

CERVED INFORMATION SOLUTIONS

Consolidated Non-financial Statement
pursuant to Legislative Decree No. 254/2016

Sustainability Report 2017



Cerved Information Solutions S.p.A.

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Letter to Stakeholders



Fabio Cerchiai
CHAIRMAN



Marco Nespolo
CHIEF EXECUTIVE OFFICER



It is with great pride that we present the first edition of our **Sustainability Report**. It is an important document that provides Cerved with an opportunity to offer a comprehensive presentation not only of its performance but also of the values that characterize the Group. Specifically, this document presents, alongside an economic and financial report, a broader image of the impact that our activities have on the economic, environmental and social context. The objective is to present virtuous operating dynamics that benefit not only the shareholders but also employees, associates, partners, customers, institutions, associations, the media and society as a whole.

The starting point was provided by the data for the past 12 months, which confirmed Cerved Group's strength and its ability to grow with flexibility and resilience, triangulating innovation, operating efficiency and a carefully planned M&A strategy. In addition to having embodied for over 50 years a winning business model, Cerved, from a **governance** standpoint, is also an example of a public company in Italy, with a 100% share float.

Through the information and services it offers, the Group plays a crucial role in Italy's economic system. Thanks to the accuracy of the data and the use of the most advanced analysis technologies, Cerved fosters the utmost information transparency among economic operators. The quality of the products offered is also the fruit of the all-important respect for the principles of rigor, integrity and objectivity of the assessments provided to our customers. In this regard, since 2015 we adopted a **Code of Ethics** that sets forth the commitments and responsibilities in the pursuit of business transactions, defining the principles and conduct guidelines that must be adhered to by anyone who works for or with our Company.

An issue that permeates transversely all of our business processes is the **protection of personal data**. In this area, it is worth mentioning that our Group, together with the industry association ANCIC, has promoted since 2016 the adoption of an actual Code of Professional Ethics for the processing of personal data for commercial information purposes. In view of the enactment in May 2018 of the General Data Protection Regulation (GDPR), our Legal and Institutional Affairs Department implemented an important project aimed at aligning business activities with the new statutory compliance requirements. The services that we offer make available to our customers the largest store of economic and financial data concerning Italian companies and institutions. In this regard, we estimate that last year alone about 1,500 billion euros in bank loans and credit lines were provided based on our information. The evolution of our services is guaranteed by our ability to **constantly invest** in the most advanced technologies and the best talent.



Innovation has always been the fulcrum of our growth strategy. A concrete example is the Open Innovation principle, which, for years, has enabled the Group to capitalize on the best competencies, drawing from the expertise of startups and research centers, with the aim of anticipating market trends and building new businesses for Cerved.

The year 2017 was a period of important renewal for our product line. A significant example is the Cerved Credit Suite, the new platform with which we support companies in managing the lending process. It was developed with the most modern service design technologies which allowed the direct involvement of our customers in all phases of the platform's development.

Our growth is closely linked with the **people** that we succeeded in selecting and hiring over the years. In 2017 alone, we hired 302 professionals, including some key resources within the leadership team.

Passion, spirit of initiative and entrepreneurship are the distinguishing traits of our managers, who become the architects and active protagonists of their own growth paths.

To foster development, engagement and cooperation, Cerved promotes initiatives in the areas of training and mindfulness of work-life balance, such as, for example, the smart working pilot program and the best of social enterprise platforms (Workplace).

In addition to achieving our economic objectives, we also strive to provide a cultural contribution to **Institutions and the Public Administration**, performing an important advocacy role. Specifically, the Group works constantly alongside policymakers to interpret and anticipate the most important socioeconomic trends.

In the area of **environmental sustainability**, we are engaged on multiple fronts. The Group aims at minimizing its impact on the environment by rationalizing consumable resources and efficient energy use. In addition, we use targeted programs to promote employee awareness of virtuous behaviors that respect the environment. An important step was the relocation of our headquarters from Milan to San Donato Milanese at the beginning of 2017. This new structure made it possible to lower our carbon footprint while at the same time significantly improving working conditions for our employees thanks to larger, brighter and interconnected premises.

The year 2017 was another period characterized by the achievement of important objectives for the Group in all areas, from economic performance to innovation and to our role in advocating for and facilitating the growth of our country.



We take this opportunity to thank our people for their daily commitment as well as our shareholders, customers and suppliers for their unfailing trust, which is at the base of our success. We are convinced that Cerved is today and will continue to be in the future an Italian center of excellence capable of creating sustainable value for all of its stakeholders.

San Donato Milanese

February 26, 2018

Dott. Fabio Gerchiai
Chairman

Dott. Marco Nespolo
Chief Executive Officer



Note on Methodology

This document represents the Consolidated Non-financial Statement (hereinafter also “DNF” or the “Sustainability Report”) prepared pursuant to Legislative Decree No. 254/16 of December 30, 2016 (Decree implementing Directive No. 2014/95/EU), or a reporting tool useful for sharing with the shareholders the economic, social and environmental performance of Cerved Information Solutions S.p.A. and its subsidiaries (hereinafter also “Cerved, the “Cerved Group” or the “Group”).

The main purpose of this document is to provide a clear and transparent representation of the activities promoted by the Group in the area of sustainability, to the extent necessary to ensure an understanding of the Company’s activity, its trends, its results and its impact in terms of improving the Italian system as a whole.

The content of this Report was developed consistent with the “**GRI Sustainability Reporting Standards**” (2016) published by the Global Reporting Initiatives (GR I) in accordance with the “Core” option. The “Annexes” represent an integral part of this Report, showing detailed information and tables with quantitative data for the purpose of providing exhaustive evidence of how the topics identified as material were addressed and of the respective GRI indicators. Material topics were identified through an initial materiality analysis carried out in 2017, the implementation modalities of which are described in the section entitled “Sustainability Principles”.

The information in this Report refers to 2017 (from January 1 to December 31, 2017) and, in order to allow data comparability over time and assess the performance of the Group’s activities, offers a comparison with the previous year, whenever possible. The data and information were collected and consolidated by various Cerved organizational units, using extractions from company information systems and from internal and external billing and reporting systems.

The information contained in this Report refers to the **companies included in the scope of consolidation used for the consolidated financial statements**, except for Cerved Master Services S.p.A., Quaestio Cerved Credit Management S.p.A. and Credit Management S.r.l. because they were acquired at the end of 2017 or were **still dormant** at December 31, 2017, with regard to which it was decided to begin the consolidation



of non-financial information starting on January 1, 2018 (any exceptions are expressly indicated in the text).

The **reporting boundary for economic data and information** is the same as in the 2017 Consolidated Financial Statement of Cerved Information Solutions S.p.A. and makes reference to the companies consolidated on a line-by-line basis, except for, as stated above, Cerved Master Services S.p.A., Quaestio Cerved Credit Management S.p.A. and Credit Management S.r.l.

The **reporting boundary for data and information concerning environmental and supply chain issues** does not include the Group's foreign offices, Major 1, ClickAdv, because they were not deemed significant for the purpose of providing a representation of the Group's overall performance, and the impact of Cerved Master Services S.p.A., Quaestio Cerved Credit Management S.p.A. and Credit Management S.r.l.¹ However, Cerved remains committed to include the abovementioned foreign offices in the reporting boundary in 2018. In addition, the Report does not provide specific information regarding the use of water resources as this issue is not deemed to be relevant for the Company's business activity.

The **reporting boundary for data and information concerning social issues**, is the same as in the 2017 Consolidated Financial Statement of Cerved Information Solutions S.p.A. and makes reference to the companies consolidated on a line-by-line basis, except for Cerved Master Services S.p.A., Quaestio Cerved Credit Management S.p.A. and Credit Management S.r.l..

An effort was made to minimize as much as possible the use of estimates, which, when present, are based on the best available methodologies and are appropriately flagged.

The frequency of publication of the Non-financial Statement is once a year. This Sustainability Report was reviewed and assessed by the Control and Risks Committee on February 19, 2018 and subsequently approved by the Board of Directors of Cerved Information Solutions S.p.A. on February 26, 2018.

This document underwent a conformity review by the independent auditors. The audit was carried out in accordance with the procedures explained in the "Report of the Independent Auditors", annexed to this document.

For additional information regarding the 2017 Sustainability Report, please contact us by email at: sustainability@cerved.com.

The 2017 Sustainability Report is also available on the Company website: <http://company.cerved.com/>.

1. The significance of the excluded companies, with the exception of Cerved Master Services S.p.A., Quaestio Cerved Credit Management S.p.A. and Credit Management S.r.l., was assessed based on the ratio of their staff to the total payroll of the Group (16%).

The Group's Governance and Ethics



The Company's identity

Who we are

What we do

Governance

Corporate Governance

Ethics, integrity and anti-corruption

Compliance and Risk Management

Compliance

Risk Management

Sustainability principles

Cerved and its stakeholders

Materiality analysis

Financial results and objectives

Growth path of the Group

Distribution of value added



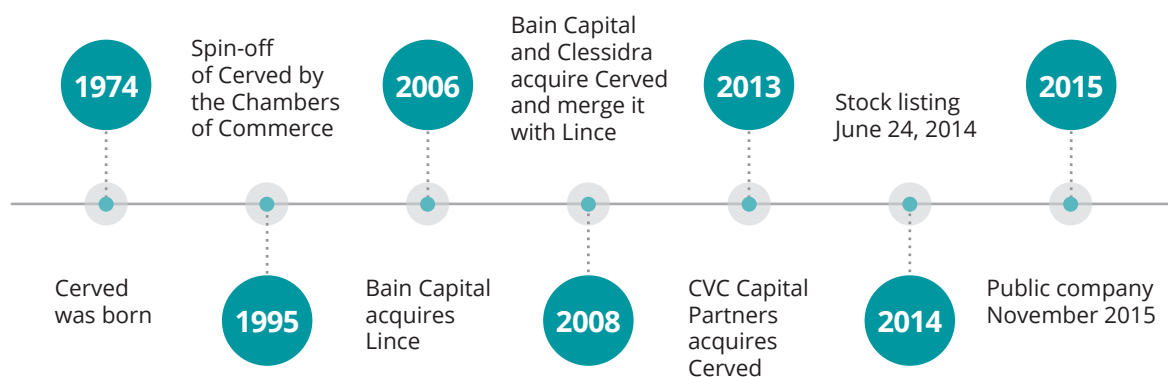
THE COMPANY'S IDENTITY

Who we are

Cerved (Centro Regionale Veneto Elaborazione Dati, Cerved) was created in 1974 as an IT company for the management, processing and distribution of Chamber of Commerce data contained in the archives of the Company Register of the Veneto region. The model it offered proved to be a winning model: as it was gradually adopted by other Chambers of Commerce and some important financial institutions, the Group continued to grow, becoming one of the main market operators in the Business Information sector.

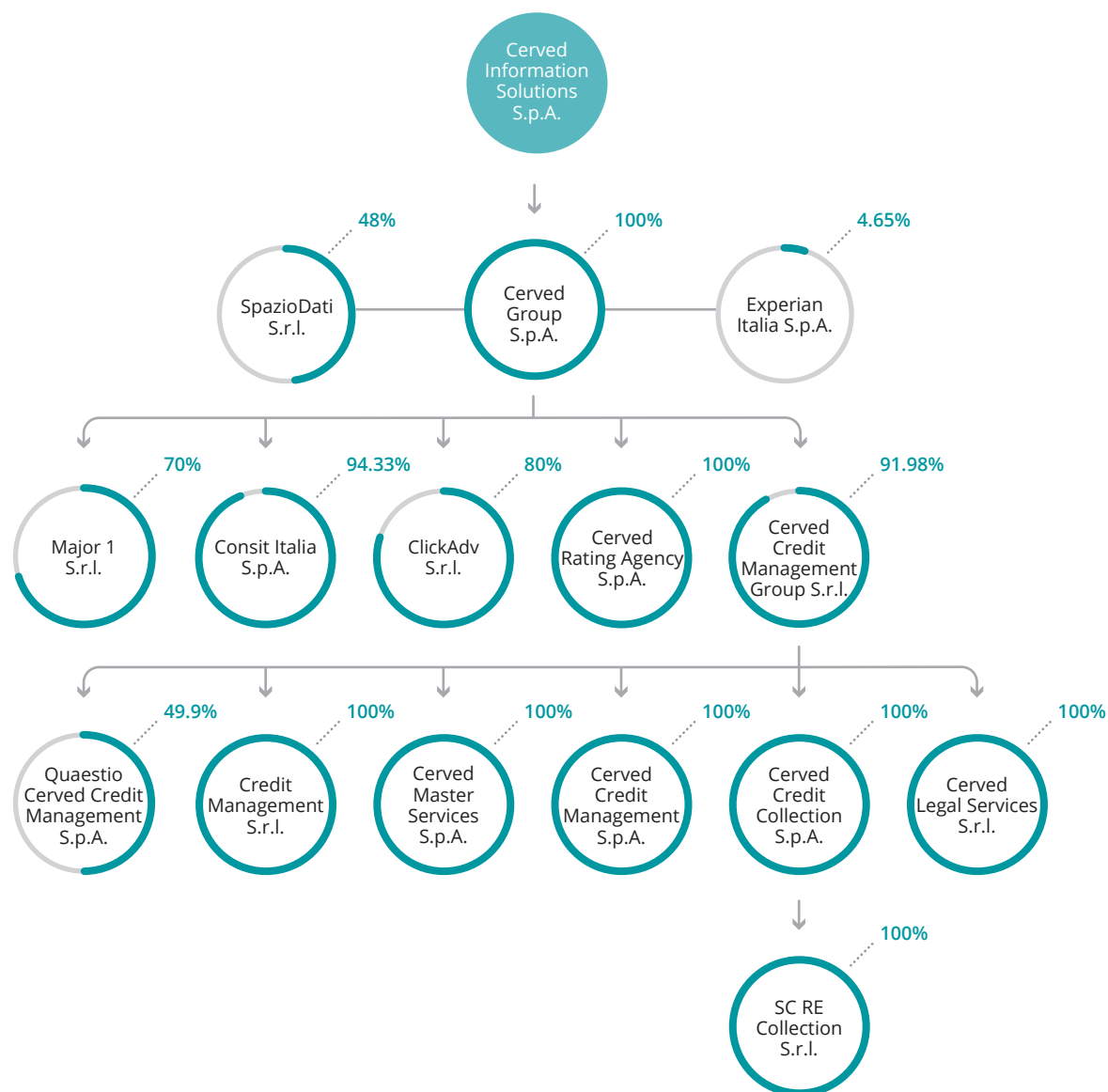
By incessantly innovating its products, developing new businesses and successfully integrating numerous companies, for over 40 years Cerved has been a market leader: a public company with a 100% share float, it is currently not only the **largest information provider** in Italy but it is also one of Europe's main rating agencies.

our history's timeline





Structure of the Group at December 31, 2017



Cerved locations at December 31, 2017

REGISTERED OFFICE, HEADQUARTERS AND OPERATIONAL OFFICE

- ① San Donato Milanese (MI) – Via dell'Unione Europea, 6/A-6/B

OPERATIONAL LOCATIONS

- ② Acireale (CT) – Via Sclafani, 40/B
③ Bari (BA) – Piazza Aldo Moro, 37
④ Bari (BA) – Vico San Domenico, 2
⑤ Bologna (BO) – Via Cairoli, 9
⑥ Bolzano (BZ) – Via Macello, 53
⑦ Brindisi (BR) – Piazza Cairoli, 28
⑧ Capaccio Paestum (SA) – Via Magna Grecia, 286
⑨ Cluj-Napoca (Romania) – Str. Henri Barbusse, 44-46
⑩ La Spezia (SP) – Viale Italia S.n.c. Locale 36, c/o il Porto di Mirabello
⑪ Lecce (LE) – Viale Otranto, 119
⑫ Mangone (CS) – Zona Industriale Piano Lago, snc
⑬ Milano (MI) – Viale Famagosta, 75
⑭ Mori (TN) – Via Teatro, 43
⑮ Novara (NO) – Via Sforzesca, 10/G
⑯ Oradea-Judet Bihor (Romania) – Str. Piata Cetatii, Et 1 3
⑰ Padova (PD) – Corso Stati Uniti, 14 bis
⑱ Palermo (PA) – Via Agrigento, 4
⑲ Pandino (CR) – Via Milano, 110
⑳ Pescara (PE) – Corso Vittorio Emanuele II, 102
㉑ Pontedera (PI) – Via Salvo D'Acquisto, 40/C
㉒ Potenza (PZ) – Via Orazio Petruccelli, 14
㉓ Pozzuoli (NA) – Via Antiniana, 2/A
㉔ Rende (CS) – Via Kennedy, Piano T
㉕ Roma (RM) – Via C. Colombo, 149-115
㉖ San Giovanni Lupatoto (VR) – Via G. Garibaldi, 5-23
㉗ Sassari (SS) – Via Alfredo Oriani Cairoli, 2
㉘ Sondrio (SO) – Via Cesura, 3
㉙ Timisoara (Romania) – Str. Paris Nr 2a, Et. 3, Sala 309
㉚ Torino (TO) – Corso Vittorio Emanuele II, 93
㉛ Verona (VR) – Viale del Lavoro, 35/B
㉜ Vigevano (PV) – Corso Novara, 43
㉝ Villorba (TV) – Viale della Repubblica, 19/B

COMMERCIAL LOCATIONS

- 34 Ancona (AN) – Via Sandro Totti, 12/A
- 35 Bologna (BO) – Via della Salute, 14/2, c/o Palazzo Tormal
- 36 Genova (GE) – Corso Buenos Aires, 5-4
- 37 Napoli (NA) – Galleria Vanvitelli, 26

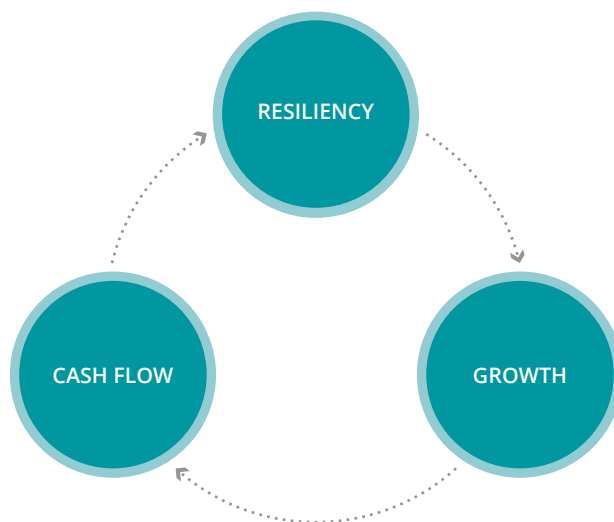
Cerved has **37** offices:
34 in Italy
and **3** in Romania

The Company's registered office,
headquarters and operational
office are located in **San Donato
Milanese**



In 2017, Cerved continued on its growth track, coherently with its business model, confirming its resiliency and ability to generate cash flow, thanks also to targeted acquisitions that further strengthened the Company's market position.

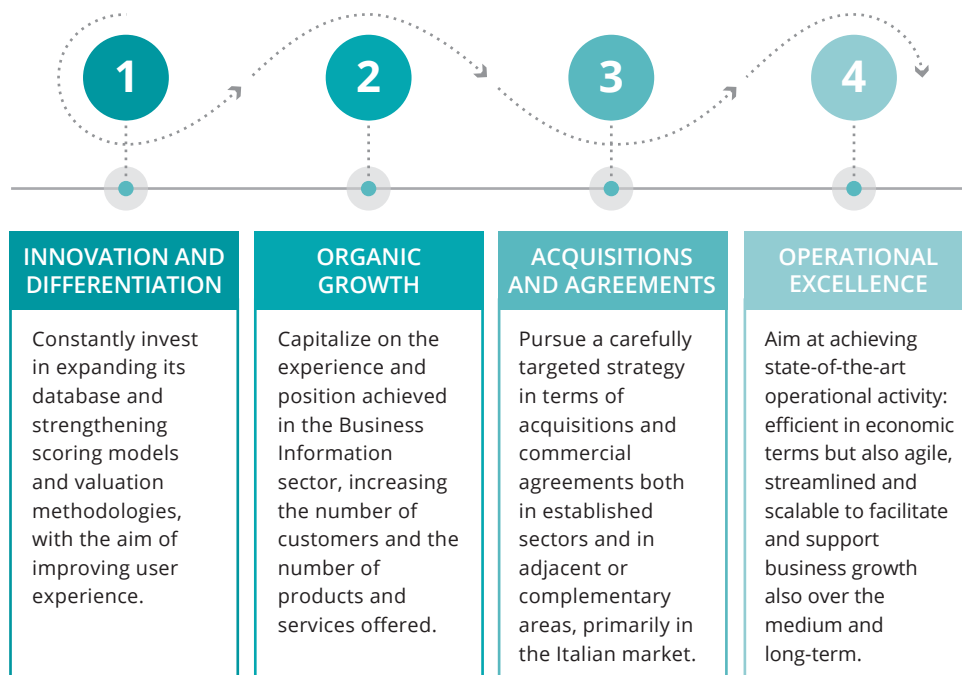
Business Model of the Cerved Group



The business strategy of the Cerved Group

Consistent with the announcements made during his Stock listing process, which was completed on June 24, 2014, and again underscored during the Investor Day on May 10 2016, Cerved's growth strategy is based on clear and sustainable concepts. Leveraging its strong points, the Group is continuing to grow, diversifying and strengthening its business activities, currently focused on four guidelines:

The 4 Guidelines of Cerved's Business Strategy





What we do

With a portfolio of over 30,000 customers, both in Italy and abroad, the Cerved Group is Italy's top operator in the credit assessment and management area. Forerunner of a data driven model, based on multidimensional and multilevel studies and analyses, Cerved provides access to the largest existing store of information on Italian individuals, companies and groups. Strongly focused on innovation, the Group's offering is structured to address the needs of the financial and insurance community, public and private companies and all professionals who seek data and information strategic for their businesses.

Services and platforms are conceived to intercept any type of data that could help customers manage more deliberately decision-making dynamics. Cerved ferrets out and identifies all information useful for detecting risk, but also all new market opportunities. Expert consultants and specialists work with intelligence and passion to support the businesses of the Group's customers, contributing to defining decision criteria based on strong and lasting bases.

Each year, over 30,000 customers rely on the Group to assess solvency and credit worthiness, monitor and manage credit risk in all of its phases, accurately define **marketing** strategies and assess and manage nonperforming loans.

*Leader in Credit Information
and top independent player
in Credit Management*

*Over **1,000** requests for
commercial information
every minute*

***408 million euros** in
value added generated and
distributed*

***1,500 billion euros** in
bank loans and commercial
credit lines were provided in
2017 based on information
and services supplied by
Cerved*





Cerved meets the needs of credit managers, chief financial officers, marketing managers, procurement managers and sales managers and professionals. The Group's offering triangulates visions, methodologies and projects constantly aligned with changes in the marketplace.

The expansion of the Group's offering addresses three separate areas of activity:

- Credit Information
- Marketing Solutions
- Credit Management

*We developed **20** marketing products used by **2,200** customers*

*Each year, Cerved develops more than **2,000** customized projects and about **1,000** sectorial analyses covering **637** microsectors and **353** sectors*

***540,000** contacts generated in Italy in 2017*

Credit Information

Cerved helps its customers supplying them with information designed to assess the economic and financial profile and the reliability of businesses and individuals. Activities include assessing the risk level of an entire loan portfolio and defining valuation models and decision-making systems. In supporting its customers in their assessments and decisions, the Group relies on highly integrated solutions, developed over more than 40 years of activity serving the banking community.

Marketing Solutions

Cerved holds a store of information that is truly unique for its variety, depth, accuracy and value to support commercial and marketing activities. Organized into three types of offerings, Marketing Solutions includes three vertical segments: Data Providing, Market Analysis and Lead Generation. Each proposal represents the conversion of a broad range of online products and services, all customizable, that make it possible to monitor companies and partners, helping filter, segment and develop all new and potential markets.





Credit Management

Cerved is one of Italy's top independent operators in the Credit Management area, offering services to assess and manage credit positions on behalf of third parties, based on certified information and quantitative data. Through court proceedings and out-of-court settlements, the assessment of loans, the remarketing of personal assets and real estate and collection management services, expert and qualified professionals help customers identify the most effective solutions over the entire lifecycle of loans, making it possible to act promptly and shorten the money collection time.

In 2017, the Group launched a new line of services designed for the advisory sector, which covers all Big Data Management issues. The focus of development projects is indeed shifting from the supplying of data to the delivery of increasingly customized solutions.

*In 2017, we managed **25** billion euros in loans and thousands of real estate and production assets originating from leases*

Keeping the focus on customer needs, the Group's activities are offered through the following main brands:

- Cerved



- Cerved Rating Agency



Acknowledgments



Cerved Group, Consit Italia, Cerved Rating Agency and Cerved Credit Collection were awarded the **ISO 9001:2015 Certification**, the international reference standard for quality management.



Cerved Rating Agency:

- It is registered as a European rating agency pursuant to EU Regulation 1060/2009 and is under the supervision of EMSA (the European authority for financial instruments and markets).
- It is recognized as an **External Credit Assessment Institution** (ECAI) pursuant to EU Regulation 575/2013 of the Parliament and Council of the European Union, and as a Rating Tool by the ECB within the framework of the Eurosystem Credit Assessment Framework (ECAF).

FitchRatings

Fitch Ratings awarded to Cerved Credit Management (CCM) the ratings RSS1* and CSS1* as

- Italian Residential
- Commercial Mortgage Special Servicer

* These specific sector ratings certify the quality of a business, specifically making reference to the broad range of management strategies, the strength of the technological solutions and the prudent management of risk.



GOVERNANCE












Corporate Governance²

In the area of economic and financial information and credit management, Cerved operates through divisions specialized in the analysis, design, implementation and management of services, products and processes.

Cerved's **Corporate Governance structure**³ is an organizational and management model based on ethical values characterized by absolute respect of the provisions of relevant laws and the rules of conduct in effect within the Company.

The Group's system of corporate governance is comprised of a **Board of Directors**,⁴ which meets regularly and has exclusive jurisdiction over the administrative and strategic management of the Group for the achievement of its objectives.

COMPOSITION OF THE BOARD OF DIRECTORS OF CERVED INFORMATION SOLUTIONS S.P.A. AT DECEMBER 31, 2017

Name		Date of birth	Post held
Fabio Cerchiai		1944	Independent Chairman
Gianandrea De Bernardis		1964	Executive Vice President
Marco Nespolo		1973	Chief Executive Officer ⁵
Sabrina Delle Curti		1975	Executive Director
Andrea Mignanelli		1969	Executive Director
Roberto Mancini		1971	Executive Director
Mara Anna Rita Caverni		1962	Independent Director
Aurelio Regina		1963	Independent Director
Marco Maria Fumagalli		1961	Independent Director
Valentina Montanari		1967	Independent Director
Giulia Bongiorno		1966	Independent Director

45% of the Directors are between 30 and 50 years old and **55%** are more than 50 year old

Pursuant to the Bylaws, Directors are elected by the Shareholders' Meeting in accordance with the laws in effect regarding gender parity, as a result of which, in the Board's current composition, 36% of Directors are women.

The composition of the Board of Directors, elected for a term of office ending with the approval of the financial statements at December 31,

2, 3, 4. Please consult the "Report on Corporate Governance and the Ownership Structure" of the Cerved Group for more in-depth and detailed information.

5. The Boards of Directors of Cerved Information Solutions and Cerved Group awarded to the Chief Executive Officer Marco Nespolo all of the appropriate delegations of authority and powers in his capacity as employer and the Company's Environmental Protection Officer.



2018, was updated also due to the implementation of a “**succession planning**” process launched in 2015 for the succession of some of the Company's top management officials. In this context, an assessment process was carried out to identify the best candidate as potential successor for the Chief Executive Officer in office at that time. In order to define this role, a selection of internal Group candidates was evaluated, measured against specific benchmarks designed to provide a clear definition of objectives, tools and timing.

To improve the work of the Board of Directors and foster a prompt confidential and systematic sharing of information, Cerved Information Solutions introduced an innovative tool to handle the sending and notification of meeting notices, including all respective supporting documents. The use of this computerized tool will be extended to all Group companies in 2018.

The following **internal committees of the Board of Directors** were also established:

Nominating and Compensation Committee (pursuant to Principle 6.P.3. and 5.P.1. of the Corporate Governance Code)	Related-party Committee⁶	Control and Risks Committee⁷ (pursuant to Principle 7.P.3 of the Corporate Governance Code)
Aurelio Regina (Chairman)	Fabio Cerchiai (Chairman)	Mara Anna Rita Caverni (Chairperson)
Mara Anna Rita Caverni	Mara Anna Rita Caverni	Aurelio Regina
Marco Maria Fumagalli	Marco Maria Fumagalli	Valentina Montanari
Giulia Bongiorno ⁸		

The **Board of Statutory Auditors**, which is comprised of three Statutory Auditors and two Alternates, monitors compliance with the applicable laws and the Company Bylaws, consistent with the principles of sound management, specifically regarding the adequacy of the Company's organizational, administrative and accounting structure.

Cerved, in order to achieve an optimum management of sustainability issues, by a resolution adopted by the Board of Directors on November 20, 2017, officially assigned responsibility for **Corporate Social Responsibility** issues to the **Control and Risks Committee** of Cerved Information Solutions.

On January 29, 2018, complying with the abovementioned resolution, the Committee updated its internal regulations, which were later approved by the Board of Directors of Cerved Information Solutions on February 26, 2018. This decision is consistent with the recommendations of Article 4 of Borsa Italiana's **Corporate Governance Code**,⁹ which suggests the possibility of considering the establishment of a special committee responsible for overseeing sustainability issues related to the conduct of business activities and the interaction dynamics with all stakeholders.

6. The Related-party Committee, governed in accordance with a special internal procedure adopted on May 28 2014 (as amended on December 21, 2017) is entrusted with the functions and tasks set forth in the abovementioned procedure and in the implementation regulation adopted by the Consob with Resolution No. 17221 of March 12, 2010.

7. Since 2017, responsibility for corporate sustainability was attributed to the Control and Risks Committee.

8. Resigned effective as of October 27, 2017.

9. This option is required for the Boards of Directors of companies included in the FTSE-MIB Index.



Ethics, integrity and anti-corruption

In 2015, the Group adopted a **Code of Ethics** that sets forth Cerved's commitment and responsibilities in the handling of its business and corporate activities. The Code defines the complex of values and principles, as well as the conduct guidelines that must be followed by every member or associate of the Group, including Company Directors and any other persons who, irrespective of the type of work performed, operate on behalf of the Group. These principles, approved by the Boards of Directors of Cerved and all of its subsidiaries, are adopted by all employees.

Specifically, the Code's purpose is to regulate all of the Group's activities and relationships with employees, the Public Administration, customers, suppliers, mass media, shareholders and the financial community in general.

Reference principles

- respect of norms and procedures
- fairness and professionalism
- confidentiality of information
- management transparency
- fair competition
- occupational health and safety
- environmental protection
- prevention of conflicts of interest
- protection of intellectual property
- fight against corruption and fraud

In March 2015, the Board of Directors of Cerved Information Solutions adopted the **Organizational Management and Control Model** pursuant to Legislative Decree No. 231/2001 (as amended in March 2016) and established a Supervisory Body (the members were appointed in February 2017). Many¹⁰ Group companies adopted their own model and appointed their own Supervisory Bodies.

The 231/01 Model is comprised of the following sections:



A general section that summarizes the salient points concerning the characteristics of the Group, its motivations and the objectives pursued, and the construction, components and main protocols of which the Organizational Management and Control Model is comprised, as well as the regulations governing the Supervisory Body.



The special sections, which serve the purpose of identifying crimes that entail a potential risk of occurrence and corresponding sensitive activities, explain some of the possible crime perpetration modalities and highlight the principles of conduct that must be complied with and the preventive measures that must be implemented.

10. Besides the recently acquired and/or recently established companies, only Major 1 did not adopt its own Organizational Management and Control Model pursuant to Legislative Decree No. 231/2001.



Main crimes monitored by the Supervisory Body of the companies of the Cerved Group:

- crimes related to transactions with the public administration
- computer crimes and unlawful data processing
- organized crime activities
- corporate crimes
- crimes against industry and commerce
- market abuse crimes
- receiving stolen property, money laundering and self-money laundering
- giving mendacious testimony to judicial authorities
- crimes involving copyright violations
- crimes involving involuntary manslaughter and negligent injuries occurring in violation of accident prevention laws and regulations protecting hygiene and occupational health
- environmental crimes

On its corporate Intranet, Cerved makes available to its employees a dedicated page: **"Compliance – Legislative Decree No. 231/2001"**. This page contributes to disseminating the principles of the Code of Ethics and the Organizational Models among the employees, showing all relevant documents that describe the crimes, offering suggestions and more in-depth information.

This page also includes a set of training/informational tools concerning any updates to the Model or the promotion of **"Awareness Training"** courses that address different topics: Compliance, Risk Management and Internal Control Systems.

Human Rights

The Cerved Group considers recognizing the respect and protection of human values a fundamental issue. This issue is also significant in view of the number of people who participate in the performance of the Group's activities and it is for this reason that it is managed in accordance with the principles of the Code of Ethics, which in an emblematic section states:

"Each Group company operates in compliance with the principles of protecting the rights and the physical, cultural and moral integrity of individuals and their relational dimension with others, recognizing and promoting the development of its intellectual assets, to foster working conditions and an environment designed to maximize competencies. The right to working conditions that are respectful of the dignity of individuals is guaranteed: to that effect, in internal and external work relationships, no acts of physical or psychological violence, or attitudes or conduct that are discriminatory or injurious to persons directly or to their convictions, beliefs or preferences must ever occur".



For each Group company that adopted an Organizational Model, a dedicated channel has been activated through which employees and external parties can report potential violations of the principles of the Code of Ethics, the Model and the procedures and internal control systems adopted by Group companies.

Reports of any conduct that is not in line with the principles listed in the Code of Ethics and the Organizational Models are constantly monitored by the Supervisory Bodies. When situations potentially in violation of the recommendations and requirements of the Code of Ethics and the Organizational Models are identified, they can become the subject of discussions at regular meetings or special meetings convened on an ad hoc basis. Any resulting improvement actions will then be monitored in connection with the development of further review activities.

In compliance with privacy protection laws, access to information is exclusively allowed for members of the **Supervisory Body** of the affected company.

The **fight against active and passive corruption** is another top priority issue within the 231 Model and is addressed in detail in the Code of Ethics and the Group's annual training programs. It is worth mentioning that the Model was revised in 2016 to reflect the **amendment to the legislation** governing anticorruption issues.

Even though an organizational entity devoted to monitoring the risk of corruption has not been established, the Supervisory Body of the various Group companies analyzed this issue as part of the specific control activities they perform. The management of the risk of corruption is entrusted to specific safeguards identified in the special sections of the Organizational Models and the procedures of Group companies.

COMPLIANCE AND RISK MANAGEMENT

Compliance

All Cerved Group companies comply with **national and European norms and regulations**. The conduct of the Group's activities is carried out in business contexts characterized by a fast and frequent evolution in regulations that requires not only a great deal of attention but also constant updates.

Some Group companies, such as Cerved Rating Agency (CRA) and Cerved Credit Management Group (CCMG), have established an internal regulatory compliance function capable of monitoring the activities that are being performed. Reports to the Boards of Directors of the various companies are provided on schedule dates at least once every six months.

The Cerved Group is an active participant in the development of self-governing rules and codes of conduct that are consistent with industry regulations, including with the support of specific industry associations.







Focus on Group Compliance:

- Corporate Governance Code of Listed Companies
- EU Regulation 596/2014 regarding market abuse for insider information
- EC Regulation 1060/2009 concerning credit rating agencies
- Legislative Decree No. 254/2016 – Communication of information of a non-financial nature
- Law No. 262/2005 – Protection of savings and regulation of financial markets
- Legislative Decree No. 196/2003 – Code for the protection of personal data and regarding actions taken by the Regulatory Authority to protect personal data
- Legislative Decree No. 231/2001 – Administrative responsibility of legal entities
- Legislative Decree No. 206/2005 – Consumer Code
- Legislative Decree No. 135/2016 – European reform of independent statutory auditing
- Legislative Decree No. 385 of September 1, 1992, as amended, Uniform Bank Law
- Legislative Decree No. 58 of February 24 1998, as amended, Uniform Financial Law
- Amendment to Article 24 *bis* of Decree Law No. 83/2012 – regulations governing call centers
- Royal Decree No. 773/31 Uniform Public Security Law
- Legislative Decree No. 81/2008 – Health and Safety protection in workplaces and physical safety
- Legislative Decree No. 231/2007 – Prevention of financing of terrorism and money laundering

Risk Management

Cerved believes that an effective **Internal Control and Risk Management System** (ICRMS) enables the Group to pursue a business management that is sound, fair and consistent with corporate objectives, supporting management and top executives in the adoption of informed decisions and contributing to:

-  safeguarding the corporate assets
-  enhancing the efficiency and effectiveness of corporate processes
-  ensuring the reliability of the information provided to the market by the corporate governance bodies
-  complying with laws, regulations, the Company Bylaws and its internal procedures

Through various initiative carried out in 2017, Cerved structured and consolidated its ICRMS, in accordance with the requirements of Borsa Italiana's Corporate Governance Code and best industry practices.

The System is currently comprised of an architecture based on a set of rules, procedures, organizational safeguards, information flows and reporting requirements that, in an integrated fashion, enable management to correctly map, measure and manage the Group's main risks, through constant monitoring.



Borsa Italiana's Corporate Governance Code and the CoSO Internal Control – Integrated Framework (The Committee of Sponsoring Organizations of the Treadway Commission) are the two essential pillars of the risk governance model of the Cerved Group

The main responsibilities are attributed to the Board of Directors of Cerved Information Solutions S.p.A., which is the body responsible for overseeing the Group's strategies and risks. The Board of Directors also has jurisdiction over overseeing and assessing the adequacy of the ICRMS, adequately supported in its assessments and decisions by the Control and Risks Committee (CRC). The Internal Control and Risk Management System of the Cerved Group responds to the needs of several external counterparties (investors, Consob, Borsa Italiana, ESMA, Banca d'Italia, Regulatory Authority for the Protection of Personal Data, Antitrust, etc.) who demand an increasingly clear and explicit representation of the processes and methods adopted to manage risk.

In order to provide a meaningful support to the decision-making processes, over the years the Cerved Group engaged in a process for the continuous improvement of its **Enterprise Risk Management** (ERM) model.

This process, implemented at the Group level and with specific specializations within the Group's subsidiaries, calls for the following activities on an annual basis:

- mapping and assessing the Group's main risks

“Three lines of defense” Model

Within the framework of the Risk Management system, for mapping, measuring, managing and monitoring purposes the Cerved Group adopted an approach known as “Three lines of defense”:

First level of control: Management – risk owner.

The resources assigned to this task map, assess, manage and monitor the risks for which they are responsible, defining and implementing specific containment activities.

Second level of control: Management or the functions responsible for monitoring risks and the adequacy of controls.

Risk and compliance specialists offer support to the first level in defining and implementing adequate systems to manage the main risks and the respective controls, systematically monitoring the main risks (including regulatory compliance risks) to assess the level of adequacy and operational functionality of the controls established as safeguards, so as to guarantee a more effective and efficient handling of significant problems.

Third level of control: Internal Auditing

the Internal Auditing function provides an independent and objective assurance of the adequacy and operational effectiveness of the first and second level of control and, in general, assesses the efficiency and effectiveness of the ICRMS.



- defining and updating appropriate actions to manage the main risks
- defining and monitoring the timing for implementation of corrective actions

In 2017, with regard to the topics identified as material, the Group identified and monitored the following macro-issues:

- **evolution of the reference context**, which is relevant under the dual profile of regulatory compliance and the dynamics in the reference business sectors
- **competitiveness and innovation of the products offered**, which translates into the implementation of strategic commercial policies and guidelines, taking also into account the timeliness of product and service innovation
- **operational and infrastructural effectiveness**, with regard to the management of the security of information, the management of relevant and innovative services and products and the dependency on a set of key players and strategic suppliers
- **governing of internal processes**, for which the Cerved has launched several monitoring activities in different areas:
 - › with regard to the **M&A process (Post Merger Integration)** in particular) for companies acquired in 2016 a control was performed of the activities defined to achieve conformity with Cerved's management system and monitor the integration path of the investee companies into the Group's structure
 - › for the **governance of internal and external communications**, the Cerved Group established a process to monitor reputational risk through a review of specific situations that could have an impact on Cerved's image, directly or indirectly, in addition to improving internal communication tools and modalities
 - › finally, the Group monitors **processes and safeguards focused on the governance of the Company's organization**, with special emphasis on the adequacy of the corporate, organizational and accounting structure

In 2017, in light of the regulatory context, the Group carried out an in depth assessment of its ICRMS. The implementation schedule calls for, over time, a continuous improvement action with a two-fold objective: achieve a higher degree of maturity for the system and ensure its alignment with best national and international practices.

Consistent with this approach, regarding the mapping of the main risk areas for the material topics referred to in Legislative Decree No. 254/16, the Cerved Group has already started the mapping and monitoring of the main identified risks and, in the near future, will present the evolution regarding the specific focus of Environmental, Social and Governance (ESG) topics relative to the findings developed by the materiality analysis.

Lastly, Cerved is aware of the extent to which the strengthening and consolidation of its ICRMS is dependent on the modus operandi of all employees and management of the Group. For this reason, a long-term program has been started aimed at **sharing and disseminating a Group Culture Risk** that expects the engagement of different players within the Company.



PRINCIPLES OF SUSTAINABILITY

In the conduct of its activities Cerved views credibility as a fundamental and crucial factor. For this reason, it has developed an approach to sustainability reporting that starts with an in-depth cognitive analysis of the Group and its existing initiatives. The analysis focused on two main aspects: identification of stakeholders and assessment of significant economic, environmental and social sustainability issues.

Cerved and its stakeholders

The **stakeholders** who influence and/or are influenced by the organization's activity are not just the Group's main interlocutors regarding the handling of the Company's businesses and transactions. Specifically, it is vis-à-vis its stakeholders that Cerved defines the complex of values and principles and conduct guidelines that must be followed by everyone who acts on the Company's behalf.





The Cerved Group also collaborates with various associations:

- ANCIC (National Association of Commercial Information and Credit Management Companies)
- UNIREC (National Union of Companies for the Protection of Credit) and, through UNIREC, the Unirec-Consumer Forum Foundation
- BIIA (Business Information Industry Association)
- European Committee of Central Balance-Sheet Data Offices
- Study Table on Real Estate Collection Enforcement Actions (T6)
- Big Data Value Association (BDVA)
- ASSIRM (Italian Association for Market, Social and Opinion Surveys)
- ASSONIME (Association of Italian Stock Companies)

Materiality analysis

A materiality analysis was performed in 2017 to identify **material topics**¹¹ that have become the subject of reporting in this Sustainability Report. A work group comprised of representatives from all the main Company areas was established and the main topics identified as the most significant, based on context analyses and a study of key sector trends and reference best practices, were submitted to the work group.

An initial materiality analysis was carried out internally at the Group: in assessing the significance of the resulting issues and impacts, the members of the team assessed the most significant topics both for the Cerved Group and its stakeholders. Further developments of this analysis will involve sharing material topics also with counterparties outside the Group.

Upon conclusion of the process, a **materiality matrix** was developed that represents the topics that are most significant for the Company and is interlocutors.

*Cerved Credit Rating is a member of **ECRA** (European Association of Credit Rating Agencies), while SC Re Collection S.r.l. is a member of **AMCC** (Romanian Association of the Credit Management Operator sector)*

11. A topic is deemed to be material when it reflects economic, social and environmental impacts thought to be significant by the organization or when it significantly influences the assessments and decisions of stakeholders.

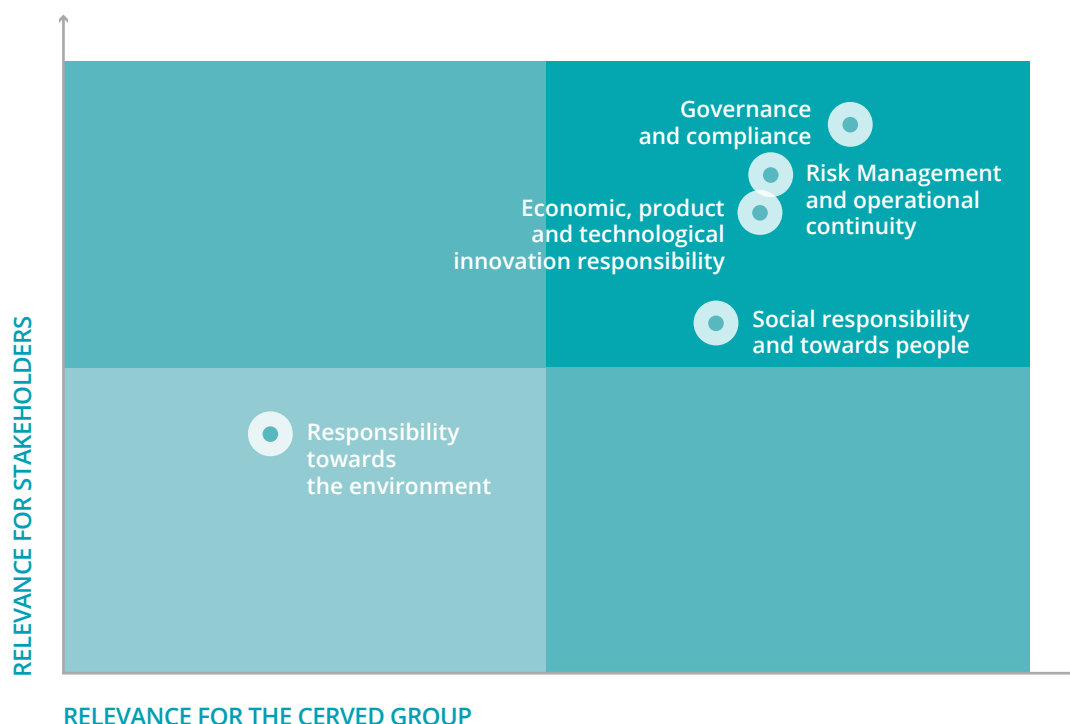


Materiality matrix

The map shows 18 material topics grouped into five macro areas



Materiality matrix





The matrix shown above was reviewed by the Control and Risks Committee and the Board of Directors of Cerved Information Solutions S.p.A. at a meetings held in November 2017 to underscore the Group's awareness of the issues regarding social, environmental and governance responsibility.

RESULTS AND FINANCIAL OBJECTIVES

Cerved is continuing to report a **steady and significant increase in revenues**. During the past year, growth was again in line with the guidance announced at the Investor Day on May 10 2016, i.e., growth of Group EBITDA ranging between 2.5% and 4.5% annually.

*In 2017, Cerved reported revenues of more than **401.2 million euros**, reaching Adjusted EBITDA of **187.3 million euros***

At December 31, 2017, **Cerved's subscribed and paid-in share capital amounted to 50,450,000 euros**, represented by 195 million common shares without par value, with voting rights. No securities that convey special control rights have been issued and, at December 31, 2017, no shares with multiple voting rights or enhanced voting rights had been issued.

*Every year, the Group invests more than **14 million euros** in the **gathering of additional information** from official and unofficial sources*

These results were made possible by: on the one hand, the value added generated by a Business Information division focused on the development of a steady flow of new products and services, coupled with a **targeted strategy** that includes the integration of important companies, so as to strengthen the Group's presence in its target markets and facilitating its entry in markets adjacent to its traditional activities and, on the other hand, the phenomenal growth of the nonperforming loan market in which the CCMG Group has gained important market shares.

Growth path of the Group

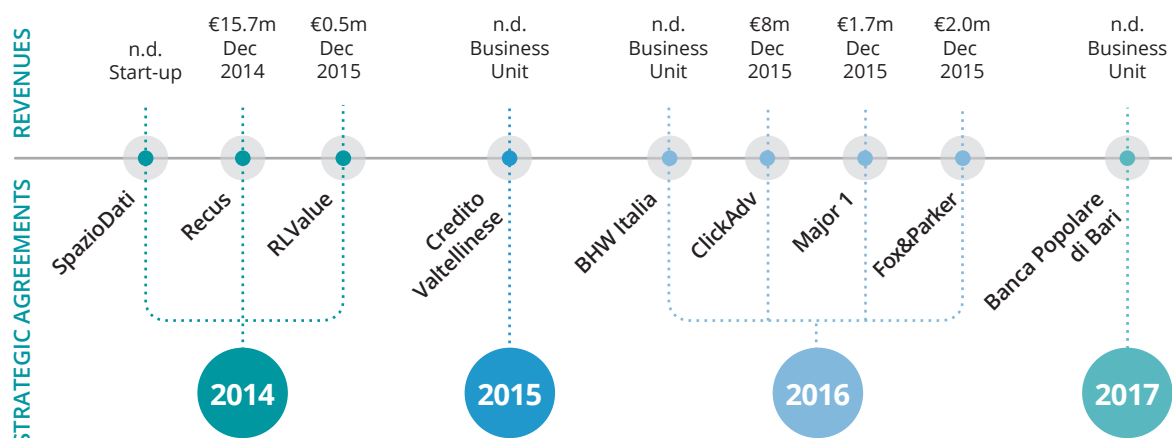
The Corporate Development function has always provided an important contribution to the Group's growth. Over time, Cerved **acquired many prestigious brands**, including Centrale dei Bilanci, Consit, Databank, Lince, Finservice, Jupiter, Honyvem and ClickAdv.

Even today, several acquisition, merger and partnership transactions are being considered by the Corporate Development function. The Group's intention is indeed to pursue increasingly important investments, continuing to evaluate and finalize its **growth strategies on a highly selective basis**, focusing primarily on the Italian market and complementing organic growth with acquisitions.

Numerous sources of financing, which vary depending on the size of the potential targets, enable Cerved to pursue its development while remaining in line with the parameters specified during the Investor Day regarding the dividend distribution policy and the ratio of net financial debt to EBITDA.



M&A transactions of the Cerved Group since the stock listing



The main transaction executed since the listing date included the following:

- **Spazio Dati:** Strategic partnership in the Big Data Management area
- **Recus:** Acquisition that expands the management of nonperforming loans to consumer credit companies, telecommunication companies and utilities
- **RLValue:** Acquisition that consolidates the competitive position of the Cerved Group in the area of real estate appraisals provided to financial institutions
- **Credito Valtellinese:** Long-term strategic partnership for the management of 85% of the bank's nonperforming loans and future flows of nonperforming loans that will be generated, in addition to the acquisition of the bank's credit collection platform
- **BHW Italia:** Long-term strategic partnership in the Credit Management area
- **ClickAdv:** Acquisition of a 70% interest in this company, active in the Digital Advertising/ Performance Marketing areas, thereby broadening the offering, which includes Business-to-Consumer (B2C) contacts and direct email marketing (DEM) services
- **Major 1:** Acquisition of a 55% interest in this company, specialized in the development and sales of credit management and monitoring software
- **Fox&Parker:** Acquisition of the Business Information operations, which engage in the development of value added sectorial risk centers, services for data integration with proprietary management software and customized commercial information addressed to enterprise customers

In addition, the following transactions were finalized in 2017:

- **Cerved Master Services S.p.A.:** Company established by the Cerved Group which was licensed to operate pursuant to Article 106 TUB (Board of Financial Intermediaries)
- **Quaestio Cerved Credit Management S.p.A.:** Company established by the Cerved Group with a capital of 50,000 euros, 50.1% of which was sold on November 15, 2017
- **Banca Popolare di Bari:** industrial partnership for the management of nonperforming loans, probable defaults and future financial flows from these exposures, in addition to the purchase of Credit Management S.r.l., the bank's credit collection platform



Distribution of value added

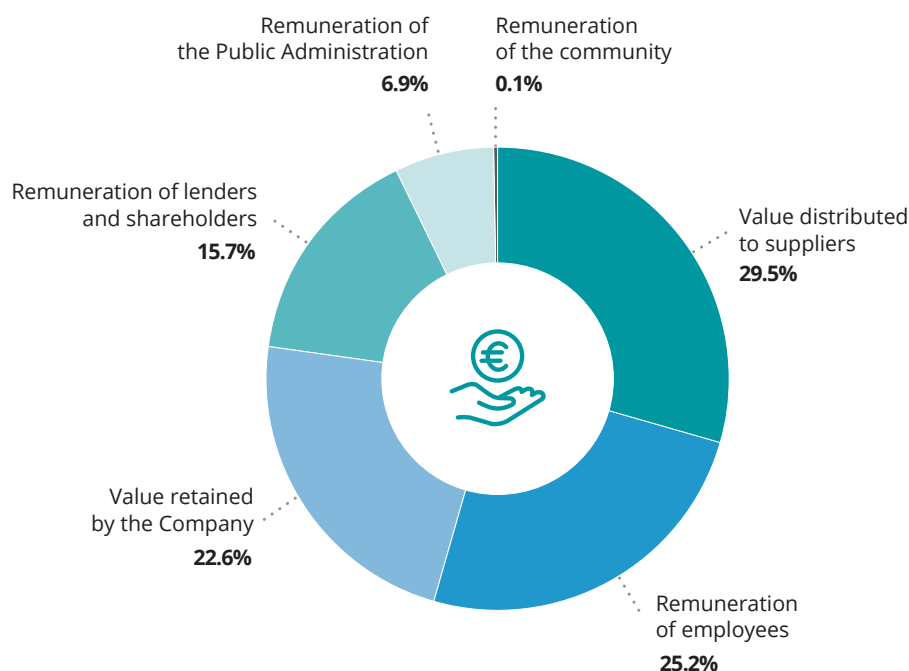
The **creation of value added and its distribution** to the stakeholders is one of the main drivers of the Cerved Group. The computation of value added, which represents the wealth generated and distributed by Cerved with its activities, provides the best illustration of the economic side of the business and the Group's impact on society in general.

Based on a reclassification at December 31, 2017 of the income statement of the Cerved Group, the value directly generated totaled **407,963 million euros**.

The most significant share, totaling more than 120 million euros (29.5%) was distributed to suppliers, while the share earmarked for employee remuneration amounted to 103 million euros (25.2%).

Counting both depreciation and amortization and retained earnings, the value retained by the Company was 92 million euros (22.6%). A total of **48 million euros (11.9%) was distributed to shareholders¹²** and **more than 15.6 million euros (6.9%) went to lenders**. The share allocated to the Public Administration totaled 28 million euros (6.9%), while the share distributed to the community was equal to 0.1%.

Distribution of value added in 2017



12. The amount shown for the distribution of earnings to shareholders was determined together with the Administration Finance and Control function based on the amount recommended at the Shareholders' Meeting.

Strategic priorities



Management of data and information security and privacy protection

Privacy protection
Management of data and information security
Integrity and independence of information

Quality of products and services

Protection of the quality of products and services
Product development

Innovation and development paths

Data Driven innovation
Open Innovation
Partnership

The strength of our people

Training and development
Employment and talent recruitment





MANAGEMENT OF DATA AND INFORMATION SECURITY AND PRIVACY PROTECTION

Privacy protection

The processes applied for data collection, analysis and processing constitute the foundations for the products and services offered by the Group. For this reason, **Privacy Protection** represents a particularly relevant issue that affects transversely all business and support processes: from the design of individual services or products up to the handling of any complaints by parties listed in the Business Information databases or contacted for credit collection purposes.

A key aspect of Cerved's data-driven model is the high degree of attention paid to the **protection of the data of other significant stakeholders**, employees, associates and customers above all. **Data protection** is also a fundamental prerequisite for the Credit Information, Marketing Solutions and Credit Management activities. To that effect, processes and programs have been established that make it possible to define security boundaries, guaranteeing the confidentiality of information and the protection of personal data.

A significant contribution to the protection of the Group's privacy is provided by the **Legal and Institutional Affairs Unit**, whose professionals provide support for the definition of internal procedures established for the correct management of personal data by the various Group companies, handling compliance with regulatory requirements. This Unit already provides its contribution during the design phase of Cerved's products and services, to ensure **compliance with laws**, external regulations and applicable statutes, including those concerning data protection, including all resolutions issued by the supervisory authorities. By **interacting with institutions, including the privacy protection authority, for the issues under its jurisdiction**, the Legal Affairs Unit also handles disputes and pre-disputes deriving from challenges or complaints concerning the processing of personal data.

Cerved, through its trade association (the National Association of Commercial Information and Credit Management Companies – ANCIC), was one of the main promoters of the **"Code of professional ethics and good conduct for the processing of personal data performed for commercial information purposes"**.

In 2017, the Group continued the process of strengthening and refining the safeguards established to ensure compliance with the applicable regulations. For the development of **training and empowerment** activities, the adopted organizational model officially establishes the involvement of various organizational unit in relevant Company processes, through a mapping system that clearly defines the tasks, roles and responsibilities of each party, in accordance with the **accountability principle**.

More specifically, with regard to the **handling of complaints regarding privacy**:

- The **Customer Service Unit** is responsible for resolving complaints concerning business and credit information activities;



- The **Compliance Unit** of Cerved Credit Management Group and the **Operational Compliance and System Quality Unit** are responsible for resolving complaints regarding the credit collection activity;
- The **Legal and Institutional Affairs Unit** is responsible for resolving complaints that are particularly complex technically, could involve the supervisory authority and could result in a dispute or pre-dispute.

In 2017, the Group also began the process of making its Privacy System compliant with the requirement of **EU Regulation No. 679/2016, better known as the General Data Protection Regulation (GDPR)**, concerning the protection of individuals with regard to the processing of personal data and the free circulation of such data.

The implementation schedule includes four phases:

1. **Due diligence and privacy gap analysis**, aimed at identifying potential corrective actions as per Regulation 679/2016 for the existing/current Privacy System adopted by the organization. The purpose is to knowledgeably prepare for the enactment of the new regulation, also in terms of assessing the potential risk of penalties for noncompliance.
2. **Technological audit** of the security measures in light of the new regulation, with a general assessment of the suitability of the adopted security model, within the framework of activities for which the data processing Owner or Manager is responsible.
3. **Organization of the Data Protection Office** of the Company/entity, which may be outsourced. Cerved must establish a team with competencies concerning Privacy and IT Security ("Data Protection Office") to support the daily activities of the DPO. This new position of manager responsible for the protection of personal data is mandatory for anyone who monitors or processes sensitive/judicial data on a large scale and for all public entities.
4. **Appointment of a Data Protection Officer**. Supported by an ad hoc team, the DPO will perform proactively and independently as much as possible the necessary Data Protection activities on behalf of the Group.

More specifically, the GDPR introduces many important new provisions regarding the protection of individuals, while providing greater autonomy and accountability for the parties performing data processing activities.

Even though it processes for the most part data concerning legal entities, which do not qualify as personal data, Cerved pays the utmost attention to existing regulations.

The most significant issues requiring attention regarding regulatory changes are reviewed below:

- The general principles, such as those of accuracy and updating of the data, transparency, minimization, proportionality and purpose of the data processing, which act as the driver in orienting the Group's activity, managing databases and delivery services. The GDPR also strengthens, in terms of conformity with said principles, Cerved's customers, who normally act as independent owners of the data processing



- The rights of interested parties, including both those provided under the previous Directives 95/46/EC and strengthened by the GDPR (such as the right to access, the right to restrict/block the data processing and the right to challenge) and newly established rights (such as the portability right). The Group is committed to developing procedures, technological or otherwise, to provide interested parties with the most efficient tools to exercise their rights and obtain a prompt satisfaction of their claims
- Data protection with a “by design” approach, which represents for the Group an objective challenge on multiple levels: internally in relations with customers, in terms of cyber security and process governance. All of the above to stimulate a virtuous conduct also on the part of customers
- The recognition of the legitimate interest of data holders as the basis for the legitimacy of data processing, while respecting the interests, rights and liberties of the persons subject of the information. The instances of occurrence of legitimate interest are particularly significant with regard to databases of commercial information, as already recognized in the Italian legal system through the Code of Professional Ethics. It was also deemed important (also and most of all at the level of industry Associations and future codes of conduct that must be adopted pursuant to Article 40-41 of the GDPR) to identify specific data processing legitimacy scenarios both for business information purposes and regarding credit collection activities, taking also into account technological evolution and regulatory changes (also in connection with Fintechs)
- The innovative category of “pseudonymized” data introduced by the GDPR is undoubtedly an interesting opportunity for the business information sector (also regarding Big Data Management): not only does it make abstract computational models for the market risks of parties included in business information databases more intelligent, but avoids individual impacts on single position concerning individuals

Management of data and information security

*Our databases contain information concerning about **15 million** companies and **20 million** individuals*

The management of the security of data and information must comply with the provisions of specific laws, identify and process the potential impact that could result from a harmful event for the Company and implement technical and organizational tools to mitigate the mapped risks. Therefore, **safeguarding and protecting information and information systems** can be pursued only if all parties involved comply with the applicable laws and internal Company regulations, consistent with a well learned and adopted culture of security.

During more than 40 years of activity, the Cerved Group has developed **databases** that contain information concerning **about 15 million companies and 20 million individuals**. This store of data, characterized by quality, completeness and historical depth, has made Cerved the reference information provider for over 30,000 businesses and financial institutions. Updating and enriching the databases with new information and IT sources represents one of the Group's strategic assets and, consequently, defining and managing an **Information Security Management System (ISMS)** is an activity of fundamental importance for the Group.



With regard to standards and international guidelines, within its **Information Security Management System (ISMS)** the Cerved Group abides by the international standards **UNI CEI ISO/IEC 270011:2013**¹³, which sets forth the requirements for defining, implementing, managing, maintaining and improving an Information Security Management System, as it relates to logic, physical and organizational security issues.

The security of the information assets of the Cerved Group is based on a set of principles and requirements needed to protect and safeguard information, so as to ensure its integrity, confidentiality and availability through the adoption of an adequate information security management system.

The Cerved Group has adopted **suitable organizational structures** for the governance, operational management and control of information security. Specifically, the structures tasked with governing and controlling security perform the following activities:

- coordination with operational structures;
- periodic reporting regarding evolution of threats and corresponding security solutions;
- periodic monitoring of the operational effectiveness of the controls implemented to guarantee the security of information.

The adequacy of the Organizational Security Management Model is verified by means of a comparison with best benchmark practices and constant monitoring of changes in the applicable regulations. Within this model, the **coordination role** has been assigned to the **Security Committee**, which is responsible for assigning specific roles and responsibilities, defining the program to increase employee awareness and continuously controlling the effectiveness of the adopted policies and operational procedures.

The organizational units responsible for the operational management of IT security handle the design, implementation and maintenance of the technical and organizational solutions necessary to guarantee an appropriate level of information security within the technological and implementational platforms used by the companies of the Group. To that effect, an adequate separation of roles and the corresponding responsibilities has been established between security governance and control activities and the activities responsible for the operational management of IT solutions.

Insofar as the **operational role** is concerned, it is assigned within the Group to various persons and functions:

- Manager in charge of the security of applications and responsible for the security of the infrastructure
- Human Resource Department
- Owners of the data
- Final users

Thanks to the adopted organizational model, it was possible to manage and resolve in a fair, effective and efficient manner all of the issues that arose during the year regarding

13. UNI CEI ISO/IEC 270011:2013 (Information Technology – Security Techniques – Information Security Management System – Requirements).



Information Security. This both in the operational-strategic area and at the contractual and compliance level.

The role of third **level of control** is performed centrally by the **Internal Auditing** function, which controls the adequacy of the Internal Control and Risk Management System, its operational functionality and its effectiveness.

In line with its business needs and objectives, security requirements and organizational structure, the Cerved Group defined its security policies to:

- ensure that its information and IT assets are adequately protected from the risk of being compromised
- establish and maintain a structured process to map and assess IT risks, so as to apply appropriate controls and verify their effectiveness and efficiency with the aim of achieving continuous improvement and lowering the level of the mapped risks
- ensure compliance with legal, regulatory and contractual requirements concerning information security

The information security policy defined by the Cerved Group was structured based on the following areas:

Security organization	Definition of roles and responsibilities, promoting conduct and control conducive to guaranteeing IT security
Management of IT assets	Definition of the technical and/or organizational criteria for the management of IT equipment and the rules for allocating the information risk profile
Personnel security	Definition of the rules of conduct that employees must follow and planning the corresponding training
Physical and environmental security	Definition of initiatives designed for the protection of employees, technological components, physical premises and paper archives
Operational and telecommunication security	Definition of controls for processes and operational activities, including protection of transmitted data and monitoring accesses to services and IT systems available online
Access control	Definition of the safeguard of logical accesses for the information system, in accordance with predetermined modalities
Acquisition, development and maintenance of systems	Definition of the management, modification, testing and production rules of application programs, base software and hardware components
Relationships with suppliers	Definition of an information security policy with suppliers in order to guide security decisions within contractual stipulations
Management of IT security events and accidents	Definition of procedures aimed at ensuring prompt management and resolution of accidents and malfunctions that could have an impact on IT security
Management of operational continuity	Definition of the rules governing the process for the delivery of services even in cases of interruptions caused by a critical event
Compliance with laws and regulations	Definition of the criteria and procedures needed to comply with the requirements of the laws and regulations in effect



Integrity and independence of information

The peculiarity of the activities performed by the Cerved Group and its central role in the national and European market make **respecting the principles of integrity, objectivity and independence** an unrenounceable prerequisite for the purpose of offering quality information and objective assessments. Within the **Code of Ethics** of the Cerved Group, this issue is addressed with respect of professional ethics and the Group's reference values, with the additional aim of preserving and promoting Cerved's reputation and safeguarding the technical, financial, legal, administrative, managerial and commercial know-how of each Group company.

As part of the business information activity, **Cerved Group S.p.A.** collects and processes information in full compliance with the laws governing this sector. Compliance with the provisions of the Privacy Code and the Code of Professional Ethics specifically ensures respect for the rights of the interested party that is being processed and the individuals or other parties related to said party at the legal and/or economic level.

The Cerved Group shares and respects the fundamental principles of lawfulness, relevance, moderation and transparency in the processing of data, having implemented procedures and guidelines that guarantee the quality of the data and compliance with regulations at every phase in the processing of business information.

Each Group company has defined the action lines that must be adopted regarding:

- the processing of data
- the assigned responsibilities and the Company structures responsible for data processing
- the minimum security measures

The confidentiality of information regarding third parties that companies of the Cerved Group possess for reasons related to their activity is also guaranteed. This is the case of the confidentiality of economic and financial data of companies or those related to the organization and operational processes that are not subject to public disclosure.

Specifically regarding the activity of **Cerved Rating S.p.A.**, the aim is to produce ratings that make it possible to **reduce information inequality** between the entities that are being evaluated and the users of the ratings. In order to guarantee the objectivity and independent judgment of the analysts who perform rating analyses, the Group has established **safeguard**: on the one hand, to prevent, manage and mitigate real or potential **conflicts of interest** and, on the other hand, to implement rigorous procedures and identify structured corporate functions. To constantly monitor the effective adequacy of the organizational, procedural and regulatory structure established by Cerved Rating Agency, special **processes** and specific **control functions** have been established.

Cerved Rating Agency adopted a **Code of Conduct** in line with the principles recommended by the International Organization of Securities Commissions (**IOSCO**) that guarantees **the quality and integrity of the rating process, the valuation independence** of the rating agency from any political or economic pressure, **the protection of confidential**



information and the **transparency and timeliness of rating communications**. Cerved Rating Agency applies a **specific policy** that enables it to guarantee the **independence of the ratings from conflicts of interest** that could arise from the proprietary structure of the agency, the financial or commercial activities or the interests of employees. **No conflict of interest situations** that could have impacted analytical activities was identified in 2017.

The Code of Conduct and the Policy regarding conflicts of interest of Cerved Rating Agency are **publicly available on the Company's website** and are **communicated to employees** at least once a year through dedicated training programs.

Cerved Rating Agency publishes every year a **Transparency Report** through which it provides the market and interested parties with all the information necessary to understand the governance, the main policies and the disclosures required by existing regulations and the activities of the control functions.

The Cerved Rating Agency performs its activity in accordance with **EC Regulation No. 160/2009**, which applies to credit rating agencies and is monitored by their corresponding oversight entity (European Securities & Markets Authority – ESMA). The compliance function of Cerved Rating Agency is independent and submits each year to the Board of Directors a plan of auditing and control activities, reporting periodically updates and outcomes of the plan both to the Board of Directors and the Control and Risks Committee. In addition, this function is also responsible for:

- monitoring the applicable regulations and evaluating their impact on the Company's processes and procedures
- checking and assessing the adequacy and effectiveness of the measures and procedures implemented to ensure that the Company and its employees are compliant with the obligations deriving from the legislation governing rating agencies
- recommending any organizational and/or procedural changes that may be necessary for a more effective protection from the risk of non-compliance
- verifying the effectiveness of the organizational revisions implemented
- evaluating all projects that the Company plans to undertake for compliance with the reference regulations
- verifying that the Company's rewarding system is not in conflict with its compliance objectives
- preparing the information flows regarding compliance required by all interested structures and planning and verifying personnel training activities
- conducting personnel training activities in the compliance area

As the **Centrale dei Bilanci** (CeBi) area has an effect on the entire Cerved Group, the integrity and independence of the information contained in the **scoring models** and the **subscription-based information systems** for Italy's main banks (SIEF, SIRC and SIAM) are of fundamental importance because they affect both Cerved products and the consulting activities of the Cerved Group.

More specifically, the scoring models developed must guarantee the objectivity of the statistical procedures, the quality of the data and the analyses performed and the reliability




of results; consequently there is a major impact, particularly with regard to **proprietary models and consulting activities**, with regard to the achievement of reliable results.

In order to guarantee compliance with these principles and the possibility of performing independent verifications, dedicated functions have been established, separate from those that provide consulting services, for the purpose of monitoring the methodology of internal models. In addition, technical and operational standards, control procedures, dedicated reports and an ongoing monitoring process of proprietary models (annual backtesting) have been formally established.

With regard to the management of subscription-based information delivery arrangement executed with major banks, CeBi has established a system of controls (ex ante in the data gathering phase and ex post in the maintenance phase) for the quality of financial statements obtained internally, communicated by the participating banks and then sent back to the members.

In addition, Cerved's proprietary credit scoring model underwent the annual backtesting activity, which provided no indication that a revision of the model was required. This year, work continued on activities for broadening the implementation scope of the internal credit scoring model to include parties not listed in the Company Register and the development of proprietary scoring models dedicated to assessing the recoverability of nonperforming loans.



*In 2017, the Centrale Bilanci area supported its customers through **20 projects** tied to the development of scoring models or internal rating models*



QUALITY OF PRODUCTS AND SERVICES

Protection of the quality of products and services

Cerved is a data-driven company operating in the Business-to-Business (B2B) area that places at the center of its activity quality products and services capable of providing its customers with tangible advantages.

The Group's core business consist of offering data, information services and scores: consequently, **the quality of its offering is of fundamental importance by contributing value in managing and growing** the activities of its customers, in every phase of their businesses. The level of the products and services offered by Cerved is high and produces an increase in the competitiveness of the Group's customers.

Each year, financial and commercial loans totaling about **1,500 billion euros*** are provided and monitored based also on the information provided by Cerved

* internal estimate

Credit Information

Providing commercial, financial and banking **credit** exposes banks and credit institutions to a **risk** of varying magnitude. To decide whether or not to provide a credit line to a business, operators use **scores**¹⁴ or ratings.

Given the impact that this information has on the economic system, Cerved developed its own main score — **Cerved Group Score** — which has an **accuracy ratio**¹⁵ of **76%**, a result comparable to the one obtained with the IRB (Internal Rating-Based approach) models approved by Banca d'Italia. In this area, some banks use the Cerved Group Score as a benchmark.

Within the Credit Information area, the main project developed in 2017 was the **Cerved Credit Suite**, which entailed a complete revision of the main platform for the delivery of services to businesses. Cerved Credit Suite supports businesses in their credit decision-making processes, offering the possibility of requesting reports and monitoring the affected parties, managing and analyzing portfolios and keeping risks and opportunities under control. Customer satisfaction with regard to this suite was already measured during the development phase, with over 100 hours of monitoring how actual customers dealt with this new product. The Agile approach significantly improved development time and quality, making it possible to record highly positive feedback after launch both from the customer base and the commercial network.

Marketing Solutions

Cerved Group supports its customers **in identifying new business opportunities**, offering services that make it possible to **most effectively profile current and potential customers** and analyze **significant target sectors**, also through the **implementation of ad hoc projects**, such as customer satisfaction and **prospect qualification** analyses. With regard to the Digital Marketing area, in 2016 Cerved Group integrated and expanded its product line through the acquisition of a majority interest in ClickAdv S.r.l. (PayClick), a

14. A score is a quantitative and automated analysis based on statistical models that use a broad range of historical information about the companies that are being assessed, such as financial statements, industry to which they belong and payment history. The result is a score on a scale of 1 to 10 that indicates the probability of failure to pay or actual insolvency by an economic entity.

15. The accuracy ratio synthesizes the predictive capacity of a credit rating assessment model.



company founded in 2008 active in the digital advertising sector that offers to its customers performance marketing oriented solutions supported by PayClick-branded proprietary technologies. Over the intermediate term, this acquisition will make it possible to exploit commercial synergies with customers in the Business-to-Business and the Business-to-Customer sectors, making such transactions incentivizing and rewarding for both parties.

In 2017, the Group developed **Cerved Connect**, and a new application that provides immediate access to Cerved's data within the **Salesforce** platform, a global leader in customer relations management. The depth and quality of the official data, bolstered by exclusive Cerved information obtained through a careful analysis of the Web and social media, provides Salesforce users with a unique tool to broaden customer data files and identify business opportunities through an even more accurate and faithful analysis of prospects.

Credit Management

Cerved's services support customers over the entire lifecycle of commercial and/or financial loans, from the reminder for the first default up to the recovery of nonperforming loans in a fashion that makes it possible to carry out **credit collection** with an **approach guided by data, information and assessments**. Managing receivables effectively translates into promptly identifying insolvent customers and quickly and professionally intervene to reduce cash recovery time: this credit management modality guarantees maximum returns in economic terms and requires less resources than those needed for existing activities.

One of the main activities that Cerved performs in this area is the **assessment of receivables** through sophisticated diagnostic tools customized based on the size of the debtors, the type of business or the territory, making it possible to measure performance and organize the appropriate credit management policies. In addition, Cerved offers services for **extrajudicial recovery**, an amicable procedure of a communicational, administrative and legal nature that delivers a quick and economic resolution, avoiding the need for judicial proceedings.

If this approach should prove to be insufficient, **judicial recovery** can be pursued by activating formal proceedings available under current Italian laws. In addition, the Cerved Group offers service packages that make it possible to **outsource collection management**, through the use of actual guided paths, selected and integrated to satisfy specific needs. With regard to services for financial institutions, Cerved offers specialized solutions for the **remarketing of personal property and real estate assets** that deliver lower management costs and faster resale speed.

An important innovation introduced in 2017 was the implementation of the new **Collection Score**, designed for recovery differentiated by type of debt and debtor, which optimizes recovery activities, highlighting the positions on which it is best to invest on a priority basis.



Product development

The **Marketing** function of the **Cerved Group** guides the innovation process for its **products and services, guaranteeing their quality** through a rigorous process that includes interactions and **formal exchanges** of different types.

The new product development process, further strengthened in the course of the year, is carried out in three main phases:

The three main phases of the product development process

1

REVIEW

This is the initial phase that requires a detailed description of the idea and the involvement of the commercial area for the purpose of defining the business case.

2

FEASIBILITY

This is the phase during which, by applying a **service design** approach, customers become involved already at the design stage, ensuring maximum responsiveness to their needs.

3

AGILE IMPLEMENTATION

This is the phase in which, applying **Agile logics**, full control is guaranteed on the final product and the development of successive versions.

Strengthened in 2017 by the competencies of a dedicated team, Service Design achieved a significant improvement in effectiveness, time to market, quality of the products developed and user experience.

The quality of the products and services offered is guaranteed by constantly monitoring several indicators, such as the number of customers who use the service, the use of the service and the revenues generated. A business review is conducted on a quarterly basis to measure the performance of products released in the preceding two years. The control for each product is specifically assigned to the reference product managers, who works alongside the salesforce, visiting customers to receive appropriate feedback.

*As part of the collaborative relationship with the research center at the Bruno Kessler Foundation in Trent, **we financed 1 scholarships** for an Italian researcher in the area of **machine learning***

*We started **25 innovative Data Scouting projects** regarding Big Data Management and Data Scientist*

INNOVATION AND DEVELOPMENT PATHS

Cerved bases its strategies on principles oriented on maximum transparency and sustainability. In order to strengthen leadership and competitive advantage, the Group leverages all of its strong points. Business activities are being planned to harmonize the components of innovation, differentiation elements and distinctive approaches.

Ongoing investments inject resources into multiple operational areas, starting with expansion of the Company owned database, scoring models and assessment methodologies. Attention is also paid to improving user experience, thanks to the application of the best service design logics.

The development and integration of new technologies performs a fundamental role for Cerved. The Group's objective is indeed **to find always new intelligent and functional solutions**, that foster the management and efficiency of all Group assets, while at the same time elevating internal and external security and service levels.

The three pillars that guide the Group's innovation and development paths are:



Data Driven Innovation



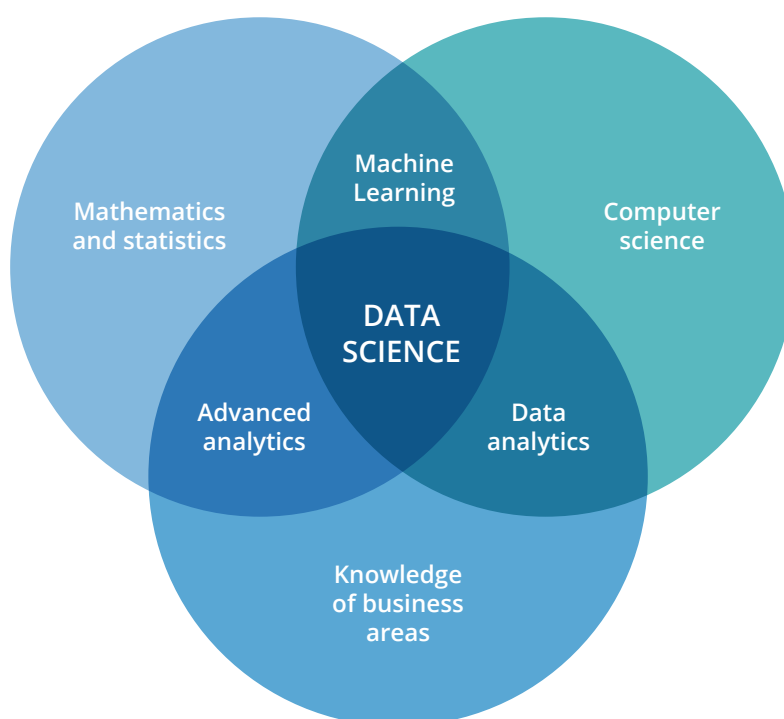
Open Innovation



Partnership

*We organized, attended and sponsored more than **15 events on the Data Driven Economy***

*We have **more than 40 Data Scientists** who work at the Group's various divisions*



Data Driven Innovation

Cerved, running ahead of its time, has always been a data-driven company. The Group's strategic assets include the design of algorithms and rules defined with customers, capable of **extracting greater value from information**, intercepting the right information at the right time. What is the objective? **To transform the data into strategic actions to support the business** and help the productive world grow and prosper over the near, intermediate and long term.

Working in parallel on incremental data and alternative data, multiple public or exclusive sources are used to make **algorithms more predictive and information more interesting** for customers.



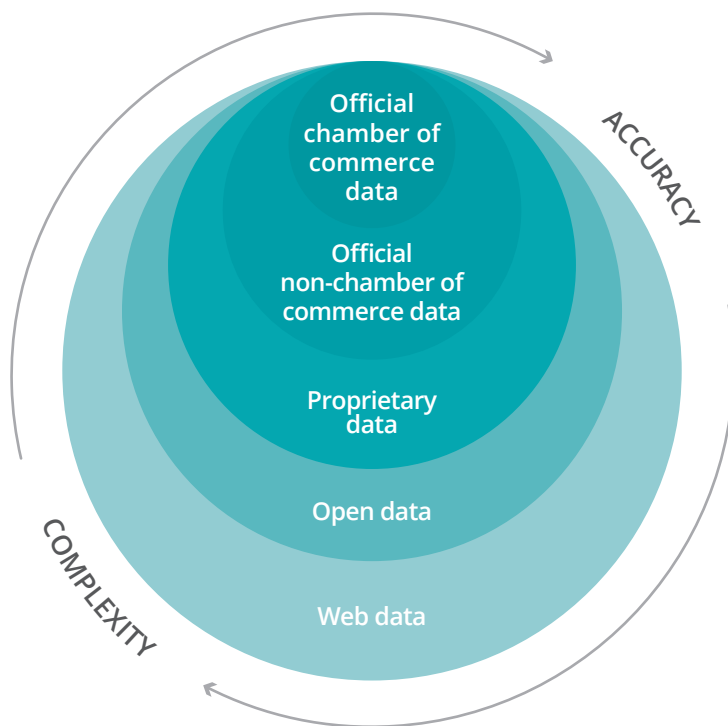
In order to increase and strengthen the exclusivity of its data assets, over the past five years Cerved carried out many significant investments. A series of projects designed to extend the coverage of official data, including non-Chamber of Commerce data, have been completed. To make even more precise the assessment of the actual reliability of a potential partner or customers, the Group further enriched its information database with the addition of a series of new data, such as payment history between economic parties. Timely and constant updates guarantee the quality of the information.

Cerved's Big Data

represent a unique asset in Italy, offering a detailed picture of the companies registered with the Chamber of Commerce, unregistered economic activities and representatives of businesses that constitute the key to Italy's economy

*We participate in **dozens of national and European projects** focused on the identification, integration and utilization of the most innovative data*

*In 2017, Cerved established more than **10 work tables** on the issues of **Data Driven Innovation***



Another important chapter in the Group's development includes all of the projects aimed at seizing opportunities in the Open Data field. In this area, a project was carried out that integrated the data of the National Anticorruption Agency (ANAC) on 3.5 million economic transactions between the Public Administration and its suppliers into the Cerved databases, also with the purpose of increasing the transparency of data regarding the Italian economy.

The Group works with national and international centers of excellence, contributing to the promotion of a data culture characterized by rigorous methodologies and quantitative criteria.

With regard to algorithms, the data processing processes were upgraded, also through the use of projects and funding provided by the European Union.



More specifically, from 2015 to 2017, the Group participated in **three multi-year projects within the scope of Horizon 2020**, the European Framework Program for Research and Innovation, designed to provide financial support for research and development projects characterized by a strong potential in terms of innovation. The available subsidies made it possible to undertake multiple data innovation paths, such as the one that made possible the development of new algorithms applicable to the territorial and real estate areas.

To that effect, specific scores were created that support innovation in all of Cerved's three main business lines, including:

- real estate scores, which make it possible to improve the scoring of the Credit Information division
- geolocalized socio-economic scores, which provide a better knowledge of the territory drawing also from the OpenStreetMap data

Important projects were also launched in the **Web Data** area regarding the use of information derived mainly from company websites. Semantics techniques were introduced that offer a better and more granular research key, strategic for all customers, particularly those who operate in the Marketing Solutions area.

In a complementary manner and integrated by **machine learning algorithms**, data of this type are used to perform an analysis of the risk faced by companies and offer analyses of specific clusters within the territory, the industrial space and the phases in the lives of businesses.

It was this methodological and structural innovation that made possible the creation of **Similarity Score**, a platform that can be used to deliver a service for the recommendation and comparability of customers included in a portfolio, with criteria that take into account the business sectors, the size, the location and other assessment factors.

Ad hoc projects were also carried out to exploit different **data storage** technologies.

Cerved has in production 18 of the top 30 database models most frequently used worldwide: this technological diversification enables the Group to capitalize on and exploit the most innovative products, with different paradigms that go beyond the traditional relational database, **including all of the new frameworks** (such as Hadoop) that make it possible to work with thousands of nodes and petabytes of data, processing quickly even non-structured data.



*We have **18** of the top 30
databases in production
worldwide*

These highly complex technologies provide an incredible industrywide competitive advantage; specifically, the **Neo4j technology** (also called "graph based"), in terms of economic sustainability, enabled Cerved to develop algorithms (titular effective algorithms, for example) with much lower costs and superior performance.

Also in this area, the Group developed **Graph4You**, an innovative platform that enables Cerved to formulate data analyses in a massive and extremely fast way, including not only a single company or person but a whole series of existing relationships between different parties and within an extremely intuitive representation.



The data analysis uses the Group's Application Programming Interface (API) to deliver easier integration with customer systems.

For the Cerved Credit Suite we activated: **7** scrum teams, **50** developers and **6** designers. In addition, **50** customers were involved, **150** features were developed and we performed over **100** hours of testing

Innovation also involved **programming**, with a change in approach from the conventional waterfall development model to the **Agile** methodology. Capitalizing on the DevOps models, i.e., a set of practices supported by **automated and lean management tools**, Cerved introduced the new automation processes compared with the software production and release chain, enabling customers to rely on more secure or higher quality applications, in a much faster fashion. Specifically, the Agile methodology, in addition to being more adaptive and faster in a complex world that changes at an increasingly rapid pace, allows a higher level of engagement and commitment by the more than 200 internal developers.

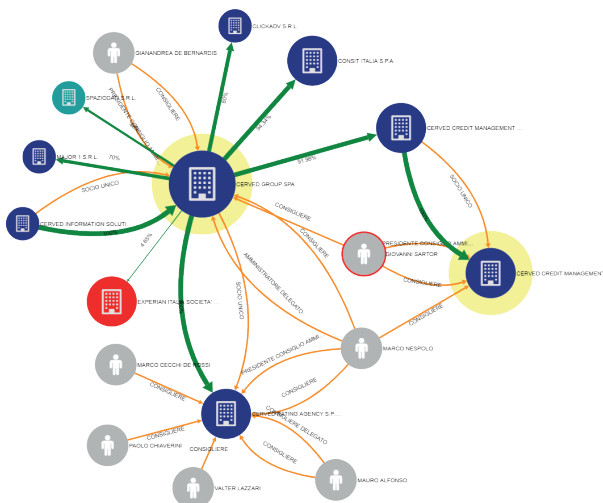
It is with this approach that development activities focused specifically on the ecosystem of the **APIs**. By simplifying the possibility of dialogue between two applications, avoiding redundancies and unnecessary code replications, the APIs provide an integration and information exchange component that delivers **faster access while at the same time ensuring scalability, control and flexibility** of the developed application platforms. Thanks to this system of application interfaces, Cerved allows a select group of Fintech* developers to access its data to create new programs and new services in a functional fashion.

Graph4You

Graph4You makes it possible to explore relationships between parties within the Cerved databases.

Its peculiar characteristics include

- **Innovation:** its structure (graph-based) makes it possible to easily identify and review in greater detail relationships between different parties. Each graph node identifies a party: company, person, entity, unregistered enterprise and so forth;
- **completeness:** the platform shows not only connections but also detailed information about each party: Ateco code, data about revenues and employees, and so forth;
- **integrability:** designed to be easily integrated into customer operating systems, it provides an optimum user experience.



* Fintech shall be understood to mean the ecosystem of businesses that are accelerating the digitization and automation of the banking and financial system, using innovative technologies that make the system more efficient.




Open Innovation

Open Innovation is a paradigm that enables Cerved to create greater value and be more competitive in the marketplace. Open innovation is based on the awareness that, today, it is difficult to use as a basis only internal ideas and resources. Specifically for this reason, a company has the duty to turn to tools and technological competencies that are found externally, particularly those generated by **startups, universities, research institutions and incubators**.

Cerved pursues Open Innovation through multiple modalities. The Group believes that **integrating digital talent into its staff** is of fundamental importance, considering some of the main innovations developed. In addition to sponsoring competitions for startups, with a commitment to invest directly or indirectly in those that develop the most promising innovations, the Group **activated several initiatives aimed at identifying innovative startups to be assessed as potential acquisition targets**.

Another distinctive element of the Group are **contributions to managed startup accelerators**, the purpose of which is to promote the sharing and circulation of innovative ideas, consistent with the open source philosophy, through networking events and conferences.

As for the Data Driven Economy, in 2017 Cerved participated in, sponsored and organized throughout Italy more than 15 events of national relevance.



AI WORKLAB: in the field of **Artificial Intelligence** we activated **Call4ideas**, an incubator program focused on one of the most interesting segments for the future of the digital economy



Again consistent with an Open Innovation approach, Cerved **opened its API platform to the main Fintechs in Italy**. Many collaborative arrangements transcend the Company's internal activities and have a more virtuous impact on interconnection in the Business-to-Business (B2B) world.

A major investment was made in SpazioDati (and innovative startup located in Trent), which resulted in the development of Atoka, a user-friendly marketing and sales intelligence tool for the B2B area in Italy. Thanks to sophisticated semantic search algorithms (Web and social network), Atoka processes valuable information drawing even from the most destructured data. This is how Cerved contributes to putting Big Data at the service of business providing Public Administrations, companies and professionals with relevant information about potential targets, in every area of business and every part of Italy.

Another fundamental asset for incremental development is security. Among the projects in play, it's worth mentioning new processing modalities for encrypted data, through the implementation of more innovative methodologies associated with Secure Multiparty Computation.

The strategic horizon of Cerved's Open Innovation encompasses the development perspectives tied to the Blockchain area.

Partnership

As part of a careful selection of interlocutors, Cerved integrates within the Company specialized competencies and knowhow already developed by University research centers and startups. The objective is to **develop more attractive solutions including through partnering policies**.

Through ongoing interaction with companies specialized in value-added verticality **and with an important community of data scientists, programmers and consultants**, the Group continues to improve its position in the marketplace.

This enables Cerved to strengthen existing services and products, as well as to broaden its range of action, successfully riding strategies that unquestionably belong to the era **of disruptive innovation**.

THE STRENGTH OF OUR PEOPLE

Cerved has always focused its management strategies on the central role performed by its people. Development paths are pursued on two levels:

- The promotion of programs aimed at increasing capabilities and stimulating talents
- The design of a meritocratic and discrimination free work environment that ensures equal opportunities also thanks to the aid provided by some of the most innovative support tools

The Group strongly believes in sharing objectives among all the people involved. This is the requirement that enables people not only to feel more engaged in projects but



also to be cognizant of the importance and responsibility entailed by their role.

Cerved Business is based on high value adding services, fruit of the ideas and professional skills of the people who, consequently, are the Group's main asset. For this reason, it is essential to value training and development of competencies as the key to respond to business competitiveness and corporate growth.

*We provided almost **27,000** hours of training*

*We funded a **Level I University Master** as part of the Data Science for Business Intelligence program*

Training and development

Cerved sponsors training and the development of competencies mainly through the implementation of training programs aimed at strengthening professional skills and competences as well as leveraging on them to support its people to better manage the new competitive levers.

Consistent with its corporate objectives, Cerved is committed to offering training activities defined based on an analysis of training needs determined through interaction with management at multiple levels.

*The Group is committed to providing its employees with training about **anticorruption** issues. These topics are presented to employees as part of the **Compliance** training program, which is provided periodically by internal trainers from the Internal Auditing or Compliance functions*

Training is provided mainly through:

- **Continuous on-the-job training:** usually concentrated during an employee's induction period or in connection with the promotion to a higher position, it is a side-by-side activity that involves colleagues with greater seniority
- **Classroom training:** activities according to the person's needs and delivered using the most suitable methodology to achieve the training objective
- **Workshops:** activities that involve attending seminars and work groups for more in-depth sessions
- **e-Learning:** activity mainly used to deliver and manage mandatory training

We were among the first in Italy to implement Facebook Workplace, the social collaboration platform that makes it possible to coordinate the work of all Group employees and enabling them to share information and files, create groups for specific work projects, plan meetings and events and use messaging and chat services to communicate with each other effectively and quickly.

We called it **Cerved Workplace** and currently has **more than 2,700** connected users.

On a typical day, the following occurs:

- › **340** posts
- › **362** comments
- › **850** reactions
- › **more than 2,000** chat messages



*We adopted the **AGILE methodology** for an innovative management of work*

Customer satisfaction and the effectiveness of courses is monitored thanks to the feedback received subsequent to classroom sessions.

In recent years, training activity has been intensified within the Group and several programs have been implemented to provide customers with higher service standards, with additional investments aimed at helping people address the ongoing transformations occurring in this sector.

In 2017, Cerved's development focus centered on two topics:

- **Updates on technical issues**

With the aim of providing support to increase the effectiveness of each person's activity and stimulate the development of innovative solutions, various training courses were planned designed to maximize the distinctive competencies specific for the role of each person. Training activity mainly involved basic competencies germane to the various roles (from financial analysis to Big Data Intelligence Solutions), completed with professional certification projects: the best example is the real estate appraisal team, trained and certified in accordance with the ISO 17024 Standard. The partnership with CETIF, the Research Center for Technologies, Innovation and Financial Services of the Cattolica University, for the participation in workshops on banks and insurance companies was also confirmed, with the aim of fostering the exchange of experiences with other companies on specific topics and on the adoption of innovative practices.

- **AGILE methodology**

In recent years, Cerved has been engaged in a project to adopt and develop the AGILE methodology supported by continuous employee training. During the past two years, the Group invested in achieving a steadily growing adoption of the Agile methodology in the IT area and to expand training and the resulting adoption of this methodology at other areas of the organization. With this in mind, in 2017, Cerved launched a project for the certification of the role of Scrum Master and introduced a new model of Agile Project Portfolio Management (based on the Scaled Agile Framework) to manage the program of Cerved's IT strategic development projects.

These initiatives are complemented by a plan of **mandatory training regarding Legislative Decree No. 81/08** concerning occupational health and safety and the training of emergency teams.

Data Science for Business Intelligence



An important new development in 2017 was the Group's support for the **Level I University Master of Data Science for Business Intelligence**, that offers to young Cerved employees the opportunity to concurrently pursue this Master program and a high apprenticeship work track at the Company. This Master program, organized by the Turin University in collaboration with the Despina Big Data Lab, involves several companies and is designed to provide strong knowledge about advanced analytics and problem-solving competencies through data analysis.



HOURS OF TRAINING PROVIDED AT THE CERVED GROUP AT DECEMBER 31

	Hours men	Average hours/men	Hours women	Average hours/women	Total hours	Average hours/category
2017						
Executives	357	6.15	139	12.59	495	7.17
Managers	1,426	7.35	815	7.28	2,241	7.32
Other employees	7,630	15.35	16,505	14.74	24,135	14.93
Total	9,413	12.57	17,458	14.05	26,871	13.49
2016						
Executives	682	10.66	172	15.64	854	13.34
Managers	1,952	7.07	1,352	14.23	3,304	11.97
Other employees	5,047	3.92	9,447	10.91	14,494	11.24
Total	7,681	4.72	10,971	11.29	18,652	11.45

TRAINING PROVIDED ON ANTICORRUPTION POLICIES AND PROCEDURES AT DECEMBER 31¹⁶

Type of training	2017			2016		
	No. of participants	% of participants	Total hours	No. of participants	No. of participants	Total hours
Training for anticorruption issues	263	13%	87.6	245	13%	81.6
<i>Data for members of governance bodies</i>	-	-	-	-	-	-

In addition, the Group focused its attention on the development of competencies and the management of the development plans, then analyzing the gap between the current position of the resource and the expectations validated at the beginning of the process.

Cerved aims at disseminating a culture of development based on the entrepreneurial spirit of people that contributes to stimulating and encouraging them to self-train, proactively seeking learning opportunities and exploiting the potential of **digital 4.0**.

During the orientation phase of new resources, and welcome meeting is scheduled by the Human Resource function to provide new colleagues with general information about the Group's structure, the regulations applicable to the employment relationship and the use of the platforms where company procedures and instructions may be found. This initial contact is followed by induction meetings with relevant managers and colleagues, followed by on-the-job training provided by a manager.

16. The data were estimated assuming that in "compliance awareness" training on average about 20 minutes of the course are devoted to providing training regarding anticorruption.



Employment and talent recruitment

Cerved's strategic asset is represented by its people who, with their professional competencies and personal commitment, generate value added for the Group and are the main engine driving its success and its growth. Consequently, for Cerved the recruitment and selection process plays a key role in order to hire the best candidates to achieve the Group's business priorities.

The HR Department works in partnership with the Line Managers to perform a careful hiring need analysis aimed at identifying and mapping the technical and behavioural set of competences required in each specific vacancy/position. This is then followed by the actual recruiting process made of active search, screening, selection and hiring of the best candidates available on the market.

In 2017, the talent retention and enhancement activities were further strengthened through two main projects: the individual development plan and the internal job postings.

In order to promote an entrepreneurial spirit and greater sense of responsibility of their own professional path at Cerved, all people eligible to receive a Performance Bonus, have been involved in a project aimed at working on their Individual **Development Plan** project. It consists of a roadmap with the precise objective of concretely guiding the professional growth of the people of the Cerved Group who autonomously, with the support of their managers, select their short and intermediate term growth objectives and the respective action plan, with all of the steps necessary for their professional development.

The plan is comprised of three parts:

- **areas of development:** people identify their strengths as well as the areas they would like to improve
- **action plan:** for each area of development each person defines at least one concrete action that must be implemented
- **career goals:** people identify their aspirations in terms of professional growth

The objective of Cerved Group is to extend the development plan to all employees, delinking it from the variable compensation to disseminate a culture of employee empowerment, creating a virtuous cycle of a drive for innovations and creativity.

Another important initiative launched in 2017 was the **BraIN internal job posting**, created with the goal of maximizing the competencies and professional skills of Cerved's people, giving them an opportunity to design their own vertical and horizontal career path within the Group. The purpose of BraIN is to retain the "brains" within the Group, offering employees the possibility of viewing all open positions at Cerved and giving them the chance to apply, informing with full transparency their managers, who will support the professional aspirations of their resources.



To facilitate this process, a specific BraiN group was created on Workplace and all the vacancies are posted there as well as the hiring guidelines.

That basic principle of this project, in line with those of Cerved Group, are:

- clarity
- transparency and freedom
- respect and trust
- reciprocity and fairness

Another opportunity to value the contribution provided by our people is provided by the **CEO Breakfast** initiative, which consists of a cycle of meetings attended by people with different seniority levels and coming from different areas of the Company. The objective is to share with the Chief Executive Officer ideas, projects and questions in an informal and interactive way.



The value of the relationship
with our stakeholders and
social and environmental
responsibility



Customer relations

Customer satisfaction
Complaint resolution

Relationships with the people of the Group

Diversity and equal opportunities
Wellbeing, work-life balance and Company atmosphere
Health and safety
Employee engagement
Industrial relations

Relationships with institutions

Studies and analyses

Relations with analysts and investors

Relationships with suppliers and commercial partners

Responsible management of suppliers and relationships
with strategic partners

Environmental responsibility

Environmental policies and systems





CUSTOMERS RELATIONS

Cerved's priority objective is to satisfy the needs of its customers, whether in the public or private sector, and create a strong relationship based on the values of fairness, efficiency and professionalism. The notion that underpins this relationship is the awareness by the addressees of the Group's Code of Ethics of a fair treatment in their transactions with customers and any other person with whom the Group interacts in the performance of its activities. The contracts stipulated with customers and any other communication addressed to them are therefore designed in accordance with the criteria of simplicity, clarity and completeness: values that represent the Group's work ethic, upon which the relationships with all stakeholders are based.

*In 2017, **667** articles on paper medium were published and **2,356** news were posted online*

*We held **23** events, including **13** webinars on Cerved solutions and attended **56** partner events*

Communication activities addressed to the market are carried out through multiple initiatives, such as, for example, digital marketing activities (email, social media and online presence). In addition, the Cerved Group enjoys a strong relationship with **national and local media**. Communications addressed to this audience is of the institutional type and is aimed at announcing financial results and acquisitions, give visibility to observatories and studies, announce product and process innovations and provide a voice for key Group players.

The relationship with the media is supported by a specialized PR agency. For Cerved, it is essential to communicate new functionalities that enhance the performance of the solutions offered to customers and makes them more complete. To that effect, in 2017, about **20** direct marketing **campaigns** were implemented in support of various business areas to generate new sales opportunities. In December, the Group launched the "**marketing automation**" project, a platform integrated with the Group's CRM through which it will be possible to follow the each customer's user journey with interactive messages, customized based on the customer's interest. Also in 2017, work began on the launch of the new **cerved.com** website aimed at updating the market presentation of the Group's entire offering (scheduled to go live in February 2018).

Communication activities towards the **sales network** is mainly carried out through email workshops, webinars and Workplace posts. Implementing and managing an efficient communication modality is one of the factors that underpin Cerved's activities. The main goal is to shorten the distances of all those who work alongside the Company in the creation of value, increasing their knowledge of the potential and distinctive characteristics of the solutions offered by Cerved.

In addition, in order to support its sales activities and increase loyalty and brand identity among all stakeholders, Cerved developed ever more innovative and modern communication and sales support material (demos, videos, product brochures, sales presentations, etc.)

Cerved also illustrated to the market its drive for innovation and its ability to deliver new services and solutions (Cerved Credit Suite and Graph4You are examples), organizing 23 events, including 13 webinars, and attending 56 events organized by third parties. Notable among the



main events of 2017 was **Osservitalia**, where each year Cerved provides an overview of the economic and financial health and outlook for Italy's small and midsize enterprises, and the **Open Day**, which was held on April 8 to inaugurate the new Milan office and share this new workplace with the families and the people closest to the Group's employees.

Customer satisfaction

The **satisfaction and safety** of its customers are among the values that underpin Cerved's activities. The focus on customers translates into a commitment to listen to them with the utmost attention and optimize the Group's performance to meet customer needs with an important customization approach.

In 2017, in order to implement management and results in terms of customer satisfaction, special attention was devoted to a group of sessions called **Performance Feedback**, during which procedures were established to monitor reports received in writing (accompanied by verbal communications in some cases) mapping the types of issues and monitoring the resolution of each reported issue. In 2018, Cerved plans to conduct a survey to assess customer satisfaction.

Complaint resolution

Cerved pays the utmost attention to the prevention and resolution of any problems that could affect its four main stakeholders, i.e., **end customers** (the filers of the complaints), **consumer associations, protection and oversight authorities** and **intermediate customers**, namely the buyers of Credit Management services and Business Information products.

To meet the different types of needs and guarantee optimum service, the Group has established ad hoc organizational units that handle the resolution of complaints while fully respecting the following principles:



traceability: the complaint must always be traced



timeliness: the complaint file must be closed within 20 days from the date it is received



transparency: the complaint filing modalities must always be explained to users, who must be aware of their rights and know how to proceed when challenging a credit rating or for a verbal complaint, while the utmost transparency must be guaranteed in reporting the complaint resolution activity



clarity: in the answers provided to users the reasons for the choices made must always be explained in a clear manner



fairness: the conduct followed in managing complaints and credit challenges as well as verbal complaints, must reflect maximum fairness towards customers



knowledge: knowledge of the rules governing complaint resolution, credit rating challenges and verbal complaints by the employees responsible for this activity must be guaranteed, making sure that they receive adequate training for the tasks assigned to them



no cost: cost free reporting must be guaranteed

Maintaining a fair and transparent relationships with customers is a priority for the Group, which, through the management of complaints, identifies areas that may need improvement and implements appropriate corrective actions. This issue affects all of the processes of the organization, as improvement objectives may refer to any unit of the Group.

For the Credit Management and Business Information areas, the process of receiving and resolving written complaints calls for an initial **classification** phase, followed by a more in-depth **detailed analysis** that results into a **final response** and, if necessary, **corrective or improvement actions**. This task is assigned to expert personnel that possesses the requisite knowledge of Cerved Group's product line, the informational content of the documents and how the services operate, the target customers and the regulatory requirements in effect regarding the treatment of data for commercial purposes. The resources involved are also constantly trained for the launch of any new products and services and/or evolutions in those already in existence. Thanks to the alignment with the omnichannel evolution of the counterparties, there are no limitation on the choice of channels through which complaints may be transmitted: for example, regular mail, electronic mail, telefax or even instant messaging (such as Facebook or the Whatsapp chat service) may be used.

For an optimum management of written complaints, the Group has codified a complaint as "any action by which a clearly identifiable customer — i.e., the sender of a complaint, a supervisory authority or an attorney or consumer association representing the complainant — challenges in writing (for example, with a letter, fax or email)"¹⁷ a conduct or an omission. A complaint is defined as such based on the following essential elements:

- it originates from a party who clearly identified itself as a "customer"
- it is in writing
- it is a complaint about an unfair or negligent behavior the purpose of which is to call attention to a conduct thought to be harmful, obtain compensation for the damage incurred or obtain a change in the challenged behavior

Thanks to the use of digitized records, the **trend in formalized and received complaints is constantly monitored** by the Credit Management and Business Information areas. The sharing of this information with management and the control functions takes place on a monthly basis through a report on the trends in written complaints, prepared on a quantitative and qualitative basis.

¹⁷ Definition taken from a Banca d'Italia Resolution dated July 29, 2009, as amended (text updated on July 15, 2015) "Transparency of banking and financial transactions and services and fairness of relationships between intermediaries and customers."



In addition, monitoring activities have been defined regarding the **improvement actions implemented following the reception of written complaints**. This approach not only facilitates a constant improvement of the Group but also, following the feedback information provided by consumers, makes it possible to anticipate and satisfy their needs in a more proactive and innovative manner. In this area, Cerved's objective is a further structuring of the set of resources devoted to this activity, so as to allow **a qualitative and quantitative improvement of resolved complaints**, as well as a more detailed formalization of operating processes and an improvement of the reports generated.

The complaint resolution activity is carried out through a **Quality Based** model with the specific aim of improving the risk reduction process. The complaint resolution activity is carried out through three different approaches:

1. **preventive approach**, which engages with an end-to-end modality the employees responsible for resolving customer complaints in all operating processes
2. **operational approach**, which creates a consultant type and horizontal relationship with the other organizational units, to define control safeguards and provide legal support to address business needs aimed at achieving commercial and performance objectives
3. **proactive approach**, which identifies the areas that need improvement in all Company processes with a Quality Based model, formalizing the remedial action plans and monitoring and supporting their implementation

Cerved does not limit itself to satisfying the needs of its customers, with the modalities outlined above, but is also attentive to the needs of parties affected indirectly by the Group's activities.

This type of complaint has a double classification:

- **Complaints by customers**

The complainant challenges the content of a product or service based on specific contracts terms

- **Complaint by non-customers**

The complainant challenges the informational content of a Cerved document or service of which he or she became indirectly aware, without any purchase duly regulated by a contract with the Group

These two types of complaints presuppose a different management modality of the complaint's investigative phase, while they do not differ with regard to the analytical phase. Regardless of who the complainant is, for each complaint there is a verification of the **legitimacy, fairness and pertinence** of the challenged information, consistent with the requirements of the "**Code of ethical behavior and good conduct for the processing of personal data performed for commercial information purposes**" (Annex 7 to the current Privacy Code). In instances in which even a single one of these principles is not satisfied, the relevant office takes action to immediately correct/update the information, adopting all appropriate measures to reduce potential Company risks.



RELATIONSHIPS WITH THE PEOPLE OF THE GROUP

Diversity and equal opportunities

The Cerved Group is particularly sensitive to the issues of **diversity** and is constantly committed to translating into reality the fundamental principles of **inclusion** and **enhancement** for all of the people of which its organization is comprised. The Group's Code of Ethics clearly states that forms of **discrimination** based on race, color, sex, age, religion, physical condition, marital status, sexual orientation, citizenship, ethnicity or any other discrimination prohibited by law is **not admissible** within the Group. It also states that no type of retaliation is tolerated against anyone who complains of episodes of discrimination or harassment or reported information in that regard.

The selection, assessment and enhancement of employees and associates is carried out by the Human Resource function in accordance with internal procedures and based on Company needs. More specifically during the selection and assessment of new resources, the same opportunities are offered to all potential candidates and the corresponding compensation is determined exclusively using criteria of professional competency for a given role.

For an evaluation of the respect for diversity and equal opportunities please see the analysis of inclusion by gender and protect categories.

2017 DATA

62% of Cerved's employees are women,

16% of executives are women

3.5% of the employees belong to protected categories





NUMBER OF GROUP EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER AT DECEMBER 31

	2017					2016				
	Men	% men	Women	% women	Total	Men	% men	Women	% Women	Total
Executives	58	84%	11	16%	69	53	83%	11	17%	64
Managers	194	63%	112	37%	306	182	65%	96	35%	278
Other employees	497	31%	1,120	69%	1,617	487	30%	1,113	70%	1,600
Total	749	38%	1,243	62%	1,992	722	37%	1,220	63%	1,942

NUMBER OF CERVED GROUP EMPLOYEES BELONGING TO PROTECTED CATEGORIES AT DECEMBER 31¹⁸

	2017			2016		
	Men	Women	Total	Men	Women	Total
Executives	-	-	-	-	-	-
Managers	1	-	1	1	1	2
Other employees	24	44	68	35	23	58
Total	25	44	69	36	24	60

Wellbeing, work-life balance and Company atmosphere

Quality-of-life and the **wellbeing** of the people within the Cerved universe are elements of fundamental attention with regard to which the Group has a constant commitment that translates into concrete actions designed to meet the needs of employees. In order to provide positive **employee experiences** that contribute to creating a **sense of belonging**, the Group entered into different types of agreements and planned flexibility conditions that pay special attention to mothers and people with disabilities.

Specifically with regard to the **agreements**, Cerved chose to maintain in effect the agreements with **ATM Milan** and **Trenord**, which allowed the purchase of urban and suburban rail passes on favorable terms that can be paid in 12 installments. In addition, the Group entered into agreements for:

- **checking account contracts with credit institutions on advantageous terms;**
- **insurance products on discounted terms** for employees and their families including:
 - › car insurance
 - › supplemental health insurance for office staff, managers and executives that reimburses expenses not covered by the respective funds
 - › home insurance

18. Romania is not included in these data because legislation regarding protected categories has not been enacted in that country.



- › savings and investments
- › supplemental pension benefits
- › life insurance
- › accident insurance

Cerved offers to its employees a Supplemental Group Collective Bargaining Agreement that provides the following benefits:

- extension of postpartum part-time employment, provided under the national collective bargaining agreement until the third year of the child, for an additional 12 months
- flexible work hours
- ability to request advances on the severance benefits with better term than those provided under the Italian Civil Code
- off-site working agreements for specifically recognized serious personal cases;
- paid leaves provided by the Company for specialist medical visits, discomfort/illness and one-day leaves for fathers upon the birth of a child

Additional **benefits** provided at the Milan headquarters include full access to Company cars during work hours for work-related travel, reserved parking places in the Company garage for pregnant employees and a Company restaurant (at some of the other offices restaurant vouchers are provided).

Cerved launched a pilot project to provide a better **work-life balance** and allow greater work flexibility: Smart Cerved, which was started on November 1, 2017 and continued until February 28, 2018, involved about 200 resources. Based on mutual trust and with a focus on wellbeing, Smart Cerved introduced **smart working** at the Group. It is a new **more agile and ecosustainable work modality**, that makes it possible to work remotely without being required to be present at the office. After obtaining the authorization of their managers, for one day of the week and during standard hours, employee performs their activities working at home, at an Internet coworking space or at a Company hub. In addition to fostering **greater employee empowerment**, this program supports a result-oriented culture, based on mutual trust and a **quality employee experience**. The Group is considering the possibility of extending this project to several Company areas in 2018.



The **Compensation & Benefit** policies adopted by Cerved are designed to attract and **retain talent** or resources that are deemed to be strategic because they possess strong professional skills and curriculum and character characteristics adequate for the complexities of the environment within which the Group operates.

*Cerved is ranked among the 400 companies where Italian employees **work at their best***

For office staff and managers, the compensation package is comprised of a fixed portion and a variable portion. The former, which is based on a meritocratic approach, is evaluated annually and, if appropriate, adjusted consistent with the principles of competitiveness with the external environment, internal fairness and individual performance. The latter consists of a productivity bonus agreed upon with union representatives and benchmarked against a management by objectives incentive system. It is a system that enables employees to give their contribution through the assignment of clear and shared targets and requiring continuous feedback of the work performed and the results achieved.

The Group's executives, in addition to a fixed compensation, also participate annually in an MBO plan that calls for the payment of an incentive when preset targets are reached. For executive Directors and executives with strategic responsibilities, the definition of the compensation policy is the result of a shared and transparent process within which a central role is played by the Compensation and Nominating Committee and the Company's Board of Directors. The performance of the sales organizations is rewarded with special incentive systems based on quantitative and qualitative key performance indicators.

In 2017, the Company established the **Performance Bonus**, conditional on the attainment of a predetermined Group EBITDA target, which is designed to achieve the following objectives:

- **value creation**, by aligning the performance of the Group's resources with medium/long-term business objectives, consistent with the risk profile defined for the Group
- **development**, by promoting the managerial and professional development of the people involved through frequent feedback opportunities with management
- **personal recognition**, by rewarding individual performance and recognizing in a differentiated manner the professional contribution of individuals

The 2017 Performance Bonus process was structured in three phases, concurrent with those of the individual development plan:

1. Assignment of the targets

when the manager discusses and officially establishes the target proposed by the employee

2. Mid-year review

when the manager monitor the progress made compared with the individual qualitative and quantitative targets

3. Final performance assessment

when the manager provides the employee with an overall feedback about the annual performance



Each resource involved in this process can have a minimum of two and up to a maximum of four individual targets and all executives (and, on a discretionary basis, managers with staff responsibility) are assigned a Collaborative Leadership KPI with a weight equal to 10%.

Health and safety

For Cerved, protecting and safeguarding **occupational health and safety** is an issue integrated into the Group's policy, vision and values and is addressed by the Group with managerial and organizational measures consistent with the requirements of Legislative Decree No. 81/2008 (Uniform Occupational Health and Safety Law), as amended.

In this regard, a **Risk Assessment Document** is prepared for each Group company and is updated periodically in accordance with regulatory requirements and changes in the Group's structure. **Reports on the outcome of the activities of the Supervisory Bodies** that verify content and evaluate all management activities are submitted periodically.

In order to implement an effective **prevention** activity, meetings are held at least once a year with the members of first aid and fire prevention teams to review the main critical issues and implement appropriate corrective actions. Lists of the members of the emergency teams and the emergency and evacuation plans, designed to achieve proper handling of safety issues at the various locations are posted on the Company's Intranet. Taking into account the type of activity performed by most Cerved employees, specific Company procedures have been established for work with videoterminals and for pregnant employees.

HEALTH AND SAFETY INDICATORS OF THE CERVED GROUP IN 2017¹⁹

	Men	Women	Total
2017			
No. of workplace accidents	-	2	2
<i>No. for Cerved Credit Management</i>	-	1	1
<i>No. for Cerved Legal Services</i>	-	1	1
No. of lost workdays due to workplace accidents	-	55	55
Italy	-	55	55
Abroad	-	-	-

19. The injury incidence rate was computed in accordance with the following formula: (at work accidents/hours worked)*1,000,000. The lost workday incidence rate was computed in accordance with the following formula: (lost work days per accident/workable hours)*1,000. The occupational illness rate was computed in accordance with the following formula: (recognized occupational illness/hours worked)*1,000,000. The absenteeism rate was computed in accordance with the following formula: (absence days/workable days)%.



	Men	Women	Total
2016			
No. of workplace accidents	-	1	1
<i>No. for Cerved Group</i>	-	1	1
No. of workdays lost due to workplace accidents	-	6	6
Italy	-	6	6
Abroad	-	-	-

2017			
No. of accidents in transit	-	9	9
<i>No. for Cerved Group</i>	-	3	3
<i>No. for Cerved Credit Management</i>	-	4	4
<i>No. for Cerved Credit Collection</i>	-	2	2

2016			
N. infortuni in itinere	1	6	7
<i>No. for Cerved Group</i>	1	3	4
<i>No. for Cerved Credit Management</i>	-	1	1
<i>No. for Cerved Credit Collection</i>	-	1	1
<i>No. for Cerved Credit Management Group</i>	-	1	1

	Men	Women	Total
2017			
Lost workday incidence rate	-	0.07	0.04
Italy	-	0.08	0.05
Abroad	-	-	-
Injury incidence rate	-	1.11	0.66
Italy	-	1.39	0.77
Abroad	-	-	-
Occupational illness incidence rate	-	-	-
Italy	-	-	-
Abroad	-	-	-

2016			
Lost workday incidence rate	-	0.02	0.01
Italy	-	0.03	0.02
Abroad	-	-	-
Injury incidence rate	-	0.55	0.33
Italy	-	0.68	0.39
Abroad	-	-	-
Occupational illness incidence rate	-	-	-
Italy	-	-	-
Abroad	-	-	-



	Men	Women	Total
2017			
Total No. of absence days²⁰	5,194	18,307	23,501
Italy	4,166	13,798	17,964
Abroad	1,028	4,509	5,537
Absenteeism rate	5%	10%	8%
Italy	5%	11%	8%
Abroad	11%	8%	9%
2016			
Total No. of absence days	21	21	11,196
Italy	21	21	6,910
Abroad	21	21	4,286

Employee engagement

The Group pays significant attention to the recruitment, hiring and retention of employees. In this area, several initiatives were carried out in 2017, organized by the various departments and aimed at maintaining high employee motivation, recognizing their importance and their contribution to the Company's success. This was the case for Area conventions, where these issues held sway, with the celebration of the results achieved and the strengthening of the team spirit with colleagues who work in the field to share best practices.



*The launch of Workplace involved **200 champions** in their capacity as promoters and explainers*

During the year, this commitment was further strengthened through a more structured development and an even greater focus of the Human Resource Department on employee development and engagement. A concrete example of this change in direction is the adoption of a collaborative model inspired by the social enterprise, which resulted in the introduction of Facebook Workplace, a platform for sharing, collaborating and communicating unified for all Group persons.

Workplace's objectives are:

- innovate internal company communications, with the aim of engaging employees more effectively and empathetically
- strengthening work relationships, promoting a new Company culture among the various groups
- strengthening the sharing of knowledge, fostering exchanges and project planning ability

For the launch of Workplace, about 200 Group employees were selected, who serving in the role as champions, promoted its use, providing a concrete support to colleagues in understanding its functionalities and potential.

20. The data refer to all absences that occur during the year, with absences being understood to mean the days when an employee does not report for work, not limited to the consequences of an accident or illness.

21. For 2016, only the total employee data are available (breakdown by gender unavailable).



This platform is indeed a **dynamic, informal and immediate communication tool**, that makes it possible to share news, messages, files, photos, videos and live videos, projects and updates, developing a greater sense of integration of Cerved's people, irrespective of the organizational unit or geographic area to which they belong. An emblematic case, that conveys the success of this initiative was the sharing, during the holiday season, of an exciting video, developed with the involvement of all Cerved employees at offices in Italy and abroad, that in just a few hours registered 2,000 views, 70 comments and almost 400 interactions.

Another important sharing moment in 2017 was the **Open Day** held for the inauguration and opening of the new San Donato Milanese headquarters. On that occasion, employees were able to accompany their families in the Company's spaces, not only sharing lunch and a coffee break but also a series of creative and recreational opportunities: laboratories for 3D printing or to develop a video game, but also many games for children and adolescents.

A more structured use of social media is being planned for 2018, with the aim of sharing and communicating externally the corporate atmosphere that characterizes Cerved's DNA and the activities carried out by the Group's people.



Over 2,000 Facebook users chose to become our friends and remain in touch with us... and the community keeps growing!

Industrial relations

For Cerved, **industrial relations** are of the utmost importance, both in terms of complying with the **requirements of the applicable laws** or the **National Collective Bargaining Agreement** and consistent with **Company tradition**, according to which union representatives are important counterparties for a review of issues concerning Company activities and to tackle and overcome responsibly challenging situations.

In this regard, the Group maintains an ongoing and productive relationship with employee representatives and labor unions, based on mutual recognition and a loyal interaction. Accordingly, employee representatives and labor unions operate freely pursuant to law and in accordance with local practices.

The purpose of the Industrial Relations function is to contribute to the management of the Company and its employees, while adding value to the relevant processes through **social dialog**. The commitments to social dialog and the objectives pursued in 2017 mainly concerned the management of the regulatory and contractual aspects of the employment relationship through the correct interpretation of the relevant laws and the



management of certain economic issues. More specifically, the issues addressed referred to agreements for closings affecting multiple employees, the sharing of criteria for the determination of the result bonus and the availability of the wellbeing option. Agreements on the use of video cameras to support the Group's security and the use of geolocating systems on some Company assets, as well as the beginning of a dialog on the rules for smart working or the handling of extraordinary transactions and plans to streamline Company operations were also included.

The companies of the Group avail themselves exclusively of staff hired in accordance with the **types of contracts allowed under the law and the applicable national collective bargaining agreements**. With regard to employees at **foreign locations**, industrial relations are managed by the Human Resource Department, the Industrial Relations functions specifically, by representatives of the business line and employee representatives, because at this point no support is being provided by an external union. The management of resources of companies based in Romania is carried out in accordance with the national collective bargaining agreements and is characterized by shared management, along common lines, by management, the local HR and the Group's Human Resource Department.

The management of relationship with the unions outside Italy was carried out at scheduled meetings. In 2017, the main issue in the social dialog concerned adjustment to the minimum wage level.

At this point, a formalized evaluation system has not been established and complaint mechanisms generally consist of oral statements by the union counterparty. In any event there was a low rate complaints and unrest by the union counterparty, proof of a positive internal atmosphere.

In 2017, the Cerved Group managed these issues with greater focus and specialization, establishing, for example, a specialist to manage the **new "Labor Law & Industrial Relations" area**. In addition, meetings with union representatives were organized periodically for informational, consultation and negotiating purposes.



RELATIONSHIPS WITH INSTITUTIONS

The know how developed through an analysis of the entire Italian economy, supported by a database unique at the national level, bolster Cerved's role as a preferential interlocutor for several national and international institutions. This is why a responsible management of relationships with institutions and the Public Administration is a strategic priority for the Group, which is carried out with a collaborative and mutually supporting approach, for the development of activities with a positive economic and social impact.

In 2016, the process of engaging with institutions was carried out primarily by organizing or attending events that were relevant for Cerved, such as Osservitalia, sending to mailing lists studies and observatories or further to participation in events or press releases, when Cerved is engaged by the institutions.

Starting in 2017, the process of engaging with institutional counterparties was defined in a more structured manner, thanks in part to the support of a consulting company. From the standpoint of social relevance, it is worth mentioning that the Group provides pro bono data, information and assessments to institutions and policy makers, so as to support them in making decisions regarding economic and political issues and in the legislative realm, which are areas in which the Company plays a major role. Several national and international entities used Cerved's data and analyses to interpret developments concerning credit access by SMEs and the evolution of **Non performing Loans**. Cerved contributes to this effort supplying reports, data and position papers, seeking to generate advantages for the economic system.

With its wealth of data, information and assessments, the Cerved Group represents a **privileged observatory of the economy**, recognized in the world of institutions.



*Cerved collaborated with main **Italian institutions** to define programs that would make it possible to **remove quickly NPLs from the financial statements of banks***

Cerved's objectives in the **Public Affairs** realm include monitoring legislation with the aim of obtaining information regarding the activities of its main stakeholders that are relevant for its business. This activity is bolstered by the consolidation of relationships with the reference institutions, the strengthening of the Company's institutional presence, at the national and international level, and its contribution to the legislative and decision-making process through ideas, data and position papers aimed at correctly informing the institutions and the stakeholders.



The main interlocutors include:



Associazione Bancaria Italiana (ABI), together with which Cerved publishes every six months a report on new nonperforming business loans;



Confindustria, together with which Cerved publishes a Report on SMEs in Southern Italy and a Report on SMEs in Central and Northern Italy;



Banca d'Italia, which performs analyses of the Italian economy and the solvency of businesses, using financial statement data and the scores supplied by Cerved as a concentrated indicator of risk for businesses, as well as other data (bankruptcy trend, payments in arrear and other information);



Organisation for Economic Cooperation and Development (OCSE), which prepares its reports on the financing and economics of SMEs based on Cerved data concerning composition with creditors proceedings and payment timing by businesses;



International Monetary Fund (IMF), which summons Cerved as an interlocutor on the occasion of technical visits regarding the state of the Italian economy (Article IV), because it views the Company as a privileged observer of the NPL area and the economic and financial conditions of Italian companies, and policy measures that could foster a positive evolution with regard to these issues.

Insofar as relationships with the Italian Public Administration are concerned, Cerved developed a vertical portal that offers **information on entities that operate in and for the Public Administration sector**, involving:

- Public entities
- Public administration investee companies up to the third level of control
- Suppliers of the Public Administration, both companies and consultants
- Representatives of public entities, investee companies and suppliers within the scope of activity of the Public Administration

The **Cerved PA Portal** thus makes it possible to identify, compare and monitor the parties that operate within the scope of activity of the Public Administration: a concrete example is provided by the analyses for the revision of expenses for municipal investee companies.



Studies and analyses

The Public and Economic Affairs Department of the Cerved Group uses a wealth of information at its disposal to carry out **analyses and research projects** that make it possible to decode trends in the Italian entrepreneurial context. These studies, which combine rigorous analyses with a readily understandable language, are available free of charge on the *know.cerved.com* portal.

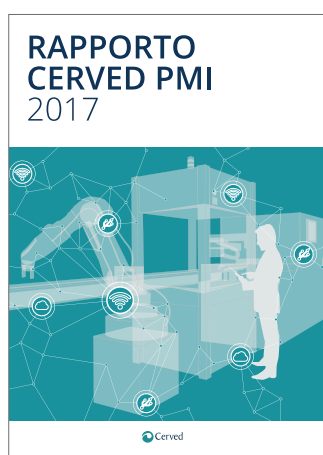
A number of studies were published in 2017, many of which were conducted in **partnership with other institutions**:

- Cerved SME Report 2017
- Observatory on Corporate Venture Capital with Smau, Assalombarda and Italia Startup
- Report on New Nonperforming Loans with ABI
- Report on Business Credit with Assalombarda
- Report on bankruptcies and composition with creditors proceedings
- Report on Financial Statements
- Report on Payment Behaviors
- Cerved Industry Forecast
- Evolution of the Nonperforming Loan (NPL) Market

*The Public and Economic Affairs Department carries out dozens of economic analyses and research projects on the Italian entrepreneurial system, based on a wealth of business information available on the **Cerved Know platform***

***The Cerved SME Report** is the most complete depiction of the state of economic and financial health of Italian small and midsize enterprises*

Cerved SME Report



The most important report published **annually** is the **Cerved SME Report**, which provides a snapshot of the **economic and financial situation** of small and medium Italian enterprises, with a specific focus on **financial statements**, company **demographics**, **payments** and **credit risk**. Each year, the Report is published together with a detailed monograph, which in 2017 concerned the Industry Plan 4.0 and its impact on Italian businesses. The content of this Report provide an organic summary of several quarterly studies focused on each individual economic observatory. In addition, some more in-depth versions for Central and Northern Italy and Southern Italy were later developed in collaboration with Confindustria.

In the past, studies of a different types were also presented, such as, for example, in 2014, when an analysis of the **presence of women in companies controlled by the Public Administration** was developed for the purpose of monitoring compliance with the regulation on women quotas in public investee companies.

Confirming its attention to **financial education**, the Group will add to its know.cerved.com portal an **Educational** section where some complex and structured **issues of economic interests** are **presented in a straightforward manner**, making the content **readily understandable**.

In 2017, eight short videos were also added, presenting in a clear and intuitive fashion laws, regulations and rules of conduct concerning companies and their businesses:

- The best in class
- An analysis of the manufacturing sector
- The budget
- Focus groups
- The competitive pressure index
- An analysis of the competitive arena
- Commercial performance
- How to compare sectors



In addition, in 2016, the Group published a **guide on “How banks and lenders assess you”**, prepared by Cerved and Assalombarda and designed to help **small and medium entities access credit**. This document codifies the issues that bank and credit institutions consider most significant in assessing the provision of credit, so that SMEs can know and present themselves at their best, improving their credibility and credit rating. Another extremely important tool available on this webpage is the **Cash Flow Calculator**, which can be used to input relevant data and measure the liquidity of a given company easily and quickly. Additional information provided includes **infographics** with specific **sector outlooks** and numerous **interviews and articles**.

In 2017, the Group also presented the third edition of the **Mini-Bond Observatory**, a report devoted to debt securities issued by small and midsize entities, edited by the School of Management of Milan's Politecnico in partnership with the Cerved Rating Agency. In addition, within the context of the Industry Advisory Board of Italia Startup, a Second **Observatory of Italian Open Innovation Models and Corporate Venture Capital**, promoted by Assalombarda, Italia Startup and Smau, in partnership with BTO Research and Cerved, was published.



RELATIONS WITH ANALYSTS AND INVESTORS

Cerved recently began a new phase in its lifecycle, becoming a public company, i.e., a listed company with a broad shareholder base and without any reference shareholders. Its private equity ownership history, which began in 2008 with the acquisition by Bain Capital & Clessidra and continued with CVC Capital Partners at the beginning of 2013, came to an end in November 2015, when CVC Capital Partners exited completely the Company's shareholder base, shortly after the IPO in June 2014.

Cerved's **Investor Relations** team (which also handles Corporate Development and Mergers & Acquisitions) primarily handles relations with analysts and investors and is committed to communicating transparently and in accordance with current laws public information, thereby creating value both for the Group and its stakeholders.

The team organizes numerous **engagement and communication opportunities** with the financial community, particularly during key moments for the Company, such as quarterly result announcements and Shareholders' Meeting. The engagement process entails the identification of all important events that the Company intends to attend during the year. These include attendance at conferences organized by the brokers (sell side) who follow the Cerved stock, and organizing complete roadshow days and allocating them to different brokers based on their knowledge of specific financial centers and attending investors.

In addition to conferences and roadshows organized on an ad hoc basis, the team manages relations with the financial community by holding numerous **meetings and conference calls with investors**, which are organized in response to requests submitted to the team by brokers or investors (buy side).

15 non-deal Roadshow in the main financial centers

12 conferences, including 3 sectorial and 9 general

Organization of numerous **conference calls** and **meetings** upon request from investors and brokers





Cerved believes that it is crucial to establish an ongoing dialog with the analysts who follow the stock, in order to reduce information inequality and improve transparency. In 2017, Investor Relation activities focused on a strategy that included the following main initiatives:

- preparing and making available documents concerning quarterly results and documents for the Shareholders' Meeting
- participating in events with the financial community and conference calls with investors, at the request of brokers and at the direct request of investors
- carrying out Investor Care and prospect targeting activities
- monitoring analyst estimates and internal reconstruction of consensus estimates;
- monitoring the performance of the Cerved stock
- organizing ad hoc events for the financial community (Investor Day)
- monitoring and updating the main regulatory changes enacted that could have an impact on relations with the financial community

RELATIONSHIPS WITH SUPPLIERS AND COMMERCIAL PARTNERS

Responsible management of suppliers and relationships with strategic partners

As part of its **procurement** activities, Cerved pursues the twin objectives of purchasing at **competitive prices** and always ensuring high quality standards.

A critical aspect on which the Procurement function focuses primarily is **respecting** the **timing** and **priorities** agreed upon with the requesting units, with special attention to environmental issues, so as to create the **least possible burden for daily operating activities**.

Since 2016, the Group has focused on the need to monitor more effectively issues related to procurement activities, which resulted in the development in 2017 of some improvement actions that included defining an organized system, updating purchasing processes and procedures, and providing dedicated procurement training for the requesting units. All this for a better definition of the involvement and engagement activities of the dedicated staff, as well as to share the objectives of new procurement processes. With the aim of consolidating the activities already completed, activities involving the verification of the process and an efficiency boosting analysis for the processes implemented thus far will be carried out in 2018.

Given the mainly material-free nature of its business, Cerved's main purchases are from suppliers of services, work and projects, consisting mainly of services of an intellectual nature. As for physical location, virtually all suppliers are located within Italy's territory, consisting of Italian suppliers or multinational companies with offices in Italy.

- We have more than **2,300** suppliers
- In 2017, Cerved began a project for the revision of procurement processes, which made it possible to achieve important savings on negotiated activities.



SUPPLIERS OF THE CERVED GROUP AT DECEMBER 31

	2017	2016
Suppliers	Total	Total
Total number of suppliers retained by the Group	About 2,300	About 2,300
Percentage of revenues with local (Italian) suppliers	About 90%	About 90%

The selection of suppliers is carried out by consulting the “**Cerved Group Score**” combined with **high level market scouting**. In 2017, a new procedure for procurement transactions was defined and published. The innovations introduced mainly concern the definition of the selection strategy (specifically with reference to: type of procedure, amount of the call for tenders, type of document that must be executed, definition of the participation requirements, award criteria, subdivision into lots, call for tenders plan) and the definition of the Vendor List through scouting based on predefined criteria (specific revenues, number of employees, certifications, etc.). With regard to the definition of the KPIs that will be used to measure the performance of the Procurement Office, about 62 indicators were analyzed, including 29 the effects of which will be monitored over the coming year. The indicators basically cover the following areas:

- productivity and resource mix
- sizing and backlog
- order management
- lead time
- order award strategies
- supplier rotation
- feedback

Even though they cannot be deemed to be relevant from an economic standpoint, the merchandise categories with a higher environmental impact will be the subject of cost management activities and renegotiations, with the aim of reducing consumption and greenhouse gas emissions. In this regard, several work tables were started in 2017: starting in 2018, the objective will be to **introduce new criteria for the selection of suppliers**, such as environmental certifications and the evaluation of bids (equipment consumption, for example) for pilot merchandise categories. Cost management analysis will be later extended to other expense categories (janitorial services, for example), introducing evaluation factors that take into account environmental impacts as part of the technical evaluation of bids. In addition, the possibility of replacing the Company’s vehicle fleet with equipment with a lower environmental impact will also be taken into consideration.



Respect of human rights

Monitoring of the activities of suppliers is carried out respecting the rights of workers, particularly with regard to the **freedom of association and collective bargaining**, preventing the risk of violations of human rights. Cerved's procurement **market** is mainly in **Italy**: thanks to existing laws and ongoing monitoring, there appear to be no risks in this area. Moreover, suppliers agreed to operate consistent with the provision of the **231 Model** and the **Code of Ethics**. The employees responsible for procurement activities have a specific obligation to comply with the principles of **fair competition** in the purchasing of products and services, abiding by existing Company procedures and selecting suppliers based solely on commercial considerations (quality, cost, availability, service and reputation, for example).

ENVIRONMENTAL RESPONSIBILITY

Environmental policies and systems

In 2017, Cerved translated its **sustainability objectives into results**, improving and broadening its strategy. In addition to **providing a safe and stimulating work environment for the employees**, the activities carried out generated several benefits for the communities within which to Group operates.

Consistent with the principles of sustainability, the entire organization redoubled its commitment to reducing the environmental impact: energy efficiency improved, smart working was adopted also to reduce employee travel, a campaign was promoted to increase environmental awareness by employees and minimize pollution, whenever possible, with a resource conservation approach.

By embracing dematerialization and next-generation digital technologies, Cerved significantly reduced paper consumption, achieving a more sustainable development of its business. The Group's information database is particularly cost effective: the transition from the Oracle operating system to the Graph Neo4j platform, a database that is totally transactional and integrated into the applications, produced additional paper savings.

In 2017, leveraging the sustainable use of energy sources specific to the Group's operating context, Cerved relocated its headquarters from Milan to San Donato Milanese.

The new building, equipped with large, double-pane windows that create more beneficial natural light conditions, was designed in accordance with more modern and innovative concepts:

- building category: E2
- energy category: E with energy requirements of 46.22kWh/m3a
- year built: 1993-2006
- usable area: 12,979.40 m2
- heating system: natural gas fired district heating

ENERGY CONSUMPTION OF THE CERVED GROUP AT DECEMBER 31²²

	2017	2016
Type of consumption	Total in GJ	Total in GJ
Electric power consumed	15,619.73 ²³	19,455.44
<i>Total purchased</i>	15,619.73	19,455.44
Natural gas	2,473.78 ²⁴	6,288.31
Gasoil	214.39	198.31
Consumption of nonrenewable fuels	2,688.17	6,486.62
Electric power, heating and cooling purchased for consumption	15,619.73	19,455.44
Total energy consumption	18,307.90	25,942.05

DIRECT GREENHOUSE GAS EMISSIONS (SCOPE 1) OF THE CERVED GROUP AT DECEMBER 31

	2017 ²⁵	2016 ²⁶
Type of nonrenewable fuel	Total in tCO ₂	Total in tCO ₂
Natural gas	138.28	351.12
Heating gasoil	15.77	14.59
Total	154.05	365.71

GREENHOUSE GAS EMISSIONS GENERATED BY ENERGY CONSUMPTION (SCOPE 2) OF THE CERVED GROUP AT DECEMBER 31 (LOCATION-BASED)²⁷

	2017	2016
	Total in tCO ₂	Total in tCO ₂
Electric power purchased	1,627.06	2,026.61
Total	1,627.06	2,026.61

GREENHOUSE GAS EMISSIONS GENERATED BY ENERGY CONSUMPTION (SCOPE 2) OF THE CERVED GROUP AT DECEMBER 31 (MARKET-BASED)²⁸

	2017	2016
	Total in tCO ₂	Total in tCO ₂
Electric power purchased	2,018.03	2,513.59
Total	2,018.03	2,513.59

22. The Company's general consumption data are computed based on invoices and bills (electric power and natural gas used for heating and hot water) and through purchasing documents (gasoil for heating) or fuel vouchers (gasoil for transportation).

23. Differently from 2016, the data do not include consumption for the offices in Milan, Prato, Brescia and Verona, which were closed in 2017. The 2017 data for the offices in Bologna (Cairolì), Padua, Rome 2, Sassari and Villorba were estimated based on consumption in 2014, 2015 and 2016.

24. Differently from 2016, the data do not include consumption for the offices in Milan and Verona, which were closed in 2017. The 2017 data for the offices in Padua, Rome 1, Rome 2 and Villorba were estimated based on consumption in 2014, 2015 and 2016.

25. Source of emission factors: table of national standard parameters, 2017 update.

26. Source of emission factors: table of national standard parameters, 2016 update.

27. Source of emission factors: Terna, 2015 international comparisons.

28. Source of emission factors: European Residual Mixes 2016.



Another issue to which the Group pays attention is the disposal of waste. In compliance with current laws, Cerved carries out a separate collection of hazardous and non-hazardous waste, including the disposal of batteries. Hazardous waste is monitored and disposed of in accordance with the CER code, as listed in the SISTRI form (or waste identification form) and on the chronological register (or incoming and outgoing waste register).

For the disposal and toner collection service available at all offices, the Group relies on the ONLUS Vestisolidale cooperative, which is a nonprofit entity that provides personal, environmental and social services, focusing on employment opportunities for disadvantaged individuals.

WASTE (IN TONS) BY TYPE AND DISPOSAL MODALITY OF THE CERVED GROUP
AT DECEMBER 31²⁹

Disposal method	Hazardous	Non-hazardous	Total	% of total
2017				
Recycling	0.501	55.09	55.591	100.00%
<i>paper</i>		6.862	6.862	12.3%
<i>toner and/or printer cartridges</i>		0.316	0.316	0.6%
2016				
Recycling	0.307	3.374	3.681	100.0%
<i>paper</i>	-	-	-	-
<i>toner and/or printer cartridges</i>	-	0.251	0.251	6.8%

29. The data for 2017 were determined based on extraordinary disposal transactions that included all of the activities related to the relocation of the headquarters from Milan to San Donato Milanese and the closure of three company offices (Brescia, Prato and Verona).



Annexes



TABLE OF THE BOUNDARY OF MATERIAL TOPICS FOR THE CERVED GROUP AND RECONCILIATION WITH THE CORRESPONDING GRI TOPICS

Area	Material topics	Boundary	Cerved's role	Reconciliation with GRI topics
Governance and compliance	Ethics, integrity and anticorruption	Cerved Group and its relationships with all stakeholders	Direct	Anticorruption
				Indirect economic impacts
	Governance and compliance	Cerved Group	Direct	Diversity and opportunities
				Socioeconomic compliance
Risk Management and management ⁶ of operational continuity	Privacy protection	Cerved Group	Direct	Customer privacy
	Sustainability in the business strategy	Cerved Group and its relationships with all stakeholders	Direct	Environmental compliance
	Risk Management	Cerved Group	Direct	N.A.
	Management of data and information security	Cerved Group	Direct	N.A.
Economic Responsibility, Product Responsibility, Technological Innovation	Integrity and independence of information	Cerved Group	Direct	N.A.
	Quality of products and services and customer satisfaction	Cerved Group and its customers	Direct	Marketing and labelling
	Economic Responsibility, Product Responsibility, Technological Innovation	Cerved Group and its relationships with all stakeholders	Direct	Economic performance



Area	Material topics	Boundary	Cerved's role	Reconciliation with GRI topics
Social responsibility and towards people	Diversity and equal opportunities	Cerved Group	Direct	Diversity and equal opportunity Non-discrimination
	Industrial relations	Cerved Group	Direct	Labor/Management relations Freedom of association and collective bargaining
	Health and safety	Cerved Group	Direct	Occupational health and safety
	Talent and training	Cerved Group	Direct	Training and education
	Wellbeing, work-life balance and employee engagement	Cerved Group	Direct	Employment
	Management of suppliers and relations with strategic partners	Cerved Group	Direct	Supplier social assessment
				Supplier environmental assessment
				Freedom of association and collective bargaining
				Child labor Forced and compulsory labor
	Relations with institutions	Cerved Group	Direct	N.A.
	Respect of human rights	Cerved Group and its supply chain	Direct and indirect	Human rights assessment
Environmental responsibility	Environmental management policies and systems	Cerved Group	Direct	Energy
				Effluents and waste



Determination of value generated (amounts in thousands of euros)	2017	2016
Revenues	401,375	376,954
Other income	297	135
Financial income	5,908	1,636
Pro rata interest in the results of companies valued by the equity method	357	-323
Economic value generated directly	407,937	378,402

Economic value distributed (amounts in thousands of euros)	2017	2016
Value distributed to suppliers (reclassified operating costs)	120,424	106,642
Cost of raw materials and other materials	7,138	7,412
Cost of services	101,645	86,460
Other operating costs	8,740	8,606
Impairment of receivables and other accruals	3,243	4,459
Management expenses (fees for memberships in entities and institutions, gifts, gratuities and nondeductible contributions)	(342)	(296)
Remuneration of personnel	102,724	97,345
Personnel costs	102,724	97,345
Remuneration of lenders	15,518	17,945
Financial charges	15,518	17,945
Remuneration of shareholders	49,330	43,895
Distribution of the year's profit	47,775	42,510
Net profit attributable to non-controlling interests	1,555	1,385
Remuneration of the Public Administration	28,161	26,837
Income taxes	28,161	26,837
Remuneration of the community	342	296
Charitable contributions and sponsorships	342	296
Value retained by the Company	91,438	85,443
Retained earnings	9,015	4,770
Depreciation and amortization	67,077	78,027
Amortized cost of financing	2,516	2,157
Change in the fair value of options	12,830	489
Economic value distributed	407,937	378,402



LIST OF COMPANIES CONSOLIDATED LINE BY LINE OR BY THE EQUITY METHOD AT DECEMBER 31, 2017³⁰

	Consolidation method	Included in the report
Cerved Information Solutions S.p.A.	Line by line	Yes
Cerved Group S.p.A.	Line by line	Yes
Consit Italia S.p.A.	Line by line	Yes
Cerved Rating Agency S.p.A.	Line by line	Yes
Major 1 S.r.l.*	Line by line	Yes
Click Adv S.r.l.*	Line by line	Yes
Cerved Credit Collection S.p.A.	Line by line	Yes
Cerved Credit Management Group S.r.l.	Line by line	Yes
Cerved Credit Management S.p.A.	Line by line	Yes
Cerved Legal Services S.r.l.	Line by line	Yes
Cerved Master Services S.p.A.*	Line by line	Yes
Quaestio Cerved Credit Management S.p.A.*	Line by line	Yes
Credit Management S.r.l.*	Line by line	Yes
SC Re Collection S.r.l.	Line by line	Yes
Spazio Dati S.r.l.	Shareholders' equity	No
Experian Italia S.p.A.	Shareholders' equity	No

TOTAL NUMBER OF EMPLOYEES BROKEN DOWN BY GROUP COMPANY AND GENDER AT DECEMBER 31

	2017			2016		
	Men	Women	Total	Men	Women	Total
Cerved Information Solutions S.p.A.	15	25	40	14	23	37
Cerved Group S.p.A.	471	483	954	448	486	934
Consit Italia S.p.A.	16	16	32	16	16	32
Cerved Rating Agency S.p.A.	38	137	175	40	151	191
Cerved Credit Management Group S.r.l.	41	30	71	30	15	45
Cerved Credit Management S.p.A.	64	127	191	53	113	166
Cerved Legal Services S.r.l.	5	28	33	5	24	29
Cerved Credit Collection S.p.A.	38	130	168	51	144	195
Romania - Cerved Credit Collection S.p.A.	34	148	182	36	129	165
Romania - SC Re Collection S.r.l.	10	96	106	12	94	106
Click Adv S.r.l.	5	17	22	6	19	25
Major 1 S.r.l.	12	6	18	11	6	17
Total	749	1,243	1,992	722	1,220	1,942

30. The companies identified with (*) are entities to which the limitations listed in the Note on Methodology on page 8 and 9 of this document are applicable.



TOTAL NUMBER OF EMPLOYEES BROKEN DOWN BY GEOGRAPHIC REGION AND GENDER AT DECEMBER 31

	2017			2016		
	Men	Women	Total	Men	Women	Total
Italy	705	999	1,704	674	997	1,671
Cerved Information Solutions S.p.A.	15	25	40	14	23	37
Cerved Group S.p.A.	471	483	954	448	486	934
Consit Italia S.p.A.	16	16	32	16	16	32
Cerved Rating Agency S.p.A.	38	137	175	40	151	191
Cerved Credit Management Group S.r.l.	41	30	71	30	15	45
Cerved Credit Management S.p.A.	64	127	191	53	113	166
Cerved Legal Services S.r.l.	5	28	33	5	24	29
Cerved Credit Collection S.p.A.	38	130	168	51	144	195
Click Adv S.r.l.	5	17	22	6	19	25
Major 1 S.r.l.	12	6	18	11	6	17
Abroad	44	244	288	48	223	271
Romania - Cerved Credit Collection S.p.A.	34	148	182	36	129	165
Romania - SC Re Collection S.r.l.	10	96	106	12	94	106
Total	749	1,243	1,992	722	1,220	1,942

TOTAL NUMBER OF CERVED GROUP EMPLOYEES BROKEN DOWN BY TYPE OF CONTRACT AND GENDER AT DECEMBER 31

	2017			2016		
	Men	Women	Total	Men	Women	Total
Permanent	733	1,218	1,951	710	1,197	1,907
Temporary	16	25	41	12	23	35
Total	749	1,243	1,992	722	1,220	1,942



TOTAL NUMBER OF EMPLOYEES BROKEN DOWN BY TYPE OF CONTRACT AND GEOGRAPHIC REGION AT DECEMBER 31

	2017			2016		
	Permanent	Temporary	Total	Permanent	Temporary	Total
Italy	1,663	41	1,704	1,636	35	1,671
Cerved Information Solutions S.p.A.	40	-	40	37	-	37
Cerved Group S.p.A.	939	15	954	924	10	934
Consit Italia S.p.A.	32	-	32	32	-	32
Cerved Rating Agency S.p.A.	175	-	175	190	1	191
Cerved Credit Management Group S.r.l.	69	2	71	44	1	45
Cerved Credit Management S.p.A.	168	23	191	148	18	166
Cerved Legal Services S.r.l.	33	-	33	27	2	29
Cerved Credit Collection S.p.A.	168	-	168	195	-	195
Click Adv S.r.l.	21	1	22	23	2	25
Major 1 S.r.l.	18	-	18	16	1	17
Abroad	288	-	288	271	-	271
Romania - Cerved Credit Collection S.p.A.	182	-	182	165	-	165
Romania - SC Re Collection S.r.l.	106	-	106	106	-	106
Total	1,951	41	1,992	1,907	35	1,942

TOTAL NUMBER OF CERVED GROUP EMPLOYEES BROKEN DOWN BY PROFESSIONAL TYPE AND GENDER AT DECEMBER 31

	2017			2016		
	Men	Women	Total	Men	Women	Total
Full time	725	991	1,716	693	952	1,645
Part time	24	252	276	29	268	297
Total	749	1,243	1,992	722	1,220	1,942

AVERAGE NUMBER OF EXTERNAL STAFF BY PROFESSIONAL CATEGORY AND GENDER

	2017			2016		
	Men	Women	Total	Men	Women	Total
External associates	256	234	490	211	183	394
Independent contractors	-	-	-	-	-	-
Temporary workers	1	4	5		5	5
Interns	4	4	8	6	4	10
Other (executive Directors)	5	-	5	5	-	5
Total	266	242	508	222	192	414

NUMBER OF CERVED GROUP EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE BRACKET
AT DECEMBER 31

	< 30	% < 30	30-50	% 30-50	>50	% >50	Totale
2017							
Executives	-	-	38	55%	31	45%	69
Managers	1	0%	213	70%	92	30%	306
Other employees	250	15%	1,156	71%	211	13%	1,617
Total	251	13%	1,407	71%	334	17%	1,992
2016							
Executives	-	-	33	52%	31	48%	64
Managers	-	-	197	71%	81	29%	278
Other employees	292	18%	1,130	71%	178	11%	1,600
Total	292	15%	1,360	70%	290	15%	1,942



NUMBER OF CERVED GROUP EMPLOYEES WHO RECEIVE REGULAR PERFORMANCE AND CAREER ASSESSMENTS

	Men	% Men	Women	% Women	Totale	% Total
2017						
Executives	37	64%	11	100%	48	70%
Managers	90	46%	61	54%	151	49%
Other employees	43	9%	45	4%	88	5%
Total	170	23%	117	9%	287	14%
2016						
Executives	36	68%	11	100%	47	73%
Managers	73	40%	52	54%	125	45%
Other employees	39	8%	33	3%	72	5%
Total	148	20%	96	8%	244	13%

PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS³¹

	2017	2016
Total employees	1,992	1,942
Number of employees with collective bargaining agreements	1,992	1,942
Percentage of the total	100%	100%

31. For Italy, the reference agreements are the National Collective Bargaining Agreement for employees of companies in the tertiary, distribution and services sectors and the National Collective Bargaining Agreement for executives. The Company Collective Agreement is applies outside Italy.

NUMBER OF NEW EMPLOYEE HIRES AND SEPARATIONS IN 2017 AND 2016

New hires ³²	<30 years	30-50 years	>50 years	Total	Turnover rate
2017					
Men	38	77	7	122	16%
Women	66	122	5	193	16%
Total	104	199	12	315	16%
Turnover rate	41%	14%	4%	16%	
2016					
Men	63	88	11	162	22%
Women	77	141	25	243	20%
Total	140	229	36	405	21%
Turnover rate	48%	17%	12%	21%	

Separations	<30 years	30-50 years	>50 years	Total	Turnover rate
2017					
Men	29	52	12	93	12%
Women	57	102	13	172	14%
Total	86	154	25	265	13%
Turnover rate	34%	11%	7%	13%	
2016					
Men	33	76	14	123	17%
Women	47	111	14	172	14%
Total	80	187	28	295	15%
Turnover rate	27%	14%	10%	15%	

32. The data include acquisitions and rehires.



NUMBER OF NEW EMPLOYEE HIRES AND SEPARATIONS FOR ITALIAN OFFICES IN 2017 AND 2016³³

New hires ³⁴	<30 years	30-50 years	>50 years	Total	Turnover rate
2017					
Men	21	70	7	98	14%
Women	15	70	3	88	9%
Total	36	140	10	186	11%
2016					
Men	38	77	10	125	19%
Women	30	100	25	155	16%
Total	68	177	35	280	17%

Separations	<30 years	30-50 years	>50 years	Total	Turnover rate
2017					
Men	13	42	12	67	10%
Women	13	61	12	86	9%
Total	26	103	24	153	9%
2016					
Men	15	51	13	79	12%
Women	22	68	11	101	10%
Total	37	119	24	180	11%

33. The turnover rate by age bracket is not available in the breakdown by region. Looking forward, this information will be reported starting next year.

34. The data include acquisitions and rehires.



NUMBER OF NEW EMPLOYEE HIRES AND SEPARATIONS FOR OFFICES OUTSIDE ITALY IN 2017 AND 2016³⁵

New hires	<30 years	30-50 years	>50 years	Total	Turnover rate
2017					
Men	17	7	0	24	55%
Women	51	52	2	105	43%
Total	68	59	2	129	45%

2016					
Men	25	11	1	37	77%
Women	47	41	0	88	39%
Total	72	52	1	125	46%

Separations	<30 years	30-50 years	>50 years	Total	Turnover rate
2017					
Men	16	10	0	26	59%
Women	44	41	1	86	34%
Total	60	51	1	112	38%

2016					
Men	18	25	1	44	92%
Women	25	43	3	71	32%
Total	43	68	4	115	42%

35. For Italy, the reference agreements are the National Collective Bargaining Agreement for employees of companies in the tertiary, distribution and services sectors and the National Collective Bargaining Agreement for executives. The Company Collective Agreement is applies outside Italy.



NUMBER OF COMPLAINTS/REPORTS RECEIVED AT DECEMBER 31

	AREA BUSINESS AND CREDIT INFORMATION	
	2017	2016
Reports related to issues governed by Article 7 of the Privacy Code	1,028	990
<i>complaint by regulatory entities</i>	-	-
Complaints for presumed data challenges	2,600	3,236
Total complaints resolved	3,628	4,226

	CERVED CREDIT MANAGEMENT GROUP S.R.L. (CCMG) CERVED CREDIT MANAGEMENT S.P.A. (CCM) CERVED LEGAL SERVICES S.R.L. (CLS) – COMPLAINTS/REPORTS RECEIVED FROM DEBTORS TARGETS OF CREDIT COLLECTION PROCEEDINGS	
	2017	2016
Reports related to issues governed by Article 7 of the Privacy Code	-	1
<i>complaints received from third parties and verified by the organization</i>	-	-
<i>complaint by regulatory entities</i>	-	1
Total number of leaks, thefts or losses of customer data	-	-
Total number of complaints related to credit collection activities	20	20
Total number of written reports	284	129

	CERVED CREDIT COLLECTION S.P.A. (CCC) SC RECOLLECTION S.R.L. (RECOLLECTION) COMPLAINTS/REPORTS RECEIVED FROM DEBTORS TARGETS OF CREDIT COLLECTION PROCEEDINGS AND PRINCIPALS	
	2017	2016
Reports related to issues governed by Article 7 of the Privacy Code	165	156
<i>complaints received from third parties and verified by the organization</i>	n.a.	n.a.
<i>complaint by regulatory entities</i>	0	0
Total number of leaks, thefts or losses of customer data	0	0
Total number of complaints received from principals and targets of credit collection proceedings ³⁶	1,108	772

36. In this context, when referring to CCC and ReCollection, "Complaints" means: a) the objections raised in writing by debtors/targets of credit collection proceedings regarding the contact modalities and credit management procedures applied, and b) objections raised by customers/principals about the services delivered.

AVERAGE COMPLAINT RESOLUTION TIME AT DECEMBER 31

Cerved Credit Management Group S.r.l. (CCMG), Cerved Credit Management S.p.A. (CCM), Cerved Legal Services S.r.l. (CLS)	Area Business and Credit Information	Cerved Credit Collection S.p.A. (CCC), SC ReCollection S.r.l. (ReCollection) - Debtors
2017		
6.5 days	7.3 days	≈ 35.9 days
2016		
4 gg	9.8 days	≈ 16.0 days



GRI Table Content Index



The 2017 Sustainability Report of the Cerved Group was prepared in accordance with the Sustainability Reporting Standards defined in 2016 by the Global Reporting Initiative (GRI), based on the “Core” option, which calls for reporting at least one indicator for each of the topics identified as material through the materiality analysis.³⁷

UNIVERSAL STANDARDS

GRI Standard	Page No.	Information
GRI 102: General Disclosures		
Profile of the organization		
102-1	8	Name of the organization
102-2	17-19, 44-45	Main brands, products and/or services
102-3	14	Main office
102-4	14-15	Number of countries where the organization conducts its operational activities and countries where the organization has activities or where the activity performed is particularly significant relative to the topics reviewed in the corresponding Sustainability Report
102-5	12	Ownership structure and legal status
102-6	14-15, 17-19, 44-45	Markets served (including geographic coverage, sectors of activity and types of customers and recipients)
102-7	14, 17-19, 31, 65	Size of the organization
102-8	89-91	Number of employees broken down by contract and gender
102-9	78-80	Description of the supply chain of the organization
102-10	Significant changes are appropriately listed in the Note on Methodology	Significant changes that occurred during the reference period in the entity's size and structures or the type of business activities
102-11	25-27	Modalities for applying a conservative principles or approach
102-12	74	Adoption of code of conduct, principles and charters developed by external entities/associations regarding economic, social and environmental performance
102-13	29	Membership in national or international associations or organizations that promote sustainability

37. See the Chapter “The Group’s Governance and Ethics” – “Sustainability Principles”.



UNIVERSAL STANDARDS

GRI Standard	Page No.	Information
Strategy		
102-14	4-7	Declaration by the top manager at the helm of the organization
Ethics and integrity		
102-16	22-24	Values, principles, standards and rules of conduct adopted by the organization
Governance		
102-18	20-21	Governance structure of the organization
102-22	20	Composition of the highest governance body
Stakeholder Engagement		
102-40	28	List of stakeholders engaged by the organization
102-41	92	Percentage of employees covered by the national collective bargaining agreement
102-42	28	Principles to identify stakeholders for engagement
102-43	58-80	Organization's approach regarding the concept of stakeholder engagement, including the frequency of engagement by type and group of stakeholders, and identification of the engagement activity and interaction in the reporting process
102-44	58-80	Material topics identified through the engagement of stakeholders and how the organization responded, including the preparation of a report. List of stakeholder groups that brought up the topics subject of analysis
Reporting specifications		
102-45	88	Entities included in the organization's consolidated financial statements or equivalent documents
102-46	8-9	Process for the defining reporting boundaries and limitations
102-47	29-30	Material issues identified in the analysis performed to define the reporting boundaries
102-48	This is the first published Sustainability Report	Changes to information included in previous reports and reasons for those changes
102-49	This is the first published Sustainability Report	Significant changes to the objective and the limitations compared with the previous reporting period



UNIVERSAL STANDARDS

GRI Standard	Page No.	Information
102-50	8	Reporting period
102-51	This is the first published Sustainability Report	Date of the most recent report
102-52	Annual	Reporting intervals
102-53	9	Useful contacts and addresses to obtain information about the Non-financial Statement
102-54	8	Specify the GRI Standard conformity option chosen by the organization
102-55	98-109	GRI Content Index

TOPIC-SPECIFIC STANDARDS

GRI Standard	Page No.	Omission	Information
ECONOMIC			
Material topic: ECONOMIC PERFORMANCE			
GRI 103: Management Approach			
103-1	9, 30-33		Explanation of material topics and related boundaries
103-2	31-33		General information about management approach and respective characteristics
103-3	31-33		Assessment of management approach
GRI201: Economic performance			
201-1	87		Economic value generated and distributed directly
201-3	The Cerved Group does not have specific pension plans and applies the laws currently in effect		Defined pension obligations and other pension plans
201-4	<ul style="list-style-type: none"> Tax credit of about €1.5 mln for research and development costs; reduction of social security contribution for the Mangone office in Calabria (about €100-150 thousand); EU contribution of about €270 thousand for software development costs (pro data market) 		Financing received from the Public Administration
Material topic: INDIRECT ECONOMIC IMPACTS			
GRI 103: Management Approach			
103-1	9, 30-33		Explanation of material topics and related boundaries
103-2	31-33		General information about management approach and respective characteristics
103-3	31-33		Assessment of management approach
GRI 203: Indirect economic impacts			
203-1	No investment in infrastructures and public benefit services provided		Investments in infrastructures and public benefit services provided



TOPIC-SPECIFIC STANDARDS

GRI Standard	Page No.	Omission	Information
Material topic: ANTICORRUPTION			
GRI 103: Management Approach			
103-1	9, 30, 22-25		Explanation of material topics and related boundaries
103-2	22-25		General information about management approach and respective characteristics
103-3	22-25		Assessment of management approach
GRI 205: Anticorruption			
205-3	There were no corruption cases in 2017		Number of corruption cases and actions taken
Material topic: ANTICOMPETITIVE BEHAVIOR			
GRI 103: Management Approach			
103-1	9, 22-25, 30		Explanation of material topics and related boundaries
103-2	22-25		General information about management approach and respective characteristics
103-3	22-25		Assessment of management approach
GRI 206: Anticompetitive behavior			
206-1	No legal actions were filed regarding anticompetitive behaviors and violation of against frauds and antitrust practices		Legal actions regarding unfair competition and respective outcomes
ENVIRONMENTAL			
Material topic: ENERGY			
GRI 103: Management Approach			
103-1	9, 30, 80-82		Explanation of material topics and related boundaries
103-2	80-82		General information about management approach and respective characteristics
103-3	80-82		Assessment of management approach



TOPIC-SPECIFIC STANDARDS

GRI Standard	Page No.	Omission	Information
GRI 302: Energy			
302-1	81		Energy consumption within the organization
Material topic: EFFLUENTS AND WASTE			
GRI 103: Management approach			
103-1	9, 30, 82		Explanation of material topics and related boundaries
103-2	82		General information about management approach and respective characteristics
103-3	82		Assessment of management approach
GRI 306: Effluents and waste			
306-2	82		Total weight of waste, broken down by type and disposal method
Material topic: ENVIRONMENTAL COMPLIANCE			
GRI 103: Management Approach			
103-1	8, 30, 22-23		Explanation of material topics and related boundaries
103-2	22-23		General information about management approach and respective characteristics
103-3	22-23		Assessment of management approach
GRI 307: Environmental compliance			
307-1	There were no instances of noncompliance with environmental laws and regulations		Monetary value of significant fines and total number of non-monetary penalties for noncompliance with environmental laws and regulations
Topic materiale: ENVIRONMENTAL ASSESSMENT OF SUPPLIERS			
GRI 103: Management approach			
103-1	9, 30, 78-80		Explanation of material topics and related boundaries
103-2	78-80		General information about management approach and respective characteristics
103-3	78-80		Assessment of management approach
GRI308: Environmental assessment of suppliers			
308-1	No environmental criteria were used for supplier assessment purposes in 2017		Percentage of new suppliers assessed based on environmental criteria



TOPIC-SPECIFIC STANDARDS

GRI Standard	Page No.	Omission	Information
SOCIAL			
Material topic: EMPLOYMENT			
GRI 103: Management Approach			
103-1	9, 30, 56-57		Explanation of material topics and related boundaries
103-2	56-57		General information about management approach and respective characteristics
103-3	65-57		Assessment of management approach
GRI 401: Employment 2017			
401-1	93-95 The turnover rate by age bracket broken down by region is not provided.		Total number of new hires and turnover by age brackets, gender and geographic areas
401-2	65-67		Benefits provided to employees
Topic materiale: MANAGEMENT OF EMPLOYMENT RELATIONSHIPS			
GRI 103: Management Approach			
103-1	9, 30, 71-72		Explanation of material topics and related boundaries
103-2	71-72		General information about management approach and respective characteristics
103-3	71-72		Assessment of management approach
GRI 402: Gestione dei rapporti di lavoro			
402-1	Advance notice varies depending on the type of operational change and can be defined in the applicable laws, the national collective bargaining agreement or Company stipulations		Minimum advance notice periods for changes in activities, including length specified in the national collective bargaining agreement
Material topic: OCCUPATIONAL HEALTH AND SAFETY			
GRI 103: Management Approach			
103-1	9, 30, 68		Explanation of material topics and related boundaries
103-2	68		General information about management approach and respective characteristics
103-3	68		Assessment of management approach



TOPIC-SPECIFIC STANDARDS

GRI Standard	Page No.	Omission	Information
GRI 403: Occupational Health and safety			
403-1	No committees have been established		Percentage of employees represented in the official company-workers health and safety committees
403-2	68-70		Types of accidents, accident rates, occupational illnesses, lost workdays and absenteeism and work related fatal accidents broken down by region and gender
403-3	There are no jobs at the company that entail a high risk of occupational illnesses		Workers at a high risk of incurring illnesses and accident related to their professional activities
Topic materiale: TRAINING AND EDUCATION			
GRI 103: Management Approach			
103-1	9, 30, 52-57		Explanation of material topics and related boundaries
103-2	52-57		General information about management approach and respective characteristics
103-3	52-57		Assessment of management approach
GRI 404: Training and education			
404-1	55		Average annual hours of training per employee broken down by gender and category
404-3	92		Percentage of employees who receive regular performance and career assessments broken down by gender and category
Material topic: DIVERSITY AND EQUAL OPPORTUNITIES			
GRI 103: Management Approach			
103-1	9, 30, 64-65		Explanation of material topics and related boundaries
103-2	64-65		General information about management approach and respective characteristics
103-3	64-65		Assessment of management approach
GRI 405: Diversity and equal opportunities			
405-1	20, 64-65, 91		Composition of the governance bodies and breakdown of the staff by employees who belong to protected categories and other diversity indicators



TOPIC-SPECIFIC STANDARDS

GRI Standard	Page No.	Omission	Information
Material topic: NON DISCRIMINATION			
GRI 103: Management Approach			
103-1	9, 30, 64		Explanation of material topics and related boundaries
103-2	64		General information about management approach and respective characteristics
103-3	64		Assessment of management approach
GRI 406: Non discrimination			
406-1	There was no occurrence of discrimination		Number of episodes tied to discriminatory practices
Material topic: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
GRI 103: Management Approach			
103-1	9, 30, 80		Explanation of material topics and related boundaries
103-2	80		General information about management approach and respective characteristics
103-3	80		Assessment of management approach
GRI 407: Freedom of association and collective bargaining			
407-1	The main procurement market (Italy) does not present any significant risks		Identification of the activities and the main suppliers in connection with which freedom of association and collective bargaining can be exposed to significant risks and action taken
Material topic: CHILD LABOR			
GRI 103: Management Approach			
103-1	9, 30, 80		Explanation of material topics and related boundaries
103-2	80		General information about management approach and respective characteristics
103-3	80		Assessment of management approach
GRI 405: Child labor			
408-1	The main procurement market (Italy) does not present any significant risks		Identification of the activities and the main suppliers with a high risk of child labor and actions taken



TOPIC-SPECIFIC STANDARDS

GRI Standard	Page No.	Omission	Information
Topic materiale: FORCED LABOR			
GRI 103: Management Approach			
103-1	9, 30, 80		Explanation of material topics and related boundaries
103-2	80		General information about management approach and respective characteristics
103-3	80		Assessment of management approach
GRI 406: Lavoro forzato			
409-1	The main procurement market (Italy) does not present any significant risks		Identification of the activities and the main suppliers with a high risk for the use of forced labor and actions taken
Topic materiale: SECURITY POLICIES			
GRI 103: Management Approach			
103-1	9, 23, 30		Explanation of material topics and related boundaries
103-2	23		General information about management approach and respective characteristics
103-3	23		Assessment of management approach
GRI 410: Security policies			
410-1	There are no employees responsible for the security of the Company's assets		Employees responsible for security trained on the policies and procedures concerning human rights
Topic materiale: ASSESSMENT OF HUMAN RIGHTS			
GRI 103: Management Approach			
103-1	9, 23, 30		Explanation of material topics and related boundaries
103-2	23		General information about management approach and respective characteristics
103-3	23		Assessment of management approach
GRI 412: Assessment of human rights			
412-2	There is no specific training but general information is provided		Average number of training hours per employee on policies and procedures concerning human rights



TOPIC-SPECIFIC STANDARDS

GRI Standard	Page No.	Omission	Information
Material Topic: SUPPLIER SOCIAL ASSESSMENT			
GRI 103: Management Approach			
103-1	9, 30, 78-80		Explanation of material topics and related boundaries
103-2	78-80		General information about management approach and respective characteristics
103-3	78-80		Assessment of management approach
GRI 414: Supplier Social Assessment			
418-1	No social criteria were used for supplier assessment purposes in 2017		New suppliers that were screened using social criteria
Material topic: MARKETING AND LABELING			
GRI 103: Management Approach			
103-1	9, 30, 96-97		Explanation of material topics and related boundaries
103-2	96-97		General information about management approach and respective characteristics
103-3	96-97		Assessment of management approach
GRI 417: Marketing and labeling			
417-2	There have been no occurrences of noncompliance regarding product information and labelling		Occurrences of noncompliance regarding product information and labelling
417-3	There have been no occurrences of noncompliance regarding communication and marketing		Occurrences of noncompliance regarding communication and marketing
Material topic: CUSTOMER PRIVACY			
GRI 103: Management Approach			
103-1	9, 30, 36-38, 61-63		Explanation of material topics and related boundaries
103-2	36-38, 61-63		General information about management approach and respective characteristics
103-3	36-38, 61-63		Assessment of management approach
GRI 418: Customer privacy			
418-1	96-97		Number of documented complaints regarding privacy violations and loss of consumer data



TOPIC-SPECIFIC STANDARDS

GRI Standard	Page No.	Omission	Information
Material topic: SOCIOECONOMIC COMPLIANCE			
GRI 103: Management Approach			
103-1	9, 23-25, 30		Explanation of material topics and related boundaries
103-2	23-25		General information about management approach and respective characteristics
103-3	24-25		Assessment of management approach
GRI 419: Socioeconomic compliance			
419-1	There have been no occurrences of noncompliance regarding laws and regulations in the socioeconomic area		Monetary value of significant fines and total number of non-monetary penalties for noncompliance with laws and regulations in the socioeconomic area



Report of the Independent Auditors



CERVED INFORMATION SOLUTIONS SPA

INDEPENDENT AUDITORS' REPORT ON THE NON-FINANCIAL DISCLOSURE PURSUANT TO ARTICLE 3, PARAGRAPH 10 OF LEGISLATIVE DECREE 254/2016 AND TO ARTICLE 5 OF CONSOB REGULATION 20267 FOR THE YEAR ENDED 31 DECEMBER 2017



Independent auditors' report on the consolidated non-financial disclosure

pursuant to article 3, paragraph 10 of Legislative Decree 254/2016 and to article 5 of Consob regulation 20267

To the Board of Directors of Cerved Information Solutions SpA

Pursuant to article 3, paragraph 10 of the Legislative Decree 254 of 30 December 2016 (the "Decree") and article 5 of Consob Regulation 20267, we have performed a limited assurance engagement on the consolidated non-financial disclosure of Cerved Information Solutions SpA and its subsidiaries (hereafter the "Group") for the year ended 31 December 2017, in accordance with article 4 of the Decree, and approved by the Board of Directors on 26 February 2018 (hereafter the "NFD").

Responsibility of the Directors and of Those Charged with Governance for the NFD

The Directors are responsible for the preparation of the NFD in accordance with articles 3 and 4 of the Decree and the "Sustainability Reporting Standards", defined in 2016 by the GRI-Global Reporting Initiative (hereafter "GRI Standards"), identified by them as the reporting standard.

The Directors are responsible, in accordance with the law, for the implementation of internal controls necessary to ensure that the NFD is free from material misstatement, whether due to fraud or unintentional errors. The Directors are responsible for identifying the content of the NFD, within the matters mentioned in article 3, paragraph 1 of the Decree, considering the activities and characteristics of the Group and to the extent necessary to ensure the understanding of the Group activities, its trends, its results and related impacts. 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 NFD, for the policies adopted by the Group and for the identification and management of risks generated and/or faced by the Group.

Those Charged with Governance are responsible for overseeing compliance with the Decree in the terms prescribed by the law.

Auditors' independence and quality control

We are independent in accordance with the principles of ethics and independence disclosed in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board of Accountants, which are based on the fundamental principles of integrity, objectivity, competence and

PricewaterhouseCoopers SpA

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professional diligence, privacy and professional behaviour. Our audit firm adopts the International Standard on Quality Control 1 (ISQC Italy 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for the compliance with ethical and professional principles and with applicable laws and regulations.

Auditors' responsibility

We are responsible for expressing, on the basis of the work performed, a conclusion regarding the compliance of the NFD with the Decree and with the GRI Standards.

We conducted our engagement in accordance with "International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements.

The standard requires that we plan and apply procedures in order to obtain a limited assurance that the NFD is free of material misstatements. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised and, therefore, do not provide us with a sufficient level of assurance to become aware of all significant facts and significant circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFD are based on our professional judgement and consisted in interviews, primarily with company personnel responsible for the preparation of the information presented in the NFD, in the analysis of documents, recalculations and other procedures aimed at obtaining evidence as appropriate.

In particular, we have performed the following procedures:

- 1 analysis of the relevant matters reported in the NFD relating to the activities and characteristics of the company, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and the with the reporting standard adopted;
- 2 analysis and assessment of the criteria used to identify the consolidation area, in order to assess its compliance with the Decree;
- 3 comparing the financial information reported in the NFD with the information reported in the Group consolidated financial statements;
- 4 understanding of the following matters:
 - business and organisational model of the Group, with reference to the management of the matters specified by article 3 of the Decree;

- policies adopted by the Group with reference to the matters specified by article 3 of the Decree, actual results and related key performance indicators;
- main risks, generated and/or faced by the Group, with reference to the matters specified in article 3 of the Decree.

With reference to such matters, we have carried out some validation procedures on the information presented in the NFD and some controls as described under point 5 below.

- 5 understanding of the processes underlying the preparation, collection and management of the qualitative and quantitative material information included in the NFD.

In particular, we have held meetings and interviews with the management of Cerved Information Solutions SpA and with the personnel of Cerved Group SpA, Cerved Credit Management Group Srl, ClickAdv Srl and we have performed limited analysis and validation procedures 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 NFD.

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 NFD, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidence;
 - b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the consolidation of the information
- for Cerved Group SpA, Cerved Credit Management Group Srl, with registered offices in San Donato Milanese (Milano), ClickAdv Srl, with registered offices in Pozzuoli (Napoli), which were selected on the basis of their activities, their contribution to the performance indicators at a consolidated level and their location, we carried out site visits during which we met local management and gathered supporting documentation regarding the correct compliance with procedures and calculation methods used for the key performance indicators.

Conclusions

Based on the work performed, nothing has come to our attention that caused us to believe that the NFD of Cerved Information Solutions SpA for the year ended 31 December 2017 has not been prepared, in all material respects, in compliance with articles 3 and 4 of the Decree and with the GRI Standards.



Other aspects

Comparative data presented in the NFD in relation to the financial year ended 31 December 2016, have not been subject to any procedure.

Milan, 12 March 2018

PricewaterhouseCoopers SpA

Andrea Martinelli
(Partner)

Paolo Bersani
(Partner)

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