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Banco BPM S.p.A.
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Milan

GREEN, SOCIAL & SUSTAINABILITY BONDS REPORTING

APRIL 2023

EDITORIAL

Today we are presenting our latest Green, Social and Sustainability Report, updating our green and social portfolios.

In the report we will represent also the key points of our new Non-Financial Statement and our ESG strategy and commitments. This reporting is fully aligned with those objectives and emphasizes our peculiar attention to both environmental and social engagement.

Since the launch of its Green, Social and Sustainability Bonds Framework back in 2021, Banco BPM has been very active in the ESG market, where in addition to **the first €500m Social Bond** Senior Preferred issuance in July 2021, the bank has issued five more Green Bonds: a **€750m Green Covered Bond** in March 2022, two **€500m Green Senior Non Preferred** respectively in September and November 2022, a **€750m Green Senior Preferred** in January 2023. In June the Bank issued a further **€750m Green Senior Non Preferred**. Thanks to these issuances, Banco BPM is one of the major players in the Italian market. Those issuances represent a new way of raising funding sources for Banco BPM, and they are part of greater strategy to implement the value creation in the long period, taking into account also social and environmental issues in the decision process.

The proceeds of the Social bond have been used to support small and medium enterprises who had been granted disbursements covered by the state public guarantee, to deal with the effects of COVID-19 emergency.

The proceeds of the Green Bonds have been used to refinance a portfolio of green mortgages granted for the acquisition of energy efficient buildings and a portfolio of loans granted for the development of projects for the generation of energy using renewable sources.

During the last year we were also able to achieve important milestones in the E within ESG. We successfully settled the "Obiettivo Sostenibilità" (a Sustainability Linked Loan) and the first "Taxonomy Green Loan" with customers.

In March 2023, Banco BPM decided to join the NZBA and, following a deep analysis and evaluations, identified the five priority areas for the communication of its targets to be fulfilled within 18 months starting from the joining of the Alliance. The five priority sectors identified are: Oil and Gas, Power generation, Cement, Automotive and Coal.

This reporting is in line with this desire to promote transparency in the market and to accompany the evolving expectations of the various stakeholders.



Edoardo Ginevra

Co-General Manager & Chief Financial Officer

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Banco BPM's ESG strategy and key ESG commitments

Our commitment to sustainability has been translated into the process of integrating ESG within company activities and business. It took shape in February 2021 with the launch of an ESG Program, which is composed by 7 workstreams and 32 projects.

The objectives of this Program have been confirmed, and in some cases, made even more ambitious, within the 2021-2024 Strategic Plan, presented at the end of 2021, which identifies sustainability as one of the main drivers of risk management, growth and competitiveness.

ESG guide the Group's development activity through 5 pillars: **Business, Risk&Credit, People Strategy, Environment, Community** and identifies areas of action in which the interventions envisaged by the seven workstreams of the ESG Program are distributed.



OBJECTIVES OF THE STRATEGIC PLAN

BUSINESS

Offer of **solutions, products and consulting services** that **support customers in the transition to a sustainable economy**.

KEY OBJECTIVES OF THE 2021-2024 STRATEGIC PLAN

	TARGET TO 2024
Share of new loans in Green and low-transition-risk sectors ¹	> 65%
Green residential mortgages (cumulated new disbursements) ²	€4 billion
Purchases of property tax credits (cumulative flow) ³	€3 billion
Banca Akros Lead Manager/Bookrunner of ESG Bonds (cumulative)	€12.5 billion
Corporate Bond Ownership Portfolio: share of ESG bonds	> 30%
Issue of Green & Social Bonds (cumulative)	€2.5 billion

¹ New lending to corporate clients in green or low transition risk sectors and green financing products to corporate clients

² Loans granted to customers for class A-B-C buildings or those renovated for better energy efficiency

³ Purchases of property tax credits related to tax incentives for energy upgrading and seismic risk reduction

RISK & CREDIT

Progressive **integration of environmental and climate risks** into **lending policies** and **risk management frameworks** aiming to ensure more favourable access to capital for companies investing in green activities or wishing to undertake a transition process and, conversely, adopting exclusion policies and a selective approach towards sectors with high environmental risk.

KEY OBJECTIVES OF THE 2021-2024 STRATEGIC PLAN

DURING THE PLAN HORIZON

STOP TO NEW DISBURSEMENTS TO SECTORS HEAVILY IMPACTED BY THE CLIMATE TRANSITION:

- Mining of hard coal
- Manufacture of coal-fired blast furnace products
- Power generation from coal

RUN-OFF

NEW LENDING TO THE FOSSIL FUEL SECTOR DEDICATED TO TRANSITION PROJECTS

> 80%

PEOPLE STRATEGY

People-oriented approach featuring the promotion of a corporate culture based on **diversity, inclusion** and **people's well-being**. Internal sharing of **ESG awareness** and **training** on sustainability issues.

KEY OBJECTIVES OF THE 2021-2024 STRATEGIC PLAN

	TARGET TO 2024
Share of women in managerial positions	> 30%
Share of new hires young people aged 20-30	> 90%
Annual remote work days	500,000
ESG Ambassadors	> 100
Training hours for employees on ESG issues (cumulative)	400,000

ENVIRONMENT

Development of actions to combat climate change by **reducing consumption and CO₂ emissions** to achieve **carbon neutrality (Scope 1 + Scope 2)**.

KEY OBJECTIVES OF THE 2021-2024 STRATEGIC PLAN

	2019	TARGET TO 2024
Total direct and indirect energy consumption (Giga Joule)	732K	588K -20%
To be improved to -30% by 2030		
CONFIRMED 100% USE OF ELECTRICITY FROM CERTIFIED RENEWABLE SOURCES		
Total net direct & indirect emissions (Scope 1 & 2 TCO ₂ equivalent)	17.5K	CARBON NEUTRALITY DURING THE PLAN HORIZON
Indirect commuting emissions (Scope 3 TCO ₂ equivalent)	16.6K	13.1K -21%
CDP Rating	B	A

COMMUNITY

Continued support for **the social fabric of the local area** by supporting valuable initiatives and confirming our powerful role as a financial partner for the Third Sector.

KEY OBJECTIVES OF THE 2021-2024 STRATEGIC PLAN

	DURING THE PLAN HORIZON
Donations and sponsorships for social and environmental projects	~€10 million
Institutional Partner AIRC	5,000 researchers & 660 projects
Social initiatives for local communities, schools and students	> 300 initiatives
New disbursements to the third sector	> €700 million
Corporate volunteering, ESG awareness and financial education	> 10,000 hours

Banco BPM has always been supporting **SMEs** (89% of our companies have a turnover of up to €2.5m) and the **Third sector** (€180m of new disbursement to the third sector in 2022), as we are aware of the importance of their role within communities. We granted new funding to the non-profit sector in 2022, also to cope with the energy crisis. Particular attention went on public administration subsidiaries, especially those operating in the water and waste cycle sectors, and we granted loans to support both short-term needs and specific investment projects.

The Group's objective is also to provide consultancy support for corporate customers and SMEs, to help them face competitive challenges in the ESG field, also through workshops and training sessions. In particular, the ESG Factory project has been launched with a project that transforms the bank into a place for meetings and training for companies in order to explore all issues relating to sustainability.

NET ZERO BANKING ALLIANCE (NZBA)

Launched in 2021 promoted by of the United Nations, it aims to accelerate sustainable transition through the banking sector's involvement. Nowadays 132 banks joined, representing over 41% of global banking assets. By joining the NZBA, banks

commit to align their credit and investment portfolios to the goal of net zero emissions by 2050, in line with the targets set by the Paris Climate Agreement, and to establish an interim target by 2030 as well as to disclose progresses.

Banco BPM decided to join 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;
- Coal⁴.

⁴We should note that as part of the 2021-2024 Strategic Plan regarding the coal sector (hard coal mining, manufacturing of coal-fired blast furnace products and coal-fired power generation), Banco BPM is already committed to a progressive run-off of existing exposures

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**.

BOARD OF DIRECTORS

Defines the policies regarding non-financial disclosure, the social and environmental policies and approves the Consolidated Non-Financial Statement and the associated materiality analysis. It is responsible for approving the internal Regulations, including ESG, and the Code of Ethics⁵. It also draws up the remuneration and incentive policies (including ESG performance targets) to be submitted to the Shareholders' Meeting for approval. BoD reviews them at least once a year and handles their proper implementations.

SUSTAINABILITY COMMITTEE

Board sub-committee which oversees the Sustainability goals defined by the Bank in coordination with Internal Control & Risk Committee.

**NEW
COMMITTEE
ESTABLISHED IN
APRIL 2023⁶**

ESG COMMITTEE

Chaired by the CEO, its permanent members include the two Joint 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.

The Credit Committee, the Risk Committee and the Finance Committee also address specific sustainability issues

SUSTAINABILITY DEPARTMENT

It gives impetus to all the Group's activities aiming at orienting governance and corporate culture towards an ever-increasing focus on "E" and "S" issues.

ESG AMBASSADORS

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

⁵The approval of internal Guidelines, including those on sustainability issues, is delegated to the CEO.

⁶Its activity was previously carried out by the Internal Control, Risk and Sustainability Committee now renamed the Internal Control and Risk Committee.

RECOGNITION OF OUR EFFORTS: IMPROVED ESG RATINGS AND INCLUSION IN THE FTSE MIB ESG INDEX & IN THE BLOOMBERG G-E INDEX

MSCI
ESG RATINGS

Upgraded from BBB to A in Mar. 2023

ISS ESG

Confirmed at top level 1 in Dec. 2022

SUSTAINALYTICS

Upgraded from 26.3 to 22.4 in. Sept. 2022

CDP
DISCLOSURE INSIGHT ACTION

Downgraded from A- to B in Dec. 2022 (changed and tougher criteria applied by CDP)

**standard
ethics**

Confirmed at EE in Jul. 2022, with positive MLT outlook

S&P Global

Upgraded from 55 to 56 in Sept. 2022

Worst ← Scale → Best

CCC B BB BBB **A** AA AAA

MIB ESG

Inclusion in the Euronext MIB ESG index since its launch in October 2021

10 9 8 7 6 5 4 3 2 1

22,4

40+ 40-30 **30-20** 20-10 10-0
Severe High **Medium** Low Negligible

D- D C- C B- **B** A- A
Disclosure Awareness **Management** Leadership

F E- E E+ EE- **EE** EE+ EEE- EEE
Non-Investment grade Lower-Investment grade **Investment Grade**

0 **56** 100



First inclusion in January 2022, with a score of 73.9

Inclusion confirmed also in Jan. 2023 with a score improved to 79.7

EU TAXONOMY DISCLOSURE

In 2018 the European Union published an Action Plan to finance sustainable growth. EU Regulation 2020/852 (EU Taxonomy) is the first step in this program and aims at qualifying which economic activities can be considered environmentally sustainable.

In particular, eco-sustainable activities are defined as those economic activities that substantially contribute to at least one of the following environmental objectives. They do not cause significant harm to any of the other environmental objectives and are carried out following minimum social safeguards⁷:

1. climate change mitigation
2. climate change adaptation
3. sustainable use and protection of water and marine resources
4. transition to a circular economy
5. pollution prevention and control
6. protection of ecosystems and biodiversity.

⁷ Minimum social safeguards are procedures implemented by an enterprise carrying out an economic activity to ensure that it is in line with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions identified in the International Labour Organisation Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights

In compliance with regulatory recommendations for the first reporting period (1 January 2022 to 31 December 2023), Banco BPM disclosed the proportion of eligible exposures in its banking book (mandatory disclosure).

As a credit institution, Banco BPM has calculated the share of exposures in eligible economic activities. The scope of analysis is common to the two KPIs examined (KPI Turnover based and KPI Capex based), with the only difference of the percentage of eligibility considered.

In line with the recommendations of the European Commission, the scope of the analysis is the consolidated Group Portfolio and the data were derived in accordance with FINREP⁸ reporting for the same reporting period. Additional indicators and qualitative information were then calculated as required by Article 10 of EU Regulation 2021/2178.

In line with regulatory requirements, Banco BPM will disclose the proportion of exposures in truly eco-sustainable assets (aligned exposures) as of 1 January 2024.

⁸ Supervisory reporting by credit and financial institutions

NEW PRODUCTS

Taxonomy Green Loan

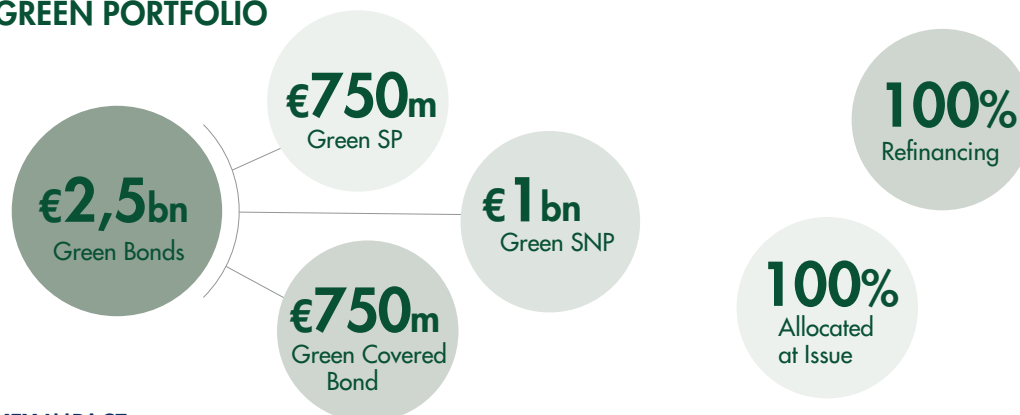
The **Taxonomy Green Loan (Chirografario Aziende Tassonomia Green)** is a loan dedicated to companies whose economic sector is already covered by **EU Taxonomy**. The **objective** of this new solution is to support **green investments** of client companies aimed at achieving alignment of their economic activities with the EU Taxonomy. Each investment is certified **by a third party**, which will issue an overall rating of alignment to the EU Taxonomy. The certification is issued both prior to disbursement of financing and upon completion of the green project. The overall **"positive"** rating of alignment to the EU Taxonomy allows the Bank to consider the loan valid for the purpose of calculating the Green Asset Ratio (**GAR**).

Sustainability Linked Loan [Obiettivo Sostenibilità]

Loan with Sustainability Goal (Chirografario Aziende con Obiettivo Sostenibilità) is a loan to support companies that intend to enhance their **ESG journey**. The product was developed in consistency with the "Sustainability Linked Loan Principles" (SLLP) provided by the Loan Market Association. The main feature is the faculty of the client to choose a sustainability target and link the cost of financing to the ability to meet "ESG targets". "ESG targets" are selectable from a list in the environmental, social or governance areas and must be compliant with the company's activities and objectives, as well as easily measurable.

Key figures and impact of the Report

GREEN PORTFOLIO



KEY IMPACT

OVER 25.000* GREEN MORTGAGES GRANTED	#200* LOANS FOR RENEWABLES PROJECTS
#17,544 Buildings #2,252,096 m² Energy Saving: 282,217 MWh Avoided CO₂ emissions: 30,812 Carbon Impact: 13.46 t CO₂ eq per €/m/year	#673 solar&wind plants Energy production renewables: 1,794,022 MWh/y Avoided CO₂ emissions: 211,078.41 t CO₂ eq per year Carbon Impact: 501.30 t CO₂ eq per €/m/ year

SOCIAL PORTFOLIO



KEY IMPACT

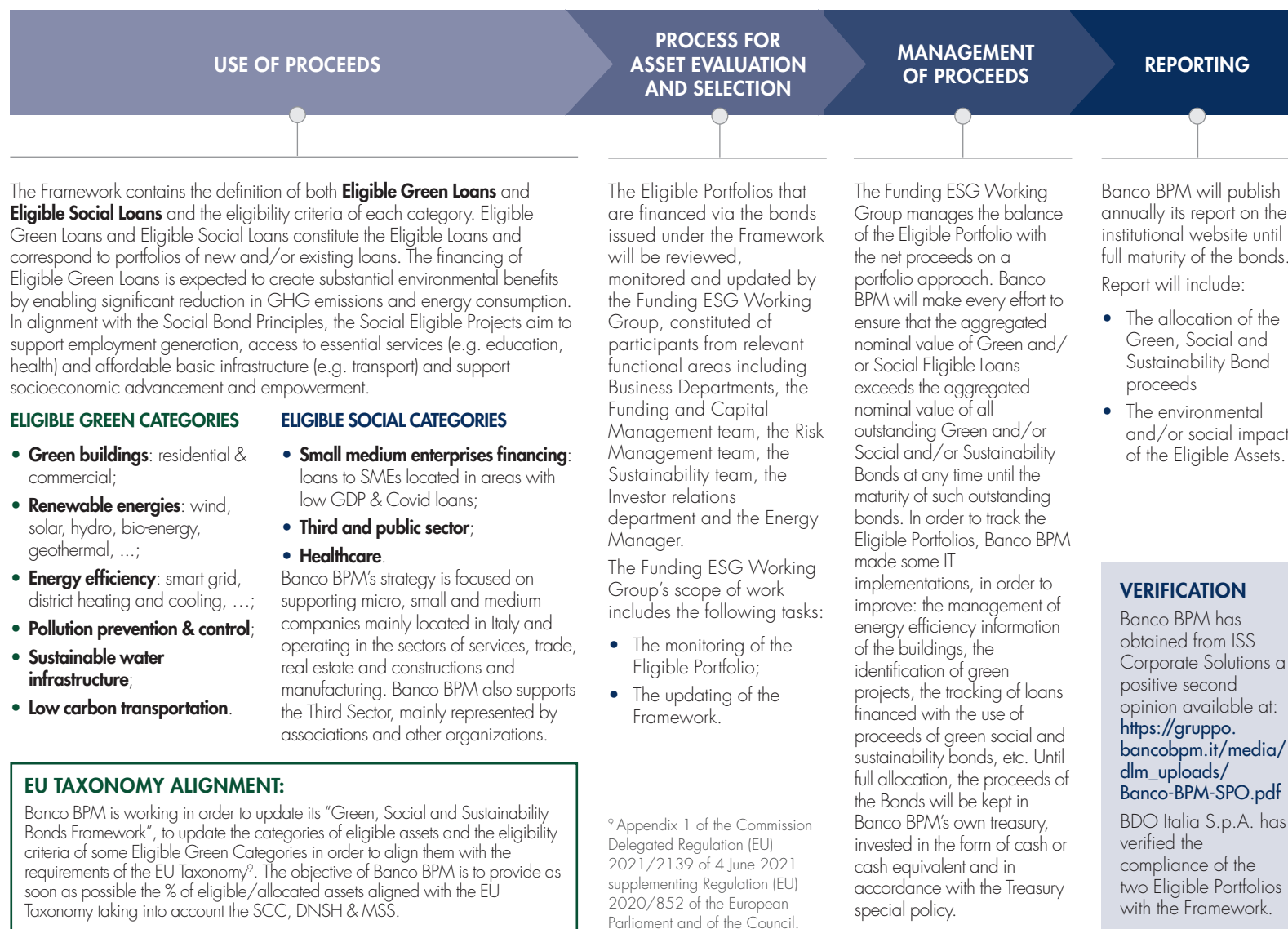
13,496 SMES FINANCED
77% Small Business Over 11,000 SMEs with 1-10 employees More than 71,000 employees in 2022 Jobs supported (total amount of employees increased): 3.9% in Regions with GDP below average 4.6% in Regions with GDP above average

* On Total Eligible Green Loans Portfolio

Overview Green, Social and Sustainability Bonds Framework

The Framework has been launched by Banco BPM in July 2021 to raise financial resources to be used for the financing of sustainable activities.

The Framework is aligned and compliant with the 2021 edition of the **Green Bond Principles**, the **Social Bond Principles** and the **Sustainability Bond Guidelines** published by the **International Capital Markets Association (ICMA)** and consists of four core pillars:



EU TAXONOMY ALIGNMENT:

Banco BPM is working in order to update its "Green, Social and Sustainability Bonds Framework", to update the categories of eligible assets and the eligibility criteria of some Eligible Green Categories in order to align them with the requirements of the EU Taxonomy⁹. The objective of Banco BPM is to provide as soon as possible the % of eligible/allocated assets aligned with the EU Taxonomy taking into account the SCC, DNSH & MSS.

⁹ 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.

VERIFICATION

Banco BPM has obtained from ISS Corporate Solutions a positive second opinion available at: https://gruppo.bancobpm.it/media/dlm_uploads/Banco-BPM-SPO.pdf
BDO Italia S.p.A. has verified the compliance of the two Eligible Portfolios with the Framework.

Allocation Report - Green Bond

Outstanding Green Bonds as at **30th April 2023**

ISSUE YEAR	ISIN	ASSET CLASS	ISSUE VOLUME/ €m	ISSUE DATE	MATURITY DATE
2022	IT0005489932	Covered Bond	750.00	15 Mar 2022	15 Mar 2027
2022	XS2530053789	Senior Non Pref	500.00	13 Sep 2022	13 Sep 2026
2022	XS2558591967	Senior Non Pref	500.00	21 Nov 2022	21 Jan 2028
2023	XS2577572188	Senior Pref	750.00	18 Jan 2023	18 Jan 2027
Total			2,500.00		



ALLOCATION REPORT - OVERVIEW OF ELIGIBLE GREEN LOANS PORTFOLIO

Banco BPM Eligible Green Loans as of **30th April 2023**

ELIGIBLE GREEN LOANS CATEGORIES	# LOANS	OUTSTANDING AMOUNT (€m)	WEIGHTED AVERAGE TENOR (years)	ALLOCATED (€m)
Renewable Energy - Bioenergy	57	78.3	6.5	-
Renewable Energy - Hydropower	26	38.2	11.0	-
Renewable Energy - Solar Energy	97	424.2	10.1	303.7
Renewable Energy - Wind Power	20	122.8	8.3	117.4
Renewable Energy	200	663.5	9.4	421.1
Crit. 1 - Acquisition EPC A B C	11,589	1,533.2	25.3	1,247.7
EPC A	6,795	1,016.2	25.4	731.4
EPC B	2,316	256.5	25.2	256.4
EPC C	2,478	260	24.9	259.9
Crit. 2 - Acquisition year of construction *	7,854	1,094.8	25.2	1,067.6
Crit. 3 - Acquisition Top 15% PED	3,597	469.2	25.9	-
Crit. 4 - Acquisition NZEB-10% (Year >=2021)	2,031	377.6	26.3	-
Renovations	443	86.4	25.5	-
Green Buildings	25,514	3,561.1	25.4	2,315.3
Total	25,714	4,224.6	22.9	2,736.4

* w/out 2.5% haircut that is equal to €26.7m

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

€2,5bn
Green Bonds

The difference between the outstanding amount of the Allocated Green Loans Portfolio compared to the total amount of Green Bonds issued is to ensure from time to time the balance of the Eligible Portfolio with the net proceeds. A portfolio approach is followed.

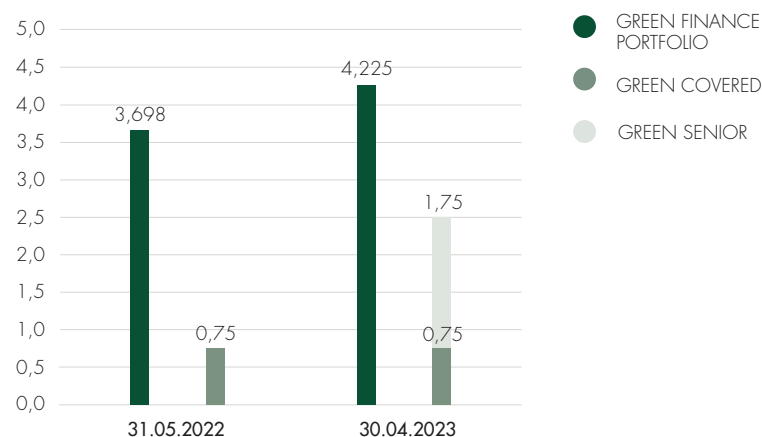
OVERVIEW OF ELIGIBLE GREEN LOANS PORTFOLIO

Balance of Eligible assets not allocated and still available (€m)	1,724.6
% of Eligible Green Loans Portfolio Allocated	59,18%
Eligible Green Loans granted in 2022 (€m)	€921.1 m

In the reporting period from 1 June 2022 to 30 April 2023, green new business of €527m was achieved.

In 2021, when the Framework was set up, around €891.9m had been granted to individuals, while in 2022 the amount disbursed was around €756.2m; in 2023 €91.4m new green mortgages were granted. From this year EPC data will be entered automatically at the appraisal of building.

ELIGIBLE GREEN LOANS PORTFOLIO €m

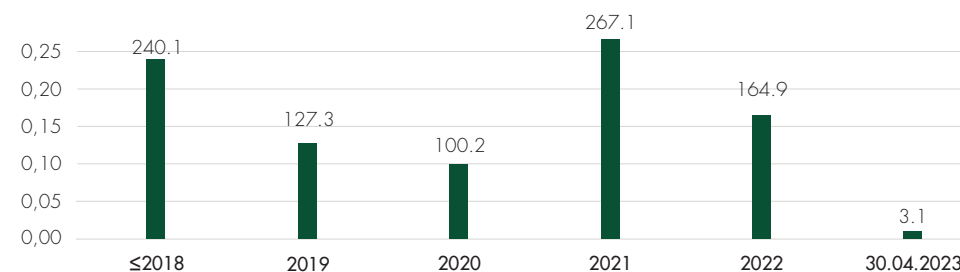


* The total amount is different from the one reported in 2022 because it included new loans granted before 31.05.2022 whose eligibility has been checked this year.

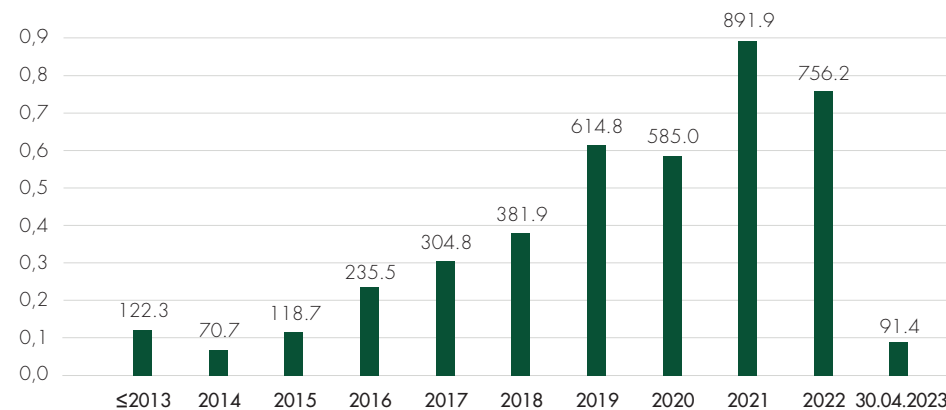
DEVELOPMENT ELIGIBLE GREEN LOANS PORTFOLIO

	OUTSTANDING AMOUNT (€m)	N. OF ELIGIBLE GREEN LOANS
Total by 31.05.2022*	3,692	23.005
Difference	0, 533	2.709
Total by 30.04.2023	4,225	25.714

RENEWABLE ENERGIES €m



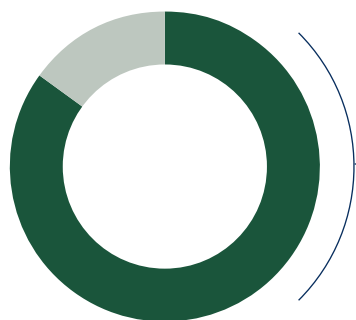
GREEN BUILDINGS RESIDENTIAL €m



OVERVIEW OF ALLOCATED GREEN LOANS

ALLOCATED GREEN LOANS €m

421.1



2,315.3

- GREEN BUILDINGS ACQUISITION
- RENEWABLE ENERGIES

ALLOCATED GREEN BUILDINGS €m

1,247.6



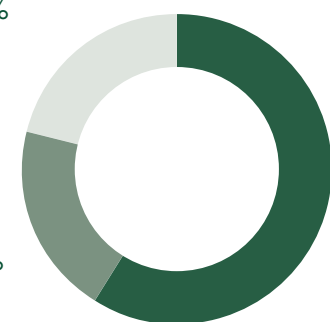
1,067.6

- CRITERION 1 - ACQUISITION EPC: A B C
- CRITERION 2 - ACQUISITION YEAR OF CONSTRUCTION

CRITERION 1
EPC: A-B-C

21%

20%



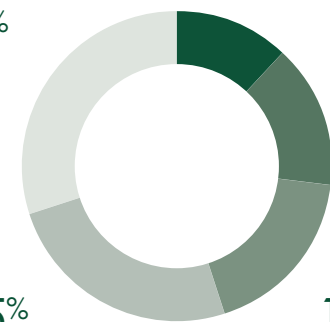
59%

- EPC A
- EPC B
- EPC C

CRITERION 2
YEAR OF CONSTRUCTION

30%

25%



12%

15%

18%

- 2016
- 2017
- 2018
- 2019
- 2020

ELIGIBLE GREEN LOANS – GREEN BUILDINGS RESIDENTIAL



Under the mapping provided by ISS in its SPO, Banco BPM's Residential Green Buildings portfolio **significantly contribute** to SDG 13 – (Climate action) in addition to a limited contribution to SDG 11 – (Sustainable cities and Communities).

¹⁰ **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 offers services in many countries all over four continents. CRIF RES is a company belonging to CRIF Group specialized in real estate services and consultancy

¹¹ 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

- In 2021 Banco BPM has mandated CRIF RES¹⁰ 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
- Banco BPM Green, Social & Sustainability Bond Framework defines 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).

CRITERION 1 Residential buildings with EPC labels: A, B or C

Approach based on EPC (Attestato Prestazione Energetica - APE)

- The Italian most important database on buildings' energy performance (SIAPE¹¹) confirmed that EPC labels A, B and C represented in 2021 13.1% of the existing residential stock, complying with the top 15% best-in class approach (today they represent 16,8%)
- The Italian EPC (Attestato Prestazione Energetica - APE) is mandatory for rent, acquisition, construction of new buildings, energy renovation and real estate ads.

CRITERION 2 New residential constructions built from 2016 until end 2020*

Approach based on the year of construction

- 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

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

- 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 “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 constructions¹².



CRITERION 3

Top 15% most energy efficient buildings (PED)

! New

Top 15% Approach based on PED (Primary Energy Demand)

- 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:
 - › 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

CRITERION 4

NZEB -10% Buildings

! New

NZEB -10%

- 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.

¹²To 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 EEMF- 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>

Impact Report - Green Bond

Since 2021 Banco BPM has issued four Green Bonds under its Green, Social and Sustainability Bond Framework. 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 Rina¹³ for the analysis of the Renewable energies portfolio.

¹³ 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.

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

POSITIVE ENVIRONMENTAL IMPACT GREEN BUILDINGS RESIDENTIAL*

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

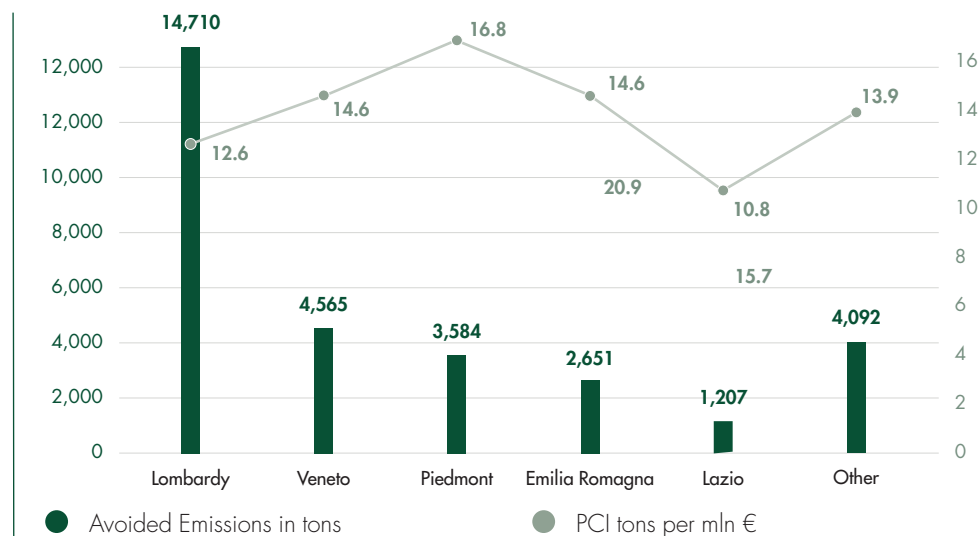
The portfolio is composed by mortgages granted for the

acquisition of residential properties which have a positive impact of **30,812.10** tons equivalent of CO₂ per year. It corresponds to **13.46** 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) ¹⁴	CARBON IMPACT (t CO ₂ eq per €m / year)
Criterion 1 - EPC A, B, C	1,247.6	16,588.30	1,187,371.66	142,498.40	13.57
Criterion 2 - Construction year (2016 - 2020)	1,067.6	14,223.80	1,064,724.39	139,718.56	13.66
Total	2,315.2	30,812.10	2,252,096.05	282,216.95	13.46

POSITIVE CARBON IMPACT



¹⁴ Energy savings in MWh are calculated considering the average consumption for each climate zone where each building is located.

POSITIVE ENVIRONMENTAL IMPACT: RENEWABLE ENERGIES*

The analysis 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 1.

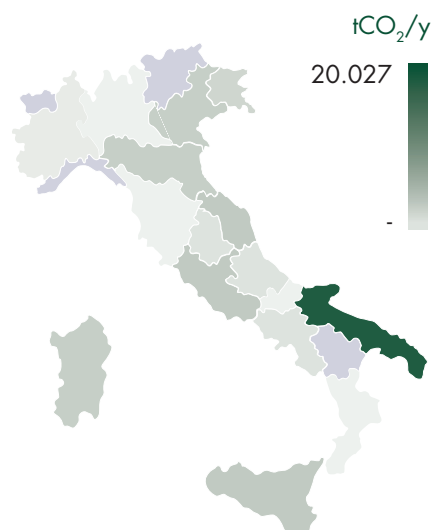
The allocated portfolio is composed by loans which have a positive impact of **211,078.41** tons equivalent of CO₂ per year. It corresponds to **501.30** tons of equivalent carbon dioxide every financed million euro per year.

RENEWABLE ENERGIES	OUTSTANDING AMOUNT (€m)	AVOIDED FINANCED EMISSIONS (t CO ₂ eq / year)	# LOANS	FINANCED ENERGY PRODUCTION (MWH) ¹⁵	CARBON IMPACT (t CO ₂ eq per €m / year)
Solar Energy	303.7	47.6	76	951.5	156.66
Wind Power	117.4	163.5	14	842.6	1,393.13
Total	421.1	211.1	90	1,794.1	501.30

*See analysis and methodology in the annex 2: "Green, Social & Sustainability Bonds Reporting - Renewable Energies Portfolio Environmental Impact Final Report".

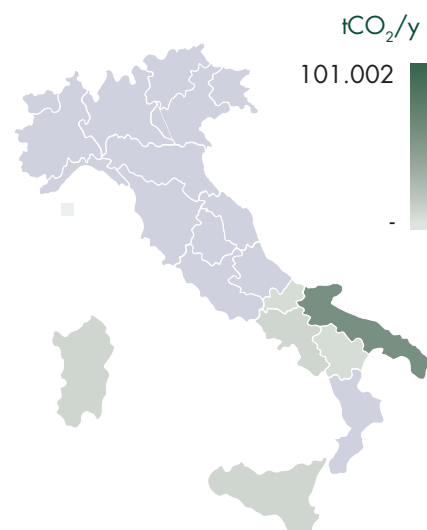
¹⁵ Energy savings in MWh are calculated considering the average consumption for each climate zone where each building is located.

SOLAR ENERGY



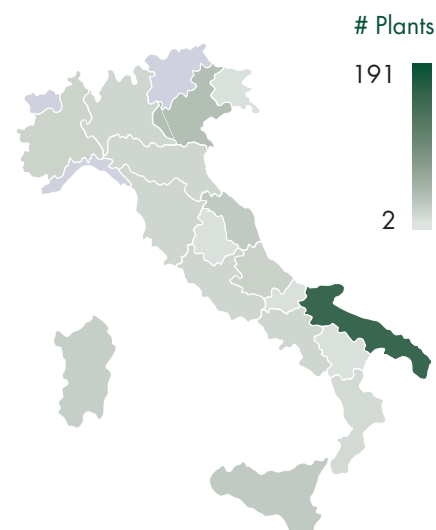
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WIND POWER



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SOLAR ENERGY



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WIND POWER



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Allocation Report - Social Bond

Outstanding Social Bond as at **30th April 2023**

ISSUE DATE	ISIN	ASSET CLASS	ISSUE VOLUME/ €m	ISSUE DATE	MATURITY DATE
2021	XS2365097455	Senior Preferred Notes	500.00	15 Jul 2021	15 Jul 2026
Total			500.00		



ALLOCATION REPORT - OVERVIEW OF ELIGIBLE SOCIAL LOANS PORTFOLIO

Banco BPM Eligible Social Loans as of **30th April 2023**

ELIGIBLE SOCIAL LOANS	OUTSTANDING AMOUNT (€m)	AVERAGE TICKET SIZE (€k)	#SME	ALLOCATED (€m)
SMEs - COVID Loans	8,675.0	97,649.9	88,839	743.7
SMEs - in low GDP areas	1,655.9	156,909.4	10,553	0
Third and Public Sector	802.8	231,486.0	2,648	0
Total Eligible Social Loans	11,133.7		102,040	743.7

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

The difference between the outstanding amount of the Allocated Social Loans Portfolio compared to the total amount of Social Bond issued is to ensure from time to time the balance of the Eligible Portfolio with the net proceeds. A portfolio approach is followed.



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 areas¹⁶) 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 8 – Decent Work and Economic Growth.

Third and Public Sector financing has a significant contribution towards SDG 3 – Good Health and well-being, SDG 4 – Quality Education and SDG 10 – Reduced Inequalities.

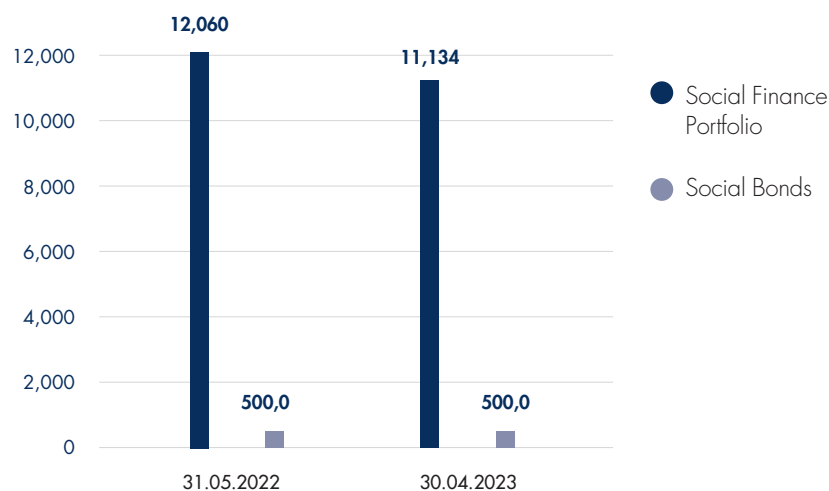
COVID LOANS

- 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. It is specified that commitments made by SACE SPA shall not exceed the maximum total amount of €200 billion, of which at least €30 billion shall be allocated to SMEs.
 - 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, as we all know, are the economic-productive backbone of Italy.

¹⁶ 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 27.47, has been compared to the GDP of each Province. The data of GDP refer to 2019 and the source are from: https://www.sisreg.it/index.php?option=com_content&view=article&id=102&Itemid=75

OVERVIEW OF ELIGIBLE SOCIAL LOANS

ELIGIBLE SOCIAL LOANS PORTFOLIO €m



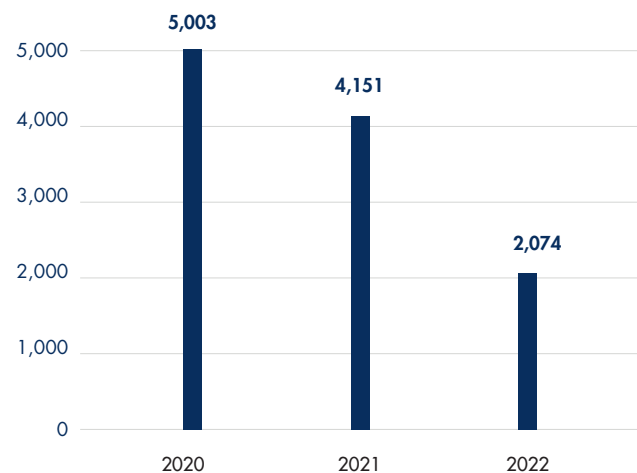
DEVELOPMENT ELIGIBLE SOCIAL LOANS PORTFOLIO	OUTSTANDING AMOUNT (€m)	# ELIGIBLE SOCIAL LOANS
Total by 31.05.2022	12,060.0	113,623
Difference	-926.3	-1,953
Total by 30.04.2023	11,133.7	111,670

OVERVIEW ELIGIBLE SOCIAL LOANS PORTFOLIO	
Balance of net proceeds available (€m)	11,133.7
% of Eligible Social Loan Portfolio Allocated	6,87%
Eligible Social Loans granted in 2022	2,655.2

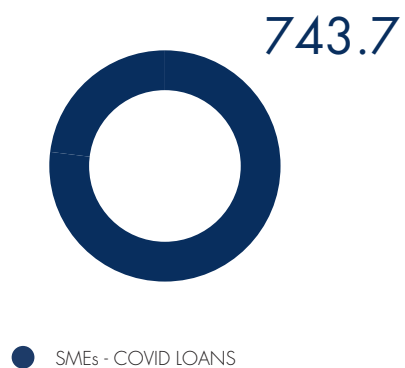
In the reporting period from 1 June 2022 to 30 April 2023, Social Eligible Portfolio has decreased by €926.3m.

In 2021, when the Framework was set up, around €4,482m Eligible Loans have been granted, while in 2022 the amount disbursed was around €2,655m mainly due to the stop of Italian Government Guarantee on the Covid Loans; on the other side SME's Loans and Third Sector have increased in 2022 with respect 2021. In 2023 €252.0m new Social Loans were granted.

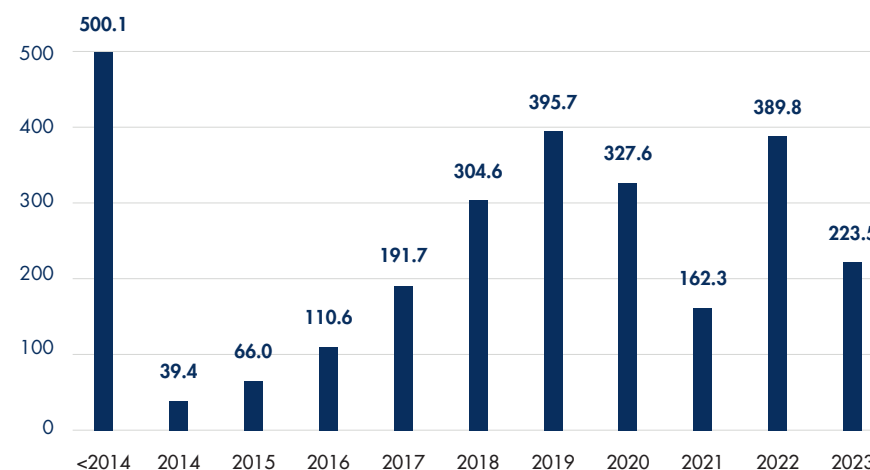
SMEs COVID LOANS



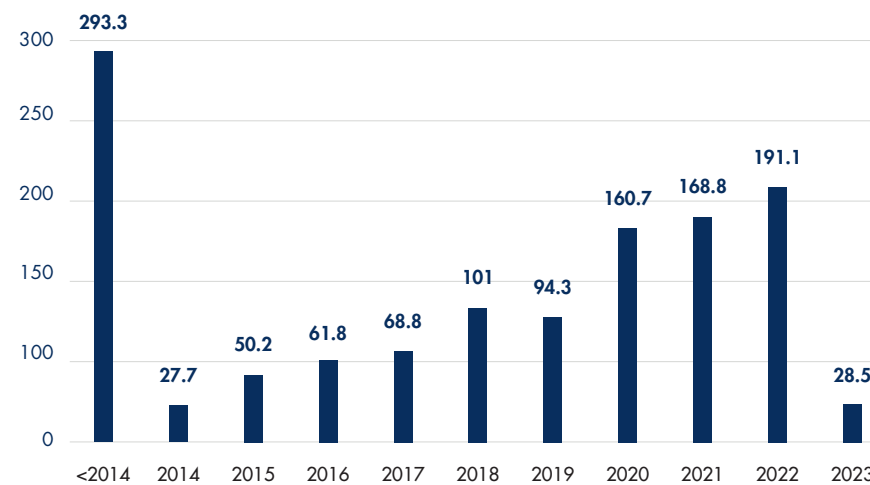
ALLOCATED SOCIAL LOANS €m



LOANS TO SMEs €m



THIRD SECTOR €m



Impact Report - Social Bond

In July 2021 Banco BPM issued the first Social Bond under its Green, Social and Sustainability Framework. The relevant proceeds were applied in order to support more than 14,000 SMEs¹⁷ (now there are 13,496 SMEs in the allocated portfolio, as some SMEs were defaulted and some others have repaid their loan) which were affected by the Covid-19 emergency.

Borrowers were supported 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 generation 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.

This section describes the main characteristics and KPIs of the **allocated Covid Loans Portfolio: 13,782 loans, financing 13,496 SMEs for around €743.72m. The total number of employees of SMEs financed is 71.495¹⁸.**

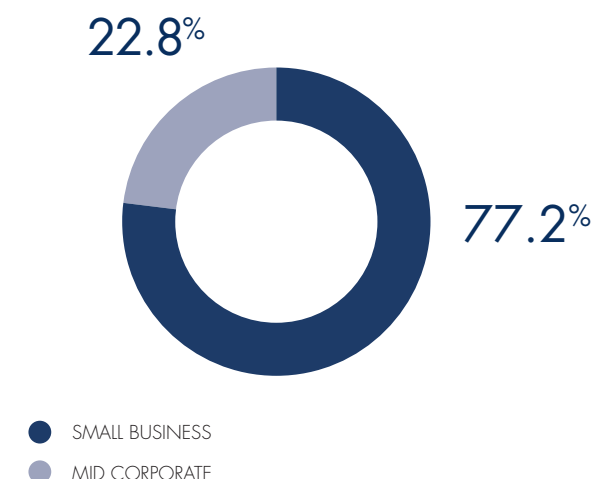
¹⁷ According to EU SME definition: https://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en

¹⁸ Data of employees was not available for 1,042 SMEs representing 8% of total.

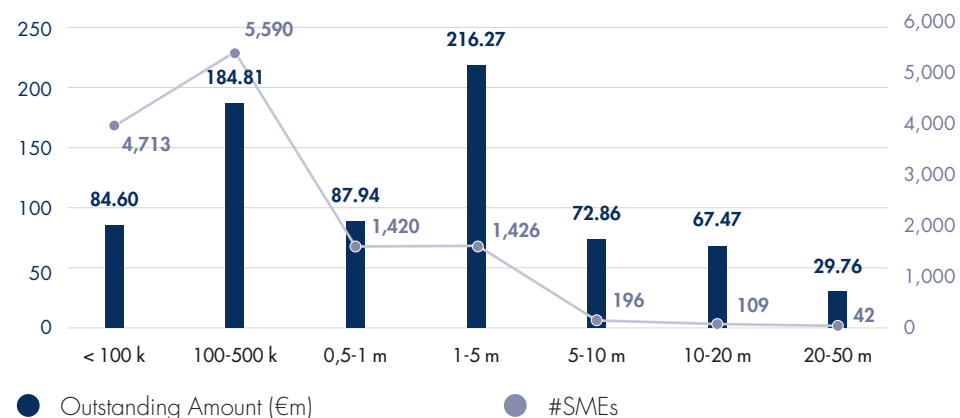
SMEs COVID LOANS - GEOGRAPHICAL DISTRIBUTION €m

LOMBARDY	231.6
TUSCANY	152.0
VENETO	76.9
EMILIA ROMAGNA	63.9
PIEDMONT	62.7
SICILY	41.5
LIGURIA	39.6
LAZIO	24.8
CAMPANIA	17.4
PUGLIA	12.1
UMBRIA	7.7
TRENTINO ALTO ADIGE	3.6
FRIULI VENEZIA GIULIA	3.5
MARCHE	2.1
MOLISE	1.5
VALLE D'AOSTA	1.2
SARDINIA	0.7
CALABRIA	0.6
ABRUZZO	0.2
BASILICATA	0.1

SMEs COVID LOANS - BORROWER TYPE

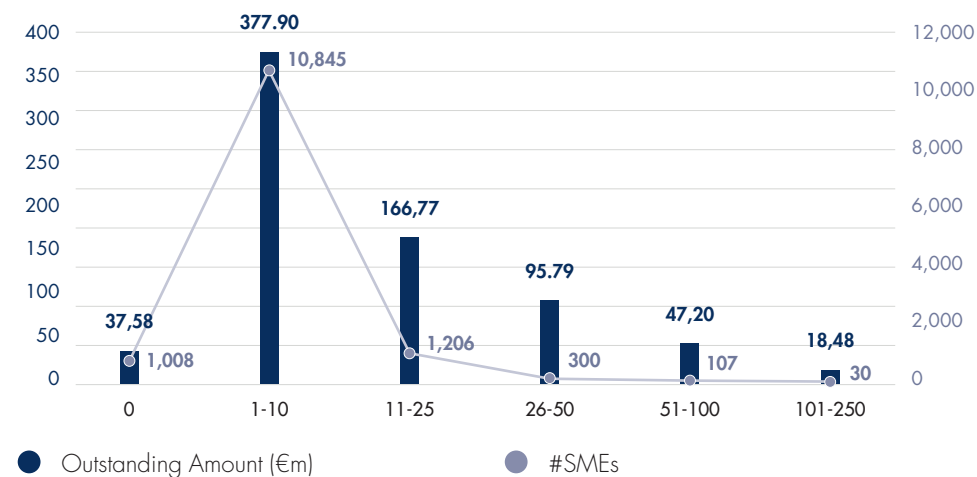


SMEs COVID LOANS - TURNOVER



- 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. 1,042 SMEs are not included in the chart due to the lack of updated data on the number of employees. SMEs requirements have been evaluated during the granting process being the Covid Loans reserved to SMEs only.
- The graph in the bottom left shows 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 2022.

SMEs COVID LOANS - NUMBER OF EMPLOYEES



SMEs COVID LOANS - NUMBER OF EMPLOYEES - 2022 VS 2021

ABRUZZO	1
BASILICATA	0
CALABRIA	-1
CAMPANIA	168
EMILIA ROMAGNA	257
FRIULI VENEZIA GIULIA	32
LOMBARDY	131
VENETO	202
PIEDMONT	972
LAZIO	11
LIGURIA	9
MARCHE	260
MOLISE	10
PUGLIA	-15
SARDINIA	158
SICILY	489
TRENTINO ALTO ADIGE	11
TUSCANY	6
UMBRIA	21
VALLE D'AOSTA	353

- Also the number of employees of each SME at 31 December 2021 has been provided by CERVED (already in 2022 report) and the difference of the number of employees has been calculated.
- 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 were divided in

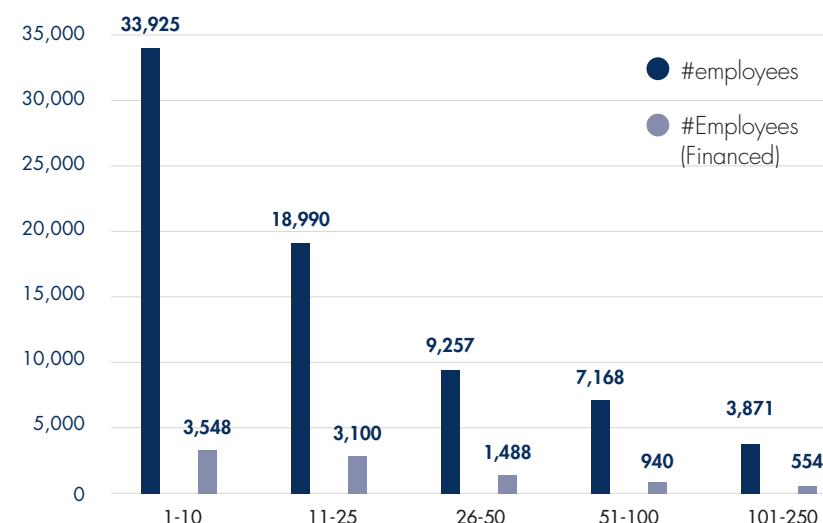
two groups: the ones located in disadvantaged areas (provinces with GDP below average GDP) and those located in provinces with GDP above average. The total amount of employees has increased in both areas, and the percentage of increase is 3,99% in provinces with low GDP (below average) versus 4,64% in provinces with higher GDP (above average), calculated as the total number of jobs supported divided by the number of employees at 31.12.2021.

REGIONS	ALLOCATION (€m)	# SMEs FINANCED	# EMPLOYEES OF SMEs (31.12.2022)	# JOBS SUPPORTED	% JOBS SUPPORTED
GDP below average	151.9	3.064	16.116	619	3,99%
GDP above average	510.6	9.390	55.379	2.456	4,64%
Total	662.5	12.454	71.495	3.075	

FINANCED EMPLOYEES

- The Share of Wallet represents the portion of Banco BPM debt financing on total asset for each SME. 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



Total Eligible Portfolios

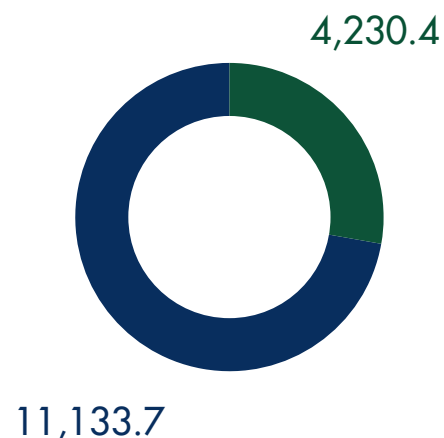
Banco BPM identifies in its IT Systems assets compliant with the Eligibility Criteria of the Green and Social Eligible Categories.

The loans financed with the proceeds of the Green and Social bonds issued are tracked in order to monitor their balance and make the periodic reporting.

All assets financed are located in Italy.

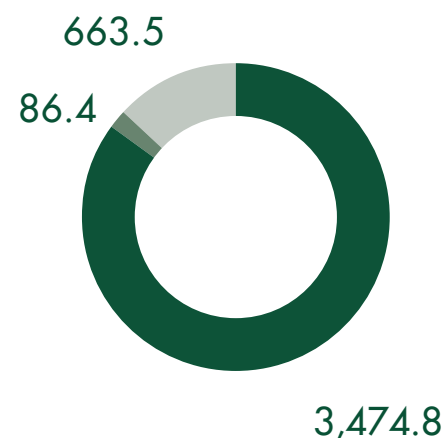
See below a view of the total Banco BPM eligible portfolios (data as of 30.04.2023):

ELIGIBLE GREEN & SOCIAL LOANS €m



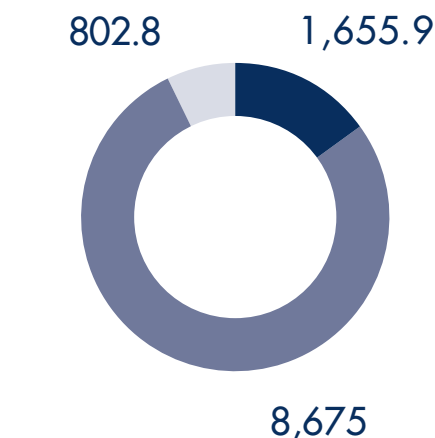
- ELIGIBLE GREEN LOANS
- ELIGIBLE SOCIAL LOANS

ELIGIBLE GREEN LOANS



- GREEN BUILDINGS ACQUISITION
- GREEN BUILDINGS RENOVATION
- RENEWABLE ENERGIES

ELIGIBLE SOCIAL LOANS €m



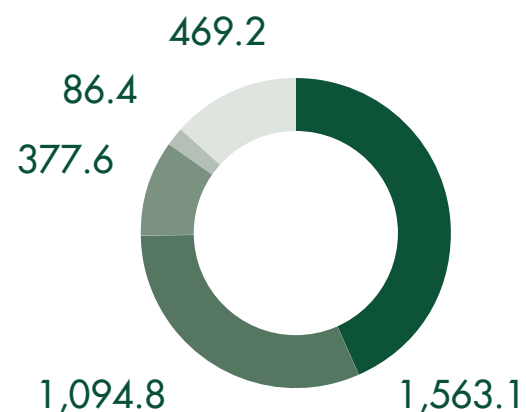
- SME(PMI) - LOAN TO SMEs
- SME(PMI) - LOAN WITH GOV GUARANTEE (COVID LOANS)
- THIRD AND PUBLIC SECTOR

ELIGIBLE GREEN LOANS: GREEN BUILDINGS RESIDENTIAL

RESIDENTIAL GREEN BUILDINGS - GEOGRAPHICAL DISTRIBUTION €m

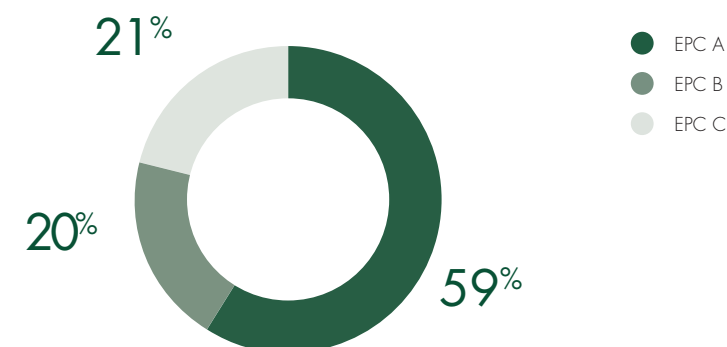
LOMBARDY	1,759.4
VENETO	526.2
PIEDMONT	307.6
EMILIA ROMAGNA	271.9
LAZIO	209.9
TUSCANY	150.1
SICILY	91.2
LIGURIA	61
TRENTINO ALTO ADIGE	42
PUGLIA	37.2
CAMPANIA	32
FRIULI VENEZIA GIULIA	16
SARDINIA	15.1
VALLE D'AOSTA	11
ABRUZZO	8.6
UMBRIA	6.2
MARCHE	5.9
MOLISE	5.1
BASILICATA	2
CALABRIA	1

GREEN BUILDINGS €m

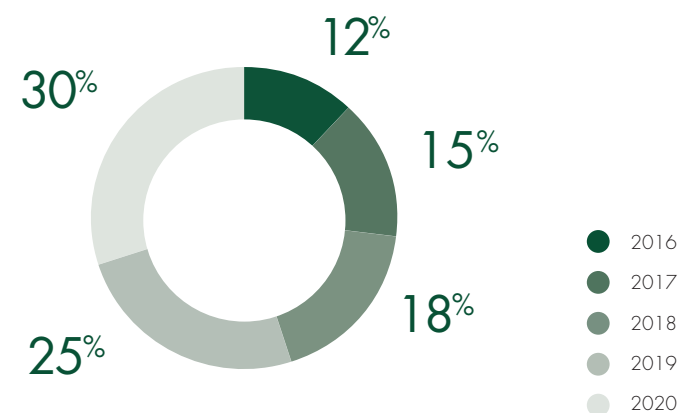


- CRIT. 1 - ACQUISITION EPC A B C
- CRIT. 2 - ACQUISITION YEAR OF COSTRUCTION
- CRIT. 4 - ACQUISITION NZEB-10% (ANNO ≥2021)
- RENOVATIONS
- CRIT. 3 - ACQUISITION TOP 15% PED

CRITERION 1 EPC: A-B-C



CRITERION 2 YEAR OF CONSTRUCTION



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

TYPE OF THRESHOLD	YEAR OF CONSTRUCTION	LABEL A						
		Crit. 3 - TOP 15% - PED	65	65	70	75	100	105
	≤2020	Outstanding Amount (€m)	-	11.2	20.3	67	364.3	6.4
	>2020	Crit. 4 - NZEB - 10%	45	45	50	55	70	70
		Outstanding Amount (€m)	-	1.2	10.4	28.1	334.7	3.2

CLIMATE ZONE


- **A** $GG \leq 600$
(Lampedusa, Porto Empedocle)
- **B** $601 \leq GG \leq 900$
(Agrigento, Reggio Calabria, Messina, Trapani)
- **C** $901 \leq GG \leq 1,400$
(Napoli, Imperia, Taranto, Cagliari)
- **D** $1,401 \leq GG \leq 2,100$
(Firenze, Foggia, Roma, Ancona, Oristano)
- **E** $2,101 \leq GG \leq 3,000$
(Aosta, Torino, Milano, Bologna, L'Aquila)
- **F** $GG \leq 3,001$
(Belluno, Cuneo)

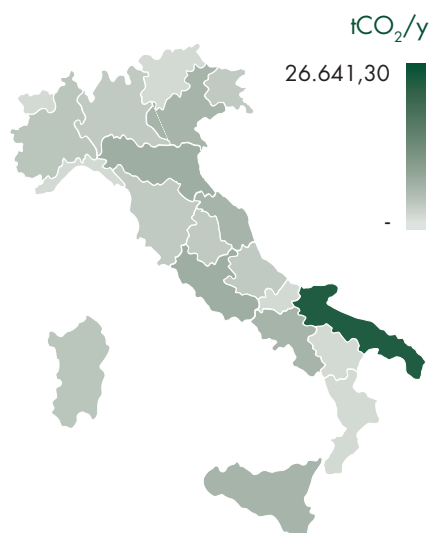

52,3%

 EU Taxonomy
- SCC

52.3% of total eligible green buildings assets **take into account the main SCCs** in the EU Taxonomy **for the 7.1 and 7.7 activities of the annex I on the climate change mitigation objective**, i.e. EPC class A, NZEB-10% and TOP 15% PED.

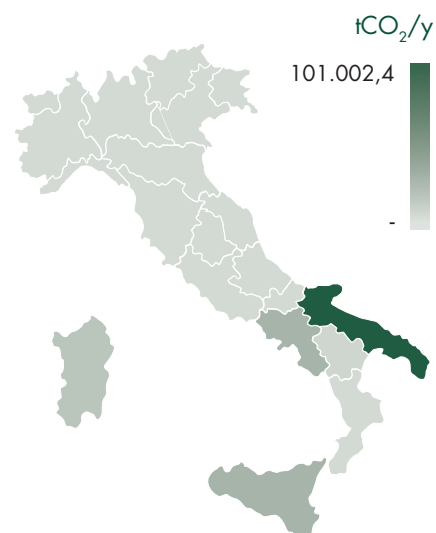
ELIGIBLE GREEN LOANS: RENEWABLES

SOLAR ENERGY



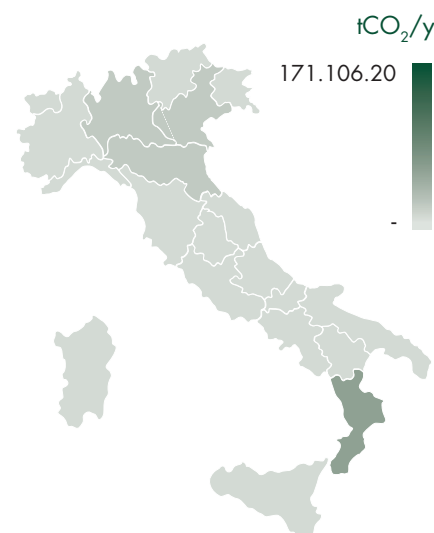
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WIND POWER



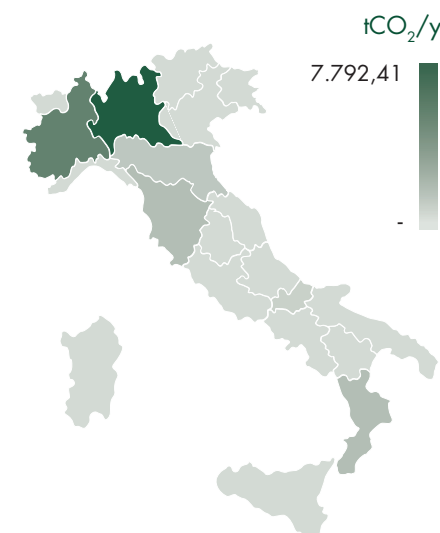
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BIOENERGY



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HYDROPOWER



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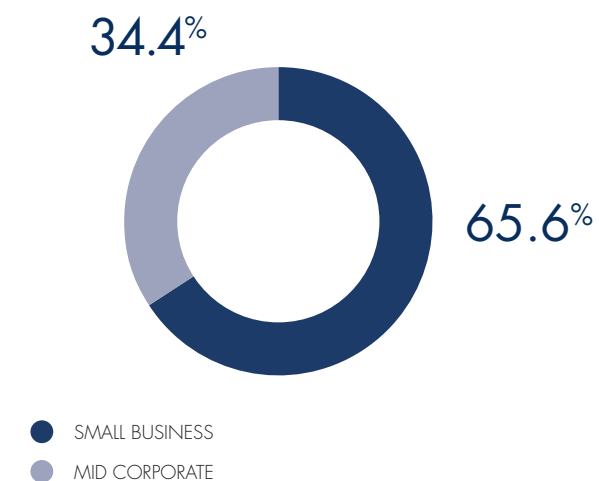
ELIGIBLE SOCIAL LOANS – LOANS TO SMEs

TYPE OF LOAN	NUMBER OF SME	CURRENT FINANCING AMOUNT (€m)
Loans to SMEs	10.553	1,655.9
Loans to SMEs	10.553	1,655.9

LOANS TO SMEs - GEOGRAPHICAL DISTRIBUTION €m

TUSCANY	412.4
SICILY	278.3
CAMPANIA	209.6
PUGLIA	188.3
LOMBARDY	152.6
PIEDMONT	91.4
UMBRIA	73.0
EMILIA ROMAGNA	39.2
LAZIO	39.2
ABRUZZO	37.1
VENETO	31.1
LIGURIA	24.1
MOLISE	23.1
MARCHE	23.1
SARDINIA	14.6
BASILICATA	9.8
CALABRIA	8.9

LOAN TO SMEs - BORROWER TYPE

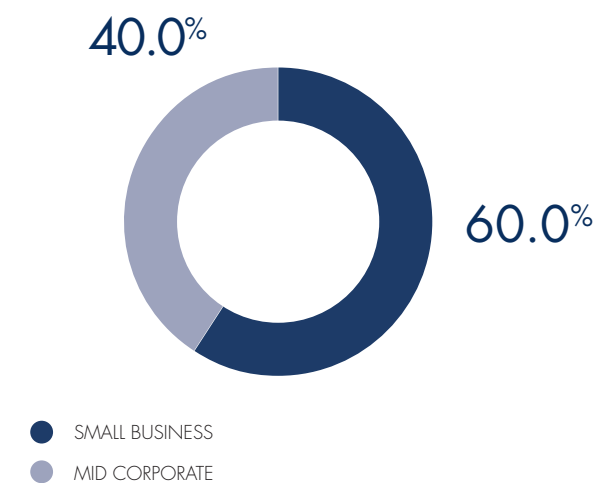


ELIGIBLE SOCIAL LOANS – SMEs COVID LOANS

SMEs COVID LOANS - GEOGRAPHICAL DISTRIBUTION

LOMBARDY	3,246.7
TUSCANY	1,186.1
VENETO	1,042.5
EMILIA ROMAGNA	932.0
PIEDMONT	741.7
LIGURIA	341.2
SICILY	303.9
LAZIO	285.9
CAMPANIA	174.4
PUGLIA	116.4
FRIULI VENEZIA GIULIA	75.2
UMBRIA	70.3
TRENTINO ALTO ADIGE	62.0
MARCHE	26.8
MOLISE	23.8
ABRUZZO	13.0
VALLE D'AOSTA	11.1
SARDINIA	10.6
CALABRIA	7.2
BASILICATA	4.5

SMEs COVID LOANS - BORROWER TYPE



Examples description of Allocated Assets

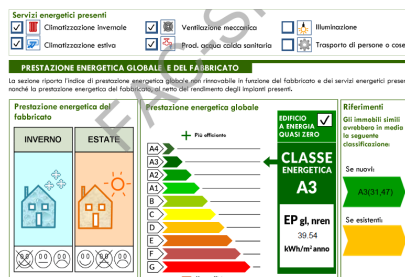
GREEN BUILDINGS RESIDENTIAL

PRIVATE OWNER

In July 2020 the borrower applied for a € 163,000 mortgage to purchase a new house built in 2020 and located in Lombardia in a small town south of the city of Milan.

The building is a house of **116 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 (A3)** with an **estimated energy consumption (EP_{gl}, nren) of 39,54 kWh/m² year** and **CO₂ equivalent of 8,78 kg/m² year**.



RENEWABLE ENERGY

IVPC

IVPC was one of the Italian pioneers in the renewable energy production, with a deep focus in wind power. IVPC Group is the owner of the authorizations for the construction and management of a wind plant, **with a total investment cost of 13,05 mln, for a capacity of 12,6 MW** in the municipality of Poggio Imperiale (FG) and is part of IVPC GROUP that was founded in 1993. The financed project include the construction of: No. 3 Wind turbines, with a capacity of 4.2 MW named PGI04, PGI14B, PGI16B, with associated foundations and pads; access roads and service roads to the wind turbines; underground power lines connecting between the wind turbines, inside the park; underground electric pipeline connecting Park and Electric Transformation Substation (ESS); construction of No. 1 Transformation Substation and access roadway to the ESS.



SMES COVID LOANS

ZANOTTI MOBILI S.R.L.

Zanotti Mobili is a family run business founded in Veneto in 1964 and active in the production and sale of furniture for houses, hotels and offices in Italy and abroad.

In order to overcome the difficulties in production and sales together with the interruption of payments from their primary clients (mainly hotels) arising from the persisting Covid pandemic, in April 2021 the firm applied for a loan of € 150.000 that allowed it to keep on paying employees and suppliers and to carry on the development of new projects (opening of a showroom).



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 2023



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Independent auditors' report on the Green, Social & Sustainability Bonds Reporting 2023

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 2023 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 July 2021 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 compliance with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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, Venezia

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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 2023 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 14, 2023

BDO Italia S.p.A.

Emmanuele Berselli

Partner

Disclaimer

This Green, Social & Sustainability Bonds Reporting ("**Report**") is prepared in accordance with the 2021 edition of the Green Bond Principles, the 2021 Social Bond Principles and the 2021 Sustainability Bond Guidelines published by the International Capital Markets Association (ICMA).

This Report has been prepared for informational purposes only and the information contained herein may be limited or incomplete.

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