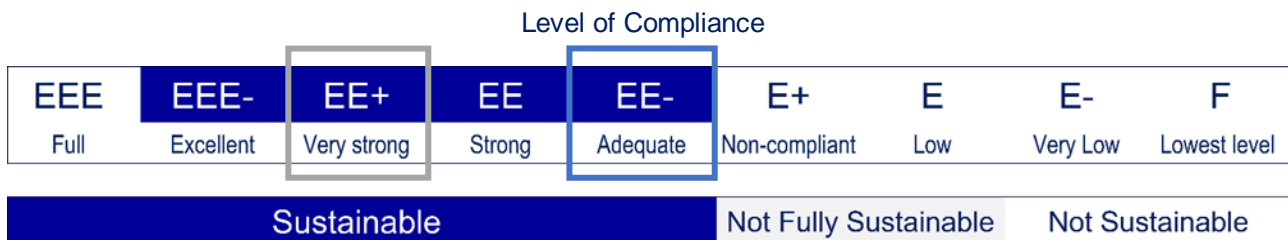




Standard Ethics Rating <sup>[corpSER]</sup>: **EE-** *Outlook Positive*  
 Long Term Expected <sup>corpSER</sup> [2y to 3y]: **EE+**

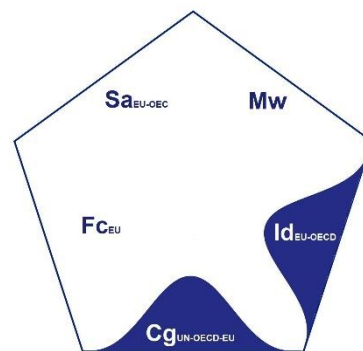
**Issuer:** Centotrenta Servicing S.p.A.  
**Listing:** Non listed company  
**ISIN:** -  
**Market Capitalisation:** -  
**Sector:** Financials  
**Industry:** Financials  
**Type of rating:** Corporate Standard Ethics Rating [SER]  
**Date:** 30 June 2023  
**Expiry Date:** 30 May 2024  
**Last action:** 30 June 2023  
**Previous SER:** EE- *Outlook Stable*  
**Type of document:** Rating Report



### Summary

Centotrenta Servicing is a non-listed company operating as a servicer in the securitisation sector. The Company is a major player at national level and has executed numerous transactions. Due to the nature and size of the company, Centotrenta's environmental and social impacts are limited. However, the Company has defined its own sustainability strategy, with which it explicitly aims to align itself with the main international ESG (Environmental, Social, Governance) guidelines. Although there is no ESG reporting requirement, the Company communicates its sustainability activities and goals to the external world in a special section of its corporate website. In 2023, Centotrenta continued to pursue and strengthened a number of initiatives for the benefit of its employees, to ensure work-life balance and related to gender equality. The Company recently signed an agreement to become part of the Sesa Group.

### Snapshot (adj.)



Each side of the diamond represents one of the five "standards" measured by the Standard Ethics Algorithm. The symbolic representation of a normal (Gaussian) distribution provides an intuitive indication of those areas where the Company probably will, or should, take action. See below for further details.

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## BACKGROUND, METHODOLOGY, RATING

New elements – such as the evolution of the Internet – have created open and transparent financial markets, in which growing segments of the population participate. This has resulted in:

- greater attention to **extra-financial** factors, both tangible and intangible, with repercussions on the level of trust and credibility of issuers;
- new assessments of the quality and long-term durability of listed financial products, related to both companies (stocks, bonds, green bonds) or institutional issuers (such as government bonds).

Standard Ethics has ascertained that we have reached the end of the classic financial era, which was focused exclusively on economic variables. Despite their fallibility and volatility, regulated markets have evolved and are proving to be the most important and independent system in assessing the long-term **sustainability**<sup>1</sup> of numerous human activities.

The Standard Ethics Rating helps refine the strategies, language and ways in which an issuer operates on the market.

### STANDARD ETHICS

Standard Ethics Ltd (SE) is a Self-Regulated Sustainability Rating Agency that issues Non-Financial Solicited Ratings to companies and sovereign nations. The Standard Ethics® brand has been around since 2004 in the world of “sustainable finance” and ESG (Environmental, Social and Governance) studies.

Standard Ethics is supervised by internal control and audit offices. The composition of the Board complies with the international guidelines on diversity of nationality, professional skills, independence and gender equality.

### STANDARD ETHICS RATING

The Standard Ethics Rating, which has been put to the test over the last 15 years, is a Solicited Sustainability Rating (SSR). It has 3 main characteristics:

- **Solicited:** it is issued only at the request of an applicant, by means of a direct, bilateral and regulated agreement.
- **Standard:** it is always comparable to other ratings, as the methodology and issuance parameters are aligned to pre-established guidelines, and the algorithm takes into account the size and typology of the issuer.
- **Independent:** in order to remain third party to investors, Standard Ethics does not provide any individual investor with advice, analysis or data regarding companies under rating, it does not use the data gathered for asset management advisory services (to banks or funds) and it does not share it with third parties.

In short, the Standard Ethics Rating indicates the level of compliance by companies (and sovereign nations) in the field of sustainability on the basis of documents and guidelines published by:

- The European Union;
- The Organisation for Economic Cooperation and Development (OECD);
- The United Nations (UN).

Standard Ethics uses an analyst-driven rating process, meaning the analysis performed does not require applicants to fill out forms and questionnaires or to provide

---

<sup>1</sup> Standard Ethics synthesizes its vision in three cornerstones of **sustainability**:

1. Sustainable development policies are about the generations of the future; they have taken on a global dimension; and they are implemented on a voluntary basis. It is up to the main supranational organisations, officially recognised by nations across the globe, to establish the definitions, guidelines and strategies related to sustainable development through science.
2. Economic entities do not define the guidelines, goals and strategies on sustainability: they pursue them to the extent deemed possible.
3. Measuring the sustainability of economic entities means providing comparable and third-party data on their overall compliance with international guidelines.

any documents other than those already available and that Standard Ethics does not use artificial intelligence or software either in data analysis or in decision-making.

## SE ANALYSIS UNIT

According to the methodology, guidelines and procedures of Standard Ethics, the Analysis Unit working on this rating has carefully analysed the following areas based on the set-up of the Client (the areas have been divided into about **220** analysis points):

- MARKET AND COMPETITORS (13 analysis points)
- MARKET AND DOMINANT POSITIONS (10 analysis points)
- CONTRACTS, FINANCINGS AND PUBLIC AID (7 analysis points)
- MARKET DISTORTIONS, FAVOURITISM & CORRUPTION (8 analysis points)
- OWNERSHIP, SHARE CAPITAL AND SHAREHOLDERS (8 analysis points)
- INTERNAL VOLUNTARY RULES ON OWNERSHIP EXERTION (8 analysis points)
- INDEPENDENCE AND CONFLICT OF INTERESTS (12 analysis points)
- MINORITY MEMBERS PROTECTIONS AND DIRECTORS APPOINTMENT (7 analysis points)
- COMMUNICATION, INFORMATION AND TRANSPARENCY (5 analysis points)
- BOARD OF DIRECTORS AND EXECUTIVE GROUP TRANSPARENCY (9 analysis points)
- INTERNAL VOLUNTARY RULES REGARDING MANAGEMENT (10 analysis points)
- INDEPENDENCE AND CONFLICT OF INTERESTS (13 analysis points)
- DISCLOSURE AND TRANSPARENCY (22 analysis points)
- PARTICIPATION AND VOTE IN GENERAL MEETINGS (5 analysis points)
- EMPLOYMENT AND HUMAN RESOURCES SELECTION (11 analysis points)
- HEALTH, SAFETY AT WORK AND SOCIAL DIALOGUE (16 analysis points)
- ADAPTATION TO CHANGES (6 analysis points)
- ENVIRONMENT (17 analysis points)
- CONSUMERS AND QUALITY (9 analysis points)
- SCIENCE AND TECHNOLOGY (4 analysis points)
- LOCAL COMMUNITIES (3 analysis points)
- BUSINESS PARTNERS (9 analysis points)
- HUMAN RIGHTS (6 analysis points)
- EUROPEAN STRATEGIES (2 analysis points)

## RESEARCH OFFICE AND RATING COMMITTEE

The Research Office compiles a Final Report and issues a rating based on its review of the work of the Analysis Unit.

The Rating Committee analyses the conformity of the collected data and the ensuing conclusions and it approves the issued rating.

Chinese Walls between the Analysis Unit, the Research Office, the Rating Committee and all other company offices ensure maximum transparency. A Compliance Officer oversees all steps and processes.

## SE ALGORITHM OF SUSTAINABILITY ©

Standard Ethics has developed a proprietary algorithm based on five "standards" and a premium variable – "k" – to process the data provided by the Analysis Unit (F<sub>CEU</sub>; Sa<sub>EU-OECD</sub>; Mw; Id<sub>EU-OECD</sub>; Cg<sub>UN-OECD-EU</sub>). The balance between the five "standards" is the final pre-assessment underlying the rating.

### **F<sub>CEU</sub> = Fair competition.**

Main areas: Fair competition, including analysis of dominant positions, market distortions, cartels. Factors that can affect the other variables (Sources: the EU, and the main OECD regulators).

### **Sa<sub>EU-OECD</sub> = Shareholders' agreements.**

Main areas: Shareholders' agreements, rights of minority shareholders, access to information (Sources: the EU and OECD, and the main OECD regulators).

### **Mw = Market weight.**

Main areas: Shareholding structure, weight and type of major shareholders, potential conflicts of interest in relation to other variables (Sources: mainly OECD regulators).

### **Id<sub>EU-OECD</sub> = Independent directorship.**

Main areas: Structure and quality of boards and executive groups, ESG Risk and Control Management system, Risk Analysis. This standard is most likely to mitigate the risks associated with other variables and can increase the "k" variable. (Sources: the EU and the OECD).

### **Cg<sub>UN-OECD-EU</sub> = Corporate Governance and Sustainability.**

Main areas: Overall assessment of applicant's ESG strategies and corporate governance (in terms of

shareholding structure and sustainability) by weighting the various elements also in relation to the balance of the other variables (Sources: the EU, OECD and UN).

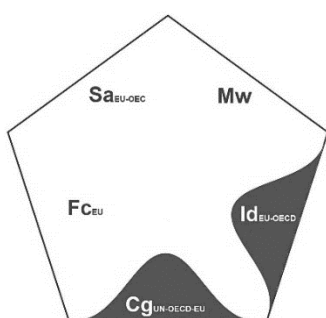
**k = Sustainability at Risk (SaR).** Statistical projections.

$$\frac{(F_{cEU} + S_{aEU-OECD} + I_{dEU-OECD} + M_w * f(S_{aEU-OECD}) * f(I_{dEU-OECD}) + C_{gUN-OECD-EU} * f(F_{cEU}) * f(I_{dEU-OECD}))}{10} + k$$

ISSUED RATING

Standard Ethics Rating [SER]: **EE-** *Outlook Positive*  
 Long Term Expected SER [2y to 3y]: **EE+**

ALGORITHM – INPUT VALUES (SUMMARY)



The values for each standard are between **0 and 2**.

Assigned and input values are as follows:

**F<sub>cEU</sub>** = 1.9

**S<sub>aEU-OECD</sub>** = 1.9

**M<sub>w</sub>** = 0

**I<sub>dEU-OECD</sub>** = 1.2

**C<sub>gUN-OECD-EU</sub>** = 1.4

NB: The variable Mw may be neutral, when below 1, indicating the presence of a major shareholder restraining the influence of a controlling shareholder. The MW value assigned indicates the type of shareholding and related risks.

Each side of the diamond represents one of the five “standards” measured by the Standard Ethics Algorithm. The symbolic representation of a normal (Gaussian) distribution provides an intuitive indication of those areas where the Company probably will, or should, take action.





## CENTOTRENTA SERVICING REPORT

### 1. MARKET AND DOMINANT POSITIONS

**Centotrenta Servicing S.p.A.** (hereinafter referred to as “Centotrenta” or “the Company”) has been carrying out servicing functions relating to the management of **securitisation transactions**<sup>2</sup> since 2012<sup>3</sup>. In Italy, these transactions are governed by **Law No. 130/1999**.<sup>4</sup>

In 2023, the Company became part of the **Sesa Group**.<sup>5</sup>

As a **Servicer**,<sup>6</sup> Centotrenta is exclusively a financial intermediary.

This function therefore implies that Centotrenta takes on the role of “Guarantor”, ensuring the correct execution of transactions, in line with the position of Master Servicer.<sup>7</sup>

It is not however involved in recovery or investment activities.

The assets of its managed portfolios include performing loans, non-performing loans, various probable defaults (so-called Unlikely to Pay, UTP), trade credits, Public Administration receivables, consumer credits, residential mortgages, debenture loans, and different kinds of assets. The Company is also increasingly interested in the real estate securitisation sector.<sup>8</sup>

The **market** in which Centotrenta operates - the Italian securitisation market - is **open** and **free**, with no barriers to entry.

There are authorisation procedures defined at national and European level.<sup>9</sup>

There are no entities imposing prices or tariffs, not even when it is necessary for social reasons

Certain due diligence, transparency, risk management and consumer rights obligations are uniformly defined at European level.<sup>10</sup>

There are various authorities carrying out **supervisory tasks**.<sup>11</sup>

The most prominent among them are the **Bank of Italy**<sup>12</sup> and the European Central

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<sup>2</sup> “The company may also take on the role of joint representative of the holders of the notes issued during the securitisation transactions; (...) may hold shares in companies incorporated in compliance with Law No. 130 of 30<sup>th</sup> April 1999, or in companies performing activities ancillary to the main activity; the company may also directly purchase receivables or take over contracts from which the receivables derive, for the purpose of finalizing the securitisation transaction; (...) may further perform any activity, related or ancillary, to the above-mentioned activities such as, by way of example, provide IT and data processing services (...); accounting and operational management activities for the securitisation vehicles; economic and financial research, study and analysis; financial structuring assistance with regard to securitisation transactions; hold notes issued as part of the above-mentioned transactions.” Source: Articles of Association 2018, pages 4-5.

<sup>3</sup> Year in which Centotrenta obtained the authorisation from the Bank of Italy and was included in the registers and lists of Financial Intermediaries. Since then, according to data as at 31.12.2022, Centotrenta has “been appointed as Servicer for more than 235 transactions with 2330 portfolios purchased. The assets (...) we currently manage as Servicer amount to approx. € 26,279 million. The nominal value of outstanding securities managed by Centotrenta Servicing in various capacities amounts to more than € 21 billion.” Source: 130 Servicing – Brochure 2023, page 4.

<sup>4</sup> It was right around the time of the enactment of this law that the Company’s history began, with the establishment of Centotrenta Management S.r.l., namely the company that in 2011 set up Centotrenta Servicing S.p.A. Source: corporate website.

<sup>5</sup> To be more precise, the Sesa Group “signed a partnership agreement, through its subsidiary Base Digitale Group, for the acquisition of 51% of 130 Servicing’s capital, thus strengthening its expertise in the field of advisory services and digital platforms for the financial services market.” It should be noted that the Sesa Group is a “major player in the field of technological innovation and IT and digital services for businesses, with expected consolidated revenues for the current fiscal year to 30<sup>th</sup> April 2023 of € 2.850 billion and approximately 5,000 employees.” The sale is subject to the authorisation from the Bank of Italy, which is in the process of being acquired. Sources: Sesa press release of 21.03.2023; Company internal source.

<sup>6</sup> As per the Articles of Association of Centotrenta Servicing, “the exclusive corporate purpose of the Company is to perform all servicing functions relating to the management of securitisation transactions, including those governed by Law No.130 of 30<sup>th</sup> April 1999, and therefore, with regard to said transactions, the collection of assigned receivables, collection and payment services, supervisory and control functions regarding the correct execution of transactions as well as carrying out other operations that Servicers are allowed to perform pursuant to Law No. 130 of 30<sup>th</sup> April 1999 and any other activities and operations connected with those mentioned above; (...) with regard to securitisation transactions dealing with bank or financial credits, the Company may provide the activities instrumental in ensuring the successful conclusion of the transaction, including acceding, purchasing, taking over and managing the contractual agreements that gave rise to the receivables (...).” Source: Articles of Association 2018, pages 4-5.

<sup>7</sup> Source: Bank of Italy communication dated 10.11.2021 “Servicers in securitisation transactions. Risk profiles and supervisory guidelines.”

<sup>8</sup> So-called “7.2” pursuant to Article 7.2. of Law No. 130/1999.

<sup>9</sup> In Italy, the authorization is granted by the Bank of Italy once the servicing company is included in the register of financial intermediaries. See also footnote 3, with reference to Centotrenta.

<sup>10</sup> In particular, by Regulation (EU) 2017/2402 as amended, so-called ‘Securitisation Regulation’.

<sup>11</sup> In Italy, these tasks are assigned not only to the Bank of Italy, but also to Consob, IVASS (Istituto per la Vigilanza sulle Assicurazioni (Institute for the Supervision of Insurance)) and COVIP (Commissione di Vigilanza sui Fondi Pensione (Pension Funds Supervisory Commission)), as provided for in the Consolidated Law on Finance (in Italian TUF, Testo Unico della Finanza).

Bank (**ECB**).

As indicated in the previous report, in 2021 the Company was audited for the first time by the national Supervisory Authority and as a result of said audit the Company took serious remediation actions.<sup>13</sup>

There are no particular restrictions on advertising in the Company target sector. The Company operates in compliance with national laws.<sup>14</sup>

## 2. CONTRACTS, FINANCINGS AND PUBLIC AID

The Company does not appear to have received any public funding or state aid that may have given rise to distortions of competition and market distortions.

## 3. MARKET DISTORTIONS, FAVOURITISMS AND CORRUPTION

Centotrenta does not provide public utility services.

The topic of fight against corruption is addressed in the Code of Ethics, fully in line with the **OECD** guidelines and the **UN** anti-corruption principles.<sup>15</sup>

The relevant risks are identified and addressed in the **Organisation, Management and Control Model**.<sup>16</sup>

The Company has put in place a whistleblowing **policy** and a **reporting management** system in compliance with the law. Provision is made for the protection of the confidentiality of both the whistleblower and the person that has been reported in order to prevent retaliation or discrimination.<sup>17</sup>

Taxation complies with applicable laws.<sup>18</sup>

## 4. INTERNAL VOLUNTARY RULES ON OWNERSHIP

As at 31<sup>st</sup> December 2022, Centotrenta's share capital amounted to € 7,000,000 and is divided into 7,000,000 nominal shares, with a value of € 1 each.<sup>19</sup>

**Centotrenta Management S.r.l.** owns 72.61% of shares; the remainder is held by **Alessandra Boselli** and **Maria Elisabetta Birondi**, with 13.69% each<sup>20</sup>

Alessandra Boselli and Maria Elisabetta Birondi each own 50% of the share capital of Centotrenta Management S.r.l.

It should also be noted that under the **March 2023 agreement** - subject to the authorisation from the Bank of Italy<sup>21</sup> - the **Sesa Group** acquired **51%** of Centotrenta's capital through its direct subsidiary **Base Digitale Group**.<sup>22</sup>

The Company does not anticipate granting special rights to specific types of shares

<sup>12</sup> The Bank of Italy acquired new tasks following the enactment of 'Legislative Decree No. 131 of 3<sup>rd</sup> August 2022', by which Italy adapted "its national legislation with regard to the provisions of Regulation (EU)2017/2402 (Securitisation Regulation), which establishes a general framework for securitisation and introduces a specific framework for simple, transparent and standardised securitisations (STS)." Please refer to the source for more details. Source: Bank of Italy, "Implementation methods of Article 4-septies.2 of Legislative Decree 58/1998 (Consolidated Law on Finance, TUF)."

<sup>13</sup> They mainly concerned the reviewing of the Company organisational structure. Source: Financial Statement 2021, page 12.

<sup>14</sup> It refers to the Provisions laid down by AGCOM (Italian Communications Authority) and AGCM (Italian Competition Authority). For more information please visit their websites.

<sup>15</sup> Source: Code of Ethics, page 6.

<sup>16</sup> With specific reference to relationships with the Public Administration. The type of model is named after the Italian Legislative Decree No. 231 of 2001, which in turn is based on EU and OECD agreements and treaties against crimes committed by "white-collar workers". The Model includes the full set of ethical and behavioural standards, organisational principles and management procedures adopted by the entity. Behaviours as precursors of possible illegal acts have also been identified. Source: Organisation, Management and Control Model, page 39.

<sup>17</sup> Source: Policy for reporting violations ('Whistleblowing'), pages 5-6.

<sup>18</sup> The Special-Purpose Vehicles (SPV) used by the Company are – to all intents and purposes – tax neutral.

<sup>19</sup> As a matter of fact, on 19<sup>th</sup> May 2022 "the share capital was increased by 4,000,000 shares free of charge". Source: Financial Statement 2022, page 6.

<sup>20</sup> Source: Financial Statement 2021, page 6.

<sup>21</sup> Source: Sesa press release of 21.03.2023.

<sup>22</sup> Base Digitale Group is a non-listed company, directly controlled by Sesa and considered among the companies "of strategic importance as they represent the main sources of the development of the Group's core business." Source: Report on Corporate Governance and Ownership Structure 2022 – Sesa S.p.A., pages 12 and 15. It should also be noted that as at 25.05.2023 HSE S.p.A holds approx. 69% of Sesa S.p.A.'s capital. Source: Consob data.

or bonds benefiting different categories of shareholders and no securities have been issued that may grant special control rights.

There are no restrictions with regard to the transfer of securities.

## 5. OWNERSHIP AND CONFLICTS OF INTEREST

Centotrenta Management S.r.l is not an off-shore company.

No shareholder appears to be involved in regulatory activities for the market in which the Company is operating or in local or national governments.

It should be noted that transactions have been carried out with **Related Parties**.<sup>23</sup>

The issue of **conflicts of interest** is addressed in a special internal policy.<sup>24</sup>

## 6. PROTECTION OF MINORITY SHAREHOLDERS AND APPOINTMENT OF DIRECTORS

At present, there are no specific provisions or voluntary commitments concerning the protection of minority shareholders.

## 7. INTERNAL VOLUNTARY RULES ON DIRECTORS

The Company has adopted a traditional system of governance.<sup>25</sup>

The Company's Board of Directors has 9 members<sup>26</sup> and they are all Italian citizens.

Gender equality has **not** been achieved.<sup>27</sup>

The independent directors<sup>28</sup> represent the absolute majority. There is family involvement in ownership.

The members of the Board are required to act in accordance with the principles set out in the **Code of Ethics**, the main tool containing voluntary ethical and behavioural standards, in Model 231 and in the internal Code of Conduct.<sup>29</sup>

In addition, the Company has adopted an ethical guidance document called the "130 Dictionary of Value-based Competencies".<sup>30</sup>

In 2022, Centotrenta updated its Code of Ethics<sup>31</sup> by adopting the **European and international guidelines on sustainability** as guiding principles.<sup>32</sup>

<sup>23</sup> Source: Financial Statement 2022, page 7.

<sup>24</sup> It is called "Policy for handling conflicts of interest". It outlines the operational protocol aimed at identifying, preventing, eliminating and managing any potential situations which could give rise to a conflict of interest in connection with securitisation transactions. In particular, the Policy outlines the principles underpinning the handling of potential conflicts of interest for the Company's Relevant Persons, as follows: "prevent or control the exchange of information amongst the Relevant Persons engaged in activities that pose a risk of Conflict of Interest (...); guarantee the separate supervision of Relevant Persons whose main functions entail interests that may conflict with the interests of the Clients involved in the Transaction (...); avoid any direct connection with the remuneration of the Relevant Persons (...); prevent or limit undue influence on the provision of Services by a Relevant Person; prevent or control the participation (...) of a Relevant Person in different services when such participation may negatively impact the handling of Conflicts of interest." Source: Policy for the handling of conflicts of interest, pages 7-8.

<sup>25</sup> Source: Code of Ethics, page 9.

<sup>26</sup> The Board of Directors of Centotrenta Servicing consists of: Giovanni Crostarosa Guicciardi (President); Raffaele Faragò (Managing Director); Mario Bongiorno; Fabrizio Maria Lorenzo Angelelli; Paolo Antonio Cucurachi; Ranieri Venerosi Pesciolini; Maurizio Coggiola; Giambattista Duso; Paola Musile Tanzi. Source: corporate website. Directors' CVs are publicly available. Source: 130 Servicing – Brochure 2023, pages 20-25.

<sup>27</sup> There is only one female director (under-represented gender), i.e. Paola Musile Tanzi. The company has announced that intends to increase the number of female members at top management level. Source: Company internal source.

<sup>28</sup> Article 22 of the Articles of Association governs the independence requirements as follows: "A board member is considered independent if he/she has not been entrusted with operational responsibilities in the Company, and if he/she, at the same time: does not have any material business or professional relationships (...) with controlling companies or companies controlled by the Company, connected with the Company or subject to joint control (...); is not a kin to any of the members of the Board who are entrusted with operational responsibilities, or to the shareholders, or one of the shareholders, who are/is part of the controlling group (...); does not own, directly or indirectly, shares amounting to more than 5% of the intermediary's share capital having voting rights, nor is a party to shareholders' agreements which have either the aim or the effect of exercising control over the intermediary." Source: Articles of Association, page 11.

<sup>29</sup> As well as in accordance with the powers assigned to them by the Articles of Association.

<sup>30</sup> It should be noted that the Code of Ethics itself contains an ethical and value-based introduction, which, however, appears to be appropriately distinct from the profiles specifically related to sustainability. Source: Code of Ethics, page 5.

In the Code the Company also makes explicit reference to the Global Compact principles, to the Universal Declaration on Human Rights and some sector-specific sustainability principles<sup>33</sup> defined in ILO, OECD and UN Conventions.<sup>34</sup>

## 8. DIRECTORS, CONFLICT OF INTERESTS AND RELATED COMMITTEES

As indicated in the previous report, there are no violations of the EU and OECD guidelines relating to the participation of Directors, managers, auditors or consultants in other companies controlled by shareholders involved in national and local government bodies, judiciary bodies, entities granting licences or financial regulatory authorities.

No directors or members of the top management team are parties to a shareholders' agreement.

On the subject of conflicts of interest, there is a specific internal policy,<sup>35</sup> as well as a specific procedure aimed at regulating the **Personal Transactions of Relevant Persons**.<sup>36</sup>

The **Supervisory Body (SB)** is directly appointed by the Board of Directors. The functions of the SB have been delegated to the Board of Statutory Auditors.<sup>37</sup>

Since 2018, the Company has had a Credit Committee<sup>38</sup> and, from 2021, a **Transaction Committee**.<sup>39</sup>

However, there is no Remuneration Committee, nor a Control and Risk Committee.

The Code of Conduct prohibits the acceptance of gifts, presents and the like that do not conform to normal business practice and are of modest value.<sup>40</sup>

## 9. DISCLOSURE, TRANSPARENCY AND INTERESTED PARTIES

At present, Centotrenta has not issued a **Non-Financial Statement**<sup>41</sup> or a specific **ESG report**.<sup>42</sup>

ESG reports are not urgently required due to governance-side supervision and the fact that there are no material environmental impacts and the supply chain does not significantly involve other stakeholders.

Certain non-financial information is however made available to the public through a **dedicated section of its corporate website**,<sup>43</sup> as well as annually in the **Financial Statement**.<sup>44</sup>

The internal control system<sup>45</sup> is based on the usual first, second and third level controls. Measures aimed at reinforcing the coverage of third level controls are

<sup>31</sup> It should be noted that the Company will maintain its Code of Ethics even after the transfer to the Sesa Group. Source: Company internal source.

<sup>32</sup> In the Code the Company makes explicit reference to the Taxonomy Regulation EU/2019/2088 "Sustainability - related disclosures in the financial services sector." The Company also states that it is acting in compliance with the UN Sustainable Development Agenda. Source: Code of Ethics 2022, page 3.

<sup>33</sup> In particular, with regard to the fight against corruption.

<sup>34</sup> Source: Code of Ethics, page 6.

<sup>35</sup> Source: Code of Ethics, page 6.

<sup>36</sup> The Policy identifies "the personal transactions carried out by or on behalf of the Relevant Persons, on a personal basis or in any case unrelated to the activities carried out by the Relevant Persons on behalf of the Company (...)", as well as "Relevant Person; Person whom a Relevant Person is related to; Person with whom the Relevant Person has close ties" and the various types of personal transactions. Source: Personal Transactions Policy, page 2.

<sup>37</sup> The following members of the Board of Statutory Auditors sit on the Supervisory Board: Stefano Toschi (President), Francesco Balossi Restelli, Alberto Aldrighetti. Source: 130 Servicing – Brochure 2023, page 16.

<sup>38</sup> The Credit Committee "is assisted by an operational division tasked with managing receivables for all different types of UTPs, from those with original contracts terminated prior to assignment, to those that have been restructured or for which the original contractual provisions are still in place". Said Committee consists of 2 directors, the representative of the vehicle involved and the representative of the investor/special servicer. Sources: 130 Servicing - Brochure 2023, page 11; Strategic Plan 2021-2023, page 15.

<sup>39</sup> Introduced in order to analyse the most relevant transactions for the Company in a more formal way. Reports directly to the Managing Director. Sources: 130 Servicing - Introduction to the Strategic Plan 2021-2023, page 1; 130 Servicing - Brochure 2023, page 16.

<sup>40</sup> Source: Internal Code of Conduct, page 3.

<sup>41</sup> There is no obligation for companies not listed on the stock exchange to issue non-financial reports.

<sup>42</sup> Environmental, Social, Governance.

<sup>43</sup> Entitled 'Sustainability' and divided into the three components 'Environmental', 'Social' and 'Governance'. Source: corporate website.

<sup>44</sup> Source: Financial Statement 2022, pages 8-9.

planned.<sup>46</sup>

During 2021 and 2022 the Company's organisational structure underwent changes<sup>47</sup>, with the introduction of new specific business areas and management improvements, also on the instruction of the Supervisory Authority.<sup>48</sup> The Company does not envisage producing any specific reporting on the **remuneration** of Board members. However, there is a provision in the Code of Ethics which sets out the principles of fairness, merit, sustainability and transparency.<sup>49</sup>

The **comply or explain** principle, which is less relevant since it is a non-listed company, **does not** seem to have been formally adopted.

The Code of Ethics addresses **socio-environmental risks** and **excludes** financial relationships with economic entities that violate fundamental human rights or seriously damage health and the environment.<sup>50</sup>

#### 10. PARTICIPATION AND VOTE IN GENERAL MEETINGS

In view of the corporate structure, issues related to participatory methods and the manner in which votes are cast in the shareholders' meeting are of little relevance.

#### 11. EMPLOYMENT AND HUMAN RESOURCES SELECTION

As at 31<sup>st</sup> December 2022, the Company had 115 employees.<sup>51</sup>

In terms of relationships with its employees, as per the Code of Ethics the Company is committed to respecting the dignity of workers, promoting the principles of equal opportunities and non-discrimination, as well as to fostering professional development.<sup>52</sup>

Human resources recruitment and selection policies are dealt with in the relevant **Staff Regulations**.<sup>53</sup>

Training is regularly provided and also addresses topics related to sustainability and gender equality.<sup>54</sup>

The Company offers internship programmes for students in partnership with the Bocconi University.<sup>55</sup>

#### 12. HEALTH, SAFETY AT WORK AND SOCIAL DIALOGUE

As noted in previous reports, health and safety at work is addressed in compliance with Italian laws. The number of employees at Centotrenta and the sector in which the Company operates do not leave a lot of scope for implementation on a voluntary basis.<sup>56</sup>

<sup>45</sup> This system is not expected to change as a result of the Company becoming part of the Sesa Group, but changes are envisaged with regard to governance. Source: Financial Statement 2022, page 11.

<sup>46</sup> The Company intends to insource the Internal Audit function as from the next three-year period. Source: Financial Statement 2022, page 9.

<sup>47</sup> As indicated in the previous report, in September 2021, Samuele di Biase took over the role of Operations Director. The area 'Commercial Development' has also been introduced. Both functions report directly to the Managing Director. For detailed information on the organisational chart, please refer to the document. Source: 130 Servicing – Brochure 2023, pages 16-19.

<sup>48</sup> In particular, we highlight the following new areas: "Master Servicing"; "Performing and UTP"; "Real Estate". Source: 130 Servicing – Brochure 2022, page 16.

<sup>49</sup> See section 'Management and staff remuneration policies'. Source: Code of Ethics, page 10.

<sup>50</sup> Source: Code of Ethics, page 8.

<sup>51</sup> Mainly clerical staff (94), in addition to middle managers (19) and top managers (2). Source: Financial Statement 2022, pages 8-9.

<sup>52</sup> Source: Code of Ethics, page 10.

<sup>53</sup> Source: Staff Regulations 2022. The "welcome pack" for newly hired employees includes information on the Code of Ethics. Source: Company internal source.

<sup>54</sup> Sources: Financial Statement 2022, page 8; Company internal source.

<sup>55</sup> Source: Company internal source.

<sup>56</sup> The Company provides a health monitoring service (fit to work medical assessments) and guarantees employee training on safety and on the roles of the Health and Safety Officer, the Prevention and Protection Service Officer, the site doctor and on first aid kits and fire-fighting equipment. Source: Financial Statement 2021, page 8.

The Code of Ethics repeatedly addresses the issues of employee welfare, the centrality of individuals and work-life balance.<sup>57</sup>

There is a Welfare **Plan**<sup>58</sup> for employee retention.<sup>59</sup>

Several initiatives have been contemplated to benefit staff<sup>60</sup> and/or to promote the inclusion of certain categories of employees. In this respect, the Company is planning to strengthen measures aimed at parents.<sup>61</sup>

The protection of work-life balance is also pursued through the regulation of so-called smart working.<sup>62</sup>

The training offer includes topics related to the protection of workers' health and safety even for remote work.<sup>63</sup>

13. ADAPTING TO CHANGE Due to the size of the company and the type of activity carried out, this topic is not very relevant, despite its centrality at EU and OECD level.

14. ENVIRONMENT The principles for environmental protection are detailed in the Code of Ethics. They include the adoption of responsible behaviour towards the environment, employee education and awareness, as well as openness to dialogue with civil society on environmental issues.<sup>64</sup>

Centotrenta aims to play a leading role in the **green** securitisation sector, considering **parameters set by international organisations**.<sup>65</sup>

There are existing<sup>66</sup> and planned<sup>67</sup> measures enabling the Company to pursue specific Sustainable Development Goals (**SDGs**).<sup>68</sup>

15. CONSUMERS AND Issues concerning customer relations are addressed in the Code of Ethics.<sup>69</sup>

<sup>57</sup> Source: Code of Ethics, pages 11-12.

<sup>58</sup> All employees, including apprentices, are allocated a fixed amount (so-called 'Welfare Account'), that can be used to access various goods and services, which are available on the Company's IT platform, including the possibility to boost their health insurance plan. Source: Company's Welfare Plan Policy 2022, page 3. The Plan was reviewed in 2022 and employees were involved in the revision through questionnaires. To complement existing services, the Company has also signed a series of agreements with restaurants and other entities or for the purchase of pharmaceutical products. There are also current plans that would make it possible to request the reimbursement of interests payable on mortgages and loans. Source: Welfare Presentation 2022.

<sup>59</sup> The Plan is only available to employees that have worked for the Company for at least 13 months. Source: Welfare Plan Policy 2022, page 3. Employees who have worked for 13 months will also be entitled to receive an additional € 1,000 on an annual basis. Source: Welfare Presentation 2022.

<sup>60</sup> Please refer to the information leaflets "Agos Standard Loan" and "Agos Zero Interest Project" for subsidised loans.

<sup>61</sup> Against the background of the previous 'The mother will then come back' event, the 2022 parenting initiatives were supported by the Head of Human Resources with the aim of expanding the scope of this event in order to also raise awareness of paternity leave among male employees. Source: Company internal source.

<sup>62</sup> Smart working is allowed for not more than two days a week depending on work requirements. In compliance with applicable laws, the Company gives priority to remote working requests received by the following categories of employees: "female employees during the three years following the end of their maternity leave period; female employees with disabled children; employees with particular health issues; employees with particular family situations." Source: Centotrenta's smart working guidelines 2022, page 4. The company has also given each employee an additional day of annual leave on their birthday. Source: Welfare Presentation 2022.

<sup>63</sup> Through the INAIL information note: "Information note on health and safety (smart working) pursuant to Article 22, paragraph 1, Law No. 81/2017." Source: Financial Statement 2022, page 8.

<sup>64</sup> Source: Code of Ethics, page 13.

<sup>65</sup> More specifically, "official parameters and ESG guidelines defined by the European Union, the Organisation for Economic Co-operation and Development and the United Nations." Source: 130 Servicing – Brochure 2023, page 9.

<sup>66</sup> It refers to the securitisation of tax credits arising from the Sisma/Supersisma Bonus, for companies committed to restructuring programmes aimed at energy requalification and the reduction of building seismic risk. The transaction has been executed by Unicredit Bank in May 2021, with a € 500 million project, whereby Unicredit's clients assigned tax credits to a securitisation vehicle called EBS Finance S.r.l. Unicredit Bank acted as transaction Arranger whereas Centotrenta Servicing as Master Servicer. Source: Standard Ethics Press Release "Security Eco Sisma Bonus Programme" of 1.03.2022. In addition to this transaction, there was 'Volta SPV', a '7.2 securitisation transaction underlying photovoltaic systems, aimed at financing renewable energy projects', and 'SYHO, Save Your Home', for which please refer to the next section of this Report, as it is also relevant in terms of social impacts on customers. Source: corporate website.

<sup>67</sup> In fact, by 2023 the Company expects "a certain number of 7.2. real estate securitisation transactions, with more than twice the volume reported in the current year, considering the real estate market's continued interest in an increasingly ESG-oriented construction sector, and a significant momentum for transactions with underlying renewable energy systems, which is also undoubtedly favoured by Italy's need for energy independence". Source: corporate website.

<sup>68</sup> In particular, SDGs No. 7 'affordable and clean energy', No. 8 'decent work and economic growth', No. 9 'industry, innovation and infrastructure'. Source: corporate website.

## QUALITY

The handling of complaints is entrusted to a special unit and a separate company policy covers this topic.<sup>70</sup>

As already indicated in previous reports, Centotrenta handles the securitisation of receivables from the Public Administration (Healthcare Receivables),<sup>71</sup> the critical aspects of which seem to be monitored.<sup>72</sup>

There are also social securitisation programmes.<sup>73</sup>

## 16. SCIENCE AND TECHNOLOGY

The Company has adopted a specific IT Strategy and a state-of-the-art Data Quality system, with a proprietary platform.<sup>74</sup>

Centotrenta has developed a blockchain platform, although it is still at the pilot stage.<sup>75</sup>

## 17. LOCAL COMMUNITIES

Centotrenta is actively involved in several initiatives to benefit communities, with the view to contribute to specific **SDGs**.<sup>76</sup>

In addition, in the context of the aforementioned 'social securitisation', the company interacts with various stakeholders.<sup>77</sup>

## 18. BUSINESS PARTNERS

The previous report highlighted the sensitive interactions that Centotrenta has with suppliers and numerous people acting in many different capacities with regard to securitisation transactions, including recovery of receivables, provision of payment services and functions linked to the correct execution of the transactions.

At present there are no supply chain control systems in place with regard to ESG themes.

However, a general principle can be found in the Code of Ethics, which binds all

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<sup>69</sup> Source: Code of Ethics, page 7.

<sup>70</sup> Source: Complaints Procedure P11, Complaints Management

<sup>71</sup> Centotrenta takes on the role of guarantor for the correct execution of the above-mentioned transactions: "Some companies have ruled out, or significantly limited, their handling of this asset class, since it can pose significant reputational risks. (...) the Company has decided to continue to be involved in this asset class of Public Administration receivables (...) but does so implementing all the strategies listed above, so as to manage risks most effectively, excluding however the option of playing the role of Arranger in these transactions, for which it accepts only legal and/or financial roles." The Company also recognizes the positive social impact resulting from the management of this 'asset class'. Source: Company internal source.

<sup>72</sup> In particular, tougher controls were introduced following interventions by the Supervisory and/or judicial authorities in specific cases. Source: Financial Statement 2022, page 10.

<sup>73</sup> Project SNOWDROP (Fondo Salva Casa, a homeowner rescue fund), launched in 2010, can be considered as a *Social Impact Bond* and offers an innovative solution to people experiencing financial difficulties. The project is targeted to several stakeholders, such as Social Housing Foundations, institutional investors, consumers' associations and social mobility charities, banks, families, and businesses. The programme is divided in the three following stages: (I) establishment of the Salva Casa SPV and Salva Casa Reoco; (II) conclusion of agreements between parties; (III) securitisation. Source: Snowdrop Structured Memo, pages 2 ff. "The Fondo Salva Casa is a social shock absorber that yields an income, a very balanced protection for all stakeholders. Its primary – but not only – mission is to handle receivables deriving from mortgages for first-time home buyers." Source: Corporate website.

<sup>74</sup> In view of the future automation of the Company's business processes, called for by the evolution of the securitisation market, Centotrenta has adopted the Sadas Engine technology developed by Sadas S.r.l, which enables the processing and analysis of a large volume of data in the most efficient way. Sadas Engine is a cutting-edge solution to meet client's needs. Sources: 130 Servicing and Sadas press release of 2.07.2020; 130 Servicing - Brochure 2023, page 13. In addition, it should be noted that contacts have been made with a company specialised in identifying the main critical business operation issues by accessing a company's email system. Source: Company internal source.

<sup>75</sup> Known as "Hypermast" and developed in partnership with IBM, the platform makes it possible to use blockchain technology for the integrated management of all securitisation transactions: "this application may well determine a so-called technological breakthrough in tracing and guaranteeing granular data from portfolios and processes, and additionally increase the efficiency in the calculation of the so-called Asset Valuation Risk (and thus of the Notes) on which the Supervisory Authorities are particularly focussing at present. In this respect, the Company's partner, Centotrenta Management S.r.l, has requested the support of Promontory Consulting (an IBM company) for the development of the platform governance model that will enable Centotrenta to present this project to 10 European Originator banks (...) to stimulate their interest in this project." Source: Strategic Plan 2021-2023, pages 45-46. For more detailed information on the project, please refer to the Press Release: 'Hypermast CV' of 20.11.2019.

<sup>76</sup> In particular, SDGs No. 1 'no poverty', No. 2 'zero hunger', No. 3 'good health and well being', No. 5 'gender equality', No. 9 'industry innovation and infrastructure', and No. 16 'peace justice and strong institutions'. Source: corporate website.

<sup>77</sup> Project SNOWDROP has attracted considerable interest from the Catholic University in Milan, the project promoter through the CeTIF department, from AMCO, Unicredit and the Cariplo Foundation, which believes that it may qualify as an 'innovative social housing' project. In this respect, Centotrenta will join the Association 'Social Impact Finance', which has been promoting so-called 'social' transactions. Source: Strategic Plan 2021-23, page 16.

Centotrenta stakeholders and includes specific commitments on integrity.<sup>78</sup>

#### 19. HUMAN RIGHTS

The issue of human rights protection is addressed in the Code of Ethics with reference to the **United Nations Sustainable Development Goals (SDGs)**,<sup>79</sup> as well as to the principles of the **Universal Declaration of Human Rights** and the **ILO Conventions**.<sup>80</sup>

#### 20. EUROPEAN AND INTERNATIONAL STRATEGIES

The European and international strategies on sustainability are formally stated in the Code of Ethics and in other documents adopted by Centotrenta.<sup>81</sup>

The Company has recently embarked on a process aimed at achieving the 'PdR 125:2022' (reference practice) certification for **gender equality**, in line with international strategic guidelines.<sup>82</sup>

#### 21. CONCLUSIONS (SUMMARY)

Centotrenta Servicing is a non-listed company operating as a servicer in the securitisation sector. The Company is a major player at national level and has executed numerous transactions.

Due to the nature and size of the company, Centotrenta's environmental and social impacts are limited. However, the Company has defined its own sustainability strategy, with which it explicitly aims to align itself with the main international ESG (Environmental, Social, Governance) guidelines. Although there is no ESG reporting requirement, the Company communicates its sustainability activities and goals to the external world in a special section of its corporate website.

In 2023, Centotrenta continued to pursue and strengthened a number of initiatives for the benefit of its employees, to ensure work-life balance and related to gender equality.

The Company recently signed an agreement to become part of the Sesa Group.

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<sup>78</sup> Source: Code of Ethics, page 13.

<sup>79</sup> In the Code of Ethics the Company states that it is committed to "protect human rights and to eliminate any form of discrimination based on gender, age, sexual preference, race, nationality, physical, social and economic conditions, religious and political beliefs." Source: Code of Ethics 2022, page 3.

<sup>80</sup> Source: Code of Ethics 2022, page 6.

<sup>81</sup> For example, the oft-mentioned brochure.

<sup>82</sup> Source: Company internal source.



## SOURCES

(Where there are no dates, the most recent versions prevail)

The documents that have been consulted were published by the Client before the delivery of the guidelines.

The main sources are: Internal Code of Conduct, Financial Statements, ESG Reporting; Report on Corporate Governance and Company Ownership; Articles of Association; Bylaw Italian Legislative Decree 231/2001; Internal Regulations; Minutes of the Meetings of the Board of Directors with amendments to the Articles of Association; Regulations of the Shareholders' Meetings; Minutes of Shareholders' Meetings, Notices of Meetings and related explanatory reports; Various procedures including "related party transactions" and "Internal Dealing"; Documents on remuneration, qualitative and quantitative composition of top management bodies and sustainability strategies (at Group level too). Data and information given during meetings with internal functions were also used.

## OTHER SOURCES

Moreover, documents supplied by national and international regulatory bodies, the national stock exchange and independent sites.

**standardethics.eu**

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