



Investor Presentation

GSS Bond Framework and Inaugural Social Bond

November 2021

AGENDA



1 GBCI at a Glance



2 Financial Highlights



3 Sustainability at GBCI



4 Green Social Sustainability Bond Framework

Group Overview (1/3)

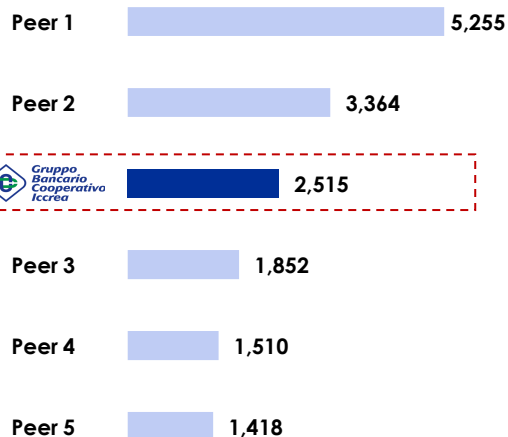
GBCI is the largest Italian Cooperative Banking Group

- Gruppo Bancario Cooperativo Iccrea («GBCI») is the largest Italian Cooperative Banking Group and the fourth largest Italian Banking Group by Total Assets (€ 174.6b as of Jun-21). GBCI consists of 130 Affiliated BCCs located throughout the national territory. GBCI has 2,515 branches in over 1,700 municipalities around Italy
- Iccrea Banca and the other Subsidiaries provide products and services to affiliated BCCs (corporate lending, leasing, asset management, consumer credit, ICT)
- In line with the mission of cooperative banks, GBCI business is aimed, above all, at retail customers. GBCI's borrowers are equal to 1.2m, 87% of which households and SMEs, while GBCI's depositors are equal to 3.5m, about 95% represented by households and SMEs
- With reference to the shareholding structure, BCCs' shareholders are 833,287, increasing by 8,677 compared with Dec-20 (+1.05%)

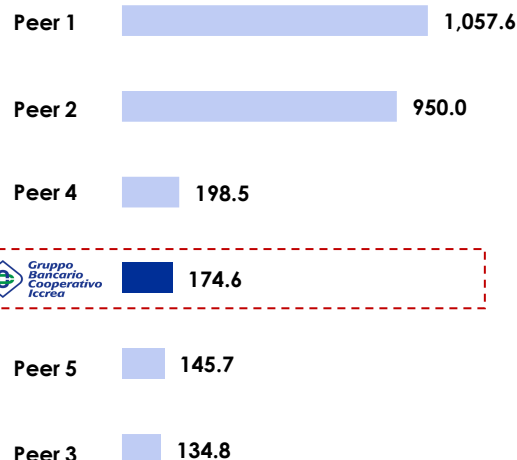
Key indicators



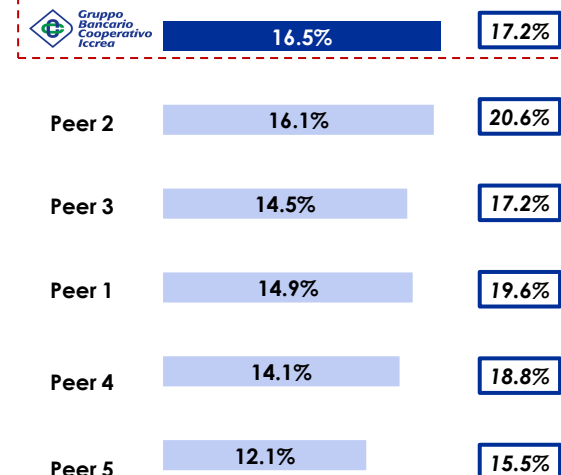
Third largest Italian Banking Group by branches ⁽¹⁾ (#)



Fourth largest Italian Banking Group by total assets ⁽¹⁾ (€/b)

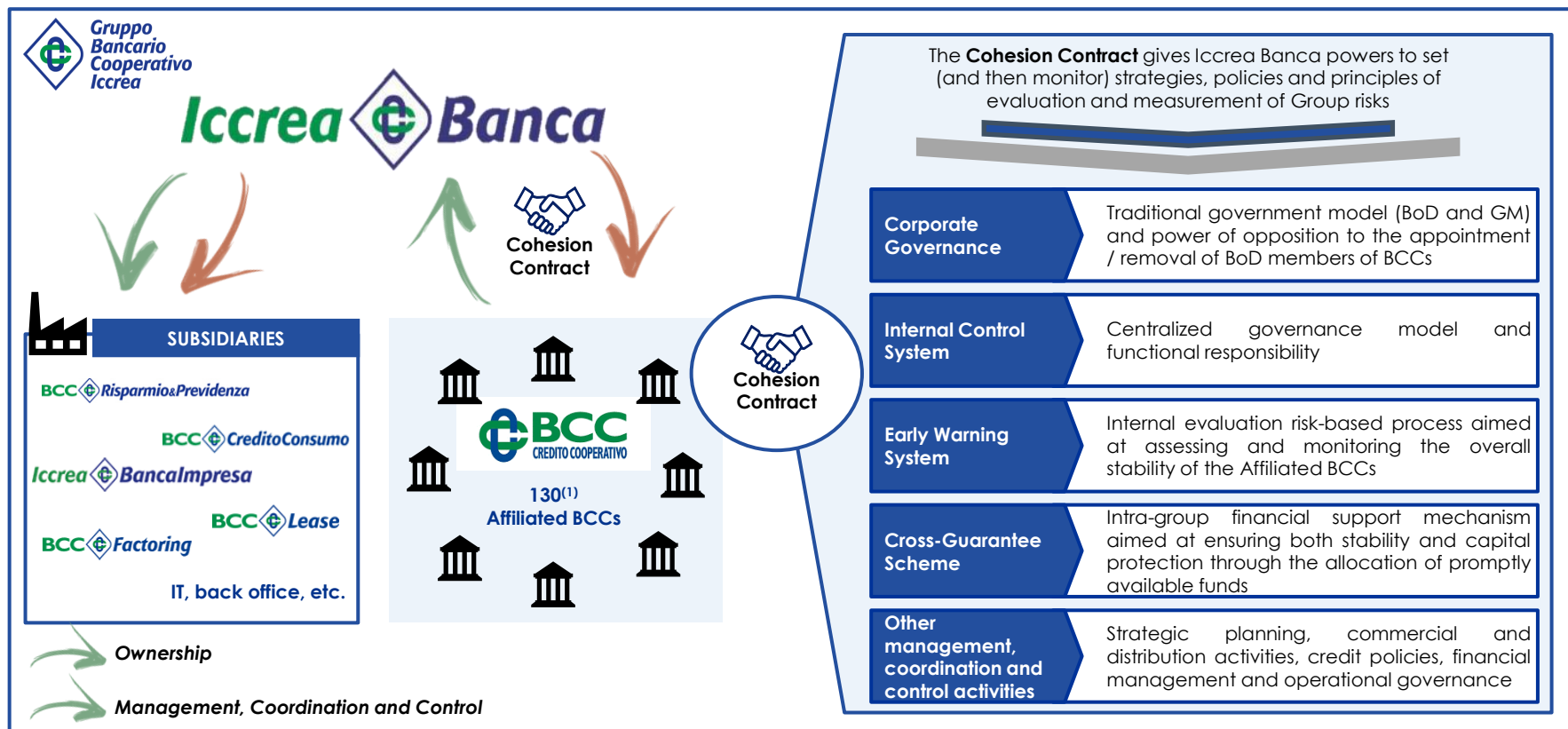


High-quality capital above the average of national systemically Significant banks ⁽¹⁾



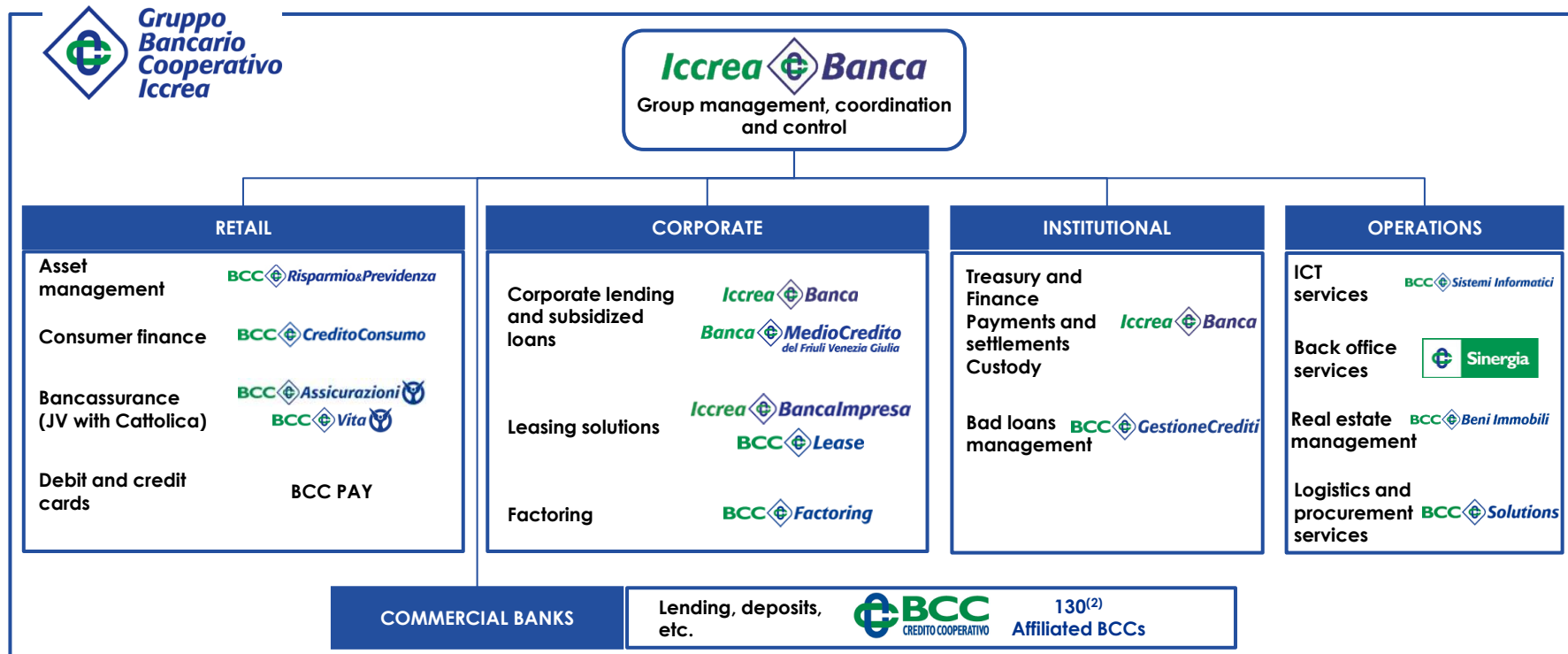
Group Overview: GBCI Structure (2/3)

BCCs signed a Cohesion Contract to belong to GBCI and each BCC accepted to be subject to Iccrea Banca management, coordination and control



Group Overview: main strategic areas of the Group (3/3)

Iccrea Banca and the other Subsidiaries¹ provide products and services to Affiliated BCCs (corporate lending, leasing, asset management, consumer credit, ICT, etc.)



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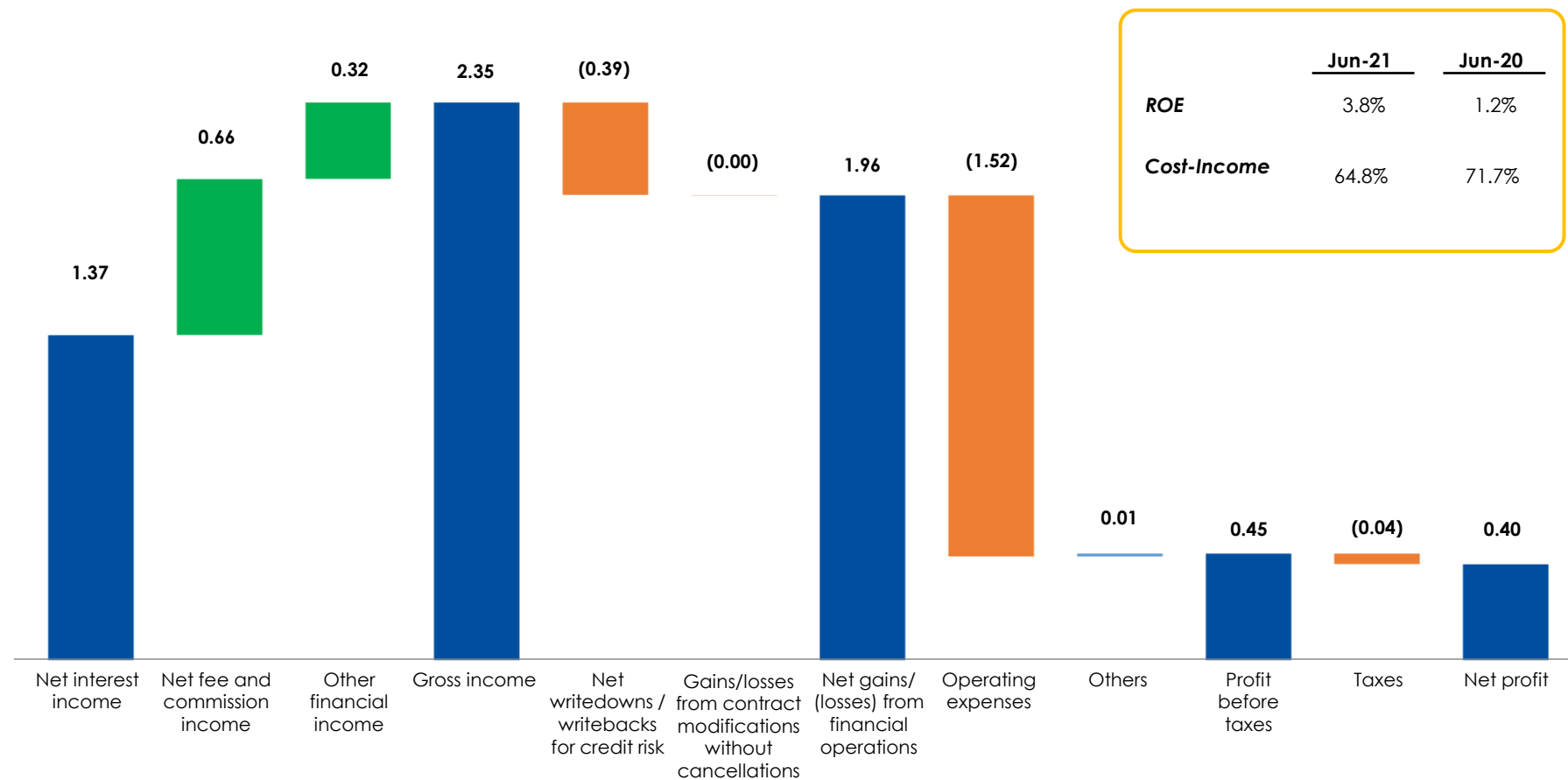


4 Green Social Sustainability Bond Framework

Highlights of 1H2021 results (1/2)

P&L overview

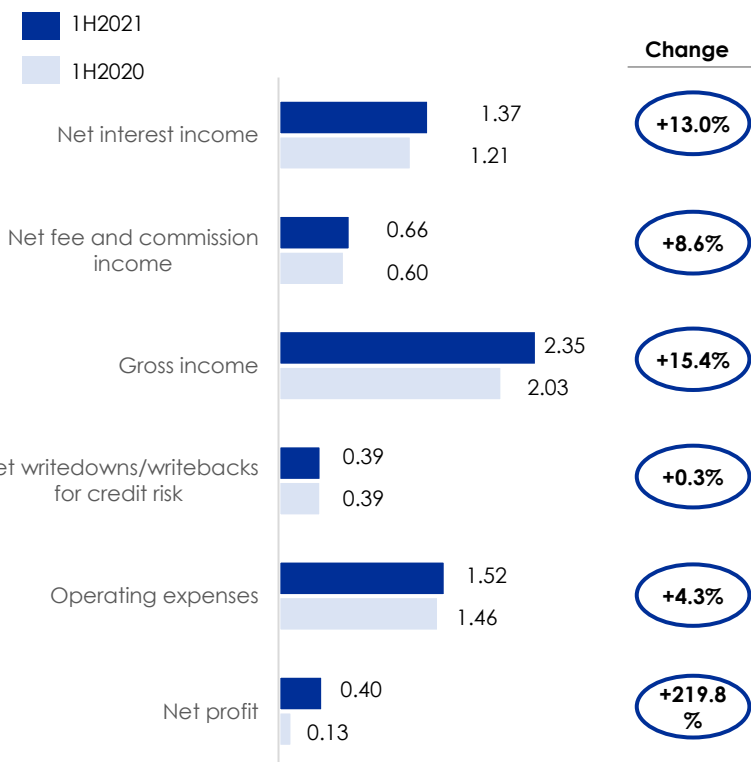
P&L – €/b



Highlights of 1H2021 results (2/2)

P&L and Balance Sheet key figures evolution

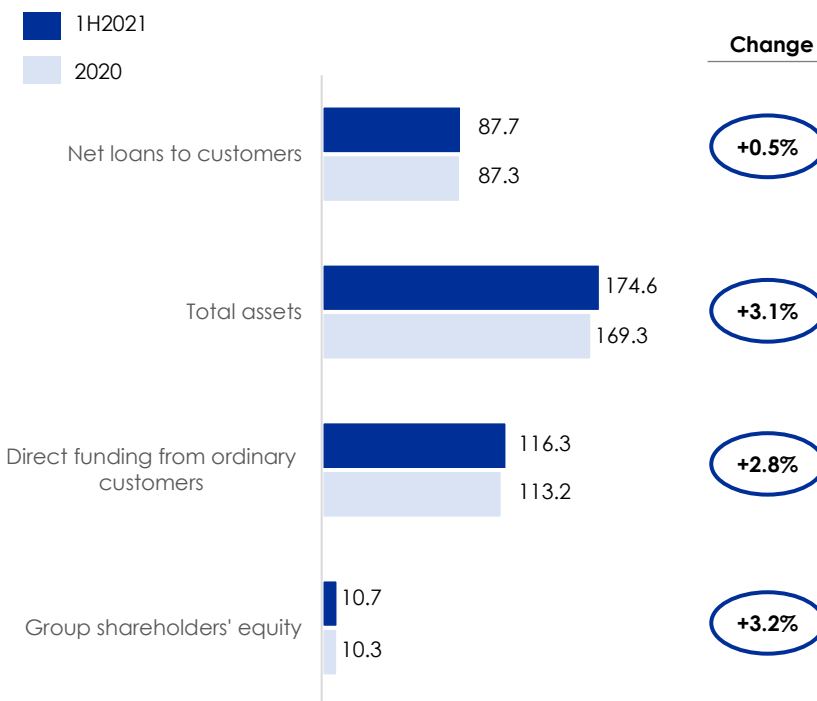
P&L – €/b



Highlights

- Increase in gross income reflects the increase in net profit, also given the substantial stability of net impairment losses on loans (+0.3%) and operating expenses (+4.3%)

Balance Sheet - €/b



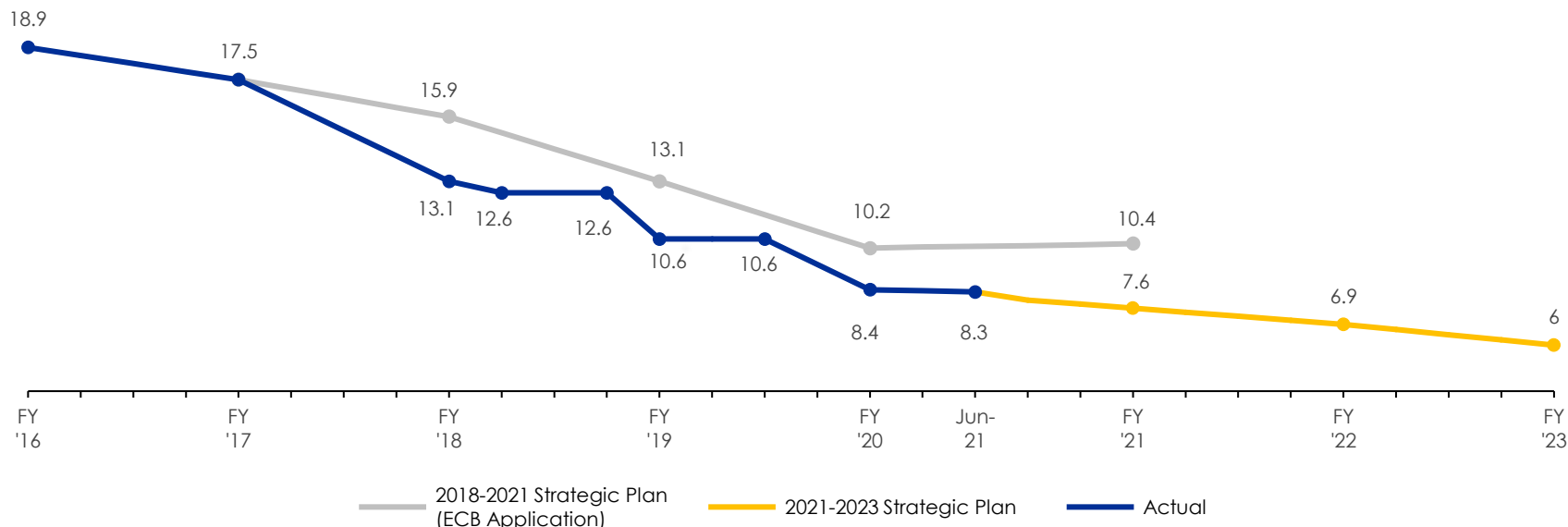
Highlights

- Total assets equal to 174.6 €/b, up 5.3 €/b (+3.1%) on December 31, 2020, due to the Group's new finance strategy adopted in response to the more expansionary monetary policy of the ECB (in particular TLTRO-III) during COVID-19

Improving asset quality with de-risking plan ahead of schedule (1/2)

Jun-21

Gross NPL stock evolution - €/b



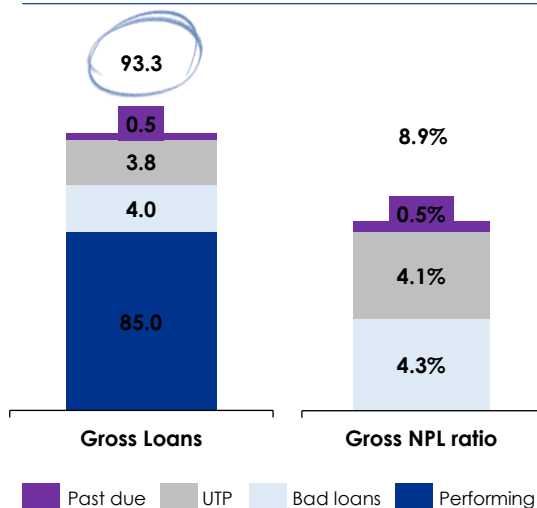
Highlights and 2021-2023 target

- During 2020, a fourth NPL securitization backed by State guarantees (GACS) was completed, involving a portfolio of bad loans of more than 2.3 €/b (credit claim); the gross NPL ratio at the end of 2020 was 9.1% (4.3% net), compared with the 18.9% registered at the end of 2017 before the start of the de-risking program coordinated by Iccrea Banca. In 1H2021, the de-risking process continued leading the gross NPL ratio to 8.9% (4.0% net)
- In the second half of 2021, a new multi-originator securitisation (GACS V) and other disposal transactions are planned for an estimated of 2 €/b of GBV, in addition to other management initiatives aimed at further improving asset quality levels
- The NPE Plan 2021-2023 still seeks to achieve the most challenging targets set by the supervisory authorities over the course of the three-year period, implementing management initiatives whose positive effect will enable the Group to target a gross NPL ratio of 6.5% (3.3% net) in 2023

Improving asset quality with de-risking plan ahead of schedule (2/2)

Jun-21

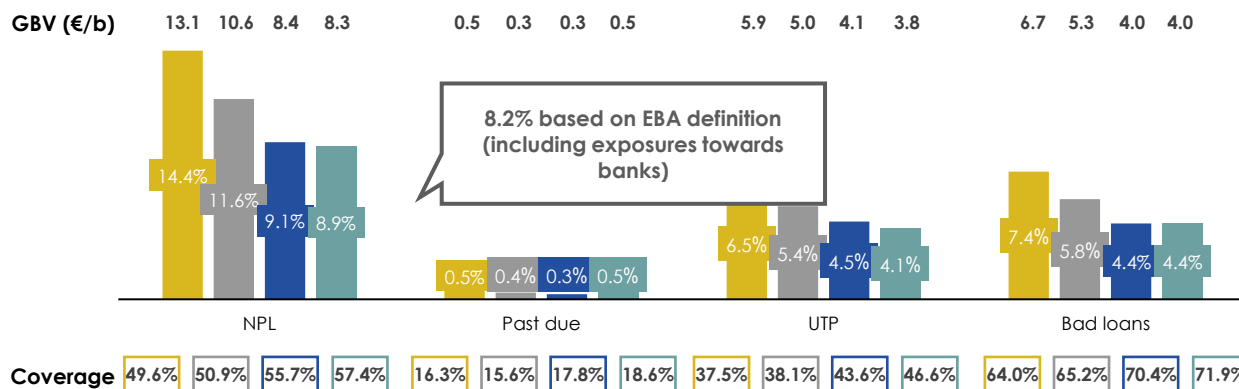
Asset quality - €/b



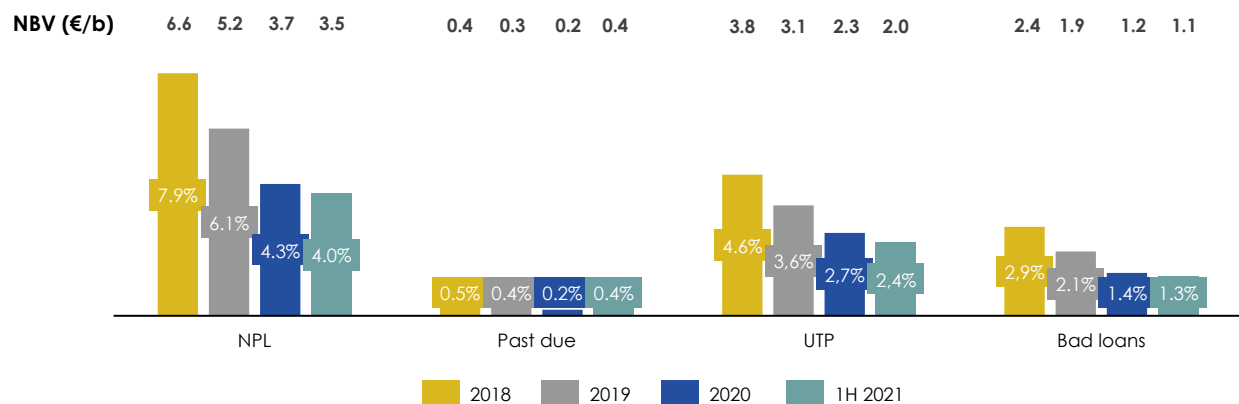
Highlights

- Gross NPL ratio at 8.9% (vs. 9.1% at the end of 2020)
- Net NPL ratio at 4.0% (vs. 4.3% at the end of 2020)
- Coverage of NPLs rose to 57.4%, improving from 55.7% at the end of 2020 and 50.9% at the end of 2019
- The reduction in the NPE Ratio vs. 2020 (-0.2%) is mainly due to the de-risking activity carried out by Iccrea Banca

Gross NPL ratio



Net NPL ratio



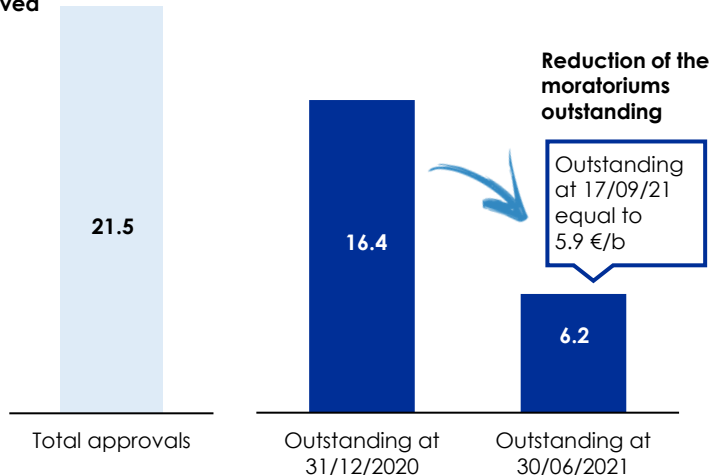
Activities under Covid-19

Strong support provided since the beginning of the emergency

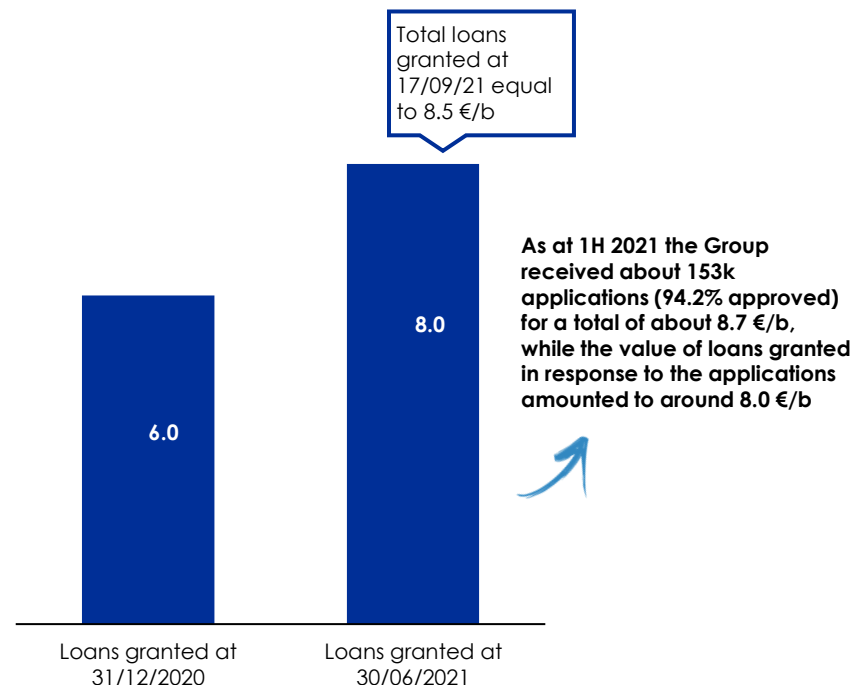
Moratoria granted to borrowers by the <<Cura Italia>> decree

■ Total approvals (GBV in €/b)
■ Moratoria outstanding (GBV in €/b)

98% of GBV moratoria applications have been approved



New loans ex art. 13 <<Decreto Liquidità>>



Highlights

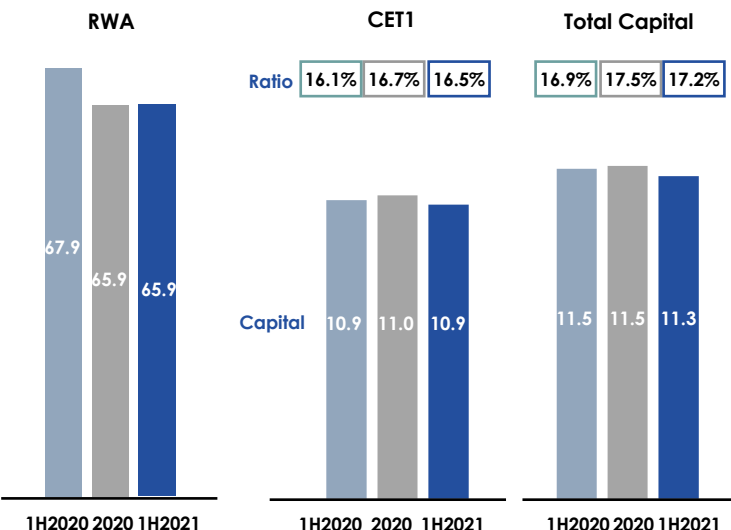
- In the COVID-19 emergency context, the Group has paid constant attention to the evolution of the measures adopted by the authorities to support lending to firms and households, promptly providing for the implementation of tools for the Affiliated BCCs to ensure they can manage operations effectively, and, on the other, to protect public health and the interests of consumers, rapidly adapting our organization and processes and involving almost all personnel in flexible working arrangements

Leading capital position

Sound capital, well above requirements

Jun-21

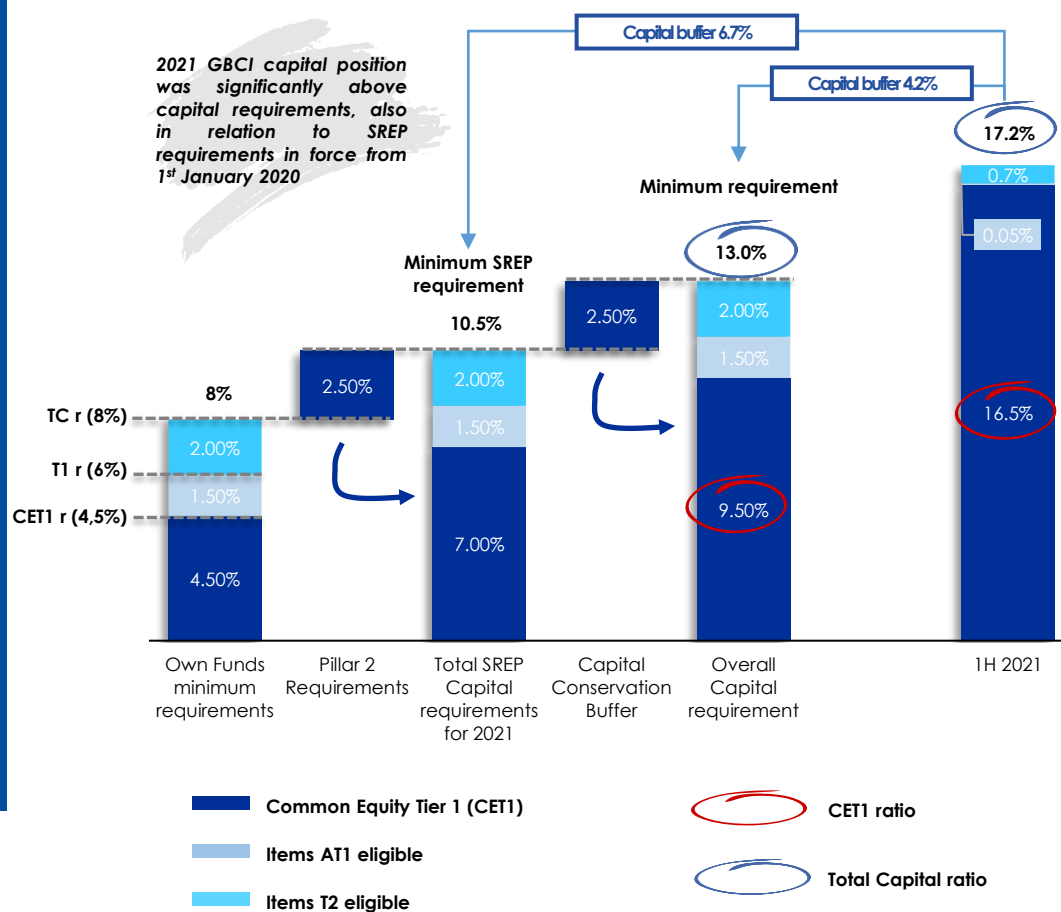
Capital position - €/b



Highlights

- As of June 30, 2021, the CET1 ratio was 16.5%, above the average for domestic systemically significant banks (15.5%), while the TCR was 17.2%

Capital buffer (phased-in) - %



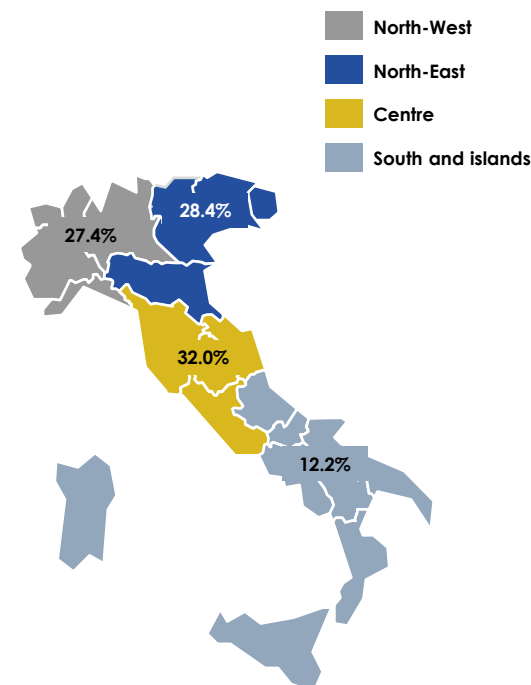
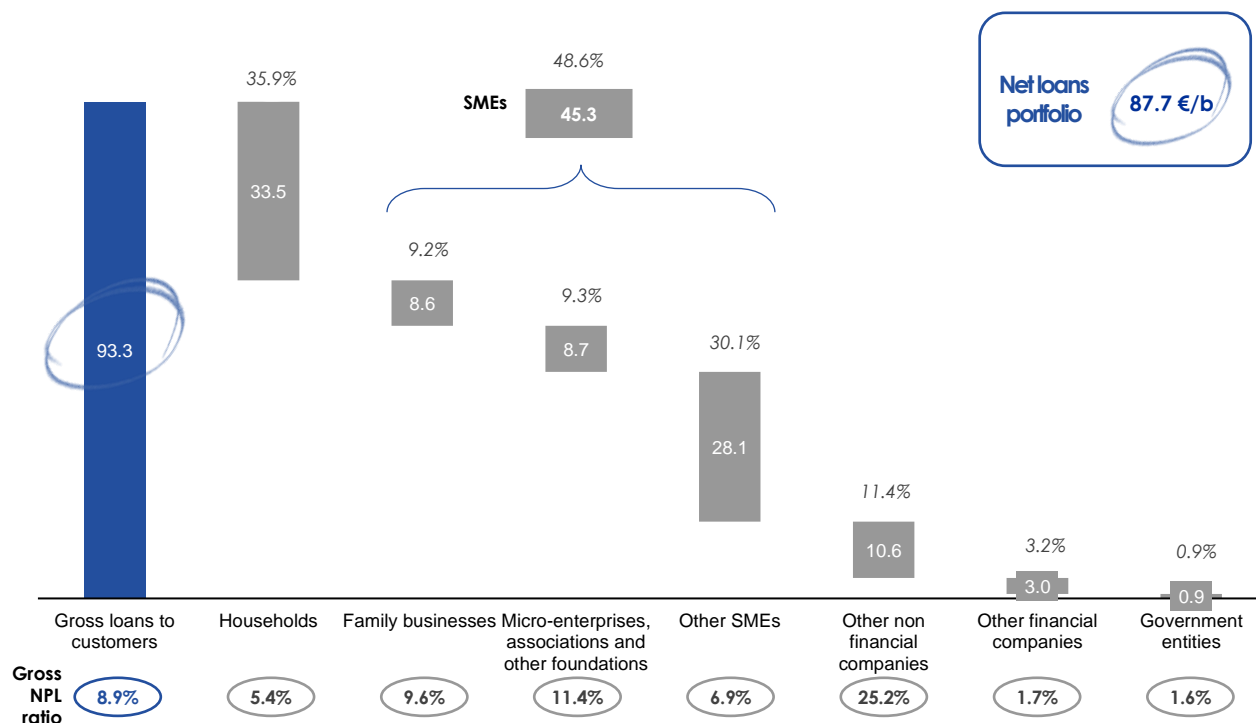
Loan portfolio distribution (1/2)

GBCI target service model leverages on territorial proximity and an extensive client base with long term relationships

Jun-21

Gross loans breakdown by type of counterparty - €/b

Gross loans geographical distribution



Highlights

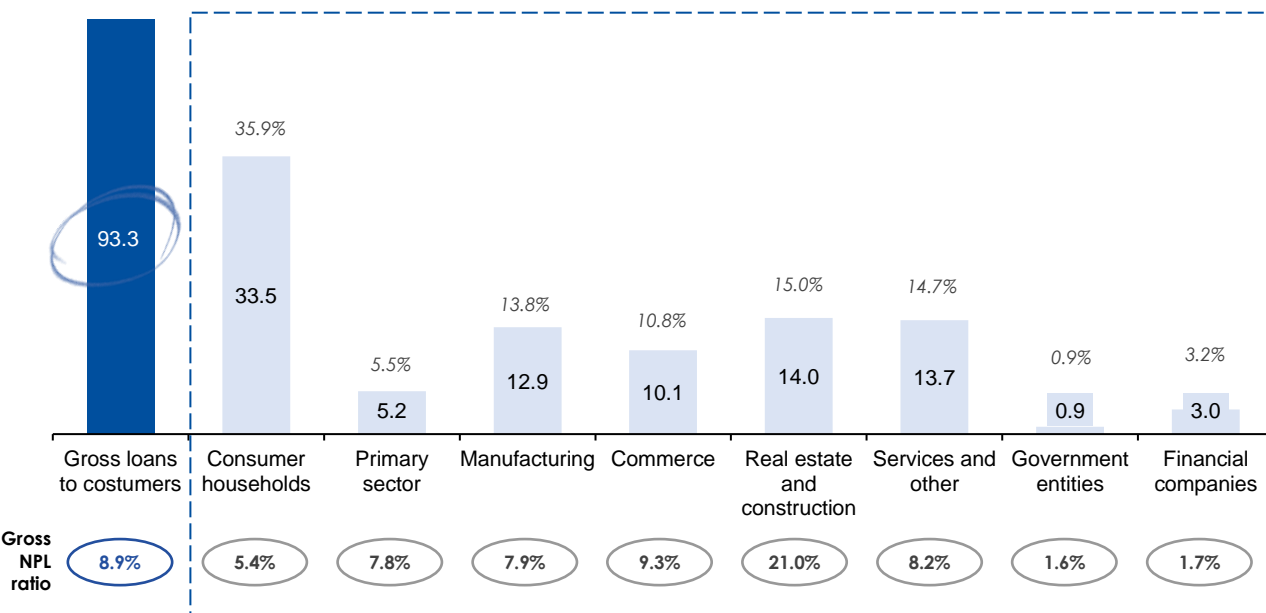
- The business model of Affiliated BCCs, which represent the larger part of total assets and total loans to customers, is reflected by the breakdown of loans by counterparty type: about 84.5% of the Group's credit portfolio in terms of GBV is made up of loans to Households (33.5 €/b) and SMEs (45.3 €/b)

Loan portfolio distribution (2/2)

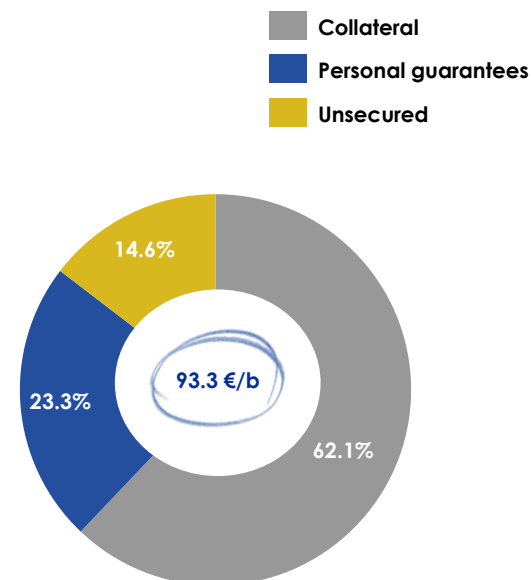
GBCI target service model leverages on territorial proximity and an extensive client base with long term relationships

Jun-21

Gross loans breakdown by economic segment of counterparty - €/b



Breakdown by type of guarantees – Gross loans



Highlights

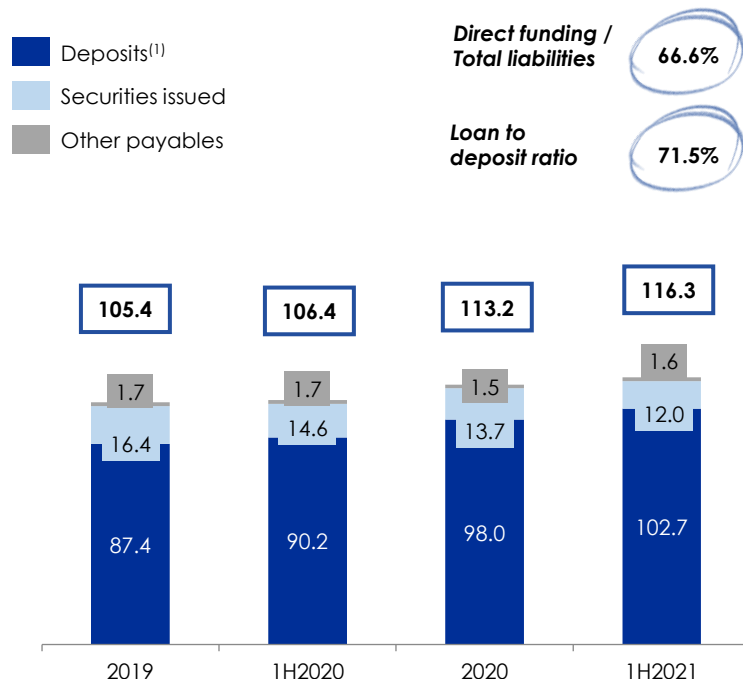
- In terms of the economic activity conducted by our customers, consumer households take the lion's share (35.9%). The other relevant segments are real estate and construction (15.0%), services and others (14.7%), manufacturing (13.8%) and wholesale and retail trade (10.8%). The market share of lending to the primary sector (5.5%) is also above the national average
- The large proportion of loans backed by collateral (62.1%) is attributable to the unique business model of cooperative banking, which primarily lends to households and small and medium-sized enterprises

Funding structure and liquidity profile (1/2)

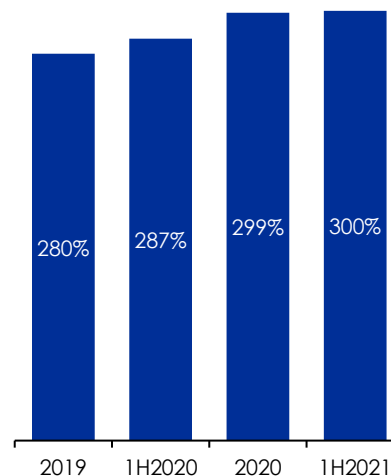
Total direct funding and liquidity position

Jun-21

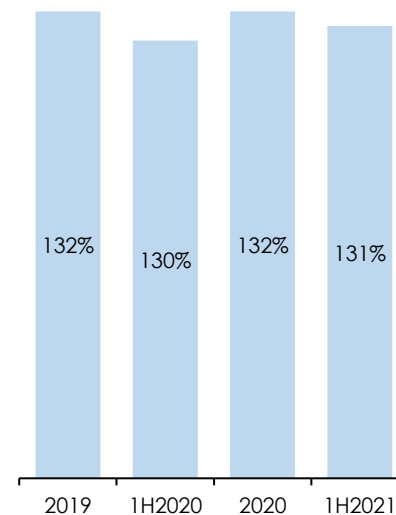
Direct funding from ordinary customers - €/b



Liquidity Coverage Ratio - %



Net Stable Funding Ratio - %



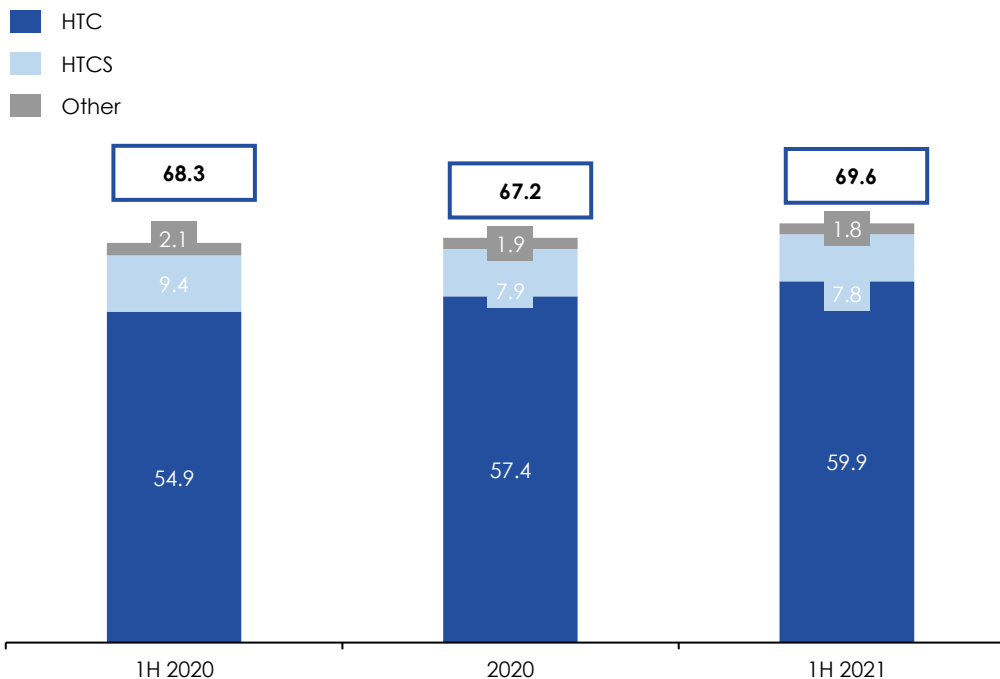
Highlights

- Strongly link with the local communities is the basis of the high component of direct funding (116.3 €/b, including certificates of deposit and excluding repos). This is largely represented by deposits from customers and to a less extent by bonds and certificates of deposit
- Stable liquidity position with LCR and NSFR respectively at approximately 300% and 131%

Funding structure and liquidity profile (2/2)

Financial portfolio equal to 69.6 €/b

Financial portfolios - €/b (book value)



Highlights

- Debt securities measured at amortized cost (HTC business model) amounted to 59.9 €/b, in large part represented by Italian government securities, up 2.3 €/b vs. December 31, 2020
- The portfolio of financial assets measured at fair value amounted to 7.8 €/b, mainly represented by government securities held in accordance with the HTCS business model

Issuer ratings

Iccrea Banca is rated by the main rating agencies

Last Issuer Ratings



	Release date	Long Term	Outlook	Short Term
FitchRatings	February 24, 2021	BB-	Stable	B
S&P Global Ratings	October 19, 2021	BB	Stable	B
DBRS	December 2, 2020	BB (high)	Stable	R-3

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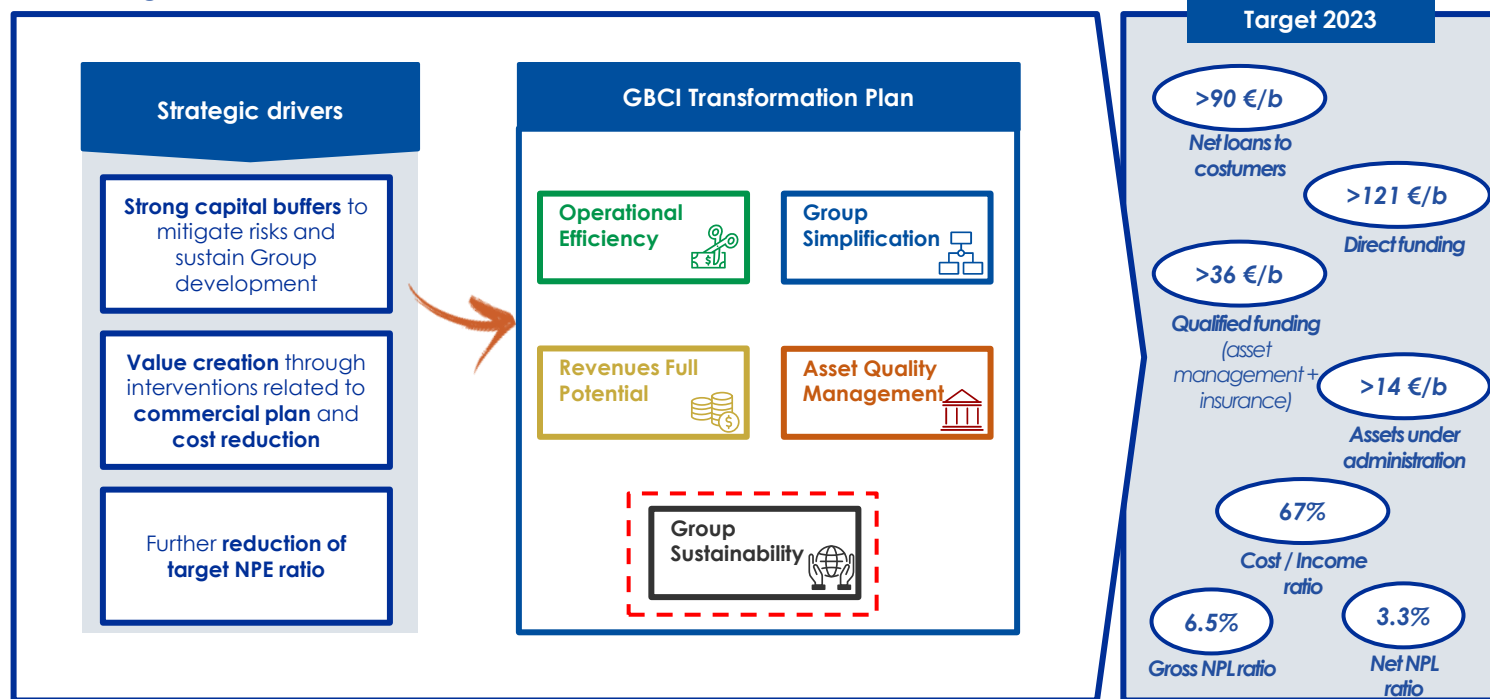
4 Green Social Sustainability Bond Framework

Sustainability at GBCI: Sustainability Plan (1/3)

Sustainability is embedded in GBCI Strategic Plan with the ambition to develop a solid and sustainable Group

- **The Sustainability Plan forms an integral part of the GBCI Strategic Plan** and outlines the Group's strategy in promoting the sustainable development of local communities and economic systems. In particular, it:
 - **Integrates medium-long sustainability objectives** with Iccrea Industrial and Strategic objectives
 - **Allows to implement the historical mission of the BCCs** of the Iccrea Cooperative Banking Group to support responsible and sustainable growth of local communities
 - **Increases the number of sustainability initiatives** aimed at integrating the Environmental, Social, Governance (ESG) factors into business processes and supporting the ecological transition

GBCI Strategic Plan 2021-2023



Sustainability at GBCI: Sustainability Plan Pillars (2/3)

The Sustainability Plan 2020-2023 contains the Sustainable Development Goals that GBCI intends to pursue over the horizon of the Strategic Plan

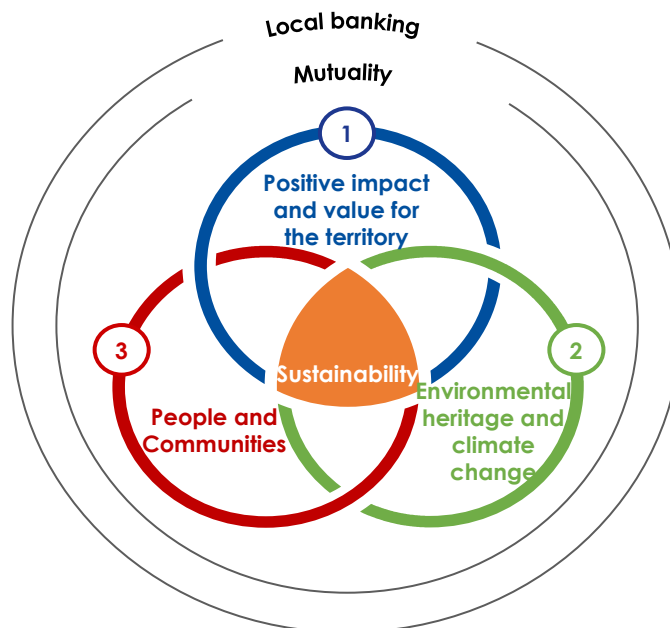
- Iccrea Banca Board of Directors approved the **Group's first Sustainability Plan** in March 2020, definitively validated in September 2021, to reflect the changed regulatory and socio-economic scenario also due to the Covid-19 pandemic
- The Sustainability Plan is built on **three Pillars** that represent ESG factors and their translation into the language of cooperation, mutualism and local finance (**Territory, Environment, People and Communities**)
- The three Pillars of the Sustainability Plan set **medium-long term objectives**, to which **specific Targets** are associated to be achieved through **concrete Actions**, put in place by the Group **to create value for the Territory, for the Environment and for People and community**

Vision

- GBCI is inspired by the values contained in the **Encyclical "Laudato si"** and considers the environmental dimension connected to the social one according to a principle of integral ecology
- GBCI works to ensure that several of the **17 Sustainable Development Goals** become an integral part of the business objectives

Values

- **Art. 2 of the Statute of the BCC and Cooperative Credit Charter of Values:**
 - The concept of sustainability is the natural evolution of mutualistic DNA of the BCC
 - GBCI considers sustainability an opportunity to reaffirm the principles, values and growth in terms of market and business for cooperative credit



1

Support sustainable, fair and responsible economic development of the territory with financial support for the territorial entrepreneurship

2

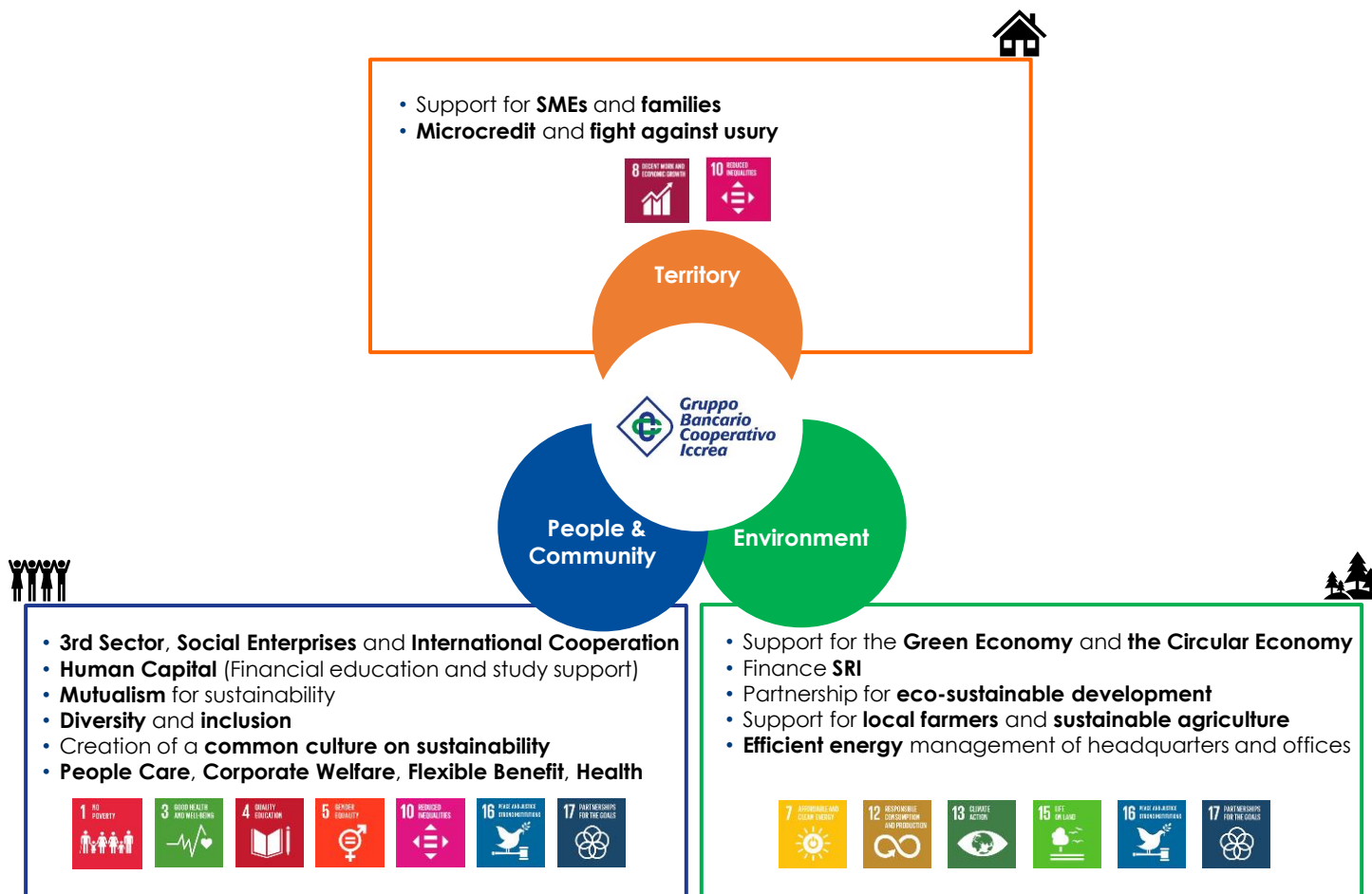
Support the adoption of a circular economy development model, promoting an efficient and responsible approach to natural resources

3

Maximize the well-being of employees of the Group, with constructive welfare policies and inclusive diversity

Sustainability at GBCI: Sustainability Plan Objectives (3/3)

The Sustainability Plan set medium-long term objectives, to which specific Targets are associated to be achieved through concrete Actions, put in place by the Group to create value for the Territory, for the Environment and for People and community



Sustainability at GBCI – CNFS¹ 2020 (1/3)

The "S" factor among the ESGs has always distinguished BCCs, which are mainly engaged in activities with social purposes according to their mission and values

ENVIRONMENTAL

DIRECT IMPACTS



Electricity from renewable sources

64% (2019)
Over 72% (2020)



Climate-changing gas emissions into the atmosphere

-17.43%
Compared to 2019

INDIRECT IMPACTS



Financing Environmental projects

Over 28.000 initiatives



Green and Social Bonds

Establishment of the GSS Framework



Approval of the "Charter of Group Commitments"

Relative to environment and fight against climate change

SOCIAL

COVID ACTIONS



Over 345,000 payment suspension requests received (98% approved)



47,000 voluntary payment suspensions
In addition to those deriving from Government initiatives

A GROUP THAT INVESTS IN ITALY

Over 99% of Italian suppliers



FINANCING



84% of financing to Households and SMEs

DONATIONS



Over € 41m in the country
15,387 initiatives

GOVERNANCE

DISTRIBUTION NETWORK



132 BCCs
2,529 branches



Branches in 577 municipalities with less than 5,000 residents
BCC is the reference bank in 303 municipalities



SHAREHOLDER BASE
825,835 shareholders
More than 2% increase compared to 2019



LOCAL COMMITTEES
70 committees, 38 of which are "Young Shareholders Committees"



EMPLOYEES
22,142 employees
Over 98% open-ended contracts
42% women
No discriminatory events in 2020

COOPERATIVE AND MUTUAL GOVERNANCE OF OUR BANKS



Over 50% of risk activities in favor of shareholders



At least 95% of financings to residents or individuals operating in the territory



At least 70% of profits attributed to legal reserve

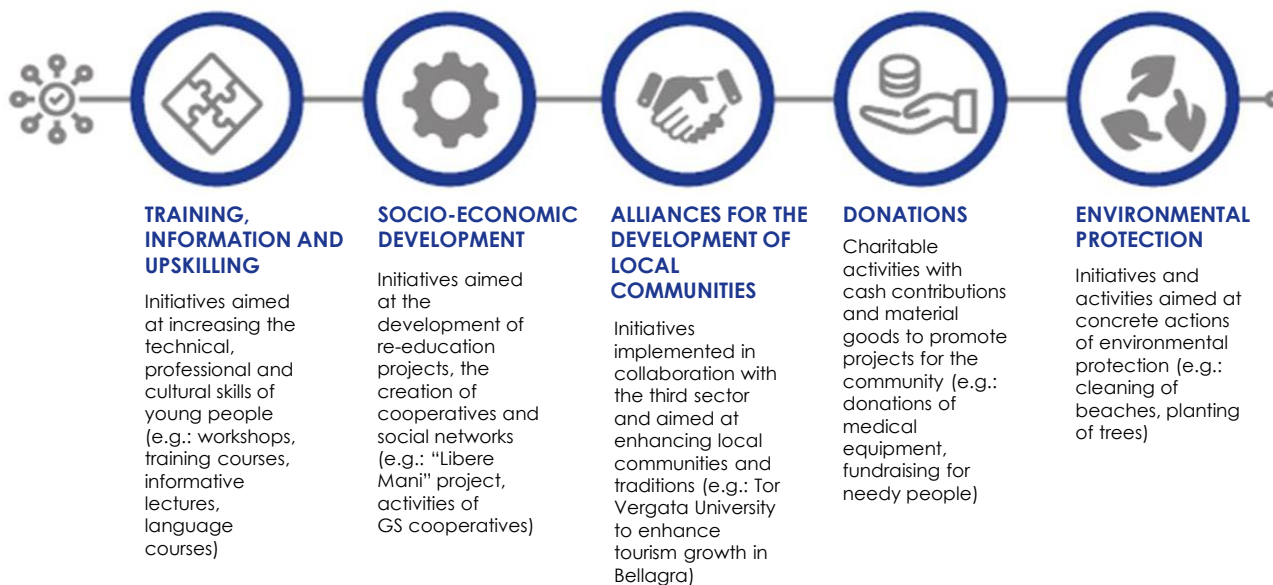


3% of profits allocated to mutual funds to promote and develop cooperation

Sustainability at GBCI – CNFS 2020 (2/3)

GBCI is strongly rooted in local communities thanks to the fundamental contribution given by BCCs

- The Local Committees set up by BCC over the years play a key role because they are composed of bank shareholders, who come from the area concerned and are the most significant representatives of the corporate structure of the Affiliated Banks. For this reason, the Committees, together with all the shareholders, are **a link between the bank and the community** in which it operates
- Young Shareholders Committees carried out about 70 activities in 2020, attributable to five areas of action, as described below:



Relevant Projects Implemented by the Young Shareholders Committees

Among the major projects for their clear and well-defined aim of developing social cohesion and the responsible and sustainable growth of local communities launched by the Young Shareholders Committees it's worth mentioning:



The Project has been promoted by the BCC in Bellegra (province of Rome), in collaboration with Tor Vergata University, within the Area of Action of "Alliances for the development of local communities". The objective is to design the most appropriate strategic tool to face the negative economic situation in the area that at present covers the Cesanese appellation wine roads. At the heart of the investment programme is tourism connected to enology and gastronomy

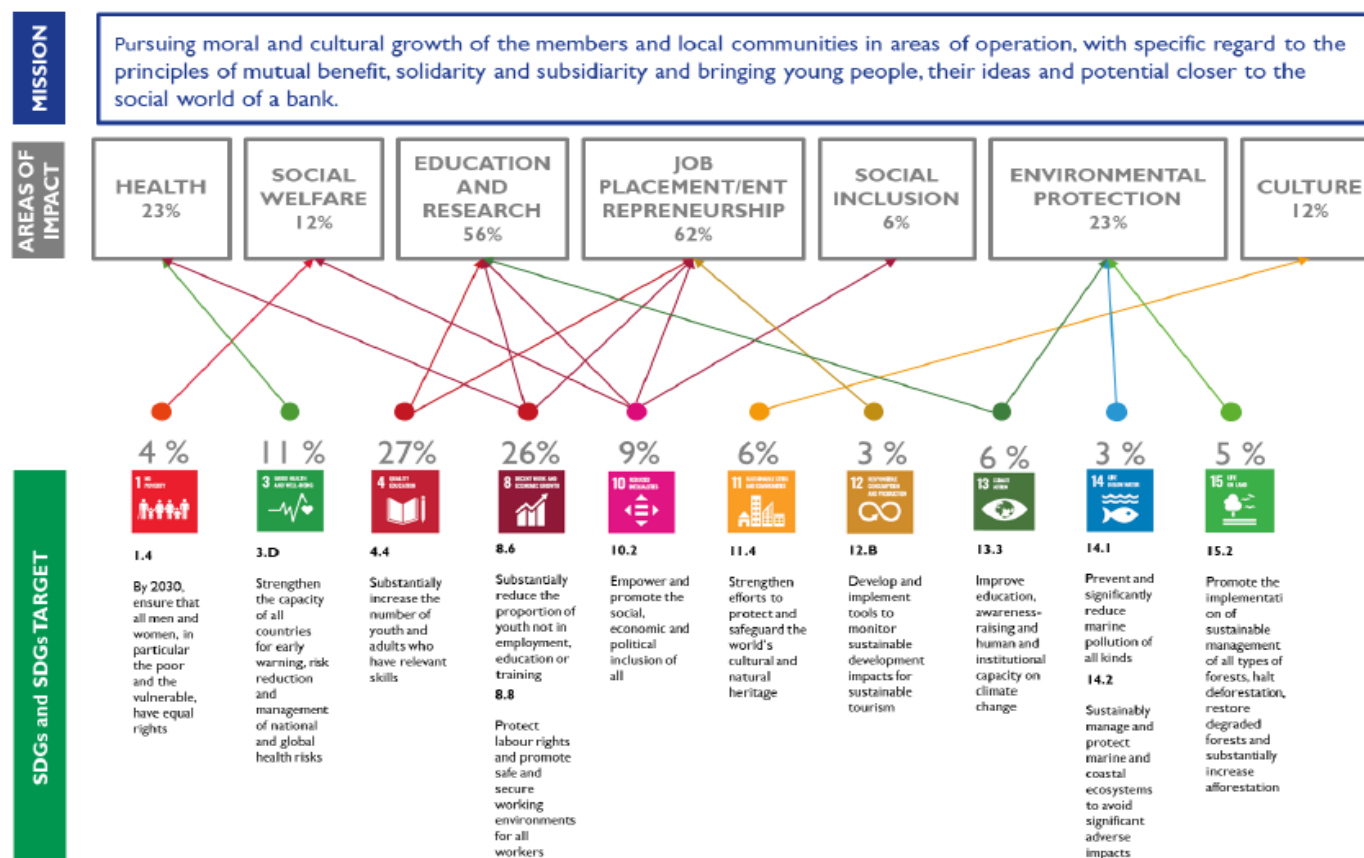


The Project has been promoted by the BCC in Montepaone (province of Catanzaro), which is also included in the Area of Action of "Social and economic development". The social re-education project, which is named "Libere Mani" and is currently in its start-up phase, aims to create a bakery and biscuit workshop inside the Catanzaro juvenile prison. The objective is to re-educate minors by reducing the risk of recidivism, engaging them in prison and educating them to work

Sustainability at GBCI – CNFS 2020 (3/3)

The projects carried out by the Young Shareholders Committees in 2020 gave a positive contribution to the sustainable development of local areas and the entire country

- The Theory of Change was developed for an assessment of long-term social impact and changes generated by initiatives implemented by the Young Shareholders Committees
- The positive social impacts generated in 2020 were observed mainly as regards "Education and research" and "Job placement/Entrepreneurship". The impacts can also be assessed in view of the UN Sustainable Development Goals ("SDGs"): in this sense, the analysis and correlation between the projects and the goals have made it possible to identify 10 of the 17 goals of the 2030 Agenda, which are consistent with the Young Shareholders Committees' purposes of development of local communities



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Green Social Sustainability Bond Framework

GBCI's **Green, Social and Sustainability Bond Framework** (the "Framework") has been structured **in accordance with the 2021 edition of the Green Bond Principles ("GBP"), the 2021 Social Bond Principles ("SBP") and the 2021 Sustainability Bond Guidelines ("SBG") published by ICMA**, with the intention of seeking alignment with market best-practices and **in force European Taxonomy Regulation**

Use of Proceeds



- The **net proceeds** raised from any of the Group's Green, Social or Sustainability Bonds issued under this Framework will be exclusively **allocated to** finance and/or re-finance, in whole or in part, new and/or existing loans/projects ("**Eligible Green Assets**" and/or "**Eligible Social Assets**", together "**Eligible Assets**")
- **Look back period: 2 years**
- The Issuer commits, where feasible, to align Eligible Green Assets to the EU Taxonomy

Project Evaluation and Selection



- Credit Department will be in charge of evaluating and selecting loans to be included in the Portfolio
- An Internal Working Group will review proposed loans based on the defined Eligible Categories
- The allocation of the loans to the Portfolio will be approved by the Finance Committee
- Loans determined as eligible will be marked accordingly and added into the Portfolio and into the Green, Social and Sustainability Bond Register

Management of Proceeds



- The proceeds from the Bonds issued under this Framework will be managed on a **portfolio basis**
- Iccrea will establish the Register for all the Green, Social and Sustainability Bonds issued under the Framework and the Eligible Assets enabling their recording and tracking
- In case of divestment or if a loan/project no longer meets the eligibility criteria listed above, Iccrea intends to reallocate the funds to other Eligible Assets during the term of the relevant bond

Reporting



- Iccrea will **report annually on the allocation** of the proceeds of the bonds issued under this Framework **and the relative impact** of the projects at category level, in accordance with the portfolio approach

External Review



- **Vigeo - Eiris considers that Iccrea's Framework is aligned** with the four core components of ICMA's Green Bond Principles 2021 ("GBP") & Social Bond Principles 2021 ("SBP")
- A **verification** or assurance of the reporting may be released on an annual basis **by a third party ESG agency or financial auditor**








Green Eligible Categories	Eligibility Criteria	Benefits & Target Populations	ICMA GBP Project Category	Impacted SDGs
1. Sustainable Water and Wastewater Management	<p>The financing and/or refinancing, in whole or in part, of new and/or existing loans/projects (according to technical screening criteria of EU Taxonomy¹⁾ related to:</p> <ul style="list-style-type: none"> activities that increase water-use efficiency and quality through water recycling, treatment and reuse (including treatment of wastewater), while maintaining a high degree of energy efficiency construction, development, operation and maintenance of facilities, systems or equipment used for sustainable infrastructure for clean and/or drinking water, wastewater treatment and sustainable urban drainage systems 	<ul style="list-style-type: none"> Products and/or services that significantly increase effectiveness and efficiency of the resources' consumption enable a relevant saving of critical resources Improve residential access to water, including water supply infrastructure Upgrade and improve existing irrigation networks/systems Upgrade wastewater treatment plants to remove contaminants from wastewater or sewage and convert it into an effluent that can be returned to the water cycle 	<ul style="list-style-type: none"> Sustainable Water and wastewater management Environmentally sustainable management of living natural resources and land use 	
2. Energy Efficiency	<p>The financing and/or refinancing, in whole or in part, of new and/or existing loans/projects for the construction, development and/or upgrade to equipment or technology such as:</p> <ul style="list-style-type: none"> smart grid, smart meters, smart thermostats district heating and cooling efficiency of public lighting from traditional lighting to LED technology 	<ul style="list-style-type: none"> Reduction of energy consumption Mitigation of greenhouse gas emissions 	<ul style="list-style-type: none"> Climate change mitigation Energy Efficiency 	
3. Renewable Energy	<p>The financing and/or refinancing, in whole or in part, of new and/or existing loans/projects related to renewable energy projects, including the following technologies²⁾:</p> <ul style="list-style-type: none"> Photovoltaic; • Solar; • On shore and offshore wind farms; • Marine Energy; • Micro-hydraulic; Geothermal; • Biomethane (methane produced by the fermentation of organic matter) 	<ul style="list-style-type: none"> Reduction of greenhouse gas emissions (GHG) by substitution from fossil or nuclear fuels to the benefit of renewable energies Installation of renewable additional capacities and increase of existing ones 	<ul style="list-style-type: none"> Climate Change mitigation Renewable Energy 	

¹⁾ Technical Screening Criteria described in sections 5.1, 5.2 and 5.3 of Taxonomy Regulation delegated act-2021-2800-annex-1 (Taxonomy Regulation and the EU Taxonomy Climate Delegated act, formally adopted on 4 June)

²⁾ Technical Screening Criteria described in sections 4.1, 4.2, 4.3, 4.4, 4.5 (GHG emission intensity < 100g Co2e/kWh), 4.6 (geothermal facilities with GHG emission < 100gCo2e/kWh), 4.8 (1. Agricultural biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001.GHG emission savings from the use of biomass are at least 80% in relation to the GHG saving methodology and the relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001) of Taxonomy Regulation delegated act-2021-2800-annex-1

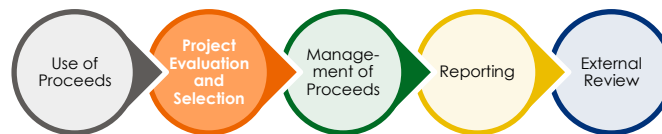
Use of Proceeds – Green (2/3)



Green Eligible Categories	Eligibility Criteria	Benefits & Target Populations	ICMA GBP Project Category	Impacted SDGs
4. Eco-Efficient and/or Circular Economy Adapted Product	<p>The financing and/or refinancing, in whole or in part, of new and/or existing loans/projects that enable circular economy principles:</p> <ul style="list-style-type: none"> Extension of product life cycle (e.g., reuse, repair and/or products regeneration/ refurbishment) Products made of compostable / recyclable resources 	<ul style="list-style-type: none"> Extension of product life cycle Reduction waste by re-using effectively products, components and materials 	<ul style="list-style-type: none"> Environmentally sustainable management of living natural resources and land use Eco-efficient and/or circular economy adapted products, production technologies and processes 	
5. Sustainable Buildings	<p>Finance or refinance:</p> <ul style="list-style-type: none"> commercial and residential building refurbishment, according to the Italian law on energy efficiency improvement; the construction, acquisition (including retail mortgages), development or renovation of new and existing buildings (including public service, commercial, residential and recreational) that have received or are expected to receive third-party sustainable certifications or verification such as LEED Gold or Platinum, BREEAM very good, HQE – very good/excellent, CASBEE – A(very good) / S (excellent) or equivalent, or buildings belonging to the top 15% Low Carbon residential or commercial buildings in Italy or buildings with Energy Performance Certificate (EPC) A or B or Refurbished buildings which have achieved a minimum of 30% energy saving (or at least two steps of improvement in EPC label) compared to the baseline before the renovation 	<ul style="list-style-type: none"> The construction and operation of a green building will promote a healthy environment for all involved, and it will not disrupt the land, water, resources and energy in and around the building. Green buildings are designed in such a way to reduce overall impact on environment and human health by reducing trash, pollution and degradation of environment, efficiently using energy, water and other resources and protecting occupant health and improving productivity 	<ul style="list-style-type: none"> Green Buildings Climate Change Adaptation Climate Change mitigation Renewable Energy 	   



Social Eligible Categories	Eligibility Criteria	Benefits & Target Populations	ICMA SBP Project Category	Impacted SDGs
1. Affordable Housing	The financing and/or refinancing, in whole or in part, of new and/or existing loans/projects related to construction, renovation or acquisition of social housing to provide decent housing to low-income population	<ul style="list-style-type: none"> Vulnerable population living in social and economic difficulties who cannot access adequate housing 	<ul style="list-style-type: none"> Affordable housing 	
2. Socioeconomic Advancement and Empowerment*	<ul style="list-style-type: none"> Microcredit Young entrepreneurs Female entrepreneurs 	<ul style="list-style-type: none"> Unemployed or underemployed individuals Children and young adults from underserved and underrepresented communities 	<ul style="list-style-type: none"> Socioeconomic advancement and empowerment Affordable basic infrastructure 	
3. Affordable Basic Infrastructure	Finance or re-finance, in whole or in part, new and/or existing loans/projects providing accessible public utility infrastructures and affordable services to the population	<ul style="list-style-type: none"> Development of quality and sustainable infrastructures for all that contributes to the improvement of living conditions in urban agglomerations and underserved areas supporting economic development and human well-being, focusing on affordable and equitable access for all 	<ul style="list-style-type: none"> Affordable basic infrastructure 	
4. SMEs financing*	<ul style="list-style-type: none"> Finance or re-finance, in whole or in part, new and/or existing loans/projects to Companies/SMEs affected by natural disasters / health emergencies (such as COVID-19 pandemic , etc.) and the related social and economic downturn Finance or re-finance, in whole or in part, new and/or existing loans/projects to fund SMEs/micro enterprises in disadvantaged areas 	<ul style="list-style-type: none"> Support Companies/SMEs to promote their growth Improve the Italian socio-economic conditions and economic growth through the support of disadvantaged areas and populations 	<ul style="list-style-type: none"> Socioeconomic advancement and empowerment Employment generation 	



Internal Working Group

- The **Internal Working Group** is composed of representatives of the **Treasury, Balance Sheet Management and Sustainability Departments**, and will review proposed loans based on the defined Eligible Categories and Criteria listed in section "Use of Proceeds"
- The allocation of the loans to the Portfolio will be approved by the Finance Committee. **Loans determined as eligible will be** marked accordingly and **added into the Portfolio and into the** Green, Social and Sustainability Bond **Register**
- The Internal Working Group will be responsible to maintain and update the Register from time to time

Excluded Categories and Limitations

- | | |
|---|--|
| ▪ Alcoholic beverages and Tobacco | ▪ Chemicals |
| ▪ Environmental Damage / Deforestation | ▪ Biomass Energy, with the exception of natural biomethane |
| ▪ Mining of non-ferrous metal ores | ▪ Fur Industry and Animal maltreatment |
| ▪ Nuclear Energy | ▪ Plastic industry |
| ▪ Extraction and distribution of natural gas, crude oil and other products deriving from oil refining | ▪ Tires reconstruction industry |
| ▪ Gambling and betting / Sex Industry | ▪ Intensive Agro/Hydro activity |
| ▪ Explosives, weapons and ammunition | ▪ Coal |

VE Vigeo-Eiris Second Party Opinion (SPO):

- Evaluation and Selection is aligned with GBP and SBP and best practices identified by VE
- The Process for Project Evaluation and Selection has been clearly defined by the Issuer and it is considered structured. The roles and responsibilities are clear and include relevant internal expertise. The Process will be publicly disclosed in the Framework and the SPO
- Eligibility criteria (selection and exclusion) for assets selection have been clearly defined and detailed by the Issuer for all eligible categories
- The process applied to identify and manage potentially material E&S risks associated with the projects is publicly disclosed in the Framework and the SPO. The Process is considered robust: it combines monitoring, identification, and corrective measures for all eligible categories



Internal Processes

- The proceeds from the Bonds issued under this Framework will be managed on a **portfolio basis**
- The **Finance Committee**, based on the proposals submitted by the Internal Working Group, will be **in charge of allocating the proceeds** from the Bonds issued under the Framework to the identified loans/projects that meet Eligibility Criteria
- The **Treasury department will track the amount of net proceeds** from the sale of any Green, Social, Sustainability Bonds issued under the Framework, allocated to Eligible Assets
- Iccrea will establish the **Register for all the Green, Social, Sustainability Bonds** issued under the Framework **and the Eligible Assets** enabling their recording and tracking, which will include a sub-register of Green Eligible Projects and a sub-register of Social Eligible Projects
- **Any balance of issuance proceeds not allocated** to fund Eligible Assets in the Register **will be held in accordance with Iccrea normal liquidity management**, including treasury liquidity portfolio, cash, time deposits with Banks or other form of available short term and medium / long term funding sources, that do not include Excluded Categories as reported in this Framework
- **In case of divestment or if a loan/project no longer meets the eligibility criteria** listed above, Iccrea intends to **reallocate the funds to other Eligible Assets** during the term of the relevant bond
- The Issuer will monitor the investments of the proceeds allocated to Eligible Assets through **the review of the external auditor**

VE Vigeo-Eiris Second Party Opinion:

- Management of Proceeds is aligned with GBP and SBP and best practices identified by VE
- The Process for the Management and Allocation of Proceeds is clearly defined and detailed, and publicly available in the Framework and the hereby SPO
- The allocation period will be 24 months or less
- The Issuer has committed that if the Bond is outstanding, the balance of the tracked net proceeds will be periodically adjusted to match allocations to eligible projects made during that period
- The Issuer has provided information on the procedure that will be applied in case of asset divestment or postponement, and it has committed to reallocate divested proceeds to assets that are compliant with the framework within 24 months



Allocation Reporting

- Iccrea will **report on the allocation of proceeds approximately one year from the date of issuance and annually thereafter, until full allocation**. The report will include:
 - The total amount of Green, Social and Sustainability Bonds outstanding
 - The total amount of the Portfolio broken down per Eligible Category
 - Aggregate amounts of net proceeds allocated to each Eligible Category of the Portfolio
 - The balance of unallocated proceeds at the time of reporting
 - The amount or the percentage of new financing and refinancing

Impact Reporting

- Iccrea also intends to **report annually on the environmental and social impacts** resulting from the Portfolio disbursed from the Green, Social and Sustainability Bonds issued, **until full allocation**. Indicators include:
 - Volume of water (m3) saved
 - Amount of waste water (m3) avoided, managed and treated
 - Leakage Level
 - Net energy consumption decrease (kWh/m3)
 - CO2 emissions avoided (tons)
 - Nr of residents benefitting from intervention on houses
 - Nr of new social, affordable and shared ownership homes
 - Nr of beneficiaries (if feasible)
 - Nr of young/female entrepreneurs financed
 - Nr of Jobs retained on the financed SMEs benefitting from intervention

VE Vigeo-Eiris Second Party Opinion:

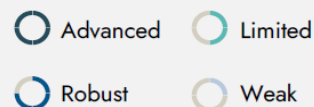
- Reporting is aligned with GBP and SBP
- The Issuer has committed to report on the Use of Proceeds annually until full allocation and on a timely basis in case of material developments. The report and its verification will be publicly available until bond maturity
- The reporting will cover relevant information related to the allocation of Bond proceeds and to the expected sustainable benefits of the categories. The Issuer has also committed to report on material developments/issues/controversies related to the Eligible Assets
- An external auditor will verify the tracking and allocation of funds to Eligible Projects as well as the indicators used to report on environmental and social benefits until bond maturity



Second Party Opinion released by Vigeo-Eiris

Framework

Contribution to Sustainability :



	Weak	Limited	Robust	Advanced
Expected impacts				
ESG risks management				

SDG Mapping



Characteristics of the Framework

Green/Social Project Categories	5 Green Categories 4 Social Categories
Target populations	Defined for each Social Category in the Framework
Project locations	Italy
Existence of framework	Yes
Share of refinancing	To be disclosed before each Bond issuance
Look back period	24 months

Coherence

Coherent

Partially coherent

Not coherent

V.E considers that the contemplated Framework is coherent with ICCREA Banca's strategic sustainability priorities and sector issues and that it contributes to achieving the Issuer's sustainability commitments.

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