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Banco BPM S.p.A.
Piazza F. Meda, 4
Milan

GREEN, SOCIAL & SUSTAINABILITY BONDS REPORTING

DATA AS OF
31ST DECEMBER 2023

EDITORIAL

Dear Ladies and Gentlemen,

We're pleased to present our latest Green, Social and Sustainability Report, alongside updates to our Green and Social loan portfolios. This report incorporates key aspects of our new Non-Financial Statement and reaffirms our unwavering commitment to ESG principles. We remain deeply committed to both Environmental and Social responsibility, and such an integrated reporting reflects that focus.

While navigating a macroeconomic environment of high interest rates, geopolitical uncertainties and Central Banks' striving to control inflation, Banco BPM continues to be a leader in Sustainable Finance.

In March 2023, our Bank joined the Net-Zero Banking Alliance (NZBA). Following a comprehensive analysis, we identified five priority areas Oil and Gas, Power Generation, Cement, Automotive, and Coal. We are going to disclose our targets by the third quarter of 2024. This commitment aligns with our desire for market transparency and reflects our commitment to meeting the evolving expectations of our stakeholders.

In November 2023, we unveiled our **New Green, Social and Sustainability Bonds Framework**, further solidifying our dedication to this crucial market segment, introducing new categories of green and assets (loans with green guarantee, social residential mortgages, ...) and aligning the eligibility criteria of some other categories to the EU Taxonomy: Green Buildings, Renewable Energy and Manufacturing of Organic Basic Chemical.

Throughout 2023, Banco BPM played a significant role in the Italian ESG market, thanks to a substantial €1.5 billion in Green Bonds and €500 million in Social Bonds issuances that strengthen our position as major player and represent a cornerstone of the Bank's long-term value creation strategy, integrating Social and Environmental topics into our core decision-making process.

The Social Bond proceeds directly supported small and medium enterprises (SMEs) facing the COVID-19 crisis, pledging loans covered by the state public guarantee and SMEs located in Low GDP Areas, while Green Bond proceeds refinanced a portfolio of energy-efficient building mortgages and loans aimed at financing renewable energy projects.

Beyond bonds, BBPM secured significant milestones within the "E" of ESG aiming at improving even the "S" with a strong support to SMEs and to the Third Sector, the latter representing a pillar in the domestic social area.



Edoardo Ginevra

Co-General Manager & Chief Financial Officer

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1. Banco BPM’s Sustainability strategy, achievements and governance

1.1 SUSTAINABILITY STRATEGY AND KEY ESG COMMITMENTS

Our commitment to Sustainability has been translated into the process of integrating ESG within company governance, operations, business and strategy. The key project who has recently boosted this integration path is the new “ESG Action Plan” launched in Q3 2023; this project, streamlining the previous 7 workstreams into 4 interconnected ESG working groups (Governance ESG - Risk Management, Credit, Markets - Finance & WM, Disclosure, Community & Inclusion), is supported by control functions (Compliance, Audit & Internal Validation) as well as by Data & IT infrastructure functions, is directly overseen by the ESG Committee, chaired by the CEO.

With specific reference to Sustainability strategy, in December 2023, Banco BPM published its new 2023-2026 Strategic Plan, whose goals confirm, and in some cases, make even more ambitious, the ESG targets included in the previous 2021-2024 plan.








The new Plan continues the path of growth and innovation undertaken, confirming Banco BPM as a leading bank in the offer of digital and omnichannel services for its different customer segments, strengthening the proposal of solutions in favour of all customers, with a particular focus on Italian SMEs and Mid-Caps, the true backbone of Italian productive system,

towards which the Bank intends to consolidate its role as bank of reference, also within the sustainability transition; the Strategic Plan also confirms the Bank’s constant attention to communities and initiatives to enhance the value of colleagues, implementing generational turnover programs to bring in new resources and skills.

More in details, the Plan is based on 7 pillars to support customers and the territory with higher returns for all stakeholders and with full integration of strategic Sustainability ambitions and ESG-related initiatives and targets, as illustrated below:



SUSTAINABILITY FULLY INTEGRATED THROUGHOUT THE PLAN

<p>1</p>  <p>Broaden leadership in SMEs & Corporate, supporting green transition</p>	<p>2</p>  <p>Reinforce Wealth Management & Life Insurance</p>	<p>3</p>  <p>Capture value from P&C Insurance and Payments’ deals</p>	<p>4</p>  <p>Benefit from further omnichannel reinforcement</p>	<p>5</p>  <p>Enhance tech innovation, lean banking, cybersecurity</p>	<p>6</p>  <p>Further consolidate a “future-proof” balance sheet</p>	<p>7</p>  <p>Empower People and Communities, in line with our Social-oriented DNA</p>
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The Sustainability strategic ambitions embedded in the Plan are summarized here below:

SUSTAINABILITY AMBITIONS

E

Supporting our clients in their transition path through advisory and commercial offering, paving the way for a **Net Zero Strategy**

Strengthening the **management & monitoring of Climate & Environmental Risk**

Keep on **reducing our own environmental impact**

S

Further enhancing our **People strategy, Generational change and Women empowerment**

Strengthening our **leadership position as third sector lender**

Confirming as a **top Community bank** with strong **impact on our local communities** (school and education-driven)

G

Supporting our **Digital transformation** with a strong **Privacy & Cybersecurity management**

Short-term and Long-term incentive plans for managers & employees confirmed aligned with **ESG targets**

Further enhancement of ESG risk measurement framework, in coherence with the evolution of **external regulation and risks materiality**

Within the scope of the Plan, Banco BPM's role as a partner for Corporate and SME customers in supporting their sustainable transition paths is expected to be accelerated and strengthened, with a set of solutions that will accompany them in the different stages of their development through the creation of an **ESG factory** focused on:

ESG TRAINING: INCREASE SKILLS AND AWARENESS ON SUSTAINABILITY AND "E" MATTERS,

through workshops and educational initiatives and support for ESG self-assessment.

ESG ADVISORY: IDENTIFICATION OF NEEDS AND SOLUTIONS,

through the ESG diagnostic tool (ESG questionnaire) for ESG integration into credit policies, accompanying customers in their green transition. The Group, conducts in-depth analysis of existing gaps and offers customized ESG advice. It additionally collaborates with a wide network of ESG solution providers to ensure comprehensive support targeted to clients' needs.

ESG OFFERING: SUPPORT FOR OPERATING MODEL SUSTAINABLE TRANSFORMATION,

by offering full suite of sustainable products, including taxonomy-aligned solutions aimed at financing specific initiatives. Furthermore, Banco BPM conducts a physical risk assessment and related protection solutions.

Finally, with specific regard to the **NET ZERO BANKING ALLIANCE (NZBA)**, the new Strategic Plan confirms and extends the commitments undertaken when Banco BPM joined the initiative promoted by the United Nations to accelerate the sustainable transition of the banking system through the commitment of participating banks to align their loan and investment portfolios to achieving net zero emissions by 2050, in line with the targets set by the Paris Climate Agreement; more in details, Banco BPM joined the NZBA in **March 2023** and, following deep analysis and evaluations, identified five priority areas for the communication of its targets to be fulfilled within 18 months starting from the joining of the alliance (**Oil & Gas; Power generation; Cement; Automotive; Coal**¹). Coherently, the new 2023-2026 Strategic Plan requires Banco BPM to define its targets in the above-mentioned priority sectors by the 3rd quarter of 2024 and in all other sectors by 2026.

¹We should note that as part of the 2023-2026 Strategic Plan regarding the coal sector (hard coal mining, manufacturing of coal-fired blast furnace products and coal-fired power generation), Banco BPM has already committed to a progressive run-off of existing exposures

1.2 KEY ESG ACHIEVEMENTS

Significant progress has also been achieved as at YE 2023 by Banco BPM in key ESG pillars, as summarized below:

ENVIRONMENT

	2022	2023
Net Scope 1 & 2 direct emissions Market-based (Chg. Y/Y) ²	-54.3%	CARBON NEUTRAL
Scope 1 & 2 consumptions		REDUCED BY > 10% IN 2022 AND 2023
<ul style="list-style-type: none"> NZBA joined in Q1 23 > 5 priority sectors identified >€1bn of new Green Residential Mortgages in 2022-2023 (new lending) 100% of electric energy from renewable sources confirmed 		
	2022	2023
Issue of Green, Social & Sustainable Bonds	€2bn ³	€2bn

SOCIAL

	2022	2023
Share of women in managerial positions	26.1%	29.7%
Share of new hirings between the ages of 20-30 (cumulated, since Jan.21)	89.5%	96.5%
Donations and contributions for social & environmental projects	€4.6m	€5.8m
<ul style="list-style-type: none"> ~€0.35bn of new lending to third sector in 2022-2023 #9,402 hours of corporate community services, ESG awareness and financial education in 2023 		
	2022	2023
Share of ESG bonds in the Corporate bond proprietary book	24.2%	29.1%

GOVERNANCE

	2022	2023
<ul style="list-style-type: none"> >#164K hours of ESG training courses to employees in 2023 Sustainability Committee at Board level established in April 2023 Published Guidelines on respecting and safeguarding human rights (May 2023) New ESG Action Plan launched in Q3: <ul style="list-style-type: none"> 4 interlinked areas (Risks; Credit; Finance & WM; Disclosure, Community & Inclusion) Supported by Data Quality, IT and Control Functions and directly overseen by ESG Committee & CEO 		
	2022	2023
ESG bond issues assisted by Banca Akros	>€8bn	>€8bn

Moreover, in the 2023 disclosure, financial institutions are required, for the first time, to publish their **Green Asset Ratio (GAR) as per the EU Taxonomy Disclosure**⁴. As of 31/12/2023, for Banco BPM, **the stock GAR is 2.02% on Turnover and 2.28% on CAPEX**, with coverage on total assets equal to 70.81%⁵.

²Including offsetting through carbon credits.

³Include one Private Placement for €300m, not issued under the GS&S Bonds Framework.

⁴The reported GAR is an indicator of the level of alignment of the Group's exposure to the objectives climate change mitigation (CCM) and climate change adaptation (CCA), in compliance with the EU Taxonomy Regulation (EU Regulation 2020/852) and related Delegated Acts and the Implementing Regulation (EU) 2022/2453, and is calculated as the ratio of assets that finance (Turnover) or invest (CapEx) in economic activities aligned with the EU Taxonomy to total covered assets, which includes loans and advances, debt securities, equity investments and recovered collateral.

⁵It should be noted that the value of this KPI to date is small and unrepresentative, partly due to the limited availability of timely data on the funded counterparties that publish the Consolidated Non-Financial Statement (NFS) and the current absence of the alignment information of financial firms. Also, the denominator of the KPI includes multiple assets for which it is not feasible to carry out a verification of its alignment to the EU Taxonomy. For more details, please refer to the information provided in the Banco BPM's 2023 Disclosure Report Pillar III and Consolidated Non-Financial Statement, available on www.gruppo.bancobpm.it.

1.3 SUSTAINABILITY GOVERNANCE

With the aim of overseeing ESG issues which are increasingly integrated into its corporate strategy, Banco BPM has equipped itself with an effective governance model. Below, a summary of the articulation of this model is shown.

BOARD OF DIRECTORS

- Defines the Group's socio-environmental policies. The Board of Directors is responsible for the strategic supervision and management of the company, to be conducted also with a view to "sustainable success".
- The BoD also defines the management and coordination policies regarding non-financial disclosure, and annually approves the Consolidated Non-Financial Statement and the associated materiality analysis. The Board of Directors is responsible for approving the Regulations, including ESG, and the Code of Ethics^o. Instead, the approval of Guidelines, including those on sustainability issues, is delegated to the CEO. The Board of Directors also has the fundamental role of managing and controlling risks, including those pertaining to ESG dimensions, establishing strategic guidelines, approving risk management policies, assessing the degree of efficiency and adequacy of the internal control system, drafting remuneration and incentive policies (including ESG performance targets), to be submitted to the Shareholders' Meeting for approval, reviewing them at least once a year, and is responsible for their proper implementation.

SUSTAINABILITY COMMITTEE

Established by the Board of Directors in April 2023 in order to further develop what had been ensured until then by the Internal Control, Risk and Sustainability Committee (renamed the Internal Control and Risk Committee).

It supports the Board of Directors in defining and approving strategic guidelines on sustainability. In addition, the Committee supports the Board of Directors in:

- evaluating project initiatives for integrating ESG dimensions into business processes and for the development and promotion of the Group's territories and root communities;
- supervising the preparation of the Consolidated Non-Financial Statement;
- assessing the contribution of ESG dimensions within the scope of the Pillar 3 Disclosures on credit and remuneration policies.

INTERNAL CONTROL AND RISK COMMITTEE

Following the establishment of the Sustainability Committee, the Internal Control and Risk Committee nevertheless retained specific expertise in supporting the Board of Directors in the:

- definition of guidelines for the internal control and risk management system (including climate/environmental risks);
- determination of the level of compatibility of risks related to the Group with sound and prudent management, consistent with the strategic objectives identified and the pursuit of sustainable success.

ESG COMMITTEE

Chaired by the Chief Executive Officer, its members include the two Co-General Managers as well as almost all the Bank's first-line managers. Its main tasks include evaluating the Group's positioning and coordinating all the activities required to achieve the strategic sustainability objectives.

SUSTAINABILITY DEPARTMENT

The department's objective is to oversee social, environmental and, in a broader sense, other initiatives related to business sustainability. The sustainability department conducts the materiality analysis and related stakeholder engagement activities as well as prepares the Consolidated Non-Financial Statement.

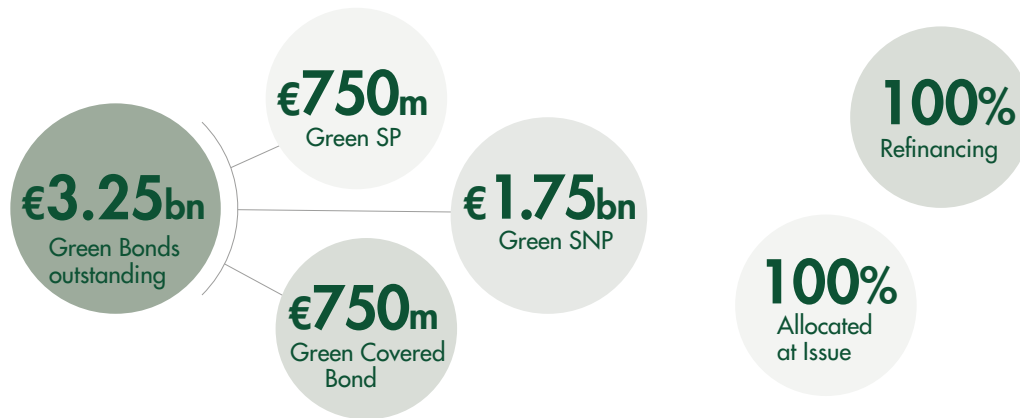
ESG AMBASSADORS

They are the main contact persons on sustainability issues within their company departments and share the issues to be addressed with the Sustainability Department.

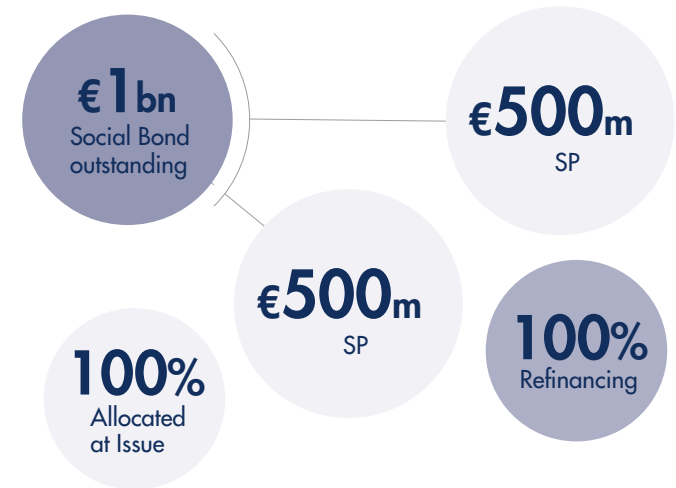
^oThe approval of internal Guidelines, including those on sustainability issues, is delegated to the CEO.

2. Key Figures of the Report (Green and Social)

GREEN PORTFOLIO



SOCIAL PORTFOLIO



KEY ALLOCATION AND IMPACT FIGURES

OVER 27,000 GREEN MORTGAGES GRANTED

20,288 Green Mortgages Allocated

Green Buildings surface: **2,462,684.1 m²**

Energy Saving: **153,486.8 MWh**

Avoided CO₂ emissions: **31,942.3 tCO₂e/year**

Carbon Impact: **12.0 tCO₂e/year**

#181 LOANS FOR RENEWABLES PROJECTS

904 renewable energy plants

Energy production from renewables: **4,842,006.2 MWh/y**

Avoided CO₂ emissions: **288,147.8 tCO₂e/year**

Carbon Impact: **476.9 tCO₂e/year**

KEY ALLOCATION AND IMPACT FIGURES

12,012 SMEs FINANCED

Over **8,500 SMEs** with 1-10 employees

Over **1,900 SMEs** with a turnover between **1-5 €m**

More than **9,000** employees financed in 2023




3. Overview of Green, Social and Sustainability Bonds Framework

In November 2023 Banco BPM published the new Green Social & Sustainability Bonds Framework with the aim to be aligned with best market practices, to cover a broader range of activities and to include EU Taxonomy alignment for some eligible assets.

The Framework (Green Social & Sustainability Bonds Framework 2023 (bancobpm.it)) has been developed according to the following latest market standards: ICMA's Green Bond Principles (June 2021 with June 2022 appendix), ICMA's Social Bond Principles (June 2023), ICMA's Sustainability Bond Guidelines (June 2021) and the EU Taxonomy.



USE OF PROCEEDS

- ELIGIBLE GREEN CATEGORIES**
-  **Green buildings: residential & commercial;**
 -  **Renewable energies: wind, solar, hydro, bio-energy;**
 - Energy efficiency: smart grid, district heating and cooling, ...;
 - Geothermal energy and electricity transmission and distribution infrastructure;
 - Pollution prevention & control;
 - Sustainable water infrastructure;
 - Low carbon transportation;
 -  **Manufacture of organic basic chemicals;**
 - Green guarantee;
 - Sustainable agriculture.

PROCESS FOR ASSET EVALUATION AND SELECTION

- ELIGIBLE SOCIAL CATEGORIES**
- Small medium enterprises financing: loans to SMEs located in areas with low GDP & Covid loans;
 - Third and public sector;
 - Healthcare;
 - Sustainability-linked-loans to SMEs to support the transition;
 - Residential mortgages for low income borrowers.

The Eligible Portfolios that are financed via the bonds issued under the Framework will be reviewed, monitored and updated by the Funding ESG Working Group.

MANAGEMENT OF PROCEEDS

The Funding ESG Working Group manages the balance of the Eligible Portfolio with the net proceeds on a portfolio approach.

REPORTING

Banco BPM commits to publish annually its report, on a portfolio approach basis, until full maturity of the bonds.

VERIFICATION

In November 2023 Banco BPM has obtained from ISS Corporate Solutions a positive Second Party Opinion that certifies its new GSS Bonds Framework available at:

https://gruppo.bancobpm.it/media/dlm_uploads/BancoBPM_Second-Party-Opinion_ISS-ESG_2023.pdf

BDO Italia S.p.A. has verified the compliance of Eligible Portfolios with the Framework.

EU TAXONOMY ALIGNMENT:

The New Framework published in 2023 by Banco BPM updates the categories of eligible assets aligning the requirements with the **EU Taxonomy**⁷. The New Framework contains a so-called "dual criteria" with respect to funding for the construction/renovation and acquisition of Green Buildings: Eligibility Criteria aligned with the EU Taxonomy and other Eligibility Criteria (in line with the old Framework criteria).

Some parts of the following Eligible Green Loans categories are aligned with the **Substantial Contribution Criteria** to Climate Change Mitigation, the **Do No Significant Harm (DNSH)** criteria and the **Minimum Social Safeguards (MSS)** criteria:

- Green Residential Buildings;
- Green Commercial Buildings;
- Renewable Energy (wind, solar, hydropower and bioenergy);
- Manufacture of organic basic chemicals.

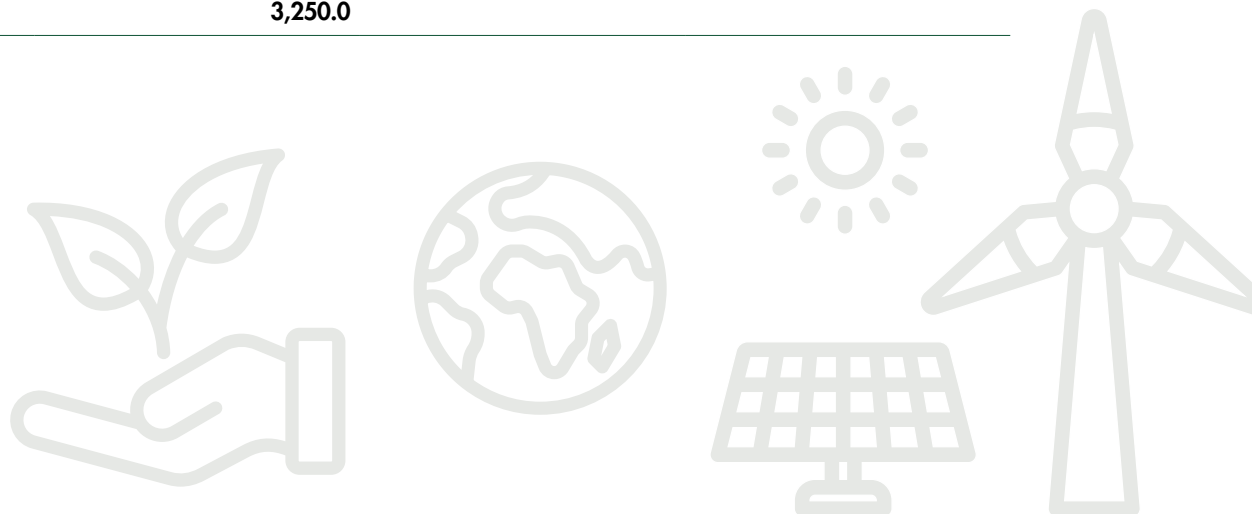
The exercise focuses in particular on the management of DNSH and the coverage of DNSH by national legislation vs. the internal processes to be put in place. The objective of Banco BPM is to provide the % of eligible/allocated assets aligned with the EU Taxonomy taking into account the SCC, DNSH & MSS.

⁷ Appendix 1 of the Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council

4. Green Bond & Eligible Green Portfolio

Outstanding Green Bonds as at **31st December 2023**.

GREEN BONDS				
ISIN	ASSET CLASS	ISSUE VOLUME / €m	ISSUE DATE	MATURITY DATE
IT0005489932	Covered Bond	750.0	15/03/2022	15/03/2027
XS2530053789	Senior Non Pref	500.0	13/09/2022	13/09/2026
XS2558591967	Senior Non Pref	500.0	21/11/2022	21/01/2028
XS2577572188	Senior Pref	750.0	18/01/2023	18/01/2027
IT0005549479	Senior Non Pref	750.0	14/06/2023	14/06/2028
Total		3,250.0		



4.1 Green Bond - Allocation report

OVERVIEW OF ELIGIBLE GREEN LOANS PORTFOLIO

Banco BPM Eligible Green Loans as of **31st December 2023**

ELIGIBLE GREEN LOANS CATEGORIES	# LOANS	OUTSTANDING AMOUNT (€m)	WEIGHTED AVERAGE TENOR (years)	EU TAXONOMY ALIGNED (SCC, DNSH, MSS) (€m)
Renewable Energy - Bioenergy	50	79.5	7.7	-
Renewable Energy - Hydropower	29	38.7	10.9	-
Renewable Energy - Solar Energy	64	357.1	9.7	-
Renewable Energy - Wind Power	38	128.9	6.6	-
Renewable Energy	181	604.2	-	-
Crit. 1.1 - Acquisition EPC A B C	2,226	249.8	23.5	-
Crit. 1.2 - Acquisition year of construction*	8,011	1,081.8	24.1	-
Crit. 2 - Acquisition (EPC A)	6,645	991.0	24.3	900.7
Crit. 3 - Acquisition Top 15% PED	6,530	790.2	24.3	717.1
Crit. 4 - Acquisition NZEB-10% (Year >=2021)	2,779	501.1	25.8	459.3
Renovations	848	161.2	24.9	-
Green Buildings Residential	27,039	3,775.0	-	2,077.1
Total	27,220	4,379.2	-	2,077.1

* w/out 2.5% haircut that is equal to €27.0m

According to ICMA Principles Loans can be pledged as collateral for monetary policy transactions with Eurosystem

OVERVIEW ELIGIBLE GREEN LOANS PORTFOLIO

Balance of Eligible assets not allocated and still available (€m)	1,110.5
% of Eligible Green Loan Portfolio Allocated	74.6%
Eligible Green Loans granted in 2023 (€m)	515.1

DEVELOPMENT ELIGIBLE GREEN LOANS PORTFOLIO

	OUTSTANDING AMOUNT (€m)	N. OF ELIGIBLE GREEN LOANS
Total by 31.12.2022	3,864.1	24,375
Difference	515.1	2,845
Total by 31.12.2023	4,379.2	27,220

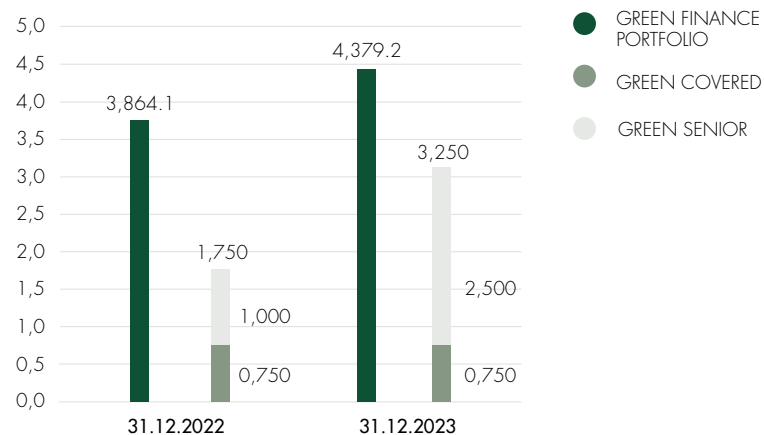
Banco BPM Eligible Green loans as of **31/12/2023**

All the proceeds of the Green bonds issued **have been allocated** at issuance.

In the reporting period from 31 December 2022 to 31 December 2023, green new business of € 515.1m was achieved (new green buildings residential and Renewable Energies).

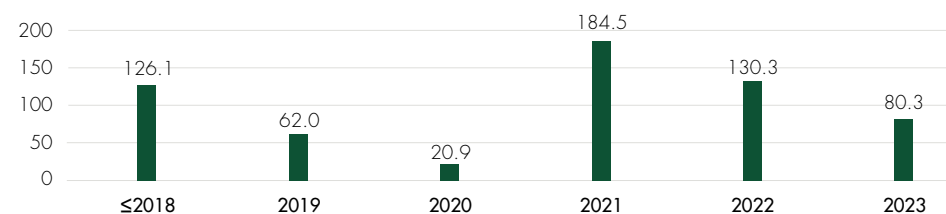
In 2023 € 434.8m new green mortgages were granted.

ELIGIBLE GREEN LOANS PORTFOLIO €m

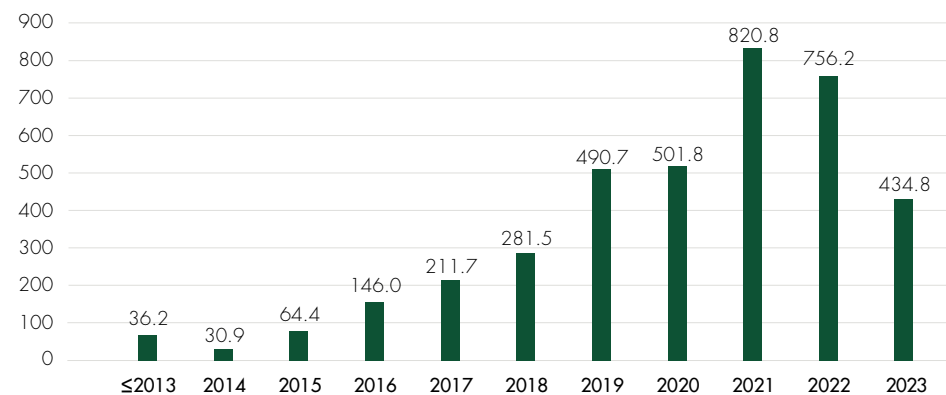


⁸ Outstanding amount of Green Loans per year of origination (net of repayments)

RENEWABLE ENERGIES €m⁸

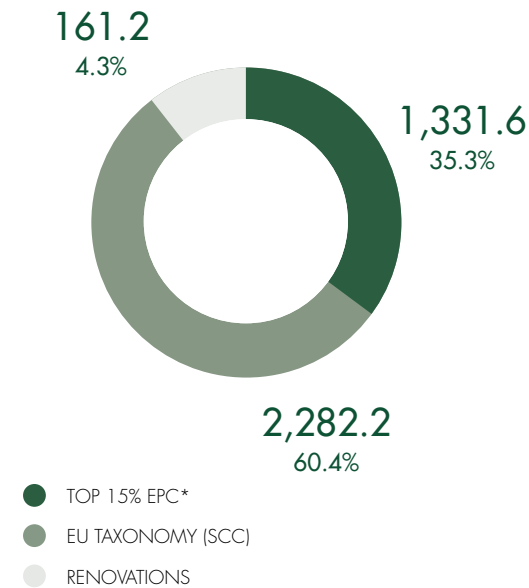


GREEN BUILDINGS RESIDENTIAL €m⁸

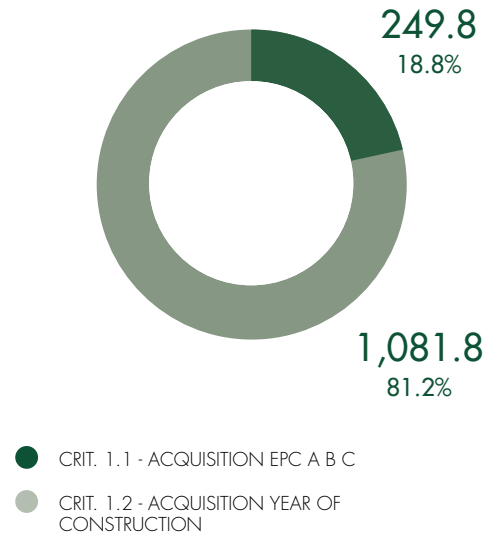


OVERVIEW GREEN RESIDENTIAL BUILDINGS

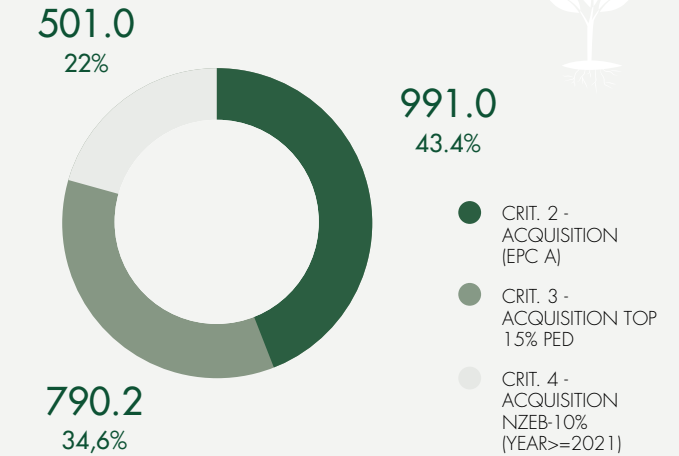
GREEN BUILDINGS RESIDENTIAL - OUTSTANDING AMOUNT €m



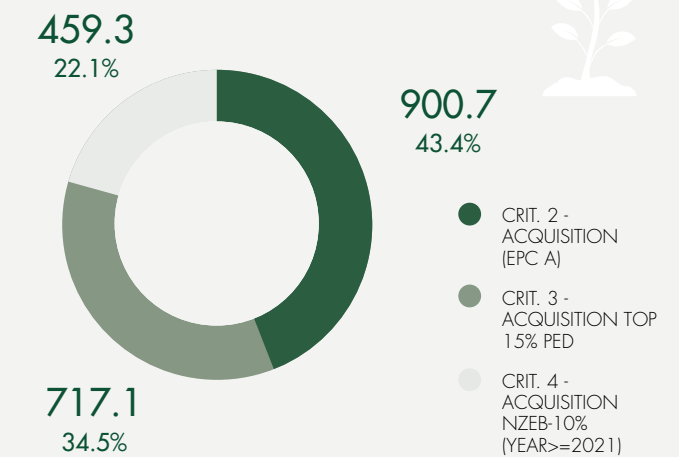
FOCUS TOP 15% EPC - OUTSTANDING AMOUNT €m



FOCUS EU TAXONOMY ASSETS (SCC) - OUTSTANDING AMOUNT €m



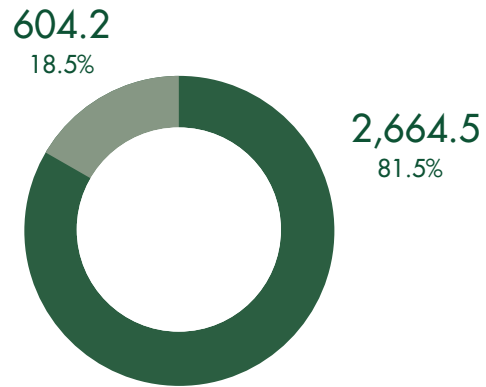
FOCUS EU TAXONOMY ALIGNED (SCC, DNSH) - OUTSTANDING AMOUNT €m



* According to CRIF's analysis of the Top 15% EPC criterion

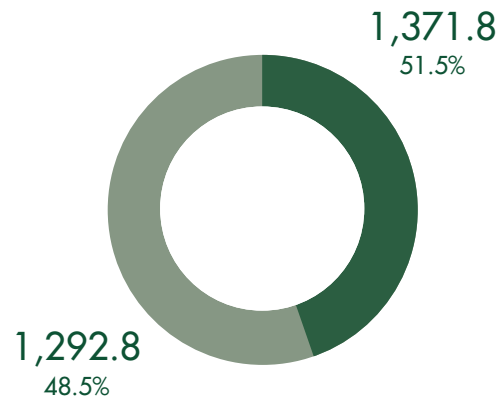
OVERVIEW OF ALLOCATED GREEN LOANS

ALLOCATED GREEN LOANS €m



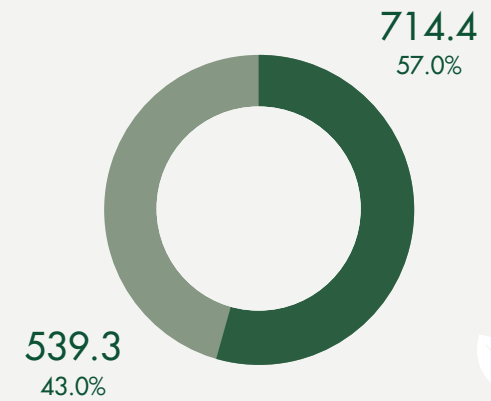
- GREEN BUILDINGS RESIDENTIAL
- RENEWABLE ENERGIES

ALLOCATED GREEN BUILDINGS



- EU TAXONOMY ASSETS (SCC)
- OTHER GREEN ELIGIBILITY CRITERIA

ALLOCATED GREEN BUILDINGS - EU TAXONOMY ALIGNED (SCC, DNSH) €m



- CRIT. 2 - ACQUISITION (EPC A)
- CRIT. 3 - ACQUISITION TOP 15% PED



ELIGIBLE GREEN LOANS – GREEN BUILDINGS RESIDENTIAL



Under the mapping provided by ISS in its SPO, Banco BPM’s Residential Green Buildings portfolio **significantly contributes** to SDG 7 (Affordable and Green Energy), to SDG 11 – (Sustainable Cities and Communities) and to SDG 13 – (Climate Action).

- In 2021 Banco BPM has mandated CRIF RES⁹. to provide a technical analysis on the national residential market with the objective of positioning the Bank’s eligible portfolio at the very best market practices. The methodology to identify the portfolio’s eligible buildings was based on Climate Bonds Initiative approach of Top 15% of the national building stock. According to the technical analysis, the green real estate assets as loans to finance the acquisition of residential buildings belonging to the **top 15%** of the most carbon efficient buildings (kgCO₂e/sqm) using the EPC scheme as a proxy and the year of construction of the building (when the EPC is not available).
- Banco BPM new Green, Social & Sustainability Bonds Framework contains with regard to the financing construction/renovation and acquisition of Green Buildings both eligibility criteria: 1. Eligibility criteria aligned with the EU Taxonomy and 2. the above mentioned eligibility criteria based on Top 15% (EPC) of national building stock .
- In 2023, CRIF published a **NEW methodology** implementing the Substantial Contribution Criteria of the Delegated Acts of Regulation (EU) 2020/852 (EU Taxonomy), related to the acquisition and ownership of buildings in order to identify green mortgages.
- In particular, the methodology focuses on the requirement related to the “the top 15%” of the national or regional building stock expressed as operational Primary Energy Demand (PED) for buildings built before 2021 and the threshold of the NZEB –10% criterion for new constructions¹⁰.

⁹ CRIF is a global company, leading many subsidiaries specialized in credit information, business information, analytics, outsourcing e processing services as well as services for digital innovation, business development and open banking. Its headquarter is based in Bologna but offer services in many countries all over four continents. CRIF RES is a company belonging to CRIF Group specialized in real estate services and consultancy

¹⁰To implement the Substantial Contribution Criteria of **EU Taxonomy (Technical Screening Criteria 7.1 and 7.7)**, in the Italian market, CRIF and CTI (Comitato Termotecnico Italiano) have identified 6 Climate zones and different thresholds of Primary Energy demand for each climate zone. This report has been published under the coordination of the Italian National Hub of EEMI - Energy Efficiency Mortgages Initiative becoming a market standard for 2023. Report available at <https://energyefficientmortgages.eu/wp-content/uploads/2022/12/Percentage-distribution-of-primary-energy-Ep-values-in-the-Italian-national-building-stock-1.pdf>

<p>CRITERION 1.1 Residential buildings with EPC labels: A, B or C</p>	<p>Approach based on EPC (Attestato Prestazione Energetica - APE)</p> <ul style="list-style-type: none"> • The Italian most important database on buildings’ energy performance (SIAPE*) confirmed that EPC labels A, B and C represented in 2024 20.3% of the existing residential stock. • The Italian EPC (Attestato Prestazione Energetica - APE) is mandatory for rent, acquisition, construction of new buildings, energy renovation and real estate ads.
<p>CRITERION 1.2 New residential constructions built from 2016 until end 2020 **</p>	<p>Approach based on the year of construction</p> <ul style="list-style-type: none"> • According to SIAPE database, 98.3% of residential properties built after 1st of January 2016 have an EPC A, B and C. • The energy performance of the Italian new buildings increases over time, in line with national regulations (e.g. the Ministerial Decree 26/06/2015) and European energy efficiency targets.

* SIAPE (Sistema Informativo Attestati di Prestazione Energetica- Information System for EPC) is a national data base introduced by the Ministerial Decree on 26/06/2015 and managed by ENEA (Ente Nazionale Energia Atomica – National Entity of Atomic Energy which is in charge of energy issues in Italy). It is the richest database as it gathers the EPC data of 9 of 20 Italian Regions

** a **2.5%** haircut over the portfolio identified under this criterion is applied

- Banco BPM for the verification of the EU Taxonomy's requirements 'Do No Significant Harm-DNSH' has implemented the score of the data provider CERVED to assess the current impacts on the credit risk profile for the valuation of Residential Green Buildings. The principle of DNSH is respected if the building is associated with scores of acute physical risk and chronic physical risk of 0 (Very Low), 1 (Low) or 2 (Medium).



<p>CRITERION 2 Residential buildings with EPC label: A</p> <p>Aligned EU Taxonomy</p>	<p>Approach based on EPC (Attestato Prestazione Energetica - APE)</p> <ul style="list-style-type: none"> Loans for financing Residential Buildings built before 01.01.2021, the building has energy class "A".
<p>! New</p> <p>CRITERION 3 Top 15% most energy efficient buildings (PED)</p> <p>Aligned EU Taxonomy</p>	<p>Top 15% Approach based on PED (Primary Energy Demand)</p> <ul style="list-style-type: none"> To identify the energy performance "threshold" below which a building can be considered to be part of the subset of the top 15% most energy efficient buildings of a specific set of buildings CRIF follows this steps: <ul style="list-style-type: none"> Calculate the percentage of EPCs that meet the following criteria Analyse the percentiles, from which it is then possible to identify the energy class in which the 15% of EPCs fall Identify the average values for each class and the boundaries between classes Calculate the EP value corresponding to the 15% threshold
<p>! New</p> <p>CRITERION 4 NZEB -10% Buildings</p> <p>Aligned EU Taxonomy</p>	<p>NZEB -10%</p> <ul style="list-style-type: none"> To identify the energy performance "threshold" below which a building can be considered to be part of the subset of buildings having a performance that is 10% better than the set of so-called "NZEBs" (nearly Zero-Energy Buildings), which in turn can be identified as a subset of the national or regional building stock. The verification that a building has all the characteristics to be called NZEB is something that requires a series of data in terms of performance parameters and indexes, and possibly other information that is not all available and stored in SIAPE. Instead, the EPC clearly and explicitly specifies whether a building is an NZEB or not.

CRITERION 5

Renovations

Renovations

- Loans to finance the renovation of buildings if the renovation works produce the improvement of at least two energy classes, or a Global Non-Renewable Energy Performance Index (EP_{gl, nren}) at least 30% lower than that resulting from the pre-works EPC.

CLIMATE ZONE



CRITERIA 3 AND 4: TOP 15% PED AND NZEB-10%

TYPE OF THRESHOLD	YEAR OF CONSTRUCTION	CLIMATE ZONE					
		A	B	C	D	E	F
		LABEL A					
Crit. 3 - TOP 15% - PED	≤2020	65	65	70	75	100	105
	>2020	45	45	50	55	70	70

- **A** GG ≤ 600
(Lampedusa, Porto Empedocle)
- **B** 601 ≤ GG ≤ 900
(Agrigento, Reggio Calabria, Messina, Trapani)
- **C** 901 ≤ GG ≤ 1,400
(Napoli, Imperia, Taranto, Cagliari)
- **D** 1401 ≤ GG ≤ 2100
(Firenze, Foggia, Roma, Ancona, Oristano)
- **E** 2101 ≤ GG ≤ 3000
(Aosta, Torino, Milano, Bologna, L'Aquila)
- **F** GG ≤ 3001
(Belluno, Cuneo)



4.2 Green Bond - Impact Report

Banco BPM's Impact Reporting of the Green Loans Portfolio is based on the calculation of the Avoided CO₂ equivalent emissions.

Banco BPM was supported by CRIF for the analysis of the Green Building Residential portfolio and by Rina¹¹ for the analysis of the Renewable energies portfolio.

POSITIVE ENVIRONMENTAL IMPACT: GREEN BUILDINGS RESIDENTIAL

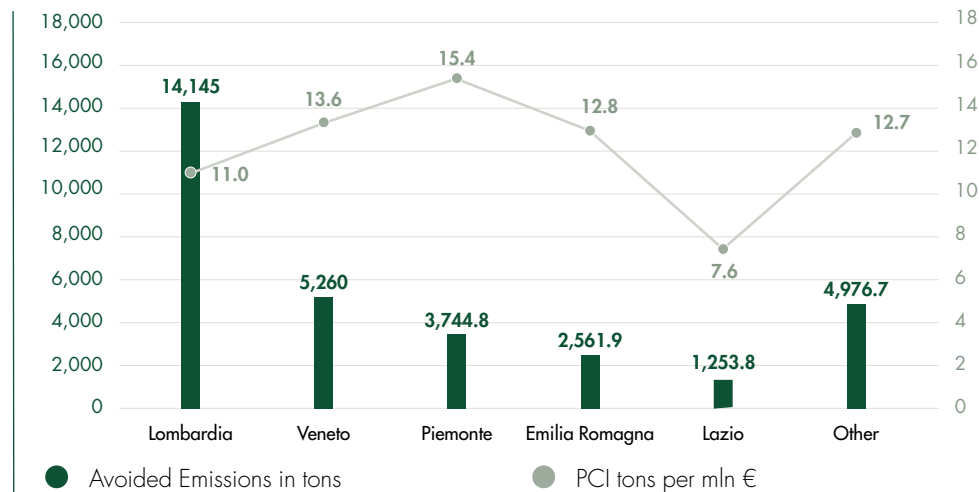
The analysis here below focuses on the **positive environmental impact** for the buildings included in the allocated portfolio. The allocated portfolio is composed by mortgages granted for

the acquisition of residential properties which have a positive impact of **31,942.3 tons equivalent of CO₂ per year**. It corresponds to **12.0 tons** of equivalent carbon dioxide **every financed million euro per year**.

OVERVIEW OF POSITIVE EMISSION IMPACT OF THE ALLOCATED RESIDENTIAL GREEN BUILDINGS

CRITERION	OUTSTANDING AMOUNT (€m)	AVOIDED EMISSIONS (t CO ₂ eq / year)	m ²	ENERGY SAVING (MWh) ¹²	CARBON IMPACT (t CO ₂ eq per €m / year)
Crit. 1.1 - Acquisition EPC A B C	249.3	2,486.6	250,759.7	9,327.4	8.4
Crit. 1.2 - Acquisition year of construction	1,043.6	12,404.2	1,068,546.1	58,982.6	11.6
Crit. 2 - Acquisition (EPC A)	782.2	9,604.2	620,684.6	49,068.5	14.8
Crit. 3 - Acquisition Top 15% PED	589.4	7,447.4	522,693.7	36,108.3	12.9
Total	2,664.5	31,942.3	2,462,684.0	153,486.8	12.0*

POSITIVE CARBON IMPACT**



¹¹ Rina is a "business-to-society" company, which supports customers in keeping up with changes and growing sustainably. It is specialised in testing, inspection, certification, and engineering solutions across a wide range of markets, including Marine, Energy and Mobility, Real Estate and Infrastructure, Space and Defense, and Industry 4.0.

¹² Energy savings in MWh are calculated considering the average consumption for each climate zone where each building is located
* Carbon impact's weighted average for the outstanding amount of each criterion

** See analysis and methodology in annex 1 "Methodology for the calculation of avoided emissions of green buildings"

POSITIVE ENVIRONMENTAL IMPACT: RENEWABLE ENERGIES



The analysis here below focuses on the **positive environmental impact** for the Renewable energy projects included in the allocated portfolio.

All the loans granted in the Renewables significantly contribute to both SDG 13 and SDG 7.

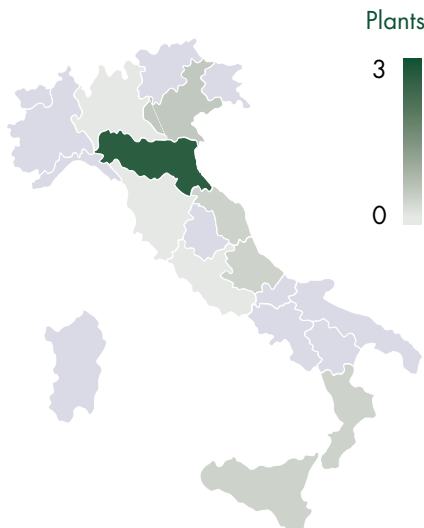
The allocated portfolio is entirely composed by loans which have a positive impact of **288,147.81 tons equivalent of CO₂ per year**. It corresponds to **476.92 tons** of equivalent carbon dioxide **every financed million euro per year**.

RENEWABLE ENERGIES	OUTSTANDING AMOUNT (€m)	AVOIDED FINANCED EMISSIONS (t CO ₂ eq / year)	# LOANS	FINANCED ENERGY PRODUCTION (MWh / year) ¹³	CARBON IMPACT (t CO ₂ eq per €m / year)
Bioenergy	79.5	84,252.3	50	2,247,738.3	1,059.7
Hydropower	38.7	21,629.0	29	150,362.2	559.5
Solar Energy	357.1	62,016.8	64	1,401,566.2	173.7
Wind Power	128.9	120,249.7	38	1,042,339.5	933.1
Total	604.2	288,147.8	181	4,842,006.2	476.9*

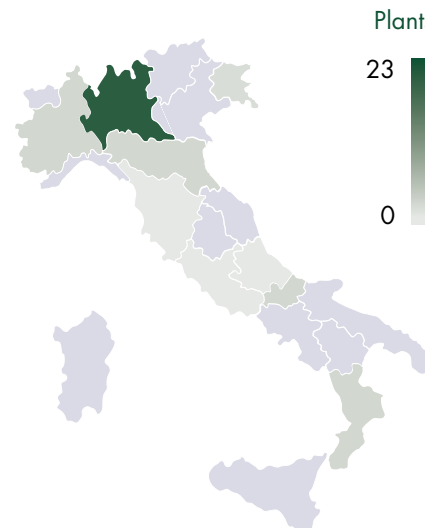
¹³ Energy savings in MWh are calculated considering the average consumption for each climate zone where each building is located.

* Carbon impact's weighted average for the outstanding amount of each renewable energy category

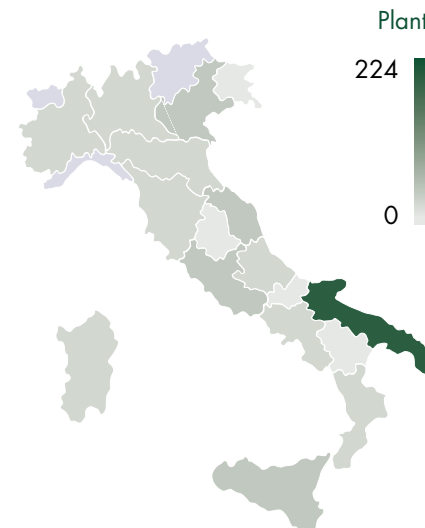
BIOENERGY



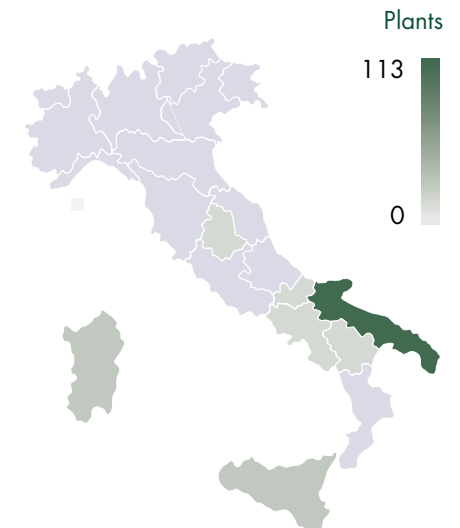
HYDRO POWER



PHOTOVOLTAIC



WIND POWER



5. Social Bond & Eligible Social Portfolio

Outstanding Social Bond as at **31st December 2023**

ISIN	ASSET CLASS	ISSUE VOLUME/ €m	ISSUE DATE	MATURITY DATE
XS2365097455	Senior Pref	500.0	15/07/2021	15/07/2026
IT0005572166	Senior Pref	500.0	29/11/2023	29/11/2027
Total		1,000.0		



5.1 Social Bond - Allocation Report

Banco BPM Eligible Social Loans as of **31st December 2023**

ELIGIBLE SOCIAL LOANS	OUTSTANDING AMOUNT (€m)	AVERAGE TICKET SIZE (€k)	#LOANS	ALLOCATED (€m)	ALLOCATED %
SMEs - COVID Loans	5,888.3	75.2	78,284	489.7	8.3
SMEs - COVID Loans in Low GDP Areas	1,084.7	60.3	17,990	307.4	28.3
SMEs - in low GDP areas	1,507.8	127.1	11,865	211.4	14.0
Third and Public Sector	791.5	228.9	3,458	-	-
Total Eligible Social Loans	9,272.3		111,597	1,008.5	10.9

All the proceeds of the Social bond issued **have been allocated** at issuance.



According to ICMA Principles Loans can be pledged as collateral for monetary policy transactions with Eurosystem.

SOCIAL ELIGIBLE PORTFOLIO

ISS ESG assessed the contribution of Banco BPM's Green, Social and Sustainability Bonds Framework to the Sustainable Development Goals defined by the United Nations (UN SDGs).

In particular, in relation to the Social Loans, ISS assessed that **SMEs financing and employment generation (identified as SMEs located in low GDP areas¹⁴) together with the SMEs financing dedicated to the COVID-19 health emergency, contributing to address or mitigate social issues emanating from the coronavirus outbreak, significantly contribute** to the SDG 1- No Poverty and SDG 8 – Decent Work and Economic Growth. Third and Public Sector financing has a significant contribution towards SDG 1- No Poverty, SDG 2- Zero Hunger, SDG 3 – Good Health and well-being, SDG 4 – Quality Education, SDG 10 – Reduced Inequalities and SDG 11- Sustainable Cities and Communities.



COVID LOANS

- On April 8, 2020, the Liquidity Decree (Decree Law No. 23/2020) was published in the Official Gazette, introducing urgent measures for companies affected by the Covid-19 emergency, facilitating their access to financing in order to ensure their continuity.
- The ways through which the Italian government can grant guarantee requests are:
 - SACE S.p.a., which comes to be identified as the eligible entity for the issuance of guarantees, pursuant to the scheme arising from the European Commission's March 2020 Communication.
 - The Central Guarantee Fund (Fondo centrale di garanzia PMI), that is the main credit guarantee scheme in Italy, established to support economic growth for micro, small, and medium-sized enterprises which are the economic-productive backbone of Italy.

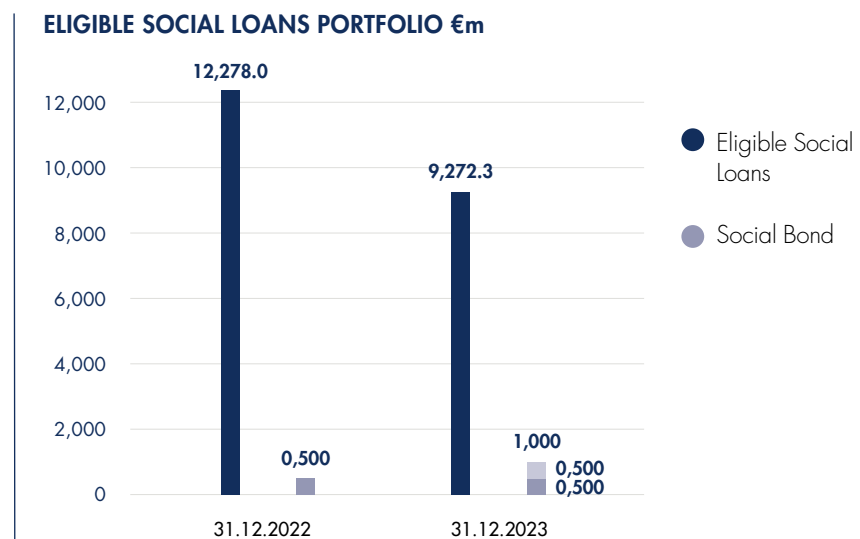
SMEs

Loans to Small Medium Enterprises (as defined by the European Commission: (250 employees, <€50m turnover or ≤ €43m total Balance sheet)¹⁵ that include SMEs located in provinces with a GDP per capita below national average, and/or in areas impacted by natural disasters.

¹⁴ Low GDP areas are identified as follows: first the average of the Italian's Provinces GDP was calculated. Then the average value, that is equal to 25.76, has been compared to the GDP of each Province. The data of GDP refer to 2020 and the source are from: https://www.sisreg.it/index.php?option=com_content&view=article&id=102&Itemid=75

¹⁵ According to EU SME definition: https://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en

OVERVIEW OF ELIGIBLE SOCIAL LOANS



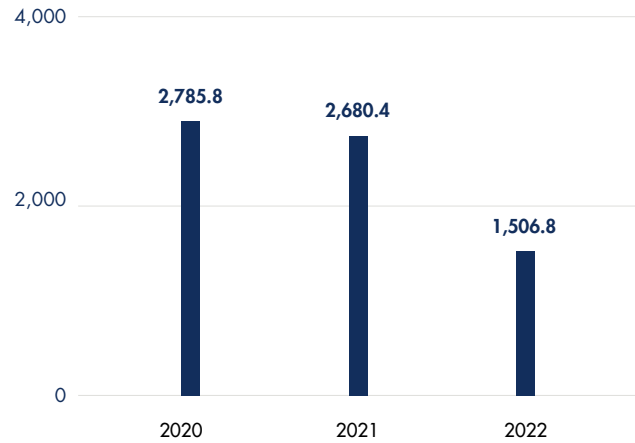
DEVELOPMENT ELIGIBLE SOCIAL LOANS PORTFOLIO	OUTSTANDING AMOUNT (€m)	# ELIGIBLE SOCIAL LOANS
Total by 31.12.2022	12,278.0	120,485
Difference	-3,005.7	-8,888
Total by 31.12.2023	9,272.3	111,597

OVERVIEW ELIGIBLE SOCIAL LOANS PORTFOLIO	
% of Eligible Social Loan Portfolio Allocated	10.88%
Eligible Social Loans granted in 2023	560.1
Total Eligible Social Loans	9,272.3

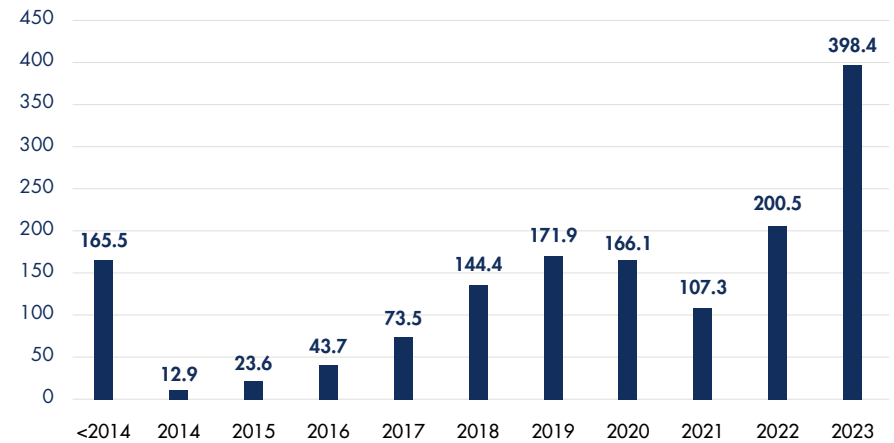
In the reporting period from 31 December 2022 to 31 December 2023, Social Eligible Portfolio has decreased of € 3bn.

In 2023 Banco BPM granted €560.1 m new Social Loans, mainly loans to SMEs and to the Sector.

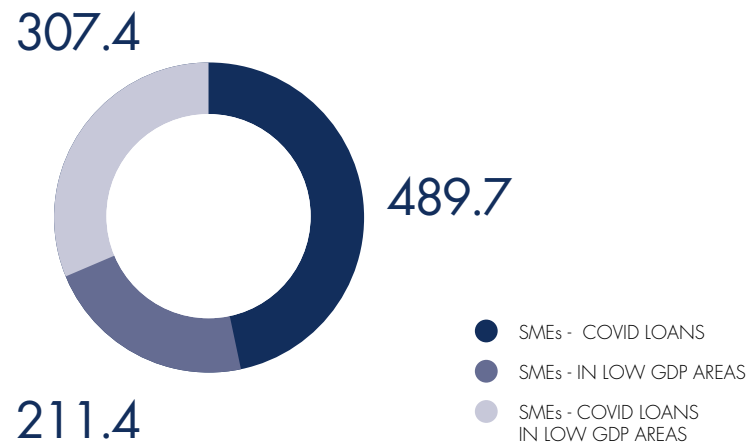
SMEs COVID LOANS €m



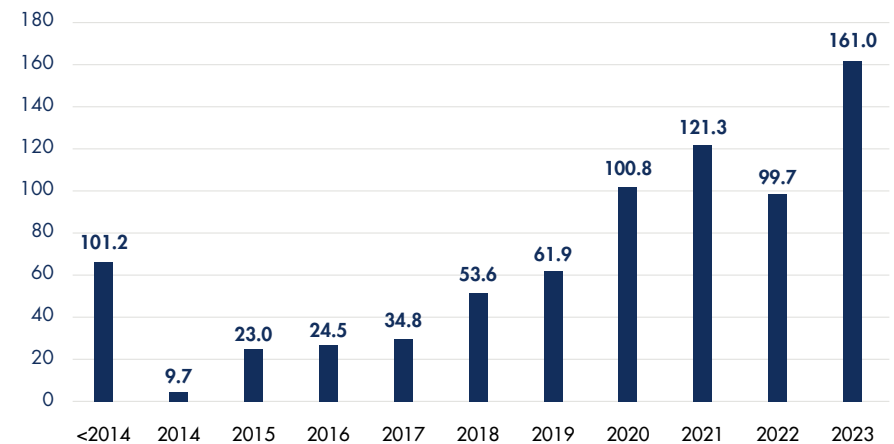
Loans to SMEs in low GDP areas €m



ALLOCATED SOCIAL LOANS €m



Third Sector €m



5.2 Social Bond - Impact Report

As of 31st December 2023 Banco BPM issued two Social Bonds under its Framework. The relevant proceeds were applied in order to support more than 12,012 SMEs.

Borrowers were supported in provinces with a GDP per capita below national average and through the Government guarantee under the "Liquidity Decree" scheme referred to the pandemic emergency, with economic sectors such as manufacturing, construction, commerce, accommodation and food services hardly hit from the contingency events.

The final purposes were supporting employment and alleviate the impact of the Covid-19 crisis activating a series of measures in favor of households and businesses, while also adopting and implementing the related ministerial decrees, in order to realize socioeconomic advancement and improvement promoting also access to healthcare services.

5.2.1 ALLOCATED COVID LOANS PORTFOLIO

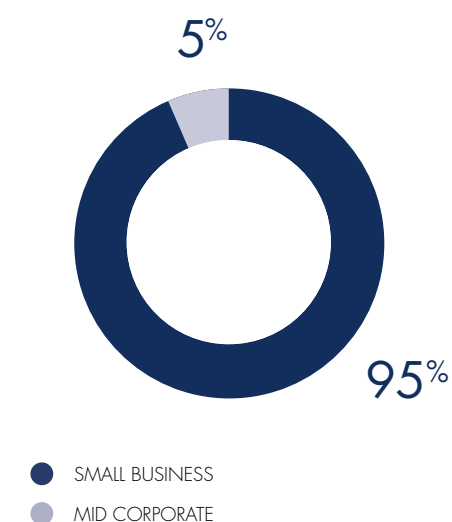
This section describes the main characteristics and KPIs of the **allocated Covid Loans Portfolio: 12,071 loans, financing 11,638 SMEs for around €797m. The total number of employees of SMEs supported is 84,692**¹⁶.

¹⁶ Data of employees was not available for 723 SMEs representing 6% of total Covid Loans allocated portfolio

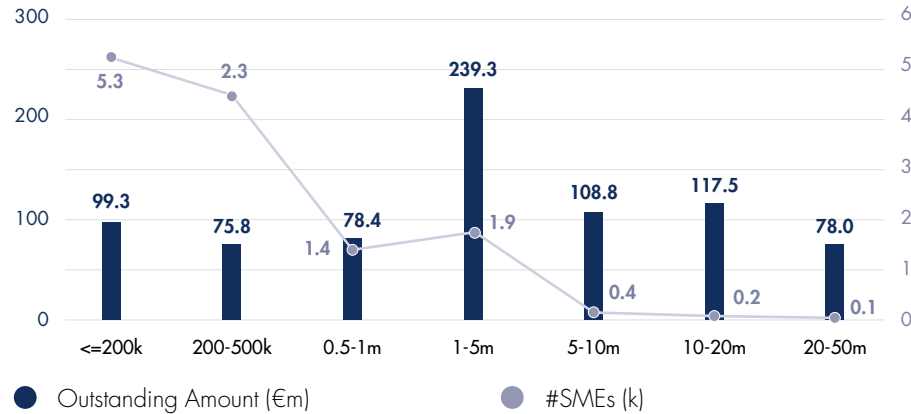
SMEs Covid Loans - Geographical Distribution €m

LOMBARDIA	207.5
TOSCANA	146.1
VENETO	74.5
PIEMONTE	72.5
EMILIA ROMAGNA	62.0
SICILIA	60.4
LIGURIA	36.6
CAMPANIA	35.8
LAZIO	27.1
PUGLIA	24.3
UMBRIA	23.4
MOLISE	8.2
SARDEGNA	4.0
MARCHE	3.4
FRIULI VENEZIA GIULIA	3.1
ABRUZZO	3.0
TRENTINO ALTO ADIGE	2.5
CALABRIA	1.2
VALLE D'AOSTA	1.1
BASILICATA	0.5

SMEs COVID LOANS - BORROWER TYPE

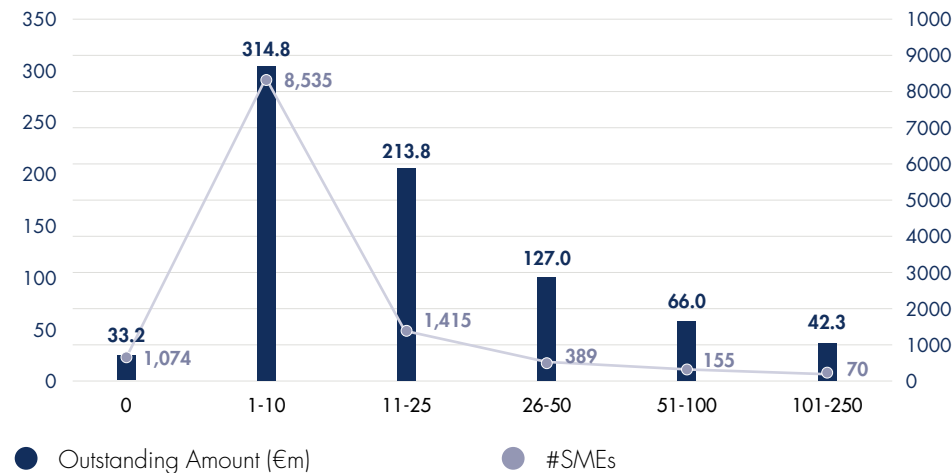


SMEs COVID LOANS - TURNOVER



- The number of employees of financed SMEs has been identified as the **target population** for which positive socio-economic outcomes are expected.
- The number of employees has been provided to the Bank by CERVED Group and now managed in the banks IT systems. Data of employees were retrieved by CERVED from INPS – Istituto Nazionale della Previdenza Sociale or Centrale Bilanci. INPS accounts among employees both full time and part time employees. SMEs requirements have been evaluated during the granting process being the Covid Loans reserved to SMEs only.
- On the side the distribution of Micro, Small and Medium Enterprises and outstanding balance of loans disbursed on clusters representing the number of employees of each SME as of 31 December 2023.
- The chart below shows in each Italian region where each company is located the total amount of increase (or decrease) of employees. Only in two regions the difference shows a decrease in the number of employees.

SMEs COVID LOANS - NUMBER OF EMPLOYEES ¹⁷



¹⁷ The 723 SMEs for which the data "number of employees in 2023" was not available, it has been assumed equal to zero

SMEs COVID LOANS - NUMBER OF EMPLOYEES - 31.12.2022 VS 31.12.2023

ABRUZZO	12
BASILICATA	0
CALABRIA	0
CAMPANIA	154
EMILIA ROMAGNA	86
FRIULI VENEZIA GIULIA	-18
LAZIO	50
LIGURIA	169
LOMBARDIA	375
MARCHE	48
MOLISE	0
PIEMONTE	168
PUGLIA	160
SARDEGNA	-19
SICILIA	380
TOSCANA	394
TRENTINO ALTO ADIGE	1
UMBRIA	8
VALLE D'AOSTA	31
VENETO	226

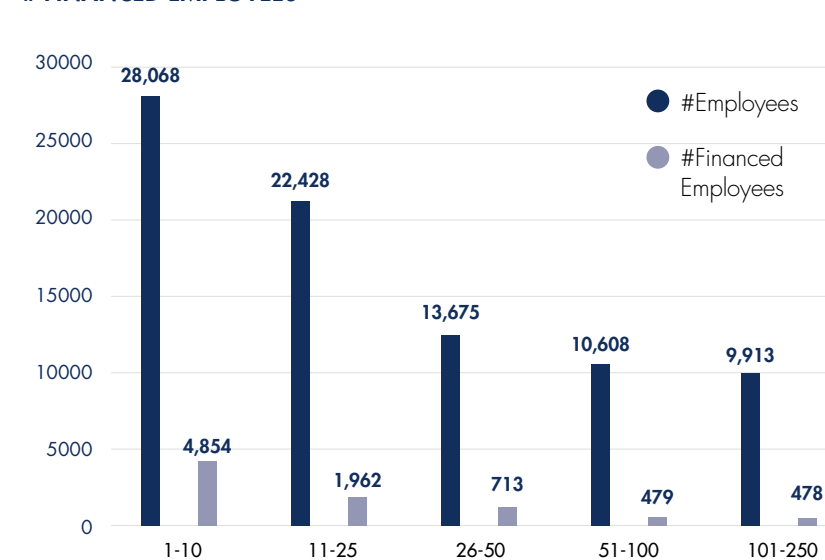
- SMEs were divided in two groups: the ones located in disadvantaged areas (provinces with GDP below average GDP) and those located in provinces with GDP above average. The total amount of employees has increased in both areas, and the percentage of increase is 3.8% in provinces with low GDP (below average) versus 2.0% in provinces with higher GDP (above average).

REGIONS	ALLOCATION (€m)	# SMEs FINANCED	# EMPLOYEES OF SMEs (31.12.2023)	# JOBS SUPPORTED	% JOBS SUPPORTED
GDP below average	307.4	1,744	30,483	1,154	3.8%
GDP above average	489.7	9,894	54,209	1,071	2.0%
Total	797.1	11,638	84,692	2,225	2.9%¹⁸

FINANCED EMPLOYEES

- The Share of Wallet represents the portion of Banco BPM loan financing on total asset for each SME (when total asset's data is missing, it has been adopted SMEs total liabilities to banks). In order to calculate the social impact of Banco BPM on the financed SMEs the target population, i.e. the number of employees has been multiplied by the Share Of Wallet.

FINANCED EMPLOYEES



¹⁸ The total % jobs supported is calculated as the two subtotals weighted average

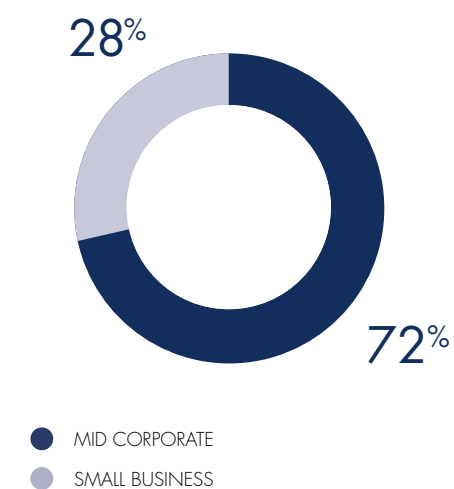
5.2.2 ALLOCATED “LOANS TO SMES IN LOW GDP AREAS” PORTFOLIO

This section describes the main characteristics and KPIs of the allocated “Loans to SMEs in low GDP areas”¹⁹ Portfolio: **687 loans, financing 505 SMEs for around €211m. The total number of employees of SMEs in low GDP areas supported is 20,821.**

SMEs - LOANS TO SMES IN LOW GDP AREAS - GEOGRAPHICAL DISTRIBUTION €m

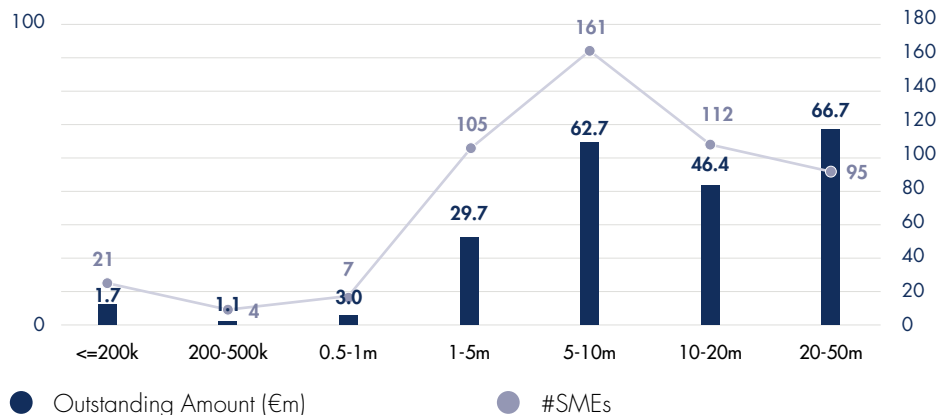
LOMBARDIA	14.5
TOSCANA	40.8
VENETO	5.1
PIEMONTE	13.2
EMILIA ROMAGNA	10.0
SICILIA	38.1
LIGURIA	2.9
CAMPANIA	27.5
LAZIO	5.3
PUGLIA	21.8
UMBRIA	18.6
MOLISE	3.3
MARCHE	5.4
ABRUZZO	3.9
CALABRIA	0.9

LOANS TO SMEs IN LOW GDP AREAS - BORROWER TYPE



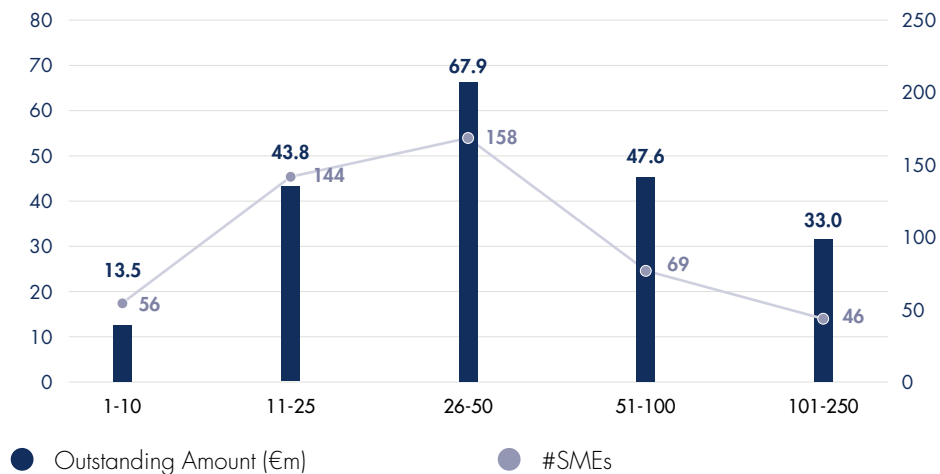
¹⁹ https://www.sisreg.it/index.php?option=com_content&view=article&id=102:pil-procapite&catid=38&itemid=75

LOANS TO SMEs - TURNOVER €m ²⁰



- The number of employees of financed SMEs has been identified as the **target population** for which positive socio-economic outcomes are expected.
- The number of employees has been provided to the Bank by CERVED Group and now managed in the banks IT systems. Data of employees were retrieved by CERVED from INPS – Istituto Nazionale della Previdenza Sociale or Centrale Bilanci.

LOANS TO SMEs - NUMBER OF EMPLOYEES



²⁰ When turnover was not available, SMEs were considered into the turnover category <=200 k

**LOANS TO SMEs - NUMBER OF EMPLOYEES
- 31.12.2022 VS 31.12.2023**

ABRUZZO	157
CALABRIA	79
CAMPANIA	171
EMILIA ROMAGNA	33
LAZIO	-46
LIGURIA	18
LOMBARDIA	4
MARCHE	31
MOLISE	5
PIEMONTE	74
PUGLIA	286
SICILIA	407
TOSCANA	122
UMBRIA	116
VENETO	2

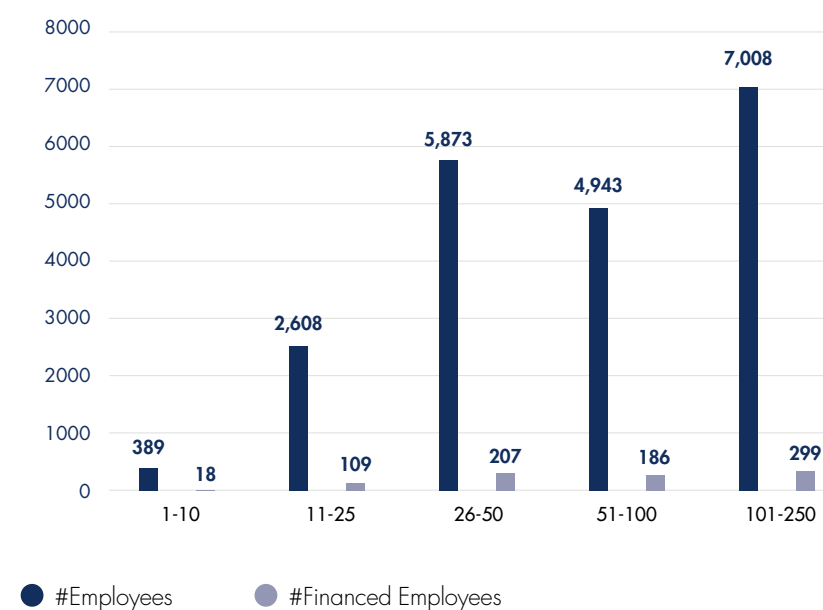
- The chart below shows in each Italian region where each company is located the total amount of increase (or decrease) of employees. In only one region the difference shows a decrease in the number of employees.

SOCIAL LOANS	ALLOCATION (€m)	# SMEs FINANCED	# EMPLOYEES OF SMEs (31.12.2023)	# JOBS SUPPORTED	% JOBS SUPPORTED
SMEs in low GDP areas	211.4	505	20,821	1,459	7.0%

FINANCED EMPLOYEES

- The Share of Wallet represents the portion of Banco BPM loan financing on total asset for each SME (when total asset's data is missing, it has been adopted SMEs total liabilities to banks). In order to calculate the social impact of Banco BPM on the financed SMEs the target population, i.e. the number of employees has been multiplied by the Share Of Wallet.

FINANCED EMPLOYEES

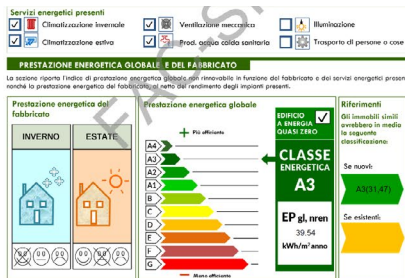


Examples description of Allocated Assets

GREEN BUILDINGS RESIDENTIAL

PRIVATE OWNER

In October 2021 the borrower applied for around €1 million mortgage to purchase a new house built in 2019 and located in Rome. The building is a house of 111 m². The electricity used for the management of the house is produced by solar photovoltaic panels on the roof and provided by the electricity grid. There is an electrical heat pump system to warm the house during winter and cool the rooms during summer. Thanks to low energy consumption, together with self production of energy with solar panels, the calculated EPC level is (A4) with an estimated energy consumption (EPgl, nren) of 29.69 kWh/m² year and CO₂ equivalent of 6.49 kg/m² year.



RENEWABLE ENERGY

The plant of Assoro, in the province of Enna (Sicily), is one of the first Italian agricultural projects of biomethane's production and represents a virtuous example of circular economy, essential to achieve the objectives of decarbonisation in the transport sector. Biomethane will also feed green fleets for sustainable road transport in the region significantly reducing greenhouse gas emissions.

SNAM, an Italian leading infrastructure company, is the project's owner with a total investment cost of €8.8 million, for a capacity of 12.6 MWh per year and the technology adopted is anaerobic wet digestion.

The project brings multiple benefits for the territory (employment development and economic return for local businesses), and for the environment, promoting the circular economy, sustainability and decarbonisation in the transport sector, reducing air pollution.



LOAN TO SME

In November 2022 Grandi Riso S.p.A. applied for €1.5 million loan to run the business. Grandi Riso S.p.A. is Italy's fourth largest rice producer, the company processes and packages rice in its own factory in Codigoro (Ferrara, a low GDP area). The plant occupies an area of 70,000 square metres (10,000 for the rice processing and packaging plant), has 14 paddy rice drying lines with a capacity of about 750 tonnes per day, as well as 205 silos for storing 23,000 tonnes of raw material. Grandi Riso S.p.A. is the only Italian rice mill present at Fico Eataly World in Bologna to promote the culture of rice processing. Grandi Riso S.p.A. looks to the future, preserving traditions, taking care of people, in harmony with nature and supporting territory.



To learn more about Banco BPM

SUSTAINABILITY

<https://gruppo.bancobpm.it/en/sustainability/>

INVESTOR RELATIONS

<https://gruppo.bancobpm.it/en/investor-relations/>

GREEN, SOCIAL AND SUSTAINABILITY BONDS FRAMEWORK

<https://gruppo.bancobpm.it/en/sustainability/green-social-sustainability-bonds-framework/>

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Section of the Independent Auditor

Banco BPM S.p.A.

Independent auditors' report on the
Green, Social & Sustainability Bonds Reporting 2024

AMN/GPC/git - RC071922024BD0155





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Independent auditors' report on the Green, Social & Sustainability Bonds Reporting 2024

To the Board of Directors of Banco BPM S.p.A.

We have been engaged to perform a limited assurance engagement ("limited assurance engagement") on the Green, Social & Sustainability Bond Reporting 2024 of Banco BPM S.p.A. (the "Report"), that has been prepared in accordance with the Banco BPM - Green, Social & Sustainability Bond Framework (the "Framework") adopted by Banco BPM S.p.A. in November 2023 and developed by Banco BPM S.p.A. in accordance with the Green Bond Principles, the Social Bond Principles and the Sustainability Bonds Guidelines issued by the International Capital Market Association (ICMA).

Responsibility of the company's Directors for the Report

The Directors are responsible for the preparation, the contents and the presentation of the Green, Social & Sustainability Bond Reporting, prepared in accordance with the Framework, that describes the eligibility criteria of the projects, the allocation of proceeds and the impact indicators.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Report that is free from material misstatement, whether due to fraud or error.

Directors are, also responsible for defining, implementing and maintaining systems through which the information necessary for the preparation of the Report are obtained.

Auditors' Independence and quality control

We are independent in accordance with the ethics and independence principles of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Report with the requirements of the Framework. We carried out our work in accordance with the criteria established in the International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance whether the Report is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 Revised, and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

Bari, Bologna, Brescia, Cagliari, Firenze, Genova, Milano, Napoli, Padova, Palermo, Roma, Torino, Verona.

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Iscritta al Registro dei Revisori Legali al n. 147911 con D.A. del 15/03/2013 G.U. n. 74 del 02/04/2013
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The procedures we performed on the Report are based on our professional judgement and include inquiries, primarily of the company's personnel responsible for the preparation of the information presented in the Report, supporting evidence, recalculations and other evidence gathering procedures, as deemed appropriate.

Specifically, we carried out the following main procedures:

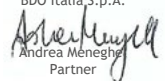
- interviewing personnel at corporate and function level of Banco BPM S.p.A. that have been involved in the preparation of the Report, in order to understand the characteristics of the projects financed and of the projects refinanced of the Bonds and to evaluate the reasonableness of the process and of the internal procedures related to data management;
- analysis of application of eligibility criteria to the projects financed and refinanced through the Bond as described in the Framework;
- verification of the traceability of the allocation of resources obtained through the Bond to the projects financed or refinanced by them and the attribution to the Bond of the capital in the specific projects;
- verification of the collection, aggregation, processing and transmission process of data relating to the environmental and social impact indicators included in the Report and their examination through sample test.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Green, Social & Sustainability Bond Reporting 2024 of Banco BPM S.p.A. has not been prepared, in all material respects, in compliance with Banco BPM - Green, Social & Sustainability Bond Framework with reference to:

- the application of eligibility criteria to the projects financed and projects refinanced through the Green Bond and the Social Bonds in accordance with the Framework and the final list of financed and refinanced projects;
- the allocation of resources obtained through the Bonds to the projects financed through them and the allocation to the Bonds of capital invested in the projects financed or refinanced;
- the environmental and social impact indicators.

Milan, July 16th, 2024

BDO Italia S.p.A.

Andrea Mèneghe
Partner

Disclaimer

This *Green, Social & Sustainability Bonds Reporting* ("**Report**") is prepared in accordance with the 2022 Green Bond Principles, the 2023 Social Bond Principles and the 2022 Sustainability Bond Guidelines published by the International Capital Markets Association (ICMA).

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