



GREEN, SOCIAL AND SUSTAINABILITY BONDS FRAMEWORK

July 2021

Contents

1. Introduction.....	3
2. Banco BPM's Sustainability Approach	3
3. Banco BPM Green, Social and Sustainability Bonds Framework.....	6
3.1 Use of proceeds	7
3.1.1 Eligible Green Loans	7
3.1.2 Eligible Social Loans.....	8
3.1.3 Exclusion criteria.....	9
3.2 Process for Project Evaluation and Selection.....	10
3.3 Management of proceeds.....	10
3.4 Reporting.....	10
3.4.1 Allocation Reporting	10
3.4.2 Impact Reporting.....	11
4. External review.....	11
4.1 Second Party opinion	11
4.2 External Verification	11



1. Introduction

Banco BPM is Italy's third largest listed banking Group, as measured by total assets, net customer loans, customer funds and number of branches, serving almost 4 million customers through a deeply rooted multi-channel distribution network.

The Group was established on 01 January 2017, through the merger between former Banco Popolare and former Banca Popolare di Milano, with the concurrent transformation into a joint-stock company and with a listing of the new stock on the Milan Stock Exchange. The Group enjoys a leading position in northern Italy, where almost 80% of its domestic franchise is rooted, with a national market share of about 7.5%, with strongholds in particular in the productive and wealthy regions of Lombardy, Piedmont, Veneto and Emilia Romagna.

Banco BPM is a fully fledged financial services provider operating in a wide range of businesses, which on top of the core commercial and retail banking activities include also its position in various value-added businesses, such as Private Banking, Asset Management, Bancassurance, Corporate and Investment Banking and Consumer Credit. Leveraging on a well-integrated multi-channel approach in which the branch franchise (about 1,800 outlets at year-end 2020) is increasingly supported by digital banking activities, the Group is well positioned to capture cross-selling opportunities through a wide range of products and services related to well-known brands, both through its own product companies as well as through strategic partnerships and joint ventures.

Thanks to its almost 22 thousand employees and its strong business franchise, Banco BPM is focused on providing service quality in its various fields of business to a customer base which is to a significant degree composed of retail customers as well as small and medium-sized businesses. The mission of Banco BPM encapsulates the interests of its stakeholders: shareholders, customers, partners as well as the local communities of reference. It reflects the Group's identity: **a bank that aims to grow and develop while remaining closely linked and attentive to its home territories, supporting people, businesses and non-profit organizations.** This approach is flanked by **a full integration of sustainability into its business model and its ESG strategic roadmap.**

2. Banco BPM's Sustainability Approach

Banco BPM integrates Sustainability in the Group's business model through an effective Governance system.

- ② The Group's sustainability is monitored by the **Board of Directors** which defines the management and coordination policies regarding non-financial disclosure, the socio-environmental policies and approves annually the Consolidated non-financial statement and the associated materiality analysis.
- ② The **Internal Control and Risks Committee** supervises, in the first instance, sustainability issues as well as – also through the Director delegated by the Committee itself on ESG, "sustainability and social responsibility" issues- the activities connected with the drafting of the consolidated non-financial statement. The Committee also provides with a preliminary opinion to the Board of Directors on such document. With the aim to underline the strong commitment of Banco BPM on ESG issues, on 6 May 2021 the Board of Directors approved to change the name of the Committee to "Internal Control, Risks and Sustainability Committee".
- ② The **Environmental, Social and Governance (ESG) Managerial Committee**, established by the Board of Directors, is chaired by the Chief Executive Officer and counts two Joint General Managers among its permanent members. Its main tasks include evaluating the Group's positioning and coordinating all the activities required to achieve the strategic sustainability objectives.
- ② The **Sustainability Structure** assists the ESG Committee and oversees the definition of the relevant themes and the monitoring of sustainability indicators. It also evaluates the sustainability impacts stemming from the Group's initiatives and provides support to the corporate structures. It drafts the Consolidated non-financial statement and promotes sharing of the ESG culture within and outside the Group.

During 2020, under the leadership of the new ESG Committee, in light of an analysis of Regulatory requirements, and in line with the best practices of national and international competitors, we reviewed our strategic ambition and launched an internal assessment intended to involve all of the Group's units in an important process of

sustainability. In February 2021, 7 areas of activities were therefore initiated which, in continuity with the macro areas of the 2020-2023 Plan, will aim to strengthen and achieve the integration of sustainability within company activities and the business.



Banco BPM intends to play an active role together with his stakeholders for the transition to a low carbon economy and protection of the environment.

In its customer relationship, Banco BPM has developed several commercial initiatives (products, services, and loans) supporting people and companies with the aim to protect the environment. The mains include:

- ② collaboration with **FIRE - Italian federation for the rational use of energy** – in the context of the European Project "GoEsi" – to put together the most appropriate financial support for Energy efficiency investments and the use of "ESI standard template" (standardized contracts with service guarantee) with the objective to consider it a positive differential element during the credit assessment;
- ② Our Group, in line with the principles of the European project (Energy Efficient Mortgages Initiative (EEMI), has completed the activities to present at the beginning of 2021 a distinctive offer of Green Mortgages, with the aim of favoring the energy efficiency of buildings and responding to the growing demand from part of the clientele, aligning with the market context
- ② Banco Bpm has activated a series of commercial initiatives as part of the sale of the tax credit thanks to which our customers (individuals, condominiums and businesses) are allowed to anticipate the costs for the energy requalification of buildings. I.g. the CD. "Superbonus" provides tax deductions of up to 110% on energy efficiency interventions and reduction of seismic risk and the possibility of transforming these deductions in a tax credit transferable to third parties, including banks and financial institutions. Other initiatives are aimed at obtaining funding for the implementation of energy efficiency works on buildings.
- ② Banco Bpm, to facilitate the transition to a sustainable economy, provides companies with a ceiling of 5 billion euros called 'Sustainable investments 2020-2023'. In relation to this initiative, the Group has established a collaboration with the Politecnico di Milano, to which companies requesting funding can contact for a technical evaluation of the projects.

The Group aims to help safeguard the environment by reducing the impact of its activities, mainly through:

- ② Its **energy management**: in 2020, 100% of the electricity consumed was generated from certified renewable sources (Guarantee of Origin GO), avoiding the emission of around 33,239 tons of CO2 equivalent into the atmosphere.
- ② Its **corporate mobility**: Banco BPM aims to implement initiatives which, taking into account people's needs, are oriented to increase sustainable mobility, so as to unite the well-being of individuals with that of our cities. From this perspective, in July 2020, a website dedicated to mobility management was set up on the company portal through which colleagues can consult benefits and initiatives available to them (mobility sharing, public transport, marketing of environmentally sustainable vehicles) as well as news and useful information relating to the world of mobility. A Commuting plan for the Verona district has been completed. The goal of this effort is to optimize commuting and promote alternative urban mobility solutions and services. The renewal of the car fleet continued with the progressive introduction of new Plug-in and Mild Hybrid Electric vehicles. Furthermore, in 2020 the video calls improved considerably and the release of a new unified communication and collaboration platform represented for employees, when the pandemic began, an important tool available for working remotely and interacting via chats, videos and conference calls.
- ② **Actions to limit consumption and virtuous behaviors, including**: streamlined and centrally controlled management of paper and toner supplies; the procurement of recycled and Blue Angel certified paper; predominant use (over 90%) of regenerated toner; initiation of projects for the digitalisation of the main processes for the products acquisition adopting a paperless approach.

Furthermore, Banco BPM has set the role of an **Energy Manager** and of a **Mobility Manager**:

- ② The Energy Manager and his team, contribute to oversee and analyze the processes of generation and use of energy for the Group, being also responsible for the conservation and rational use of energy;
- ② The Mobility Manager is in charge of planning and implementing strategies for the rationalization of travels and reduction of the use of individual means of transport, with the objective of reducing, monitoring and

communicating the impacts on environment and staff awareness for a common discipline on corporate mobility.

In the course of 2020, the Group successfully concluded the implementation activities required for the adoption of three ISO Management Systems relating to thematic areas strictly correlated with the ESG context. The Bureau Veritas certification body positively performed the audit process, issuing the relative certificates of compliance with the ISO 45001 - occupational Health and Safety, ISO 50001 - Energy and ISO 14001 – Environment standards. The decision to manage the three systems, although established separately, in a single framework, made it possible to identify contextual synergies across the various areas, guaranteeing high levels of organisational and operational efficiency.

As evidence of the efforts done by the Group in the last years, the Carbon Disclosure Project rating (“B” level), reached in 2019, has been confirmed also in 2020.

Banco BPM has published the rules for the environmental policy, the Workplace health and safety guidelines and the Guidelines regarding the integration of sustainable risks in the provision of investment services. They are in accordance with the principles set out in the Code of Ethics, which is the cornerstone of our governance system.

In light of the importance that the environment topic deserves, Banco BPM has introduced at Group level some analysis regarding environmental and climate change items.

Relationship with communities and the region is Banco BPM most important asset and one that the Bank wants to protect and develop mainly through:

- ② Supporting - also by sharing resources and knowledge- initiatives in the cultural, social, sports, educational and research fields;
- ② Offering product and services for the third sector in favor of the no-profit associations.



In 2020, we supported social and environmental projects with an economic contribution of around € 6.2 million (of which roughly € 1.7 million for the Foundations), and the majority of which was dedicated to **initiatives to mitigate the consequences of the Covid-19 pandemic**. Part of this total contribution, roughly € 1.3 million, derives from fundraising from personnel and the members of our corporate bodies (Chairman, Chief Executive Officer, members of the Board of Directors and the Board of Statutory Auditors who waived, like some managers, a share of their own remuneration).

Furthermore, with the claim #Insiemestraordinari, we activated a platform on our websites in order to raise funds to be devoted to local projects run by non-profit associations and charitable organisations. In several cases, Banco BPM directly contributes in order to meet the pre-established target.

On the customer side, much attention was paid to simplifying operations and the development of new IT procedures to accelerate the approval and disbursement phases of credit. In addition, all the measures envisaged by the Government have been adopted regarding the granting of moratoria on payments, the suspension of mortgage payments, the disbursement or renegotiation of loans against public guarantees and the advance of the redundancy payments.

Support to business customers in 2020 – moratoria

Right from the beginning of the crisis triggered by the Covid-19 pandemic, Banco BPM implemented a series of transitory maneuvers to support its customers.



More importantly, support to business continued by promptly implementing the provisions of the “Cura Italia” Law Decree of 17 March 2020. In total, in the business segment, around 59,000 moratoria were granted for a total amount of € 11.4 billion.

In addition, in line with Associazione Bancaria Italiana instruction, Banco BPM adopted additional suitable measures to manage the slowdown of the economy due to the pandemic, giving to larger businesses excluded by Art. 56 of the “Cura Italia” Law Decree, the opportunity to request bilateral moratoria. With regard to this type of measure, over 700 moratoria were granted to businesses, for an amount of € 2.1 billion.

Support to private customers in 2020 - moratoria

Banco BPM immediately applied both (i) the measures provided by Art. 54 of the "Cura Italia" Law which envisaged the opportunity for Private customers to obtain a suspension (for a maximum of 18 months) on the payment of first-home mortgage loans by using the "Solidarity Fund for first home mortgage loans" (the so-called Fondo CONSAP) and (ii) other types of moratoria.

With regard to all the above-mentioned moratoria, more than 25,000 applications were processed for € 2.6 billion suspended payments.

Support to business customers in 2020 - loans

Right from the start, Banco BPM gave its business, merchant, third sector and professional customers the opportunity to obtain new financing facilities by means of liquidity fund dedicated to the emergency, totaling € 5 billion. These funds are characterised by advantageous economic conditions with respect to ordinary loans and a dedicated procedure.

Support to business customers also continued through the implementation of the provisions of the already-mentioned Decree Laws, thanks to which customers were given the opportunity to access:

- ② Specific loans countersigned by the Guarantee Fund for SMEs (loans with a 100% guarantee of the amount up to € 30,000). Banco BPM responded rapidly to the needs of the market and of its customers by establishing, a task force dedicated to managing these applications. To this end, over 1,300 managers working in branches throughout the country received the appropriate training. This enabled the bank to efficiently and quickly meet the numerous applications for loans, which exceeded 70,000, for a total amount of around €1.5 billion.
- ② Loans guaranteed at 80% and 90% for amounts exceeding € 30,000 euro, as well as loans to consolidate debt (granted with the simultaneous disbursement of an additional facility for not less than 25% and a lower interest rate) secured by the guarantee which covers up to 80%. Another Task Force of around 200 people was organised, dedicated to speeding up the process. The numbers recorded by Banco BPM are as follows: around 25,000 loans for a total of over € 10 billion.

Lastly, for larger companies or for SMEs who have exhausted their capacity to access the Guarantee Fund, Article 1 of the "Liquidity" Law Decree envisages the opportunity to obtain loans secured by a SACE guarantee (on this specific segment, Banco BPM managed around 250 transactions for a total of over € 2.4 billion).

The **total amount of moratoria** outstanding as at 31 March 2021 came to **€ 11.3 billion** (to be compared with more than €16 billion originally granted). **Disbursements secured by State guarantees** over the quarter were equal to € 2.7 billion, bringing the total disbursed amount of said guaranteed loans as at 31 March 2021 to **€ 12.9 billion**.

3. Banco BPM Green, Social and Sustainability Bonds Framework

The development of a Green, Social and Sustainability Bond Framework (the "Framework") is thus fully complementary with Banco BPM commitment and strategy to address climate change and to provide a positive social outcome in its business conduct.

Under this Framework, Banco BPM can issue three thematic bonds (the "Bonds"), Green Bonds, Social Bonds and Sustainability Bonds, as follows:

- ② An amount equivalent to the net proceeds of the Green Bonds will be exclusively allocated to Eligible Green Loans.
- ② An amount equivalent to the net proceeds of the Social Bonds will be exclusively allocated to Eligible Social Loans.
- ② An amount equivalent to the net proceeds of the Sustainability Bonds will be allocated to Eligible Green Loans and Eligible Social Loans.

Bonds, as defined in this Framework are either public or private placements, senior preferred, non-preferred bonds and Tier 2 under the Banco BPM EMTN Programme, as well as secured bonds (such as Covered Bonds). The Bonds are intended to fund new and existing financings that have explicit environmental and/or social benefits.

In accordance with the 2021 Green Bond Principles, the 2021 Social Bond Principles and the 2021 Sustainability Bond Guidelines ¹, Banco BPM's Framework is structured through the following four core components:

- ④ Use of proceeds
- ④ Process for project evaluation and selection
- ④ Management of proceeds
- ④ Reporting

3.1 Use of proceeds

Eligible Green Loans and Eligible Social Loans constitute the Eligible Loans. They correspond to portfolios of new and/or existing loans.

3.1.1 Eligible Green Loans

Eligible Green Loans financed by Banco BPM are loans aligned with the Eligibility Criteria listed below. The financing of such Eligible Green Loans is expected to create substantial environmental benefits by enabling significant reduction in GHG emissions and energy consumption.

Eligible Green Loans categories		Eligibility Criteria
Green Buildings	Residential	<ul style="list-style-type: none"> ④ Loans to finance acquisition of new or existing residential housing aligned with current environmental regulation and belonging to the top 15% in Italy of the most carbon efficient buildings (kg CO2e/sqm)² ④ 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.
	Commercial	<ul style="list-style-type: none"> ④ Loans to finance acquisition of commercial buildings belonging to the top 15% in Italy of the most carbon efficient buildings (kg CO2e/sqm). ④ Loans to finance the construction of new commercial buildings which have received at least one (or more) of the following classifications: <ul style="list-style-type: none"> ④ LEED "Gold" or above; ④ BREAM "Very Good" or above; ④ HQE "Excellent" or above; or ④ Any other comparable international building certifications level ④ Loans to finance the renovation of commercial buildings to reach an energy efficiency improvement of at least 30% of energy savings

¹ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-bond-guidelines-sbg/>

² The definition of the top 15% of the most carbon efficient buildings varies over time and location depending on the energy performance and on the year of construction of existing building stock. The analysis provided by CRIF to the residential real estate in Italy as of [December 2019], in order to specify the eligibility criteria implemented by Banco BPM is available at <https://gruppo.bancobpm.it/sostenibilita/>

<p>Renewable energies</p>	<p>Loans to finance the construction, acquisition, development, and maintenance of facilities generating and/or distributing energy from renewable sources such as:</p> <ul style="list-style-type: none"> ⌚ Wind energy: Onshore and offshore wind energy generation facilities; ⌚ Solar energy: Solar energy Photovoltaics (PV), and solar power (CSP); ⌚ Hydro power: acquisition, construction, upgrade and refurbishment of hydro power plants with a power density above 5 W/m² or operating at life cycle emissions lower than 100gCO₂e/kWh; ⌚ Bio energy: Facilities producing energy³ such as biofuel preparation, pre-treatment and bio-refinery facilities (limited to facilities operating above 80% of GHG emissions-reduction in relation to the relative fossil fuel comparator); ⌚ Geothermal energy: Geothermal power plants and geothermal heating/cooling systems (limited to direct emissions of ≤ 100g CO₂e/kWh); ⌚ Electricity transmission and distribution infrastructure (limited to infrastructure with an average grid emission factor below the threshold value of 100 gCO₂e/kWh over a rolling five-year average period).
<p>Energy Efficiency</p>	<p>Loans to finance the development and distribution of and/or upgrades to equipment or technology such as:</p> <ul style="list-style-type: none"> ⌚ Smart grid⁴; ⌚ District heating and cooling⁵; ⌚ Energy storage; and ⌚ Efficient LED lighting appliances and systems.
<p>Pollution prevention and control</p>	<p>Loans to finance the development, construction and maintenance of waste management activities that contribute to the reduction of GHG emission intensive waste treatment systems, such as waste prevention, waste reduction and waste recycling.</p>
<p>Sustainable Water infrastructure</p>	<p>Loans to finance the development, construction and maintenance of water infrastructures that contribute to GHG emissions savings through low specific energy consumption in the water collection, treatment and supply system.</p>
<p>Low carbon transportation</p>	<p>Loans financing public land transport and clean transportation loans such as:</p> <ul style="list-style-type: none"> ⌚ Public transport (e.g. subways, trains, trams, electric, biofuel or hybrid buses), including: infrastructure (e.g. rail networks, station upgrade) and non-diesel rolling stock (excluding fossil fuel transportation); ⌚ Commercial and passenger's electric vehicles (e.g. truck fleets, automobiles, charging infrastructure).

3.1.2 Eligible Social Loans

Eligible Social Loans financed by Banco BPM are loans aligned with the Eligibility Criteria listed below. In alignment with the Social Bond Principles, the Social Eligible Projects aim to support employment generation, access to essential services (e.g. education, health) and affordable basic infrastructure (e.g. transport) and support socioeconomic advancement and empowerment.

³ with feedstocks:

- ⌚ not originated from fields resulting reconverted carbon sinks (such as forests, marshy areas)
- ⌚ not originated from high diversity fields (such as primary forests)
- ⌚ not suitable for human consumption
- ⌚ and only channeled through sustainable transport means (excessive recourse to fossil fuel transport)

⁴ including (i) smart meters (ii) smart thermostat systems and (iii) Building Management Systems (BMS) and Energy Management Systems (EMS)

⁵ limited to district heating and cooling systems using at least 50% renewable energy or 50% waste heat or 75% cogenerated heat or 50% of a combination of such energy and heat.

Eligible Social Loans category	Eligibility Criteria	Target population
SMEs	<ul style="list-style-type: none"> ④ Loans to SMEs⁶ that include SMEs located in areas with a GDP per capita below national average, and/or in areas impacted by natural disasters. ④ Loans granted to SMEs with the Government Guarantee to help borrowers to fight difficulties due to the emergency due to the Covid – 19 global pandemic. 	People working in SMEs to maintain jobs and create capacity for new jobs
Third and Public Sector	<ul style="list-style-type: none"> ④ Loans to finance companies partly State-owned (whose financial statements are included in the Government budget) and to the Third Sector (Associations, NGOs, Social enterprises, Social Cooperatives, Foundations etc.) dedicated to financing projects aiming at having a positive social impact on the society in the following sectors: <ul style="list-style-type: none"> ④ Healthcare and scientific research; ④ Education; ④ Clean transportation and environmental protection; ④ Art, culture and recreational activities (including also amateur sport, touristic activities of social and cultural interest, etc.); ④ Solidarity and Social Activities (including also welcoming and integrating migrants, inclusiveness of disadvantages workers by law, animal protection, etc.); ④ Fair Trade and international cooperation for the sustainable development, human rights and peace. 	People benefitting from positive socio economic outcomes, in priority in sensitive areas, and in priority to youth, elderly and people with disabilities.
Healthcare	<ul style="list-style-type: none"> ④ Loans to finance the construction, development, maintenance or renovation of activities that strengthen the capacity of free or subsidized healthcare, and early warning, risk reduction and management of health crises. 	Aiming at benefitting to all

3.1.3 Exclusion criteria

Certain activities will be automatically excluded under this framework due to their potentially controversial or negative environmental and/or social impact. In particular:

- ④ Any kind of investment connected to fossil fuel, to nuclear power generation, and to the armament sector are excluded from Eligible Green Loans.
- ④ SMEs connected with the sector of armaments, tobacco, and gambling are excluded from Eligible Social Loans

⁶ Small-Medium Enterprises as defined by the European Commission

④ <250 employees

④ ≤ €50m turnover or ≤ €43m total Balance sheet

3.2 Process for Project Evaluation and Selection

The Eligible Portfolio that will be financed and/or refinanced via the Green, Social and Sustainability Bonds issued under this Framework will be reviewed, monitored and updated by an appointed Funding ESG Working Group ("the Working Group"), constituted of participants from relevant functional areas including Business Departments, the Funding and Capital Management team, the Risk Management team, the Sustainability team, the Investor relations department and the Energy Manager.

The Working Group's scope of work will include the following:

- ② The monitoring of the Eligible Portfolio: Business Department will propose a portfolio of loans compliant with the criteria set out in the Use of Proceeds section. The Working Group will review and approve the proposed portfolio of loans (the "Eligible Portfolio"), based on the aforementioned criteria.
- ② Updating the Framework: The Working Group will oversee any future updates of the current Framework including the addition of new Eligible Categories and/or the alignment of the eligibility criteria with the latest best market practices; and obtaining an updated Second Party Opinion.

3.3 Management of proceeds

In order to track the Eligible Portfolio, Banco BPM will implement an internal system to identify Eligible Loans. The Working Group will manage the balance of the Eligible Portfolio with the net proceeds of the Green, Social and Sustainability Bonds issued under this framework on a portfolio approach. In particular, Banco BPM will make every effort to ensure that:

- ② The aggregated nominal value of Green Eligible Loans exceeds the aggregated nominal value of all outstanding Green Bonds at any time until the maturity of all outstanding Green Bonds;
- ② The aggregated nominal value of Social Eligible Loans exceeds the aggregated nominal value of all outstanding Social Bonds at any time until their maturity; and
- ② The aggregated nominal value of Eligible Loans exceeds the aggregated nominal value of all outstanding Green Bonds, Social Bonds and Sustainability Bonds at any time until the maturity of all Green, Social and Sustainability Bonds issued under this framework.

Until full allocation, the proceeds of the Bonds will be kept in Banco BPM's own treasury, invested in the form of cash or cash equivalent and in accordance with the Treasury special policy.

3.4 Reporting

The allocation and impact reporting (the "Report") will be published annually by Banco BPM, starting a year after the issuance of each Bond on a portfolio approach basis. Banco BPM will make its Report available for investors on its website.

3.4.1 Allocation Reporting

The allocation reporting will include:

- ② The breakdown of the Eligible Portfolio per Eligible Green Loans and/or Eligible Social Loans categories to which the outstanding Bonds are allocated.
- ② The share of financing and refinancing (in %) of the Eligible Portfolio as of the date of the Bonds issuance.
- ② The geographical split of the Eligible Portfolio.
- ② The amount of unallocated proceeds, if any.

3.4.2 Impact Reporting

Banco BPM will communicate the expected impact its Green, Social and Sustainability Bonds have through qualitative and quantitative criteria.

The reporting indicators for Eligible Loans may include aggregated output and impact metrics on a portfolio basis. Output metrics for Eligible Green Loans may include:

- ② For acquisition of Green Buildings, breakdown per EPC level and/or external certification and/or per year of construction, in volumes of loans and aggregated amount of square meters.
- ② For refurbishment of Green Buildings, expected energy savings or energy performance level reached after refurbishment.
- ② For Renewable Energies: expected annual renewable energy generation in MWh/y.
- ② Expected quantity of waste treated, recycled (tones/year).
- ② Expected quantity of water supplied, stored (m³/year).

Impact metric for Eligible Green Loans may include the estimated annual GHG emissions reduced/avoided, in tons of CO₂e, and, when relevant, the estimated annual energy savings (MWh/year).

Reporting indicators for Eligible Social Loans may include aggregated impact metrics on a portfolio basis, such as the estimated number of beneficiaries per year.

The methodology used to calculate impact reporting indicators will be provided by Banco BPM in its annual Report.

4. External review

4.1 Second Party opinion

Banco BPM has mandated leading Second Party Opinion provider to proceed to the evaluation of its Green, Social or Sustainability Bond Framework.

The Second Party Opinion has certified the alignment of the Framework with ICMA's Green Bond Principles, Social Bond Principles or Sustainability Bond Guidelines.

Second Party Opinion will be made available on Banco BPM's website.

4.2 External Verification

Banco BPM will mandate on annual basis an independent auditor in order to verify the compliance of the Eligible Portfolio with the Framework and the reporting metrics as published in the annual Report.