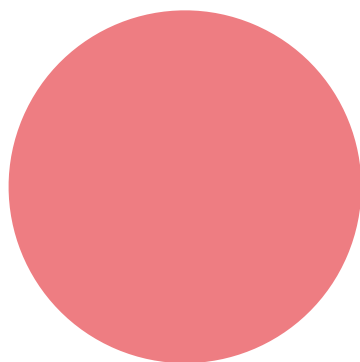
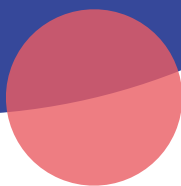


The logo for nexi, featuring the word "nexi" in a white, lowercase, sans-serif font.

2023

CONSOLIDATED
NON-FINANCIAL
STATEMENT



Issuer: Nexi S.p.A.

www.nexigroup.com

Approved by the Board of Directors on 6 March, 2024

PREPARED PURSUANT TO ITALIAN LEGISLATIVE DECREE NO. 254 OF 30 DECEMBER 2016

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

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2023 AT A GLANCE

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LETTER TO STAKEHOLDERS

Dear readers,

In recent years Nexi Group has continuously strengthen its business model, thanks also to the merger of Nets in 2021 and the incorporation of SIA in 2022, which combined extraordinary resources and skills in the field of digital technology and innovation.

Nexi's path is directed towards maintaining its role as PayTech leader in Europe with its widespread geographical presence and technological capacity. Nexi is positioning itself to be a driver of digital change in Europe, as well as a reliable partner of banks, citizens, businesses and public administration, in a path of progressive digitalisation of payments.

In fulfilling this commitment, Nexi promotes social progress and environmental sustainability thanks to the contribution offered by technological innovation and digitalisation, as the engine of progress. Nexi Group also continues to reaffirm its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment, and Anti-Corruption.

The past two years have been challenging in many respects due to international tensions. The knock-on effects produced by the conflict in Ukraine were added to an already complex post-pandemic context, with the growth of energy prices and the start of inflationary dynamics. More recently, the ever-worsening tensions in the Middle East and the Gulf area provide a glimpse of the consequences in the global political and commercial balances in the medium and long term. As a European provider of primary services and infrastructures, Nexi activated numerous initiatives towards customers and further consolidated the internal tools and safeguards to guarantee the usual standards of service and safety for citizens, businesses, and public administration, in full compliance with the rules defined internationally.



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

Despite the continuation of an uncertain macroeconomic situation, the Group's strong positioning has allowed a solid economic performance, benefiting from the synergies developed, the geographical diversification and the presence in interesting markets with great growth potential. Nexi thus continued to play a key role for the communities and the territories served, ensuring the Group's public utility services with continuity and effectiveness. In this context, Nexi has confirmed its commitment to developing strategic partnerships, capable of strengthening the digitalisation of small businesses.

The Group is also committed to its employees. Every day more than 10,500 highly qualified people work together at Nexi: we thank each of them for their contribution to achieving the Group's ambitions. Thanks to the extraordinary combination of cultures, perspectives, and skills - and the passion and energy of its people - Nexi is able to put customers at the centre of its daily actions and guide the future of payments in the countries and geographical areas which it operates.

During 2023, the Group also continued to strengthen its sustainability strategy, which represents one of the key themes of the industrial plan. This strategy is based on six pillars, which each include different objectives, such as climate Net Zero by 2040, or the further promotion of diversity, equity, and inclusion to be achieved through specific initiatives and the development of communities of employees. This area also includes the educational commitment regarding the digitalisation of payment services, to promote the financial inclusion of different segments of the population. Likewise, the Group is active on the data and information security front, raising awareness among its customers and end-users of the threats of the virtual world and the actions to be taken to mitigate the risk of fraud.

Nexi Group has also updated and made its sustainability objectives more ambitious, confirming its commitment to becoming Net Zero by 2040 through a 90% reduction in absolute Scope 1, 2 and 3 greenhouse gas emissions and the forecast of intermediate targets in line with the 1.5 °C scenario of the Paris Agreement, confirmed by the Science Based Target Initiative. In December 2023, Nexi became part of the Dow Jones Sustainability World Index (DJSI World) and the Dow Jones Sustainability Index Europe, confirming itself at the top of global sustainability for its industrial sector.

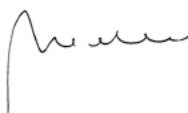
The following pages describe, in greater detail, the journey of the last twelve months, which has witnessed Nexi achieving important results regarding sustainability. Our commitment for 2024 is to further support the process of digitalisation of payments in Italy and Europe and to consolidate our role as a leading PayTech by strengthening our capacity to improve sustainability actions, measurements and reporting even more.

Enjoy the reading!

L'Amministratore Delegato
Paolo Bertoluzzo



Il Presidente
Michaela Castelli



2. READER'S GUIDE

The objective of Nexi Group's Consolidated Non-Financial Statement (hereinafter also referred to as the "document"), drafted pursuant to Articles 3 and 4 of Legislative Decree 254/2016, is to present stakeholders with an overview of the policies and procedures, activities and initiatives and projects implemented or confirmed during 2023 with reference to the main issues concerning environmental, social, and economic sustainability.

The document opens with the Letter to stakeholders, a statement from the Group Chair and the CEO addressed to all stakeholders. This is followed by the executive summary, which provides a brief overview on the Group's performance during 2023 and a snapshot of the main achievements and commitments undertaken.

The first chapter outlines Nexi Group's business model and mission, alongside a synopsis regarding the Group's response to the socio-economic environment.

The second chapter illustrates the Group's approach to incorporate sustainability into its operations, its ESG strategy and governance and summary results after the first-year implementation, the ratings obtained, the main stakeholder engagement initiatives, and the Group's materiality analysis.

The third chapter provides an overall analysis of Nexi Group's commitment to environmental protection and the fight against climate change, addressing the management of the Group's properties, employee's mobility, the definition of decarbonization targets and the process of responsible consumption. In addition, the chapter fulfills the mandatory disclosure according to the European Taxonomy Regulation for Environmentally Sustainable Business Activities (Reg. (EU) 2020/852).

The fourth chapter highlights the Group's commitment to valuing its people, whose capabilities represent the foundation of the Group's business. The centrality of our customers is also addressed in this chapter: customer satisfaction, complaints management and data security represent, together with the contribution to digitalisation; the founding principles of the Group's operations.

The fifth chapter illustrates the Group's engagement towards responsible business, with a deep-dive into its Risk Management System, the Internal Control System, the Group's ethics foundations and responsible supply chain management.

In chapter six, the Group's performance is reported through specific non-financial indicators, linked to the topics identified as material. These indicators correspond mainly to the GRI (Global Reporting Initiative) Standards, which ensure transparent and comparable disclosure of data and information.

The last two sections contain, respectively, the report drafted in line with the recommendations of the Task Force on Climate-related Financial Disclosures on the disclosure of transparent and comprehensive information on climate change-related risks and opportunities (also available as a separate document on the Group's website), and the methodology and Scope of the reporting section.

3. EXECUTIVE SUMMARY

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

Market leader in digital payment solutions, Nexi Group aims to change the way people and businesses pay every day to simplify citizens' lives, foster business development, improve the efficiency of Public Administration, and support the digital inclusion and development of the territories in which Nexi Group companies operate. Behind this, there is the constant support of a team of over 10,500 people and approximately EUR 395 million invested annually in IT & Innovation.

Nexi Group strongly believes in the social, environmental, and economic impacts that digitalisation can have in Europe and around the world. Hence, the Group cares and protects about every aspect related to sustainability every day.

Digital payments and the cash less transition contribute to society's progress according to ESG principles. As a Group, Nexi is committed to supporting this evolution, managing its day-to-day activities by adopting principles of business ethics, anti-corruption, and transparency. As a result, during 2023, there were no incidents of corruption, no legal actions regarding competitive behavior/antitrust violations/monopoly episodes, and no incidents of non-compliance regarding marketing communications. In line with these values, already since 2019, Nexi has been working to establish a solid ESG foundation, with the formalization of the Group's Sustainability Policy in 2020, which outlines the principles that the Group pursues and promotes, further strengthened by participation in the UN Global Compact since 2022. Nexi Group's ESG path was further strengthened thanks to establishment of the Group's ESG strategy for the period 2023-2025, which is one of the pillars of the strategic plan approved by the Board of Directors and communicated during the Capital Market Day in September 2022 and is also consistent with the results of the Group's first consolidated Materiality Matrix.

Despite the critical nature of the international scenario, Nexi has guaranteed the continuity of its services and confirmed its commitment to enhancing the value of its people (134,623 hours of trainings provided in 2023) and welfare programmes, as well as its customers, by monitoring the degree of satisfaction (Net Promoter Score increased by 2.2 compared to 2022), managing complaints and protecting data security. In 2023, 37% of new employees are under 30 years old and 43% of employees are women.

The Group also has a Human Rights Statement and a Corporate Bodies Diversity Policy and counted zero incidents of discrimination in 2023.

Strong attention is also paid to the environment and the fight against climate change, through responsible management of real estate and data centres, promotion of green mobility for employees, analysis of climate risks and setting decarbonization targets, recognized by the Science Based Target Initiative. The Group confirmed its CDP Leadership Level, with a result of 'A-', and was included in the S&P Global Sustainability Yearbook for the third consecutive year. Nexi also updated and made its sustainability targets more ambitious, reinforcing its commitment to reduce CO2 emissions, becoming Net Zero by 2040, 10 years ahead of its international commitments under the Paris Agreement. In November 2022, Nexi launched Planet Care, the new sustainability-oriented service linked to Nexi cards, which raises awareness among citizens to adopt a more conscious and environmentally friendly approach to consumption, offering them the opportunity to contribute to the preservation of the planet. Planet Care allows Nexi cardholders to be informed about the impact their purchases have on the environment and to actively collaborate in reducing that impact. In addition, Nexi has continued its efforts to improve responsible supply chain management, a factor of strategic importance in ensuring the high quality of products and services and respect for and adherence to the Group's principles.

Nexi Group spreads a digital culture and promotes digital inclusion among its employees and the surrounding communities through campaigns to foster the company's transformation into a cashless society. Several projects were implemented in 2023, supporting private customers, merchants, and the Public Administration in their daily activities. The Group's activities support the main sectors of the economic scenario, facilitating transactions for all stakeholders, and ensuring equal access to financial products for all populations and minorities.

4. 2023 SNAPSHOT



Ambition

We want to shape the way People pay and Businesses accept payments, **by offering to our customers the most innovative and reliable solutions**, thanks to our scale and the competence and energy of our people.
We will drive the transition to a cashless Europe by making every payment digital because it is simpler, faster, and safer for everyone.



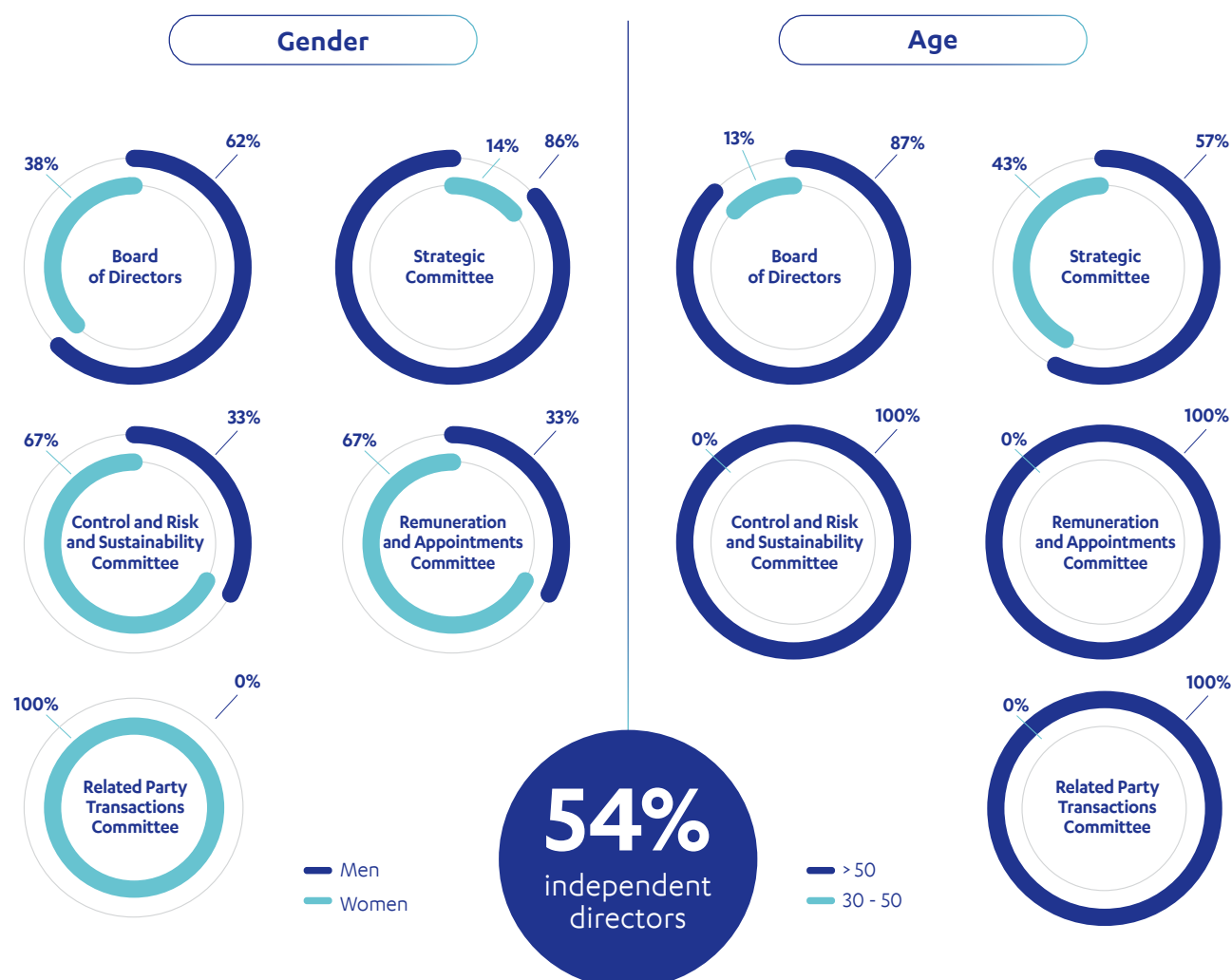
Purpose

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



Governance

Board of Directors and Committees composition



SOCIAL PROGRESS, DIGITISATION AND INCLUSION

Support **SMEs** and **micro businesses** digitisation

Launch of new digital proposition **SoftPOS**



Progress 2023

139k

Digital propositions sold for SMEs and micro-businesses



Target 2025

400k

of digital proposition sales

1

SECURITY AND TRUST

Guarantee **perfect security** and **service continuity**



Progress 2023

99,99%

% of guaranteed service continuity across the Group



Target 2025

99,99%

% of guaranteed service continuity

2

SUSTAINABLE PRODUCTS AND SUPPLY CHAIN

Improve **eco-friendly** design of products



Progress 2023

11%

Card with oceanic/ recycled pvc launched in 2023



Target 2025

≥50%

% of green cards issued

3

DECARBONIZATION

Achieve **Net Zero** by 2040



Progress 2023

Group Net Zero 2040 and near-and-long term targets approved by SBTi



Target 2025

GROUP NET ZERO 2040

and interim targets approved by SBTi

4

TALENT DEVELOPMENT AND DE&I

Ensure **proper gender / minorities representation** and **inclusion**



Progress 2023

+1,5%
(29,5% in 2023)



Target 2025

+1p.p./YEAR

Share of women in managerial positions

5

GOVERNANCE

Adopt a **best-in-class governance** to achieve our ESG targets



Progress 2023

10% weight of ESG objectives LTI 2023-25



Target 2025

≥10%

Weight of ESG targets in executives' LTI

6



Nexi as a responsible and transparent operator in the market



zero incidents of corruption



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



zero incidents of non-compliance regarding marketing communications



zero incidents of discrimination

People in Nexi

10,580
TOTAL EMPLOYEES

of which **57%**  **43%** 

 **PERMANENT CONTRACTS**

 **TEMPORARY CONTRACTS**

NORDICS  **2,252**  **61**

 **1,418**  **895**

2,313 TOTAL

DACH  **1,671**  **76**

 **1,067**  **680**

1,747 TOTAL

1,254

New employees in 2023
of < 30 years
37%

NET PROMOTER SCORE

17.5 which corresponds to 2.2 above the target 2023



100% NPS rollout in all relevant geographies

ITALY  **3,869**  **31**

 **2,342**  **1,558**

3,900 TOTAL



SOUTH AFRICA

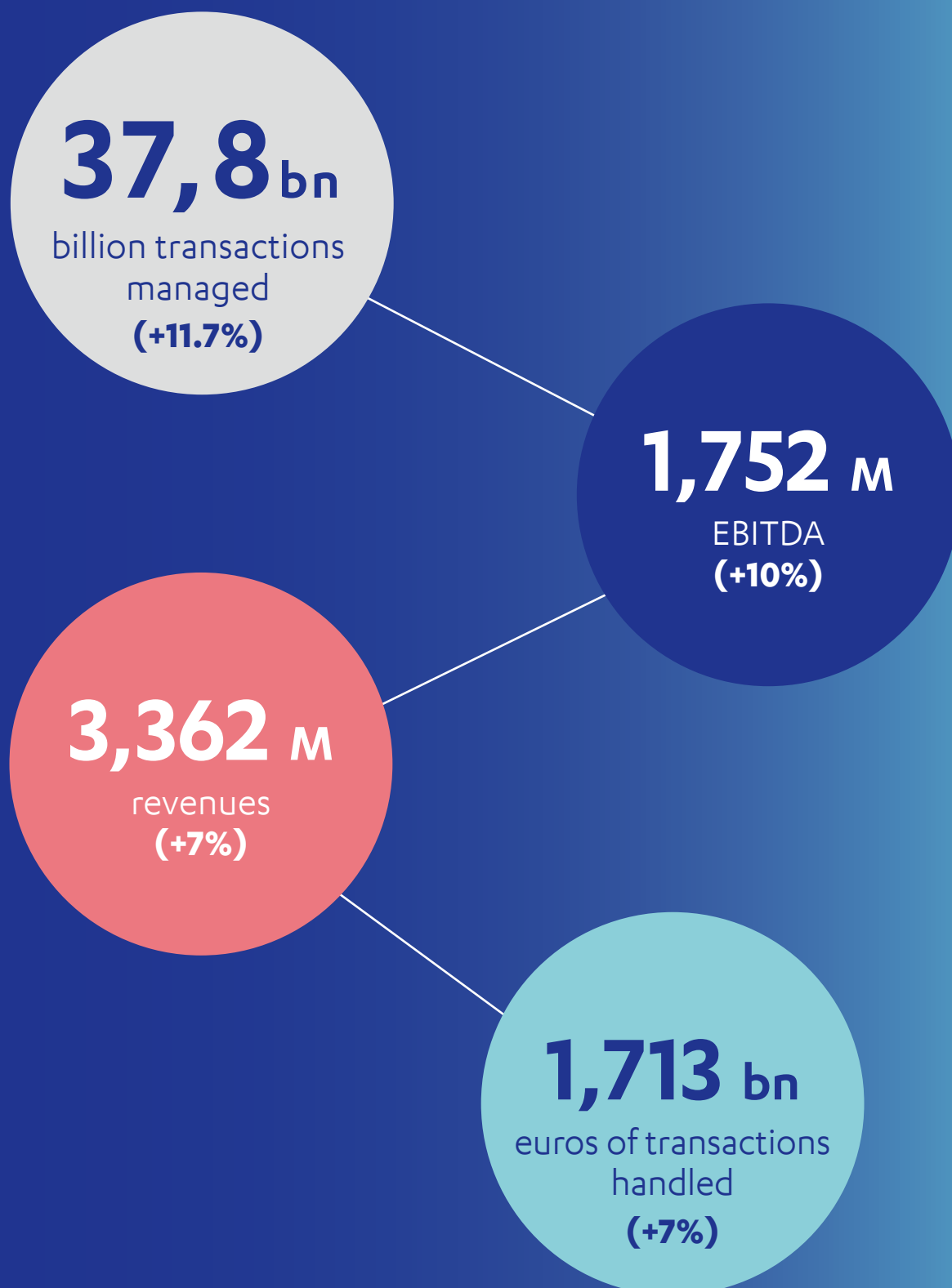
CSEE  **2,381**  **239**

 **1,228**  **1,392**

2,620 TOTAL



Economic results

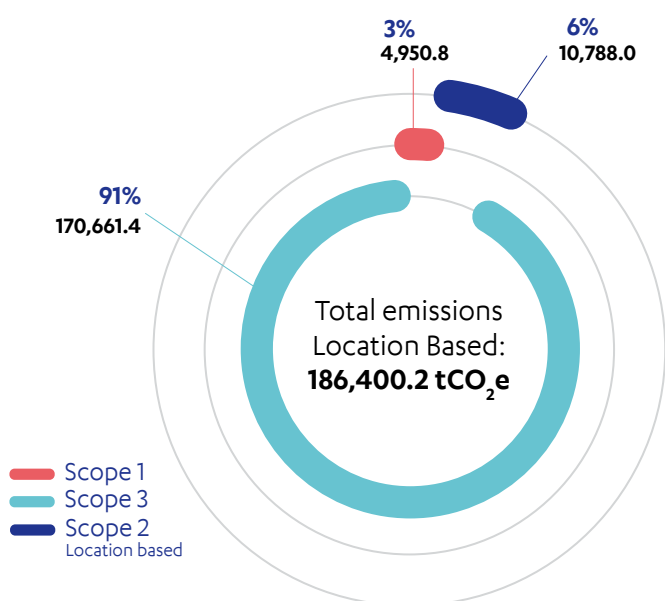


Please note: the changes indicated above were calculated on a yearly basis. Revenue and EBITDA are shown on a pro-forma basis.

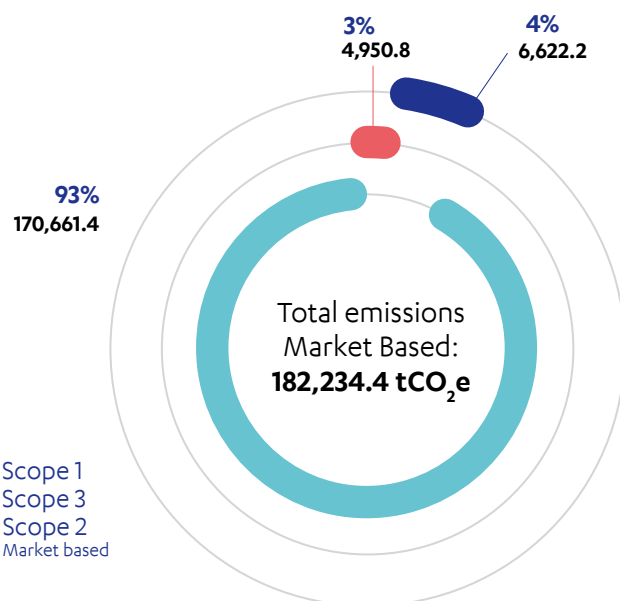


Environmental Commitment

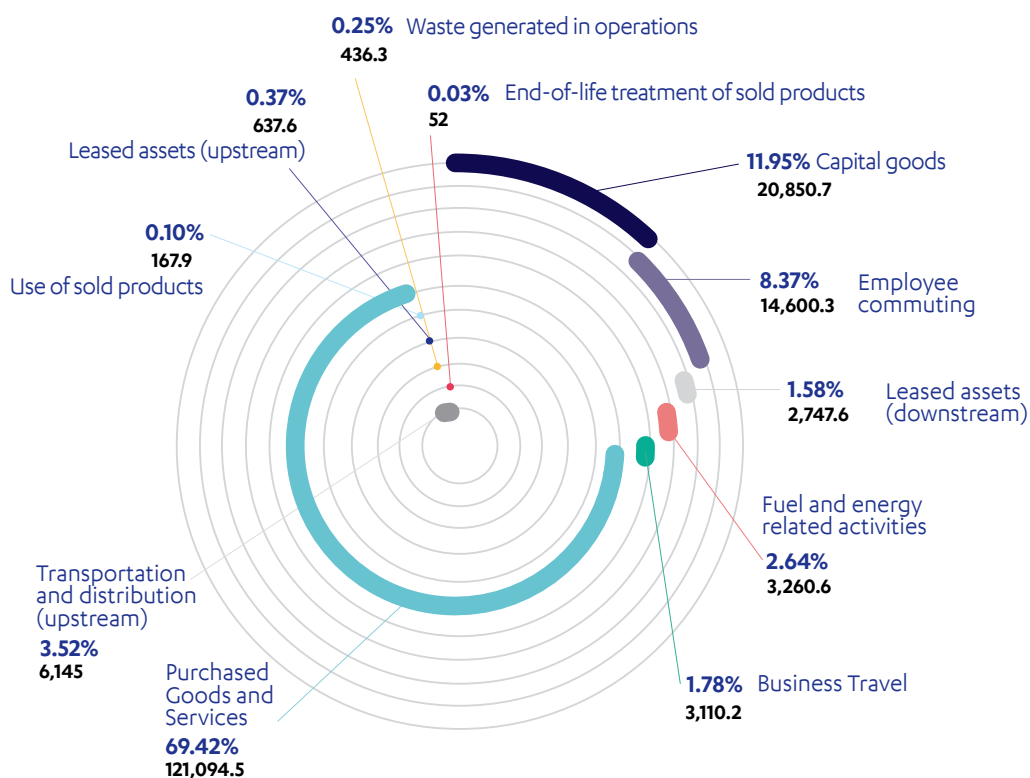
LOCATION BASED



MARKET BASED



SCOPE 3 BY CATEGORY



Definition and approval of Group wide near-and-long term decarbonization targets and of a net zero emissions objective by 2040.

**NEXI
GROUP**



1

1.1	Group Overview and business model	19
1.2	Our response to the socioeconomic context	23

1.1 GROUP OVERVIEW AND BUSINESS MODEL

Nexi Group is the European PayTech providing simple, fast, and secure payment solutions to individuals, businesses, financial institutions, and the public administration. With its size, capabilities, and territorial presence, Nexi Group embarked on a journey to become the market's leader in the near future.

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

In 2023, an organisational model was implemented. The model defined the new organisation of the Nexi Group by structuring it into:

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

The new structure is designed to operate as follows:

- the Business Units (**Merchant Solutions, eCommerce, Issuing Solutions, Digital Banking Solutions**) promote internationality, economies of scale and innovation;
- the Group Support Functions (Group Corporate and External Affairs & ESG, Finance, Strategy & Transformation HR, IT, Operations Transformation, Group Risk Management, Group Audit), enable centralized exploitation of scale advantages in technology, processing platforms, digital, operations, talent/skills through investment and process standardization;
- the Region Units (**Italy, Nordics, Dach, CSEE**) ensure a strong local drive to ensure proximity to customers and people, maximising growth opportunities and people involvement.

The Business Units

Merchant Services & Solutions

The Merchant Solutions Business Unit offers solutions for the acceptance of digital payments, for the management of POS payment terminals, for the acceptance of acquiring flows (i.e., acceptance of payments via cards or other digital instruments belonging to credit or debit circuits) and for customer care activities. This portfolio of offerings, realized in collaboration with partner banks, makes it possible to respond to the needs of all types of businesses: from retail-to-retail chains to supporting merchants for both physical and digital payments.

eCommerce

The eCommerce Business Unit aims to achieve mid-market leadership through single modular solutions with local integrations, local front ends with a single pan-European integration layer and a stronger local support and go-to-market model.

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

Issuing solutions

The Issuing Solutions Business Unit focuses on acquiring new banking customers on digital processing across Europe by exploiting the agility and efficiency of innovation platforms; on winning over companies/FinTech and medium/small banks through Payments-as-a-Service propositions; Upsell; on the modular VAS proposition based on banks' customers; in the Payments-as-a-Service proposition for medium/small banks.

Digital Banking Solutions

The main objectives of the Digital Banking Solution Business Unit were identified in the sale of integrated B2B payment and collection solutions for corporates and PA; promotion of the growth of instant and account-to-account payments across Europe; on sales/partnership in non-strategic activities.

Group Support Functions

Group Support Functions are responsible for: promoting the execution and transformation of the 'One Organisation' model; promoting capital allocation and talent development across BUs and Regions/Countries; ensuring the progressive standardisation of key processes and tools; ensuring Group Governance, ensuring effective risk and compliance management.

Finally, the 'local' aspect of the new organisation is represented by the individual countries. To optimise and create synergies, a regional management level was defined to coordinate and guide the efforts of the country teams. The countries were grouped according to criteria such as: relative business relevance for the Group, specificity in the payment landscape, commonalities between the countries, shared technology platforms and competitive landscape. Coordination between the Regions/Countries and Business Units takes place through corporate governance that allows the leaders of each Region, Business Unit or Function to discuss together the most critical issues and find common solutions.

The new Legal Entities were also onboarded according to the criteria described above, and the new companies have seen and continue to see organisational adjustments according to the Group's overall objectives.

The organisational structure of Nexi Group

In line with its expansion plan, 2023 was characterized by a set of strategic transactions, minor mergers and acquisitions that contributed to transform even more the Group's corporate structure.

At the beginning of 2023, Nexi Croatia has been registered as a payment institution and Orderbird acquired Split Tech solutions GmbH. The Group has as well as the signed other agreements for additional acquisitions throughout the year. In March, QRTAG was acquired and held for a 45% from Centrum Rozliczen Elektronicznych Polskie ePlanostici. June 2023 was an active month in terms of both acquisitions and closing of companies:

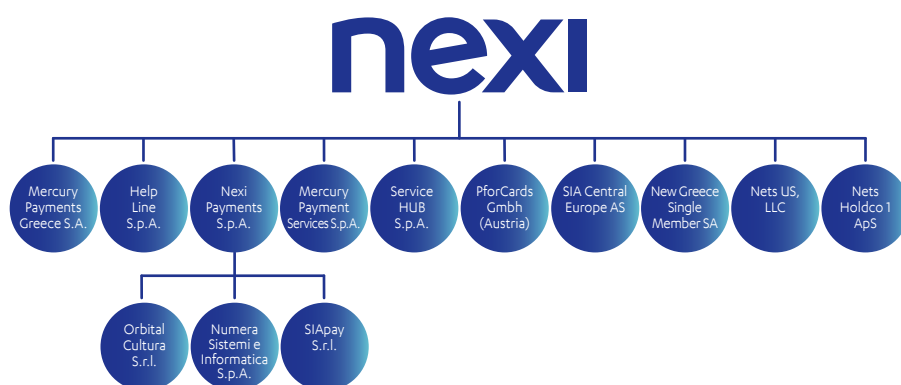
- Purchase EW Pricing by WEAT, which holds 40%
- Closing of SIA Romania Payments Technologies
- Merger of Storebox into Nets Denmark
- Closure of Us Ilc NETS
- Acquisition of 30% of Computop (and its subsidiaries) by Concardis Holding GmbH

Summertime has witnessed two mergers. More specifically, Gliss wireless merger with Orderbird GMBH (Germany) and merger of e Split Tech solution with Orderbird GMBH (Germany).

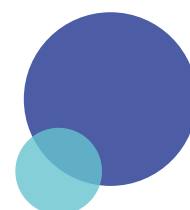
Throughout the whole year up until September 2023 the Group followed a rebranding phase of various legal entities within all the three regions. More specially:

Former name	Rebranded name
SIA Central Europe	NEXI Central Europe
SIA Czech Republic s.r.o.	Nexi Czech Republic s.r.o.
SIA RS	Nexi RS
SIA Central Europe	Nexi Central Europe
Orderbird GmbH (Austria)	Orderbird at GmbH
Poplatek Oy	Nexi Digital Finland Oy
Nets CEE Slovenia	NEXI Slovenia Ltd
Concardis Holding GmbH	Nexi Germany Holding GmbH
Concardis GmbH	Nexi Germany GmbH
CPG Sales GmbH	Nexi Germany Sales GmbH
Concardis Austria GmbH	Nexi Austria GmbH
Nets Schweiz AG	Nexi Schweiz AG

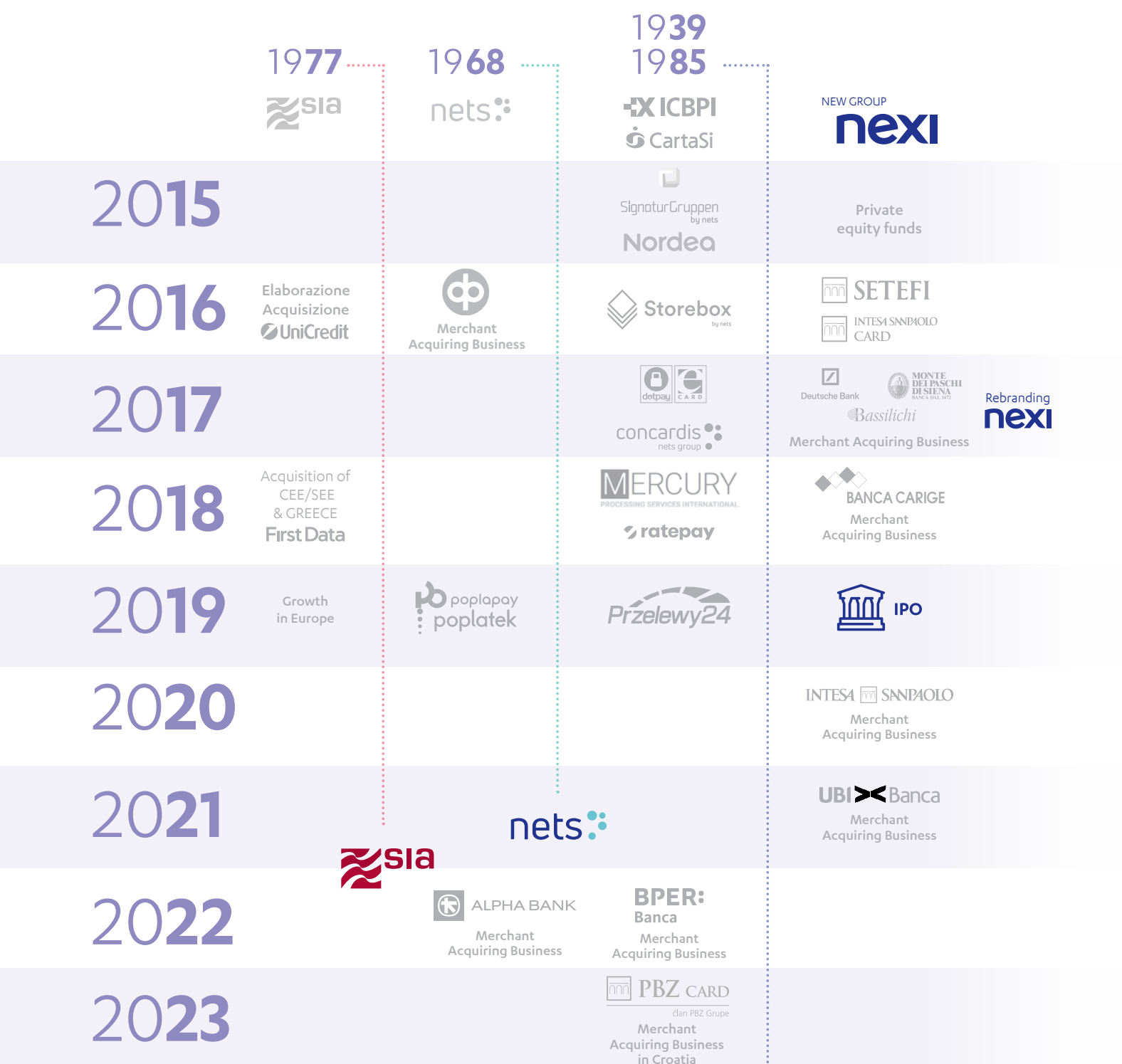
The last months of the year have been characterized by further additions. In November the Group membership status has been updated alongside AB selling half of its shares to NEPTUNE BC (each with 2,01%) and a change in percentage of GIC from 2,12% to 2,58%. Towards the closing of the year Topcard was settled, Digital Commerce Finland Oy, 16,67% owned by Paytrail was added and the new legal entity Nassa Topco AS Trust Services was created.



For more details on the changes in the Group's organisational structures that occurred in 2023, see the Financial Report, available at www.nexigroup.com



THE LEADING PAYTECH, EUROPEAN BY SCALE, LOCAL BY NATURE



1.2 OUR RESPONSE TO THE SOCIOECONOMIC CONTEXT

The “polycrisis” characterizing our times

Impacts on business trends during 2023

The historical phase that characterized the closure of 2023 and the beginning of 2024 is portrayed by a new evolution of the so-called period of “polycrisis”, that is, the succession of the various shocks that have affected the world and the European economy since the pandemic of 2020. The cost-driven spillover from post-Covid raw materials' excess demand and the deflagration of the conflict in Ukraine compounded by the liquidity surplus created by central banks' expansionary policies, led to an inflationary surge. The consequences of these actions have spread widely throughout 2023 on the distribution of real incomes, testing central banks' ability to react, aimed at maintaining the balance between price stabilization and expansion. In the next phase, we observe a recurrence of some previous challenges, albeit with diminished intensity in the raw materials and energy sectors. Concurrently, there's a slight deceleration in the growth of household incomes, attributed to stable employment rates and equitable wage growth. This situation, particularly reflected in the inflation rates and GDP figures of early 2024, indicates a potential "soft landing" scenario. This implies that the global economy might be able to ease monetary and fiscal policies gradually, initiating a recovery phase without descending into recessionary conditions. In this context, however, the socioeconomic dimensions will assume additional elements of uncertainty that will reignite the international inflation spiral. The potential enlargement of the war in the Middle East, the exacerbation of the difficulties of maritime transport, the still unclear effects of Nino on agricultural crops in the south of the world, they could become potentially decisive elements in this regard. Moreover, the electoral cycles in Taiwan and the USA could significantly influence the situation. On one side, there's the potential for increased tensions with the Chinese government, and on the other, implications for the ongoing conflict in Ukraine. These political events may further complicate the global landscape. The uncertainty surrounding this mid-term phase is what causes a general stalemate in the world economies, which is likely to continue throughout the first half of 2024.

In Europe, there is a climate of extreme caution as almost all major economies within the block experienced minimal growth and suffered from the disruptions of global interconnections. While domestic demand, especially household consumption, has shown the greatest contribution at the end of the year, confidence and purchasing intentions do not foreshadow a sharp recovery, not even with a view to 2024. The decidedly less intense grip of the inflationary forces still does not allow the recovery of the lost purchasing power in the abundant year of hyperinflation, in the face of not null but moderate wage increase. Investment, too, is still affected by credit tightening, which will only be reasonably loosened in the second half of the year. The international landscape, is characterised by export demand still weak and uncertain. Uncertainty and caution characterize Germany in particular, both on the family societal side and on the business side. While France and Spain, less exposed to the shock of energy costs, are benefiting, the first of higher wage dynamics, the second of measures to reduce energy impacts and more effective investments resulting from the Next Generation Europe program.

Central and Eastern Europe concluded 2023 on a high note, showcasing a more vibrant growth trajectory and a stronger response to the disinflationary trend, especially within the domestic sector. This resilience is expected to continue balancing out the weak demand from the adjacent German economy, outperforming the Economic and Monetary Union (EMU) in terms of dynamism and adaptability.

Similar is true for the Nordic countries, driven by good dynamics in Sweden and Finland, where falling inflation and interest rates will support domestic demand, as exports are still struggling.

The Italian economy is closely aligned with the broader European context as it emerges from the challenges of 2023. This period has demonstrated resilience against the dual pressures of inflation eroding purchasing power and the monetary tightening designed to curb it. Notably, consumer spending has surpassed expectations, even before the anticipated round of contract renewals in 2024. This positive consumption dynamic, coupled with a relatively mild contraction in investment and a strong external balance (highlighted by robust exports), has mitigated the slowdown. As a result, the economy has avoided a feared recession. However, the continuation of this positive trend for both households and businesses hinge on global uncertainties and their influence on inflation in the upcoming months. Despite these challenges, the most credible forecasts suggest that inflation will remain at a moderate level. This outlook assumes there will be no wage-price spiral and that employment levels will be sustained. The labor market, due to technical factors, is expected to keep the workforce engaged, positioning it well for the next economic upturn.

However to better understand the market dynamics in 2023, it is worth examining the different factors that influenced its performance. The overall effect is in fact interwoven with cyclical phenomena, such as the trend of consumption, the habits of use of the instrument in general and the opportunities created by specific product innovations.

Analysis from the European Central Bank indicates that Italy's trend in expenditure volumes on cards in 2023 is approximately half of what it was in 2022. Specifically, the Milan Polytechnic forecasts a 12% increase for 2023, compared to the Bank of Italy's report of a 21% increase in 2022. This trend is mirrored in household consumption, with Prometeia projecting a 13% rise in 2022 and a 7% increase for 2023. Essentially, the significant deceleration in real consumption, driven by the reaction to peaks in inflation, has been nearly proportionately reflected in card expenditure. This shift, however, does not alter the medium-term trajectory towards greater use of this payment method - a trend that has notably accelerated since the pandemic began in 2020.

Within this context, the growing innovation induced by market participants is increasingly stimulating the sector. This is true both on the acceptance side, with more and more advanced merchants proposing value-added payment solutions for themselves and for payers, and on the latter side, increasingly willing to exploit solutions with greater convenience, security and economy.

In the merchant sector, advancements in regulatory effectiveness—highlighted by the enforcement of POS system requirements—along with rising interest among new segments in offering digital payment options to their customers, and promotional efforts by payment processors, have spurred continuous evolution in the POS ecosystem. This evolution is evident both quantitatively and qualitatively, marked by the increased adoption of mobile and smart solutions, and more recently, software-based POS systems.

Likewise, on the payers side, awareness of the added value offered by technical forms such as mobile and wearable payments grows, alongside other older introductions, such as contactless. On the other hand, the increasing availability of digital payments in the Public Administration and the possibility of pay in instalments through the forms of Buy Now, Pay later, contribute to an ever greater use, even in previously not particularly penetrated areas.



EMBEDDING SUSTAINABILITY INTO OUR BUSINESS

2

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2.1 ESG GOVERNANCE

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

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

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

The Group's 'Corporate Bodies Diversity Policy', updated in 2023, refers to the principles of the Group's Sustainability Policy, to the principles of Diversity and Inclusion, and the promotion of a culture of sustainability and transparency.

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

- enhancement of diversity & inclusion for gender, ethnicity, socioeconomic background, country of origin, nationality, experience, and skills as a distinctive element in response to the growing challenges of the market in which Nexi operates, as well as a positive working environment experience, and skills development of its human capital;
- individual involvement in the impact of its daily activities from a social, environmental, and governance point of view, through training and awareness-raising activities;
- compliance with the legal provisions for listed companies and the relevant regulations, including the Consolidated Finance Act and the Corporate Governance Code.

For further details, please refer to the "Report on Corporate Governance and Ownership Structure" of Nexi S.p.A. available at www.nexigroup.com.

- GRI 2-9: Governance structure and composition
- GRI 2-10: Nomination and selection of the highest governance body
- GRI 2-11: Chair of the highest governance body
- GRI 2-12: Role of the highest governance body in overseeing the management of impacts
- GRI 2-13: Delegation of responsibility for managing impacts
- GRI 2-14: Role of the highest governance body in sustainability reporting
- GRI 2-15: Conflicts of interest
- GRI 2-17: Collective knowledge of the highest governance body
- GRI 2-18: Evaluation of the performance of the highest governance body
- GRI 2-19: Remuneration policies
- GRI 2-23: Policy commitments
- GRI 2-24: Embedding policy commitments

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

Composition of the Board of Directors and Endoconsiliar Committees of Nexi SpA	Role in the BoD	Executive Director	Independent	Strategic Committee	Control Risk and Sustainability Committee	Remuneration and Appointments Committee	Related Party Transactions Committee
Michaela Castelli	President		x	Member	Member	Member	
Paolo Bertoluzzo	Managing Director	x		President			
Luca Bassi	Director			Member			
Elisa Corgi	Director		x			President	Member
Maurizio Cereda	Director		x			Member	
Francesco Casiraghi	Director			Member (from 31.07.23)			
Francesco Pettenati	Director			Member			
Marinella Soldi	Director		x		Member (until 18.10.23)	Member	
Johannes Korp	Director			Member			
Bo Einar Lohmann Nilsson	Director			Member			
Marina Natale	Director		x		Member (from 18.10.23)		President
Elena Antognazza	Director		x				Member
Ernesto Albanese	Director		x		President		
Jeffrey David Paduch	Director			Member (until 31.07.23)			

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

	Women (n)	Women (%)	Men (n)	Men (%)	30-50 (n.)	30-50 (%)	>50 (n.)	>50 (%)	Total (n.)
Strategic Committee	1	14%	6	86%	3	43%	4	57%	7
Control Risk and Sustainability Committee	2	67%	1	33%	0	0%	3	100%	3
Remuneration and Appointments Committee	2	67%	1	33%	0	0%	3	100%	3
Related Parties Transaction Committee	3	100%	0	0%	0	0%	3	100%	3

ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS AND BOARD COMMITTEES

	Number of meetings	Participation rate (*)
Board of Directors	11	89%
Strategic Committee	18	93%
Related Parties Transaction Committee	2	100%
Remuneration and Appointments Committee	8	100%
Control Risk and Sustainability Committee	7	95%

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

The role of the Chair

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

The role of the CEO

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

The Role of the Board of Directors

The directors meet the requirements of honourability and the criteria of competence and fairness, by the law, and are subject to the so-called 'interlocking prohibitions'¹.

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

The remuneration of the members of the Board of Directors is determined at the Shareholders' Meeting. For more information on the remuneration policies and remuneration of the Board of Directors and directors with strategic functions for 2023, please refer to the Remuneration Report approved by the Shareholders' Meeting of Nexi Group, held on 4 May 2023, available at www.nexigroup.com.

Sustainability Governance

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

The Board:

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

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

¹ Prohibition of the highest management, supervisory and control bodies of a company from assuming similar responsibilities in competing organisations.

The Control, Risk and Sustainability Committee makes proposals and advises the Board of Directors on sustainability issues and, in particular, it:

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

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

- contributes to identifying sustainability issues relevant to the Group;
- proposes initiatives and objectives, considering business-related risks;
- participates in the initiatives identified and reports to the Board of Directors on the results achieved concerning the objectives set;
- carries out advocacy activities both internally and externally, promoting stakeholder involvement;
- communicates to the Group ESG & Sustainability Unit any significant developments related to sustainability issues;
- periodically reports to the Board of Directors on climate change issues.

The function responsible for sustainability issues, within the Group Corporate & External Affairs & ESG division, is the **Group ESG & Sustainability Unit**. The Unit is responsible for defining ESG strategy and objectives, ensuring appropriate sustainability governance, overseeing the execution of commitments across the Group, and facilitating the building of working relationships instrumental to the integration of ESG strategy. The function is responsible for supporting Nexi's ESG continuous improvement actions and its positioning with stakeholders.

Its tasks include:

- oversee ESG strategy, objectives and commitments and the relative execution across the Group;
- advise and report regularly to the ExCo and the Risk and Sustainability Committee;
- drive high level ESG Ratings performance and support Nexi's ESG positioning to investors;
- provide effective non-financial reporting annually through the analysis of new ESG frameworks and ensuring their adoption throughout the Group;
- drive awareness, engagement and mobilisation of internal stakeholders and employees in general;
- drive sustainability value creation through flagship/high impact sustainability initiatives across the organisation.

In accordance with the Operating Model changes occurred during the year, and to ensure the correct balance between a shared, consistent ESG strategy and the proximity to local needs and challenges, the Group ESG Unit was reorganised. In addition to the appointment of a new Group Director of ESG & Sustainability with responsibility over Nexi's sustainability direction and performance across all geographies, specific regional responsibilities were defined within the team, with the appointment of 3 local ESG managers for the DACH, Nordics, Central South East Europe and Italy region.

Details of the Self-Assessment process and findings were presented and discussed at the Board meeting 6th March, 2024 (and previously by the Compensation and Nominating Committee) and summarised in the Report on Corporate Governance and Ownership Structure available at www.nexigroup.com.

Several initiatives were carried out in 2023 that testify the Group's commitment towards the sustainable management of its activities, and, in this regard, important recognitions were obtained, proving that the challenges faced are in line with stakeholder expectations. In particular:

- Bronze Award in the Health & Safety Awards organised by Boussias Communications for Nexi Greece;
- Bite Awards: Nexi SoftPOS bronze award in the category for "New Innovative Digital Service" - Greece;
- Award as Top Employer 2023 by the Top Employers Institute, the certification body for business excellence in HR;
- Nexi Payments wins the Award "Premio nazionale per l'innovazione" - XIII Edition 2023, category "Industry and Services of Italian Design";
- MF Innovazione Award for Nexi Planet Care, category: Twin Bank - Net-zero banking. Result of a process of analysis and selection of the products, services and projects offered with a view to innovation and sustainability;
- JojobRT Award as top 5 firms with the highest number of new users in 2022;
- ADI Design Index Application 2023 for Nexi Planet Care and XPay Hotel selected by ADI Permanent Design Observatory;
- Nexi Planet Care and XPay Hotel nominated as "Eccellenze di Lombardia" by Regione Lombardia together with ADI Lombardia;
- Nomination for the SDG Tech Awards 2023. SDG Tech Awards is the leading award dedicated to sustainability in the Nordics, a multi-stage program with the goal of creating a permanent community of companies that share their know-how on green technologies, support each other, and collaborate to accelerate the green transition;
- Confirmed participation in the United Nations Global Compact, for the achievement of the Sustainable Development Goals by 2030;
- Communication of the Group's mid-term decarbonisation targets, reviewed by SBTi;
- Commitment of the Group to Net Zero emissions by 2040, 10 years ahead of the Paris Agreement target;
- joining the Dow Jones Sustainability World Index (DJSI World) and the Dow Jones Sustainability Index Europe, confirming the position as one of the world's top sustainability companies;
- inclusion in the S&P Global Sustainability Yearbook 2023 for the third consecutive year, confirming its position and score of 73 (out of 100);
- achievement of an "A-" score in CDP's environmental rating, confirming the result of the previous years.

Inclusion, in continuity with 2021 and 2022, of Nexi S.p.A. in the MIB ESG Index, the first ESG index dedicated to Italian blue-chips and designed to identify large Italian-listed issuers with ESG best practices; Nexi Group is also part of the #ESGMakers - the players of sustainability.

2.2 ESG STRATEGY

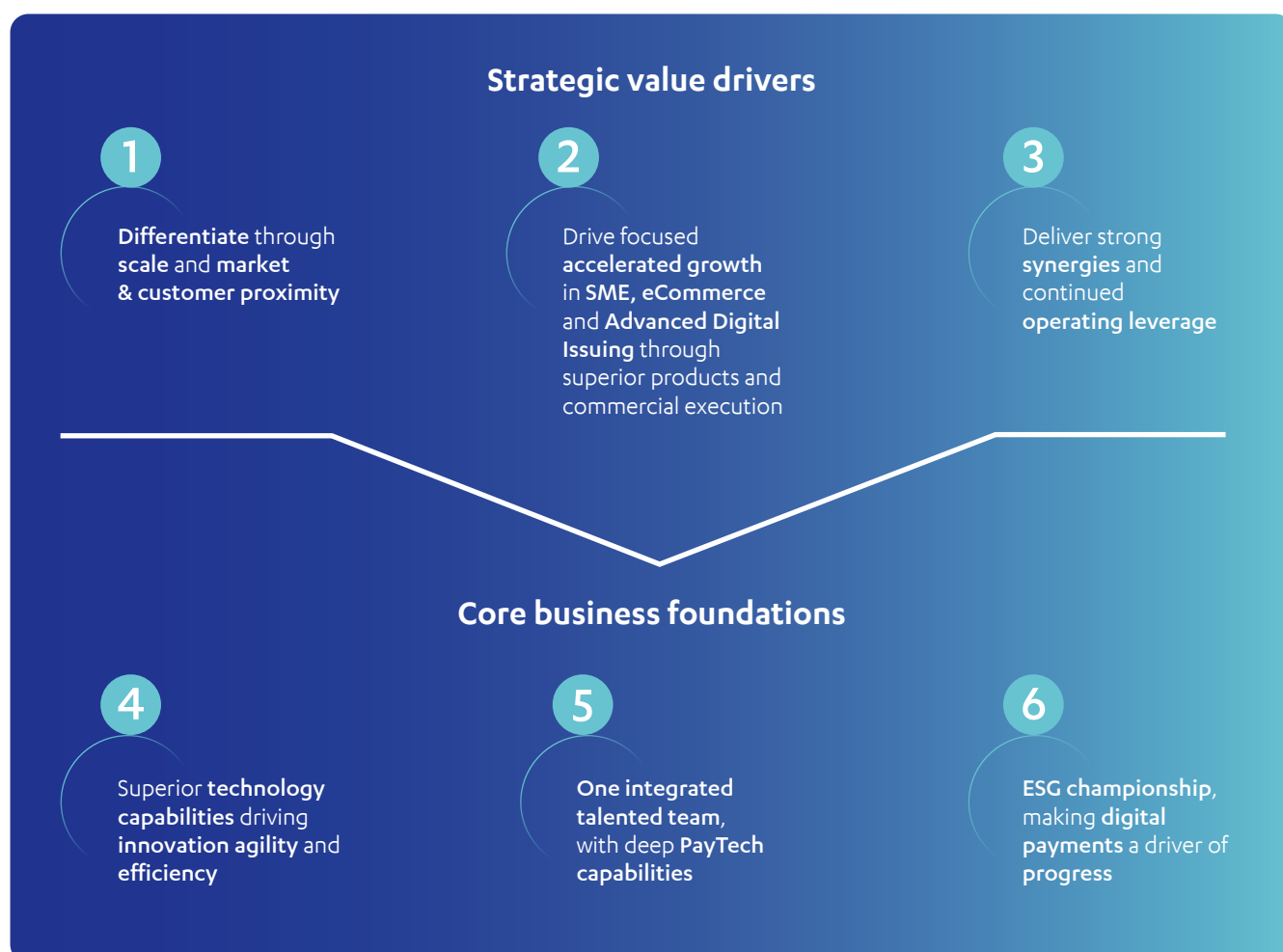
Since 2019 Nexi Group has built solid ESG foundations, followed by the formalisation of the Group Sustainability Policy in 2020 and the participation in the UN Global Compact since 2022².

ESG plays a central role in the Nexi Groups' strategy, with the approach of integrating sustainability across the entire value chain.

Nexi Group has defined its first ESG strategy as basis for driving ESG objectives and instrumental actions in the period 2023-2025, in all its material topics as a result of the Group materiality assessment. The overall goal of the ESG Strategy is to make digital payment the driver of progress, as an ESG champion. This will generate sustainability value for the company and its stakehold-

² The United Nations Global Compact is a non-binding United Nations pact, based on 10 principles regarding human rights, labour, environment, and anti-corruption. It is aimed to get businesses and firms worldwide to adopt sustainable and socially responsible policies and to report on their implementation.

NEXI GROUP - STRATEGIC PLAN



ers. Within this framework, the Group has identified six main areas of impact, consistent with the business activities of the Group and aligned to stakeholders' expectations. For each area, the Group has identified the specific targets and instrumental actions to be conducted in the period 2023-2025. Moreover, Nexi Group has assessed the potential impact towards the 17 UN SDGs that can be generated thanks to the implementation of the ESG strategy through the six strategic pillars.

The execution of the ESG Strategy is subject to a recurring governance review together with the respective functions to drive actions and achieve relevant objectives. Accordingly, the ExCo is informed with the ESG Strategy Dashboard - Monthly Overview, detailing the status of KPIs status and the progress of actions.

1	SOCIAL PROGRESS, DIGITISATION, AND INCLUSION					
	SUPPORT SMES / MICRO BUSINESSES DIGITISATION	DRIVE DIGITAL INCLUSION AND INCREASE PROXIMITY TO LOCAL COMMUNITIES	SUPPORT PUBLIC SERVICES AND PA / CITIZENS DIGITISATION			
2	SECURITY AND TRUST		 			
	GUARANTEE PERFECT SECURITY AND SERVICE CONTINUITY	PROMOTE CUSTOMER CENTRICITY AS A BUSINESS FOUNDATION				
3	SUSTAINABLE PRODUCTS AND SUPPLY CHAIN					
	DRIVE DEMATERIALISATION AND IMPROVE ECO-FRIENDLY DESIGN OF PRODUCTS TO SUPPORT CIRCULARITY	PROMOTE NEXI'S SUSTAINABILITY STANDARDS ACROSS SUPPLY CHAIN				
4	DECARBONISATION					
	FIGHT CLIMATE CHANGE, ACHIEVING NET ZERO ON DIRECT AND INDIRECT EMISSIONS	ACCELERATE GREENER CONSUMPTION BEHAVIOURS (REDUCE "FACILITATED" EMISSIONS)				
5	TALENT DEVELOPMENT AND DE&I		 			
	INVEST IN PEOPLE ENGAGEMENT AND CONTINUOUS CAPABILITIES UPGRADE	ENSURE PROPER GENDER / MINORITIES REPRESENTATION AND PROMOTE AN INCLUSIVE CULTURE				
6	GOVERNANCE					
	ADOPT A BEST-IN-CLASS GOVERNANCE TO ENSURE ACHIEVEMENT OF ESG TARGETS					

The following table shows the results of Nexi Group in 2023.

SOCIAL PROGRESS, DIGITISATION AND INCLUSION

Support **SMEs** and **micro businesses** digitisation

Launch of new digital proposition **SoftPOS**



Progress 2023

139k

Digital propositions sold for SMEs and micro-businesses



Target 2025

400k

of digital proposition sales

1

SECURITY AND TRUST

Guarantee **perfect security** and **service continuity**



Progress 2023

99,99%

% of guaranteed service continuity across the Group



Target 2025

99,99%

% of guaranteed service continuity

2

SUSTAINABLE PRODUCTS AND SUPPLY CHAIN

Improve **eco-friendly** design of products



Progress 2023

11%

Card with oceanic/ recycled pvc launched in 2023



Target 2025

≥50%

% of green cards issued

3

DECARBONIZATION

Achieve **Net Zero** by 2040



Progress 2023

Group Net Zero 2040 and near-and-long term targets approved by SBTi



Target 2025

GROUP NET ZERO 2040

and interim targets approved by SBTi

4

TALENT DEVELOPMENT AND DE&I

Ensure **proper gender / minorities representation** and **inclusion**



Progress 2023

+1,5%
(29,5% in 2023)



Target 2025

+1p.p./YEAR

Share of women in managerial positions

5

GOVERNANCE

Adopt a **best-in-class governance** to achieve our ESG targets



Progress 2023

10% weight of ESG objectives LTI 2023-25



Target 2025

≥10%

Weight of ESG targets in executives' LTI

6

In 2023, Nexi Group has launched the product SoftPOS which marks a pivotal transformation in the dynamics of its value chain. SoftPOS is composed of a downloadable application directly accessible on mobile phones. It plays a crucial role in advancing our company's long-term dematerialisation, decarbonisation and digitalisation project for SMEs and micro-business. By eliminating the need for traditional hardware components, the application is not only embracing technological and digital innovation but also actively contributing to a sustainable and eco-friendly approach along the entire value chain.

In addition, Nexi Group has successfully executed two rebranding projects, focusing on the countries in the DACH area and the CSEE Area. The projects involved sharing brand identity guidelines, main brand assets, and all marketing materials—encompassing positioning strategy, digital and offline materials, sales events, kits, and presentations—with the rebranded countries. A comprehensive digital transformation was also implemented to rebrand websites, platforms, banners, videos, and social media channels. The DACH and CSEE countries now share the same Nexi brand principles.

ESG Community

In 2023 Nexi launched the Group-wide ESG Community with the aim of raising and spreading internal awareness on progress made with the projects anchored in the ESG Strategy as well as engaging in local activities across the countries and locations where Nexi operates. The Community was set up with direct participation of ESG Influencers and Sustainability Boosters. The role of the ESG Influencers was to integrate ESG criteria into current projects and business areas and act as experts in the ESG Community, sharing progress on the activities in ESG Strategy with the rest of the Community. Meanwhile, the 120 Sustainability Boosters form the core of the Community. All the Boosters have been asked to become part of the Community to learn more about what ESG at Nexi is and becoming drivers to share the knowledge locally and through local events on sustainability.

In 2023 the Community hosted 1 informative webinars regarding projects related to the ESG Strategy in the following topics:

- Diversity and Inclusion;
- IT security;
- Sustainable products;
- Responsible Supply Chain, and
- Decarbonisation.

The Community was also involved in coordinating the first **Environmental Week** across Nexi Group where more than 400 colleagues from 17 locations in Denmark, Sweden, Finland, Poland, Italy, Germany, Greece, Croatia, Slovenia, Slovakia, Hungary and Serbia participated in activities such as waste collection, beach cleaning and bicycling to the office in an effort to raise awareness on environmental effects and to create a positive impact on our environment. The Community was also engaged in the Nexi Cybersecurity month where focus was to raise awareness and educate colleagues across the Group on how to be aware of suspicious emails and links, and to stay safe on social networks.

In the first year of the ESG Strategy and the ESG Community, the combination of Group level and local level initiatives have considerably **raised the internal awareness about Nexi's commitment to be a sustainable and responsible company**. The members of the ESG Community have contributed to ESG being on the agenda at Town Hall meetings in several Business Units and team meetings. This was also reflected in the annual employee engagement survey "Our Voices" where an increase of 10 points (out of 100) was achieved when employees were asked if they agree that Nexi Group has a strong focus on Environmental, Social and Governance.

2.3 ENGAGING OUR STAKEHOLDERS

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

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

From the perspective of shared value creation, and in line with previous years, several stakeholder engagement activities were carried out during 2023, managed by dedicated corporate functions.

Nexi Group's stakeholder categories are identified through the analysis of internal documents and interviews with management, considering the recommendations established by the Principle AA1000 Stakeholder Engagement Standard³, reviewed, and updated periodically, to improve the practices continuously.

There were no significant changes in the categories of stakeholders to be considered in 2023, with respect to 2022.

In 2023, the Group continued to ensure constant dialogue with all categories of stakeholders, as well as fostering public debate and the dissemination of digital culture, also through specific training offered to Banks, merchants, Legal Authorities. The Group has also maintained and strengthened its several partnerships with the Public Administration, U Academy, the Innovation community, as well as sponsorship of numerous events on the evolution of digital technologies.

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

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

³ Dependence, responsibility, tension, influence, different perspectives. For more information about the standard refer to <https://www.accountability.org/standards/aa1000-accountability-principles>.

STAKEHOLDER CATEGORY

MANNER OF ENGAGEMENT

MAIN INITIATIVES - 2023



CUSTOMERS

Partner banks

Private customers

Merchants

Public Administration

The customer is at the center of the Nexi Group. Daily activities, new products, innovation, and investments are always calibrated by putting the customer at the centre. For this reason, Nexi Group constantly monitors and detects the needs of its customers through customer satisfaction surveys and ad-hoc research, in order to optimise products and services, as well as through the monitoring of the Net Promoter Score (NPS) and the management of complaints.

Dialogue with Partner Banks is also promoted through various meetings, aimed at sharing strategic visions on innovation in digital payment services and supporting their daily activities.

- Customer satisfaction survey process in Italy, on Nexi customers and competitors' ones, completely redesigned, boosting the quarterly sample from 480 to 2000 units for Nexi cardholders, from 480 to 1700 units for Nexi merchants, and to 200 units for each competitor, both for cardholders and merchants;
- Customer satisfaction survey extended to Germany and Denmark;
- Dedicated survey on customer satisfaction of ecommerce merchants;
- Ad-hoc surveys on new services (concept tests on merchants' loyalty program and Soft POS);
- Constant NPS monitoring;
- Satisfaction survey for leS customers, to support the sustainable reforestation process: for each survey completed by customers, Nets donated to the Global Climate Institute, for a total of 3,530 euros, to plant trees in Tanzania;
- Webinars for Banks;
- Ecommerce Expo in Berlin.



EMPLOYEES

Employees

Collaborators

Employees Communities (e.g., ESG Community, WIN for women, UNITY for LGBTI+)

Dialogue with employees is aimed at informing and involving all our People in company initiatives relating to all aspects of the Company Organisation, from those related to human resource topics (e.g., welfare, training) to brand identity, company strategy, products and services and commercial activities. Dialogue is also aimed at conveying and reinforcing corporate values.

- Our Voices Survey: Nexi Group's main tool for listening to employees and collecting their expectations and feedback across all geographies;
- Newsletters and specific communications on company updates (business and strategy);
- Corporate events and conventions ;
- Online training courses to expand knowledge and skills on all topics covered by the Group.



INSTITUTIONS AND REGULATORS

National and European Governance and Audit Institutions and Bodies

Relations with regulatory agencies are managed through specific functions that work to ensure compliance with laws and respond to mandatory requirements or specific requests. Nexi Group has also joined the main national and international financial associations and actively supports dialogue with the institutions on issues related to the country's digitisation process.

- Institutional dialogues on the digitalisation of payments and support for SMEs;
- Working groups and technical tables;
- Participation in trade associations and organisations.



FINANCIAL COMMUNITY

Shareholders, Investors, Rating agencies, ESG data providers

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

- Bank-Management conference;
- One-to-one;
- 4 institutional conference calls to present quarterly financial results to the market.

STAKEHOLDER CATEGORY

MANNER OF ENGAGEMENT

MAIN INITIATIVES - 2023



INNOVATION COMMUNITY

Fintech, Start-up, Developers

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

- Nexi Academy with Partner Banks;
- Campaign to support digital payments;
- "Pay Like a Ninja" in partnership with FEDUF;
- Nexi Day Event: Payments in the Digital Era;
- SDG Tech Awards 2023;
- Microsoft: selected as one of its preferred digital payments' providers for eCommerce in core European markets;
- Strategic partnership with Global Blue, leading technology company in tax-free shopping and added-value payments;
- Partnership with Zucchetti for the digitisation of SMEs;
- Collaboration with Start Path, global startup engagement program founded by Mastercard;
- Collaboration with CB Insights, leading market intelligence platform mapping industry trends, markets, and startups.



COMMUNITY

Local and national social fabric, environment, schools and universities

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

Nexi Group's constant commitment to cooperation and interaction with the authorities in the area continued. Participation and sponsorship of the Annual Assembly of ANCI, the National Association of Italian Municipalities.



SUPPLIERS

The Group's Supply Chain Management Function and those responsible for expenditure are in regular contact with suppliers throughout the duration of the contract. The Supply Chain Function also monitors the relevant level of satisfaction. Suppliers are subject to Nexi's risk management and 3PP audit.

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



MASS MEDIA

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

- 109 press releases issued;
- Mentioned in 21,807 articles.



NON-PROFIT ORGANISATIONS

Contributing to their activities through donations in support of their missions and providing the Group's digital services and solutions.

- +1760 Charities with digital payment (5600 NGOs in total at 2023).

2.4 OUR MATERIALITY ANALYSIS

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

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

In 2022, the Group updated the materiality analysis, to incorporate the requirements of the 2021 version of GRI Standards⁴ and capture the changes related to the mergers and acquisitions done by the Group. In 2023, the year of consolidation of the Group after the past mergers, the materiality analysis was confirmed, thus considering the same 10 material topics identified through the stakeholder engagement process in 2022 and represented in Nexi Group's Materiality Matrix.

The 2023 List of Material Topics, with their definitions and related sustainability areas, is presented below:

ENVIRONMENTAL

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

SOCIAL

- **Diversity, equity & inclusion:** fostering a culture that promotes diversity, equity, accessibility, and inclusion, within the Group and beyond.
- **Employee welfare:** ensuring decent and safe working conditions, especially focusing on occupational health and safety prevention, promotion, and training activities. Ensuring fair pay and responsibly managing all career stages: hiring, performance evaluation, training, and terminations.
- **Training & development:** commitment to the continuous development of stakeholders' knowledge, enhancing employees' skills and competencies, and facilitating personal and professional growth through a system of differentiated development paths that enhance their abilities and aptitudes.
- **Customer centricity:** commitment to improving customer experience and satisfaction through continuous innovation, listening and implementation of best practices.

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

⁴ The 2021 version of GRI Standard defines "material topics", the topics that represent the organisation's impacts on the economy, the environment, and people, including human rights impacts.

- **Data security:** ensuring the security of technology systems, infrastructure, and data management. Act with respect for customer privacy and relevant legislative requirements.
- **Financial inclusion:** ensuring equal access to financial products for all populations and minorities. Support the path toward digitisation of SMEs.
- **Society digitalisation & progress:** ensuring awareness and engagement with communities and the processes of digitisation of society, playing a positive role in accessibility to finance and financial education initiatives. Promoting innovation within communities and supporting social and economic growth by, for example, creating employment opportunities for the communities in which the Group operates.

GOVERNANCE

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

Lastly, in line with the GRI Standards 2021, the impacts generated by the organisation on the environment, people and the economy were identified as follows:

ESG AREA	MATERIAL TOPICS	GENERATED IMPACTS	
		Positive	Negative
Environmental	Climate Change	Contribution to the transition to an economy based on the use of renewable energy sources	Air pollution and contribution to climate change
Environmental	Responsible consumption	Increase consumer awareness of the resources required to produce a product and its environmental and social impact	- Production of negative externalities along the value chain with indirect impacts on workers and communities - Dispersion of harmful and polluting substances due to incorrect and adequate management of waste and materials
Social	Diversity, equity & inclusion	Promoting a fair and inclusive working environment	Cases of discrimination at the workplace
Social	Employee welfare	Increased levels of employee satisfaction, commitment, and consistency	Loss of retention and attraction due to inadequate welfare and well-being measures
Social	Training & development	Development of human capital and creation of shared knowledge and know-how	Lack or inadequate training for employees, with negative impacts on the provision of services
Social	Customer centricity	Increase the quality of the services and products offered to customers and their satisfaction	- Lack of transparent and clear communication on the Group's commercial information - Significant increase in the number of customer complaints
Social	Data security	Contribution to the development of secure payment systems for the benefit of all stakeholders	- Malfunctioning of computer systems and its architecture - Breach of customer privacy and loss of sensitive data
Social	Financial inclusion	Support for the development of basic financial skills and services accessible to the weakest sections of the population	- Failure to create solutions for fair access to financial products for the entire population and for minorities - Lack of solutions for the digitisation of payments and support for SMEs
Social	Society digitalisation & progress	- Social cultural promotion of innovations in the payment sector and development of a "cashless society" - Creation of job opportunities in the communities in which the Group operates	
Governance	Business ethics, transparency & risk management	- Promotion of a corporate culture based on integrity and transparency - Promotion of a corporate culture of compliance with laws, regulations and business ethics	- Non-compliance incidents with negative impacts on relations with institutions and regulators - Corruption incidents resulting in loss of reputation among stakeholders and economic fallout

In line with the CSRD requirements, the Group is developing a new double materiality analysis, at Group level and with active participation of all regions and entities. Therefore, 2024, as requested, will be the first year in which the Group will report a double materiality analysis.

2.5 MONITORING ESG RATINGS

ESG ratings are intended to provide a summary assessment of the Group's sustainability performance. Among the various ESG ratings, Nexi Group responds to the CSA⁵ (Corporate Sustainability Assessment) questionnaire from S&P Global and the Climate Change questionnaire by CDP⁶. In both assessments, Nexi's ratings have improved significantly in recent years, reflecting the Group's strengthened sustainability commitment.

In 2023, Nexi Group scored 65/100 in the S&P CSA in the *Diversified Financial Services* segment while, in the fifth year of participation to the CDP Climate Change questionnaire, the Group maintained the "A-" rating already obtained in 2022 and 2021, from a "C" rating in 2020. The scoring obtained by S&P CSA testifies the ongoing commitment to integrate environmental, social and governance issues into its business strategy and ESG objectives. The milestone also provides confirmation of the effectiveness of the Group's approach applied in its sustainability policies.

In 2023, for the third consecutive year, Nexi Group was included in the S&P Global Sustainability Yearbook 2023. Moreover, in December 2023, the Group joined the Dow Jones Sustainability World Index (DJSI World) and the Dow Jones Sustainability Index Europe, confirming its position as one of the world's top sustainability companies.

Nexi Group is also part of the Italian stock exchange's MIB ESG rating and since 2023 the Group is also part of the #ESGMakers - the players of sustainability.

⁵ S&P's Global ESG scores are based on the Corporate Sustainability Assessment (CSA), which is an annual assessment of companies' sustainability practices. It covers over 10,000 companies from around the world. The CSA focuses on criteria for industry-specific and financially relevant sustainability and has done so since 1999. All companies are assessed using the industry-specific CSA questionnaire and methodology that reflects the score of a company relative to its industry peers. The CSA focuses on past and current ESG performance.

⁶ Nexi reveals its impact on climate change through the CDP, a global non-profit that runs the world's leading environmental disclosure platform. The CDP urges companies and governments to reduce greenhouse gas emissions, safeguard water resources, and protect forests. In 2021, more than 13,000 companies with over 64 percent of global market capitalisation disclosed environmental data through CDP. This is in addition to the more than 1,100 cities, states and regions that have disclosed, making CDP's platform one of the richest sources of information globally on how companies and governments are driving environmental change.

**PROTECTING
OUR PLANET**



3

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3.1 DISCLOSURE OF SUSTAINABLE ACTIVITIES - EU TAXONOMY

In June 2020, the European Council and the European Parliament adopted the Taxonomy Regulation (EU) 2020/852 (the "Taxonomy"). The European Taxonomy is designed to standardize and support organisations in the identification of which economic activities can be considered environmentally sustainable, creating confidence among investors, protecting private investors from greenwashing, helping companies become more climate and environmentally friendly, mitigating market fragmentation, and helping target investments.

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



The delegated acts adopted under the Taxonomy Regulation provide technical screening criteria which must also be met to constitute taxonomy alignment. In 2023, the second Delegated Act was published concerning activities significantly contributing to environmental objectives 3-6 above.

Starting from the year 2021, as part of the Scope of application of the Non-financial Reporting Directive (NFRD), Nexi Group is subject to disclosure obligations related to reporting its economic activities falling within those considered environmentally sustainable under the Taxonomy classification. For reporting year 2023 Nexi Group is required to report on:

- 1) The eligibility of its economic activities considering all six environmental objectives
- 2) The environmental objectives its eligible activities substantially contribute to and
- 3) The alignment of its eligible activities in line with the Climate Delegated Act considering the applicable Do No Significant Harm ("DNSH") criteria and the Minimum Safeguards (Art. no. 3 of EU Regulation (EU) 2020/852 and supplementing regulations).

Nexi's position and commitment for the future

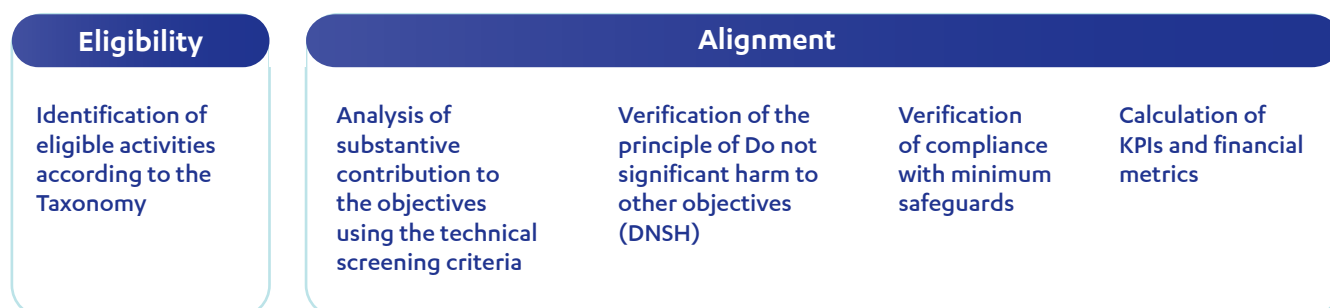
Nexi Group carried out an assessment of its activities and business model, analysing the three elements expected for the purpose of KPIs disclosure required by the EU Taxonomy Regulation: turnover; expenses related to the acquisition, maintenance, and improvement of its assets; and the current structure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

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

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

Methodology and implementation process

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



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

- Identification of eligible activities according to the Taxonomy;
- Quantification of the proportion of eligible CapEx and OpEx for each activity, serving as a collection point for all Group companies and consolidating the data;
- Collection of underlying details to identify the activity that generated the expenditure for the purpose of analysing its alignment.

The assessments conducted and the in-depth analysis regarding the variables included in the calculation for the alignment led the Group to consider a 0% alignment for turnover, while identified aligned percentages for CapEx and OpEx, according to the European Taxonomy. More details will be provided in the following paragraphs.

Identification of eligible activities according to the Taxonomy

An economic activity is defined as eligible for the EU Taxonomy when it is reported and described among Delegated Acts. Therefore, to determine whether an activity is eligible for the Taxonomy, it is necessary to verify whether the description of the activity matches with the descriptions of activities listed in:

- the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139), the Complementary Climate Delegated Act (Commission Delegated Regulation (EU) 2022/1214) and
- the Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486), and the amendments to the Climate Delegated Act (Commission Delegated Regulation (EU) 2023/2485).

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

Following the considerations in the section "Nexi's position and commitment for the future", the assessment conducted led to the identification of five eligible activities⁷ in the Climate Delegated Act:

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

And the identification of two eligible activities in the Environmental Delegated Act:

- 4.01: Provisions of IT/OT solutions
- 5.01: Repair and refurbishment of goods

⁷ As will be shown in the following sections, the listed eligible activities relate only to CapEx and OpEx KPIs.

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

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

Based on the nature of the activities identified as eligible, the possibility of examining compliance with the technical screening criteria on most expenditures (operating and capital) depends mainly on information held by product and service suppliers.

In 2023, the Group strengthened the process of defining the information flows necessary to collect the information to ensure the verifiability of the data on the part of operating and capital expenditures aligned with the Taxonomy, set in place the previous year.

With specific reference to economic activity 8.1, which relates to data processing, hosting and related activities, for the NFS 2023, the Group committed to gathering information to assess the alignment of its activities with economic activity 8.1, furthering the focus on eligibility the previous year.

2. Verification of the principle of Do No Significant Harm to other objectives

As indicated in the previous step, for all the relevant activities identified, Nexi Group sought to conduct the DNSH assessment in collaboration with third parties. Therefore, the considerations expressed in the previous step also apply to the verification of the principles of Do No Significant Harm to other objectives.

3. Verification of compliance with minimum safeguards

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

To satisfy the requirements to be compliant with the minimum safeguards, the Platform on Sustainable Finance drew up a Report⁸ summarizing the main requirements under the principles of the international organisations mentioned in Article 18 of the European Regulation 2020/852, analysing overlaps and excluding principles unrelated to the context of the European Taxonomy.

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

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

⁸ Source: https://finance.ec.europa.eu/system/files/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards_en.pdf

4. Calculation of KPIs and financial metrics

Based on the previous steps, the percentage of eligibility and alignment was calculated, associating each activity with the financial metrics required by the Regulations: turnover, CapEx and OpEx. In the coming years, Nexi Group will enhance the methodology for gathering information as well as calculating eligibility and alignment. Consequently, there may be changes regarding the activities reported this year.

Overall results

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

Eligible and aligned economic activities – Revenues

Nexi Group is one of the main players operating in Europe which offers digital payment solutions to Partner Banks, companies, citizens and Public Administration⁹. Such solutions are not explicitly included in the EU Taxonomy Scope, which currently focuses mainly on economic activities with high carbon impacts such as manufacturing, electricity production, construction, and transport. Nexi Group has therefore assessed its business model with respect to the economic activity “8.1. Data processing, hosting and related activities”, as the most significant. However, the legal entities of Nexi Group do not generate revenues directly attributable to the aforementioned economic activity, as it represents a single component of a complete range of services, thus making it inaccurate and potentially misleading to evaluate the economic activity as a source of revenue in its own right. In conclusion, in 2023 Nexi Group does not have turnover eligible and aligned according to EU Regulation 2020/852.

Eligible and aligned economic activities – CapEx

The CapEx KPI refers to the increase in tangible and intangible assets during 2023 before depreciation, amortisation, write-downs and revaluations, including those resulting from impairment or the application of the fair value method. The KPI covers costs recognised for property, plants and equipment (IAS 16), intangible assets (IAS 38) and leasing (IFRS 16).

For the purposes of this disclosure, Nexi Group has taken into account the increases in the Group’s tangible and intangible assets equal to €550.9M, as disclosed in the Group Consolidated Financial Report.

The proportion of eligible CapEx under the EU Taxonomy (104.3M, equal to 18.9% of total CapEx) is represented by the part of capital expenditure, as defined above, that relates to activities, processes or the purchase of assets associated with the following economic activities:

- 6.5: Transport by motorbikes, passenger cars and light commercial vehicles - Nexi Group incurred capitalised car rental expenses,
- 6.6: Freight transport services by road - “New Ways of Working” project,
- 7.2: Renovation of existing buildings - During 2023, Nexi Group renovated some of its buildings,
- 7.3: Installation, maintenance and repair of energy efficiency equipment - Nexi Group incurred maintenance and refurbishment costs related to battery replacements,

⁹ For further details on Nexi Group’s business model, please refer to Paragraph 1.1 “Group Overview and Business Model” of this Statement.

- 7.6: Installation, maintenance and repair of renewable energy technologies – photovoltaic panels,
- 8.1: Data processing, hosting and related activities – Nexi Group incurred expenses during the year related to project costs for full processing platforms and purchases of hardware and data centre implementations.

Based on the verification of the technical screening criteria and the respect of the DNSH, only a part of activity 8.1 within the CapEx-related activities listed above has been defined as Taxonomy-aligned. Moving forward, the Group will expand upon its data-collection processes for data centres, in order to better map out alignment, also according to future evolutions in the regulation. The summary of the results obtained from the eligibility and alignment steps, regarding the CapEx is available in chapter 6.

Eligible and aligned economic activities – OpEx

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

For the purpose of this disclosure, the OpEx considered by Nexi Group amount to €474.1M.

The proportion of OpEx eligible for the EU Taxonomy (326.9M, equal to 69% of total OpEx) is represented by the part of operational expenditure, as defined above, associated with the economic activities listed below:

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

Based on the verification of the technical screening criteria and the respect of the DNSH, only a part of activity 8.1 within the OpEx-related activities listed above has been defined as Taxonomy-aligned. Moving forward, the Group will expand upon its data-collection processes for data centres, in order to better map out alignment, also according to future evolutions in the regulation. The summary of the results obtained from the eligibility and alignment steps, regarding the OpEx is available in chapter 6.

3.2 CLIMATE RESILIENCE

Nexi Group is committed to reducing its environmental impact and helping the payments industry to decarbonise, in line with its overall goal of being carbon Net Zero by 2040 and its interim CO₂ targets approved by SBTi. In particular, Nexi Group is committed to measuring and reporting its direct and indirect impact across the entire value chain and to driving a roadmap of instrumental actions to reduce carbon emissions in order to achieve its SBTi-approved interim CO₂ targets.

Relevant actions to reduce carbon emissions relate to its own operations and value chain. In addition, Nexi Group adopts policies that encourage the use of sustainable modes of transport, works to continuously monitor and improve the impact of products, services and processes, and regularly assesses its consumption of raw materials and energy, defining continuously improve actions for reduction.

Decarbonization targets

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

The decarbonization targets are aligned with global climate change goals to help limit global warming to 1.5°C above pre-industrial levels.

The Group has committed to reducing absolute Scope 1 and 2 GHG emissions by 42% by 2030, starting from the 2021 baseline.

The Group committed to increasing its annual electricity supply generated by renewable sources from 51.7% in 2021 to 100% by 2030.

Moreover, the Group committed to decarbonizing its supply chain by mobilizing its suppliers to adopt CO₂ reduction targets. By 2027, this Scope 3 objective will involve two relevant areas of Nexi's supply chain:

- the procurement of goods and services, with 78% of suppliers involved, based on expenditure;
- the procurement of capital goods, with 70% of suppliers involved, based on their GHG emissions, starting from the 2021 baseline.

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

Finally, in the long-term, the Group aimed to achieve Net Zero by 2040, ten years earlier than required by the Paris agreements, reducing absolute Scope 1, 2 and 3 GHG emissions by 90% and using carbon credits to offset the residual emissions.

During 2023, Nexi Group finalized the entire process towards SBTi with review and final approval on its GHGs baseline related to the fiscal year 2021 and the interim CO2 reduction targets throughout the entire value chain.

The following table reports, respectively, the FY2021 carbon footprint reviewed by SBTi and used as a baseline for the calculation of the Group's decarbonization targets, and the FY2023 carbon footprint. The 2021 baseline differs from the 2021 data reported in the non-financial statement 2021 and 2022, due to differences in the perimeter and in the Scope categories considered.

More specifically, to align to the financial and non-financial disclosure, and in line with the relative regulatory provisions, the data reported in the non-financial statement 2021 and 2022 included:

- Data for the Italian legal entities for the full financial year (Jan 1-Dec 31)
- Data for the legal entities that entered the Group through the merger with Nets from the date of the merger to the end of the year (Jul 1- Dec 31).
- No data regarding the legal entities that entered the group through merger of SIA, since the merger became effective on Jan 1st 2022.

On the contrary, and in line with the SBTi requirements the data used for the 2021 target baseline includes data for all legal entities (including the ones that entered the Group through the mergers with SIA and Nets) for the full financial year 2021 (Jan 1 – Dec 31).

Additionally, the progressive improvement of the Group's GHG inventory mapping, coupled with the reiterative review process functional to the approval of the decarbonization target by SBTi, enabled to include in the 2021 baseline additional Scope 3 categories: Capital goods, Upstream transportation and Distribution, Purchased goods and services.

	FY2021 SBTi baseline	FY2023
Direct emissions – Scope 1 (tCO ₂ e)	3,960.0	4,950.8
Indirect emissions – Scope 2 (tCO ₂ e) (Location Based)	13,391.5	10,788.0
Indirect emissions – Scope 2 (tCO ₂ e) (Market Based)	10,591.5	6,622.2
Indirect emissions – Scope 3 (tCO ₂ e)	184,994.9	170,661.4

Buildings and properties

In 2023, the Group focused on two main priorities:

- the **management and rationalization of real estate and workspaces** to provide better comfort to users;
- **the monitoring and reduction energy consumption**, also through medium-term investments.

More specifically, looking at the **perimeter of the Groups' buildings**, the consolidation of one office in Milan was completed, which led to a better use of space and the consequent closure of a second office in the same city. Moreover, the two offices in Rome were consolidated into a single building.

Keeping in mind the principles of circularity, some of the furniture in the disused office in Milan was reallocated to other locations, while the remainder was donated to a number of non-profit organisations. When additional furniture items had to be acquired, due to the consolidation of the Rome office, what the company selected for the purchase was chosen also in relation to its attention to sustainability topics.

The strong focus on the consolidation of and efficiency of office spaces also lead to actions across all Group Regions.

In 2024, the Real Estate perimeter optimization strategy for Italy will continue with the disposal, sale, and consolidation of office buildings to reduce the impacts of Nexi Group.

As far as technological investments are concerned, the main achievements of 2023 are listed below:

- Milan - Corso Sempione: the 2nd relamping lot was completed, which will lead to an annual reduction in electricity consumption and maintenance costs by 2024;
- Marcallo con Casone (MI): investments were made in the electrical and business continuity systems (relamping LEDs, new switchboards, ups and generator set), which made it possible to modernise the previous systems, which are now dated and underperforming;
- Milan - via Gonin: Leed certification is underway, started in 2023, and will be completed in early 2024.

Another project underway is the process for the **ISO 50001 certification for specific buildings located in Italy**, which will involve, in an initial phase, the sites of via Livraghi in Milan and Cividale del Friuli (UD). Upon completion of the test phase, the extension of the certification to all sites is planned.

The design of the new building complies with the latest technologies and is expected to achieve both LEED® and WELL certification.

Relocation to city-wave

As part of the long-term Real Estate strategies, in May 2023 a lease agreement was signed for the new Nexi headquarters in Milan, which will lead to the consolidation of all offices located in the city into a **single energy efficient building, Citywave, in the first half of 2026**. The two current locations will be decommissioned and the new headquarter will bring benefits in terms of consumption, use of resources, optimization of space, and the home-work commute of employees.

Data Centres

In 2021, following the merger and acquisition of several companies, Nexi had 55 data centers to manage its digital payments business with myriad digital transactions and digital data running every day. In line with the initiatives carried out in the previous financial year, in 2023 the Group continued to its journey of insourcing and consolidation, aimed at simplifying internal processes, improving the services offered by the Group, increasing energy efficiency and reducing the overall environmental impact connected to Data Centres. Specific actions were carried out to:

- successful decommission in Germany and in Finland, resulting in a total of 45 data centers at the end of 2023;
- optimization of the infrastructures.

In 2023 the Group increased energy efficiency purchasing more efficient HW and through the continuation of the consolidation program in accordance with the long-term decarbonization targets planning. In 2024, the decommission of the following data infrastructures will take place:

- Two Data Centres in Italy;
- Two Data Room in Finland;
- One Data Room in Poland;
- Two Data Room in Hungary.

Renewables Energy Usage

Nexi Group achieved 53% renewable usage across the Group at the end of 2023, highlighting a marked improvement with respect to the 37% resulted in 2021.

Employee mobility

Corporate fleet composition

Nexi's Italian car fleet consists of about 480 cars and has grown by about 50 units since 2022. The **leasing fleet is constantly being renewed in favour of low-emission cars, supporting in particular the choice of hybrid and plug-in hybrid cars**. Analysing the new allocations and car changes planned for the first 6 months of 2024, the number of cars with diesel/petrol engines can be expected to halve: in January 2023 they were 61%, in June 2024 they will be no more than 28% of the fleet. Plug-in hybrid cars, on the contrary, have increased from 90 to 140 units during 2023 (+55%) and the future allocations, already decided for 2024, confirm this growth: **plug-in cars will account for about one third of the entire Italian fleet**.

Charging infrastructure

The headquarters in Corso Sempione is equipped with 13 recharging stations: from 2022 all employees with company cars enabled to recharge have free access to the stations.

The company that provides the charging stations at the Sempione headquarters also lets the use of all public columns of the A2A network across the country through an app. All people with company cars who can charge electrically can use the charging service and the company pays for all charging. In fact, the use of charging stations, both public and company ones, is growing steadily. From January to December, there was a 33% increase in charges, from 450 charges/month in January to more than 600 in December. In 2023, a total of 36,213 kWh was given for the charging of electric vehicles, of which 16,069 on public charging stations and the rest 20,144 on company charging stations in Corso Sempione.

Mobility management

Since the end of 2020, the Group has begun to introduce various strategies and policies to support sustainable mobility for commuting. The Mobility Manager for the Italian perimeter works specifically on implementing projects that encourage and facilitate the use of alternative modes, reducing car dependency. In order to monitor mobility indicators, every year the Group subjects all employees to a mobility survey and adopts a Sustainable Mobility Plan for commuting.

In the two main Milan offices, for example, there has been an increase in sustainable mobility trips (walking, cycling, public transport) of around +11% (Sempione) and +7% (Gonin) compared to 2021.

Group Mobility Initiatives

In 2023, with the signing of the new CIA ("Contratto Integrativo Aziendale" - Integrative Corporate Contract), an important incentive to encourage the use of public transport was introduced: a company contribution of 40% on the cost of annual public transport season tickets (for a maximum of €135 reimbursable).

Thanks to the agreements signed with the main public transport operators, employees also have the possibility of purchasing season tickets through the company and having them charged in instalments in their monthly pay packets. The agreements also provide for the possibility of buying family members' season tickets in the same way, with the cost being charged in instalments on the pay slip.

Another initiative started in 2023 is the contest dedicated to active mobility (cycling, walking, scootering, etc.): the **Nexi Active Mobility League**. The initiative is structured in four-monthly contests in which participants compete to win prizes offered by JojobRT, the platform that allows the certification of trips made by bike, foot, and car-pooling. Those who have certified the most trips will be able to win vouchers ranging from €5 to €50. In one year, the Nexi community of about 500 users certified about 14,000 trips by bike or on foot with an estimated saving of about 4.5 ton of CO₂.

Moreover, the initiatives started in previous years were continued in 2023:

- **CAR-POOLING PROGRAMME:** in 2022 Nexi introduced a corporate carpooling platform where employees can share rides for home-work trips "JojobRT" and in 2023, 5300 trips were certified for a saving of about 16 ton of CO₂;
- **INCENTIVE PROGRAMME:** The carpooling platform is complemented by an incentive program that rewards employees who choose to travel sustainably: monetary incentives are given to those who walk, use micro-mobility or carpool to work;
- **CAR SHARING PROGRAMME:** Shared mobility is promoted through numerous partnerships with mobility providers for both business and commuting trips;
- **MICROMOBILITY INFRASTRUCTURE:** To support employees who use micro-mobility (bicycles, e-bikes, scooters, etc.) the company has installed specific charging stations and parking facilities as well as changing rooms and showers.

Climate risks

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

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

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

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

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

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

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

3.3 RESPONSIBLE AND EFFICIENT RESOURCE USE

Responsible consumption

Nexi Group identifies "responsible consumption" as a material topic, defined as responsible sourcing and use of resources, packaging and life cycle. The recovery and recycling of materials used are basic principles of the Group's approach to waste management, which is regulated by organisational procedures that assigns roles and responsibilities for the management of all types of waste, either through direct management or through an external supplier, always in full compliance with current regulatory provisions.

The management of POS terminals represents one of the most relevant topics for the Group. In the case of rental, at the end of the life cycle, their management is regulated by specific contractual agreements with POS suppliers, to whom obsolete terminals are resold to replace new ones, according to a buy-back scheme that fosters circularity.

In addition, a sales model is offered through retailers, like Amazon and other Online Marketplaces, and in direct mode: if requested by the customer, this service provides the possibility of collecting Waste Electrical and Electronic Equipment (WEEE) material, in compliance with industry regulations. Furthermore, to avoid the purchase of new terminals when not needed, the Group provides POS repair/reconditioning options when possible. The same methodology applies to accessories.

Regarding the packaging and delivery of new POS, when the characteristics of the product allow it, the Group has opted to use separator boxes instead of individual boxes, allowing it to reduce the volume of paper/cardboard used and thus reduce the transportation's impact. For example, during 2023, about 29 % of the POS sold by Nexi Payments S.p.A. were delivered this way.

Some POS models (MPOS, 4G, and Cordless) are preferentially delivered by carrier, thus avoiding the need for an on-site technician, and reducing travel for installations and the receipts for technical interventions are preferably written in electronic format, hence reducing the use of paper.

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

Waste generated within the Italian perimeter of the Group is collected in special containers which is then carried out by a specialized company. Non-hazardous waste produced in the payment card personalization facility is also included. Special waste, on the other hand, is disposed of by specialized companies selected and controlled by the Real Estate and Facility Management Function. In the case of leased offices, in cooperation with the owners, the

-  **GRI 301-1: Materials used by weight or volume**
-  **GRI 306-1: Waste generation and significant waste-related impacts**
-  **GRI 306-2: Management of significant waste related impacts**
-  **GRI 306-3: Waste generated**
-  **GRI 306-4: Waste diverted from disposal**

Facility Management Function is responsible for waste management, which is collected, recycled, or disposed of in accordance with national regulations.

Both in Nordics and DACH, waste management of the terminals is handled according to different national guidelines and regulations: in the Nordic area it is handled directly from inhouse production, whereas, in Germany and Switzerland, it is handled by an outsourcing partner.

In DACH, a new project has started to improve the footprint of packaging materials and it is expected to be implemented in 2024. There is already an agreement with a waste supplier to collect and recycle all hardware, i.e., terminals, cables, poles, etc. This contract guarantees disposal and/or recycling according to industry standards and requirements. The service is also offered to Large and Key Accounts (LAKA) customers who need to replace terminals. Furthermore, the Group has implemented a new charging and test method of terminal batteries, enabling the Group to reuse more batteries and ensure a better customer experience.

VALUING OUR PEOPLE

A decorative graphic in the top-left corner of the page. It features a large, dark blue circle that is partially cut off by the left edge. Overlapping the bottom-right edge of this blue circle is a smaller, teal-colored circle. The teal circle is also partially cut off by the right edge of the page.

4

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4.1 THE CORE OF NEXI'S IMPACT: OUR EMPLOYEES

The Group is committed to creating a dynamic culture promoting people's involvement and acknowledging merits. The Group welcomes the diversity of cultures, perspectives, and skills. Every person plays a key role in achieving our ambition to shape the future of digital payments across Europe.

Nexi Group has become a very diverse organisation in terms of professional and cultural background, including diversity of skills, gender, and age.

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

- creating value for all the Group's stakeholders;
- pursuing and ensuring the sustainability of the organisation's growth in the medium and long-term;
- establishing a culture based on performance and merit;
- strengthening leadership in the management and development of our people.

Diversity Management

For Nexi Group, it is essential to create a dynamic, diverse, and inclusive workplace, where everyone feels welcome and can disclose their full potential at work. As such Nexi is investing in its people to develop a forward-looking Group, that can attract and nurture talents regardless of nationality, ethnicity, gender, sexual orientation, religion, or belief. Also, toward the end of 2023, Nexi began to integrate the people management in terms of processes and procedures to ensure and homogenous across regions.

In early 2023, the Diversity and Inclusion Board (D&I Board), the managerial committee aimed at driving the company's diversity and inclusion agenda already present in the Nordics, was extended to the whole Group.

In 2023, the share of women in Nexi Group was 43%. This demonstrates the Group commitments towards diversity which is also one of the key topics addressed in the Group's ESG Strategy, defined in 2022. During the year, the Group focused its efforts on:

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

At the end of the year, 29.5% of managerial positions and 23.6% of executive positions were held by women. In line with the Group's efforts towards D&I, the representation of diversity, including gender diversity, at all levels of business, remains one of the priorities included in the Group's ESG strategy.

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

Several initiatives were carried out in 2023 to continue the work started in 2022 to better represent our company and close the gap in the leadership positions held by women.

- the Diversity & Inclusion Board has been setting the strategy and owning the execution of the plan;
- since January 2023 a specific target has been defined and a process put in place to ensure the hiring/promotion of women in managerial role to get to an increase of +1% per year, as agreed and included in the ESG targets. At the end of 2023 we moved from 28% to 29,5%, achieving the defined target;
- “WIN” – Women in Nexi – an internal networking and development group was launched with identification of local WIN communities as well as an International Lead and community, to foster the initiatives both at group and local level;
- several employees were involved in female leadership empowerment initiatives;
- an external female talent pipeline has been identified and engaged, to activate the external network and make NEXI relevant in this talent pool;
- the ExCo has had a special focus and been supported through a Reverse Mentoring program, in which 17 senior female leaders have acted as reverse mentors for the male ExCo members to strengthen their understanding of how to best support the development of female leaders in Nexi.

In addition, clear DEI-related targets were set for 2023 for various other processes, such as boosting the multicultural diversity, through initiatives like ‘Nexchange’ and the Graduate Programs.

The ‘Nexchange’ program is an international development program for internal talent, which offers the opportunity to move to a different Group location for a period of 3-6 months with the aim of getting to know new cultures, learning new skills and sharing one’s own competences with colleagues.

Within the Graduate Program 40 talented graduates have been hired, representing multiple nationalities, cultures and backgrounds. They joined Nexi through a customized development path which includes 2 different rotations where they can explore different business areas before moving to the final landing position.

The Group also started a process of awareness and training on DEI topics for ExCo members and Leaders, for them to role model and to be change agents in this important cultural transformation. The goal is to continue the upskilling of our people on DEI awareness through multiple different DEI learning paths. The target is to get to the whole workforce trained on the DEI topics by the end of 2025.

During 2023 the LGBTI+ ERGs and related communities have also been launched, both at local level and at Group level, and several initiatives have been hosted in the Company across locations, mainly during the celebration of the global Pride month in June with local Pride events following in Austria, Germany, Denmark and Italy.

Looking ahead to 2024, a major focus will be on further consolidating the Diversity, Equity, and Inclusion function across the Nexi Group. This includes for the Nexi DEI Board members to become DEI Advocates, representing and sponsoring DEI inside and outside the organisation. A new plan of initiatives will be defined and a Group Diversity Policy launched. The focus will be specifically on the Multicultural diversity, creating a dedicated plan and ERG to support this. Lastly, the DEI training plan will be delivered to the whole organisation, to support the building of a more inclusive culture.

- GRI 403-5: Worker training on occupational health and safety**
- GRI 403-6: Promotion of worker health**
- GRI 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships**
- GRI 403-9: Work-related injuries**
- GRI 404-1: Average hours of training per year per employee**
- GRI 404-2: Programs for upgrading employee skills and transition assistance programs**
- GRI 404-3: Percentage of employees receiving regular performance and career development reviews**
- GRI 405-1: Diversity of governance bodies and employees**
- GRI 405-2: Ratio of basic salary and remuneration of women to men**
- GRI 406-1: Incidents of discrimination and corrective actions taken**

Performance Management, Training & Development

Performance Management

Performance Management¹⁰ is the process adopted to improve the contribution of each individual employee to the company's results according to a merit-based approach. Performance evaluations are transparently communicated to shareholders, employees, and external persons and, as in previous years, are based on the following criteria:

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

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

Professional development is an ongoing process, and for some entities it is captured in the "Growth Journey". The company encourages all leaders and employees to always look for ways to strengthen their own growth and employability. This is also one of the main reasons why development is a key element embedded in performance and development concept, resumed in the word "ImpACT". Through "ImpACT" and Growth Plan Tool employees and leaders conduct development check-ins to ensure reflection on individual desires, opportunities ahead in short-term and long-term ambitions, and development actions to initiate to make them happen. The Growth Journey builds on the belief that development should be owned by the individual, who is in the driver's seat, with direct support from both the leader and the organisation.

A continuous performance management cycle based on regular feedback and review sessions between the employee and manager is conducted on an on-going basis for most entities. The review sessions are typically held a few times per year, starting with a kickoff session. For instance, in 2023 annual review session for Orderbird is split into 4 sections: "looking back" - how was the progress of goals that have been defined during the last performance period, what was supporting the accomplishment of goals, what was hindering/interfering with the work on goals. To reflect and gain a common understanding of the past, former Nets entities distinguish between the employees view on the progress and the manager's point of view. To formally document both standpoints (self-assessment and external view) is a tremendous support to align and discuss different perspectives. The second section is "looking ahead" where are documented goals for the upcoming performance period (which may differ depending on the seniority level, e.g., shorter performance period for more junior roles). The focus for defining goals is to a) break down the company goals to everyone's possible impact, b) align teams and c) ensure employees have challenging yet motivating goals to work on. The third section is for the manager to write a summary about the employee, e.g., outline the employee's performance development, great achievements, upcoming challenges. The last section is about a concrete description of personal development areas, necessary steps and actions to undertake. This formal review is done in January and July ("mid-year review") each year - with a formal documentation.

¹⁰ Paytrail is not yet part of the Nexi Group Performance Management system. It has its own system and every employee gets a performance review on an annual basis from their managers.

The reward system

Nexi Group's reward system is closely linked to the financial performance achieved and determined according to the specific responsibilities for each professional position. The system operates by seeking standardisation and simplicity as the foundations for the experience of its employees and for its business activities and strategy. For this, the system is based on the following common principles:

- alignment with business values and strategy;
- pay for performance;
- competitiveness and fairness;
- transparency and communication.

These principles have the aim to nurture a culture of transparency among employees when it comes to their rewards which is believed to be an essential element of Nexi.

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

In particular, both the weight of the CEO's objective related to People Engagement and the weight of the ESG objectives for the upper management have increased within the 2023 annual incentive plan ("MBO Plan"), providing for a mix of financial and non-financial performance indicators coherent with the responsibilities of the roles; furthermore, specific ESG objectives have been extended to all participants in the Group MBO Plan. As a consequence of the commitment undertaken by Nexi in 2022, the 2023-2025 cycle of the Long-Term Incentive Plan ("LTI Plan") also includes a new "ESG Scorecard", with specific indicators focused on digitisation, gender balance, inclusion and transition to renewable energy.

Details about the process for designing the remuneration policies of Nexi Group are fully described in the Remuneration Report, submitted to the approval of the AGM (Annual General Meeting) of Nexi Group Shareholders. For further information, please refer to Section I of the Remuneration Report approved by the Shareholders' Meeting of Nexi Group, held on 5 May 2023 available at www.nexigroup.com.

Training & Development

Nexi Group's approach to learning paths is based on a mix of different tools, methods, and content to ensure a more engaging learning experience. In 2023, the structures and processes dedicated to the training and development of people are being progressively integrated to ensure consistent and need-based skill development opportunities for all employees.

Training & Development are of central importance to promote both individual and collective growth. The corporate culture places great value on employees being able to continuously expand their skills and develop personally.

As part of the training offerings, collective trainings focus on the development of the entire team and can include various topics relating to Leadership Values and Ambitions, Creating Connections, Empower your team remotely, Difficult Conversations, Managing Stress & Energy in your Team, Impactful Influencing. All these trainings are conducted in collaboration with external partners, either on-site or virtually.

Individual trainings are designed to strengthen employees' skills and expertise to support their individual career paths. A key component of this offering is the "Career Path", which is accessible to all employees. This enables each individual to set clear development goals and take specific steps to achieve these goals. The individual trainings can be customized according to the needs and development area of the employees. These individual training sessions enable employees to work on specific skills and develop personally.

Within the international context where the Group operates, trainings attribute great importance to IT security and therefore offers specialized training in this area. These training courses are designed to keep employees up to date with current security regulations and to train them in the prevention of security risks.

Another focus is on language training, which helps employees to improve their language skills, which is particularly important in an international environment.

In 2023, the main goal was to support all employees in the profound change brought about by the mergers, while maintaining a focus on the topics of security and data privacy, leadership, diversity & inclusion, agile methodologies and compliance.

In addition, to be a future-fit leading paytech, the Group has focused on providing trainings, either via an academy or courses, on emerging topics such as "leading for change" and "future leadership". Some are illustrated below:

- FUTURE READY – a programme for the development of employee potential in individual groups (succession care and critical resources).
- FUTURE READY – a programme based on the 5 dimensions of Learning Agility (self-awareness, mental agility, people agility, results agility, change agility).
- READY FOR THE FUTURE/ FUTURE READY/ F4R/ developing competences of the future.
- Learn2LEAD – a programme for newer leaders, a strong connection to ImpACT;
- LEAD4Change – a programme for developing leader's abilities to drive and lead change;
- LEAD4TheFuture – a programme for developing leader's abilities to lead in a hybrid model/world.

Specific trainings were also coordinated on both hard skills and soft skills to create synergies among the two set of skills and further enhance Nexi Group's people to grow professionally and personally. Hard skills trainings, for instance, included topics related to the technicalities of Nexi's products and services, IT and software development, AWS certifications for technical customer service (with different levels of certifications), Zendesk user trainings (our customer service platform&contact system) and customer Success & onboarding process (technical onboarding-training). On the other hand, soft skills training included topics from the hiring process to the creation of an inclusive work environment among all departments. Topics included in the trainings related to leading in the time of change, managing well-being, and leading diverse and inclusive teams. The provision of such a variety of content was offered to empower employees to focus on their growth and development within the Group while benefiting co-workers.

Employee welfare

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

Since 2020, work-life balance was strengthened with the Smart Working Regulation, a new flexible mode of work organisation applicable to almost all employees which still applies in 2023.

In compliance with current regulations, pension contributions are regularly paid, and absences are managed as required by law or contract.

The approach to Employees Welfare is shared among all legal entities, although there can be slight differences, the overall benefits offered to employees are guided by decisions at Group level. Nexi Group firmly believes that welfare as an important supplementary element of the remuneration package and the main benefits offered to employees are to guarantee a flexible, safe and inclusive working environment. Benefits can therefore be summarized under these main pillars:

- 1) flexibility of working hours and smart working packages;
- 2) paid leave and reimbursement for medical visits and clinical examinations;
- 3) support of any kind available throughout the year for employees with disabled family members
- 4) healthy and active employees' community via various initiatives and activities (weekly lunch, sport activities, healthcare package etc).

To summarise, the main benefits offered to employees are:

- supplementary pension with a company supplement;
- flexibility in working hours;
- health care for all employees and tax-dependent family members;
- paid leave for medical examinations, plus additional leave for family members with certified disabilities;
- annual allowance for each disabled family member, plus an additional annual allowance for training needs and for the purchase of equipment to support the children of employees with learning disabilities (DSA);
- discounts on the purchase of annual passes for public transportation for employees who are members of the company's recreational club;
- possibility of converting part or all of the production bonus into a pension fund and/or non-monetary services.
- Home offices packages are available in specific legal entities;
- Sport related benefits are given to employees regardless their category.

Most of employees¹¹ are also entitled to the following insurance coverage:

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

Diving deep into some specifics merit of mention , Nexi Payments, Nexi, Service Hub, Siapay, MePS and Help Line guarantee at their expense, in favor of employees, hired permanently, life coverage for any cause of death (indemnity liquidation in favor of the legal heirs of the deceased employee), medical expense reimbursement coverage (reimbursement of medical services, related to a medical condition, that the employee incurs, e.g. surgeries, hospitalizations, therapies, high-diagnostic examinations, etc.), permanent disability coverage from illness, and occupational and non-occupational accident coverage (both – permanent disability and accident - guarantee the settlement, in favor of the employee who applies for it and falls within the conditions of coverage, of an indemnity).

¹¹ Specific exclusions from the Standard Coverage are clearly specified to the employee.

New Nexi Group Values

During 2023 an important step was taken on the journey of creating the one Nexi Group, with the definition of the new shared company values. The work started in 2022, with senior management defining the cultural vision for the Group, through the identification of our cultural foundations. The work continued in 2023 with the inclusion of the full organisation to the topic, by inviting Our People to co-create the Nexi values and interlinked behaviours together. This has been a truly inclusive process, ensuring voices and input from different parts of the Group, with over 5000 employees contributing to the process, through focused input sessions, workshop and a dedicated survey. The co-creation process, running during the first half of 2023, included on top of the Executive Committee the commitment and participation from 160 Change Leaders, 200 ambassadors, 325 volunteers and 4,766 survey respondents.

The finalized values and behaviours were launched in October 2023. The launch included activities to celebrate the new values and introduce them to the all employees, through a Group-wide seminar, onboarding sessions for managers, local launch activities, communication elements and dedicated team sessions. From November forward, the focus has been shifted to further introduce one value and raising employees' awareness around the specific value and interlinked behaviours.

The four newly introduced Nexi values are the following:

- Driving excellence for our Customers, always;
- Shaping Payments through our competence;
- Winning with our Energy, together
- and Enjoying the richness of Diversity.

Building on the cultural foundations, these values and the interlinked employee and leadership behaviours are key tools in helping us to come together as One Nexi and in creating the shared understanding of how we act and work together and what we aspire to be as a company. Having a strong foundation and being united as a whole Nexi, will support us to deliver on our promises to our customers and addressing the business challenges we meet in a strong and united way.

Employee engagement

Our Voices Survey

Nexi Group puts great importance and value on listening to its employees, especially during this time of integration between different entities from different regions and countries.

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

The Our Voices survey is conducted on a yearly basis in fall. The 2023 Survey was conducted in November, and included questions related to engagement and engagement drivers, leadership, the perceived development of the Nexi Group company, culture, and ESG topics. To prevent bias or mishandling of results, the feedback is handled anonymously and is managed by a major international survey company.

In 2023, 82% of the company's population¹² participated in the Our Voices survey, showcasing a strong commitment to provide feedback and support the Group's efforts towards continuous improvement and co-creation of value. During a year of transformation, the engagement level has remained stable. The Engagement index for Nexi Group has slightly decreased to 63%¹³, based on the Our Voices November 2023 survey, compared to 65 % in November 2022.

To ensure proper inclusion, Group results have been communicated to all employees through videos and dedicated meetings for the different functions. Group-wide results and future improvement actions have also been discussed in ExCo, and area-specific results and actions were addressed in Unit/country-specific management meetings. Additionally, team's results have been made available through a dashboard to enable discussion on the results.

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

- The survey shows high results for cooperation within the local surrounding, as employees continue to appreciate the connection and trusting relationship with their local team and manager, as well as flexibility in their work setting, indicating that these are real strengths in the Nexi Group. The result for fostering a learning culture in Nexi has also increasingly strengthened.
- The company commitment to the DEI-agenda is reflected in the strong increase in the results for the topic specific questions. To an increasing degree employees feel that their team values diverse perspectives, that they can be themselves and that employees are treated fairly. Similarly, ESG has also increased strongly, with the question on ESG being a focus in Nexi, with a 10-point improvement over last year.
- The survey shows a need for clarifying even more the company direction by communicating vision and priorities at all levels of the organisation.
- The good progress within Customer Centricity is appreciated by the employees, while a continued focus on simplification is needed, both of internal processes and the products offered.

Group-wide actions to further improve employee engagement and involvement in the Group's processes will be monitored regularly and brought to the attention of ExCo on a quarterly basis.

Nexi Group reaffirms every year that every person has an individual value and wants to be understood and treated as such. People will only give their full potential if the things that matter most to them are fulfilled in the workplace. Management needs to understand what matters most to the ideal employees, how those things are fulfilled now and how they should be. Only with this understanding can management build a culture in which its employees want to give their best. Hence, in addition to the Group-wide yearly engagement survey, several engagement initiatives are in place locally to ensure employees feedback, expectations and concerns are heard. For instance, a survey was conducted in various entities to review career pathways, job roles and to update the benefits available. Also, regular check-in with employees is coordinated for most of the Group's entities on a yearly or bi-yearly basis, alongside one-one-one meeting between the employee and the manager to support fair and inclusive career growth throughout the Group.

¹² In total 82% (8490 respondents out of 10402 persons invited) of Nexi population (excluding Orderbird) participated in the survey.

¹³ Percentages of favourable answers (4 or 5 on a 5-point survey scale) on the questions related to engagement.

Health & Safety

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

Occupational health and safety management system

As in previous years, the year 2023 was dedicated to guaranteeing so-called 'Covid-19 fragile' colleagues maximum protection from the risk of infection. The activity was carried out in cooperation with the company's Competent Doctor who, being the only one to examine colleagues' health records, was able to investigate the problems in depth by accompanying the colleagues when they returned to their offices or, where this was not yet possible, by constantly monitoring their health condition.

Attention was also paid to colleagues who, although not frail with respect to Covid, had complex psychophysical conditions that deserved careful medical evaluation. Health & Safety continued to offer psychological support to colleagues throughout the year 2023, guaranteeing confidentiality and free of charge as it was totally managed by the team of psychologists of the company's Medical Officer.

In 2023, a Work-Related Stress Risk Assessment was implemented through in-depth focus groups to identify the possible presence of stress factors and intervene where necessary. Moreover, in light of the considerations raised by the psychologists who manage Individual Psychological Support, it was decided to propose a specific training session for managers called upon to manage colleagues with psychological/psychiatric frailty.

Also, a flu vaccination campaign was promoted in all Italian offices in 2023, with the support of the Competent Doctor's structure.

Health & Safety continued its support activity to Real Estate and Facility Management for site management, following in particular:

- the preparation of safety assignments with the allocation of the relative responsibilities of RL (Head of Works) and CSE (Safety Coordinator in the Executive Phase);
- the verification of safety documentation, such as the PSC (Safety and Coordination Plan) and POS (Operational Safety Plan) of the individual companies operating on the site;
- the verification of the technical and professional suitability of the companies.

In addition, H&S continued to support the ATM & self-team in the preparation of site documentation for the bank ATM installation activities carried out by Nexi as Contractor.

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

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

In addition, workplace monitoring activities continued to ensure the best health and safety conditions. Evacuation tests were carried out in all locations and emergency teams were reinforced, also trained in the use of AEDs (Automatic External Defibrillator).

It is important to note that in 2023 a project for ISO 45001 certification of the Health and Safety Management System was started and will be completed in 2024.

With regard to former Nets entities, there is not a single management system for Health & Safety and Environment (HSE), however, the elements covered by national regulations are based on collaboration and dialogue between employer and employee representatives, with a focus on creating a safe working environment.

Former Nets entities follow the Group's policies and occupational accidents are regulated by local legislation and the human resources manual. These entities have also continued to provide support to employees to enable them to work from home. All new employees and those returning from extended leave were offered a work-at-home allowance to improve ergonomics and the work-at-home environment. Hybrid working arrangements have become an integral part of our working culture. In addition, various activities, such as sports events and office meetings, have been organized at various Nets locations to support and improve employee well-being and the working environment.

Nexi Croatia and Nexi Slovenia also continued to encourage work from home whenever this is beneficial to the employee and does not compromise business operations. All employees are encouraged to join one of three sports clubs offered, which provide the opportunity to practice all kinds of sports, swimming pools and other facilities, at highly discounted prices.

Moreover, training plays an important role for the whole Group: Orderbird during the year has implemented training and procedures: 15 employees have been trained as "First Aid helpers" and one as "Security officer".

Hazard identification, risk assessment, and incident investigation

For the Nexi Group, employee well-being is understood as living the company to the fullest, being able to reconcile work and personal needs, and carrying out its activities in health and safety is central. Hence, workplace health and safety assessments are carried out according to current legislation in the Group's various geographies.

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

In 2023, in the Italian perimeter, attention continued to be paid to the verification of the technical and professional requirements of Nexi Group suppliers, as well as to the Interference Risk Assessment (DUVRI) potentially able to occur in the workplaces of the various locations. Particular attention has been given to Environmental Risk and its assessment in all workplaces; this is also by means of environmental surveys of various kinds designed to mitigate risks. Workplace monitoring activities continued in order to ensure the best health and safety conditions.

Occupational health services

Nexi Group has embarked on a journey with labor organisations that have led to important agreements alongside the CBA (Collective Bargaining Agreement) such as:

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

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

- flu vaccination;
- social security counseling service;
- tax assistance for tax returns;
- psychological counseling also to support employees in the hardships manifested after the negative period experienced due to the pandemic.
- health care checks for all the employees;
- online guidance for working from home;
- First Aid courses;
- subsidized access to sports facilities, sport clubs and massage;
- health insurance;

In the Nordics, the magnitude of employer organized occupational health service vary between the countries and is a mixture of health insurance, statutory occupational health care and public sector services. A Working Environment Committee is set up in most countries for a totally healthy working environment within the company. All the committees participate in planning workplace safety and the environment in the company and monitor its development. The composition of the committees varies according to national legislation but includes worker and employer representatives and the health professional of the country in question. It is compulsory to participate in training courses and obtain appropriate certificates in all countries. The work of the committees in all geographical areas is documented and may be subject to controls by national authorities or others (e.g., National Labor Inspectorate or clients). The committees typically meet at least four times a year.

Participation and consultation

All employees have been consulted, through the involvement of their representatives (RLS), with meetings aimed at defining and sharing the actions taken to mitigate risks at the company level. In addition, RLSs have been involved in inspections of all workplaces, fostering a process of timely monitoring of different situations concerning workplaces, resulting in improvement actions to be taken. Information about Health, Workplace environment and Safety work is provided to the employees on Intranets, Employee handbook and in some emergency cases by mail. Also, the cooperation related to occupational health and safety at workplaces is subject to the provisions of the Act on local legislation and the applicable collective agreement.

Worker training on occupational health and safety

Nexi Group values occupational health and safety in its workspaces, hence why all legal entities carry out training related to the topic. To enhance the focus on occupational health and safety of workers, 20 training courses on the topic of Health and Safety were conducted for the Nexi Italy perimeter through e-learning platforms and HR activities.

With regards to occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations, Nets Denmark is required by law to provide Occupational Health and Safety training to employees working within the Work Environment Organisation (WEO). Training regarding work-related hazards, hazardous activities, or hazardous situations has not been provided in 2023 to employees outside the WEO. In turn, employees are offered to participate in first aid courses.

Also in Finland, Sweden and Norway employees can sign up for first aid organizations first aid courses.

Collective Bargaining Agreements

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

In Italy, Belgium, Slovakia, Netherlands, and Greece¹⁴ all employees are covered by collective bargaining agreements. Also in 2023, the following entities outside the Italian perimeter ensured 100% coverage under collective bargaining agreements such as Paytrail Technology Oy, Nets Sweden AB, Nexi Austria GmbH, Orderbird AT GmbH, Nets Holdco 5 AS and PforCards GmbH.

In Austria, an IT-CBA industry contract, along with supplementary agreements between companies and employees, and the IT-CBA contract applies specifically to PforCards. In other countries, national regulations on bargaining agreements guide the Group's conduct on the topic.

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

¹⁴ Only for Nexi Greece Processing Services. For Nexi Payments Greece, there is no Collective Bargaining Agreement applicable as all employees have individual contracts with employment terms and agreed salary above the National Collective Bargaining Agreement.

Outside the Italian perimeter and both the Nordics and DACH region (former Nets entities) frequent consultations and negotiations are carried out with the National Labor Council based on national law, the collective agreement, and the applicable company agreement. Whenever changes are made, employees are informed in accordance with the regulations on the notice period established in national legislation, the collective agreement, or the company agreement.

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

To add more specifics to the branches located in Finland, according to the Finnish Co-operation Act, any proposal on significant operational changes that could substantially affect employees must be negotiated with employees or their representatives at least for 2-6 weeks. Any amendments to an employee's terms and conditions must follow the employee's own notice period which derives either from the collective bargaining agreement or individual agreement. For the Norwegian branches, according to the Main collective agreement between Finans Norge & Finansforbundet any changes that will significantly alter the employees has to be communicated to the union representatives as soon as a committee has started discussing such changes. Any amendments to the employees' terms and conditions must follow the contract's notice period, which in Norway is 3 months from the beginning of the month, and one month for contracts in probation period.

In Sweden, any proposal on significant operational changes that could substantially affect employees must be negotiated with the local union. No specific time or how long the negotiations must take.

4.2 COMMUNITIES EMPOWERMENT

Financial inclusion

As mentioned in the Sustainability Policy, Nexi Group contributes to the spread of digital payments culture and new technologies by facilitating access to services for the community. The Group's activities also support key production sectors in the reference economic landscape by facilitating financial transactions for all the actors involved. Also, Nexi Group aims at providing equal opportunities in accessing financial products for all populations and minorities and supporting the micro businesses digitalisation journey.

The many activities both at Group and at local level has raised the awareness internally on the commitments Nexi has to be a sustainable and responsible company. This was also reflected in the annual employee engagement survey Our Voices where an increase of 10 points (out of 100) was achieved when employees were asked if they agree that Nexi Group has a strong focus on Environmental, Social and Governance.

Merchant Solutions

In 2023, Nexi Group continued its efforts to invest in new payment products and services to ensure complete and up to date portfolio solutions for already existing customers and for new ones. New vertical-focused solutions have been designed to meet ever-evolving merchants' needs and support the digitisation of their businesses.

Focusing on customer centricity, in Merchant Solutions value creation was pursued by offering multiple initiatives and new product/services, by strengthening the digital channel offering and evolving its eCommerce offering. Among the initiatives carried out in 2023, figure:

- **SoftPOS launch:** this innovative solution is designed to provide a seamless and user-friendly payment experience, allowing micro merchants to enhance their operational efficiency and better serve their customers. Already launched in Nordics and DACH, the service was launched in Italy in 2023;
- **continuous development of Vertical Project,** already started in 2021 and 2022: declination of materials and storytelling of Nexi products and services according to specific needs of each merchant category;
- **continuous training:** engagement and caring banks concerning all undertaken activities (Nexi, Days, Nexi Academy, Webinar)
- **Nexi Virtual Store,** launched in 2022, becomes interactive. The user, located in a square with various types of shops, enters a 'Bar/Restaurant' and discovers interactively the entire Nexi offering;
- **GO LIVE of the Nexi Ready Referral portal:** a dedicated portal exclusively for the three referral banks with various contents, including circulars and partner news, and dedicated product materials;
- **the project with the partner FANPLYR** has been implemented with the aim of 'assisting' users in navigating both MOS and nexi.it with different logics, helping them find the information/product that best suits their needs;

- Launch of **Pixpay app** aiming at educating teenagers between 10 and 17 years old on how to manage money and awareness on the world of digital payments;
- Renew of the **Electronic Invoicing Portal**;
- **Metaverse initiative** with the Nemesis and Banca Popolare di Sondrio: users, through avatars, can explore the virtual environment to access financial education content via branded totems, with the goal to stimulate awareness and participation, spread education on cards, mobile payment, POS offerings, eCommerce, and Planet Care;
- The **Nexi Partner Program** initiative continues with the goal of growing the world of digital payments and make it more accessible to all merchants;
- Project to make the **Arcimboldi theatre** in Milan **cashless**.

Issuing Solutions

In 2023, Nexi Group launched several projects to achieve ambitious goals in terms of ESG strategy and digital positioning, in particular:

- pursuance of the **Planet Care project**: the sustainability-oriented service linked to Nexi cards, which raises awareness among citizens to adopt a more conscious and environmentally friendly approach to consumption by offering them the opportunity to calculate the carbon footprint, on a monthly basis, of all their purchases paid for with the cards;
- **“Pay Like a Ninja”** in partnership with FEDUF continues: an initiative to support the education to the knowledge and use of digital payments with the target of secondary school students;
- **Smart PA Magazine**: a digital magazine dedicated to digital payments in PA, developed in collaboration with Maggioli Editore and Visa;
- **Emagazine** – a magazine with information about the latest digital trends, information about the evolution of the industries;
- **Playment magazine**: periodic newsletter aimed at explaining, from an educational perspective, Nexi’s products and services for a conscious usage of payment tools. Distributed through DEM, in-app communication, and social media communication on Nexi channels;
- Education on **sustainability of digital payments**.

Digital Banking Solutions

The innovation roadmap for Corporate Banking, Instant Payments, ATM and Open Banking services continued in 2023. The development of cutting-edge technological solutions in the field continued in 2023, as demonstrated by the following solutions:

- ad hoc **training Session at Salone dei Pagamenti**: Focus on Digital Payment Tools and Generation Z;
- **Sustainable mobility/EV Charging**: introduction of a new POS solution integrated into gas stations for electric vehicle charging payments, with potential expansion to other EU countries;
- Launch of the **first cashier-less supermarket in Italy**: Nexi, in partnership with DAO, has launched Italy’s first cashier-less supermarkets under the Today Conad brand in Verona. Nexi provided the technological infrastructure for the “invisible payments” system, allowing customers to select and bag products without traditional checkouts;
- **Adv campaigns with banks** (Banca Passadore, Banca Popolare pugliese, Gruppo Cassa Centrale, Banco Desio, Banca Raiffeisen, Banca di Credito Popolare, Cassa di Risparmio di Volterra) to promote the adoption of mobile payments.

Society digitalisation and progress

In 2023, Nexi Group continued its role as European Paytech, emphasizing its commitment to social digital transformation for a cashless society.

The year saw significant strides in digital innovation, with Nexi enhancing its existing portfolio and developing new solutions to offer customers a seamless and comprehensive digital experience, turning digital payments into opportunities for growth and efficiency. Coherently with its goal, Nexi not only reconfirmed successful initiatives already ongoing in 2022 but launched multiple new ones across all its business lines aiming at facilitating the way customers, merchants and financial institutions pay and accept payments.

One of the key initiatives reaffirmed is the “Micropayments initiative,” tailored for small merchants, promotion which aims to lower POS transaction fees on payments up to €10, targeting low-value transactions that were historically conducted through non-digital methods like cash. Another initiative leveraged to boost digitalisation was the “zero monthly fee” made available also for SmartPOS and SoftPOS proposition in Italy. These, among other initiatives, allowed small merchants to use these products at reduced costs, thereby fostering a further spread of digital payments.

At the same time, 2023 was marked by many innovations resulting in a broader and more diverse offering of products and services to support merchants throughout their whole journey. Among these was the refinement and the spread of the SoftPOS proposition, already available in Denmark, Finland, Norway, Sweden, and Greece in 2022 and now also in Croatia from April 2023, in collaboration with PBZ card, and in Italy thanks to the powerful launch with Intesa Sanpaolo. This new solution marked a further significant step for Nexi in digitalizing payments, allowing merchants to accept payments directly on their mobile phone, eliminating the need for additional hardware.

Another crucial development was the commitment to digitize the entire merchant experience: Nexi implemented several ad-hoc solutions including the “My Payment App” in Nordics and DACH a merchant-facing smartphone app providing direct interfaces for seamless insights and troubleshooting. Additionally, the introduction of the “Data Suite” enables merchants to harness the benefits of digitalisation, providing detailed insights based on specific merchant and market-wide transaction data.

Nexi intensively invested in enhancing the online experience for its merchants by improving the suite of eCommerce solutions, essential for driving the digital transformation of society by ensuring accessible and efficient financial services.

Furthermore, Nexi focused on improving its online offerings by enriching the set of Value-Added Services available for merchants (e.g., Transaction Risk Analysis, POS tokenization allowing Xpay merchants to register customer payment data directly on their POS terminals). At the same time, it enriched its partners ecosystem by signing new relevant deals with Pan European platforms (e.g., Shopware, Magento and Prestashop) to make payment integration for merchants even easier. Lastly, Nexi persisted its commitment in being a “local by nature” player allowing merchants to accept always more and diversified local Alternative Payment Methods (e.g., Pay Pal pay in 3, Kevin, Twint, Bancomat Pay for Amazon) increasingly favored by the population.

Additionally, Nexi focused on final consumers and the way they pay by improving its Issuing Solutions offering in Italy. This was done with a specific focus on GenZ, aiming at promoting financial inclusion among a broader audience, to support the new generation when first approaching digital payments. The product Nexi specifically developed for GenZ is ‘Card zHero’, an accessible, fee-free card that is both eco-friendly, made from recycled materials, and secure thanks to a range of ad-hoc features, such as parental control.

Another commitment of Nexi is the pledge to urban digitalisation: tangibly reflected in multiple projects the Group has undertaken this year. These initiatives encompass the development of a full suite proposition for EVC (Electric Vehicles Charging). Simultaneously, smart mobility has emerged as a key component of urban digitalisation.

Recognizing the crucial role of collaborations in staying ahead of developments, Nexi not only strengthened its relationships with the existing partner base but also focused on expanding it. To facilitate this expansion, Nexi developed the PSSP (Partner Smart Selling Proposition) which is live in DACH region, providing partners with a digital tool to manage all partner-related tasks (e.g., merchant onboarding, orders and logistics, data analytics and reporting).

The concrete commitment of Nexi Group's to digitalize society is supported by the Group's Business Strategy Function that supports identifying innovation initiatives coupled with medium/long-term strategic developments.

Group Partnerships

During 2023, Nexi Group reinforced its partnership network through several key strategic deals with partners to strengthen together the digitalisation of the payment ecosystem going towards a cashless society. Among all, the most relevant ones are:

- **Microsoft:** Nexi Group has been selected by Microsoft as one of its preferred digital payments' providers for eCommerce in core European markets thanks to its unique differentiated positioning combining large scale & customer proximity; Nexi and Microsoft are also working together to allow Nexi to bring its proposition on Microsoft ecosystem;
- **Global Blue:** the leading technology company in tax free shopping and added value payments signed a strategic partnership with Nexi to provide DCC services and frictionless omnichannel payment experience for hospitality, restaurants, and retail; Nexi has also been selected by Global Blue as its preferred acquirer in Europe;
- **Zucchetti:** this partnership significantly contributes to digitisation of SMEs by providing businesses and merchants with a fully integrated offer (core banking, open banking, merchant services and issuing services);
- **Start Path:** this collaboration with the global startup engagement program founded by Mastercard act as a bridge between Nexi and innovative startups addressing key trends in the payment industry;
- **CB Insights:** this collaboration with a leading market intelligence platform mapping industry trends, markets, and startups provides Nexi with a global database of resources useful to scout potential partners and stay up to date on the latest industry developments.

4.3 RELIABLE CUSTOMER RELATIONS

Customer centricity

The daily activities, new products, innovation and investments of the Group are always calibrated by putting the customer at the centre. For this reason, Nexi Group constantly monitors and detects the needs of its customers through both customer satisfaction surveys and through the constant detection and analysis of the Net Promoter Score (NPS), as well as through the management of complaints and the analysis of feedback on digital application stores.

The Group's constant aim is to spread the culture of customer satisfaction among all its people, with the aim of improving service levels and customer relations. To this purpose in 2023, the Group extended Customer centricity methodology to all its Regions, with the following activities:

- periodic listening to a selection of customer calls by upper management, in compliance with privacy regulations, to identify possible improvement initiatives (Nordics, Dach, and CSEE);
- sharing the results of the most recent surveys aimed at gathering private customers' perceptions and its services in corporate staff meetings;
- presenting the "Customer Centricity" methodology to colleagues of regions previously not involved in the NPS calculations (Nordics, Dach, and CSEE) to spread the Customer Centricity framework and to align the same NPS methodology in the whole Nexi Group. This was done through specific meetings to explain the relevance of the methodology used, taking Italy as an example;
- the presence of specific NPS targets for the Business Units: this initiative was already present in previous years and confirmed in 2023, linking the specific NPS targets to the variable remuneration when relevant.

During the year, the Group also invested in listening to customers to continually improve its solutions and explore customer needs with the introduction of new surveys and the identification of specific improvement actions in business units (eg. Sales Channels, products,...). Nexi set up initiatives to improve the customer experience, such as improve accessibility to services, reducing waiting times and improving agent skills to ensure more effective contact resolution.

In the Nordics, most of the customer interactions are monitored through surveys of merchant customers and IeS (issuing, e-Security, digitisation) service customers of the Issuing Solutions Business Unit to identify areas of improvement and the areas of services and products most appreciated.

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

GRI GRI 2-26: Mechanisms for seeking advice and raising concerns

Net Promoter Score

The continuous improvement path is confirmed in 2023 by the Net Promoter Score¹⁵ value achieved on the Group perimeter which amounts at 17.5, meaning 2.2. point above the target. As for the 2023, the 2024 NPS target will be calculated based on a different weight of Nexi Group customer clusters: 10% Cards owners, 60% Group merchants and 30% Partner Banks, unlike previous years when the overall NPS value was calculated as the simple average of three customer clusters (cards owners, merchants and Partner Banks).

For some customer segments (cardholders and partner banks), NPS values over 50 were achieved during the year. In fact, in 2023, Nexi Group introduced significant initiatives for Intesa Sanpaolo merchants (such as micropayments, replacing old POS, etc.) and Intesa Sanpaolo valued the care for their needs and expectations.

In addition, in 2023, the Group extended the NPS calculation to Unicredit bank as part of the Partner Bank NPS survey and began to extend NPS methodology to the whole Group. During 2023, in fact, also in other Regions Nexi has measured the NPS. In CSEE, for example, in the second half of the year Nexi has monitored through Relational surveys the merchants' and ecommerce experience in Croatia, Greece and Poland.

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

Complaints

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

In this regard, Nexi Group has internal regulations that define the roles, responsibilities and operating methods useful for identifying critical areas and areas for improvement, to strengthen the relationship of trust with customers and reduce operational risks and damage to reputation.

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

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

¹⁵ A net promoter score is a method of using a single survey question to gauge customer satisfaction with a product/service.

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

For Germany, Austria and Switzerland and for complaints of merchants belonging to Nexi Germany GmbH located in other countries they are proceeded in the departments by the dedicated matter experts taking care of internal or external (PDS2) required timeframes. An alternative complaint channel is also provided to the customers via website. A central register of all complaints is maintained in the CRM System salesforce. The complaint Management representative provides a quarterly report of all received complaints to the Management.

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

Data security

Privacy and data security

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

Nexi Group promotes an environment of ethical and controlled information handling, aiming to protect information and information systems against Security threats that may adversely affect Nexi Group and its stakeholders. In addition, Nexi Group maintains strong relationships on Security matters with all related external stakeholders, as well as peers and counterparties within the financial market ecosystem.

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

At external level, Nexi Group has published on the official website information relevant to the importance of cybersecurity and its relevance for the whole Group. Below are illustrated further details on the approach adopted by the Group to be resilient-by-design and to grant security on product and services offered¹⁶.

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

¹⁶ The section is available publicly at the following address: <https://www.nexigroup.com/en/esg/overview/>

In the event of a suspected or confirmed breach affecting the confidentiality, integrity, or availability of information assets, Nexi Group and its stakeholders could face significant harm. To mitigate such risks, a Security Incident Response Plan (IRP) has been developed and is continuously updated. This plan outlines specific roles and responsibilities, communication channels, escalation procedures, and a comprehensive management workflow that spans the entire incident lifecycle. The IRP includes requirements for classification and ensuring reporting of personal data breaches to designated data breach management procedures under GDPR.

The Group conducts assessment activities annually and has defined an approach for risk identification that combines:

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

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

Furthermore, the Group has defined multiple security capabilities that are adopted to mitigate those risks, such as:

- workstation security;
- external Network Security;
- local network security;
- application and server security;
- data security;
- security monitoring;
- vulnerability management performed at application and infrastructural level;
- third party security;
- security awareness;
- physical security (e.g., access criteria / monitoring, classification of business areas, ...).

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

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

The Security Master plan is constantly supplemented and enriched by:

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

The Board of Directors is also periodically informed through dedicated IT resilience reporting that includes relevant updates on internal cybersecurity-related topics from the Master Plan, overviews of incidents that have occurred, and threat information from external sources.

Managing privileged information

The "Regulation for processing Relevant/Privileged Information, the establishment and maintenance of the Relevant Information List, the Insider List and Internal Dealing" is in force in Nexi for the management of privileged information¹⁷.

The Regulation aims to adjust/control/rule/guide, in addition to confidentiality and reporting obligations, the process of managing documents and information concerning Nexi and the companies belonging to Group, with reference to confidential information and privileged information, as well as the establishment, keeping and updating 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 in force on the subject and ensuring Nexi's timely, complete, and adequate communication to the market of the Group's privileged information while guaranteeing the utmost confidentiality until their dissemination to the public.

Cybersecurity, Privacy and Compliance training

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

Security training is mandatory for all employees. In addition specific trainings are provided to relevant roles and functions. A single mandatory annual security e-learning course was distributed across the Nexi Group in 2023. The course covered the main aspects of the Nexi Group End User Security Code of Conduct. It also contained information about the Nexi Group Security Framework and the Payment Card Industry Data Security Standard (PCI DSS). In 2023, Group Compliance training was provided integrating the ex-SIA perimeter, thus also including courses in English for the non-Italian perimeter. The emphasis was placed on IT Security Awareness, prioritizing the security and protection of information to safeguard information assets and enhance every employee's awareness of these critical issues.

In the area of Privacy, all activities that need to process personal data have seen Nexi Group increase its commitment to adapt its organisational model and operating methods. Training is delivered regionally, encompassing e-learning modules for all and additional in-person classroom sessions for specific groups.

Data Protection

Data Protection Officers (DPOs) are responsible for monitoring compliance with EU Regulation 2016/679 on data protection (the so-called GDPR) and other applicable data protection laws in jurisdictions where Nexi operates. In particular, the DPO must be involved in all matters relating to the protection of personal data, advises on obligations and compliance with existing legislation, issues opinions on data protection impact assessments, inform and advise the Board of Directors and, finally, acts as a point of contact for the data protection

¹⁷ The Regulation for handling relevant/inside information, set up and management of the RIL, insider list and internal dealing defines inside information as "information of a precise nature which has not been made public, relating directly or indirectly to the Issuer, including with reference to one or more subsidiaries, or to one or more Financial Instruments of the Issuer, and which, if made public, would be likely to have a significant impact on the prices of the Financial Instruments or on the prices of related derivative financial instruments."

authority and data subjects. Where it is not required to appoint a DPO, local compliance managers in the second line of defence carry out the similar tasks to DPOs to ensure Nexi's compliance with applicable data protection law.

In 2023, Group Compliance, in collaboration with the Data Protection Officers of the various Group companies across the Italian, CSEE, Nordics and DACH regions, has updated and the senior management has approved a new version of the Nexi Group Data Protection Guidelines. In particular, the new version of the Guidelines introduces the following: an enhanced Group Privacy Coordinator¹⁸ role, Privacy Liaisons¹⁹ and Privacy Champions²⁰ as well as reviewing the various Lines of Defence, the DPO's responsibilities, and setting the scene for Group-wide harmonization of macro processes and tooling within privacy compliance across Nexi Group with those efforts to be led by the Group Privacy Coordinator.

Each region worked with specific focus areas in 2023 in addition to the business-as-usual data protection compliance tasks.

For the Italy region, privacy complaints are handled according to specific internal regulations, in particular the privacy regulation entitled "Protection and processing of personal data", and the procedure relating to the "Management of data subjects' rights".

Two important initiatives were also carried out in 2023:

- the Data Retention project continued with the aim of identifying and deleting personal data stored on electronic or paper media that exceeded the retention periods established by law;
- an assessment of Data Protection Role defined in the contracts related to Digital Banking Solutions Area.

Finally, in order to strengthen all employees' awareness on the importance of proper management and protection of personal data, in compliance with current regulations, specific training courses were held remotely in 2023.

For the Nordic region in 2023, the business was supported by the Nordic DPO Office and the Nets GDPR Center of Excellence. The following activities were in focus:

- The Nordic DPO Office has in cooperation with Compliance in the Nordics developed a new reporting format to the board of directors to enhance risk communication, participated in internal audits with a GDPR focus, provided advisory support to Nets' divestment of the eID and Trust Services.
- Nets GDPR Center of Excellence ran a GDPR compliance project covering Merchant Solutions and eCommerce as well as advising the first line of defence in those business units. As Nets GDPR Center of Excellence had fulfilled its original purpose, it handed over project output to the Nordic DPO Office and was then closed down on 31 December 2023 with half of the staff transferring to the Nordic DPO Office and the other half transferring to the Group Privacy Center of Excellence led by the appointed Group Privacy Coordinator to initiate activities under the new version of the Nexi Group Data Protection Guidelines.

For the DACH region, the following data protection compliance activities were in focus for 2023 and successfully completed:

- Extensive overhaul of policies, organisational instructions/procedures, templates and privacy notices in particular as a result of the rebranding of Concardis to Nexi.
- The new Data Protection Policy on basis of the Group Data Protection Guidelines was adopted at Nexi Germany, with Nexi Austria and Nexi Switzerland following in early 2024.
- New and improved standardized data protection training rolled out in Q3, now also including training in the French language.

¹⁸ Appointed by the CEO of the Parent Company, assists the DPOs of the various Legal entities of the Group in coordinating their efforts regarding the protection of personal data, in order to promote consistency and uniformity in their cooperative actions" (*Group Data Protection Guidelines*).

¹⁹ Head of Department, appointed by the Data Controller formally accountable for compliance with for applicable data protection law and these Guidelines; the Privacy Liaison must appoint Privacy Champions as necessary to ensure adequate implementation and maintenance of compliance with data protection requirements; the Privacy Liaison may choose to take on the Privacy Champion role themselves if it is feasible for them to carry out the tasks of a Privacy Champion" (*Group Data Protection Guidelines*).

²⁰ Appointed by the Privacy Liaisons as being responsible for implementing and maintaining compliance with data protection requirements within the Scope of their appointment" (*Group Data Protection Guidelines*).

For the CSEE region, the following activities were in focus for the data protection compliance teams during 2023:

- During 2023, Nexi Croatia became a payment institution for card acquiring for the first time. DPO supported local M&A activities as well as supporting privacy compliance in the integration of Nets companies in Croatia and Slovenia into Nexi CSEE region.
- Monitoring activities carried out by DPO with respect to data protection compliance training and processing of personal data during the employment relationship.
- Training and awareness.

Reports of data breaches & leaks and data subject requests

Nexi Group adopts appropriate technical and organisational measures to guarantee a level of security appropriate to the risk, taking into account the state of the art and implementation costs, the nature, object, context and purposes of the processing, as well as the risk of probability and severity for the rights and freedoms of natural persons. In the event that a violation of personal data occurs which presents a risk to the freedoms and rights of the interested party, the Group provides immediate reaction methods in order to allow the Data Controller (s) to notify the competent authorities of the violation without unjustified delay and, where possible, within 72 hours from the moment in which it became known and, if the conditions are met, to the interested party, including (ii) the adoption of the measures necessary to mitigate the negative effects of the violation.

In 2023, the Italian perimeter of Nexi Group received 61 substantiated complaints concerning breaches of customer privacy, pursuant to Articles 15 et seq. of the GDPR, and 56 were substantiated by the company. Also, the total number of identified leaks, thefts, or losses of customer data was 68. It should be noted that during 2023, the Italian perimeter of Nexi Group recorded 14 minor events for which a report to the Data Protection Authority was not necessary, as they were not classified as high risk for the rights of the data subjects.

CONDUCTING A RESPONSIBLE BUSINESS

A decorative graphic in the top-left corner of the page. It features a large, dark blue circle that is partially cut off by the top and left edges. Overlapping the bottom-right edge of this blue circle is a smaller, semi-transparent red circle. The red circle is also partially cut off by the right edge of the page.

5

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5.1 RISK MANAGEMENT

Enterprise Risk Management

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

The mission of ERM model is to promote informed decisions, based not only on expected results but also on underlying risk profile to ensure a proper management in line with risk objectives. The aim is to identify the main risks over the strategic plan time horizon that could affect key value drivers and / or threaten the capability to realize strategies and achieve expected goals.

To this end, Nexi Group's ERM model has the following goals:

- to identify, prioritize and regularly monitor major corporate risks, to guide investments and resources devoted towards the most critical and relevant area of exposures for the Group business;
 - to assign roles and responsibilities for managing risks in a clear and shared way;
 - to spread the culture of risk and a "risk-based approach" in the Group decision-making processes, boosting the management awareness of the major risks the company is exposed to.
- Nexi Group and all its Legal Entities have adopted the Group Enterprise Risk Management Policy, which outlines:
- the core set of principles qualifying the ERM model adopted by the Group;
 - the roles and responsibilities of corporate bodies and functions involved in the implementation of the ERM model;
 - the implemented risk management framework, in terms of activities, involved actors and methodologies which represent minimum requirements and standards for risk analysis, assessment and monitoring purposes at Group level.

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

GRI GRI 2-16: Communication of critical concerns

GRI GRI 2-25: Processes to remediate negative impacts

GRI GRI 2-26: Mechanisms for seeking advice and raising concerns

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

Risk categories	Description	Risk Management objectives
Strategic risks	Characteristic business risks that could impact the Group performance, strategic decisions and / or the Group business model.	For these risks, the objective is to create awareness by quantifying the impact on company financial targets, where relevant and feasible, in order to support decision-making processes from a risk-informed perspective.
Operational risks	Risks related to inefficiencies of business processes and projects delivery / execution, including security, legal and contractual risks and / or related to ICT systems, with negative consequences on the Company operations and / or performance.	For this type of risks, the objective is to mitigate their potential impact and / or probability, in a cost - benefit perspective.
Compliance risks	Risks of incurring judicial or administrative sanctions, significant financial losses and/or reputational damage as a result of violations of mandatory rules (laws, regulations) or self-regulation (e.g., statutes, codes of conduct, codes of self-regulation).	Given the nature of these risks, the related compliance actions are aimed at minimizing their occurrence, considering the necessary time to adapt to new complex regulations, and to align new products and services to the regulatory framework in a particularly evolving international market.
Financial risks	Risks related to capital, credit, and liquidity management, and / or related to the volatility of the main market variables (interest rates, exchange rates, etc.).	For this type of risks, risk management activities are aimed at measuring and monitoring risk, in line with the risk appetite and defined limits.
ESG risks	Risks related to environmental, social and governance topics which could have an impact on the company's operations and activities.	The risk management activities are aimed at creating awareness and mitigate risks potential impacts.

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

The mission of the ERM model, the reference principles, roles and responsibilities are reported on the website www.nexigroup.com 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, and expressed in the various aspects and framed in the current macroeconomic, political and regulatory context, please refer to the 2023 Consolidated Financial Report on the website www.nexigroup.com.

Main activities carried out by the Risk Management Function in 2023

To improve risk identification, management and monitoring, in 2023 the Risk Management Function carried out, among other, the following activities:

- The Function analyzed risks and opportunities potentially impacting the targets included in the Group Budget, related to inertial market evolution, growth initiatives, market risk and saving initiatives. The analysis included also a deep dive on expected volumes and card penetration growth based on the macroeconomic scenario across Europe.
- Given the increasing need for the company to ensure greater monitoring of supply chain risks and in line with the provisions of the EBA guidelines on outsourcing, during 2023 the Group continued to improve the governance, processes, and activities for managing suppliers, including outsourcers, and to identify the related risks. More in particular, a third-party risk assessment methodology has been defined to evaluate suppliers, that consists of 3 main phases: i) Identification on suppliers under analysis based on a risk based approach, ii) execution of the risk assessment, to assess the vendor criticality and major controls in place, and iii) according to the risk assessment results, execution of onsite audit where necessary (on IT or ESG). More in particular:
 - On IT side, the audit aim is to verify the supplier IT and security measures, as business continuity, change management, IT incident management, network security, awareness and training, data protection, etc. Based on the gap identified, a remediation plan is established with agreed deadlines.
 - On the sustainability side, the audit has the aim to verify the alignment of the supplier's processes / activities / practices with local regulations and international standards on ESG related topics, as H&S, Human Rights, Labour, Governance, Management of environmental aspects, Management of Business Continuity issues and security of the information managed. The audit checklist is composed by aspects that are "essential" (must have) and other ones that are "aspirational" (best practice), and it includes onsite interviews with workers and management, document/record review, site observations and evidence gathered during facility tour. At the end of the audit, a Corrective Action Plan is agreed with the supplier, to solve the findings emerged withing assigned deadlines.
- The Credit Risk Management function has further strengthened the measurement and assessment of credit risk for issuing and acquiring activities. It also defined a Group credit risk appetite framework with the aim of evolving and enhancing the credit risk monitoring systems, as well as producing specific reports for top management.
- The monitoring of reputational risk is a fundamental pillar of the Risk Management Framework, in line with regulatory provisions, as well as a tool for monitoring phenomena that may have an impact on Nexi Group reputation with its various stakeholders. In this direction, with specific reference to Nexi Payments, the Risk Management Function continued to monitor and report to the Risk & Control Committee a reputational dashboard, with the aim of providing a concise representation of the status of Nexi reputation with reference to the main stakeholders (Clients, Supervisory Authorities and General Public). The representation is based on a list of indicators collected in a structured and continuous manner by various functions and allows Risk Management to capture a possible worsening trend in reputation.

Identification and assessment of ESG risks within the risk assessment activities

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

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

Emerging risks and medium to long-term trends

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

EMERGING RISK 1		EMERGING RISK 2
Name	Increasing geopolitical tension and potential disruption of the supply chain	Artificial Intelligence potential threats
Description	2024 Economic prospects for Europe are sensitive to both the Israel-Hamas and Russia-Ukraine wars, with the consequent risk of increasing oil and natural gas prices, and the ongoing risk of continued disruption to maritime transport through the Red Sea causing adverse supply chain and inflationary implications in Europe. In particular, the attrition next to Suez Canal, in which Houthi militant group continues to harass commercial and naval shipping in the Red Sea, are forcing the suspension of naval passage and the circumnavigation of Africa. The ongoing disruption to shipping via the Red Sea significantly increases transportation costs and hamper production for European businesses. Avoiding the Red Sea and Suez Canal route extends transportation times by an average of 10 additional days and implies delays to production schedules.	The rapid deployment of AI/ML systems in finance will have significant impact that will require robust policy responses to ensure the integrity and safety of the financial system. Concerns are rising regarding a number of issues, such as embedded bias in AI/ML systems, the ability to explain the rationale of their decisions, their robustness (particularly with respect to cyber threats and privacy), and their potential impact on financial stability. With reference to main risks, AI/ML adoption could increase the scope for cyber threats and could bring in new unique cyber risks. Such new threats focus on manipulating data that allows attackers to evade detection and prompts AI/ML to make the wrong decisions or to extract information. New privacy concerns could arise as well, for example, AI/ML has the capacity to unmask anonymized data through inferences (that is, deducing identities from behavioral patterns). Similarly, AI/ML may remember information about individuals in the training set after the data is used, or AI/ML's outcome may leak sensitive data directly or by inference.
Impact	The current geopolitical scenario could impact the macroeconomic outlook and create uncertainty in Nexi operation and products supply, in particular Red Sea riskiness could impact the followings: • maritime transport cost increase, • transit times that could even double for the Far East - Europe route, • necessity to switch to other transportation means, as airline with consequent cost increase.	AI/ML systems could bring new and unique risks arising from the opacity of their decisions, susceptibility to manipulation, robustness issues, and privacy concerns. These could undermine the public's trust in the integrity and safety of the financial system. Furthermore, AI/ML could potentially bring about new sources and transmission channels of systemic risks such as: security/safety risk, third party risk and increase in digital payment frauds.
Mitigating Actions	To avoid operation disruption arising from wars or conflicts due to geopolitical instability, the company has put in place mitigation actions as the increase of products (as POS, ATM) stock level, in particular on the most critical items, the activation of suppliers' backup and the continuous monitoring of stock levels and related sold goods/contract requirements with clients.	In addition to the Cyber-security insurance already in place, Nexi has identified some action to direct the company's AI goals and mitigate potential risks, that includes the establishment of behavioral guidelines for employees and developers, mapping of AI risk scenario and definition of a dedicated risk framework.

Relation between Materiality Analysis and Enterprise Risk Assessment

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

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

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

Relationship between materiality analysis and business risk assessment



Risks have been identified regarding climate change, but they have not been included in the ERM since they do not meet the materiality threshold defined in the risk assessment process. Despite the limited materiality of the identified risks, Nexi Group recognises the crucial importance of monitoring and assessing Climate-and-Environmental-related risks. For this reason, a periodic assessment of this type of risks is carried out in addition to the ERM process. For further details please refer to the Nexi Group TCFD Report.

*Tier 2 Risks: lower risk significance

In the following table are represented the main risks identified with regards to the material topics identified in 2023, as well as the associated mitigation plans.

Material Topics	ERM Risks	Risk Description	Mitigations Plan and Controls in Place
Business ethics, transparency & risk management	AML Risk	Potential compliance risk with AML requirements, considering the increasing complexity of services and clients.	Strengthening of AML controls on customers.
	GDPR Risk	Potential GDPR risk due to insufficient governance and process/control gaps.	Implementation of a program for improving deleting personal data based on the security measures in place, the status of the application and the data history.
	Alignment of governance and internal control system across the Group	Risk that internal control system and governance structure of the combined legal entities are not yet completely aligned and/or implemented across the whole Group, potentially leading to gaps vs Group policies and procedures, operational issues and/or poor coordination in executing strategy.	Strengthen governance and internal control system in Nexi Group through the full implementation of Group policies and procedures and setup of information flows.
	Vendor governance and regulatory expectations evolution	- Increasing regulatory expectations on vendor management (e.g., EBA guidelines), - Potential poor performance from suppliers due to fragmented governance and improvable monitoring capabilities.	The main action plan goals are: - Performance of vendor risk management to define a mitigation plan of progressive alignment across the Group. - Implementation of on-site audits on IT and ESG topics on selected suppliers.
Society digitalization & progress Customer centricity	Dora Regulatory Framework implementation	Risk of delays in DORA program execution due to project complexities might expose the company to non-compliance with the new regulation when it becomes effective.	Ongoing implementation of a project to manage all processes and data required.
Data security Society digitalization & progress Customer centricity	Cyber Risk	Risk of theft or compromise of personal data managed by the Group, following external cyberattacks and/or disclosure of internal data and consequent reputational impacts or sanctions.	Progressively standardize the key target security solutions at Group level aiming to reduce the risk of data leakage.

Material Topics	ERM Risks	Risk Description	Mitigations Plan and Controls in Place
Society digitalization & progress Customer centricity Accessible product and services	Business Interruption Risk	Risk of interruption of systemic processes or critical systems, owned by the Group or by an outsourcer / supplier, due to malfunction, errors or natural events, potentially caused by climate change, resulting in the inability to serve Clients (banks, merchants and private customers) appropriately, in terms of timing and service.	Main action plan goals are the progressive alignment on governance and activities on BCM and DR procedures.
Climate Change Environmental protection Diversity equity and inclusion Training and development Employee welfare Social Dialogue Customer wellbeing Business Ethics	New EU Corporate Sustainability Reporting Directive CSRD and other regulations across EU	The company may encounter challenges in fully implementing CSRD requirements at Group and country level.	Setup of a level-3 (all activities task, and business days timeline) project plan for CSRD by the Sustainability team, with the following main activities: • Double Materiality assessment, • Gap Analysis, • Implementation Plan (derived projects), • Disclosure Strategy & Report Setting, among several other necessary activities detailed in the plan, with allocated dedicated resources.
Climate change	The identified climate change related risks do not meet the quantitative thresholds to be included. Yet due to the centrality of the topic, Climate Related risks are assessed and continuously monitored by the Group. For further details please refer to the TCFD report included in this document.	Nexi Group has defined initiatives aimed at mitigating climate change risks and improve its environmental impacts: • Climate commitment to source 100% of its energy from certified renewable resources for both Data Center and Group's facilities in Italy • Natural gas phase out in the Group headquarters in Corso Sempione • Purchase of project-based carbon credits	

The System of Internal Controls and Group Risk Management - SCIGR

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

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

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

Subsidiaries are independently responsible for the definition and operation of their internal control system, in compliance with the Group's guidelines, with the Corporate Governance Code of Italian listed companies and with the reference framework consisting of the Articles of Association, the Code of Ethics and the Organization, Management and Control Model under Legislative Decree 231/01. In addition, the internal control systems adopted by the various companies are consistent with the models of the COSO Framework²².

The parent company and subsidiaries implement organizational solutions that:

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

²² Committee of Sponsoring Organizations.

Board of Statutory Auditors

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

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

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

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

By 31st December 2023, at least one-third of the members belong to the least represented gender. The Board of Statutory Auditors of Nexi Group also acts as the Parent Company's Supervisory Body under Legislative Decree 231/2001 and identifies itself as the "Internal Control and Audit Committee" under Article 19 of Legislative Decree 39/2010.

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

The outcomes of the self-assessment process of the Nexi Board of Auditors for the year 2023 were presented and discussed at the Board meeting on March 6th, 2023.

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

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

During 2023, the Organization, Management and Control Model of Mercury Payment Services S.p.A., Help Line S.p.A., Service Hub S.p.A were updated.

In a context with ever increasing attention to corporate governance issues, Nexi Group has formalized a Code of Ethics summarizing the ethical principles by which the Group is inspired as well as the establishment of an organizational model that is capable of managing business risk more effectively. The Group Code of Ethics aims to clearly and transparently define the set of values promoted by the Group in the conduct of its activities. In running its activities, the Group aims to combine profitability and competitiveness with scrupulous respect for professional ethics.

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

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

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

For more information on the Code of Ethics, please refer to www.nexigroup.com, where the document is publicly available.

Reporting unlawful conduct

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

Following the enactment of Legislative Decree No. 24 of March 10, 2023, which implements Directive (EU) 2019/1937²³, The Board of Directors of Nexi S.p.A approved the new Group Whistleblowing Policy with a view to enhance and align the framework across the Group. Moreover, the Whistleblowing procedure was issued at the end of December 2023. All employees were

²³ Poland has not implemented European Directive concerning Whistleblowing. However, in 2023 was in force the AML whistleblowing channels required by Polish Law. There were no reports received by AML team by whistleblowing channels. No reports were received by Compliance or Audit teams also.

informed with a specific communication with the request to confirm the acknowledgment of the documents.

The policy was drafted in accordance with the Whistleblowing Policy of Nexi S.p.A., which was approved by the Parent Company's Board of Directors on July 31, 2023, and applies to Nexi Payments S.p.A. and its branches.

The Policy outlines two ways of submitting reports:

- a dedicated tool, which supports both written and oral reports. The tool has the following features: (i) it guarantees the confidentiality of information, (ii) it allows reports to be made anonymously, (iii) it allows interactions with the reporter, and (iv) it allows the management of segregated access;
- direct meeting with the Whistleblowing Officer.

The Policy also describes the main actors in the management of the alert, which are:

- Whistleblowing Officer: external subject, identified in consideration of the complexity of the Nexi Group, which ensures appropriate interactions and communications with whistleblower. In particular, the Whistleblowing Officer: 1) issues the Reporting Officer with an acknowledgement of receipt of the Report within seven days of its receipt; 2) maintains interlocutions with the reporter; 3) properly follows up on reports received; 4) provides feedback to the person making the report, within three months of the date of acknowledgement of receipt or, in the absence of such notice, within three months of the expiry of the seven-day period following the submission of the report.
- Internal Whistleblowing forum tasked with the assessment and handling of whistleblowing reports;
- Whistleblowing Committee: a collegial body, composed of the Chair of the Board of Directors, the Chair of the Board of Auditors and the Chair of the Control and Risk Committee of Nexi Payments S.p.A, with the task of handling whistleblowing reports when the reported person turns out to be the Managing Director, a director or an auditor (or equivalent).
- Whistleblowing Working Group: A collegial body, composed of (i) Head of the Compliance function, (ii) Head of the Audit function and (iii) Head of the Security function of Nexi Payments S.p.A., with the task of handling reports when the reported person is not the Managing Director, a director or an auditor (or equivalent).

During 2023, also the other Italian Companies of the Nexi Group (Orbital Cultura S.r.l., Numera Sistemi e Informatica S.p.A, Mercury Payment Services S.p.A., Help Line S.p.A., Service Hub S.p.A) approved their own Whistleblowing Policy, drafted in accordance with the Whistleblowing Policy of Nexi S.p.A.

Nexi S.p.A Board of Directors and related Board committees receives regular reports on Whistleblowing activities and trends.

Regarding Nexi²⁴ each report may be addressed:

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

²⁴ Please note that for the Nordic regions, the system differs and the reports are submitted through a dedicated reporting portal. Once the report is submitted, admin users will receive a notification by e-mail and/or SMS and will be able to access the report, whereas the reporting person can receive and submit messages within the system whilst staying entirely anonymous.

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

In 2023, no reports were received through the Whistleblowing channel which fell within the scope of the policy. Likewise, nowhere were any reports received by the Audit Function (also with reference to the new Whistleblowing Policy issued end of July), even with reference to what was made known to the Head of the Function in the role of Secretary of the Supervisory Board.

During 2023, no reports of discrimination were received for any of the Group companies.

Anti-Corruption Policy

The Nexi Group Anti-Bribery and Corruption Policy was updated to ensure it aligns with regulatory expectations and industry best practices and approved by the Nexi S.p.A. Board of Directors in December 2023. The policy outlines the overarching framework for prevention of bribery and corruption across the Nexi Group by outlining principles intended to identify and deter potential acts of bribery and corruption, identifying key risk areas in respect of bribery and corruption and expected mitigating actions and controls.

All Group companies are required to adhere to the Policy, along with their governing bodies, employees, suppliers, and any other business partners acting for or on behalf of Nexi Group, wherever they carry out their activities. The Anti-Bribery and Corruption Policy is publicly available at www.nexigroup.com.

With regards to former Nets entities, the Nets Ethical Policy, the Anti-Bribery and Corruption Policy, and the Conflicts of Interest Policy all combine to regulate the treatment of conflicts of interest within Nets. Nets Compliance is responsible for carrying out annual monitoring of compliance in the Nets perimeter companies, including on the issue of conflicts of interest. The Ethics Policy and the Anti-Corruption Policy²⁵ annual updates were postponed due to alignment with Nexi Group equivalent Guidelines. The most recent updates to both policies thus occurred in December 2022. However, as the Nexi Group ABC Policy has now been adopted, the Nets equivalent policy is expected to be implemented in Q1 2024. Meanwhile, the Conflicts of Interest Policy was updated in March 2023. In the Ethics Policy, Nets expresses its fundamental commitment to act in compliance with all applicable laws and regulations, thus demonstrating its commitment to the relationship between Nets and its stakeholders. In this regard, Nets undertakes to cooperate legally and ethically with official investigations into any potentially illegal activities involving Nets. Lastly, the Conflicts of Interest Policy builds further on this basis, providing guidance to enable Nets employees to avoid ethical concerns arising from conflicts of interest involving their employment at Nets.

Training on both the Anti-Bribery and Corruption Policy as well as the Conflict-of-Interest Policy was rolled out in iLearn to all employees at Nets in 2022, including external consultants. Whilst the expectation had been for this to be provided at least once a year, training in 2023 was postponed awaiting finalization of the updated Nexi Group Guidelines on these topics, with an expected launch of training in H1 2024 instead.

No sanctions for non-compliance with regulations or laws relating to corruption and money laundering were recorded in 2023, in line with 2022.

²⁵ Nexi has its own Group ABC Policy which is aligned with the Nexi Group Policy.

Evolution of the Group Internal Control System

During 2023 the Internal Control System assessment periodically conducted by Audit has been consolidated, covering the same Companies included in the 2022 assessment scope and resulting in:

- An "interim" assessment referred to the first half of the year, whose results were represented to the Holding Controls Risk and Sustainability Committee and Board in July 2023
- Assessment for the FY 2023.

The entire process is supported by the IT tool Internal Control System – ICS, based on the COSO Framework, for the management and collection of evidence related to the assessment process; the tool is available to the Control Functions of the Companies concerned for direct independent input of the required data.

The 2023 annual assessment of the Group Internal Control System required an update of the panel of companies in the perimeter, with the inclusion of two additional legal entities. The action was aimed at including, progressively, all regulated and "relevant" companies, based on the criteria defined in the Control and Risk and Sustainability Committee.

The assessment was conducted in the first quarter of 2024 and resulted in a generally positive integrated evaluation of the Companies' Internal Control System for the majority of the companies included in the panel.

The Role of the Audit Function

The Audit Function of the Holding Company (Group Internal Audit Function - GIA) coordinates, supervises and monitor the internal auditing activities of the Group, carried out by the competent structure of each Group Legal Entity, and performs 3rd level of defense activities, also via on-site verifications, within the Holding Company and the Group Legal Entities. The GIA performs on-site activities for the Holding Company and the Group Entities which outsourced their internal audit activities to Nexi S.p.A., as well as in each Group Entity, if required.

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

In particular, the Audit function:

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

Independent third-party audits

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

During 2023, in line with previous years, no reports were received from the Audit Function concerning ascertained bribery, also concerning what was reported to the Head of the Function in the role of Secretary of the Supervisory Board.

Nexi Group's audit plan on sustainability topics

The 2023 audit plan included audit activities on sustainability themes, with reference to the material themes represented in the 2021 Materiality Matrix related to compliance with laws and regulations, along with those related to the operational area of business services for customers, and also themes related to employee and supplier management.

Listed below are the main audit activities carried out in 2023:

Nexi S.p.A.

- Award system
- Environmental, Social and Governance Audit
- Microsoft 365: data leakage risk

Nexi Payments

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

Mercury Payment Services

- ISO 9001 Quality Management System

Help Line

- ISO 9001 and UNI EN 15838 certification

Service Hub

- ISO 9001 Quality Management System

Nets Denmark A/S

- Audit on the anti-money laundering process
- Trust accounts
- GDPR Compliance Audit (11 legal entities in Nordics and Baltics)
- Business Continuity and Disaster Recovery

Paytrail

- Audit on the anti-money laundering process

Nexi Germany

- Audit on the anti-money laundering process

Nexi Schweiz

- Facilities and Occupational Safety

Ratepay

- Audit on the anti-money laundering process

Nexi Croatia

- Audit on the anti-money laundering process
- Identity & Access management

Nexi Greece Processing Services

- Identity & Access management

Nexi Payments Greece

- Information Technology
- Core Processing
- Corporate Functions
- Business Compliance & Practices

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- Audit on the anti-money laundering process (Paypro & eCard)
- Ordering and execution of bank transfers (Paypro)

Centrum Rozliczen Elek. PeP

- Audit on the anti-money laundering process (PeP & BillBird)
- Ordering and execution of bank transfers (PeP)

The role of the Compliance function

Non-compliance risks

A dedicated Group Compliance team was established in 2023 within the Corporate and External Affairs & Group ESG and Sustainability Unit with the appointment of a new Group Head of Compliance.

Group Compliance has ownership of the Group Compliance Policies and Guidelines issued in line with the "Group Regulatory System" Guidelines as governed by the Nexi Group's "General Regulation on Management and Coordination". These constitute one of the tools used by the Parent Company to guide and set direction and coordination while safeguarding the autonomy, responsibilities and independence of its subsidiaries.

In addition, Group Compliance exercises oversight over Local Entities compliance activities and provides compliance enablement and advisory support to Group initiatives, as required.

The policy for the management of non-compliance risks was updated on November 8, 2023.

During 2023, activities carried out in respect of the following regulatory areas include:

- Group Anti-Bribery and Corruption Policy was approved in December 2023, with implementation throughout 1H;
- Group Whistleblowing Policy, actions have been taken to enhance and align the framework across the Group, completed in Q3 2023;
- an independent gap analysis in respect of the adoption of GDPR and PSD2 regulatory requirements was carried out which informed the enhancement of the Group Data Protection and Group PSD2 Guidelines which were approved in December 2023;
- an independent assessment in respect of regulatory requirements relating the Digital Operational Resilience Act (DORA) was performed in 2023 to define the implementation plan which will be led by Group Risk;
- Group Compliance Management Guidelines were refreshed in Q4 2023 to better define Compliance the perimeter, Compliance activities and Compliance information flows in line with Group Compliance Target Operating Model;
- A regulatory watch tool was implemented across the Group to aid the identification of applicable Group and local regulatory developments.

Nexi Payments Compliance Function is responsible for ensuring that Nexi Payments complies with applicable laws and regulations in relation to a specific regulatory perimeter approved by the Board of Directors.

Nexi Payments Compliance Function also aims to disseminate a corporate culture based on the principles of honesty, fairness, and compliance through the provision of specific training.

The "Policy for the management of non-compliance risks" was updated on November 8 2023, to make certain processes more robust, such as:

- the formalization of the activities carried out by the Compliance Function;
- the escalation process in the face of corrective actions not properly addressed by the Owners;
- the measurement of Non-Compliance Risk with particular reference to the probability of occurrence of the risk event;
- the methods of sampling and directing the choice of the sample within the scope of the verification activity;
- the formalization of the considerations that led to the prioritization of implementation and related approval process of corrective actions opened by the Compliance Function itself.

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

With regards to Nets, the Nets Compliance & Regulatory Function, oversees legal and compliance risks, defining minimum requirements through policies and supporting their implementation and monitoring through frameworks, tools, processes, and control activities, facilitating risk and compliance management, and assessing the compliance of the activities of individual Nets entities with the approved Group-wide strategy. Its areas of focus include financial crime prevention, anti-corruption, and bribery, GDPR data protection and PSD2 compliance. During 2022, compliance governance maturity continued to receive focus as the establishment of three Lines of Defense (LoD) matured among the Nets perimeter entities. Emphasis continued to be placed on the development of the compliance framework through the implementation of group policies, the division of responsibilities between 1LoD and 2LoD, the development of independent monitoring in the 2LoD compliance domains and continuous 2LoD reporting.

Group policies subject to annual review were updated during the year, i.e., to reflect legislative changes as well as to align with Nexi Group Guidelines, and key new policies were introduced in the PSD2 area, including a new PSD2 Group Policy and an Incident Reporting Group Policy. Monitoring exercises also received additional depth, as the Financial Crime monitoring programme was launched in the Group subsidiaries, and a new PSD2 monitoring programme was launched in Nets Denmark, to be subsequently extended also to the subsidiaries.

Anti-Money Laundering

During 2023, the Group's commitment to Anti-Money Laundering awareness and training activities continued. Online courses were provided and specific focuses on Transparency and Anti-Money Laundering, Antitrust, Unfair Business Practices, Market Abuse and Related Party Transactions, as well as on Legislative Decree 231/2001 were planned. With reference to Nets, several e-learning training courses on Compliance have been launched, including the topics of Anti-Corruption, Anti-Money Laundering and Conflict of Interest.

To prevent and combat money laundering and terrorist financing, the Function has adopted the AML Policy in addition to the AML Manual. The Head of Nexi Payments Compliance Function is also the MLRO²⁶ and the Delegated Officer for the reporting of suspicious transactions pursuant to Art. 35 of Legislative Decree 231/2007. Regarding internal AML policies and procedures, in 2023 the AML Policy was updated to incorporate both the latest risk-based process related to ongoing due diligence and customer management and to the anti-money laundering regulations updates (EBA Guidelines on remote on boarding, the Bank of Italy Provision of August 01, 2023, which amended the "Provisions on Organization, Procedures and Internal Controls to Prevent the Use of Intermediaries for the Purposes of Money Laundering and Terrorist Financing" of March 26, 2019, the updating of Legislative Decree 231/07 with Law 136/2023) as well as to regulate the new process related to the new AML risk profiling model, new distribution processes and new escalation processes for AML high risk Clients. Moreover, the Policy has been rationalized to ensure a clearer and simpler description of the processes.

The Anti-Money Laundering Manual was consequently revised to integrate these changes and ensure consistency with the principles set out in the Anti-Money Laundering Policy.

Regarding the Nets perimeter, the focus on financial crime prevention has been to continue improving on the good work being done. The overall financial crime prevention framework is on a good level where the AML/CTF risk has been downgraded. Annual training has been completed and monitoring activities for Financial Crime prevention has been implemented and completed across the Nets perimeter.

In the 2023 reporting period, the Concardis GmbH/Nexi Germany GmbH Anti-Money Laundering organization was characterized by the implementation of the adapted target operating model and two special audits by BaFin focusing on the status of the AML remediation program (remediating deficiencies in the business organization and money laundering prevention), the AML organization in general and Nexi Germany GmbH's measures regarding counter terrorist financing. In parallel, the remediation of BaFin findings and other findings by the auditors continued in the course of the remediation program that was set up at the end of 2021.

Furthermore, Nexi policies were adopted, and respective AML pieces of training were provided to relevant employees. The ongoing Covid-19 pandemic, the Russia-Ukraine crisis and the Israel-Palestine crisis did not lead to any fundamental changes in the content of the principles and procedures in the area of money laundering prevention.

²⁶ Responsible for communicating cases of AML.

Business Continuity

Service reliability is a key factor for Nexi Group, which has developed a Business Continuity Management System (BCMS) whose objective is to ensure the ability to deliver critical services, as required by current regulations, at an adequate service level and in line with the operational risk appetite defined in the Enterprise Risk Management framework. The Group's policies have been defined to ensure a uniform approach for all its member companies and guarantee consistency in the results for the year. For this reason, an updated Group Business Continuity Policy was approved by the Board of Directors of Nexi S.p.A. and applied to all new Group companies. A dedicated team at European level constantly updates and verifies the Business Continuity strategies and solutions for all scenarios required by the applicable European regulations, including CODISE, PSD2, Privacy, EBA, through test activities planned and executed regularly throughout the year. This has required significant investments in recent years, aimed at increasing the resilience of services with appropriate technological and organizational measures, as well as the need to increase the number of people in the team to manage the Group on a European scale. Nexi's focus on operational excellence continued in 2023, which also aims to increase the level of services offered and the attention to the demands of its stakeholders.

Lobbying activities

Nexi Group believes that decision-making processes of institutions and governments should be representative, inclusive, and participatory, to reflect the demands of the different stakeholders. For this, Nexi acts in transparency with its stakeholders, explaining the rationale behind strategic and business decisions. This choice is guided by a specific target within the Agenda 2030 and its Sustainable Development Goals. The target on "responsive, inclusive, participatory, and representative decision-making at all levels" underlines the need for decision-making processes that involve all the relevant stakeholders to which Nexi is contributing thanks to a close partnership with the Public Administration.

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

The Nexi Group is active in lobbying activities in all European member states in which it operates, with a specific focus on, Italy, Denmark, and Germany. The Group's activities are mainly regulated by EU legislation, and therefore Nexi is active in Brussels where it engages with European institutions, both independently and through the European Digital Payment Industry Association (EDPIA). Nexi is particularly active on issues related to digital payments, retail financial services, anti-money laundering, cybersecurity, digital assets and data, and consumer protection. The objective of this activity is to provide the Group's point of view concerning future policies or legislation under discussion among different institutions. Nexi's views are conveyed through positioning papers presented to key stakeholders in individual meetings or as part of events in which the Group participates in which it intervenes directly.

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

Nexi Group is registered in the Italian²⁷ and in the European Lobbying Register with the identification number: 844755843952-38.

²⁷ Responsible for communicating cases of AML.

5.2 OUR ETHICS FOUNDATIONS

The management of privileged information

The "Regulation for the handling of relevant/privileged information, the establishment and maintenance of the list of relevant information, the insider list and internal dealing"²⁸ is in place to regulate the process for managing documents and confidential & privileged information, the preservation and updating of registers of persons who have access to the aforementioned information, compliance with internal dealing obligations, alongside the obligations of confidentiality and reporting. The regulation aims to ensure compliance and proper disclosure of inside information to the market, guaranteeing maximum confidentiality until the information is published. For more information on the subject, see www.nexigroup.com where the document is publicly available.

Taxation management

Approach to Taxation

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

Nexi tax strategy is aligned with the Group's mission and values. The Group is committed to being an honest and fair taxpayer who operates responsibly in his or her economic sector and in dealing with the authorities.

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

The Group monitors the risk of non-compliance with tax regulations through the specific supervision of Subject Matter Experts of the CFO Function. Likewise, as part of its Sustainability Policy, the Group reaffirms its commitment to comply with tax regulations and reduce the level of tax-related risks. To reduce the risk of litigation, the management of tax compliance is overseen by a specific organizational procedure, and the correct interpretation of tax regulations is pursued through participation in working groups with expert opinions provided by professionals and the guidelines of the Internal Revenue Service.

This approach will be gradually extended to Nets as the integration process currently underway evolves. Information on the Group's activities in each country was provided in detail through the Country-by-Country Report (Law No. 208 of December 28, 2015) for the year 2022, filed at the end of 2023.

-  **GRI 207-1: Approach to tax**
-  **GRI 207-2: Tax governance, control, and risk management**
-  **GRI 207-3: Stakeholder engagement and management of concerns related to tax**
-  **GRI 207-4: Country-by-country reporting**
-  **GRI 2-27: Compliance with laws and regulations**
-  **GRI 205-3: Established incidents of corruption and actions taken**
-  **GRI 206-1: Legal actions for anti-competitive behavior, antitrust and monopoly practices**
-  **GRI 417-3: Incidents of non-compliance concerning marketing communications**

²⁸ <https://www.nexigroup.com/content/dam/corp/downloads/group/governance/documents-procedures/regulations/RR-016-it.pdf>.

Governance, control, and risk management in the fiscal area

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

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

Stakeholder engagement and management of tax-related reports

Each company of the Group is responsible for tax risk management and is supported, when necessary, by the competent function of the parent company. Nexi Group's appetite for tax risk is very low, and for this reason the Group provides documents and procedures in order to ensure the correctness and completeness of data for tax reporting and tax payments purposes. The Group does not tolerate any kind of tax avoidance and evasion.

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

Regarding the relation with the Tax authority, the Group acts openly and proactively through a constant and productive dialogue. Moreover, Nexi Group seeks to comply with all tax filing, tax reporting and tax payment obligations, in a spirit of cooperative compliance while maintaining a transparent relationship in the countries in which the Group operates.

The Antitrust Program

In 2023, no lawsuits were reported or concluded in connection with anti-competitive behavior and antitrust violations, or monopolistic practices for the Group's entire perimeter.

Throughout the year, Nexi also continued its commitment to raise awareness on Unfair Commercial Practices (UCP).

At this purpose, in 2023 a workshop specifically dedicated to employees was organized in relation to consumer protection framework and the Directive (EU) 2019/2161 of the European Parliament and of the Council of 27 November 2019 (the Omnibus Directive). The training has been provided to employees in the areas of the company mainly impacted by this legislation (by way of example, Marketing, eCommerce, Business department, Communication, Risk and Compliance Functions etc ...). The training is focused on new rules introduced by the Omnibus Directive and the main illicit conduct regarding Unfair Commercial Practices (UCPs), to ensure that the information included in the advertising messages to customers are true, correct and exhaustive and that all initiatives are clear and transparent.

As for former Nets entities, the FDIH-case concerning legislation which is enforced by competition authorities and had been pending since 2012 was decided in 2023. The Danish Supreme Court rendered a judgement in April 2023 that it did not find grounds to overrule the Competition Authorities decision that Nets Denmark A/S had infringed the Danish Payment Service Act by charging excessive fees for online Dankort payments.

In 2023 the Danish Competition & Consumer Authority initiated a broad market investigation into the payments industry in Denmark where Nets Denmark A/S provided extensive information on acquiring, processing and payments schemes. Nets Denmark A/S and Nexi Germany GmbH also continued to promote Competition Compliance awareness. For this purpose, they organized several training sessions customized for different parts of the business and legal areas. The training covers the general aspects of competition regulation and also highlights the issues of competition regulation that are particularly relevant for business.

Conflicts of interest

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

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

On November 8th, 2023, The Board of Directors of Nexi Payments S.p.A. approved Nexi Payments "Conflict of interest Policy". The Policy contains the full content of the Group Policy on Conflict of Interest in force (PP-028) which has been already implemented by the Board of Directors of Nexi Payments on May 10, 2022. Furthermore, to strengthen the management of the conflict of interest reported by the employee to his or her manager, the Policy introduces:

- the "ex ante" assessment by the Compliance Function of the type of conflict of interest faced by the employee and the validity of the mitigation actions envisaged by the direct manager proposing, if necessary, more effective actions;
- the involvement, by the Compliance Function, of the HR function, if the mitigation action has an impact on organizational role/allocation;
- the establishment and maintenance, by the Compliance function, of the Conflict-of-Interest Register, which must be updated with the outcome of all assessment steps.

The assessment of employee conflict of interest by the direct supervisor and with evaluation by the Compliance Function is also triggered if the supplier reports to Procurement any conflict of interest of its directors, managers, and employees with authorizing power (including family members) with employees of Nexi Payments.

Transparency obligations

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

Fair and transparent customer information is also ensured by the publication of pre-contractual information documents on www.nexigroup.com.

Transparency and fairness in marketing campaigns

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

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

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

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

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

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

In addition, time intervals have been defined during which no commercial communications are made, and limits have been set on the number of contacts per channel and timing. Commercial and non-commercial communications are scheduled monthly and reviewed weekly to optimize the contact plan in the interest of customers. Lastly, a Reach dashboard is in place aimed at checking the daily status of privacy consents and contact data to have complete control over related trends.

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

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

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

The Group acts in compliance with all applicable data protection laws in its marketing and communication activities on its eCommerce channels. With regards to former Nets entities, the main data storage and processing system is the HubSpot CRM system, which also operates in compliance with all the data protection laws. These entities have also signed a Data Protection Agreement which implies that all communications must be based on explicit consent from the user and the option to unsubscribe is automatically included in the e-mail design. The configuration described above covers all former Nets locations – Sweden, Denmark, Norway, Germany, and Austria.

In 2023, there were no instances of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising promotion, and sponsorship.

Certified Management Systems

Quality Management System Certifications

In 2023, the following legal entities maintained their 2022 Quality Management System certifications according to ISO 9001: 2015, certified by the DNV Certification Institute:

- Nexi Payments ISO 9001 certification (100% coverage) related to “Creation, development, implementation, management, and related support of digital payment solutions (payment and acceptance) dedicated to Private Customers, Merchants, Companies and Public Bodies, in cooperation with partner banks. Creation, development, implementation, management and related support of technology infrastructures and services, s/w solutions and IT and application outsourcing dedicated to Central Banks, Clearing Houses, banking and consortium associations, Public Administration, in the areas of Private Customers and Merchants, Digital Payments, Network Services, Large Data Banks and Digital Document Storage”;
- Help Line S.p.A. ISO 9001 (100% coverage), related to “Provision of customer support in payment products/systems and banking/financial markets”;
- Help Line UNI EN ISO 18295 (100% coverage) relating to the requirements for the “customer contact center” and aimed at providing customer-focused “best practices” to meet customer expectations;

- Mercury Payment Services ISO 9001 certification (100% coverage) relating to “Provision of customer support services in payment products/systems, banking/financial markets and card issuing operations”;
- Service Hub ISO 9001 certification (100% coverage) relating to “Provision of Customer Support services in E-money, Digital Payments, Network Services. Provision of Contact Centre services in the E-money sector. Provision of value-added services, such as dispute and fraud management, in the E-money sector. Provision of payment card production and personalization services”;
- Orbital Cultura Srl ISO 9001 (100% coverage), relating to “Management of high-technology systems for art, culture and leisure”;
- Orderbird GmbH TÜV certification ISO 9001 (quality management).

In connection with the spin-off of the Capital Markets from the Nexi group, the scope of certification of both Nexi Payments and Service Hub ISO 9001 was extended modified removing the reference to the Capital Markets.

Security certifications

The Group has obtained certifications related to security topics, applied to the legal entities represented in the table below:

- ISO27001 – Information Security
- ISO27017 – Security controls for Cloud services
- ISO27018 – Personal Identifiable Information security in public clouds
- ISO22301 – Business Continuity
- PCI-DSS – Cardholder data security (CMS)²⁹
- PCI-3DS – ACS Security
- PCI-PIN – Payment cards PIN security
- PCI-CPP – Card Production physical requirements
- PCI-CPL – Card Production logical requirements
- PCI-SSF – Software Security Framework (including Nets Estonia)
- Electronic signature (E-Signing) – The electronic signature is certified by Certum and complies with the European eIDAS standard. (incl.: P24)

²⁹ In 2023, SIAPay maintains PCI-DSS certification for acquiring and issuing service, transaction collection service, payment processing and back office services.

Region	Entity	PCI-DSS	PCI-PIN	PCI-3DS	PCI-CPP/CPL	P2PE	ISO 27001	ISO 27017	ISO 27018	ISO 22301
ITALY	Nexi Payments	●	●	●			●	●	●	●
	Help Line						●	●	●	●
	SIA Pay	●								
	Service Hub	●			●		●			●
	Mercury	●			●					
	Numeria									
NORDICS	Nets Denmark	●	●							
	Nets DenID									
	Paytrail & Checkout Finland	●								
	Digital Finlnd OY	●								
	Nets Estonia	●	●	●						
DACH	Nexi Germany (ex Concardis)	●								
	Ratepay									
	Orderbird									
	Nexi Austria (ex P4cards)									
	Nexi Switzerland	●								
CSEE	P24, Paypro & eCard	●	●							
	PeP & Billbird	●	●							
	Nexi Croatia	●	●		●					
	Nexi CE (HU, SRB, RO)									
	Nexi Processing GR	●								
	Nexi Payments GR	●	●			●				

Environmental management system certifications

In 2023, Nexi Payments maintained ISO 14001 certification. The certification covers “Digital payment solutions: provision of POS terminals and related software and services.”

Social responsibility – Certification

Nexi Payments has maintained the SA8000:2014 certification Social Accountability for compliance with the ethical and legislative requirements that ensure the protection of health and safety at work, as well as the workers’ rights.

Other certifications

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

EMVCo Certifications

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

Data centre management systems

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

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

5.3 SUSTAINABILITY ACROSS THE VALUE CHAIN

Responsible supply chain

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

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

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

Regarding supplier selection³⁰, the process is based on assessments according to the principles of fairness, cost-effectiveness, quality, innovation, continuity, and ethicality in line with the Group's Purchasing Policy and Code of Ethics. The organizational procedure "Qualification and Evaluation of Suppliers" stipulates that all suppliers involved in the selection process must be qualified for inclusion in the supplier register. The only exception is regards institutional suppliers, where they cannot be replaced or whose order is less than 30,000€ per year. Registered suppliers are required to view and comply with the principles contained in Model 231 and the Code of Ethics.

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

The "Outsourcing of Business Function" policy has been defined for the outsourcer management process to minimize risks, loss of knowledge of processes or data in case of activities outsourced to third-party suppliers. This policy identifies a system of reference rules so that supplier selection processes and the control and mitigation of risks related to activities take place in full compliance with specific principles of control and responsibility.

GRI GRI 2-6: Activities, value chain, and other business relationships

GRI GRI 204-1: Proportion of spending on local suppliers

³⁰ Please note that procurement processes are not yet centralized for Nexi Group and what is mentioned above is applicable only to the Italian perimeter.

In 2023, former Nets entities conducted a thorough review of the existing third-party management procedures related to ESG aspects: this evaluation spanned both local and group operations, aiming to ensure alignment with current and anticipated EU regulations on sustainability due diligence. This comprehensive assessment encompassed compliance measures regarding various legislative frameworks, including, though not restricted to, the Norwegian Transparency Act, the Modern Slavery Act (UK), the Supply Chain Act (DE), the Corporate Duty of Vigilance (FR), the Child Labour Due Diligence Law (NE), and the forthcoming CSDDD (EU).

In response a robust sustainability scoring framework, designed in accordance with OECD requirements, has been instituted to facilitate the creation of a comprehensive database of third-party entities. The database calculates their sustainability score and rating based on multifaceted parameters, including risk levels, critical severity indicators, sustainability exposure, and relevant criteria pertinent to their geographical operations. The model's outcome generates tailored recommendations, delineating suitable actions specific to each supplier. This approach automates data analysis, ensuring objective assessments while eliminating subjective interpretations.

All new vendors are screened prior to being onboarded and the screening includes various compliance and commercial areas, including ESG. Further, all new vendors which are deemed as relevant pursuant to the initial screening are required to accept contractual clauses ensuring continued compliance and reporting within each relevant area - including ESG. At the end of 2023 a screening was initiated for existing vendors representing 90% of the total spend on vendors and the process is still ongoing.

Furthermore, the main changes in 2023 were the issuance of a Group Procurement Policy and the launch of the CFO Transformation Project: the policy identifies essential elements to which all Group companies must refer, including ESG issues, while the start of the CFO Transformation aims to homogenise group tools by making operational activities and related reporting and monitoring the same across the entire Group. The project will be completed in 2025 and will transform the entire liability process.

In 2023, Nexi has continued to adopt eco-friendly materials for payment cards and, in particular:

- 1.2 M cards were issued with recycled PVC;
- 0.1 M cards made of plastic recovered from oceans were issued.

SUSTAINABILITY PERFORMANCE INDICATORS





SUSTAINABILITY PERFORMANCE
INDICATORS

SUSTAINABILITY PERFORMANCE INDICATORS

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

- consolidated quantitative data for Nexi, for the period between 1 January and 31 December 2021, and for former Nets legal entities, for the period between 1 July and 31 December 2021, except for the data which, also in line with the GRI Standard's requirements, present a snapshot as of 31 December 2021;
- consolidated Group quantitative data for 2022 and 2023.

GOVERNANCE

GRI 2-9 GOVERNANCE STRUCTURE AND COMPOSITION

Composition of the BoD and Internal Board Committees of Nexi SpA	Role in the BoD	Gender	Executive director	Independent	Tenure	Strategic Committee	Control, Risk and Sustainability Committee	Remuneration and Appointments Committee	Related Party Transactions Committee	Under-represented social groups	Competencies relevant to the impacts of the organization	Stakeholder representation
Michaela Castelli	President	F		x	2022-2024	Member	Member	Member		No	ESG, Risk and Compliance	Majority List
Paolo Bertoluzzo	Managing director	M	x		2022-2024	President				No	Payments	Majority List
Luca Bassi	Director	M			2022-2024	Member				No	Finance	Majority List
Elisa Corghi	Director	F		x	2022-2024			President	Member	No	Finance	Majority List
Maurizio Cereda	Director	M		x	2022-2024			Member		No	Finance	Majority List
Francesco Casiraghi	Director	M			2022-2024	Member (from 31.07.23)				No	Finance	Majority List
Francesco Pettenati	Director	M			2022-2024	Member				No	IT	Majority List
Marinella Soldi	Director	F		x	2022-2024		Member (until 18.10.23)			No	ESG, Risk and Compliance	Majority List
Johannes Korp	Director	M			2022-2024	Member				No	Finance	Majority List
Bo Einar Lohmann Nilsson	Director	M			2022-2024	Member				No	Payments	Majority List
Marina Natale	Director	F		x	2022-2024		Member (from 18.10.23)			No	Finance	Majority List
Elena Antognazza	Director	F		x	2022-2024				Member	No	Payments	Minority List
Ernesto Albanese	Director	M		x	2022-2024		President			No	ESG	Minority List
Jeffrey David Paduch	Director	M			2022-2024	Member (until 31.07.23)				No	Financial Services	Majority List

GRI 2-21 ANNUAL TOTAL COMPENSATION RATIO

	2023
Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the aforementioned person) – Italy and CSEE	63.9
Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees – DACH	37.5
Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees – Nordics	36.4

(1) Due to non-integrated reporting systems and organizational changes over the last three years, the information necessary to report the relationship between the percentage increase in total annual remuneration of the highest paid person and the average percentage increase in total annual remuneration of all employees (excluding the aforementioned person) is not available. Moreover, in order to reflect the organizational changes in 2023, data is broken down by region, omitting the previous NEXI/NETS distinction that no longer exists. Consequently, direct year-on-year comparisons between 2022 and 2023 data are not applicable. Please refer to the 2022 non-financial Statement available on the Group website.

(2) Please note that for Italy and CSEE in line with the methodology already adopted in previous years, Annual Total Compensation does not include the equity-based component (Long Term Incentive). Salaries are given by the total of gross annual remuneration (Retribuzione Annua Lorda - RAL) and short-term incentive system to target. There is no compensation data available for German branches.

(3) Please note that, following the merger of Nexi and Nets, the highest-paid individual across the entire group is now the CEO. To maintain consistency, the CEO's compensation has been excluded from median calculations for Italy and CSEE regions. However, it is included in calculations for Nordics and DACH regions.

GRI 2-27 COMPLIANCE WITH LAWS AND REGULATIONS

	Unit of measurement	2023	2022	2021
Total number of significant instances of non-compliance with laws and regulations	n.	2 ¹	1 ²	1 ³
of which instances for which fines were incurred	n.	0	0	1
of which instances for which non-monetary sanctions were incurred	n.	2	1	0
Total number of fines for instances of non-compliance with laws and regulations that were paid	n.	0	0	1
Monetary value of fines for instances of non-compliance with laws and regulations that were paid	€	0	0	400

- (1) Please note that the two instances of non-compliance with laws and regulations are potential and have been established on the basis of the following events:
- eCard was subject to an audit by the KNF of its activities, following which only recommendations are expected.
 - PayPro received a notice of administrative proceedings (based on an audit of AML carried out in 2021). Since the first letter, no penalty decision has been made.
- (2) For Concardis GmbH an order was issued by BaFin in August 2022 relating to certain issues within compliance with laws in the payments industry, relating to namely lack of closing of previous annual audit findings (most notably lack of an electronic transaction monitoring system). More information can be found via: https://www.bafin.de/SharedDocs/Veroeffentlichungen/DE/Massnahmen/60b_KWG_84_WpIG_und_57_GwG/meldung_2022_11_09_Concardis_57_GwG.html.
- (3) The incident of non-compliance was detected in Nets CEE d.o.o. (Croatia). Following that case, related to the collection of personal sensitive data, the company paid a penalty equal to the monetary value shown in the GRI 2-27 table (400 euros).
- (4) Please note that the KPI does not include ongoing tax litigations, since Nexi Group has still not received any related sanction or fine. Please refer to the Annual Report for further information.

GRI 2-28 MEMBERSHIP ASSOCIATIONS

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

EDPIA - EUROPEAN DIGITALPAYMENTS INDUSTRY ALLIANCE	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.
ABI - ITALIAN BANKING ASSOCIATION	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.
ASSOFIN - ITALIAN CONSUMER AND REAL ESTATE CREDIT ASSOCIATION	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.
ASSBB - ASSOCIATION FOR THEDEVELOPMENT OF BANK AND STOCK MARKET STUDIES	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.
ASSONEBB – NATIONAL ENCYCLOPAEDIA ASSOCIATION OF THE BANK AND BORSA SPA	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.
VALORE D	Association of large companies created in Italy to support women's leadership in companies, promote gender balance and an inclusive approach in organisations.
A.P.S.P. – ASSOCIATION OF PAYMENT SERVICE PROVIDERS	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.
ANBP - NATIONAL ASSOCIATION OF POPULAR BANKS	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.
ANRA NATIONAL RISK MANAGER ASSOCIATION	An association that has brought together risk managers and company insurance managers since 1972.
ASPEN INSTITUTE IT	Association whose mission is the internationalization of the entrepreneurial, political and cultural leadership of the country through a free comparison of different ideas and backgrounds to identify and promote common values, knowledge and interests.

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

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

WOMEN IN ADRIA	Association for women in financial industry providing business news, resources, mentoring and knowledge. They also organize networking events and projects.
EC COUNCIL	International Council of eCommerce Consultants is a cybersecurity certification, education, training, and services company.
HRVATSKA ZAJEDNICA RAČUNOVOĐA	Croatian accountant association providing networking and knowledge sharing with regards to the national financial and tax legislation.
HIIR-IIA	Croatian Institute of Internal Auditors and a member of global Institute of Internal Auditors acts as the national institute of internal auditors whose aim is to promote the profession and best practices of internal auditing to its members, and present the values of internal audit and its role in the corporate management process to the general public.
IAPP-INTERNATIONAL ASSOCIATION OF PRIVACY PROFESSIONALS	The largest global information privacy community and resource, helping practitioners develop and advance their careers and organizations manage and protect their data.
PROJECT MANAGEMENT INSTITUTE	Global association for project management, empowering professionals to excel in project management practices through our growing global community, knowledge sharing, and best-in-class certifications.
CompTIA	The Computing Technology Industry Association is an advocate for the global information technology ecosystem providing education, training, certifications and market research.
ISC Square	Offering high-end Technologies, Soft-skills, Induction Programs, Certifications, Learning Content and Learning Infrastructure with both online and classroom delivery models.
PONIP - Polska Organizacja Niebankowych Instytucji Płatności	PONIP aims to protect common rights and represent the interests of the associated members to public administration bodies, trade unions and other organizations and institutions.
ZBP – POLISH BANK ASSOCIATION	The Polish Bank Association is representing and protecting common interests of member banks, inter alia with respect to legal regulations related to banking; Participating in legislative work of legislative commissions of the Sejm and the Senate; Cooperating with the National Bank, the government and the competent ministries in the area of operation of legal regulations applicable to the Polish banking system; Promoting of the banking sector and financial services; Constructing of the inter-bank infrastructure.
ZDS - ASSOCIATION OF EMPLOYERS OF SLOVENIA	The aim of the ZDS is to establish the employers' legal interests and frame common positions in relationship towards social partners is subject to a successful implementation of expectations and requirements of employers.
National Payments Council – Bank of Slovenia	National Payments Council provides a dialogue between all key stakeholders in the payment services market. The aim is to support balanced and sustainable development of the market for secure and efficient payment services in Slovenia, and to ensure its adaptation to changes in the international arena and an adequate place within the Single Euro Payments Area (SEPA).

Other Nexi Group collaborations:

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

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

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

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

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

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

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

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

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

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

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

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

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

IGZTK - Interessengemeinschaft Zukunftsweisende Technologiehersteller für Kassensysteme - association of companies that develop innovative POS systems with modern cloud-based technologies for Germany, Austria and Switzerland

KAR ZBP - Komitet Agentów Rozliczeniowych

FROB Protokół ECR-EFT | FROB

Other Associations:

A.P.S.P.

ANBP

ANRA Associazione Nazionale Risk Manager

ASPEN INSTITUTE IT

ASSOCIAZIONE ITALIANA INTERNAL AUDITORS

ASSONIME

BORSA ITALIANA SPA

COMUFFICIO

CONCILIATORE BANCARIO FINANZIARIO

Confindustria Servizi

CONSEIL EUROPEAN D

Consel - Consorzio ELIS

CONSOB

CONSORZIO ABI LAB

CONSORZIO MIP

NETCOMM CONSORTIUMB

DIGITALLY SRL

EACHA

FONDO AMBIENTE ITALIANO - FAI

HRC INTERNATIONAL ACADEMY SRL

IAB ITALIA

ISACA

IVASS ISTITUTO PER LA VIGILANZA SULLE ASSICURAZIONI

PROMETEIA S.P.A.

RETAIL INSTITUTE

THE EUROPEAN HOUSE-AMBROSETTI SPA

Women & Tech

Donations

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

Nexi Payments SpA	Amount
ASSOCIAZIONE COMETA	10,440€
FONDAZIONE AISM	17,676€
FONDAZIONE FRANCESCA RAVA – N.P.H.	9,288€
FONDAZIONE IEO MONZINO	11,052€
FONDAZIONE TELETHON	18,144€
Fondazione UMBERTO VERONESI Gold for kids	40,536€
Save the Children	20,106€
TOTAL	127,242€
Nexi Greece	Amount
Hellenic Red Cross	10,000€
Ordebird	Amount
Evangelisches Werk für Diakonie und Entwicklung e.V	3,000€
Sponsored school run	500€
TOTAL	3,500 €
PayPro	Amount
Donations	1,230€
Nexi Croatia	Amount
Don Kihot	1,500€
Čisteći Medvjedići	3,000€
Žuta točka	2,830€
Nismo same	1,500€
AK Sljeme	1,500€
TOTAL	10,330 €
Nexi Slovenia	Amount
ZPM Ljubljana Moste Polje	1,500€
Mali bolni junaki	1,000€
DOPPS BirdLife Slovenia	1,500€
Trade Union – sport tournament	1,070€
TOTAL	5,070 €
Centrum Rozliczeń Elektronicznych Polskie ePłatności S.A.	Amount
Poland Business Run	759€
Support for the women's basketball sports team	1,799€
TOTAL	2,558 €

During 2023, Nexi Payments donated to and worked with charities in 2023. In particular:

- Donation campaign together with UNICEF for the Turkey and Syria earthquake in February;
- Support to merchants in Emilia-Romagna region in Italy after floods happened in May: Nexi SoftPOS given for free to merchants, and monthly fees to zero;
- Donation to UNICEF to aid children residing in conflict areas, as an alternative to providing Christmas gift packages to employees;
- Donation of 10,000€ to Plastic Free for Christmas greetings;
- Donation for Charity Dinner:- €12,000 from Events budget, for the AIRC Foundation in support of the fight against cancer;

Furthermore, below the donations made from Nexi's employees in Italy:

PROGETTO SORRISO CRECHÈ	
Support of the NGO's activities at the Ain Karem Institute in Jerusalem	1,000.00 €
CASA DELLA CARITÀ, MILANO	
Projects to welcome and support people in difficulty on their way out of social exclusion.	1,000.00 €
ASSOCIAZIONE NAGA ONLUS	
Medical services, psychological and psychiatric counselling to irregular and non-immigrant foreign nationals, asylum seekers, refugees, and victims	750.00 €
ACTION AID	
Managing and maintaining 10 distance adoptions	3,000.00 €
DOPO DI NOI ONLUS	
Protected housing project for people with severe disabilities	750.00 €
LE STREGATTE ODV	
Support for voluntary activities in maintaining and improving colonies of abandoned animals	400.00 €
AIL Milano Monza e Brianza ONLUS	
Project welcoming families	2,250.00 €
EMERGENCY ONLUS ONG	
Contribution to Operational Medical Centres Worldwide and Mobile Health Clinics	1,000.00 €
ARCHÈ fondazione ONLUS	
Support to mothers and children with problems of abuse, social and psychological distress	2,000.00 €
GARIWO - Giardino dei giusti	
Activity contribution for organised visit	80.00 €
SHOA MEMORIAL	
Activity contribution for organized tours	235.00 €
FONDAZIONE DOTTOR SORRISO	
Support for volunteer presence in paediatric hospitals	500.00 €
CADMI - HOUSE OF MALTRACTED WOMEN	
Support for pathways out of violence with hospitality, listening, reception and legal support activities	1,500.00 €
TOTAL	14,465.00 €

GRI 205-3 CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

	Unit of measurement	2023	2022	2021
Total number of confirmed incidents of corruption	n.	0	0	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	n.	0	0	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	n.	0	0	0
Total number of public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases	n.	0	0	0

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

	Unit of measurement	2023	2022	2021
Legal actions accepted	n.	0	0	0
Unaccepted legal actions	n.	0	0	0
Total	n.	0	0	0

(1) Please note that data from Nets Holdco 5 AS and Nets Estonia A/S is not included.

(2) There are no new cases in relation to Anti-Trust legislation in 2023 (note that we do have ongoing litigation from previous years).

GRI 207-4 COUNTRY-BY-COUNTRY REPORTING

Names of the resident entities	Primary activities of the organization	Number of employees	Revenues from third-party sales (€)	Revenues from intra-group transactions with other tax jurisdictions (€)	Profit/loss before tax (€)	Tangible assets other than cash and cash equivalents (€)	Corporate income tax paid on a cash basis (€)	Corporate income tax accrued on profit/loss (€)
Nexi S.p.A./Nexi Payments S.p.A./ Mercury Payment Services S.p.A./ Help Line S.p.A./Orbital Cultura srl (ex Bassmart)/Service HUB S.p.A./ SIAPay S.r.l.	Holding shares or other equity instruments/Regulated financial services/Other/ Provision of services to unrelated parties	3,632	3,311,602,795	181,348,255	773,620,288	318,814,303	113,611,676	187,792,926
Nets Topco 3 Sarl	Holding shares or other equity instruments				- 1,223,107			
Billbird S.a/Centrum Rozliczen Elektronicznych Polskie ePlatnosci S.A./Topcard SP.Z.O.O./Ecard S.A./P24 Dotcard SP.Z.O.O./ Rementi Investments S.A./Polskie ePlatnosci Sp. Z o.o. (former PayLane)/Team4u S.P.Z.O.O.	Sales, marketing or distribution/ regulated Financial Services	978	124,453,569	5,930,606	47,678,827	24,116,044	15,304,043	12,286,665
Checkout Finland OY/Paytrail Oyj/ Paytrail Technology Oyj/Poplatek OY/Poplatek Payments OY/Nets dk AS,finnish branch	Research and development/ Regulated Financial Services	512	128,599,098	7,528,386	14,889,608	19,329,936	7,165,604	1,978,355
Concardis GmbH/Concardis Holding gmbh/Cpg Sales GmbH/ Cpg Service GmbH/Evergood Germany 1 GmbH/Ratepay GmbH/ Glib Wireless GmbH/Oberbird Ag/ Paytech Payments Provider GmbH/ Nets Denmark a/s German Branch/ Nexi Payments Zweigniederlassung Deutschland/Service Hub Zweigniederlassung Deutschland	Administrative or production/ holding or managing intellectual property/provision of services to unrelated parties/regulated financial services/sales marketing and distribution	954	592,415,063	24,583,403	-304,131,380	372,336,265	3,224,134	4,652,201
Concardis Austriai GmbH/Pforcards gmbh/Oberbird GmbH	Administrative management or support services/Provision of services to unrelated parties/	45	3,728,378	4,644,011	- 563,835	1,393,179	11,638	81,341
Edigard AS/Nassa Topco AS/Nets Holdco 5 AS/Nets Branch Norway	Regulated financial service/holding shares or other equity instruments	274	158,199,541	14,142,791	6,307,189	27,778,486	389,549	-

Names of the resident entities	Primary activities of the organization	Number of employees	Revenues from third-party sales (€)	Revenues from intra-group transactions with other tax jurisdictions (€)	Profit/loss before tax (€)	Tangible assets other than cash and cash equivalents (€)	Corporate income tax paid on a cash basis (€)	Corporate income tax accrued on profit/loss (€)
itp Baltic Sia/Nets DK a/s Latvian Branch	Holding or managing intellectual property/sales marketing distribution	1	297,144		55,469			
Nassa as/Nets a/s/Nets Cards Processing a/s/Nets Danid A7S/Nets Denmark a/s/Nets Holdco 1 APS/Nets Holding a/s/ Signaturgruppen a/sStorebox Aps	Sales, marketing and distribution/ holding shares or other equity instruments/regulated financial services	1149	363,639,085	195,870,453	43,202,759	25,566,235	980,060	15,565,818
Nexi Croatia Ltd/Sia Croatia D.o.o	Administrative, management or support services/regulated financial services	6	37,448,792	17,952,737	8,185,814	2,431,229	1,443,670	2,890,588
Nets Cee d.o.o	Regulated financial services	53	14,588,042	4,204,331	2,461,365	1,128,422	185,750	157,005
Nets Estonia AS/Nets Dk a/s Eest filial/Nets Estonia a/s Latvia filiale	Sales, marketing or distribution	105	5,265,590	615,019	497,460	3,613,829	-	-
Nets Sweden AB/Nets Branch Sweden	Regulated financial services	154	71,136,418	559	1,232,351	13,876,665	-	336,939
Nets Schweiz Ag	Regulated financial services	141	28,798,521	-	9,268,470	4,907,597	2,977	
Nexi Payments Greece S.a./Nexi greece Single Member s.a	Provision of services to unrelated parties/sales marketing or distribution	972	81,723,051	6,566,109	- 11,374,934	28,049,138	51,463	3,579,287
Sia centralk Europe A7S/Sia Payment services	Provision of services to unrelated parties	334	40,346,749	422,899	1,083,665	38,611,513	1,078,692	2,425,365
Sia RS D.o.o beograd	Administrative, management support services	73	-4,439	2,244,469	128,530	130,305	23,258	23,258
Sia Czech republic S.ro.	Administrative, management support services	3	35,601	287,751	62,052	163,411	0	0
Sia Romania Paymennt Technologies srl/Service hub Milano sucursala bucaresti	Administrative, management support services	313	-1,080	7,503,111	322,635	296,540	27,957	55,787
Nets DK a7s Lietuvos Branch	Sales, marketing or distribution	1	538,424	0	179,282	0	0	0
Nets Denmark a/s Uk Branch	Sales, marketing or distribution	29	0	6,012,074	-1,682,653	0	0	0
Nets DK A/s French Branch	Regulated financial services	5	0	329,844	-308,122	0	0	0
Nexi Payments Belgian Branch	Provision of services to unrelated parties	10	1,546,699	0	227,514	458,591	0	92,000
Nexi payments Spa (incorporated in Italy), Sia spa (incorporated in Italy)	Research and development	78	0	8,212,045	738,054	304,864	373,347	357,949
Nexi Payments spa Dutch Branch	Administrative, management support services	3	414,868	0	20,282	0	0	3,762
Sia Central Europe Hungarian Branch	Provision of services to unrelated parties	43	17,640,025	1,036,091	3,340,817	1,760,224	309,858	309,858

(1) Please note that, same as 2022 Non-Financial Statement, the data shown relate to the previous tax period (FY2022).

GRI 405-1 a DIVERSITY OF GOVERNANCE BODIES

	2023					2022					2021				
	Men (n)	Men (%)	Women (n)	Women (%)	Total	Men (n)	Men (%)	Women (n)	Women (%)	Total	Men (n)	Men (%)	Women (n)	Women (%)	Total
Board of directors	8	62%	5	38%	13	8	62%	5	38%	13	11	73%	4	27%	15
Strategic Committee	6	86%	1	14%	7	6	86%	1	14%	7	8	89%	1	11%	9
Control and Risk and Sustainable Committee	1	33%	2	67%	3	1	33%	2	67%	3	-	0%	3	100%	3
Remuneration and Appointments Committee	1	33%	2	67%	3	1	33%	2	67%	3	-	0%	3	100%	3
Related Party Transactions Committee	0	0%	3	100%	3	-	0%	3	100%	3	1	33%	2	67%	3

GOVERNANCE BODIES COMPOSITION

	2023							2022							2021						
	Under 30 years old (n)	Under 30 years old (%)	30-50 years old (n)	30-50 years old (%)	Over 50 years old (n)	Over 50 years old (%)	Total	Under 30 years old (n)	Under 30 years old (%)	30-50 years old (n)	30-50 years old (%)	Over 50 years old (n)	Over 50 years old (%)	Total	Under 30 years old (n)	Under 30 years old (%)	30-50 years old (n)	30-50 years old (%)	Over 50 years old (n)	Over 50 years old (%)	Total
Board of directors	-	-	3	13%	10	87%	13	-	0%	3	23%	10	77%	13	-	0%	5	33%	10	67%	15
Strategic Committee	-	-	3	43%	4	57%	7	-	0%	2	29%	5	71%	7	-	0%	3	33%	6	67%	9
Control and Risk and Sustainable Committee	-	-	0	0%	3	100%	3	-	0%	-	0%	3	100%	3	-	0%	1	33%	2	67%	3
Remuneration and Appointments Committee	-	-	0	0%	3	100%	3	-	0%	1	33%	2	67%	3	-	0%	1	33%	2	67%	3
Related Party Transactions Committee	-	-	0	0%	3	100%	3	-	0%	1	33%	2	67%	3	-	0%	1	33%	2	67%	3

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

	Unit of measurement	2023	2022	2021
Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship	n.	0	0	0
Incidents of non-compliance with regulations resulting in a fine or penalty	n.	0	0	0
Incidents of non-compliance with regulations resulting in a warning	n.	0	0	0
Incidents of non-compliance with voluntary codes	n.	0	0	0

SOCIAL

GRI 2-7 EMPLOYEES ⁽¹⁾

Employees Part time / Full time	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	2,342	1,558	3,900	2,260	1,495	3,755	-	-	-
Part time	36	390	426	39	411	450	-	-	-
Full time	2,306	1,168	3,474	2,221	1,084	3,305	-	-	-
Greece				386	586	972	-	-	-
Part time				5	16	21	-	-	-
Full time				381	570	951	-	-	-
Nordic countries	1,418	895	2,313	1,383	778	2,161	-	-	-
Part time	47	72	119	45	64	109	-	-	-
Full time	1,371	823	2,194	1,338	714	2,052	-	-	-
DACH	1,067	680	1,747	769	429	1,198	-	-	-
Part time	60	113	173	49	104	153	-	-	-
Full time	1,007	567	1,574	720	325	1,045	-	-	-
Poland				532	460	992	-	-	-
Part time				77	33	110	-	-	-
Full time				455	427	882	-	-	-
CSEE	1,228	1,392	2,620	615	563	1,178	-	-	-
Part time	17	34	51	6	27	33	-	-	-
Full time	1,211	1,358	2,569	609	536	1,145	-	-	-
Others (Netherland, Belgium, South Africa)				55	36	91	-	-	-
Part time				1	2	3	-	-	-
Full time				54	34	88	-	-	-
Total part time contracts	160	609	769	222	657	879	114	514	628
Total fulltime contracts	5,895	3,916	9,811	5,778	3,690	9,468	3,611	2,181	5,792
Total	6,055	4,525	10,580	6,000	4,347	10,347	3,725	2,695	6,420

Employees Permanent contracts ⁽¹⁾ / Temporary contracts	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	2,342	1,558	3,900	2,260	1,495	3,755	1,078	960	2,038
Non-guaranteed hours	-	-	-	-	-	-	-	-	-
Permanent contracts	2,324	1,545	3,869	2,257	1,494	3,751	1,078	960	2,038
Temporary contracts	18	13	31	3	1	4	-	-	-
Greece				386	586	972	-	-	-
Non-guaranteed hours				-	-	-	-	-	-
Permanent contracts				386	586	972	-	-	-
Temporary contracts				-	-	-	-	-	-
Nordic countries	1,418	895	2,313	1,383	778	2,161	1,347	773	2,120
Non-guaranteed hours	-	-	-	-	-	-	-	-	-
Permanent contracts	1,389	863	2,252	1,350	741	2,091	1,323	743	2,066
Temporary contracts	29	32	61	33	37	70	24	30	54
DACH	1,067	680	1,747	769	429	1,198	577	353	930
Non-guaranteed hours	-	-	-	-	-	-	-	-	-
Permanent contracts	1,028	643	1,671	722	383	1,105	537	312	849
Temporary contracts	39	37	76	47	46	93	40	41	81
Poland				532	460	992	505	465	970
Non-guaranteed hours				-	-	-	-	-	-
Permanent contracts				463	326	789	412	290	702
Temporary contracts				69	134	203	93	175	268
CSEE	1,228	1,392	2,620	615	563	1,178	218	144	362
Non-guaranteed hours	-	-	-	-	-	-	-	-	-
Permanent contracts	1,149	1,232	2,381	563	476	1,039	216	142	358
Temporary contracts	79	160	239	52	87	139	2	2	4
Others (Netherland, Belgium, South Africa)				55	36	91	-	-	-
Non-guaranteed hours				-	-	-	-	-	-
Permanent contracts				36	22	58	-	-	-
Temporary contracts				19	14	33	-	-	-
Total non-guaranteed hours	-	-	-	-	-	-	-	-	-
Total Permanent contracts	5,890	4,283	10,173	5,777	4,028	9,805	3,566	2,447	6,013
Total Temporary contracts	165	242	407	223	319	542	159	248	407
Total	6,055	4,525	10,580	6,000	4,347	10,347	3,725	2,695	6,420

(1) The geographical breakdown given in the tables has changed from the geographical breakdown given in the 2022 Statement. Please refer to the "Methodological Note" section for more details.

GRI 2-8 WORKERS WHO ARE NOT EMPLOYEES

	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Stage	13	11	24	11	14	25	15	7	22
Interim	52	52	104	8	2	10	5	4	9
Collaboration contracts	258	117	375	3	3	6	4	1	5
Total	323	180	503	22	19	41	24	12	36

(1) Data on "Workers who are not employees" does not include workforce of the following legal entities: Nets Holdco S, Nets Denmark A/S, Signaturgruppen A/S, Nets Sweden AB and Nets Estonia A/S.

(2) Please note that for Nexi Croatia and Nexi Slovenia "interim" includes temporary employment agency employees, "collaboration contracts" includes external consultants and students.

(3) 2022 data on "Workers who are not employees" does not include Nets' workforce.

GRI 401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

Employee turnover by gender	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees hired (n.)	688	568	1,256	1,035	757	1,792	293	210	503
Incoming Turnover rate (%)	11.4%	12.6%	12.0%	17.3%	17.4%	17.3%	7.9%	7.8%	7.8%
Employees who left (n.)	635	481	1,116	732	514	1,246	246	189	435
Outbound Turnover rate (%)	10.5%	10.6%	10.5%	12.2%	11.8%	12.1%	6.6%	7.0%	7.0%

Employee turnover by age	2023				2022				2021			
	< 30 years old	30-50 years old	> 50 years old	Total	< 30 years old	30-50 years old	> 50 years old	Total	< 30 years old	30-50 years old	> 50 years old	Total
Employees hired (n.)	464	698	94	1,256	568	1,044	140	1,752	163	288	24	475
Incoming Turnover rate (%)	44.0%	11.0%	3.0%	12%	56.0%	17.3%	4.6%	17.4%	24.5%	7.2%	1.6%	7.7%
Employees who left (n.)	264	643	177	1,084	218	801	215	1,234	98	264	50	412
Outbound Turnover rate (%)	25.0%	10.0%	6.0%	10.5%	21.5%	13.3%	7.1%	12.2%	14.7%	6.6%	3.3%	6.7%

Employees hired and who left by region	2023		2022		2021	
	Employees hired	Employees who left	Employees hired	Employees who left	Employees hired	Employees who left
Italy	304	244	262	305	75	62
Greece			205	180	-	-
Nordics	392	337	608	365	194	199
DACH	294	196	370	235	108	80
Poland			229	63	105	73
CSEE	266	339	118	98	21	21
Total	1,256	1,116	1,792	1,246	503	435

Rate of employees hired and who left by region	2023		2022		2021	
	Employees hired	Employees who left	Employees hired	Employees who left	Employees hired	Employees who left
Italy	7.8%	6.3%	6.8%	7.9%	3.7%	3.0%
Greece			21.1%	18.5%	-	-
Nordics	16.9%	14.6%	28.1%	16.9%	9.1%	9.4%
DACH	16.8%	11.2%	30.9%	19.6%	11.6%	8.6%
Poland			23.1%	6.4%	10.8%	7.5%
CSEE	10.2%	12.9%	10.0%	8.3%	5.8%	5.8%

- (1) The number of employees who left illustrated in table "Employee turnover by age" does not correspond to the number of employees who left in table "Employees turnover by gender" because the age group for 32 employees is not recorded. These employees are therefore excluded from the table of "Employees turnover by age".
- (2) The number of employees as of 31.12 in table "Employee turnover by age" does not correspond to the number of employees at 31.12 in table "Employees turnover by gender" because the age group for 246 employees is not recorded. For this reason, 246 employees at 31.12 are excluded from the table of "Employees turnover by age".
- (3) Please note that 6 employees who left were part of Storebox legal entity, which is excluded for the reporting perimeter of this year.
- (4) Please note that Nets Denmark A/S has several branches across three different regions (Nordic, CSEE and DACH) but for the headcount breakdown it has been placed in Nordic region, as the majority of legal entities are placed in this region.

GRI 403-9 WORK-RELATED INJURIES

	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total number of work-related injuries	9	10	19	3	4	7	2	1	3
of which occurred to employees	8	9	17	3	4	7	2	1	3
of which occurred to workers who are not employees but whose work and/or workplace is controlled by the organization	1	1	2	-	-	-	-	-	-
Total number of High-consequence work-related injuries	1	-	1	-	-	-	-	-	-
of which occurred to employees	1	-	1	-	-	-	-	-	-
of which occurred to workers who are not employees but whose work and/or workplace is controlled by the organization	-	-	-	-	-	-	-	-	-
Total number of fatalities as a result of work-related injury	-	-	-	-	-	-	-	-	-
of which occurred to employees	-	-	-	-	-	-	-	-	-
of which occurred to workers who are not employees but whose work and/or workplace is controlled by the organization	-	-	-	-	-	-	-	-	-

GRI 403-9 RATE OF WORK-RELATED INJURIES

	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Rate of work-related injuries	1.0	1.6	1.2	-	-	0.5	0.4	0.3	0.3
of which occurred to employees	0.9	1.4	1.1	-	-	-	-	-	-
of which occurred to workers who are not employees but whose work and/or workplace is controlled by the organization	0.1	0.2	0.1	-	-	-	-	-	-
Rate of high-consequence work-related injuries	0.1	-	0.1						
of which occurred to employees	0.1	-	0.1						
of which occurred to workers who are not employees but whose work and/or workplace is controlled by the organization	-	-	-						

(1) Please note that for the calculation of the work-related injuries rate, working hours of employees of Nets Estonia A/S are not included.

(2) Please note that for the calculation of the rate of work-related injuries occurred to workers who are not employees but whose work and/or workplace is controlled by the organization, working hours (of such workers) do not include data of Nexi S.p.A., Nexi Payments S.p.A., Numera Sistemi Informatica S.p.A., Service HUB S.p.A., Mercury Payment Services S.p.A., Help Line S.p.A..

(3) Please note that for Nexi Central Europe AS, Nexi RS d.o.o. Beograd, Nexi Czech Republic s.r.o. and SIA Croatia d.o.o. contingent workers were excluded as well as previous years. For Slovakia, exact numbers coming from payroll were used, for the rest of the countries (Hungary, Czech Rep, Serbia, Croatia) the numbers were calculated based on actual FTE, number of vacation days, other absences and overtime.

(4) Please note that for Siapay one female worker has been excluded due to her maternity leave. Also, working hours have been calculated from FTE and number of employees with a 730 daily working hours basis.

GRI 404-1 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

Total hours of training by gender and employee category	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	730	432	1,162	2,535	1,096	3,631	4,028	670	4,698
Managers	12,052	6,576	18,628	21,619	13,172	34,790	13,714	10,869	24,583
Other employees	61,114	53,718	114,832	80,875	55,529	136,404	13,706	19,249	32,955
Total	73,896	60,727	134,623	105,029	69,796	174,825	31,448	30,788	62,236

Average hours of training by gender and employee category	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	6.1	11.7	7.4	18.9	28.1	21.0	45.3	35.3	43.5
Managers	16.2	20.2	17.4	28.3	40.4	31.9	26.8	36.0	30.2
Other employees	11.8	12.9	12.3	18.3	17.3	17.8	16.4	21.4	19.0
Total	12.2	13.4	12.7	19.7	19.5	19.6	21.9	25.3	23.5

(1) The data in the tables "Total hours of training by gender and employee category" and "Average hours of training by gender and employee category" do not include hours of training provided to employees of Signaturgruppen A/S and PforCards GmbH (Austria).

CYBERSECURITY TRAINING

Total number of employees trained in IT security by employee category	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	22	6	28	72	24	96	53	11	64
Managers	254	107	361	482	185	667	438	255	693
Other employees	1,453	1,217	2,670	2,993	1,840	4,833	484	652	1,136
Total	1,729	1,330	3,059	3,547	2,049	5,596	975	918	1,893

(1) The total number of employees that received cybersecurity training during 2023 is approximately 8,000. Please note that the current set-up of HR tools that helps monitoring the number of employees trained is divided on 3 different platforms. With this set-up is not possible to determine the split by gender and level of employment for all employees. Therefore, data reported here relate to a portion of this 8000 employees. The HR department is developing a project activity aiming to centralise these platforms into a Group one by end of 2024.

(2) Data does not include hours of training provided to employees of Signaturgruppen A/S and PforCards GmbH (Austria).


404-3 PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period - NEXI	2023 NEXI GROUP			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives receiving performance review	66.7%	55.6%	61.2%	95.8%	85.0%	93.5%	95.1%	93.3%	94.8%
Managers receiving performance review	73.4%	71.8%	72.6%	97.6%	100.0%	98.3%	98.7%	96.4%	97.9%
Other employees receiving performance review	79.5%	76.9%	78.2%	88.4%	81.5%	85.3%	97.5%	99.0%	98.3%

Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period - NETS	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives receiving performance review				68.8%	66.7%	69.4%			
Managers receiving performance review				63.4%	68.2%	64.5%			
Other employees receiving performance review				73.6%	75.6%	74.4%			

(1) Data was gathered from the annual Our Voices survey, conducted in November 2023 throughout the Nexi Group (excluding Orderbird). The data reported pertains to the percentage of respondents who answered affirmatively to the question: "Have you had a focused development discussion with your manager in the past 12 months?" In total, 82% (8490 respondents out of 10402 invited individuals) of Group employees (including subsidiaries, excluding Orderbird) participated in the survey.

GRI 405-1b DIVERSITY OF EMPLOYEES

Employees by gender and employee category	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	120	37	157	136	39	175	216	64	280
Managers	746	325	1,071	788	332	1,120	735	414	1,149
Other employees	5,189	4,163	9,352	5,076	3,976	9,052	2,774	2,217	4,991
Total	6,055	4,525	10,580	6,000	4,347	10,347	3,725	2,695	6,420

Percentage of employees by gender and employee category	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	76.4%	23.6%	1.5%	77.7%	22.3%	1.7%	77.1%	22.9%	4.4%
Managers	69.7%	30.3%	10.1%	70.4%	29.6%	10.8%	64.0%	36.0%	17.9%
Other employees	55.5%	44.5%	88.4%	56.1%	43.9%	87.5%	55.6%	44.4%	77.7%
Total	57.2%	42.8%	100.0%	58.0%	42.0%	100.0%	58.0%	42.0%	100.0%

Employees by age and employee category	2023				2022				2021			
	Under 30 years old	30-50 years old	Over 50 years old	Total	Under 30 years old	30-50 years old	Over 50 years old	Total	Under 30 years old	30-50 years old	Over 50 years old	Total
Executives	0	78	77	155	0	83	87	170	1	171	107	279
Managers	13	651	401	1,065	17	660	428	1,105	28	746	350	1,124
Other employees	1,033	5,650	2,431	9,114	997	5,295	2,519	8,811	637	3,081	1,041	4,759
Total	1,046	6,379	2,909	10,334	1,014	6,038	3,034	10,086	666	3,998	1,498	6,162

Percentage of employees by age and employee category	2023				2022				2021			
	Under 30 years old	30-50 years old	Over 50 years old	Total	Under 30 years old	30-50 years old	Over 50 years old	Total	Under 30 years old	30-50 years old	Over 50 years old	Total
Executives	0.0%	50.3%	49.7%	1.5%	0.0%	48.8%	51.2%	1.7%	0.4%	61.3%	38.4%	4.5%
Managers	1.2%	61.1%	37.7%	10.4%	1.5%	59.7%	38.7%	11.0%	2.5%	66.4%	31.1%	18.2%
Other employees	11.3%	62%	26.7%	88.1%	11.3%	60.1%	28.6%	87.4%	13.4%	64.7%	21.9%	77.2%
Total	10.1%	61.7%	28.1%	100.0%	10.1%	59.9%	30.1%	100.0%	10.8%	64.9%	24.3%	100.0%

(1) About 8% of the workforce do not have bands assigned. In this case, a proxy has been used to identify the categories Executive/Manager/Employee. Those with 1 or more direct reports are classified as Managers. Executives were identified by Rewards team. The rest are Employees.

(2) The total number of employees in table "Employees by gender and employee category" does not correspond to the total number of employees in table "Employees by age and employee category" because the age group for 246 employees is not recorded. For this reason, 246 employees are excluded from the table of "Employees by age and employee category".

Employees belonging to protected categories by gender	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees with disabilities	117	103	220	96	84	180	41	47	88
Other types of employees classified as protected categories	40	45	85	9	7	16	1	4	5
Total	157	148	305	105	91	196	42	51	93

(1) The indicator does not include data from some Nexi Group companies as information on disability or membership of protected categories cannot be collected in accordance with the regulations of the countries in which the Group operates.

(2) Please note that no information was collected from Nets Holdco S, Nets Estonia A/S, Nets Sweden AB, Signaturgruppen A/S, Nexi Croatia Ltd and Nexi Slovenia Ltd..

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

	2023		2022		2021	
	Basic salary	Remuneration	Basic salary	Remuneration	Basic salary	Remuneration
Executives	86.8%	81.1%	86.8%	79.6%	91.0%	87.9%
Managers	90.1%	89.9%	86.5%	86.3%	83.6%	82.2%
Other employees	81.1%	81.2%	80.8%	80.1%	80.8%	79.2%
Total	82.3%	82.2%	81.6%	80.7%	85.2%	84.0%

(1) The data and averages provided do not include employees from the German branches of Nexi Payments S.p.A. due to the unavailability of relevant data.

(2) The basic salary corresponds to the gross annual remuneration (GAR). Remuneration is calculated as salary plus any bonus/reward system. For Italy remuneration also includes VAP target amount.

(3) Please note that 20 temporary employees and 1 permanent employee, for whom salary data is unavailable, have been excluded.

GRI 406-1 INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN

	Unit of measurement	2023	2022	2021
Total number of incidents of discrimination	n.	8	0	0

(1) Please note that data from Nets Estonia A/S is not included.

(2) One incident of discrimination was detected in Nexi Germany Sales GmbH, related to a potential discrimination against an international supplier. The other 7 incidents were detected in Nets Denmark A/S.

GRI 418-1 SUBSTANTIATED COMPLAINTS CONCERNING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA

	Unit of measurement	2023	2022	2021
Total number of substantiated complaints received concerning breaches of customer privacy	n.	61	3,245	368
- of which complaints received from outside parties and substantiated by the organization	n.	56	3,241	363
- of which complaints from regulatory bodies	n.	5	4	5
Total number of identified leaks, thefts, or losses of customer data	n.	68	54	38

NUMBER OF CUSTOMER COMPLAINTS

Categories	Description	2023		2022		2021	
		n.	%	n.	%	n.	%
Complaints received concerning outcome of the dispute after its definition	The customer does not agree with the dispute	6,044	13%	3,607	6%	3,072	17.0%
Complaints received concerning terms and conditions of contracts	The signed contract establishes terms and (economic or service-related) conditions that the customer declares have been applied differently	4,087	9%	3,160	6%	2,409	13.3%
Complaints received concerning loyalty programme #iosi	The customer complains about the loyalty programme (rewards, fees, points, etc.)	313	1%	477	1%	952	5.3%
Complaints received concerning services ancillary to cards (production and delivery of reports, insurance, provision of PIN codes, delivery of duplicates after card blockage, delivery of new cards, etc.)	Complaints by cardholders on a number of card-related services	659	1%	1,357	2%	434	2.4%
Complaints received concerning installation and maintenance of POS terminals	Merchant complaints on installation and maintenance of POS terminals	12,409	26%	4,894	9%	1,234	6.8%
Complaints received concerning correct/complete information at contact stage	The customer claims to have received unclear/incomplete/incorrect information during the contact phase	5,600	12%	180	0%	128	0.7%
Complaints received concerning Covid-19	Merchants complain about receiving commission charges during lockdown periods / T&E merchants complain about Circuit rules ensuring refunds to cardholders on the basis of services not provided due to the pandemic	1	0%	6	0%	123	0.7%
Complaints received concerning authorisation processes	The customer complains about a denied authorisation, a revocation not processed	11,976	26%	3,324	6%	121	0.7%
Complaints received concerning Call Centre accessibility (IVR and operator)	The customer states that the IVR is not user friendly or there are service shortcomings	70	0%	98	0%	110	0.6%
Complaints received concerning other reasons	-	5,786	12%	38,317	70%	9,530	52.6%
Total		46,945	100%	55,420	100%	18,113	100%

Complaints outcome	2023		2022		2021	
	n.	%	n.	%	n.	%
Accepted	6,560	14%	6,178	15.5%	2,739	15.1%
Not accepted	10,540	22%	11,549	29.0%	6,836	37.7%
Processing	166	0%	131	0.3%	55	0.3%
Not tracked	14,811	32%	21,908	55.1%	8,483	46.8%
Total	32,077	100%	39,766	100%	18,113	100%

(1) For Nexi Germany GmbH, Nexi Germany Sales GmbH, Nexi Germany Holding GmbH, Nexi Schweiz AG, Nexi Austria, PayPro, eCard and Ratepay a complete view on complaints status (accepted/not accepted/...) is not available.

(2) Please note that data from Nexi Central Europe AS, SIA Croatia d.o.o., Nexi RS d.o.o. Beograd, Nexi Czech Republic s.r.o., Nets Estonia A/S, Nets Sweden AB, Signaturgruppen A/S and Nets Holdco S is not included.

ENVIRONMENTAL

GRI 204-1 PROPORTION OF SPENDING ON LOCAL SUPPLIERS

	2023	2022	2021
ITALY			
Spending on procurement from local suppliers (%)	89.4%	90.5%	91.0%
Spending on procurement from foreign suppliers (%)	10.6%	9.5%	9.0%
GREECE			
Spending on procurement from local suppliers (%)		70.1%	
Spending on procurement from foreign suppliers (%)		29.9%	
CSEE			
Spending on procurement from local suppliers (%)	79.6%	72.1%	76.4%
Spending on procurement from foreign suppliers (%)	20.4%	27.9%	23.6%
NORDICS			
Spending on procurement from local suppliers (%)	78.6%	79.8%	78.1%
Spending on procurement from foreign suppliers (%)	21.4%	20.2%	21.9%
DACH			
Spending on procurement from local suppliers (%)	75.8%	83.5%	83.4%
Spending on procurement from foreign suppliers (%)	24.2%	16.5%	16.6%
POLAND			
Spending on procurement from local suppliers (%)		97.2%	97.7%
Spending on procurement from foreign suppliers (%)		2.8%	2.3%

- (1) The proportion of expenditure on local suppliers is calculated considering expenditure on "local" suppliers (i.e., based in the same geographical areas as the Group's operating sites) as the numerator and total expenditure on suppliers of the same operating sites as the denominator.
- (2) As a definition of local suppliers, Nexi Group considers persons or organizations that are based in the geographic areas of Italy (and South Africa), Nordic Countries (Denmark, Norway, Estonia, Finland, Latvia, Lithuania, Norway, Sweden and the United Kingdom), DACH (Austria, Germany and Switzerland), CSEE (Belgium, Croatia, Czech Republic, France, Greece, Hungary, Netherlands, Poland, Republic of Serbia, Romania, Slovakia and Slovenia) and offer products or services to the affiliated companies of the Group in the specific geographic areas.
- (3) Please note that the percentages in table "Proportion of spending on local suppliers" do not include data from Numera Sisteml Informatica S.p.A and Signaturgruppen A/S as it is not material.

GRI 301-1 MATERIALS USED BY WEIGHT OR VOLUME

	Unit of measurement	2023	2022	2021
Renewable materials used	ton	532.7	61.6	61.9
Non-renewable materials used	ton	1597.6	671.6	406.0
Total	ton	2130.3	733.2	467.9

- (1) Nexi Greece Single Member SA is not able to quantify the weight of 253 pieces of graphics ribbon, as it was purchased in 2023 by Industrial Services Department. The specific department and all its activities are no longer handled by Nexi Greece since 1/1/2024, so it is not possible to have access to such detailed information.
- (2) For PayPro S.A., Nexi Greece Single Member SA and PforCards GmbH the use of cartridge is estimated by assuming one equal to 0.5kg.
- (3) For PayPro S.A. and Nexi Austria GmbH the use of cardboard is estimated by assuming one equal to 1089g.
- (5) For PayPro S.A., Nexi Austria GmbH, eCard S.A. and PforCards GmbH the use of sheets and envelopes is estimated by assuming one equal to 5,75g, which is the medium between 5 g per sheet and 6,5 g per envelope.
- (6) Nexi Germany Holding GmbH employees are placed at the same locations as Nexi Germany GmbH and Nexi Germany Sales GmbH. Data are provided by Nexi Germany GmbH for the three legal entities.
- (7) Please note that data for materials were not completed by the following companies: SIAPay S.r.l., Nexi Schweiz AG, Signaturgruppen A/S, Numera Sisteml Informatica SpA, Centrum Rozliczen Elektronicznych Polskie ePlatnosci S.A., Nexi Payments Greece S.A., Nexi Greece Single Member SA (ex Nexi Greece S.A.). Estimates were completed in these cases based on 2022 activity data: Centrum Rozliczen Elektronicznych Polskie ePlatnosci S.A., Nexi Greece Single Member SA and Nexi Schweiz AG.

GRI 303-3 WATER WITHDRAWAL

	Unit of measurement	2023		2022		2021	
		All areas	Water stressed areas	All areas	Water stressed areas	All areas	Water stressed areas
Surface water	Megaliters	7.4	0.7	4.6	5.4	0.7	
Fresh water (≤ 1000 mg/L total dissolved solids)	Megaliters	6.5	0.7	4.6	5.4		
Other water (> 1000 mg/L total dissolved solids)	Megaliters	0.9					
Groundwater	Megaliters	564.1	58.0	818.6	99.5	937.9	0.6
Fresh water (≤ 1000 mg/L total dissolved solids)	Megaliters	558.9	58.0	818.6	91.4		
Other water (> 1000 mg/L total dissolved solids)	Megaliters	5.3	-		8.1		
Seawater	Megaliters	-	-	-	-	-	-
Fresh water (≤ 1000 mg/L total dissolved solids)	Megaliters						
Other water (> 1000 mg/L total dissolved solids)	Megaliters						
Produced water	Megaliters	-	-	-	-	-	-
Fresh water (≤ 1000 mg/L total dissolved solids)	Megaliters						
Other water (> 1000 mg/L total dissolved solids)	Megaliters						
Third-party water	Megaliters	34.1	-	34.2	10.4	35.7	3.5
Fresh water (≤ 1000 mg/L total dissolved solids)	Megaliters	33.5	-	30.0	9.4		
Other water (> 1000 mg/L total dissolved solids)	Megaliters	0.6	-	4.2	1.0		
Total water withdrawal	Megaliters	605.60	59	857.4	115.3	974.3	4.1

(1) For Orderbird, some Italian offices, and some offices of Nexi Payments, the water withdrawal has been estimated for working days in 2023, based on 2022 data.

(2) Please note that where source of water withdrawals was reported as "other" it was assumed to refer to "Third-party water", as for Centrum Rozliczen Elektronicznych Polskie ePlatnosci S.A. and Nexi Payments (South Africa).

(3) Please note that for the Italian perimeter, the data provided were calculated, for the third-party water resources, through invoices and in some cases through condominium fees, for groundwater from the meter readings, and in case of missing data, they have been estimated considering last year trend. The same methodology has been used by Nexi Payments in Germany and Orderbird GmbH, when the data of some office were not available or only partially available.

(4) Please note that for Nexi Germany GmbH and Nexi Germany Sales GmbH data were calculated by the landlord using dial gauges. The same applies for Nets Denmark A/S office in Helsinki, Finland and PayPro S.A., Poland.

(5) Please note that Nets Denmark A/S office Energivej 1 provided data from July 2022 to June 2023.

(6) For Nexi Austria GmbH water withdrawal can't be estimated as the property manager only provides data of the whole building.

(7) Nexi Germany Holding GmbH employees are placed at the same locations as Nexi Germany GmbH and Nexi Germany Sales GmbH.

(8) Nexi Schweiz AG does not get a bill for litres/m³ of water consumed, it is included in the rent.

(9) Data on water withdrawal does not include Numera Sistemi Informatica S.p.A., SIAPay S.r.l., Nexi Greece Single Member S.A., Nexi Payments Greece S.A., eCard S.A. and Signaturgruppen.

(10) eCard office receives only partial data on water usage. The amounts were really insignificant plus we were not able to check/compare them with anything. We added those number to PayPro statistics as this entity is more significant.

GRI 306-3 WASTE GENERATED

	Unit of measurement	2023		2022		2021	
		Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste
Waste produced	tons	17.2	1,301.6	8.6	2,237.2	2.3	723.8
Total	tons	1,318.8		2,245.8		726.1	
Percentage of waste	%	1.2	98.8	0.4	99.6	0.3	99.7

- (1) For Nexi Digital Finland Oy and PforCards GmbH the weight of batteries is estimated by assuming the weight of a common cylindrical D-type battery of 180 g.
- (2) Nexi Germany Holding GmbH employees are placed at the same locations as Nexi Germany GmbH and Nexi Germany Sales GmbH.
- (3) Please note that for Nets Denmark A/S Finnish branch: the data on batteries, cardboard and other electronic material (Payment terminals, monitors, cables, mice etc.) has been collected from supplier digital records available through service portal and the service is provided by L&T Environmental services; office paper waste includes material that is received from outside Nets; mixed office waste is deposited in designated building waste rooms, whose disposal is managed by the landlord. The quantities of mixed waste are measured four times annually, allowing for the creation of a monthly estimate, which is then multiplied by 12 for a rough annual estimate.
- (4) Please note that for all Italian offices the estimation of assimilable waste has been conducted by weighing the waste generated in a single working day and multiplying it by the number of individuals present over the course of a year.
- (5) Please note that for Nexi Central Europe AS, Nexi Greece Single Member SA, Numera Sistemi Informatica S.p.A., Nexi Austria GmbH and Signaturgruppen A/S the waste generated was estimated. Some estimates were made based on 2022 data provided, if available. Otherwise, an estimate was calculated based on the number of employees. Also, the breakdown on waste type (hazardous/non-hazardous) was assumed based on 2022 data, as precise 2023 data is not available.
- (6) Please note that for the German and Austrian perimeter, in some cases, waste was collected in litres instead of tonnes, and for the Greek perimeter, in some cases, in m3 instead of tonnes. Since there are no specific indications for the conversion of waste but only of materials before delivery, multipliers were calculated for the conversion. Specifically, where density was used for the conversion from volume to weight, the density value of the individual material expressed in kg/l was divided by 1000 to obtain the equivalent tonnes. For some materials for which there are different types (e.g. polymers), the average density of the possible varieties in the collection can be calculated. Please note that the factors used are 1 m3 = 1.2 tons (paper); 1 m3 = 1.17 tons (plastic - calculated average with polyamide [PA], polypropylene [PP] and soft and hard polyvinyl chloride [PVC]); 1 m3 engine oil = 0.86 tons (engine oil - average calculated with SAE 0W-30, 10W-40, 15W-40, SAE 30, SAE 5W-40).
- (7) Nets Estonia A/S reports IT and communications equipment due to the closing of Datacenter in Laki Street.
- (8) Please note that in Ordebird AG all the waste that is generated in the office is discarded together, so there is no way to differentiate waste production by specific categories. Also, we do not have hazardous waste.
- (9) Please note that the data does not include office IT waste of Nexi Germany GmbH, estimated to be 240 kg. It has been considered as an omission.

GRI 306-4 WASTE DIVERTED FROM DISPOSAL

	Unit of measurement	2023		2022		2021	
		Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste
Waste diverted from disposal	tons	12.3	1,050.9	2.4	972.2	1.1	649.9
Total	tons	1,063.2		974.6		651.0	

Waste diverted from disposal by recovery method	Unit of measurement	2023		2022		2021	
		Onsite	Offsite	Onsite	Offsite	Onsite	Offsite
Hazardous waste	tons	-	12.3	1.0	1.3	0.2	1.0
Preparation for reuse	tons	-	0.0	0.0	0.0	-	-
Recycling	tons	-	6.2	1.0	1.3	-	1.0
Other recovery operations	tons	-	6.1	0.0	0.0	0.2	-
Non-hazardous waste	tons	37.2	780.2	282.1	690.1	382.9	264.0
Preparation for reuse	tons	-	258.2	0.0	16.1	-	3.7
Recycling	tons	37.1	486.8	282.1	632.7	25.4	260.3
Other recovery operations	tons	0.1	35.2	0.0	41.3	357.5	-
Total	tons	37.2	792.5	283.1	691.4	383.1	264.9

- (1) Please note that for 28.7 tonnes of estimated non-hazardous waste data of Nexi Austria GmbH, Nexi Central Europe AS, Numera Sistemi Informatica S.p.A. and Signaturgruppen A/S a breakdown of usage and treatment method is not available.
- (2) Please note that for estimated waste data (349.4 tonnes) details on treatment location (onsite, offsite) is not available.

GRI 302-1 ENERGY CONSUMPTION WITHIN THE ORGANIZATION
GRI 305-1 DIRECT (SCOPE 1) GHG EMISSIONS
GRI 305-2 ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS

Energy consumption	Unit of measurement	2023	2022	2021
Direct emissions - Scope 1	tCO₂e	4,950.8	5,256.6	2,038.7
Total direct energy consumption	Gj	58,486.2	79,121.9	31,551.6
- renewable	Gj	1,370.9	1,057.1	497.2
- of which self-produced photovoltaic energy	kWh	380,815.0	293,636.0	138,113.9
- not renewable	Gj	57,115.2	78,064.8	31,056.6
- of which natural gas consumption ¹	m ³	101,942.6	187,277.1	138,199.8
- of which diesel consumption for generators	l	13,428.2	30,566.6	8,075.0
- of which petrol consumption attributable to the company fleet ²	l	245,186.8	589,629.0	143,187.4
- of which diesel consumption for company cars ²	l	876,196.2	1,233,198.6	397,242.2
- of which LPG consumption for company cars ²	l	-	2,239.8	-
- of which additional company fleet consumption ²	estimate l petrol	39,640.0	22,941.6	44,373.9
- of which additional company fleet consumption ²	estimate l diesel	256,502.1	18,452.7	94,533.8
Indirect emissions - Scope 2 (Location Based)¹	tCO₂e	10,788	9,702.9	4,432.0
Indirect emissions - Scope 2 (Market Based)¹	tCO₂e	6,622.2	6,665.8	3,630.5
Total indirect energy	Gj	182,116.0	156,173.9	64,019.3
- renewable	Gj	127,245.3	94,019.6	35,152.9
- of which electricity purchased from the grid covered by Guarantees of Origin for the Group offices	kWh	17,855,300.4	12,972,071.0	7,331,862.7
- of which electricity purchased from the grid covered by Gurantees of Origin for the activities of the Data Centres owned by the Group ³	kWh	17,490,626.6	13,144,490.5	2,432,845.3
not renewable	Gj	54,870.7	62,154.2	28,866.4
- of which non-renewable electricity purchased from the grid for the Group offices ¹	kWh	7,016,384.6	10,104,110.5	6,659,627.6
- of which non-renewable electricity purchased from the grid for the activities of the Data Centres owned by the Group	kWh	2,839,277.0	2,320,333.4	-
- of which non-renewable electricity for plug-in hybrid car and full-electric car consumption ²	kWh	199,005.0	174,160.0	78,332.0
- of which district heating ¹	kWh	4,262,453.8	3,966,149.5	960,830.8
- of which district cooling	kWh	924,736.1	700,315.0	319,640.2

(1) Where 2023 data were not available, estimates have been performed as follows: when 2022 data was available, the 2023 consumption was assumed to be the same as the one reported for 2022. Otherwise, the estimation was performed taking into account the floor area (square meters) of offices, when indicated by the data owner. If any of the previous was available, the estimation was based on the headcount: the emissions intensity per employee was calculated considering all the data points for which 2023 primary data is present, and then applied to the legal entities with missing data. More specifically,

- Centrum Rozliczen Elektronicznych Polskie ePlatnosci S.A - district heating consumption: estimates were made based on the headcount, by applying the emissions intensity per employee.
- Help Line S.p.A. Mercury Payment Services S.p.A, Nets Estonia A/S,
- Nexi Greece Single Member SA (ex Nexi Greece S.A.), Nexi Payments S.p.A, Service HUB S.p.A - refrigerant gasses. Estimates were performed based on 2022 primary data.
- Nexi Austria GmbH (ex Concordis Austria GmbH) - district heating consumption and refrigerant gas losses. Estimates were performed based on the floor area in the case of district heating. The refrigerant gas losses were estimated based on the headcount, by applying the emissions intensity per employee.
- Nexi Central Europe AS (ex SIA Central Europe, a.s.) did not provide primary data on vehicle consumption and refrigerant gas losses. Estimates were made based on 2022 primary data for vehicles and based on the headcount for the refrigerant gas losses.
- Nexi Greece Single Member SA (ex Nexi Greece S.A.) did not provide primary data on electricity: estimates were made based on 2022 primary data.
- Nexi Payments Greece S.A. did not provide primary data on vehicles' consumption. Estimates were made based on the headcount, by applying the emissions intensity per employee calculated considering the 2023 primary data provided by other legal entities.
- Signaturgruppen A/S did not provide any primary data in 2023. Estimates were performed based on 2022 primary data in the case of electricity and stationary combustion. In the case of refrigerant gas losses and vehicles' consumption, estimates were made based on the headcount, by applying the emissions intensity per employee calculated considering the 2023 primary data provided by other legal entities. In those cases where the emissions have been estimated based on the headcount, the table takes into account only the contribution in terms of emissions but not the consumption.

(2) Vehicle use emissions include company-owned fleet and long lease cars, which include conventional, mild/full hybrid, plug-in hybrid and full electric cars. They include Scope 1 (fuels) and Scope 2 (electricity) emissions. The data provided present different units of measurement such as liters of fuels, kWh consumed, kilometers driven and economic data referring to reimbursements, in addition to the type of vehicle. For the purpose of presenting the kilometers driven in this table, it was assumed that 40 percent of the kilometers driven by plug-in hybrid vehicles were diesel powered. Limited to Nexi Payments Greece S.A. and Signaturgruppen A/S, emissions related to the use of vehicles were calculated through the emission intensity: for this reason, only emissions but not consumption in terms of fuel or electricity are shown in the table. Read footnote (1) for more information..

(3) Emissions related to data centres were calculated taking into account the ownership of buildings and racks, in line with the approach used in 2022. Different scenarios are presented below. For group-owned buildings:

- Scope 1 included the use of diesel to power back-up generators and refrigerant gas losses.
- Scope 3 included waste generated in operations.

For group-owned racks, emissions related to electricity consumption are considered in Scope 2. For leased racks operated by Nexi Group, emissions related to electricity consumption are included in Scope 3 category "Upstream Leased Assets". Where primary data were not available estimates were made. In the case of electricity consumption by racks, the estimations were carried out for the following data centres, based on the data provided in 2022: Atman2, Cyfronet, NBC6, Bratislava/Hattalowa, Bratislava/Rontgenova, Budapest - T-systems, Budapest - Invitech, Budapest - Telco-Hub 1, Budapest - Telco-Hub 2. Concerning the use of diesel for backup generation, estimates were made for the following data centres based on 2022 primary data: Bratislava/Rontgenova, Bratislava/Hattalowa, Laki. In the case of refrigerant gas losses, estimates were provided for (2022 data): Athens/Krioneri, Bratislava/Rontgenova, Bratislava/Hattalowa, Laki. Finally, in the case of waste generated in operations, estimations were made for (2022 data): Bratislava/Rontgenova, Bratislava/Hattalowa.

Given the complexity of gathering data on electricity consumed by racks, there are omissions for some data centres in Italy (4 data centres), Germany (3), United Kingdom (2) and Poland (1). As regards the data for waste and diesel used for back-up generation, there are omissions for some data centres in Germany (1), Norway (1) and Greece (1). These omissions are present because for these data centres no 2023 or 2022 data is available.

GRI 302-2 ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION

GRI 305-3 OTHER INDIRECT (SCOPE 3) GHG EMISSIONS

Energy emissions	Unit of measurement	2023	2022	2021
Indirect emissions - Scope 3¹	tCO₂e	170,661.4	40,037.3	8,354.4
Of which produced from fuel and energy extraction and reprocessing²	tCO₂e	3,351.1	4,341.9	2,225.7
Of which produced from materials used³	tCO₂e	1,044.6	907.3	599.7
Materials used by weight or volume	tons	917.5	772.9	415.3
Of which produced from purchased services⁴	tCO₂e	117,531.7	-	-
Of which produced from capital goods⁵	tCO₂e	20,850.7	13,802.5	
Of which produced by Business Travel⁶	tCO₂e	3,110.2	2,262.0	344.1
- of which car	Km	23,947.5	25,263.6	823,983.1
- of which train	Km	2,057,714.9	1,442,027	660,706.0
- of which aircraft	km	5,445,710.3	10,432,521	461,523.0
Of which produced from waste⁷	tCO₂e	422.7	45.5	16.0
Waste by type and disposal method	tons	1,068.9	1,865.8	751.1
Of which produced by Upstream Leased Assets⁸	tCO₂e	637.6	250.7	936.2
- of which electricity purchased from the network covered by GO for the activities of fully outsourced Data Centres ⁹	tCO ₂ e	5,769,245.9	7,466,089.1	2,839,458.5
Of which produced by employee commuting¹⁰	tCO₂e	14,600.3	12,002.5	2,841.7
Of which produced by use of sold products¹¹	tCO₂e	167.9	293.3	90.2
Of which produced by the end-of-life treatment of sold-products¹²	tCO₂e	52.0	31.0	17.5
Of which produced by leased assets¹³	tCO₂e	2,747.6	6,100.6	1,283.3
Of which produced from Upstream transportation and distribution¹⁴	tCO₂e	6,145.0	-	-

(1) The category "Investments" includes, in the case of Nexi Group, emissions of associated companies and joint ventures on which Nexi Group has operational control, and stock shares of other companies. These emissions have been calculated for 2022 as part of the Science Based Targets initiatives Net zero targets approval process, and count for less than 1% of Scope 3 emissions. For this reason, in 2023 these emissions are considered an exclusion.

(2) Emissions related to Fuel-and-Energy-related Activities were calculated through a Marked-Based approach.

(3) Data for purchased materials were not completed by the following group companies: SIApay S.r.l., Nets Schweiz AG, Signaturgruppen A/S, Numera Sisteml Informatica SpA, Centrum Rozliczen Elektronicznych Polskie ePlatnosci S.A., Nexi Payments Greece S.A., Nexi Greece Single Member SA (ex Nexi Greece S.A.).

Estimates were completed in these cases based on 2022 activity data: Centrum Rozliczen Elektronicznych Polskie ePlatnosci S.A., Nexi Greece Single Member SA (ex Nexi Greece S.A.) and Nexi Schweiz AG (ex Nets Schweiz AG).

For the following legal entities, emissions were estimated based on the headcount, by applying the emissions intensity per employee calculated considering the 2023 primary data provided by other legal entities:

SIApay S.r.l., Signaturgruppen A/S, Numera Sisteml Informatica SpA and Nexi Payments Greece S.A.

Therefore, in those cases, the table takes into account the emissions for the estimated legal entity but not the quantity of materials consumed.

(4) Emissions related to Services purchased by the Group are reported for the first time in the Non-Financial Statement to align with reporting best practices and the inventory presented to

the Science Based Target Initiative for Net zero target approval. This category includes emissions from services that the Group purchases from third parties, such as technical, administrative, financial consulting activities; legal and tax services; maintenance, telecommunication, cloud and marketing. The calculation is based on administrative expenditure data for the year 2023, using spend-based emission factors for the 2023 reporting year.

Cloud services' emissions include supplier-specific and service-specific data for only Scope 1 and 2.

- (5) Emissions related to the Capital Goods category include, as in previous years, emissions linked to terminals purchased during 2023. In line with the Group's ongoing commitment to improve the mapping of its environmental impact, methodological improvements were made, including emissions related to: furniture in offices, and expenditures related to card personalization machinery in the plants in Croatia and Italy.

Emissions were calculated:

- for POS terminals, through an average-data approach, using bills of materials provided by major suppliers where possible.
 - for other categories, through the application of the average-data approach, using generic literature emission factors, or the spend-based method if the activity data is economic-based.
- While there are no omissions for terminal purchases, the following legal entities did not provide data for other types of goods: Nets Schweiz AG, Nexi Central Europe AS (ex SIA Central Europe, a.s.) and Signaturgruppen A/S. No estimates could be performed in the absence of 2022 data, therefore these are considered as exclusions.

- (6) Emissions related to business travel include emissions related to travel by train, airplane, rental and private cars, cabs and public transport and overnight stays in hotels. When possible, emissions calculation is based on a distance-based method; where economic expenditures for travels are provided, a spend-based method is used. In many cases (cabs and public transportation, part of air and train trips), the data on kilometres travelled was not available, so emissions were calculated through the use of emission factors for economic data. Therefore, in this table, the kilometres referred to the above-mentioned cases are not included as activity data but included in the calculation of emissions.

Estimates based on 2022 data were provided for Signaturgruppen A/S and Nexi Central Europe AS (ex SIA Central Europe, a.s.). For Centrum Rozliczen Elektronicznych Polskie ePlatnosci S.A. and Numera Sistemi Informatica SpA estimates were made on the basis of the headcount, by applying the emissions intensity per employee calculated considering the 2023 primary data provided by other legal entities.

- (7) The following legal entities did not provide waste data: Signaturgruppen, Numera Sistemi Informatica, Nexi Greece Single Member SA, Nexi Central Europe AS (ex SIA Central Europe, a.s.) and for Nexi Austria GmbH (ex Concordis Austria GmbH) for the Leobersdorf Office and Graz Office. For the legal entities of Nexi Greece Single Member SA and Nexi Central Europe AS (ex SIA Central Europe, a.s.) the estimates have been performed based on the 2022 activity data, while for Signaturgruppen, Numera Sistemi Informatica and Nexi Austria GmbH (ex Concordis Austria GmbH) the activity data have been estimated through the use of an internal tool, which associates the waste generated based on number of employees.

Neither primary data nor estimates have been included for the following Data centres: Athens/Krioneri, HMS4 and Loftwerk. No estimates could be performed in the absence of 2022 data, therefore these are considered as exclusions. Office IT waste for Nexi Germany GmbH has been considered as an omission.

- (8) Emissions related to data centres were calculated taking into account the ownership of buildings and racks, in line with the approach used in 2022. Below, all cases considered are presented.

For group-owned buildings:

- Scope 1 included the use of diesel to power back-up generators and refrigerant gas losses.
- Scope 3 included waste generated.

For group-owned racks, emissions related to electricity consumption are considered within Scope 2. For leased racks operated by Nexi Group, emissions related to electricity consumption are included in Scope 3 category "Upstream Leased Assets".

In the following cases, primary data were not available and it was possible to perform some estimates based on the past year data: In the case of electricity consumption by racks, the estimations were carried out for the following data centres based on the data provided in 2022: Atman2, Cyfronet, NBG6, Bratislava/Hattalowa, Bratislava/Rontgenova, Budapest - T-systems, Budapest - Invitech, Budapest - Telco-Hub 1, Budapest - Telco-Hub 2. When it comes to the use of diesel for backup generation, estimates were provided for the following data centres based on 2022 primary data: Bratislava/Rontgenova, Bratislava/Hattalowa, Laki. In the case of refrigerant gases leakage, estimates were provided for (2022 data): Athens/Krioneri, Bratislava/Rontgenova, Bratislava/Hattalowa, Laki. Finally, in the case of waste generated in operations, estimations were made for (2022 data): Bratislava/Rontgenova, Bratislava/Hattalowa. Given the complexity of gathering data on electricity consumed by racks, there are omissions for some data centres in Italy (4 data centres), Germany (3), United Kingdom (2) and Poland (1). As regards the data for waste and diesel used for back-up generation, there are omissions for some data centres in Germany (1), Norway (1) and Greece (1). These omissions are present because for these data centres no 2023 or 2022 data is available.

- (9) The emissions associated with the Upstream Leased Assets category were calculated through a Marked-Based approach, with the objective of valorising the use of electricity covered by Guarantees of Origin.

- (10) The 2023 Nexi Group Italian employee mobility survey results were used to calculate the company-specific emission factor applied at the Group level, to be applied to the perimeter for the amount of days of office work (in presence). As a methodological improvement compared to 2022, home-working-related emissions were also calculated through data collection of company smart-working policies for Legal Entities outside the Italian perimeter. This choice is motivated by the high quality of the data collected at the Italian level, the alignment with last year's methodology and from the continuing goal of improving the reporting of emission impacts.

- (11) Scope 3 emissions due to use of sold products includes, for Nexi Group, emissions related to electricity consumption of sold terminals. In line with 2022, they were estimated from information available online from POS manufacturers. The emission factor used for this category is Location-Based and varies for individual countries. The underlying assumption is that the country of terminal use corresponds to the country where the terminal was leased.

Estimates were performed limited to POS consumption for Nexi Greece Single Member SA (ex Nexi Greece S.A.) based on 2022. Nexi Payments Greece S.A. did not provide data for 2023 nor for 2022, therefore it has been considered as an omission.

- (12) Scope 3 emissions due to end-of-life disposal of products sold, for Nexi Group, includes terminals sold, accessories and cards sold.

- (13) Scope 3 emissions due to consumption of leased products includes, for Nexi Group, electricity consumption of terminals under leasing contracts to third parties.

No supplier-specific data on POS electricity consumption is available. Therefore, the emission calculation was estimated from information available online from POS manufacturers.

The emission factor used for this category is Location-Based and varies for individual countries. The underlying assumption is that the country of terminal use corresponds with the country in which the terminal was leased.

Estimates for Nexi Greece Single Member SA (ex Nexi Greece S.A.) have been computed based on 2022 consumption data. Data for Nexi Payments Greece has not been provided neither for 2023 nor 2022 data. Therefore it has been considered as an omission.

- (14) The "Upstream transportation and distribution" category is reported for the first time this year, in line with the Group's ongoing commitment to improve the mapping of its environmental impacts.

For Nexi Group, emissions in this category include:

- Emissions related to the transportation of purchased POS and ATMs included in the price of the "purchased good";
- Emissions related to the share of transportation during the installation of terminals;
- Emissions of the transport and distribution service for terminals and cards, the cost of which is paid by the Group.

The data provided are expenditures, thus the methodology used to calculate the emissions is a spend-based one.

GRI 302-3 ENERGY INTENSITY

	Unit of measurement	2023	2022
Total number of employees	n.	10,580	10,347
Energy consumption within the organization	Gj	240,602.2	235,295.7
Energy intensity	Gj/n.	22.7	22.7

GRI 305-4 GHG EMISSIONS INTENSITY

GHG emissions intensity (Scope 1 + Scope 2 Location Based)	Unit of measurement	2023	2022
Total number of employees	n.	10,580	10,347
Direct emissions (Scope 1 and Scope 2 Location Based)	tCO ₂ e	15,738.8	14,959.5
GHG emissions intensity	tCO₂e/n.	1.5	1.4

GHG emissions intensity (Scope 1 + Scope 2 Market Based)	Unit of measurement	2023	2022
Total number of employees	n.	10,580	10,347
Direct emissions (Scope 1 and Scope 2 Market Based)	tCO ₂ e	11,573.0	11,922.4
GHG emissions intensity	tCO₂e/n.	1.1	1.2

GHG emissions intensity (Scope 3)	Unit of measurement	2023	2022
Total number of employees	n.	10,580	10,347
Other indirect emissions (Scope 3)	tCO ₂ e	170,661.4	40,037.3
GHG emissions intensity	tCO₂e/n.	16.1	3.9

TRENDS AND VARIATIONS IN EMISSIONS

	Unit of measurement	2023	2022	2021	Variation between 2021 and 2023 (in tCO ₂)	Variation between 2021 and 2023 (%)
Scope 1	tCO ₂ e	4,950.8	5,256.6	3,960.0	990.8	25.0%
Scope 2 MB	tCO ₂ e	6,622.2	6,665.8	10,591.5	-3,969.3	-37.5%
Sum of Scope 1 and 2 MB	tCO ₂ e	11,573.0	11,922.4	14,551.5	-2,978.5	-20.5%
Scope 3	tCO ₂ e	170,661.4	40,037.3	184,994.9	-11,892.3	-6.4%

Notes:

The table above reports, respectively, the FY2021 carbon footprint reviewed by SBTi and used as a baseline for the calculation of the Group's decarbonization targets, the FY 2022 carbon footprint and the FY2023 carbon footprint. The 2021 baseline differs from the 2021 data reported in the non financial statement 2021 and 2022 and 2023 in accordance to the GRI standards provisions, due to differences in the perimeter and in the Scope categories considered.

More specifically, to align to the financial and non-financial disclosure, and in line with the regulatory provisions on non-financial disclosure, the data reported according to the GRI standards included:

- Data for the Italian legal entities for the full financial year (Jan 1-Dec 31)
- Data for the legal entities that entered the Group through the merger with Nets from the date of the merger to the end of the year (Jul 1- Dec 31).
- No data regarding the legal entities that entered the group through merger of SIA, since the merger became effective on Jan 1st 2022.

On the contrary, and in line with the SBTi requirements the data used for the 2021 target baseline includes data for all legal entities (including the ones that entered the Group through the mergers with SIA and Nets) for the full financial year 2021 (Jan 1 – Dec 31).

Additionally, the progressive improvement of the Group's GHG inventory mapping, coupled with the reiterative review process functional to the approval of the decarbonization target by SBTi, enabled to include in the 2021 baseline additional Scope 3 categories: Capital goods, Upstream transportation and Distribution, Purchased goods and services".

EUROPEAN TAXONOMY: ELIGIBLE AND ALIGNED ECONOMIC ACTIVITIES - CAPEX

Financial year 2023	2023			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')										Category enabling activity (19)	Category transitional activity (20)
Economic activities (1)	Co-de(s) (2)	CapEx (3)	Proportion of CapEx, year 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022 (18)				
A. TAXONOMY ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy aligned)																					
Data processing, hosting and related activities	CCM 8.1	1,337,972	0.24%	Y	N/ EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	N/A	N/A	Y	N/A		T		
CapEx of environmentally sus-tainable activities (Taxonomy aligned) (A.1)		1,337,972	0.24%	0.24%	-	-	-	-	-	N/A	Y	Y	Y	N/A	N/A	Y	N/A				
Of which enabling		0	0%	-	-	-	-	-	-	N/A	Y	Y	Y	N/A	N/A	Y	N/A	E			
Of which transitional		1,337,972	0.24%	0.24%	-	-	-	-	-	N/A	Y	Y	Y	N/A	N/A	Y	N/A		T		
A.2. Taxonomy eligible but not environmentally sustainable activities (not Taxonomy aligned activities)																					
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	47,757	0.01%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								0.02%				
Freight transport services by road	CCM 6.6	94,136	0.02%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								N/A				
Renovation of existing buildings	CCM 7.2	2,942,643	0.53%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								0.41%				
Installation, maintenance, and repair of energy efficiency equipment	CCM 7.3	74,600	0.01%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								0.04%				
Installation, maintenance, and repair of renewable energy technologies	CCM 7.6	114,025	0.02%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								N/A				
Data processing, hosting and related activities	CCM 8.1	99,705,541	18.10%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								15.04%				
CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy aligned activities) (A.2)		102,978,702	18.69%	18.69%	-	-	-	-	-								15.51%				
A. CapEx of Taxonomy eligible activities (A.1+A.2)		104,316,674	18.93%	18.93%	-	-	-	-	-								15.51%				
B. TAXONOMY NON ELIGIBLE ACTIVITIES																					
CapEx of Taxonomy non eligible activities		446,615,197	81.07%																		
TOTAL		550.931.871	100%																		

CCM = Climate change mitigation

Y = Yes (taxonomy eligible and taxonomy-aligned activity with the relevant environmental objective)

N= No (taxonomy eligible but not taxonomy-aligned activity with the relevant environmental objective)

N/EL = Not eligible (taxonomy-non-eligible activity for the relevant environmental objective)

EUROPEAN TAXONOMY: ELIGIBLE AND ALIGNED ECONOMIC ACTIVITIES - OPEX

Financial year 2023	2023			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')													
Economic activities (1)	Co-de(s) (2)	OpEx (3)	Proportion of OpEx, year 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) OpEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)				
A. TAXONOMY-ELIGIBLE ACTIVITIES																							
A.1. Environmentally sustainable activities (Taxonomy aligned)																							
Data processing, hosting and related activities	CCM 8.1	12,763,223	2.69%	Y	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL	N/A	Y	Y	Y	N/A	N/A	Y	N/A		T				
OpEx of environmentally sustainable activities (Taxonomy aligned) (A.1)		12,763,223	2.69%	2.69%	-	-	-	-	-	N/A	Y	Y	Y	Y	N/A	Y	N/A						
Of which enabling		0	0%	-	-	-	-	-	-	N/A	Y	Y	N/A	Y	N/A	Y	N/A	E					
Of which transitional		12,763,223	2.69%	2.69%	-	-	-	-	-	N/A	Y	Y	Y	N/A	N/A	Y	N/A		T				
A.2. Taxonomy eligible but not environmentally sustainable activities (not Taxonomy aligned activities)																							
Provision of IT/OT data driven solutions	CE 4.01	44,505,162	9.39%	N/ EL	N/ EL	N/ EL	EL	N/ EL	N/ EL								N/A						
Repair, refurbishment and remanufacturing	CE 5.01	2,903,401	0.61%	N/ EL	N/ EL	N/ EL	EL	N/ EL	N/ EL								N/A						
Collection and transport of non hazardous waste in source segregated fractions	CCM 5.5	71,868	0.02%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								0.03%						
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	816,158	0.17%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								0.25%						
Freight transport services by road	CCM 6.6	13,294,929	2.80%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								3.11%						
Renovation of existing buildings	CCM 7.2	1,503,112	0.32%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								0.40%						
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	633,855	0.13%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								0.08%						
Data processing, hosting and related activities	CCM 8.1	250,465,472	52.82%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								35.74%						
OpEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy aligned activities) (A.2)		314,193,957	66.26%	56.26%	-	-	10.00%	-	-								39.63%						
A. OpEx of Taxonomy eligible activities (A.1+A.2)		326,957,180	68.95%	58.96%	-	-	10.00%	-	-								39.63%						
B. TAXONOMY NON ELIGIBLE ACTIVITIES																							
OpEx of Taxonomy non eligible activities		147,210,387	31.05%																				
TOTAL		474,167,567	100%																				

CCM = Climate change mitigation

CE = Circular economy

Y = Yes (taxonomy eligible and taxonomy-aligned activity with the relevant environmental objective)

N= No (taxonomy eligible but not taxonomy-aligned activity with the relevant environmental objective)

N/EL = Not eligible (taxonomy-non-eligible activity for the relevant environmental objective)

TCFD REPORT



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TCFD REPORT

Executive Summary

Through the following report, Nexi Group is committed to reporting its contribution to the fight against climate change. The document is structured in four areas, following the guidelines defined by the *Task Force on Climate-related Financial Disclosures (TCFD)*, concerning the approach to climate change in terms of governance, strategy, risk and opportunity analysis, metrics used and objectives.

The Group has a Control, Risk and Sustainability Committee that supports the Board of Directors in assessing the risks and opportunities arising from climate change, alongside an ESG strategy that identifies decarbonization as one of the main pillars. Nexi Group received the approval to update its GHG emission reduction targets by the Science-Based Targets Initiative.

With the targets approved by the SBTi, Nexi commits to reducing absolute Scope 1 and 2 GHG emissions by 42% by 2030, starting from the 2021 baseline. Nexi further commits that 78% of its suppliers by spend covering purchased goods and services will have science-based targets by 2027. Nexi finally commits that 70% of its suppliers by emissions covering capital goods, will have science-based targets by 2027. Long term targets of the Group commit to reduce absolute Scope 1, 2, and 3 GHG emissions 90% by 2040 from a 2021 base year.

Governance

Nexi Group identifies “**Climate change**” as one of its material topics and defines this as the “*progressive reduction and offsetting of greenhouse gas emissions that contribute to climate change to achieve Net Zero commitment based on scientific data and international guidelines. Promotion of the use of energy from Renewable sources.*”

In response to the first area of TCFD recommendations, the governance of climate change is in the hands of the Board of Directors of the Group. The **Board** represents the highest governing body for **managing climate-related issues** and for **overseeing** the definition of the **Group’s response to climate change**.

The Board is the body responsible for **developing strategies and policies, setting sustainability goals and commitments**, overseeing the **implementation of the Sustainability Policy**, and **evaluating the results** and the adequacy of sustainability guidelines. The Board defines the path of progressive integration of the strategic objectives of Top Management and Executive Directors with sustainability aspects. Furthermore, the Board approves and supervises involvement in external initiatives and formalizes reporting obligations and action plans.

In line with the intention to **increase expertise on climate issues**, the Board of Directors initiated a series of reflections to increase expertise on ESG issues, including climate issues, to **support** and **undertake further initiatives in the medium to long-term**. In this regard, during the Board of Directors’ self-assessment session on ESG issues, for the question ‘Does the Board of Directors dedicate adequate time to monitoring the implementation of the Group’s ESG strategy’, **79% of the Board members agreed or strongly agreed** and the others were neutral³¹.

The **Control, Risk and Sustainability Committee supports the Board in promoting activities** related to climate impacts on the Group, including the process of climate change risks and opportunities. The Committee is established within the Board of Directors of Nexi Spa and has **advisory, proposal, and preparatory functions** to assist the Board in climate-related activities. Climate-related issues are on its agenda as part of the periodic updates of the Corporate and Social Responsibility function to the Committee itself. The Committee **examines and evaluates the issues related to the conduct of business and the dynamics of interaction with stakeholders**, but also monitors the **Group’s positioning on sustainability issues**, aiming for constant alignment with current and emerging regulations and market best practices.

In addition, among the **highest management level position(s) or committee(s) with responsibility for climate issues**:

- the **Chief Risks Officer (CRO)** is responsible for risk management activities and oversees the implementation of the ERM Framework, including the ESG assessment. The CRO reports quarterly to the Risk Control and Sustainability Committee and directly to the CEO;
- the **Chief Information Officer (CIO)** is responsible for ensuring business continuity, including initiatives taken against acute physical risks and improving the energy efficiency of the Group’s data centres, and reports directly to the CEO;
- the **director of the Global Real Estate and Facility Management** reports regularly to the Chief Administrative Officer and oversees all activities related to creation of a green and more energy efficient work environment, identifying and implementing energy efficiency improvement initiatives in all office buildings and production facilities;

³¹ It should be noted that 11 out of 13 Board members responded.

- the **director of the Group Procurement function** reports to the CFO and is responsible for managing procurement actions, including climate-related aspects. He is also responsible for qualifying suppliers in terms of environmental issues;
- the **director of the Group Corporate & External Affairs and ESG function** oversees the implementation of the Group's decarbonization targets and periodically reports to the Board of Directors and internal board committees.

Nexi Group **increased the weight of ESG objectives in the remuneration package** as part of the path of progressive integration of sustainability objectives in the strategic objectives of Top Management and Executive Directors, as well as in the variable incentive systems. In the 2023 MBO plan, the weight of ESG targets for the Group's Chief Executive Officer and General Manager increased and the ESG targets have been extended to all Group MBO beneficiaries. Furthermore, an **objective related to Nexi's ESG strategy** called the ESG Scorecard was introduced from the 2023-2025 allocation cycle in line with the commitment made when presenting the **new LTI plan**, approved in May 2022. The **scorecard** is defined as a **set of objectives, weighing 10%**, related to the ESG strategy of the Nexi Group, with particular reference to digitalization, gender balance, people engagement and respect for the environment. The inclusion of ESG topics in the LTI plan has been confirmed for the 2024-2026 allocation cycle.

Strategy

The Group believes that decarbonization is one of the key pillars of the ESG Strategy. Therefore, it identifies best practices and initiatives for climate neutrality to overcome the challenges in reducing its impacts on the environment.

During 2023 the Group launched the **ESG Community** to deepen the knowledge and raise awareness of the projects and targets of the ESG Strategy. Through the Community, webinars were organised and the Community itself was involved in coordinating the first **Environmental Week** across Nexi Group where colleagues from 17 locations in 12 countries were involved.

The Group identified the following targets:

- **Net Zero emissions by 2040**, ten years earlier than required by the Paris agreements;
- **100% electricity supply generated by renewable sources by 2030.**

Initiatives identified and implemented to align with emission reduction targets include:

- updating and extending the decarbonization targets and obtaining SBTi approval for such extension;
- absolute Scope 1 and Scope 2 reduction by 42% by 2023 through: the electric fleet, use of renewable energy, phasing out combustion heating, innovations, and efficiency gains in office buildings.

Moreover, the Group is committed to **decarbonizing its supply chain** by mobilizing its suppliers to adopt CO₂ reduction targets. By 2027, Scope 3 objective will involve:

- the procurement of goods and services, with 78% of suppliers involved, based on expenditure;
- the procurement of capital goods, with 70% of suppliers involved, based on their GHG emissions.

Regarding these initiatives, it is worth noting that the **CO₂ emission reduction targets were extended to the entire Group and recently approved by the Science Based Target initiative (SBTi).**

Climate-related risks and opportunities

Identification and monitoring of climate-related risks and opportunities

In line with the recommendations of the Corporate Governance Code for Listed Companies (Corporate Governance Code), Enterprise Risk Management (ERM) focuses on the management of relevant risks in relation to value creation through the integration of risk management culture and practices into strategy setting and performance management processes.

Each event identified is evaluated for impact, likelihood, and maturity of the management system according to four-level risk scales. In light of the risk assessment, which is suitable for prioritizing identified events based on residual risk exposure, risks considered to have substantial impact are those that could have an economic impact of more than 5% of corporate EBITDA.

The **Enterprise Risk Assessment process also integrates the identification and monitoring of climate-related risks**. No major risks related to climate change have been identified for the period 2023-2025 with substantial impacts on the Nexi Group. However, given their strategic and reputational importance, these types of risks are monitored and assessed periodically in order to understand their potential implications and define a path for mitigation and adaptation.

There are **several aspects with respect to which climate change-related risks and/or opportunities which could arise**, and many actions taken to mitigate and/or incentivize these effects:

- (a) current regulations: the Group implements constant monitoring designed to minimize the risk of incurring penalties, financial losses, or reputational damage;
- (b) emerging regulations: the Group implements continuous adjustment actions to avoid sudden changes in the operating environment;
- (c) technology: risks and opportunities related to the technological climate and development have been monitored, particularly in terms of technologies used and prevention of obsolescence;
- (d) legal: actions are carried out to mitigate the risk of incurring judicial or administrative sanctions, significant financial losses, or reputational damage due to violations of applicable regulations or self-regulation;
- (e) market: risks and opportunities related to customer and stakeholder expectations, such as cost increases related to greener supplies, are analysed;
- (f) reputation: the risk of suffering reputational damage is analysed, and, to this end, the Group monitors its reputation through the Reputational Institute's RepTrack® index, which also considers environmental aspects;
- (g) acute physical risks: physical risks can impact assets (data centres, offices, and credit card establishments), suppliers and/or customers, affecting business continuity and/or revenues. To mitigate this risk, Business Continuity and Disaster Recovery plans are in place to ensure the continuity of the Group's strategic assets;
- (h) chronic Physical Risks: structural increases in temperature could result in increased energy costs required to cool data centres and facilities used for credit card personalization.

In 2022, Nexi Group conducted an analysis of climate-related risks and opportunities over a long-term horizon (10-30 years), integrated into the broader Enterprise Risk Management process, through a dedicated scenario analysis for both physical and transitional risks to quantify the Group's relative exposure. The assessment was conducted in line with the recommendations defined by the Task Force for Climate-related Financial Disclosures (TCFD) and the European Commission's non-binding guidelines on climate-related disclosure reporting, to be progressively aligned with the expectations of the Financial Stability Board and the Bank of Italy.

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

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

Whereas, the opportunities identified were the following:

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

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

For further details please refer to *"The analysis of climate scenarios"*.

Over 2021 and 2022, the Group performed a climate risk analysis which still applies also to 2023 as:

- the exposure to such risks by the Group and its suppliers/customers was not assessed as material;
- there were no material changes in the legal entities such as to require a new analysis.

During 2023 the Group continued to mitigate the exposure to climate risks through:

- the **renewal of insurance coverage** with capacious limits to cope with natural events for all the Group companies;
- in-depth **study of business interruption risks** arising from extreme weather events on specific Group locations;
- implementation of a **path to align disaster recovery procedures** for the Group's data centres.

The analysis of climate scenarios

The Group has implemented several climate scenario analyses to identify potential climate-related risks and opportunities, considering both 1.5°C and 4°C temperature increases over a time horizon of 2030 and 2050, including:

1. the **risk analysis on Nexi Group facilities**, with a focus on physical climate risks and transition risks and opportunities;
2. **risk analysis on customers and suppliers**, with a focus on physical climate risks and transition risks.

Risk analysis on Nexi Group's facilities - focus on physical weather risks

The organization may be exposed to extreme weather events that could directly and indirectly impact the continuity of business operations. The perimeter selected for the analysis consists of the data centres and credit card production facilities considered strategic for the Group (those being divested were excluded) located in EU 27. Denmark, Italy and Finland are the countries where the largest number of facilities in the perimeter are located, of which facilities located in Italy contribute 55% of the Total Asset Value analysed.

Among the most significant physical risks, potential impacts from flash floods, extreme wind, and earthquakes were considered through the following factors:

- the probability of an event occurring considering the high spatial resolution geographic assessment;
- the impacts related to earthquake events based on the location of structures and the evolution of climate change phenomena;
- estimated losses.

To analyse the extreme **risk of wind and flood on facilities** in terms of direct damage to buildings, machinery, and assets and indirect damage to business, the key economic variables considered are the Cost in terms of Revenue per day of Facility shutdown to estimate the losses resulting from business interruption, and the Estimated Value of Facility and, in particular, the analysis considers:

- the probability of the event based on the geographical assessment conducted through the most up-to-date analysis methodologies (e.g., integrating satellite data, 3D physical models, etc.) to capture the local scale of the phenomena. This assessment highlights structures that are not located in areas exposed to coastal and fluvial flood risk such as landfall risk and are therefore not considered. As for pluvial flooding, which has a greater impact on farm structures, the following factors were considered: soil type, land slope, and rainfall intensity;
- scenario-based impact: risk maps are available both on the time horizon and in the future perspective, based on projecting the frequency and intensity of the phenomena as a function of RCP climate scenarios. The two physical scenarios chosen are RCP 2.6 (mitigation scenario) and RCP 4.5 (stabilization scenario);
- vulnerability assessment is done by estimating vulnerability curves based on business type, architectural features, hazards, sectors, and asset type to estimate direct damage to property, assets, and machinery and indirect damage related to business interruption. The curves also consider the business sector for which the facility is used and the Ateco code. For facilities with ongoing operations as of the second floor, losses from flood risk to machinery and goods are estimated to be zero. Therefore, flood risk is a significant factor in quantifying the loss for all facilities with ground floor activities and business interruption loss;
- expected losses are quantified for three decades and for two chosen scenarios.

To analyse **seismic risk on structures**, the analysis was done following the same extreme risk methodology used for wind and flood risks, without considering scenarios. The countries most exposed to seismic risk are Croatia, Slovenia, and Italy even though the structures within the analysis boundary are mainly located in areas not exposed to seismic risk.

From the overall analysis, no locations were found to be highly exposed to extreme wind and earthquakes, while the main natural event to which Nexi Group facilities could be exposed in terms of estimated losses is flooding. However, it should be noted that the Group has insurance policies in place to mitigate any losses from this type of event. In addition, to manage potential risks of business continuity and unavailability of locations, also due to natural disasters, a Business Continuity Management System (BCMS) has been implemented with the aim of increasing the resilience of processes and services provided, paying particular attention to the satisfaction of its customers.

Risk analysis on Nexi Group's facilities - Focus on risks and opportunities related to transitional risks

The Group has identified **transition risks** as the emergence of new regulations and emission reporting requirements may cause an increase in indirect (operational) costs and the opportunity to use more efficient modes of transportation in order to reduce indirect (operational) costs.

Regarding the identified risk, the Group is not affected by carbon pricing mechanisms, but has conducted an analysis with a medium- and long-term perspective regarding the increase in future costs of GHG emissions by considering two alternative scenarios: New Development Scenario (1.5°C temperature increase) and Stated Policies Scenarios- STEPS (4°C temperature increase) in the medium (2030) and long (2050) term.

The Group estimated the financial impact based on 2019 emission levels as a baseline and global emission reduction targets (i.e., SBTi -42%) in 2030.

The response to this risk is based on an emission reduction strategy, defined in line with science-based targets. To achieve the targets, the Group is pursuing several emission reduction initiatives. First, the cost of responding to the risk considers investments currently underway with reference to the renewal of the corporate fleet (e.g., investment in charging stations) with hybrid cars and building efficiency initiatives (e.g., renovation of thermo-cooling systems). Second, the Group estimated the opportunity from using more efficient means of transportation and reducing operating costs by switching to hybrid or electric vehicles. This initiative would reduce Scope 1 emissions and align with the defined scientific target.

Nexi Group plans to gradually replace its fleet with hybrid or electric vehicles by 2024. The impact was estimated considering the emissions, consumption levels, leasing costs, maintenance, other ancillary costs, and incentives of the hybrid corporate fleet compared to the conventional fleet.

Risk analysis on customers and suppliers

In addition to the analysis of facilities, the Group's suppliers and customers may also be exposed to physical and transition risks that could directly and indirectly impact the continuity of operations and expected revenues. More specifically, the Nexi Group assessed how a representative perimeter of suppliers and customers are positioned with respect to nine climate change events associated with chronic physical risk (temperature change, heat stress, change in wind patterns, change in precipitation patterns and types, thawing permafrost, sea level rise, water stress, soil and coastal erosion, and land degradation), eight climate change events associated with acute physical risk (heat waves, fires, windstorms, droughts, heavy rainfall, floods, landslides, and subsidence), and earthquake risk.

In addition, considering two Transition Scenarios (Ordinary Scenario and Hot House word scenario), Nexi assessed how the revenues, investments, and EBITDA of each supplier and customer in the selected perimeter would be impacted by the requirements and regulatory changes that a transition to the Net Zero 2050 goal entails. On the one hand, the customer portfolio taken into analysis consists of about 20,000 customers, merchants and corporate issuing customers belonging to the Group, selected based on transacted volumes and/or revenues. On the other hand, as far as suppliers are concerned, the scope of analysis is composed of about 2,000 suppliers of the Nexi Group, prioritized based on total spending towards each supplier.

Risk analysis on customers and suppliers - Focus on physical risk

The methodology used to estimate the physical risk exposure of the customers and suppliers under analysis is as follows:

- a list of locations with their coordinates was prepared for each company, and a joint assessment of geographic hazard and expected impact was made for each location based on its sector. A summary risk score is assigned for each individual company by aggregating the assessments for each local unit, with criteria that may consider the importance of each (e.g., number of employees);
- hazard maps have been defined for each business location and local unit, highlighting the degree to which the area is exposed to a specific natural or climatic hazard. Specifically, the maps used to construct the physical hazard scores detect exposure to 18 physical and natural hazards, distinguishing between:
 - chronic risk events: which refer to climatic phenomena that generate progressive changes that can cause indirect damage (e.g., increased labor costs, production, cooling...);
 - acute risk events: pertaining to extreme phenomena that can cause direct damage to assets (e.g., loss of goods in inventory, damage to machinery...);
 - earthquake risk: not related to weather-climate phenomena, this risk is similar to the acute risk indicator in that it concerns extreme phenomena that can cause material damage to assets.

A summary measure of future physical risk (2040) is provided for each counterparty with details of its determinants (flood, landslide, wind, drought) considering all corporate locations (headquarters and local units). The summary scores are intended to summarize the overall hazard and guide the organization's choices in terms of monitoring, risk mitigation, and credit policy.

The result of the analysis is that 6% of customers in scope, with a transaction volume of 2% of the total in scope, have a very high exposure to physical risks, determined mainly by acute risk (mainly cold spells, frost, and floods). In contrast, no significant risk is associated with chronic risk. While most suppliers are not affected by climate change events related to physical risks.

Risk analysis on customers and suppliers - Focus on physical risk

The physical risk perimeter was also adopted for analysis of transition risk. Transition risk represents the possible financial impact suffered by the company due to the transition to an environmentally sustainable economy (e.g., low carbon).

The methodology used to estimate the transition risk exposure of customers and suppliers in scope of analysis is as follows:

- the scenarios used as inputs are the "hot house world" scenarios, which assume the continuation of only the policies already implemented, and the "net zero 2050" scenario, which represents the most favorable scenario by which climate policies limit global warming to 1.5°C, reaching net CO₂ emissions globally in 2050;
- the macro determinants represent three main variables related to the transition: policies and regulation, technology, and market demand. The effects on these macrofactors, depending on the scenarios considered, are summarized through macroeconomic variables made available by the NGFS (Network for greening the financial system), similar to what the European Banking Authority did for transition risk assessment and estimation;
- the model estimates the impact on revenues, investments, and costs by integrating a top-down approach, based on sectoral assessments, and a bottom-up approach, which is based on estimating models on individual counterparties' balance sheets;
- for each counterparty, a summary measure of Future Transition Risk (2050) is provided, detailing the relevant determinants (Revenues, EBITDA, and Investments). The output is summarized in scores from 1 to 5 indicating the impact of a 30-year horizon due to the transition to a low-carbon economy.

The results show that 0.2% of customers and 3% of perimeter suppliers have very high exposure to transition risks. The exposure is mainly determined by the efforts in terms of investment expenditure expected to be incurred to keep up with the transition regulations.

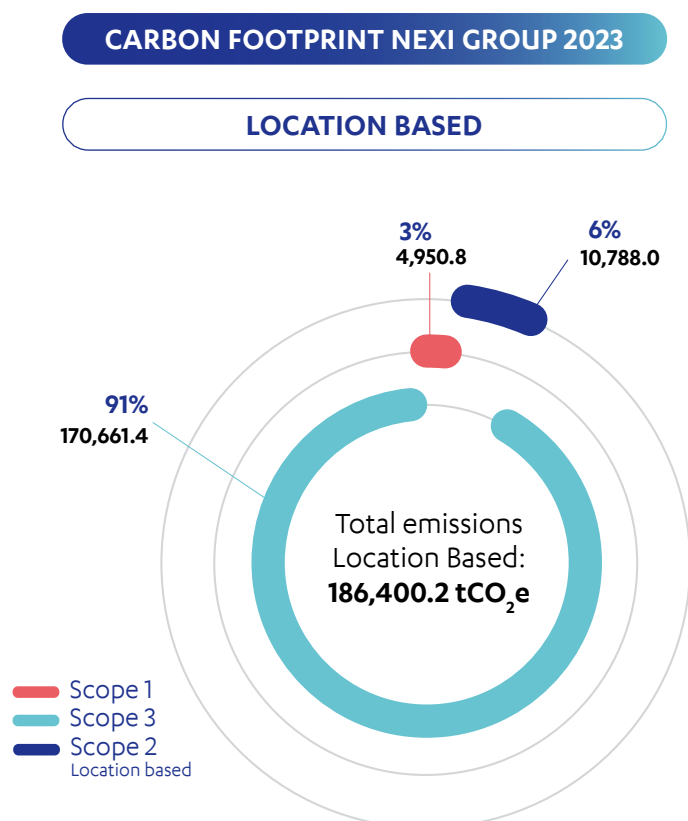
Metrics and targets

Carbon footprint

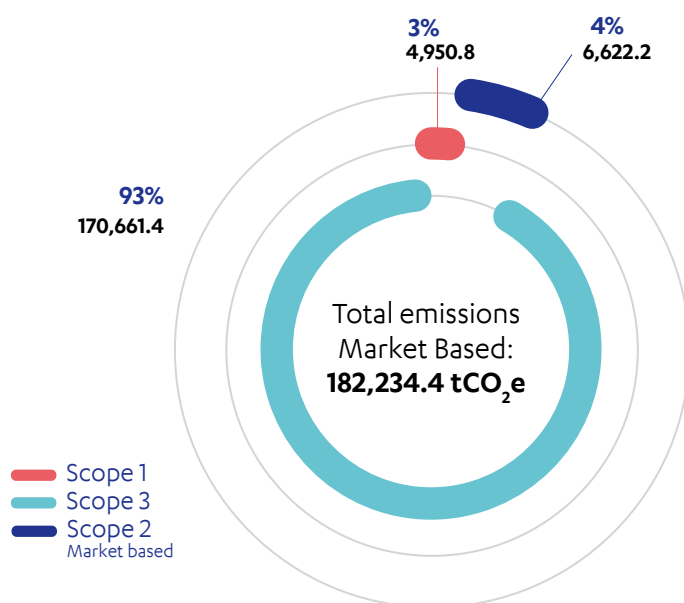
In 2023, Nexi Group has continued to promote works within the Climate Strategy Framework by quantifying the impacts in terms of emissions in a more accurate and complete manner. In fact, Nexi Group has calculated the direct and indirect GHG emissions for 2023 considering the Group's complete perimeter. There have been some updates to improve the completeness of the inventory while maintaining the methodological approach from 2021 and 2022:

- in line with 2022, the results for 2023 include the Capital Goods category in Scope 3, corresponding to emissions generated by the purchase of terminals (POS and ATMs);
- increased granularity of activity data in favor of a better level of detail for individual legal entities of the Group, in fact, the analysis was carried out on a six-monthly basis;
- use of increasingly accurate and specific emission factors, based on the latest available data bases, while preserving data comparability.

During 2023, Nexi Group has also calculated its direct and indirect GHG emissions for the full year considering the complete Group perimeter.

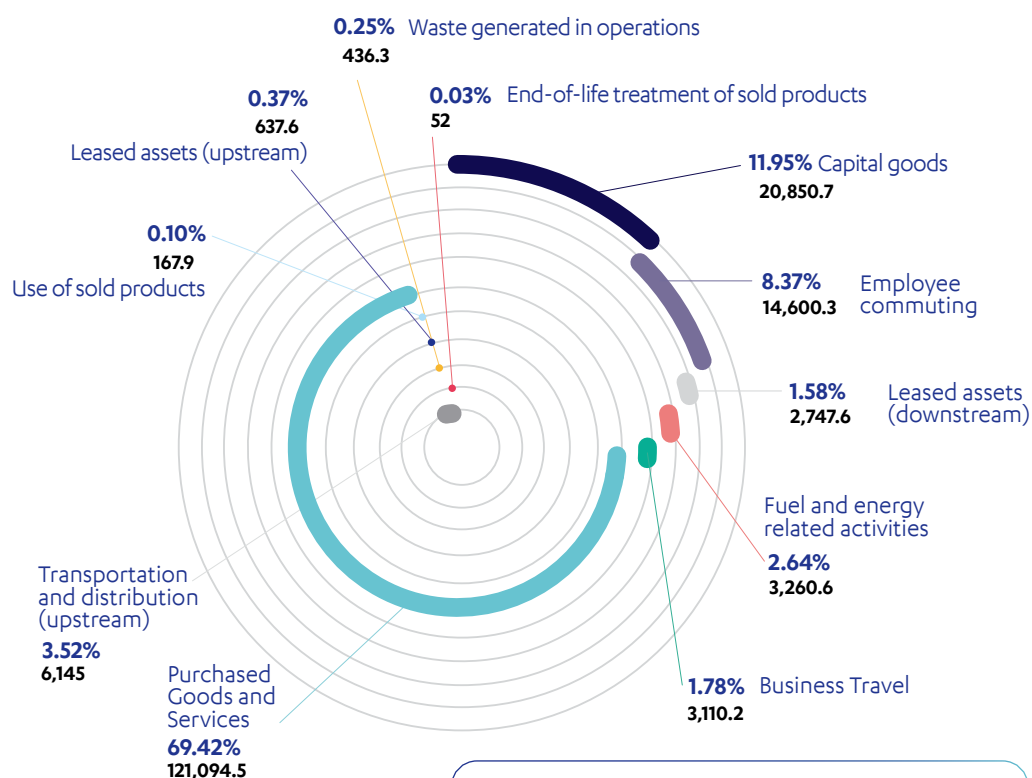


MARKET BASED



CARBON FOOTPRINT NEXI GROUP 2023

SCOPE 3 CATEGORIES



Definition and approval of Group wide near-and-long term decarbonization targets and of a net zero emissions objective by 2040.

Decarbonization targets

Nexi commits to reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030, starting from the 2021 baseline and to increase its annual electricity supply generated by renewable sources from 51.7% in 2021 to 100% by 2030.

Furthermore, the Group is also committed to decarbonizing its supply chain by mobilizing its suppliers to adopt CO₂ reduction targets. In fact, by 2027, Scope 3 objective will involve two relevant areas of the supply chain:

- the procurement of goods and services, with 78% of suppliers involved, based on expenditure; and
- the procurement of capital goods, with 70% of suppliers involved, based on their GHG emissions, starting from the 2021 baseline.

Finally, in the long term, the Group is committed to achieve Net Zero by 2040, reducing absolute Scope 1, 2 and 3 GHG emissions by 90% and using carbon credits to offset the residual emissions.

Among the transformative actions already in place, Italy's data centre optimization project aims to reduce electricity consumption by 21.9% in 2024, compared to 2021, equivalent to about 3.7 million kwh/per year.

Supplier engagement

Nexi Group recognizes in its Sustainability Policy the importance of enhancing environmental and social sustainability of its business chain through specific procedures and engagement activities with its suppliers, collaborators, and business partners. As previously mentioned, the Group works with its value chain on climate change risks and opportunities. As far as the relationship with suppliers is concerned, the Group's commitment is to collect up-to-date information on their behaviour and awareness of the issue.

In 2023 a Group Procurement Policy was issued to identify the essential and indicative elements to which all Group companies must refer, including ESG issues. Currently, procurement processes are not yet centralized, but all Group companies carry out a monitoring process. Particularly, former Nets legal entities conducted a thorough review of the existing third-party management procedures related to ESG aspects through a robust sustainability scoring framework. This model facilitates the creation of a comprehensive database of third-party entities calculating the sustainability score and rating on the basis of multifaceted parameters, including risk levels, critical severity indicators, sustainability exposure, and relevant criteria pertinent to their geographical operations.

REPORTING METHODOLOGY AND SCOPE



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METHODOLOGICAL NOTE

Legal requirements and reporting principles

The Consolidated Non-Financial Statement of Nexi S.p.A. as of December 31, 2023 (hereinafter also the "Statement") has been prepared in accordance with the Legislative Decree 254/2016 (hereinafter also the "Decree") as a stand-alone document.

This document has been prepared in accordance with the Sustainability Reporting Standards published by the Global Reporting Initiative (GRI), with their latest version (2021), and refers to the period between 1st January and 31st December 2023. In addition, with the aim of providing comprehensive disclosures on the Group's performance to all the stakeholders, a selection of quantitative indicators related to the material topics has been voluntarily added to the GRI Standard indicators. A GRI Standards Content Index detailing the content reported is available from page 167.

The topics reported within the Statement have been identified with a Materiality Analysis performed in 2022. The results of the 2022 Materiality Analysis have been confirmed also for 2023. The materiality process was structured in line with the principles of the GRI Standards - relevance, inclusiveness, sustainability context, completeness, and reporting scope – and to the extent necessary to ensure an understanding of the business activities carried out by the Group, its performance, results, and the impact generated on its stakeholders and the Group itself.

Nexi S.p.A. is subject to disclosure requirements on the integration of sustainability into its business activities, in accordance with the classification defined by the European Taxonomy and pursuant to Regulation (EU) 2020/852, Delegated Regulation (EU) 2021/2139 on climate and Delegated Regulation (EU) 2021/2178 on the content and presentation of information. The quantitative indicators associated with the European Taxonomy are presented through the form and references of the Consolidated Annual Financial Statements. The European Taxonomy was not included in the Auditor's report attached to this statement. More details on Taxonomy are available in Chapter 3 "Protect our planet".

To provide full disclosure on climate change-related risks and opportunities, Nexi S.p.A. prepares a separate report dedicated to Task Force on Climate-related Financial Disclosures (TCFD), in line with the disclosure requirements published in June 2017. The report is available on page 149 of the Statement, as well as a separate document on the website www.nexigroup.com.

Reporting period and perimeter

The perimeter of information includes all companies consolidated by the parent company Nexi S.p.A. which were operational as of December 31, 2023. Scope limitations are mentioned in the chapters throughout the Statement and properly addressed in the text. These limitations do not limit the understanding of the Group's activity and the relative impacts.

In particular, it should be noted the exclusion from the scope of consolidation of environmental information the following legal entities:

- P24 Dotcard Sp. Z o.o.;
- SIA Payments Services;
- Nets Holdco 5 AS;
- Nets Holdco 1 ApS;
- Nets A/S;
- Nassa Topco AS;
- Rementi Investments S.A.;
- Paytech Payment Provider GmbH;
- Evergood Germany 1 GmbH;
- Nets Cards Processing A/S;
- Nets DanID A/S

The decision to exclude these companies is in line with the provisions of Article 4 of the Decree 254/2016 as the performance of these companies, although included in the scope of consolidation, does not influence the understanding of the Group's business, performance, and results. Any other limitations regarding these entities are appropriately noted within the text.

Where required by GRI standards, quantitative data have been provided by geographic area, with the following categorization:

CSEE	Belgium
	Croatia
	Czech Republic
	France
	Greece
	Hungary
	Netherlands
	Poland
	Republic of Serbia
	Romania
	Slovakia
	Slovenia
DACH	Austria
	Germany
	Switzerland
ITALY	Italy
	South Africa
NORDICS	Denmark
	Estonia
	Finland
	Latvia
	Lithuania
	Norway
	Sweden
	United Kingdom

To ensure comparability with information from previous years, the consolidated quantitative data included in the Statement are represented for both 2021 and 2022. However, it should

be noted that the reporting perimeter of 2021 is not comparable with the 2022 and 2023 perimeters. More specifically, the reporting boundaries stand as follows:

- For 2021, consolidated quantitative data for the Italian legal entities covering the period from January 1st to December 31st, 2021, and for the legal entities that entered the Group with the merger with Nets, covering the period from July 1st to December 31st, 2021, except for the data that, also in line with the GRI Standard's requirements, present a timely picture as of December 31st, 2021;
- For 2022 and 2023, all companies consolidated by the parent company Nexi S.p.A for the complete financial year, including all legal entities that entered the Group following the Integration of SIA S.p.A.

Where quantitative data are not available with the reporting tools available to the Group, the reporting has necessarily made use of estimates, appropriately reported.

In accordance with the evolution of the Group and the integration of Nets and SIA, the Statement no longer contemplates the distinction between the three former entities. Instead, when relevant, the disclosure is presented in the new geographical breakdown set out above.

Any restatement of information related to 2022, has been duly reported in the text or in the footnotes.

The reporting process

The preparation of the Statement was carried out in accordance with the organizational procedure "Preparation of the Consolidated Non-financial Statement," which governs:

- responsibilities and involvement of corporate functions including the identification and evaluation of relevant material topics;
- methods of extraction, collection, and attestation by owners of non-financial data;
- responsibility of corporate bodies including the issuance of the favorable opinion of the Control, and Risk and Sustainability Committee on the materiality process and Statement and the approval of the two by the Board of Directors of Nexi S.p.A.

The Consolidated Non-Financial Statement was approved by the Board of Directors of Nexi S.p.A. at its meeting on 6th March 2024 and is subject to limited audit by the external auditing firm PricewaterhouseCoopers S.p.A., in accordance with the criteria set forth in the "International Standard on Assurance Engagement 3000 Revised".

Nexi Group is aware that the new Corporate Sustainability Reporting Directive (CSRD) will have to be applied from the financial year starting in January 2024. In February 2024, the Group started mapping the requirements envisaged by the CSRD and the European Sustainability Reporting Standard (ESRS) to identify both the information that the Group will have to integrate in its disclosure and to define an action plan ensuring compliance with the new legislation.

Distribution of the Statement

The Statement is transmitted to Consob and the Milan Companies Register in accordance with the procedures set forth in Legislative Decree 254/2016 and Consob Resolution No. 20267 of January 18, 2018.

It is also disseminated by publication on the website www.nexigroup.com, together with the Consolidated Financial Report 2023.

The Statement is published annually. Further information on the Statement and its contents can be obtained by contacting the Nexi Group ESG & Sustainability Unit by writing to the following e-mail address: csr@nexi.it.

RECONCILIATION STATEMENT OF MATERIAL TOPICS AND GRI STANDARDS CONTENT INDEX

Areas of Italian Legislative Decree 254/2016	Material Topics Identified by the Nexi Group	GRI Standards	Scope of impacts		Limitations
			Impacts within the Nexi Group	Impacts external to the Nexi Group	
Fight against corruption	Business ethics, transparency & risk management	205: Anti-corruption	Nexi Group	Customers Community and territory	
		206: Anti-competitive Behavior			
		207: Tax			
		417: Marketing and labeling			
Employment and labor-related	Diversity, equity & inclusion	405: Diversity and Equal Opportunity	Nexi Group		
		406: Non-discrimination			
Human Rights	Employees welfare	401: Employment	Nexi Group		
		402: Labor/Management Relations			
		403: Occupational Health and Safety			
		404: Training and Education			
Social	Customer centricity	Note 33	Nexi Group	Customers	
	Data security	418: Customer Privacy ¹	Nexi Group	Customers	
	Financial inclusion	Note 32	Nexi Group	Customers Community and territory	
	Society digitalization & progress	Note 32	Nexi Group	Innovation Community and territory	
	Climate change	201: Economic performance 302: Energy 305: Emissions	Nexi Group	Community and territory Environment	
Environment	Responsible consumption	204: Procurement Practices	Nexi Group	Community and territory Environment Suppliers	
		301: Materials			
		306: Waste			
	-	303: Water and Effluents	Nexi Group	Community and territory Environment	

¹ For material topics not directly related to GRI Standards aspects, please refer to the GRI Standards content index on page 167.

GRI Standards Content Index

Statement of use		Nexi S.p.A. has reported in accordance with the GRI Standards for the period from January 1to December 31, 2023	
GRI 1 used		GRI 1: Foundation (2021)	
GRI Standard / Other source	Disclosure	Location / Notes	Omission
GENERAL DISCLOSURES			
GRI 2: General disclosures - 2021	2-1: Organizational details	pg. 19-22	
	2-2: Entities included in the organization's sustainability reporting	pg. 163-165	
	2-3: Reporting period, frequency and contact point	pg. 163-165	
	2-4: Restatements of information	pg. 163-165	
	2-5: External assurance	pg. 171	
	2-6: Activities, value chain and other business relationships	pg. 19-22, 114-115	
	2-7: Employees	pg. 129-130	
	2-8: Workers who are not employees	pg. 130	
	2-9: Governance structure and composition	pg. 27-30	
	2-10: Nomination and selection of the highest governance body	Report on Corporate Governance and Ownership Structure	
	2-11: Chair of the highest governance body	pg. 27-30	
	2-12: Role of the highest governance body in overseeing the management of impacts	pg. 27-30, 39-40	
	2-13: Delegation of responsibility for managing impacts	pg. 27-30, 39-40	
	2-14: Role of the highest governance body in sustainability reporting	pg. 27-30	
	2-15: Conflicts of interest	pg. 108	
	2-16: Communication of critical concerns	pg. 97-100	
	2-17: Collective knowledge of the highest governance body	Report on Corporate Governance and Ownership Structure	
	2-18: Evaluation of the performance of the highest governance body	Report on Corporate Governance and Ownership Structure	
	2-19: Remuneration policies	Remuneration Report	
	2-20: Process to determine remuneration	Remuneration Report	
	2-21: Annual total compensation ratio	pg. 118	
	2-22: Statement on sustainable development strategy	pg. 27-31	
	2-23: Policy commitments	pg. 29-31	
	2-24: Embedding policy commitments	pg. 29-31	
	2-25: Processes to remediate negative impacts	pg. 97-100	
	2-26: Mechanisms for seeking advice and raising concerns	pg. 97-99	
	2-27: Compliance with laws and regulations	pg. 106-109	
	2-28: Membership associations	pg. 119-123	
	2-29: Approach to stakeholder engagement	pg. 36-38	
	2-30: Collective bargaining agreements	pg. 72-73	

GRI Standard / Other source	Disclosure	Location / Notes	Omission
GENERAL DISCLOSURES			
MATERIAL TOPICS			
GRI 3: Material Topics - 2021	3-1: Process to determine material topics	pg. 39-41	
	3-2: List of material topics	pg. 39-41	
BUSINESS ETHICS, TRANSPARENCY & RISK MANAGEMENT			
GRI 3: Material Topics - 2021	3-3: Management of material topics	pg. 39-41, 106-113	
GRI 205: Anti-corruption - 2016	205-3: Confirmed incidents of corruption and actions taken	pg. 125	
GRI 206: Anti-competitive Behavior - 2016	206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	pg. 126	
GRI 207: Tax - 2016	207-1: Approach to tax	pg. 106-107	
	207-2: Tax governance, control, and risk management	pg. 107-110	
	207-3: Stakeholder engagement and management of concerns related to tax	pg. 107-110	
	207-4: Country-by-country reporting	pg. 126-127	
GRI 417: Marketing and Labeling - 2016	417-3: Incidents of non-compliance concerning marketing communications	pg. 128	
DIVERSITY, EQUITY & INCLUSION			
GRI 3: Material Topics - 2021	3-3: Management of material topics	pg. 39-41, 61-62	
GRI 405: Diversity and Equal Opportunities - 2016	405-1: Diversity of governance bodies and employees	pg. 128	
	405-2: Ratio of basic salary and remuneration of women to men	pg. 136	
GRI 406: Non-discrimination - 2016	406-1: Incidents of discrimination and corrective actions taken	pg. 136	
TRAINING & DEVELOPMENT			
GRI 3: Material Topics - 2021	3-3: Management of material topics	pg. 39-41, 64-65	
GRI 404: Training and Education - 2016	404-1: Average hours of training per year per employee	pg. 133	
	404-2: Programs for upgrading employee skills and transition assistance programs	pg. 63-64	
	404-3: Percentage of employees receiving regular performance and career development reviews	pg. 134	

GRI Standard / Other source	Disclosure	Location / Notes	Omission
EMPLOYEES WELFARE			
GRI 3: Material Topics - 2021	3-3: Management of material topics	pg. 39-41, 61-68	
GRI 401: Employment - 2016	401-1: New employee hires and employee turnover	pg. 131	
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	pg. 64, 66-67	
GRI 402: Labor/ Management Relations - 2016	402-1: Minimum notice periods regarding operational changes	pg. 72-73	
GRI 403: Occupational Health & Safety - 2018	403-1: Occupational health and safety management system	pg. 68-70	
	403-2: Hazard identification, risk assessment, and incident investigation	pg. 70-71	
	403-3: Occupational health services	pg. 71	
	403-4: Worker participation, consultation, and communication on occupational health and safety	pg. 72-73	
	403-5: Worker training on occupational health and safety	pg. 72	
	403-6: Promotion of worker health	pg. 70-72	
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pg. 70-72	
	403-9: Work-related injuries	pg. 132	
DATA SECURITY			
GRI 3: Material Topics - 2021	3-3: Management of material topics	pg. 39-41, 80-84	
GRI 418: Customer Privacy - 2016	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	pg. 136	
-	Cybersecurity training	pg. 133	
CUSTOMER CENTRICITY			
GRI 3: Material Topics - 2021	3-3: Management of material topics	pg. 39-41, 78-80	
-	Net Promoter Score	pg. 10, 14, 78-79	
-	Number of customer complaints	pg. 79-80, 137	
SOCIETY DIGITALIZATION & PROGRESS			
GRI 3: Material Topics - 2021	3-3: Management of material topics	pg. 39-41, 76-77	
-	Investments in technology	pg. 10	
-	Donations	pg. 124-125	

GRI Standard / Other source	Disclosure	Location / Notes	Omission
FINANCIAL INCLUSION			
GRI 3: Material Topics - 2021	3-3: Management of material topics	pg. 39-41, 74-75	
CLIMATE CHANGE			
GRI 3: Material Topics - 2021	3-3: Management of material topics	pg. 39-41, 51-56	
GRI 201: Economic Performance - 2016	201-2: Financial implications and other risks and opportunities due to climate change	pg. 87-88	
GRI 302: Energy - 2016	302-1: Energy consumption within the organization	pg. 141-142	
	302-2: Energy consumption outside of the organization	pg. 142-143	
	302-3: Energy intensity	pg. 144	
GRI 305: Emissions - 2016	305-1: Direct (Scope 1) GHG emissions	pg. 141-142	
	305-2: Energy indirect (Scope 2) GHG emissions	pg. 141-142	
	305-3: Other indirect (Scope 3) GHG emissions	pg. 142-143	
	305-4: GHG emissions intensity	pg. 144	
RESPONSIBLE CONSUMPTION			
GRI 3: Material Topics - 2021	3-3: Management of material topics	pg. 39-41, 57-58, 114-115	
GRI 204: Procurement Practices - 2016	204-1: Proportion of spending on local suppliers	pg. 138	
GRI 301: Materials - 2016	301-1: Materials used by weight or volume	pg. 138	
GRI 306: Waste - 2020	306-1: Waste generation and significant waste-related impacts	pg. 57-58	
	306-2: Management of significant waste-related impacts	pg. 57-58	
	306-3: Waste generated	pg. 140	
	306-4: Waste diverted from disposal	pg. 140	
GRI STANDARDS DISCLOSED NOT RELATED TO ANY MATERIAL TOPIC			
GRI 303: Water and Effluents - 2018	303-3: Water withdrawal	pg. 139	

NEXI SPA

**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL
STATEMENT PURSUANT TO ARTICLE 3, PARAGRAPH 10, OF LEGISLATIVE DECREE
No. 254/2016 AND ARTICLE 5 OF CONSOB REGULATION ADOPTED WITH
RESOLUTION No. 20267 OF JANUARY 2018**

YEAR ENDED ON 31 DECEMBER 2023

Independent auditor's report on the consolidated non-financial Statement

pursuant to article 3, paragraph 10, of Legislative Decree no. 254/2016 and article 5 of CONSOB regulation no. 20267

To the Board of Directors of Nexi SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5, paragraph 1 g), of CONSOB Regulation No. 20267/2018, we have undertaken a limited assurance engagement on the consolidated non-financial statement of Nexi SpA and its subsidiaries (hereinafter the "Group") for the year ended 31 December 2023 prepared in accordance with article 4 of the Decree and approved by the Board of Directors on 6 March 2024 (the "NFS").

Our review does not extend to the information set out in the section titled "3.1 Disclosure of sustainable activities European Taxonomy" of the NFS, required by article 8 of Regulation (EU) 2020/852.

Responsibilities of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016, and updated in 2021, by GRI – Global Reporting Initiative (the "GRI Standards"), which they identified as the reporting standard.

The Directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary for an understanding of the Group's activities, development, performance 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 latter.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

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, issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. In the period this engagement refers to our firm applied International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintained a comprehensive system of quality control including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express a limited assurance conclusion, based on the procedures we have performed, regarding the compliance of the NFS with the Decree and with 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* (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the NFS is free from material misstatement. Therefore, the procedures performed were less in extent than for a reasonable assurance engagement conducted in accordance with ISAE 3000 Revised and, consequently, 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 included inquiries, mainly of personnel of the Company responsible for the preparation of the information presented in the NFS, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

- 1 analysis of the relevant matters reported in the NFS in relation to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;
- 2 analysis and assessment of the criteria used to identify the consolidation perimeter, in order to assess their compliance with the Decree;
- 3 comparison of the financial information reported in the NFS with the information reported in the Group's consolidated financial statements;
- 4 understanding of the following matters:
 - business and organisational model of the Group with reference to the management of the matters specified in article 3 of the Decree;
 - policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
 - key risks generated and/or faced by the Group with reference to the matters specified in article 3 of the Decree.

With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under item 5 a) below;

- 5 understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

In detail, we held meetings and interviews with the management of Nexi SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at a group level,
 - a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidences,
 - 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 following companies, Nexi Payments SpA, Nexi Germany GmbH e Nets Denmark A/S, which we selected on the basis of their activities, their contribution to the key performance indicators at a consolidated level and their location, we carried out interviews and obtained documentary evidence, on a sample basis, about the correct application of the procedures and calculation methods applied for the indicators.

Limited assurance conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the NFS of Nexi SpA for the year ended 31 December 2023 is not prepared, in all significant respects, in accordance with articles 3 and 4 of the Decree and with GRI Standards selected, as disclosed within the paragraph “Methodological Note” of the NFS.

Our conclusion above does not extend to the information set out in the paragraph titled “3.1 Disclosure of sustainable activities European Taxonomy” of the Group’s NFS required by article 8 of Regulation (EU) 2020/852.

Milan, 4 April 2024

PricewaterhouseCoopers SpA

Signed by

Lia Lucilla Turri
(Partner)

This report has been translated from the Italian original solely for the convenience of international readers.

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