A modern office interior with people working at a table. The scene is dimly lit with warm, ambient lighting. In the foreground, a man in a dark suit is seen from the side, looking towards a woman in a brown jacket who is smiling. Another person in a blue and white striped shirt is visible in the background. The table has papers, a pen holder, and a glass of water. The background features large windows and a glass partition.

Green, Social and Sustainability Bond Framework Update January 2025

Disclaimer

The manager responsible for preparing the company's financial reports, Marianna Di Prinzi, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

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In this Presentation certain agreements and financing terms may be referred to and described in summary form. Such summaries do not purport to be complete or, necessarily, accurate descriptions of the full agreements or the transactions contemplated. Interested parties are expected to independently review all such documents.

Certain data in this Presentation may have been rounded. As a result of such rounding, the totals of data prescribed in this Presentation may vary slightly from the arithmetic total of such data.

The consolidated financial statements as at 30 September 2024 used for the preparation of this document were subjected to a limited audit by the auditing firm Forvis Mazars S.p.A. for the sole purpose of issuing the certificate required by Article 26, paragraph 2 of Regulation (EU) no. 575/2013 of 26 June 2013 (CRR) and European Central Bank Decision no. 2015/656. This is the certificate required for the application to be submitted to the ECB for the inclusion of the result for the period in common equity tier 1 (CET1).

GROUP OVERVIEW



The BCC Iccrea Group is the largest cooperative banking group in Italy

2,415
Branches



ESG Risk Rating

Morningstar Sustainalytics

8.2 (negligible risk)



895,917
Shareholders



€166.2 bn
Total Assets

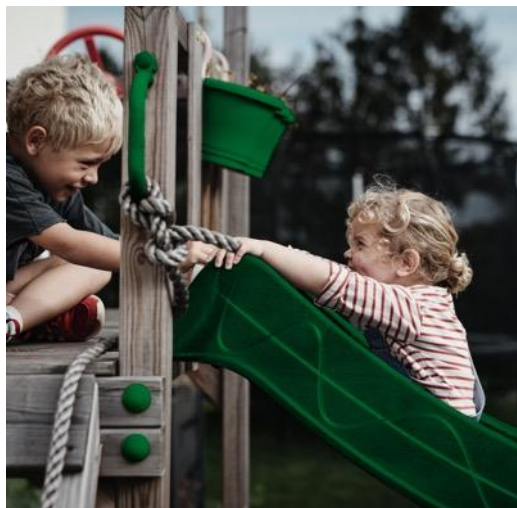


GRUPPO BCC
ICCREA

Report and consolidated financial statements at June 30, 2024
Morningstar Sustainalytics – Legal Disclaimer



SUSTAINABLE BY NATURE



"In carrying out its activities, the Company is inspired ... by the principles of mutuality without the purpose of private speculation.

It aims to benefit members and members of local communities by pursuing the improvement of their moral, cultural and economic conditions as well as social cohesion and the responsible and sustainable growth of the territory in which it operates. The Company is distinguished by its social orientation and by its choice to build the common good".

**Statute of Cooperative Credit Banks,
Article 2**

SUSTAINABLE DEVELOPMENT GOALS

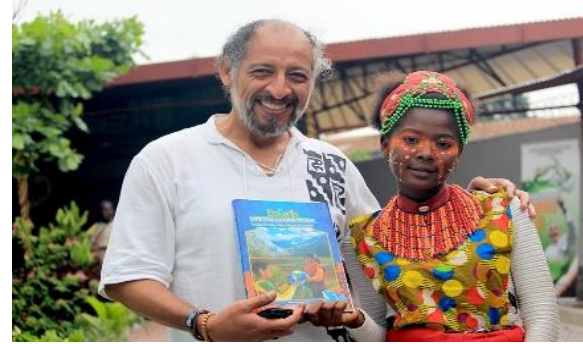


ESG STRATEGIC INITIATIVES: SUSTAINABILITY PLAN 2024 - 2026



ENVIRONMENT

- **Credit portfolio decarbonisation strategy**
- Strengthening of the credit framework from a climate & environmental perspective
- Initiatives to reduce direct CO2 emissions,



SOCIAL

- **Continuation of financial inclusion and education initiatives through BCCs**
- **Supporting SMEs in the path of sustainable transformation**
- **Evolution of social impact measurement**



GOVERNANCE

- **Training initiatives dedicated to employees, internal resources and customers to strengthen the ESG culture**
- **Interventions aimed at evolving the internal organizational structure with a view to the progressive evolution of the governance of ESG issues**

TRANSVERSAL



- **Financing products dedicated to sustainable transformation (also so-called taxonomy aligned products)**
- **Insurance products to protect against physical risks;**
- **ESG Asset Management;**
- **ESG Digital Payments Products**

- Increased commercial ambitions on ESG products
- Increase in the ESG component of the proprietary finance portfolio

OVERVIEW: GREEN, SOCIAL, SUSTAINABILITY BOND FRAMEWORK

ICCREA's Green, Social and Sustainability Bond Framework (November 2024) is aligned with ICMA's Green Bond Principles (2021 edition, with June 2022 Appendix 1), Social Bond Principles (June 2023) and Sustainability Bond Guidelines (June 2021)

Use of Proceeds

- An amount equivalent to the net proceeds raised from any Green, Social or Sustainability Bond 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
- **Green Eligible Categories** includes (i) Green Buildings; (ii) Energy Efficiency; (iii) Renewable Energy; (iv) Clean Transportation; (v) Sustainable Water & Wastewater Management
- **Social Eligible Categories** includes (i) Employment Generation; (ii) Affordable Housing; (iii) Access to Essential Services – Financial Services; (iv) Socioeconomic Advancement and Empowerment; and (v) Access to Essential Services – Healthcare & Education

Process for Asset Evaluation and Selection

- An internal working group (the "Working Group") coordinated by the Finance Department is in charge of these selection and review of the Eligible Assets based on the Eligibility Criteria. The Working Group is composed of representatives from the following areas: The Treasury Department; The Asset Liability Management & Funding Department; The ESG Department
- The Eligible Asset Portfolio for each issuance will be submitted to the Finance Committee, ESG Committee, and the Executive Committee for its final approval. The decision-making process will be documented in minutes of the meetings between the Working Group and the Finance Committee.
- ICCREA's Compliance Department will monitor ESG controversies on an ongoing basis and report them directly to the Board of Directors. In case a material ESG controversy is identified, ICCREA commits to remove the asset as soon as reasonably practical.

Management of Proceeds













- The net proceeds of any Sustainable Debt Instrument under this Framework will be dedicated to Eligible Green or Social Assets directly from ICCREA or indirectly from any of the Affiliated Banks and managed by ICCREA on a portfolio basis. ICCREA will strive to maintain, over time and on a best effort basis, an aggregate amount of the Eligible Asset Portfolio that matches or exceeds the balance of net proceeds of all outstanding Sustainable Debt Instruments issued under the Framework. ICCREA intends to fully allocate the net proceeds from any Sustainable Debt Instruments within 24 months of the issuance date.

Reporting










- ICCREA will report annually on the allocation of the proceeds of the Sustainable Debt Instruments issued under this Framework. ICCREA will also report on an annual basis on the environmental and social impacts of the Eligible Asset Portfolio at the category level, in accordance with the portfolio approach. The allocation and impact report will be published on the Company's website. For the avoidance of doubt, this reporting commitment will cease once all Sustainable Debt Instruments have matured.
- The allocation reporting will indicatively include: a) The total amount of Green, Social, Sustainability Bond Debt Instruments outstanding, b) The total amount of the Eligible Asset Portfolio, broken down per Eligible Category, c) The balance of unallocated proceeds, if any, at the time of reporting, d) A breakdown of the Eligible Green and Social Asset Portfolios by industry and geographies, if relevant, e) The share of financing vs. refinancing
- The impact reporting will indicatively include: a) A description of the Eligible Assets, b) Qualitative or quantitative indicators, c) Case studies

[Green, Social and Sustainability Bond Framework 2024](#)

USE OF PROCEEDS: ELIGIBLE GREEN CATEGORIES

	Green Buildings	Energy Efficiency	Renewable Energy	Clean Transportation	Sustainable Water & Wastewater Management
Eligibility Criteria	<ul style="list-style-type: none"> (Re)financing of new or existing residential and commercial buildings: <ul style="list-style-type: none"> Built before 31 December 2020: EPC of at least A or belonging to the top 15% of the local or regional building stock based on Primary Energy Demand (PED) Built after 31 December 2020: PED at least 10% lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures Certified sustainable buildings: LEED (Gold or better), BREEAM (Excellent or better), HQE (Excellent or better) Financing or refinancing of the renovation of residential and commercial buildings complying with the applicable requirements for major renovations or alternatively resulting in a reduction in Primary Energy Demand of $\geq 30\%$ and validated through an Energy Performance Certificate (EPC) (Re)financing of other interventions aimed at improving the energy performance of buildings 	<ul style="list-style-type: none"> (Re)financing the manufacturing and / or installation of energy efficient equipment and technology: <ul style="list-style-type: none"> Smart grid, smart meters, smart thermostats LED lighting District heating and cooling 	<ul style="list-style-type: none"> (Re)financing of the operation, construction, installation, maintenance or repair, and manufacturing of renewable energy projects and components, including the following technologies: <ul style="list-style-type: none"> Solar photovoltaic (PV) On shore and offshore wind Ocean energy Small-scale hydropower (<10MW) Geothermal energy Bioenergy (Re)financing of the construction, operation and maintenance of electricity transmission, storage and distribution systems designed to integrate renewable energy into the grid: <ul style="list-style-type: none"> Direct connections, or expansion of existing direct connections of renewable energy sources Battery storage systems connected to renewable energy projects 	<ul style="list-style-type: none"> (Re)financing of low carbon transportation and related infrastructure, including: <ul style="list-style-type: none"> Zero direct CO2 emissions passenger cars and commercial vehicles Hybrid vehicles (passenger cars and light commercial vehicles) with an emissions threshold of 50 gCO2/km (until 31 December 2025) Electric vehicle charging stations 	<ul style="list-style-type: none"> (Re)financing of the construction, extension, operation, and renewal of water and wastewater collection, treatment and supply systems and related infrastructure
EU Environmental Objective(s)	<ul style="list-style-type: none"> Climate Change Mitigation 	<ul style="list-style-type: none"> Climate Change Mitigation 	<ul style="list-style-type: none"> Climate Change Mitigation 	<ul style="list-style-type: none"> Climate Change Mitigation 	<ul style="list-style-type: none"> Sustainable Use and Protection of Water and Marine Resources
EU Economic Activity	7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 7.7	3.5, 4.9, 4.15, 7.5	3.1, 4.1, 4.3, 4.4, 4.5, 4.6, 4.8, 4.9, 4.10	6.5, 6.15	-
UN SDGs	  	 	 	  	 

USE OF PROCEEDS: ELIGIBLE SOCIAL CATEGORIES

	Employment Generation	Affordable Housing	Access to Essential Services – Financial Services	Socioeconomic Advancement and Empowerment	Access to Essential Services – Healthcare & Education
Eligibility Criteria	<ul style="list-style-type: none"> (Re)financing of loans to microenterprises and SMEs (“MSMEs”): <ul style="list-style-type: none"> Located in disadvantaged areas, defined as areas with a GDP below the national average Affected by natural disasters / health emergencies (such as the COVID-19 pandemic) 	<ul style="list-style-type: none"> (Re)financing of the construction, renovation or acquisition of social housing in Italy 	<ul style="list-style-type: none"> (Re)financing of mortgages under the 80% Public Guarantee of the First Home Mortgage Guarantee Fund (Fondo Prima casa) administered by CONSAP (Concessionaria Servizi Assicurativi Pubblici): <ul style="list-style-type: none"> Loans to first-time buyers with ISEE (Equivalent Economic Situation Indicator) of <€40K/year, for applicants who are i) young people below the age of 36, or ii) single parent families with minor children. For these mortgages, a controlled rate of the loan is envisaged 	<ul style="list-style-type: none"> (Re)financing of loans to specific target groups: <ul style="list-style-type: none"> Young entrepreneurs Woman-owned enterprises Students Re(financing) of loans to Third Sector organizations, associations, foundations and philanthropic entities focused on: <ul style="list-style-type: none"> Art, culture and sport (e.g. recreational facilities and services, visual and performing arts, etc.) Welfare and solidarity (e.g. education, vocational skills training, housing, and medical care) 	<ul style="list-style-type: none"> (Re)financing of loans to schools, hospitals, sport facilities and elderly care centres which are affiliated with providing broadly accessible (to the whole public) healthcare and education services through government spending, subsidies, or social security
Target Population	<ul style="list-style-type: none"> Unemployed population Citizens in economically underperforming regions 	<ul style="list-style-type: none"> Low-income individuals and households 	<ul style="list-style-type: none"> First-time home buyers 	<ul style="list-style-type: none"> Underemployed individuals Female entrepreneurs Students Vulnerable populations 	<ul style="list-style-type: none"> Underserved population
UN SDGs		 	 		  

ICCREA obtained a Second Party Opinion from S&P Global confirming alignment with the principles:

- ✓ Social Bond Principles, ICMA, 2023
- ✓ Green Bond Principles, ICMA, 2021 (with June 2022 Appendix 1)
- ✓ Sustainability Bond Guidelines ICMA, 2021

✓ Use of proceeds

We assess all the framework's green project categories as having a green shade and consider all social project categories to be aligned. The issuer commits to allocate the net proceeds issued under the framework exclusively to finance or refinance eligible green and social projects. Please refer to the Analysis of Eligible Projects section for more information on our analysis of the environmental and social benefits of the expected use of proceeds. The issuer states that the sustainable debt instruments may include covered bonds, senior unsecured bonds, and subordinated bonds. We observe that the framework does not reference a look-back period for refinanced eligible projects as is recommended by the Principles.

✓ Process for project evaluation and selection

The framework outlines a process that Iccrea has developed to evaluate and select potential projects, with environmental and social objectives clearly outlined for all project categories. The Working Group, composed of the Treasury Department, Asset Liability Management & Funding Department, and the ESG Department, will select and review projects based on the framework's eligibility criteria. Then the Eligible Asset Portfolio for each issuance will be submitted to the Finance Committee, ESG Committee, and the Executive Committee for final approval. The bank identifies and manages potential environmental and social risks associated with the projects through the group's lending and sustainability policies. The issuer provides a comprehensive exclusion list that includes, among others, the manufacture, distribution, and marketing of weapons.

✓ Management of proceeds

Iccrea will maintain a register to track and record all the allocations of proceeds. The issuer commits to maintain over time an aggregate amount of the Eligible Asset Portfolio that matches or exceeds the balance of net proceeds of all outstanding sustainable debt instruments issued under the framework. The bank intends to allocate the net proceeds within 24 months of the issuance date. Any unallocated funds will be managed in accordance with the bank's standard liquidity management procedures. This may include investing in a treasury liquidity portfolio, holding cash, placing time deposits with banks, or utilizing other available short-term and medium/long-term funding sources. Unallocated funds will not be invested in any activities that are excluded under the framework's guidelines. Moreover, if a loan or project no longer meets the eligibility criteria, Iccrea plans to reallocate the funds to other eligible assets as soon as reasonably possible, if necessary.

✓ Reporting

Iccrea commits to disclose annually the allocation of proceeds and impact of the financed projects in its sustainable financing instrument report, available on the bank's website. Allocation reporting will include information such as the total amount of sustainable debt instruments outstanding, the total amount of the eligible asset portfolio, a breakdown of the eligible green and social assets portfolios by industry and geography, and the share of financing and refinancing. Meanwhile, impact reporting will include qualitative environmental and social indicators and case studies. The bank will also disclose quantitative performance indicators, with potential indicators listed in the framework.

[S&P Global Second Party Opinion \(December 2024\)](#)

GREEN BUILDINGS: TECHNICAL REPORT

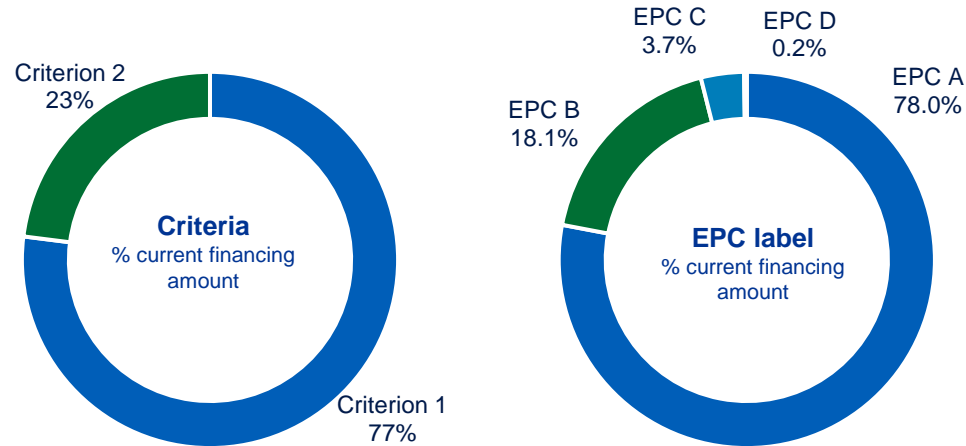


ICCREA commissioned the production of a technical report on the selected green mortgages portfolio to Cerved

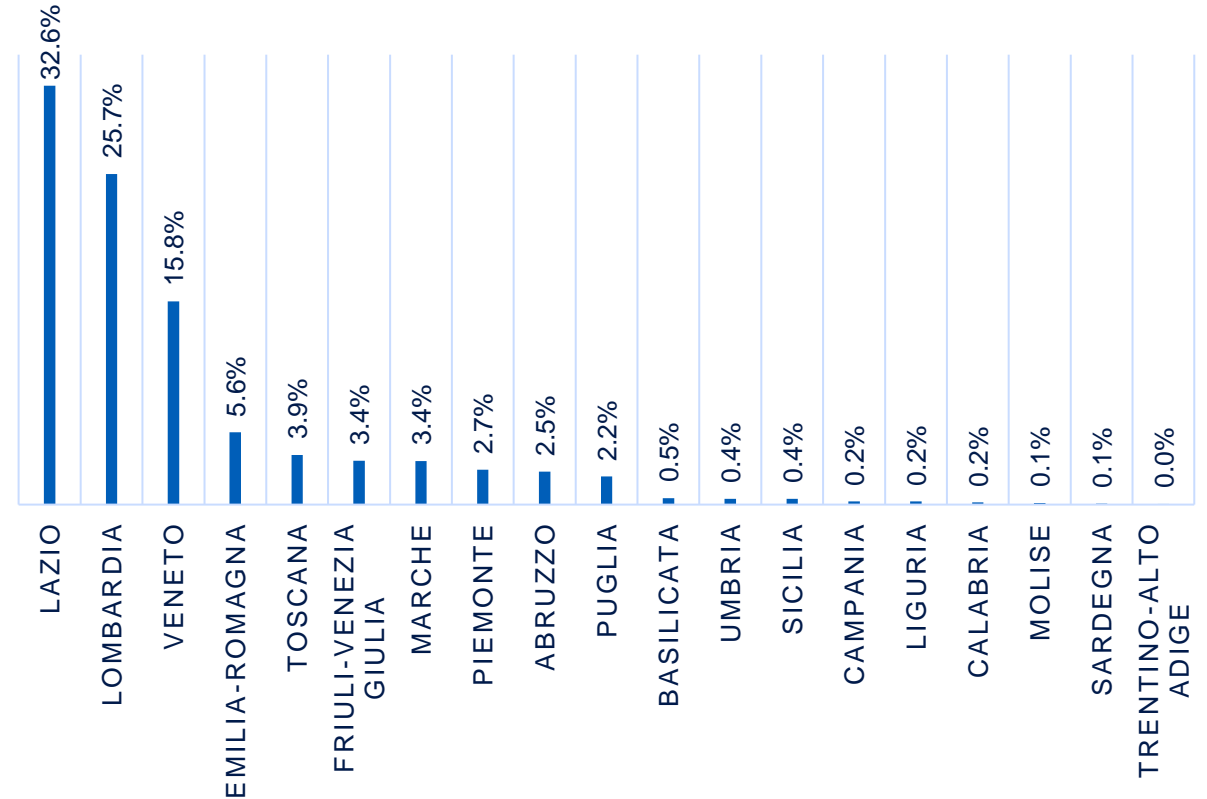
	Description	KPI	Type of threshold
Criterion 1	Built before 31 December 2020	Top 15% ¹	EPC Label and PED
Criterion 2	Built after 31 December 2020	NZEB-10% ²	PED

Cerved has identified a portfolio of **11,614 mortgages** – with a financed amount of **€1,594 mln** – which aligns Criterion 1 and Criterion 2. These criterion together form the Framework eligibility criteria for the Green Buildings category)

- Under Criterion 1, ICCREA has financed €1,231 mln (77%)
- Under Criterion 2, ICCREA has financed €363 mln (23%)



Portfolio geographical distribution (outstanding amount)



(1) top 15% of the local or regional building stock based on Primary Energy Demand (PED); (2) PED at least 10% lower than the threshold set for the nearly zero-energy building (NZEB)
[Cerved Technical Report \(January 2025\)](#)

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