks to build a single corporate identity based on a system of values that focus on the customer, the construction of the future, excellence and the ability to be simple, with the desire to grow the sense of belonging of each employee and to build together the Nexi of today and tomorrow.

Likewise, Nexi has been profoundly heterogeneous in terms of professional experience, cultural background, professionalism, gender and age thanks to the organic growth of new managers, professionals and specialists, as well as the acquisition of new skills deriving from subsequent corporate operations and the strengthening of the skills of those who were already present in the Group.

**Also in 2020, the focus of Nexi's People Strategy was to enhance the skills, passions, talents and experiences of each employee, with a view to**

**creating lasting value for all Group Stakeholders, developing a culture of performance and merit recognition and ensuring the sustainable growth of the organisation in the medium and long term.**

The number of Nexi employees at 31 December 2020 is 1,990 (+3% compared to 2019), all located in Italy and hired in compliance with the provisions of the National Collective Bargaining Agreements (CCNL) and the Supplementary Company Agreements.

The Nexi Group also complies with the provisions relating to union involvement, both periodically and linked to specific issues, including the organisational changes necessary for the better management of activities, in compliance with the procedures and consultation times established in the contract or by law. The number of employees registered in the trade union stands at 908 (45.7% of employees).

Almost all employees, 99.9%, are employed under permanent contracts.

The professional structure is composed of 5% senior managers, 35% middle managers and 60% other employees.



## Diversity management

### Gender diversity

The female presence in the Group is 47%, up slightly compared to 46% in 2019.

Nexi has focused its **commitment** on:

- strengthening the presence of female managers in top roles;
- providing them with the tools and skills that allow them access to career paths and professional development on meritocratic principles;
- creating a business environment which is more attentive and sensitive to social issues such as gender-based violence;
- adopting specific welfare initiatives.

In 2020, 20% of managerial positions were held by female managers, or 19 women out of a total of 95 managers (in 2016, female managers accounted for 6% of total managers).

### Initiatives and Collaborations

**Women's Empowerment:** partnerships with associations and universities were strengthened in 2020, and the training offer was diversified. Specifically:

- the partnership with Valore D, an association that supports women's leadership in companies, was renewed, and managerial paths dedicated to C-level, senior and middle managers were launched;
- the collaboration with the Luiss Business School was consolidated, which led to the participation of four young Group managers in the MBA, three of whom were women;
- specific mentoring paths have been promoted as part of the Women Empowerment Programme, an inter-company programme dedicated to senior and young female managers;
- membership in the European Women on Boards path, an international project aimed at C-level managers and focused on digital transformation, new trends and leadership development.

**Awareness-raising initiatives on gender-based violence:** Nexi has decided to support institutions in the dissemination of Bright Sky, the app designed and developed to support female victims of domestic violence and abuse by CADMI (Casa di Accoglienza delle Women maltrattate), together with the State Police and the

Vodafone Foundation. The project and features of the app were explained to the Group's entire female population through the company's internal communication channel.

**Parental support:** specific rules have been incorporated into the MBO and LTI regulations that provide for the disbursement of MBO/LTI shares even in the event of absence during compulsory maternity/paternity (Regulation year 2020 Nexi Group Short-Term Incentive Plan – MBO; Regulation year 2020 Nexi Group Medium-Long-Term Incentive Plan – LTI approved in 2019 by the Board of Directors on a proposal from the Remuneration and Appointments Committee. Details can also be found in the Remuneration Report published on the website [www.nexi.it](http://www.nexi.it)).

### Generation diversity

Several generations coexist in Nexi with professional seniority and different experiences. Attention to the needs and expectations they express is one of the fundamental elements of Nexi's strategy in terms of offering integration paths, engagement actions, targeted training interventions and specific welfare initiatives.

The distribution by age group is characterised by about 31% of people over 50 years of age, while those belonging to the younger age groups – between 30 and 50 years of age and under 30 – represent 67% and 2%, respectively.

### Initiatives and Partnerships

During 2020, Nexi intensified initiatives aimed at the integration of young people into the world of work.

**Nexi Graduates Programme:** Through the "Nexi Graduates Programme" already launched in 2019, paid internships were created thanks to which graduates had the opportunity to participate in the Nexi Academy. They featured training modules focused on learning methods, knowledge and customer management and on enhancing their talents.

In 2020, 19 graduates were included in the Nexi Graduates Programme, of which four with permanent recruitment in 2021.

**Partnerships:** Always with the aim of facilitating the entry of young people into the world of work in areas such as digital IT, data analytics, user design and customer operations, new partnerships have been launched with the Polytechnic Institute of Milan and with "Talents

in Motion” (the first Social Responsibility project to increase the attractiveness of Italy for Italian and foreign talents and encourage their circulation); the partnership with DigitAlly has also been strengthened, which aims to involve young people in a training experience on digital tools and techniques, soft skills and project work to support them in their employment in the most sought-after roles in the world of work.

## Skills diversity

Nexi's strength rests on two distinctive pillars: cutting-edge technology and its people.

## Initiatives, Partnerships and Collaborations

**SkillUp:** an important project was already launched in 2019 to map and enhance people's skills. After a similar project in the CIO area which began in 2019, the “Skill mapping” programme was launched for mapping the skills of today and tomorrow in the world of operations according to a consolidated methodological approach (based on the European Competence Framework) and on the digital readiness mapping of the Polytechnic Institute of Milan and customised on the Nexi skills model. Thanks to the SkillUP project, Nexi has become part of AICA's European best practices as a best human capital enhancement project.

The project allows to identify strategic actions from a short, medium and long-term perspective to overcome tomorrow's challenges:

- identify internal resources in terms of “key skills” and identify the skills to be researched on the market to support the Group's growth;
- define both hard, i.e., technical, and soft training plans to be implemented in the next two years to update the overall internal skills and fill any gaps, anticipating the need for future professional profiles;
- identify the Subject Matter Experts as trainers to be enhanced.

The mapping system is set up to be applicable to the entire company population: after the CIO and Operations

areas, we will gradually involve other areas within the company, as well as an update of the model every 18 months.

**Luiss Business School:** Nexi is a partner of the Luiss Business School; Group employees have the opportunity to participate in the MBAs promoted by the school itself, and our managers are involved in testimonials (lectures) and in the preparation of project work for the Master's programme students. Towards the end of 2020, Nexi and Luiss Business School began working on a project focused on customer centrality/experience for all company employees.

**RCS Academy Business School:** Nexi actively participates (advisory board, testimonials, scientific committee, project work) and/or sponsors Master's programmes related to innovation, digital and transformation: Innovation Management & Digital Transformation, HR Management in digital transformation, new models for the management and enhancement of human capital and Digital Marketing & Social Communication.

**The Human Resources Community:** Nexi participates through contributions and testimonies from its managers in major events aimed at national and multinational companies for the exchange of knowledge and skills on HR issues. In partnership with the HRC, training and updating projects for the internal HR structure were also carried out in 2020 and were intended for almost the entire company population, with daily online learning spaces during the months of remote work (learning square).

**ELIS:** In 2020 Nexi activated the collaboration with ELIS, a non-profit educational association that focuses on the person and work. Through scholarships, Nexi supports young, poor IT engineering students who specialise in innovation issues such as Cybersecurity & Blockchain, Data Analytics, Machine Learning & Software Development at the Innovation Hub of the Polytechnic Institute of Milan.

76 new hires joined in 2020: 16% from the High Tech sector, 37% from Financial Services and Banking, 47% from Media and Services.

## Performance management and Rewards

### Performance Management and Rewards

Performance Management is the tool used to enhance the contribution of each individual employee to business results, according to a meritocratic approach. The performance evaluations are based on criteria which are communicated transparently to shareholders, employees and external persons and are based on explicit and defined criteria:

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

The evaluation process involves four phases: "Dialogue and individual development", "Objectives and priorities", "Manager and senior evaluation" and "Self-assessment and cross feedback".

**During 2020, 1,917 employees (96% of the company population) were involved in the Performance Management system<sup>19</sup>.**

Finally, in order to facilitate the inclusion of new hires in the organisation and to monitor their engagement, regular discussions with the HR Function have been activated.

### Rewards

Nexi's Rewards are based on the following principles.

**Alignment with business values and strategy:** the compensation package is balanced between fixed and variable remuneration, to align Nexi's objectives and behaviours. In particular, variable incentive systems are a fundamental tool in guiding performance and impact on business results.

**Performance:** the remuneration policies have a direct connection with performance and with the contribution of people to sustainable business results according to a meritocratic approach, especially rewarding the top performers.

**Competitiveness and fairness:** the remuneration package is consistent with the role held and the responsibilities assigned, at all levels of the company. Corporate roles are weighed through a codified and internationally recognised system (banding) and constant external benchmarks are carried out with the reference peer groups, both in terms of pay-mix and in terms of remuneration levels, with the support of an independent external consultancy company in order to ensure that remuneration decisions are taken effectively and guarantee the competitiveness of remuneration packages to attract and retain key skills and ensure internal equity.

**Transparency and communication:** the criteria for remunerating people are clear and communicated transparently to shareholders, employees and outside the Group.

**During the year, the new union agreements relating to the Production Reward for the year 2020 were signed, reviewing the benchmarks in order to guarantee adequate disbursement target levels which were simultaneously in line with the need to ensure the company's economic sustainability.**

Consistent with the objective of creating sustainable value over time for all Stakeholders and in accordance with the provisions of the Corporate Governance Code of Listed Companies, **a path of progressive integration of the strategic objectives for top management and executive directors with sustainability objectives has been defined, so-called ESG (Environmental, Social and Governance).**

In line with this commitment and included in the Sustainability Policy, **from 2020 a specific objective has been introduced into the MBO scheme of the CEO and Managers with Strategic Responsibilities, consisting of the "People Value"**, aimed at keeping management increasingly focused on long-term growth objectives. This introduction was a first step in the evolution of remuneration policies in line with both the new rules at national and Community level for sustainable finance and the guidelines of the most influential institutional investors.

<sup>19</sup> All permanent and fixed-term employees with at least three months' tenure in the Group are subject to evaluation through the Performance Management system. The seven employees of Orbital Cultura Srl are not included.

### Key remuneration elements

- **FIXED COMPONENT.** Gross Annual Remuneration (GAR) represents the fixed component of total remuneration.
- **VARIABLE COMPONENT**
  - **MBO short-term incentive + VAP company bonus:** the short-term incentive is based on results achieved over a one-year time frame, against measurable and complementary set objectives. The VAP is the company bonus linked to business performance, applied to the entire company population (excluding Managers).
  - **Long-term incentive LTI:** a variable incentive system that includes a selected panel of Group employees (according to banding criteria and *individual performance*), with the free allocation of Nexi S.p.A. ordinary shares over a medium to long-term (three-year) period, whose maturity is conditioned by the achievement of predetermined objectives.
- **WELFARE&BENEFITS**
  - Initiatives dedicated to the well-being of people and benefits: benefits are an integral element of the other remuneration elements, in a broader logic of sustainable welfare. They differ according to the category and type of recipients, are in line with market practices, and consistent with current legislation and collective bargaining provisions. For more details on the initiatives implemented, please refer to the section "Well-being and sustainable welfare".
- **OTHER INSTRUMENTS**
  - End-of-service payments and non-competition agreements: these are applicable only to the first line of the CEO, consistent with the remuneration policy approved by the Shareholders' Meeting of Nexi SpA.
  - D&O Policy, Civil Liability Policy of the Company's Management and Control Bodies.

### Consistent with Nexi's remuneration policy, the Group reviews its remuneration policies once a year

to pursue a meritocratic approach and consider external market developments and principles of internal equity.

For more information on the remuneration policies adopted, please refer to Section I of the Report on the remuneration policy and remuneration paid in 2020 available on the website [www.nexi.it](http://www.nexi.it).

## Training

### Training is a strategic factor for the Nexi Group.

It is an integrated system of differentiated pathways, innovative methods and approaches aimed at developing and enhancing the skills, attitudes and passions of each employee. **It uses a plurality of training tools and content inspired by market best practices and the experience of our people.**

**The effectiveness of training courses is measured through tests and satisfaction level using the Net Promoter Score, the same tool used to listen to customers.**

Starting from 2019, in line with Nexi's Values and business strategy, with a view to the short, medium and long term, a multi-year training plan was defined. The plan is divided into five skill areas and it is annually remodelled where necessary.

**Business.** Training designed for employees to be always prepared and updated on Nexi's business, related trends, positioning, strategy, products and services.

In 2020, the use of the "Pay UP: payments today and tomorrow" path, created by the people of the Nexi Group for the people of the Nexi Group, continued.

**One Nexi.** The training reflects the five Values of Nexi (Building the future; Living for customers; Being reliable, always; Being simple; Building together) and aims to build a company with a unique identity in which to enhance and include the diversity of experiences, skills, attitudes and passions, enhancing the soft skills of each person.

In 2020, this pillar was the one most impacted by the pandemic. Therefore, the original plan of initiatives was redesigned to put a greater focus on change management. The strategic results that emerged in 2020 will form a crucial information base for the design and delivery of next year's One Nexi initiatives, and specifically, Leadership and Managerial Academies, as well as the values-based training catalogue.

**Specialistic.** This training includes activities aimed at acquiring, maintaining and developing specialist knowledge belonging to each person's professional family and business area.

The 2020 Training Plan included several paths, among which HR in Nexi, the path dedicated to new graduates, the *Nexi Graduates Programme*, and a distance communication and negotiation path dedicated to employees working in sales roles. The "Skill mapping" programme was also launched in 2020 for mapping the skills of today and tomorrow in the world of operations. The most important initiative of 2020 was the Data Academy. This training programme uses internal trainers and professionals recognised by the market, top experts in big data, creating an ecosystem in which internal and external people work together and exchange information and skills.

In the context of specialistic training, great attention was also paid to cybersecurity training in 2020. The training is aimed at the entire company population; it was originally launched in 2019 and will be updated in 2021<sup>20</sup>. All the employees hired in 2020 were trained on the subject. Other specialist courses on cyber matters are aimed at specific business functions in relation to their role and the impact of knowledge of the subject.

**Technical.** Delivered through participation in external courses, events and conferences to enrich skills and encourage the contamination of ideas. It includes tools and methodologies aimed at operational improvement, technological updating and constant regulatory updating.

In 2020, the technical training was mainly focused on: technological certifications (such as ISACA - Information System Audit and Control Association, CSX Cybersecurity, Information Security Manager, ISTQB – International Software Testing Qualifications Board), Data Protection and Cybersecurity, Market Abuse, Anti-money Laundering, and numerous other professional paths in the field of digital payments.

**Compliance.** "Mandatory" training to always comply with current regulations and to protect oneself, the company and customers. It includes courses on topics ranging from privacy to anti-money laundering, occupational health

and safety and aims to provide knowledge suitable for compliance with legal and industry regulations.

In 2020, in addition to the course on safely managing remote work and the transition, we mainly focused on the themes of the 231 Model, Incorrect Business Practices, Consumer Credit, and Anti-Money Laundering. In addition, culture and skills building on Antitrust and Market Abuse issues were promoted, for the greater social responsibility of each employee.

In response to the pandemic scenario, the originally planned interventions were revised and reshaped in terms of objectives, content and methods (remote delivery). Therefore, some relevance has been given to:

- training as an accompaniment to the gradual return to the office after a period of total remote working due to the lockdown. In order to guarantee the health and safety of all workers, both in the office and remotely, a special online path has been developed which is mandatory for all employees, to safely and effectively manage the transition to new and heterogeneous working methods;
- the Change Management Plan aimed at the entire company population and consisting of a series of training, development, engagement and communication initiatives focused on remote work, with the aim of:
  - Strengthening the exercise of roles and leadership in the new context;
  - Building effective operating methods within teams;
  - Promoting a new agile work culture;
  - Generating integration, even in a remote work context;
- developing an effective corporate culture in the management of new working methods which is able to adapt to the so-called new normal.

In 2020, a total of 59,500 hours of training were provided, equal to 30 average hours of training per employee. The figure is lower than that of 2019, which was approximately 40 hours of training per employee, due to the significant changes to the training plan that had initially been prepared, and the consequent reassessment of needs and delivery methods caused by the pandemic context and the adoption of remote working. A large part of the resources was therefore dedicated to the revision of plans, projects and budgets, and above all to the definition of the change management path initiated in July 2020.

<sup>20</sup> The number of employees trained on cybersecurity matters during the two-year period 2019-2020 is the 99% of the Company's population.

## Sustainable welfare

Welfare is an important integrative element of Nexi's remuneration package, as part of a broader total reward strategy that is oriented to the needs, motivations and actual values of the person, and identifies a series of courses of action able to build strategies tailored to individuals.

Starting in 2017, the Nexi Group proposed **Nexi Welfare, the programme full of differentiated initiatives/services and benefits dedicated to the well-being of the Group's people and their families, in order to create lasting and sustainable value for employees, their families and the territory where they live**. The services offered can be accessed through a dedicated portal.

The main benefits offered to Group employees are:

- supplementary social security with a company integration;
- health care for all members of the employee's family;
- leave for paid medical examinations, to which additional leave is added in the case of family members with certified disabilities;
- annual allowances for each disabled family member, plus an additional annual allowance for educational needs and the purchase of equipment to support the children of employees suffering from learning disabilities;
- insurance consultancy for the preparation of estimates, also on-site, with specific discounts for home and auto policies;
- discounts on the purchase of annual public transport tickets;
- possibility of converting part or all of the company's productivity premium (VAP) into the pension fund and/or into non-monetary services, with triple expedience for employees. The 2020 results were satisfactory: more than 17.5% of employees joined the conversion in Nexi Payments and Help Line and 46% of employees in Mercury Payments Services.

All Nexi Group employees, regardless of their professional category and regardless of the type of contract (full time/part time), are granted the following insurance coverage:

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

### **In accordance with the law, pension contributions are regularly paid and permits and leave provided for by law or contract are managed.**

All Nexi Payments and Help Line employees benefit from the provisions of the Supplementary Business Agreement signed in 2019 and valid until the end of 2022, which has introduced or improved elements aimed at increasing the balance between private and work life, such as:

- flexible work hours and lunch breaks;
- hours of paid leave for medical visits and clinical analyses, also for similar needs related to family members;
- hours of paid leave and financial expenses available during the year to employees with family members with disabilities.

This was further strengthened in 2020 with the issuance of the Smart Working Regulation, as a new flexible way of organising work applicable to almost all employees once the compatibility of their tasks to the working method has been verified.

All Mercury Payment Services employees benefit from the provisions of the union agreements signed in 2019, which include supplementary health coverage for the employees' family members and subsidised banking conditions. All the provisions of the Supplementary Business Agreement signed in 2017 continue to apply, including those that involve an equilibrium between professional and private life, such as:

- flexible work hours and lunch breaks,
- hours of paid leave for medical visits and clinical analyses, also for similar needs for children up to 12 years of age;
- 100% supplementation of the sickness benefit payable by INPS (National Institute of Social Insurance);
- financial distributions available during the year to employees with family members with disabilities.

In line with the Regulation issued by Nexi, the Smart Working agreement that was already in place in Mercury Payment Services for certain business areas was extended to almost all employees, after having verified the compatibility of their tasks with the work method.

The new *Smart Working* provisions will only come into force once the national emergency has ended. Meanwhile, Nexi has continued to apply simplified regulations for remote work and has enabled almost all of its employees to do their work from home. In addition, the Regulation entailed the disbursement of a one-off amount of 120 euros in 2020 for participating employees; the same amount will be disbursed in 2021.

## People Survey

The People Survey is the Nexi Group's main tool for listening to its people and it is a chance to give employees the opportunity to express and share their opinions and provide useful feedback to measure the progress and effectiveness of the actions implemented, thus being able to continue to identify new initiatives to improve the company.

It consists of an annual questionnaire of about 80 questions, with anonymous and confidential answers, and is managed by a leading international company in the management of surveys.

### **92% of the company population responded to Nexi's third People Survey administered at the end of 2019.**

The results showed a **significant improvement in the Engagement Index compared to the previous year (+7.1 pp.)**. In January 2020, through a video available to all employees on the company intranet, the CEO communicated and commented on the results that emerged. The overall Group results and those specific to individual organisational areas are also shared during the individual company events involving the entire company population, also with the aim of involving employees in the improvement actions defined for the following year.

The People Survey highlighted the following strengths:

- clear vision and route through reconnection with the entire company population;
- clear construction of the *corporate identity*;
- recognition in company values;
- living for the customer continues to be the most heartfelt Value for Nexi.

"Collaboration" was established as an area needing development in the previous People Survey; it has improved but remains a priority on which to continue working.

The main area for improvement, unchanged from the previous year, is "Simplicity" in processes, organisational structures and measurement metrics to eliminate complexity and operating effort. The Group has identified some actions in this area to focus on in 2020, with related responsibilities and tools for their implementation, listed below:

- *Smart Collaboration*: adoption of collaboration tools for all employees. In 2020, also thanks to the pandemic context, the collaboration tools were implemented and widely used for all company activities;
- *Passive Cycle*: adoption of mechanisms for simplifying the budget process and engaging company projects, simplification of the automated passive cycle process;
- *Smart Contracting* active cycle: optimisation of processes and procedures and contract archiving;
- *Paperless Operations*: digitalisation of operations processes;
- *Ticketing*: process review and simplification;
- *Time Records*: revision and simplification.

The actions are monitored monthly and brought to the attention of top management on a quarterly basis. The actions are monitored and communicated through the various Group communication tools, including videos on the intranet and staff meetings, and conveyed to the entire company population. Approximately 80% of the actions were already implemented during the year, with a positive outcome.

In November 2020, the new People Survey for the year 2020 was launched and the first results recorded an improvement in the Engagement Index: an increase of 2.7 pp compared to the previous year and an overall Satisfaction Index of 73.6%, noting that the actions implemented were effective: simplicity improved (3.8 pp increase) and collaboration showed a decisive improvement (5.9 pp increase).

**In May**, with a view to listening, **people caring** and engagement, **a Quick Survey was also conducted with the entire Nexi company population to learn their opinions regarding their remote work experience during the months of the Covid-19 emergency and to explore their expectations for the future.** 89% participated (1,730 out of 1,941).

**The aspects highlighted by the Quick Survey made it possible to develop the New Way of Working in terms of work organisation – remotely and in the office – with support, communication and welfare tools.**

Among the main aspects which emerged, it should be noted that:

- over 90% of people are satisfied with the remote work experience
- the most appreciated aspects are constant communication initiatives to update employees on the progress of the business, support and welfare initiatives launched to counter the Covid-19 health emergency.

The main expectations include the need to create Netiquette and improve time planning aspects and technical equipment. These expectations were followed up by the Group.

Lastly, a **further Survey was conducted in June which involved 70 new hires, to collect their feedback regarding their recent experience joining the company.** The results were generally satisfactory, but there was also a demand for greater simplification of the integration processes.

## Health and Safety

The year was mainly dedicated to carrying out all those activities aimed at containing the pandemic, starting with a specific assessment of Biological Risk, the adoption of a specific health protocol and drafting procedures related to access to premises, all work phases and the different trends of the pandemic phenomenon in the Italian context.

**The Biological Risk Assessment Document related to the spread of the SARS-CoV-2 virus was structured so as to identify the risk of contagion, assess the risk of spread and identify all the prevention and protection measures aimed at eliminating the risk of infection in the workplace<sup>21</sup>.**

The final result of the assessment found a low risk at all company locations with the exception of work re-

lated to the activities of on-site maintenance technicians, as well as for activities related to ATMs. Consequently, prevention and protection measures were identified and implemented, and rules of conduct for access to company premises were defined, as well as the correct use of protective devices such as masks, all reported in a *Transition Policy*. A dedicated section of the company intranet has also been created, where the Policy can be consulted along with all the information related to the measures taken to manage the pandemic at any time.

**Among the initiatives put in place, the strengthening of health surveillance by the Company Physicians should be highlighted. They have been in contact with and have followed all cases of employees who tested positive for the virus and were hospitalised and those with symptoms or delicate situations.** In addition, a special health protocol has been drawn up for the Covid-19 pandemic, focusing on providing greater support in all situations of need that could and can occur for employees, not only in company environments.

**A dedicated email address has been created and communicated to all employees, to which the Health & Safety (H&S) service responds, to report needs or receive indications.**

The RLSs of the H&S service have been involved in the inspections of all workplaces, even during the pandemic period, leading to a timely monitoring process of the various environmental situations and resulting in improvement actions to be verified and developed over time.

As part of the monitoring and control of compliance with health and safety regulations, greater attention was devoted to verifying the technical-professional requirements of Nexi Group suppliers in 2020, as well as to the Assessment of Interference Risks (DUVRIs) that could potentially occur within the workplace. In addition, the documentation relating to work sites (POS and Self-certifications) deriving from the installation of ATMs at bank branches and private companies was updated.

<sup>21</sup> The methodology adopted for the risk assessment focused on the specific indications provided by INAIL (National Institute for Insurance against Accidents at Work). The risk matrix is based on a model developed on the "O'NET database" of the US Bureau of Labor of Statistics and supplemented by data from the Italian working environment of the INAIL and ISTAT surveys. This matrix is elaborated based on the comparison of scores attributable to two variables, namely Exposure (the probability of coming into contact with sources of contagion in the performance of specific work activities) and Proximity (the intrinsic characteristics of certain jobs that do not allow sufficient social distancing). The score resulting from this combination is corrected with the Aggregation factor (the type of work that involves contact with other subjects beyond those of the company).

Risk assessments were carried out and completed in 2020 through specific sampling activities in relation to environmental investigations in all Group offices. Furthermore, a Health and Safety Committee was established to align the company with the international standard SA 8000 - Social Accountability, with Nexi Payments successfully supporting the certification verification.

**Training played a fundamental role in creating an increasingly widespread “safety culture” in the company fabric during the year.** In particular, courses were offered focusing on the Covid-19 pandemic, on General Risks and on Specific Worker Risks for all employees. Managers and Supervisors attended training courses related to their responsibilities within the company in terms of health and safety. Importance was also given to the training and updating of fire-fighting teams and specific training for emergency managers in the various locations.

Lastly, the development of activities in 2020 continued to create the necessary conditions for obtaining ISO 45001 certification - Management system for Health and Safety at Work - for Group companies, also through special training courses for H&S functions, as required by the international standard.

**During the year, there was only one accident at work involving an employee, with a reduction of -50% compared to the accidents at work that occurred in 2019, also due to the pandemic context that saw the performance of work remotely for most of the year.**

**There are no reports of accidents that occurred to non-Group employees.**







---

SUPPLY CHAIN

## SUPPLY CHAIN

**In choosing suppliers, the Group adopts the utmost transparency and efficiency to ensure impartiality at every stage of the purchasing process.**

In fact, the Group intends to ensure equal conditions for all suppliers participating in the selection process, which is based on objective evaluations, according to the principles of fairness, economy, quality, innovation, continuity and ethics in line with the provisions of the Group Purchasing Policy and in full respect of the Codes of Ethics of all Group companies.

In line with the Group organisational procedure "Supplier qualification and evaluation", all suppliers involved in the selection process must be qualified in order to be added to the supplier register<sup>22</sup>.

Inclusion in the supplier register involves a registration phase in which candidates are required to view and comply with the principles contained in the 231 Model and the Code of Ethics. Verifications are then carried out, both during registration and subsequently, to ascertain the technical suitability of suppliers, the presence of certifications where necessary, compliance with regulations to protect social aspects and the economic soundness of assets. Failure to comply with the above will result in exclusion from the list of

previously accredited suppliers. In order to mitigate any possible risk, any recourse to subcontractors is subject to explicit approval and verification by Nexi.

Foreign suppliers<sup>23</sup> are qualified through the addition of the signed contract and privacy by design questionnaire into the portal.

All existing supplies are also monitored by the Spending Managers in order to be able to assess the quality of the service or product provided and compliance with contractual commitments (SLA). Following this assessment, the Supply Chain Management Function records the degree of satisfaction of the existing relationship. The evaluation process is carried out at least annually and allows to identify any improvement actions and rethink the relationship with the supplier in a strategic key.

**The organisational procedure is subject to controls by the Audit Function, which carries out checks on suppliers considered critical or at greater risk.** To protect Nexi Payments' assets in terms of risk minimisation, loss of knowledge of processes or data in the case of activities entrusted to third party suppliers, the "Outsourcing of business

<sup>22</sup> Suppliers who supply goods or services to the Group, with the exception of institutional suppliers which cannot be replaced or with orders of less than 30,000 euros per year, are required to qualify. This limit does not apply to Mercury Payment Services suppliers.

<sup>23</sup> With the exception of suppliers with orders totalling less than 30,000 euros, institutional or non-replaceable suppliers.

functions” Policy has also been developed, which defines a system of reference rules so that the supplier selection processes and the control and mitigation of the risks associated with the activity carried out by the suppliers themselves are completed in full compliance with specific control and responsibility principles. In this regard, the processing activities related to ICT infrastructures outsourced, to a predominant extent, to third-party service providers with respect to the Nexi Group should be noted, among which the main ones for strategic relevance are SIA and EquensWorldline.

**There are no significant critical issues to report for 2020 in the management of activities outsourced to these suppliers.**

**During 2020, all Nexi suppliers reviewed the Sustainability Policy.**

At 31 December 2020, the percentage of expenditure made by the Group towards Italian suppliers is 94% of total expenditure (+1% compared to 2019), while the remaining 6% of Group expenditure is through the use of foreign suppliers (-1% compared to 2019).





# 9

---

## ENVIRONMENTAL PROTECTION

Fighting climate change	86
Responsible management of consumption and waste	89
The best solutions for our Data Centres	90

[ENERGY TRANSITION AND CLIMATE CHANGE: GRI 103-1, GRI 103-2, GRI 103-3]

[RESPONSIBLE CONSUMPTION: GRI 103-1, GRI 103-2, GRI 103-3]

[GRI 305-1] [GRI 305-2] [GRI 305-3]

# ENVIRONMENTAL PROTECTION

In accordance with the Sustainability Policy, during 2020 Nexi continued along the virtuous path of measuring, assessing and monitoring the environmental impacts deriving from its activities, defining commitments and initiatives to reduce them. The prevention of actions that harm the environment is governed by specific internal process regulations, as well as supervised by the 231 Model.

The areas of intervention on environmental protection, the main initiatives carried out during the year and the related commitments for the following years are detailed below.

## Fighting climate change

**In 2020, in line with the commitment to progressively adhere to the recommendations of the Task Force on Climate-related Financial Disclosures**

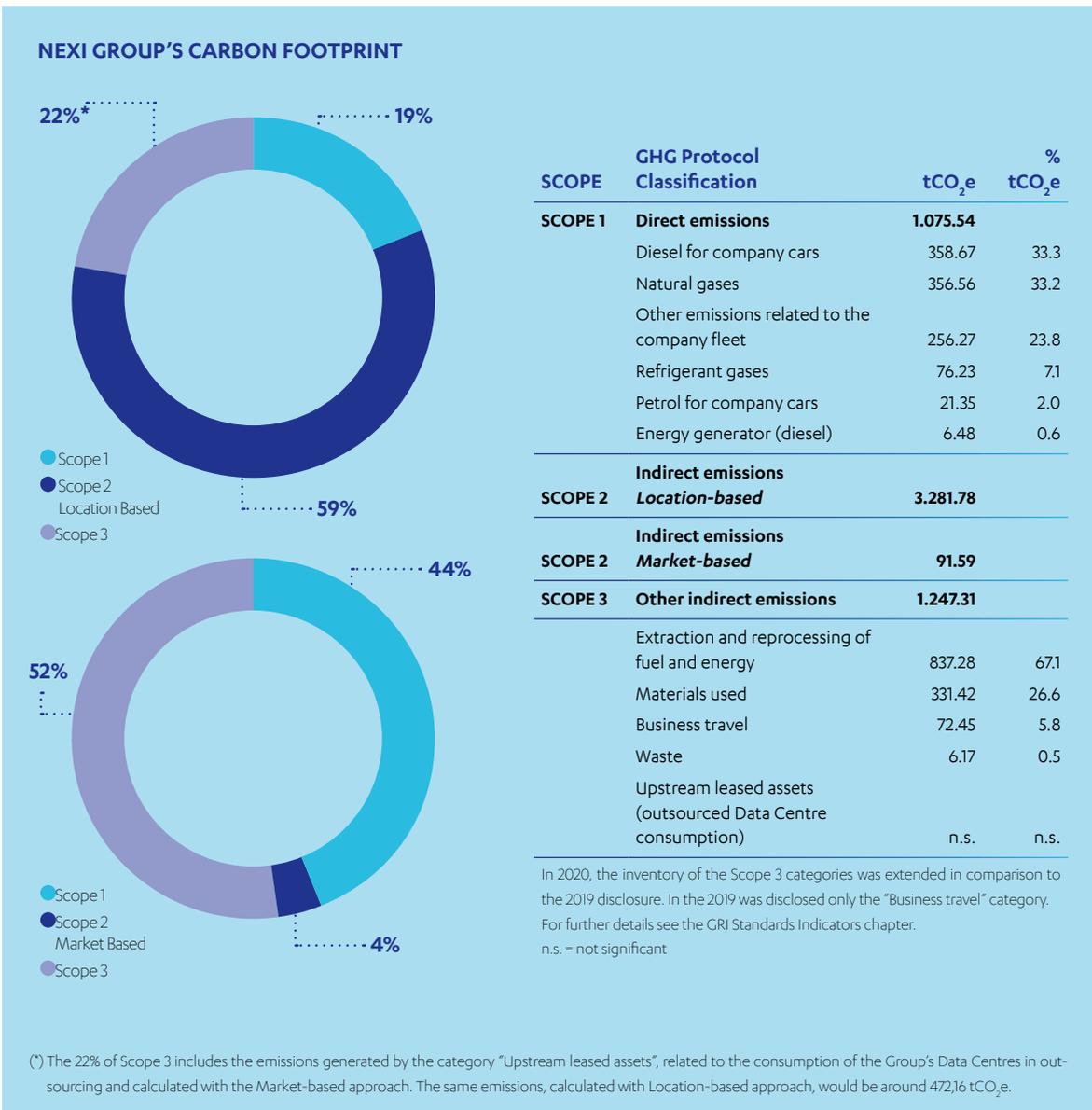
**(TCFD), for the first time Nexi participated in the Climate Change initiative of the international organisation CDP, formerly the Carbon Disclosure Project.** The CDP initiative produces annual reports aimed at informing analysts and investors on the level reached by companies with respect to the reporting guidelines on risks and opportunities deriving from climate change defined by the TCFD recommendations of the **Financial Stability Board**<sup>24</sup>.

**Reporting to CDP represents a first important element of the Climate Strategy project that Nexi has launched with the ambitious objective of defining the Group's GHG emission reduction targets in accordance with the SBTi, or Science Based Target Initiatives criteria**<sup>25</sup>. With this in mind, in 2020 the emissions inventory was reviewed and extended in accordance with the GHG Protocol for a more accurate and transparent reporting of the Scope 1, Scope 2 and Scope 3 indicators<sup>26</sup>.

<sup>24</sup> The TCFD was established in December 2015 by the Financial Stability Board, which is the international body responsible for monitoring and promoting financial market stability, chaired by the Governor of the British Central Bank, Mark Carney. For details, see <https://www.fsb-tcfid.org/>.

<sup>25</sup> SBTi is an initiative which arose from the collaboration between the CDP, the United Nations Global Compact, the World Resources Institute and the WWF, aligned with the Climate Agreements of the Paris Conference that aim to keep global warming within a 1.5°C increase. At the date of writing this Statement, more than 1,200 companies have signed this initiative. For details, see <https://sciencebasedtargets.org/>.

<sup>26</sup> The GHG Protocol is the international standard used for accounting and reporting company greenhouse gas emissions.



Direct and indirect energy consumption increased from 64,976.6 GJ in 2019 to 57,740.7 GJ in 2020, recording an expected reduction for a minor, and at the same time more efficient, use of offices as a consequent effect of remote work for Group employees in response to the health emergency. The almost total regulation and shutdown of air conditioning systems in the first phase of the emergency, and partial with the gradual return to premises, has in fact allowed a significant reduction in electricity and gas consumption mainly related to air conditioning.

## Group properties: Headquarters

The management of energy impacts attributable to Nexi properties is supported by an Energy Manager with the aim of:

- identifying actions, interventions, procedures and anything else necessary to promote the rational use of energy;
- preparing energy balances, also according to economic parameters and final energy uses;
- preparing the energy data required by the Ministry of Industry, Commerce and Crafts for the beneficiaries of the contributions established by the relevant laws.

For the year 2021, Nexi has expanded the Energy Manager's scope of work with the aim of defining strategic initiatives for improving the energy performance of plants and buildings in line with best practices.

**During 2020, Nexi completed a series of projects launched in previous years aimed at reducing energy consumption and greenhouse gas emissions (GHG), with structural interventions on the two headquarters buildings** located in Corso Sempione 55-57 in Milan, in consideration of the materiality of the consumption due to both the size of the property, about 41,540 m<sup>2</sup>, corresponding to 58% of the total area of the Group's offices, and for the age of the structure and number of employees present.

- **revamping of the thermo-refrigeration plants** with the consequent replacement of fossil fuel heating with plants powered by geothermal renewable energy. The interventions ended in July 2020 and the first winter heating system began in October: in addition to energy savings in terms of electricity, the plants made it possible to reduce Nexi's direct emissions thanks to the zero consumption of methane;
- **replacement of the four central lifts connecting the two buildings** which, in addition to ensuring greater energy efficiency, allows, thanks to an advanced call booking system to reach the different floors, an optimisation of trips to further maximise energy savings. The works were completed in June 2020;

- **replacement of the lighting fixtures of all the corridors by installing LED technology. This was scheduled for 2020 but postponed due to the health emergency; it will be carried out in 2021 with an extension of the perimeter.** In fact, a global re-lamping project is being launched on both buildings, which will lead to electricity consumption savings of about 500,000 kWh/year, or about 15% of the total consumption of the two buildings and about 60% of the estimated consumption for lighting alone. The objective is to complete the installation of the new lighting fixtures by the third quarter of 2021.

## Group properties: the peripheral offices

**In the first months of 2020, we continued with the analysis and optimisation of the spaces used with targeted space planning interventions that allowed us to free up about 700 square metres of offices** in the Padua and Florence offices, thereby reducing consumption.

## 100% energy from renewable sources

**In 2020, Nexi continued its commitment to exclusively source 100% of its energy from certified renewable sources, with the renegotiation of electricity supply contracts for the supply of all Group offices and Data Centres.**

## Nexi Employee Mobility

**A new agreement has been signed for company cars for the use of hybrid or electric cars** and the adoption of policies that encourage the use of green and shared modes of transport in consideration of their logistics and employee mobility needs. During 2021, Nexi will define strategies for its employees' mobility also thanks to the involvement of a Mobility Manager.

## Responsible management of consumption and waste

### Water consumption

In order to **improve water consumption, the renovation of the toilets of the Milan headquarters was started in 2019**, replacing all the existing ones with new generation toilets equipped with photocells. The project was interrupted in March due to the start of the health emergency and will be resumed and concluded during 2021.

### Consumption of materials

Nexi's attention to the consumption of materials is expressed both **through the analysis of the origin of consumables, such as paper** (ascertaining certifications on the origin and sustainability of the entire production chain) and through **the reduction of materials with digitalisation processes** through on-boarding projects for corporate card customers and merchants.

### Waste in business activities

**Nexi's waste management approach includes the underlying principles of the recovery and/or recycling of materials used in business activities.** In fact, each workplace has special containers for separate collection, whose management is regulated within the organisational procedure that assigns roles and responsibilities for the management of all types of urban and special waste in order to ensure full compliance with the provisions of current legislation. In 2020, there was no significant reduction in waste despite remote work, since the plant located in Marcallo con Casone, Milan, did not cease its payment card personalisation activities and the readjustment of office spaces to meet the social distancing requirements resulted in the production of waste such as paper and mixed packaging.

### Disposal of POS and ATM products

**The management of POS terminals that reach the end of their life cycle is governed by specific agreements with the suppliers of the POSs themselves, to which obsolete terminals are resold in place of the new POS terminals according to a buyback scheme.** The scrapping of the terminals being replaced and their disposal are the responsibility of the same suppliers, as well as the disposal of ATM and Self equipment and any related obsolete parts<sup>27</sup>.

### Disposal of Data Centre components

**Nexi manages the disposal of technological waste such as monitors, servers and hard drives through specialised companies.** The disposal activities are carried out in compliance with current regulations on environmental legislation and in compliance with privacy regulations in the case of electronic components that include customer or Nexi employee data.

All details on 2020 consumption can be found in the GRI Standards Indicators chapter.

<sup>27</sup> In addition to ATMs, the so-called "Base B" equipment used mainly for the payment of health and TCR (Teller Cash Recycler) tickets is also included. As for the equipment parts, the concerned warehouses are in Bologna Granarolo, where there is also the workshop for any repairs, and the Empoli warehouse located within ICT Logistica. Disposal always takes place through external suppliers.

## The best solutions for our Data Centres

Starting in 2018, in line with its IT strategy, Nexi began the insourcing and consolidation project of the Group's Data Centres in order to improve the governance of its IT infrastructure as a strategic asset for the Group's activities, make it more reliable and at the same time achieve energy efficiency.

In 2019, the project saw the completion of the insourcing of the four Nexi Payments Data Centres at the new sites located in the Milanese area of Pero and Settimo Milanese, managed by leading market providers with proven national and international experience. The IT infrastructures housed within these Data Centres have a total energy availability of 1,252,000 kWh. Furthermore, both providers pay particular attention to the energy efficiency of the sites through the adoption of best practices and proven technologies worldwide and are ISO 9001 and ISO 14001 certified<sup>28</sup>. The power usage effectiveness, or PUE, for both sites is less than 1.6, 1.55 and 1.58 respectively. The best Data Centres in the world stand at a PUE of around 1.2.

**In line with what has already been started in recent years, 2020 has therefore seen the continuation of IT Strategy initiatives in the Nexi Group aimed at consolidating its Data Centres scattered throughout the country, with a view to efficiency in the management of computer systems, spaces and the related energy and cooling needs.** In particular, in the current year the Nexi Group focused on consolidating, at the Pero and Settimo Milanese Data Centres, the data rooms of the company Mercury Payments, former Bassilichi and Consorzio Triveneto that joined the Group in 2018. The project led to the total divestment of two of the three Data Centres that provided Mercury Payments services (Milan and Sesto San Giovanni), through the insourcing of computer equipment and application workloads, and the start of the divestment of two of the three Data Centres in Vicenza and Pont St. Martin that provide the services of the acquired companies Bassilichi and Consorzio Triveneto.

During 2021, the Nexi Group will continue its commitment to making its IT resources more efficient and optimised through the insourcing of the third Data Centre acquired by the former Bassilichi company located in Florence and the completion of the insourcing of the Data Centres already started in 2020.

In addition to the Nexi Blu project, **the Group is developing programmes that in the coming years will gradually and continuously lead it to replace its IT infrastructure with new generation systems that allow a reduction in electricity consumption with the same services provided.** The renewal of IT infrastructures will also result in a decrease in the physical space they occupied thanks to the increase in services provided at the same size, with a consequent decrease in the energy consumption necessary for cooling the data rooms hosting them.

**Thanks to the greater efficiency of the cooling systems in the Data Centres of Settimo Milanese and Pero, Milan, it has been possible to optimise the physical space necessary to house the equipment of Mercury Payment Services, with a decrease of more than 65% of space occupied compared to the old sites, and consequent energy savings necessary for cooling the equipment.**

In addition, thanks to the introduction and implementation of new network technologies, it was possible to offer Mercury Payment Services customers technologically innovative solutions that have allowed the consolidation and disposal of more than 80% of the equipment used for these connections, resulting in savings in terms of absorbed energy and cooling needs.

Finally, in addition to increasing performance and ensuring greater resilience, the technological renewal of some strategic systems with new generation equipment has allowed to increase energy efficiency and reduce consumption compared to previous years.

<sup>28</sup> Upon the drafting of this Statement, activities are underway to obtain ISO 14001 certification for the Pero site of Milan.





# 10

---

RECONCILIATION STATEMENT OF MATERIAL TOPICS  
AND GRI CONTENT INDEX

# RECONCILIATION STATEMENT OF MATERIAL TOPICS AND GRI CONTENT INDEX

Scope of Italian Legislative Decree 254/2016	Material topics identified by the Nexi Group	GRI Reference Standards	Scope of impacts	
			Impacts within the Nexi Group	Impacts external to the Nexi Group* Limitations
<b>Staff</b>	Talent attraction & employer branding	401: <b>Employment</b>	Whole Group	
	Employees training and development	404: <b>Training and education</b>	Whole Group	
	Staff appraisal and remuneration policies	404: <b>Training and education</b>	Whole Group	
<b>Staff/Human Rights</b>	Diversity and equal opportunities	405: <b>Diversity and equal opportunity</b>	Whole Group	
		406: <b>Non-discrimination</b>	Whole Group	
	Well-being and sustainable welfare	401: <b>Employment</b>	Whole Group	
	Workers' rights and labour relations	402: <b>Labour/management relations</b>	Whole Group	
	Health and Safety promotion	403: <b>Occupational health and safety</b>	Whole Group	
<b>Customers</b>	Privacy and data security	418: <b>Customer privacy</b>	Whole Group	Customers
	Customer satisfaction	**	Whole Group	Customers
	Business continuity	**	Whole Group	Customers/Community
	Operational excellence	**	Whole Group	Customers/Community
	Innovation	**	Whole Group	Customers
	Transparency and fairness	206: <b>Anti-competitive behaviour</b>	Whole Group	Customers/Innovation Community/Community
		417: <b>Marketing and labelling</b>	Whole Group	
		419: <b>Socioeconomic compliance</b>	Whole Group	
<b>Supply chain</b>	Responsible supply chain management	204: <b>Procurement practices</b>	Whole Group	Suppliers
<b>Environment</b>	Energy transition and climate change	201: <b>Economic performance</b>	Whole Group	Community
		302: <b>Energy</b>	Whole Group	
		305: <b>Emissions</b>	Whole Group	
		307: <b>Environmental compliance</b>	Whole Group	
	Responsible consumption	301: <b>Materials</b>	Whole Group	Community
		306: <b>Effluents and waste</b>	Whole Group	
<b>Community</b>	Digital evolution and cashless society	**	Whole Group	Innovation Community/Community and territory
<b>Corruption</b>	Conduct integrity	205: <b>Anti-corruption</b>	Whole Group	Customers/Community
		419: <b>Socio-economic compliance</b>	Whole Group	

\* The information related to external impacts is aimed at giving an insight on the business with respect to its main Stakeholders

\*\* The material topic is not directly linked to a specific aspect mentioned by the GRI Standards. For the description of the management approach adopted by Nexi and the related performance indicators for the year, please refer to the GRI Standards Content Index



# GRI CONTENT INDEX

## Prepared in accordance with GRI Standards core option<sup>29</sup>

Disclosure	Indicator description	Page number/Notes
<b>GRI 102: GENERAL DISCLOSURES 2016</b>		
<b>ORGANIZATIONAL PROFILE</b>		
102-1	Name of the organisation	Pag. 104
102-2	Activities, brands, products and services	Pagg. 12-15
102-3	Location of headquarters	Pag. 104
102-4	Location of operations	Pag. 104
102-5	Ownership and legal form	Pagg. 9-14; 34-35
102-6	Markets served	Pagg. 12-14
102-7	Scale of the organisation	Pagg. 12-15
102-8	Information on employees and other workers	Pag. 107
102-9	Supply chain	Pagg. 82-83
102-10	Significant changes to the organisation and its supply chain	Pagg. 82-83
102-11	Precautionary principle or approach	Pag. 44-48
102-12	External initiatives	Pag. 20-23
102-13	Membership of associations	Pagg. 113-114
-	Donations	Pag. 114
<b>STRATEGY</b>		
102-14	Statement from senior decision-maker	Pagg. 2-3
102-15	Key impacts, risks and opportunities	Pagg. 39-48
<b>ETHICS AND INTEGRITY</b>		
102-16	Values, principles, standards and norms of behaviour	Pagg. 38; 40-41; 43; 49-51
102-17	Mechanisms for advice and concerns about ethics	Pag. 41
207-1	Approach to tax	Pag. 49
207-2	Tax governance, control and risk management	Pag. 49
207-3	Stakeholder engagement and management of concerns related to tax	Pag. 49
207-4	Country-by-country reporting	For further information please see the Condolitated financial sttement 2020

<sup>29</sup> There are no omissions for 2020.

Disclosure	Indicator description	Page number/Notes
<b>GOVERNANCE</b>		
102-18	Governance structure	Pagg. 34-53
102-19	Delegating authority	Pagg.36-37
102-22	Composition of the highest governance body and its committees	Pagg. 35; 105-106
102-24	Nominating and selecting the highest governance body	Pagg. 34-35
102-25	Conflicts of interest	Pag. 50
102-26	Role of highest governance body in setting purpose, values and strategies	Pagg. 13; 34-38
102-27	Collective knowledge of highest governance body	Pagg. 36-38
102-28	Evaluating the highest governance body's performance	Pagg. 36-38
102-30	Effectiveness of risk management processes	Pagg. 34-48
102-31	Review of economic, environmental and social topics	Pagg. 36-37; 45-49
102-32	Highest governance body's role in sustainability reporting	Pag. 36
<b>STAKEHOLDER ENGAGEMENT</b>		
102-40	List of Stakeholder groups	Pagg. 21-23
102-41	Collective bargaining agreements	Pag. 70
102-42	Identifying and selecting Stakeholders	Pag. 20
102-43	Approach to Stakeholder engagement	Pagg. 21-23
102-44	Key topics and concerns raised	Pag. 25
<b>REPORTING PRACTICE</b>		
102-45	Entities included in the consolidated financial statements	Pag. 9
102-46	Defining report content and topic boundaries	Pagg. 8-9; 24-25
102-47	List of material topics	Pagg. 26-27
102-48	Restatements of information	Pag. 9
102-49	Changes in reporting	Pagg. 8-9
102-50	Reporting period	Pagg. 8-9
102-51	Date of most recent report	Pagg. 8-9
102-52	Reporting cycle	Pagg. 9; 24
102-53	Contact point for questions regarding the report	Pag. 9
102-54	Claims of reporting in accordance with the GRI Standards	Pag. 8
102-55	GRI Content Index	Pag. 96-100
102-56	External assurance	Pagg. 121-125
<b>ECONOMIC PERFORMANCE: SPECIFIC STANDARDS</b>		
<b>GRI 201: ECONOMIC PERFORMANCE 2016</b>		
GRI 103	Management approach 2016	Pagg. 86-90
201-2	Financial implications and other risks and opportunities due to climate change	Pagg. 38; 47; 86-88
<b>GRI 204: PROCUREMENT PRACTICES</b>		
GRI 103	Management approach 2016	Pagg. 82-83
204-1	Proportion of spending on local suppliers	Pagg. 83; 116

Disclosure	Indicator description	Page number/Notes
<b>GRI 205: ANTI-CORRUPTION 2016</b>		
GRI 103	Management approach 2016	Pagg. 40-42
205-2	Communication and training about anti-corruption policies and procedures	Pag. 106
205-3	Confirmed incidents of corruption and actions taken	Pag. 42
-	Managing privileged information	Pag. 49
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOUR 2016</b>		
GRI 103	Management approach 2016	Pagg. 49-50
206-1	Legal actions for anti-competitive behaviour, antitrust and monopoly practices	Pag. 50
<b>ENVIRONMENTAL PERFORMANCE: SPECIFIC STANDARDS</b>		
<b>GRI 301: MATERIALS 2016</b>		
GRI 103	Management approach 2016	Pag. 89
301-1	Materials used by weight or volume	Pag. 116
<b>GRI 302: ENERGY 2016</b>		
GRI 103	Management approach 2016	Pagg. 87-88; 90
302-1	Energy consumption within the organisation	Pagg. 117-118
302-2	Energy consumption outside of the organisation	Pag. 118
<b>GRI 303: WATER AND EFFLUENTS 2018</b>		
GRI 103	Management approach 2016	Pag. 89
303-3	Water withdrawal	Pag. 119
<b>GRI 305: EMISSIONS 2016</b>		
GRI 103	Management approach 2016	Pagg. 86-87
305-1	Direct (Scope 1) GHG emissions	Pagg. 87; 117-118
305-2	Energy indirect (Scope 2) GHG emissions	Pagg. 87; 117-118
305-3	Other indirect (Scope 3) GHG emissions	Pagg. 87; 118
<b>GRI 306: EFFLUENTS AND WASTE 2016</b>		
GRI 103	Management approach 2016	Pag. 89
306-2	Waste by type and disposal method	Pag. 119
<b>GRI 307: ENVIRONMENTAL COMPLIANCE 2016</b>		
GRI 103	Management approach 2016	Pagg. 86-90
307-1	Non-compliance with environmental laws and regulations	No cases of non-compliance with environmental laws and regulations were identified in 2020.
<b>SOCIAL PERFORMANCE: SPECIFIC STANDARDS</b>		
<b>GRI 401: EMPLOYMENT 2016</b>		
GRI 103	Management approach 2016	Pagg. 70-79
401-1	New employee hires and employee turnover	Pagg. 108-109
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Nexi Group provides benefits to all its employees making no distinction between professional categories or contract type (whether full-time or part-time), and ensures that employee parental leave rights are upheld pursuant to standing laws and regulations.

Disclosure	Indicator description	Page number/Notes
<b>GRI 402: LABOUR/MANAGEMENT RELATIONS 2016</b>		
GRI 103	Management approach 2016	Pagg. 70-79
402-1	Minimum notice periods regarding operational changes	Minimum notice periods regarding operational changes Nexi Group upholds provisions within Italy's national CCNL collective bargaining agreements and within supplementary CIA agreements pertaining to trade union engagement, both on a scheduled basis and otherwise, including under any circumstances leading changes to the structure of the organisation designed to better manage its activities, and is fully committed to consultation procedures envisaged by contract or by law.
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018</b>		
GRI 103	Management approach 2016	Pagg. 17; 78-79
403-1	Occupational health and safety management system	Pagg. 78-79
403-2	Hazard identification, risk assessment and incident investigation	Pagg. 17; 46; 78-79
403-3	Occupational health services	Pagg. 78-79
403-4	Worker participation, consultation and communication on occupational health and safety	Pagg. 17; 21; 77-79
403-5	Worker training on occupational health and safety	Pag. 79
403-6	Promotion of worker health	Pagg. 17; 76-79
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pagg. 17; 46; 78-79
403-9	Work-related injuries	Pag. 79; 109
<b>GRI 404: TRAINING AND EDUCATION 2016</b>		
GRI 103	Management approach 2016	Pagg. 74-75
404-1	Average hours of training per year per employee	Pag. 110
404-3	Percentage of employees receiving regular performance and career development reviews	Pag. 110
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016</b>		
GRI 103	Management approach 2016	Pagg. 71-72
405-1	Diversity of governance bodies and employees	Pag. 111
405-2	Ratio of basic salary and remuneration of women to men	Pag. 111
<b>GRI 406: NON-DISCRIMINATION 2016</b>		
GRI 103	Management approach 2016	Pagg. 41; 71-72
406-1	Incidents of discrimination and corrective actions taken	Pag. 41
<b>GRI 417: MARKETING AND LABELLING 2016</b>		
GRI 103	Management approach 2016	Pagg. 50-51
417-3	Incidents of non-compliance concerning marketing communications	Pag. 51
<b>GRI 418: CUSTOMER PRIVACY 2016</b>		
GRI 103	Management approach 2016	Pagg. 43; 48; 65-66
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pag. 43

Disclosure	Indicator description	Page number/Notes
<b>GRI 419: SOCIOECONOMIC COMPLIANCE 2016</b>		
GRI 103	Management approach 2016	Pagg. 12-15; 34-53
419-1	Non-compliance with laws and regulations in the social and economic area	Pag. 106
<b>CUSTOMER SATISFACTION</b>		
GRI 103	Management approach 2016	Pagg. 62-66
-	Net Promoter Score	Pagg. 63-64
<b>SERVICE CONTINUITY</b>		
GRI 103	Management approach 2016	Pagg. 47-48; 66
-	Cybersecurity training	Pag. 75
<b>OPERATIONAL EXCELLENCE</b>		
GRI 103	Management approach 2016	Pagg. 62-66
103-2	Number of customer complaints	Pagg. 115
<b>INNOVATION</b>		
GRI 103	Management approach 2016	Pagg. 56-59
GRI 103-2	Investments in technology	Pag. 56
<b>DIGITAL DEVELOPMENT AND CASHLESS SOCIETY</b>		
GRI 103	Management approach 2016	Pagg. 56-59
-	Digital culture promotion initiatives	Pagg. 21-23; 56-59





# 11

---

GRI STANDARDS INDICATORS

# GRI STANDARDS INDICATORS

## THE NEXI GROUP

### GRI 102-1 “Name of the organisation”

### GRI 102-3 “Location of headquarters”

**Nexi SpA, Parent Company, Milan Corso Sempione 55 and 57**

### GRI 102-4 “Location of operations”

#### **Nexi Payments SpA**

- Milan, Corso Sempione 55
- Milan, Via Montefeltro 6A-B
- Milan, Via Livraghi 16
- Florence, Via Petrocchi 23
- Padua, Viale delle Industrie 23
- Rome, Via Chianesi 110D
- Granarolo dell’Emilia (BO), Via dell’Artigianato 22
- Anzola dell’Emilia (BO), Via G. Rossa 10
- Monteriggioni (SI), Via Nazioni Unite 30-32 / Via del Pozzo

#### **Mercury Payment Services SpA**

- Milan, Corso Sempione 55
- Milan, Via Livraghi 16
- Milan, Viale Richard 7<sup>30</sup>
- Sesto San Giovanni (MI), Via A. Falk 15
- Marcallo con Casone (MI), Via Galileo Ferraris 13
- Parma strada Langhirano 1/A

#### **Help Line SpA**

- Milan, Via Livraghi 16
- Florence, Via Petrocchi 23
- Cividale del Friuli (UD), Via Sen. G. Pelizzo 8
- San Giovanni al Natisone (UD), Via Nazionale 3
- Anzola dell’Emilia (BO), Via G. Rossa 10
- Monteriggioni (SI), Via Nazioni Unite 30-32 / Via del Pozzo

#### **Orbital Cultura Srl**

- Florence, Via Petrocchi 23

<sup>30</sup> The local unit of Viale Richard closed on 15 November 2020.

## INSTITUTIONAL RESPONSIBILITY, ETHICS AND INTEGRITY

### GRI 102-22 “COMPOSITION OF THE HIGHEST GOVERNANCE BODY AND ITS COMMITTEES”

31/12/20	Role in the BoD	Strategic Committee	Control, Risk and Sustainability Committee	Remuneration and Appointments Committee	Related Party Committee	Chief Executive Officer	Independent Director
Michaela Castelli	Chairperson	Member					X
	Vice-						
Giuseppe Capponcelli	Chairperson	Member					
Paolo Bertoluzzo	Director	Chairperson				X	
Luca Bassi	Director	Member		Member			
Francesco Casiraghi	Director	Member	Member				
Elisa Corghi <sup>1)</sup>	Director		Chairperson	Member	Chairperson		X
Simone Cucchetti	Director	Member					
Federico Ghizzoni	Director						
Maurizio Mussi	Director						
Jeffrey David Paduch	Director	Member					
Antonio Patuelli	Director				Member		X
Marinella Soldi	Director		Member	Chairperson	Member		X
Luisa Torchia	Director						X

(1) Elisa Corghi took over from Luisa Torchia on March 6, 2020

31/12/19	Role in the BoD	Strategic Committee	Control, Risk and Sustainability Committee	Remuneration and Appointments Committee	Related Party Committee	Chief Executive Officer	Independent Director
Michaela Castelli	Chairperson	Member					
	Vice-						
Giuseppe Capponcelli	Chairperson	Member					
Paolo Bertoluzzo	Director	Chairperson				X	
Luca Bassi	Director	Member		Member			
Francesco Casiraghi	Director	Member	Member				
Elisa Corghi	Director		Chairperson	Member	Chairperson		X
Simone Cucchetti	Director	Member					
Federico Ghizzoni	Director						
Maurizio Mussi	Director						
Jeffrey David Paduch	Director	Member					
Antonio Patuelli	Director				Member		X
Marinella Soldi	Director		Member	Chairperson	Member		X
Luisa Torchia	Director						X

There were no changes in the composition of the Board of Directors compared to 2019. On the other hand, the number of independent directors increased from four to five. In 2020, the Chairperson of the Board of Directors was among the independent directors in accordance with the Corporate Governance Code of listed companies 2020, recommendation no. 7.

Composition of the BoD and Internal Board Committees by gender	31/12/2020					31/12/2019				
	"Women no."	"Women %"	"Men no."	"Men %"	"Total no."	"Women no."	"Women %"	"Men no."	"Men %"	"Total no."
Board of Directors	4	31%	9	69%	13	4	31%	9	69%	13
Strategic Committee	1	14%	6	86%	7	1	14%	6	86%	7
Controls, Risk and Sustainability Committee	2	67%	1	33%	3	2	67%	1	33%	3
Remuneration and Appointments Committee	2	67%	1	33%	3	2	67%	1	33%	3
Related Party Committee	2	67%	1	33%	3	2	67%	1	33%	3

Composition of the Board of Directors and Internal Board Committees by age group	31/12/2020					31/12/2019				
	"30-50 no."	"30-50 %"	">50 no."	">50 %"	"Total no."	"30-50 no."	"30-50 %"	">50 no."	">50 %"	"Total no."
Board of Directors	7	54%	6	46%	13	7	54%	6	46%	13
Strategic Committee	5	71%	2	29%	7	5	71%	2	29%	7
Controls, Risk and Sustainability Committee	2	67%	1	33%	3	2	67%	1	33%	3
Remuneration and Appointments Committee	2	67%	1	33%	3	1	33%	2	67%	3
Related Party Committee	1	33%	2	67%	3	-	0%	3	100%	3

## 205- 2 "COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES"

Employees trained on anti-corruption procedures by professional category	2020		2019	
	Number	%	Number	%
Executives	35	37%	28	29%
Managers	492	70%	327	51%
Remaining employees	823	69%	740	62%
<b>Total</b>	<b>1,350</b>	<b>68%</b>	<b>1,095</b>	<b>57%</b>

Training does not include suppliers or business partners.

The trend related to this type of training is improving thanks to the focus on achieving increasingly higher compliance objectives and constant performance monitoring.

Anti-corruption training for the governing bodies is planned for the year 2021. A specific session was held in 2019.

## 419- 1 "NON-COMPLIANCE WITH LAWS AND REGULATIONS IN THE SOCIAL AND ECONOMIC AREA"

Total number of lawsuits brought by Group employees	31/12/2020
	Number
Illegal labour contracts	5
Dismissal appeal	4
Appeal for the sale of the former Basilichi operation branch	3
Unlawfulness of fixed-term contract	1
Other	4
<b>Total</b>	<b>13</b>

In 2020, 13 cases were notified for violation of labour laws; of these, five were closed. During the same year, 20 cases started in 2019 were closed.

## RESPONSIBILITY TOWARDS PEOPLE

### GRI 102-8 “INFORMATION ON EMPLOYEES AND OTHER WORKERS”

	31/12/20			31/12/19		
	Men	Women	Total	Men	Women	Total
<b>Total workforce by gender (no.)</b>						
<b>Employees</b>	<b>1,053</b>	<b>937</b>	<b>1,990</b>	<b>1,033</b>	<b>896</b>	<b>1,929</b>
<b>Other collaborators</b>	<b>25</b>	<b>25</b>	<b>50</b>	<b>28</b>	<b>20</b>	<b>48</b>
- of which internships	17	17	34	6	4	10
- of which temporary contracts	4	6	10	17	16	33
- of which collaboration contracts	4	2	6	5	-	5
<b>Total</b>	<b>1,078</b>	<b>962</b>	<b>2,040</b>	<b>1,061</b>	<b>916</b>	<b>1,977</b>

	31/12/20			31/12/19		
	Men	Women	Total	Men	Women	Total
<b>Employees by type of employment (no.)</b>						
Full-time	1,027	609	1,636	1,010	575	1,585
Part-time	26	328	354	23	321	344
<b>Total</b>	<b>1,053</b>	<b>937</b>	<b>1,990</b>	<b>1,033</b>	<b>896</b>	<b>1,929</b>

	31/12/20			31/12/19		
	Men	Women	Total	Men	Women	Total
<b>Employees by type of contract and geographical area (no.)</b>						
<b>Milan</b>	<b>812</b>	<b>724</b>	<b>1,536</b>	<b>789</b>	<b>681</b>	<b>1,470</b>
Permanent	812	723	1,535	779	677	1,456
Temporary	-	1	1	10	4	14
<b>Florence</b>	<b>69</b>	<b>43</b>	<b>112</b>	<b>73</b>	<b>44</b>	<b>117</b>
Permanent	69	43	112	73	44	117
Temporary	-	-	-	-	-	-
<b>Rome</b>	<b>53</b>	<b>28</b>	<b>81</b>	<b>52</b>	<b>28</b>	<b>80</b>
Permanent	53	28	81	52	28	80
Temporary	-	-	-	-	-	-
<b>Bologna (Granarolo, Anzola)</b>	<b>45</b>	<b>29</b>	<b>74</b>	<b>46</b>	<b>29</b>	<b>75</b>
Permanent	45	29	74	46	29	75
Temporary	-	-	-	-	-	-
<b>Padua</b>	<b>40</b>	<b>43</b>	<b>83</b>	<b>40</b>	<b>42</b>	<b>82</b>
Permanent	40	43	83	40	42	82
Temporary	-	-	-	-	-	-
<b>Udine (Cividale)</b>	<b>17</b>	<b>59</b>	<b>76</b>	<b>17</b>	<b>61</b>	<b>78</b>
Permanent	17	59	76	17	61	78
Temporary	-	-	-	-	-	-
<b>Siena</b>	<b>17</b>	<b>11</b>	<b>28</b>	<b>16</b>	<b>11</b>	<b>27</b>
Permanent	17	11	28	16	11	27
Temporary	-	-	-	-	-	-
<b>Total</b>	<b>1,053</b>	<b>937</b>	<b>1,990</b>	<b>1,033</b>	<b>896</b>	<b>1,929</b>

**GRI 401-1 “NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER”**

Incoming and outgoing employees by gender (no.)	31/12/20			31/12/19		
	Men	Women	Total	Men	Women	Total
Incoming employees	87	97	<b>184</b>	259	180	<b>439</b>
Outgoing employees	70	66	<b>136</b>	62	32	<b>94</b>
<b>Total</b>	<b>17</b>	<b>31</b>	<b>48</b>	<b>197</b>	<b>148</b>	<b>345</b>

The number of entering employees includes new hires (76), reinstatements from corporate operations (31), intra-group secondments (77). The number of exiting employees includes those for termination (49), partial secondment and end of secondment (10), exiting secondments (77).

The data relating to the category “Entering employees” of 2019 includes the 315 employees (of which 187 men and 128 women) who entered following the company integrations of the former Basilichi Group and DEPObank that took place in 2018 with effect from 1 January 2019.

Employee hires and turnover rate by gender (%)	31/12/20			31/12/19		
	Men	Women	Total	Men	Women	Total
Incoming employees	8.3	10.4	<b>9.3</b>	25.1	20.1	<b>22.8</b>
Outgoing employees	6.7	7.0	<b>6.8</b>	6.0	3.6	<b>4.9</b>

Incoming and outgoing employees by age (no.)	31/12/20				31/12/19			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Employees entered	10	145	29	<b>184</b>	29	287	123	<b>439</b>
Employees exited	7	100	29	<b>136</b>	7	56	31	<b>94</b>

Employee hires and turnover rate by age (%)	31/12/20				31/12/19			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Employees entered	27.8	10.8	4.7	<b>9.2</b>	60.4	20.9	24.2	<b>22.8</b>
Employees exited	19.4	7.5	4.7	<b>6.8</b>	14.6	4.1	6.1	<b>4.9</b>

Incoming and outgoing employees by geographical area (no.)	31/12/20		31/12/19	
	Employees entered	Employees exited	Employees entered	Employees exited
Milan	181	121	165	79
Florence	1	4	118	4
Rome	1	9	30	3
Bologna (Granarolo, Anzola)	-	-	27	5
Padua	1	1	72	2
Udine (Cividale)	-	1	-	1
Siena	-	-	27	-
<b>Total</b>	<b>184</b>	<b>136</b>	<b>439</b>	<b>94</b>

Employee hires and turnover rate by geographic area (%)	31/12/20						
	Milan	Florence	Rome	Bologna (Granarolo, Anzola)	Padua	Udine (Cividale)	Siena
Employees entered	11.8	0.9	1.2	-	1.2	-	-
Employees exited	7.9	3.6	11.1	-	1.2	1.3	-
31/12/19							
Employees entered	11.2	101.0	37.5	36.0	87.8	-	100.0
Employees exited	5.4	3.4	3.8	6.7	2.4	1.3	-

The data for 2019 have been recalculated considering the total number of employees by geographic area.

### GRI 403-9 "WORK-RELATED INJURIES"

Injuries (no.)	31/12/20			31/12/19		
	Men	Women	Total	Men	Women	Total
- of which occurred to employees	-	1	1	2	1	3
- of which occurred to workers who are not employees, but whose work and/or workplace is under the control of the organisation	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>3</b>

Injury rates	31/12/20			31/12/19		
	Men	Women	Total	Men	Women	Total
Employees	-	0.78	0.34	1.30	0.75	1.05
Workers who are not employees, but whose work and/or workplace is under the control of the organisation	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>0.78</b>	<b>0.34</b>	<b>1.30</b>	<b>0.75</b>	<b>1.05</b>

The indicator was introduced by the new GRI reporting standard on occupational health and safety, which came into force in January 2021. Therefore, the above data differ from what was reported in the 2019 Statement in that the information was set according to the requirements of the standard previously in force, for which only two injuries at work were recorded.

The rates for 2020 have been calculated on all employees, without exclusion. The calculation was made according to the following formula "number of recordable injuries at work/ number of hours worked x 1,000,000 hours worked". The number of hours worked corresponding to the year 2020 is 2,953,958.

No hazards with serious consequences have been detected other than the hazards deriving from the risk of Covid-19 contagion (see the Health & Safety section).

In 2020, in continuity with 2019, there were no cases of injuries at work with serious consequences or fatal accidents.

**GRI 404-1 “AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE”**

Training hours by professional category and gender (no.)	31/12/20			31/12/19		
	Men	Women	Total	Men	Women	Total
Executives	2,099.0	592.1	<b>2,691.0</b>	1,917.2	523.0	<b>2,440.2</b>
Managers	14,860.9	10,034.5	<b>24,895.4</b>	18,231.3	9,293.0	<b>27,524.3</b>
Remaining employees	14,174.8	17,738.7	<b>31,913.6</b>	21,906.1	26,087.6	<b>47,993.8</b>
<b>Total</b>	<b>31,134.7</b>	<b>28,365.3</b>	<b>59,500.0</b>	<b>42,054.6</b>	<b>35,903.6</b>	<b>77,958.2</b>

Average hours of training by professional category and gender (no.)	31/12/20			31/12/19		
	Men	Women	Total	Men	Women	Total
Executives	27.6	32.9	<b>28.6</b>	25.2	27.5	<b>25.7</b>
Managers	33.0	40.6	<b>35.7</b>	43.8	41.9	<b>43.1</b>
Remaining employees	27.2	26.5	<b>26.8</b>	40.5	39.8	<b>40.1</b>
<b>Total</b>	<b>29.7</b>	<b>30.4</b>	<b>30.0</b>	<b>40.7</b>	<b>40.1</b>	<b>40.4</b>

The training data do not include the training hours carried out by the employees of Orbital Cultura Srl (seven employees). Overall data on hours of training provided are slightly lower than the previous year. 2020 was characterised by significant changes to the training plan that had initially been prepared, and to the reassessment of needs and training delivery methods due to the pandemic and the consequent remote working. Therefore, a significant effort was dedicated to the revision of plans, projects and budgets, as well as to an important Change Management path initiated in July 2020.

**GRI 404-3 “PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS”**

Employees involved in the PM system by professional category and gender 1 (%)	31/12/20			31/12/19		
	Men	Women	Total	Men	Women	Total
Executives	98.7	94.7	97.9	98.7	94.7	97.9
Managers	97.1	96	96.7	96.9	96.4	96.7
Remaining employees	96.8	95.4	96	96.7	97.7	97.2
<b>Total</b>	<b>97.1</b>	<b>95.5</b>	<b>96.3</b>	<b>96.9</b>	<b>97.3</b>	<b>97.1</b>

The data does not include Orbital Cultura Srl. All those present in the Performance Management process in the Dialogue and Development phase (March 2020) and in the Mid-Year Check phase (July-September 2020) were considered compared to the workforce at 31/12/2020. Those who did not have formal opportunities to participate are those who entered in the last quarter of 2020, as they were not part of the Performance Management system for 2021, or scholars/interns/temporary workers (not counted). The CEO is excluded from the data.

**GRI 405-1 “DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES”**

Employees by professional category and gender	31/12/20					31/12/19				
	"Men no."	"Women no."	"Total no."	"Men %"	"Women %"	"Men no."	"Women no."	"Total no."	"Men %"	"Women %"
Executives	76	19	95	3.8	1.0	76	19	95	3.9	1.0
Managers	451	247	698	22.7	12.4	416	222	638	21.6	11.5
Remaining employees	526	671	1,197	26.4	33.7	541	655	1,196	28.0	34.0
<b>Total</b>	<b>1,053</b>	<b>937</b>	<b>1,990</b>	<b>52.9</b>	<b>47.1</b>	<b>1,033</b>	<b>896</b>	<b>1,929</b>	<b>53.5</b>	<b>46.5</b>

Employees by professional category and age (no., %)	31/12/20							
	<30	30-50	>50	Total	<30	30-50	>50	Total
	no.				%			
Executives	-	59	36	95	-	3.0	1.8	4.8
Managers	7	448	243	698	0.3	22.5	12.2	35.0
Remaining employees	29	834	334	1,197	1.5	41.9	16.8	60.2
<b>Total</b>	<b>36</b>	<b>1,341</b>	<b>613</b>	<b>1,990</b>	<b>1.8</b>	<b>67.4</b>	<b>30.8</b>	<b>100</b>

Employees by professional category and age (no., %)	31/12/19							
	<30	30-50	>50	Total	<30	30-50	>50	Total
	no.				%			
Executives	-	58	37	95	-	3.0	1.9	4.9
Managers	11	421	206	638	0.6	21.8	10.7	33.1
Remaining employees	37	894	265	1,196	1.9	46.4	13.7	62.0
<b>Total</b>	<b>48</b>	<b>1,373</b>	<b>508</b>	<b>1,929</b>	<b>2.5</b>	<b>71.2</b>	<b>26.3</b>	<b>100.0</b>

Employees belonging to protected categories by gender	31/12/20					
	"Men no."	"Women no."	"Total no."	"Men %"	"Women %"	"Total %"
Employees with disabilities	39	38	77	2.0	1.9	3.9
Other types of employees classified as protected categories	2	7	9	0.1	0.4	0.5
<b>Total</b>	<b>41</b>	<b>45</b>	<b>86</b>	<b>2.1</b>	<b>2.3</b>	<b>4.4</b>

The information of "Employees belonging to protected categories by gender" is collected starting from 2020.

**GRI 405-2 “RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN”**

Salary and remuneration ratio of women to men by professional category	31/12/20		31/12/19	
	"Basic remuneration %"	"Remuneration %"	"Basic remuneration %"	"Remuneration %"
Executives	92,7	89,8	91,4	88,6
Managers	90,4	89,9	89,7	89,5
Remaining employees	91,8	92,0	93,3	89,6

The Managers category does not include the data of the CEO and his first reports. The basic remuneration corresponds to the GAR Base gross annual remuneration. The remuneration is calculated as remuneration plus any bonus/reward system. The data for 2019 relating to the Managers category were recalculated (the data reported in the 2019 NFS were 86.9% for basic remuneration, and 94.8% for remuneration)

## MODERNISATION AND PROGRESS OF THE COUNTRY

### MAIN STRATEGIC PARTNERSHIPS CONCLUDED IN 2020

The partnerships, signed with innovative companies recognised at European level, have allowed the Group to enrich the offer available to the customers of its Partner Banks.

All the initiatives were carried out with the aim of increasing the diffusion of payments in Italy thanks to the innovation and enrichment of the offer.

#### Federalberghi

- Confcommercio
- Storeden
- Farmakom
- Granarolo

#### Open Banking scope:

- Abaka
- Advice Robo
- Askdata
- Bankify
- Cred
- Credit Kudos
- Conio
- Datomize
- Ebury
- Experian
- Izicap
- Mambu
- Meniga
- Net Insurance Yolo
- Oper
- Plick
- Responsive
- PlugandPlay Italy
- LeVillage
- Cetif
- Talent Garden
- Microsoft
- Bain & Company
- Accenture

## GRI 102-13 “MEMBERSHIP OF ASSOCIATIONS”

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

<b>EDPIA - EUROPEAN DIGITAL PAYMENTS 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>ASSBB - ASSOCIATION FOR THE DEVELOPMENT 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 internationalisation 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 organisations 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.

## Other Nexi collaborations

<b>ABI LAB</b>	Research and Innovation Centre for the banking sector, promoted by ABI to promote collaboration between banks, companies and institutions in research and dissemination activities.
<b>CBI CONSORTIUM - CUSTOMER TO BUSINESS INTERACTION</b>	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
<b>CTC - CREDIT PROTECTION CONSORTIUM</b>	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.
<b>FEDUF - FOUNDATION FOR FINANCIAL EDUCATION AND SAVINGS</b>	Foundation that pursues purposes of social utility by promoting Financial Education, in the broader concept of education for conscious and active economic citizenship.
<b>CONFINDUSTRIA SERVIZI</b>	Federation of Industry Sectors that represents Innovative and Technological Services in Italy.
<b>CONSEL - ELIS CONSORTIUM</b>	Non-profit consortium and limited liability company that adheres to the ELIS Manifesto, founded on 9 April 1992 by STET, Italcementi, Ericsson and Cedel - ELIS educational social cooperative and expanded over the years
<b>MIP CONSORTIUM</b>	Business school of the Polytechnic Institute of Milan, engaged for over 40 years in the provision of managerial training programmes
<b>NETCOMM CONSORTIUM</b>	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.
<b>DIGITALLY SRL</b>	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.
<b>EACHA - EUROPEAN AUTOMATED CLEARING HOUSE ASSOCIATION</b>	Cooperation Forum of European ACHs. Currently composed of 26 institutions, it meets twice a year to discuss European developments in retail payments.
<b>ITALIAN ENVIRONMENT FUND - FAI</b>	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.
<b>HRC INTERNATIONAL ACADEMY SRL</b>	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.
<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.

## Donations

During 2020, Nexi actively participated in Solidarity and fundraising initiatives related to Covid-19, in particular through the fundraising entitled #uniticelafaremo in favour of the Covid-19 Fiera Milano Hospital, which led to the collection of one million euros.

Nexi supported Banco BPM in the implementation of the # Insiemestraordinari campaign for the creation of a donation portal, with the involvement of 12 NGOs present in the territory and selected directly by the bank.

A donation was made to the charity Banco Building which included abandoned furnishings from the former MePS offices for use in family homes, prisons and parishes.

During February 2020, 449 desktops and laptops were also donated to the Arma dei Carabinieri non-profit organisation. Various donations equal to approximately 90,000 euros.

## CUSTOMER CENTRICITY

### 103-2 "COMPLAINTS"

Number of complaints and main reasons	31/12/20		31/12/19	
	Complaints (no.)	% of the total	Complaints (no.)	% of the total
Dispute	4,763	51.9	4,433	59.3
MPS merchant acquiring contractual conditions	1,567	17.1	1,121	15.0
#iosì	1,304	14.2	152	2.0
Card services	304	3.3	497	6.7
Other	1,238	13.5	1,263	17.0
<b>Total</b>	<b>9,176</b>	<b>100</b>	<b>7,466</b>	<b>100.0</b>

Complaints outcome	31/12/20		31/12/19	
	Complaints (no.)	% of the total	Complaints (no.)	% of the total
Accepted	1,429	15.6	1,555	20.8
Not accepted	7,591	82.7	5,857	78.4
Processing	156	1.7	54	0.8
<b>Total</b>	<b>9,176</b>	<b>100.0</b>	<b>7,466</b>	<b>100.0</b>

During 2020, following the acquisition of Intesa Sanpaolo's Merchant Book, the perimeter for observing complaints expanded. In addition, the pandemic generated a series of effects, in particular for merchants, so the number of complaints for "Covid-19" (included in the "Other" reason and equal to no. 183) and for "dispute definition" (no. 4,763) exceeded that of 2019. In the issuing field, a unilateral modification of the contract which led to an increase in the cost of the loyalty programme from free to 3.6 euros/year provoked a reaction from customers, which motivated the increase in complaints for the "#iosì" cause.

The "Other" category mainly includes complaints for "POS activation and configuration" (no. 180, 2%), complaints on Covid-19 (no. 183, 2%).

## SUPPLY CHAIN

### GRI 204-1 “PROPORTION OF SPENDING ON LOCAL SUPPLIERS”

Proportion of spending on local suppliers %	31/12/20	31/12/19
Procurement budget spent on local suppliers (Italian)	94	93
Procurement budget spent on foreign suppliers	6	7
<b>Total</b>	<b>100</b>	<b>100</b>

## ENVIRONMENTAL PROTECTION

### GRI 301-1 “MATERIALS USED BY WEIGHT OR VOLUME”

Materials by type (tonnes)	31/12/20	31/12/19
Renewable materials used	6.9	27.9
Non-renewable materials used	181.9	46.9
<b>Total</b>	<b>188.8</b>	<b>74.8</b>

Compared to the data disclosed in the 2019 Statement, the following elements must be highlighted:

- The data for the renewable materials used was revised downwards (27.9 versus 181.5) due to changes in the methodology used for the estimate with reference to office paper (number of sheets printed vs amount of paper supplied)
- The 2020 data of the “Non-renewable materials used” category includes:
  - New categories of materials related to the payment card customisation process (printer cartridges and plastic envelopes used for sending the payment cards);
  - The Nexi Payments payment card data, not included in the 2019 disclosure.

**GRI 302-1 “ENERGY CONSUMPTION WITHIN THE ORGANISATION”****GRI 305-1 “DIRECT (SCOPE1) GHG EMISSIONS”****GRI 305-2 “ENERGY INDIRECT (SCOPE2) GHG EMISSIONS”**

Energy consumption	31/12/20	31/12/19
<b>Direct emissions - Scope 1 (tCO<sub>2</sub>e)</b>	<b>1,075.5</b>	<b>1,189.1</b>
<b>Total direct energy consumption (Gj)</b>	<b>17,635.3</b>	<b>21,363.1</b>
<b>-renewable (Gj)</b>	<b>1,011.8</b>	<b>846.6</b>
-of which self-produced photovoltaic energy (kWh)	281,052.0	235,153.0
-of which self-produced geothermal energy (kWh)	-	-
<b>- not renewable (Gj)</b>	<b>16,623.5</b>	<b>20,516.6</b>
-of which natural gas consumption (m <sup>3</sup> ) <sup>1</sup>	176,280.5	306,977.0
-of which diesel consumption for generators (litres) <sup>2</sup>	2,350.0	n,d,
-of which petrol consumption attributable to the company fleet (litres) <sup>3</sup>	9,845.7	6,323.3
-of which diesel consumption for company cars (litres) <sup>3</sup>	140,872.7	212,724.5
-of which additional company fleet consumption (estimate - l petrol) <sup>4</sup>	6,968.9	n,d,
-of which additional company fleet consumption (estimate - diesel) <sup>4</sup>	94,721.0	n,d,
<b>Indirect emissions - Scope 2 (tCO<sub>2</sub>e) (Location Based)<sup>5</sup></b>	<b>3,281.8</b>	<b>3,786.1</b>
<b>Indirect emissions - Scope 2 (tCO<sub>2</sub>e) (Market Based)<sup>5</sup></b>	<b>91.6</b>	<b>242.2</b>
<b>Total indirect energy (Gj)</b>	<b>40,105.4</b>	<b>43,613.5</b>
<b>-renewable (Gj)</b>	<b>38,564.8</b>	<b>40,836.6</b>
-of which electricity purchased from the grid covered by Guarantees of Origin for the Group offices (KWh) <sup>6</sup>	8,614,778.2	11,343,507.0
-of which electricity purchased from the grid covered by Guarantees of Origin for the activities of the Data Centres owned by the Group (KWh) <sup>7</sup>	2,097,668.8	
<b>- not renewable (Gj)</b>	<b>1,540.6</b>	<b>2,776.9</b>
-of which non-renewable electricity purchased from the grid (kWh)	-	346,532.0
-of which non-renewable electricity for plug-in hybrid car consumption (estimate kWh) <sup>8</sup>	8,046.6	n,d,
-of which district heating (KWh) <sup>9</sup>	243,090.0	245,760.0
-of which district cooling (KWh) <sup>9</sup>	176,800.0	179,060.0

n.d. = not disclosed

(1) The data for the months of January and February 2020 relating to the property of Corso Sempione 55 and 57 were estimated due to the unavailability of the data caused by the replacement of the supplier in the same months.

(2) The data related to the consumption of diesel fuel for generators was negligible in 2019. In 2020 it was opted to disclose this category, due to the increased use of said fuel.

(3) The data refer to the company cars of Meps and the company cars of the fleet of Nexi, Nexi Payments and Helpline provided with fuel cards. Diesel and petrol consumption is calculated based on an external report provided by the supplier ENI.

(4) The additional consumption of the company fleet refers to the share of company cars in the fleet of Nexi, Nexi Payments and Helpline not supplied with fuel cards. For these vehicles, an estimate was made of the consumption traced for the cars provided with fuel cards.

(5) It should be noted that the 2019 values relating to indirect Scope 2 Location Based and Market Based emissions have been recalculated with respect to what is reported in the 2019 Statement. The 2019 values had been overestimated due to the incorrect application of the conversion factors of non-renewable indirect energy of “district heating” (kg vs tonnes). The recalculated Scope 2 Location Based value is 3,786.1 tCO<sub>2</sub> versus the previous 78,501.1 tCO<sub>2</sub>, the recalculated Scope 2 Market Based value is 242.2 tCO<sub>2</sub> versus 74,961.2 tCO<sub>2</sub>.

The Scope 2 Location Based Emissions are calculated based on indirect consumption, using the Location-Based emission factors for Italy defined by the ABI Guidelines on the application in the Bank of the GRI Environmental Standards of 2020. The Scope 2 Market Based Emissions are calculated based on the percentage of renewable sources with certificate of origin declared by the supplier for the year 2020 - 100% for all offices and Data Centres - and the emission factors declared by the Association of Issuing Bodies for the Residual Mix of Italy.

(6) The December data for the Nexi Payments and Help Line offices of the Anzola (BO) and Cividale del Friuli (UD) offices have been estimated due to the unavailability of the final data at the moment of drafting this Statement. The estimate was made based on the trend of the same averages last year.

(7) The indirect energy value for 2020 was split in order to highlight the share of energy used to power the offices and the share of energy related to the activities of the four Data Centres owned by the Group. In 2019, instead, the energy consumption related to the Data Centres had been represented together with the consumption of the Group's offices in the category “renewable energy”, renamed “Electricity purchased from the network covered by Guarantees of Origin” in 2020. In particular, the values of the Data Centres refer to the Data Centres owned by the Group located in Pero and Settimo, Milan. The December 2020 consumption calculation for the Data Centre in Pero, Milan, was estimated due to the absence of final data at the moment of drafting this Statement.

Energy consumption related to the other Data Centres is reported in the indicator 302-2 "Energy consumption outside the organisation", as it relates to fully outsourced Data Centres - infrastructures, including servers, racks and network equipment not owned by the Group.

During 2020, the equipment previously located in the Mercury Payment Services, Nexi and partially Vicenza and Pont-Saint-Martin (AO) Data Centres that provided the services of the acquired companies Basilichi and Consorzio Triveneto were brought to Pero and Settimo, Milan. This generated a decrease in the share of energy dedicated to outsourced Data Centres, and a consequent increase in the share of energy consumed by the owned Data Centres.

(8) Data refers to six plug-in hybrid cars.

(9) In the 2019 Statement, the data on district cooling and district heating were reported in an aggregate manner. The 2019 data is re-proposed, unchanged in its total value, in relation to the two specific categories.

## GRI 302-2 "ENERGY CONSUMPTION OUTSIDE THE ORGANISATION"

## GRI 305-3 "INDIRECT (SCOPE3) GHG EMISSIONS"

	31/12/20	31/12/19
<b>Indirect emissions - Scope 3 (tCO<sub>2</sub>e)</b>	<b>1,247.3</b>	
<b>Of which produced from fuel and energy extraction and reprocessing (tCO<sub>2</sub>e)<sup>1</sup></b>	<b>837.3</b>	
<b>Of which produced from materials used (tCO<sub>2</sub>e)</b>	<b>331.4</b>	
Materials used by weight or volume (t) <sup>1</sup>	188.8	
<b>Of which produced by business travel (tCO<sub>2</sub>e)</b>	<b>72.4</b>	
- of which car (Km)	9,203	1,299,917
- of which train (Km)	582,636	3,626,487
- of which aircraft (Km)	246,714	1,430,890
<b>Of which produced from waste (tCO<sub>2</sub>e)</b>	<b>6.2</b>	
Waste by type and disposal method <sup>2</sup>	664.4	
<b>Of which produced by upstream leased assets (tCO<sub>2</sub>e)</b>	<b>n.s.</b>	
-of which electricity purchased from the network covered by Guarantees of Origin for the activities of fully outsourced Data Centres <sup>3</sup>	1,584,739.5	n.d.

n.s. = not significant

In 2019, only Scope 3 categories deriving from business travel had been reported

(1) The total materials used are also shown in the table for GRI indicator 301-1

(2) The total waste produced is also shown in the table for GRI indicator 306-2

(3) In 2020, for greater representation, the data of the energy consumed for the activities of the fully outsourced Data Centres is also reported. The data has been calculated according to the Market-based approach. The same data, calculated with the Location-based approach are equal to approximately 472.16 tCO<sub>2</sub>e.

### GRI 303-3 “WATER WITHDRAWAL BY SOURCE”

Sampling source/Water stress area Mega litres (Ml)	31/12/20
<b>Surface water</b>	-
<b>Groundwater</b>	<b>591.9</b>
-of which from areas with low water stress	590.3
-of which from areas with low - medium water stress	-
-of which from areas with medium - high water stress	-
-of which from areas of high water stress	-
-of which from areas with extremely high water stress	1.6
<b>Seawater</b>	-
<b>Water produced</b>	-
<b>Water resources of third parties</b>	<b>473.6</b>
-of which from areas with low water stress	32.2
-of which from areas with low - medium water stress	-
-of which from areas with medium - high water stress	2.6
-of which from areas of high water stress	-
-of which from areas with extremely high water stress	438.8
<b>Total</b>	<b>1,065.5</b>

Indicator 303-3 was introduced by the new GRI reporting standard on water and effluents, which came into force in January 2021. Therefore, the above data differ from what was reported in the 2019 Statement in that the information was reported according to the requirements of the standard previously in force, for which withdrawals of 49,927 m<sup>3</sup> were recorded, of which 33,392 m<sup>3</sup> from the aqueduct and 16,535 m<sup>3</sup> from surface water. Third-party water resources are mostly taken from groundwater (about 85%) and to a lesser extent from surface water (about 15%). This reconciliation was carried out based on the ISTAT study “Water census for civil use, Year 2018” based on the regions where Nexi is present.

The areas with water stress have been identified through the Aqueduct Water Risk Atlas. The water withdrawn by Nexi is fresh water used for sanitary purposes only. Therefore, analyses on the quality of distributed water can be consulted through the sites of the municipal administrations where Nexi is present.

For example, please refer to the Milano Blu site, which allows periodic monitoring of the quality of water distributed in the municipality of Milan.

For the Milanese offices of the company Nexi Payments in Via Livraghi, the withdrawals for November and December were estimated based on the bills of the previous reporting years, while for the offices of Nexi Payments and Help Line of Anzola (BO), Via Montefeltro 6A (MI), Monteriggioni (SI), and Mercury Payment Services located in Marcallo con Casone (MI), the relative withdrawals were estimated. This estimate was made based on the number of employees, working days, average daily consumption per capita of 50 lt/day and a reduction of 0.7 due to Covid-19 (Formula: no. of employees \* 50 lt/day \* 246 days \* 0.7).

### GRI 306-2 – “WASTE BY TYPE AND DISPOSAL METHOD”

Waste by type (tonnes)	31/12/2020	31/12/2019
<b>Total hazardous waste produced</b>	<b>11.3</b>	<b>4.2</b>
-of which destined for recovery	2.3	4.2
-of which destined for landfill	9.0	-
<b>Total non-hazardous waste produced</b>	<b>653.1</b>	<b>616.5</b>
-of which destined for recovery	653.1	616.0
-of which destined for landfill	-	0.4
<b>Total</b>	<b>664.4</b>	<b>620.6</b>

Waste identified as hazardous for the year 2019 (532.0 t) and waste identified as non-hazardous (89.0 t) were reclassified through a timely analysis of the European Waste Catalogue (EWC), which allowed them to be traced back to the appropriate categories. The data in the table for 2019 therefore show a lower impact of hazardous waste (4.2) on the total (about 1% versus about 85%).



# 12

---

AUDITORS' REPORT



## ***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*

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 performed a limited assurance engagement on the consolidated non-financial statement of Nexi SpA and its subsidiaries (hereafter the "Group" or "Nexi Group") for the year ended 31 December 2020 prepared in accordance with article 4 of the Decree and approved by the Board of Directors on 11 March 2021 (hereafter the "NFS").

### ***Responsibility of Management and those charged with Governance for the NFS***

The Directors are responsible for the preparation of the NFS in accordance with article 3 and 4 of the Decree and with the "GRI-Sustainability Reporting Standards" defined in 2016, and updated to 2019, (hereafter the "GRI Standards") identified by them as the reporting standards.

The Directors are responsible, in accordance with the law, for the implementation of internal controls necessary to ensure that the NFS is free from material misstatement, whether due to fraud or unintentional errors.

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.

---

#### ***PricewaterhouseCoopers SpA***

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311



### ***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 Italy 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 engagement in accordance with "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereafter "*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 ("reasonable assurance engagement")* 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 with company personnel responsible for the preparation of the information presented in the NFS, analysis of documents, recalculations and other procedures designed to obtain evidence considered useful.

In particular, 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 standards 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 that 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;
  - main 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 particular, we held meetings and interviews with the management of Nexi SpA and we performed limited analysis 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 holding 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 their 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 the subsidiary Mercury Payment Services SpA, which was selected on the basis of its activities and its contribution to the performance indicators at a consolidated level, we discussed with management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.



### ***Conclusions***

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Nexi Group as of 31 December 2020 has not been prepared, in all material respects, in compliance with articles 3 and 4 of the Decree and with the GRI Standards.

Milan, 6 April 2021

PricewaterhouseCoopers SpA

*Signed by*

Lia Lucilla Turri  
(Partner)

*Signed by*

Paolo Bersani  
(Authorised signatory)

*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 2020 translation.*



## Nexi SpA

Corso Sempione 55, 20149 Milan  
T. +39 02 3488.1 • F. +39 02 3488.4180

[www.nexi.it](http://www.nexi.it)

Milano, Monza Brianza and Lodi Registry of Companies, Tax Code 09489670969  
Representative of Nexi Vat Group - VAT n. 10542790968  
Register of Economic Activities (REA) Milano 2093618  
Share Capital € 57.070.707,00 fully paid in

Concept, Graphic design e realizzazione:



**MERCURIO**<sub>GP</sub>

[www.mercuriogp.eu](http://www.mercuriogp.eu)

nexi

