



GREEN, SOCIAL
& SUSTAINABILITY BOND
REPORTING

2026

We are pleased to present our latest **Green, Social & Sustainability (GSS) Report**, alongside comprehensive updates on our **ESG loan portfolios**. Our commitment to environmental and social responsibility remains unwavering; this integrated report underscores our ongoing efforts and the progress achieved within this critical framework.

Our journey commenced in 2021 with the inaugural publication of our Green, Social & Sustainability Bond Framework. Since then, we have consistently upheld our pledge, reaching nearly **€2.5 billion in ESG-labeled bond issuances** by the close of 2025. This accounts for more than 50% of our total outstanding debt, positioning Credem as one of the leading Italian financial institutions in terms of ESG issuance relative to total volume.

The Group's dedication to the ESG bond market is further evidenced by the annual updates to our Framework, ensuring continuous alignment with evolving market standards and the European regulatory landscape. This rigorous approach guarantees high-quality issuances and a meticulous selection of underlying assets.

Beyond sustainable bond issuance, the Group has reached significant milestones in its environmental roadmap, notably through the approval of a comprehensive **Transition Plan** aimed at achieving **Net Zero CO2 emissions by 2050**. This strategy, aligned with the 1.5°C global warming limit established by the Paris Agreement, extends beyond environmental targets; it embeds sustainability into our core business model, linking it directly to our **2026 financial planning** and executive remuneration policies.

The Plan outlines specific strategies to achieve Net Zero **Scope 1** (direct emissions from company vehicles and heating) and **Scope 3** (indirect emissions related to our portfolios) by 2050, in accordance with science-based targets.

Commenting on this milestone, Giuliano Cassinadri, Co-General Manager of Credem, stated:

“The banking sector plays a pivotal role in supporting the real economy. The definition of our Transition Plan represents a natural evolution of our long-term commitment to sustainability. By integrating all

asset classes—from corporate and retail loans to sustainable investments—we ensure our strategy is both tangible and robust, creating sustainable value and well-being for our stakeholders in line with international climate goals.”

Since 2025, the global landscape has been shaped by shifts toward deregulation, economic sovereignty, and energy security, defining an increasingly volatile world. Nations investing in the transition are simultaneously strengthening their economic resilience; electrification, technological innovation, and reduced dependence on fossil fuel imports have become central pillars of modern industrial strategy. According to the European Commission, the transition requires approximately **€660 billion in annual investment** between 2026 and 2030. For Italy, this figure exceeds €130 billion annually, with an additional €10 billion required for climate adaptation and resilience. These ambitious figures necessitate the mobilization of private capital.

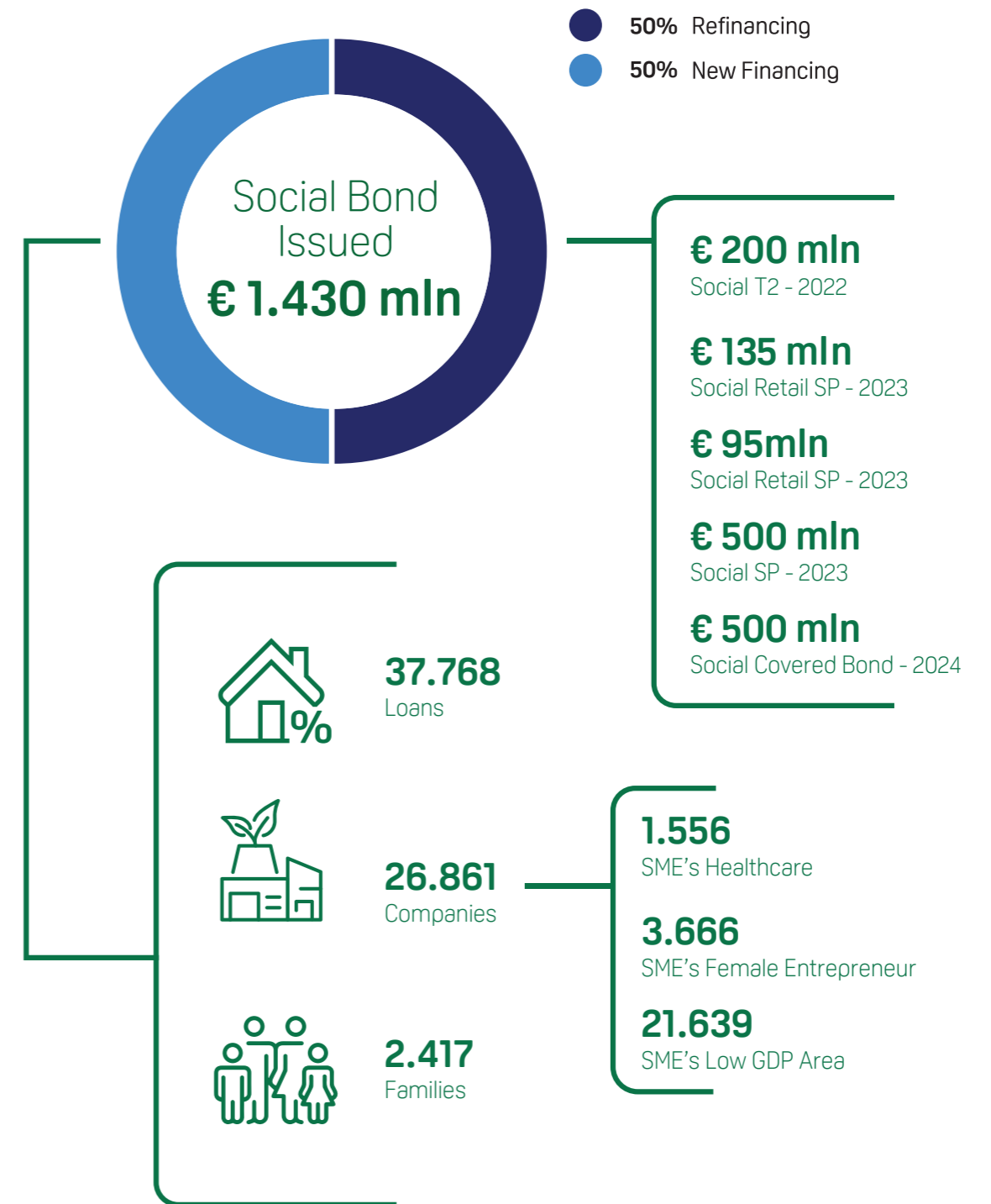
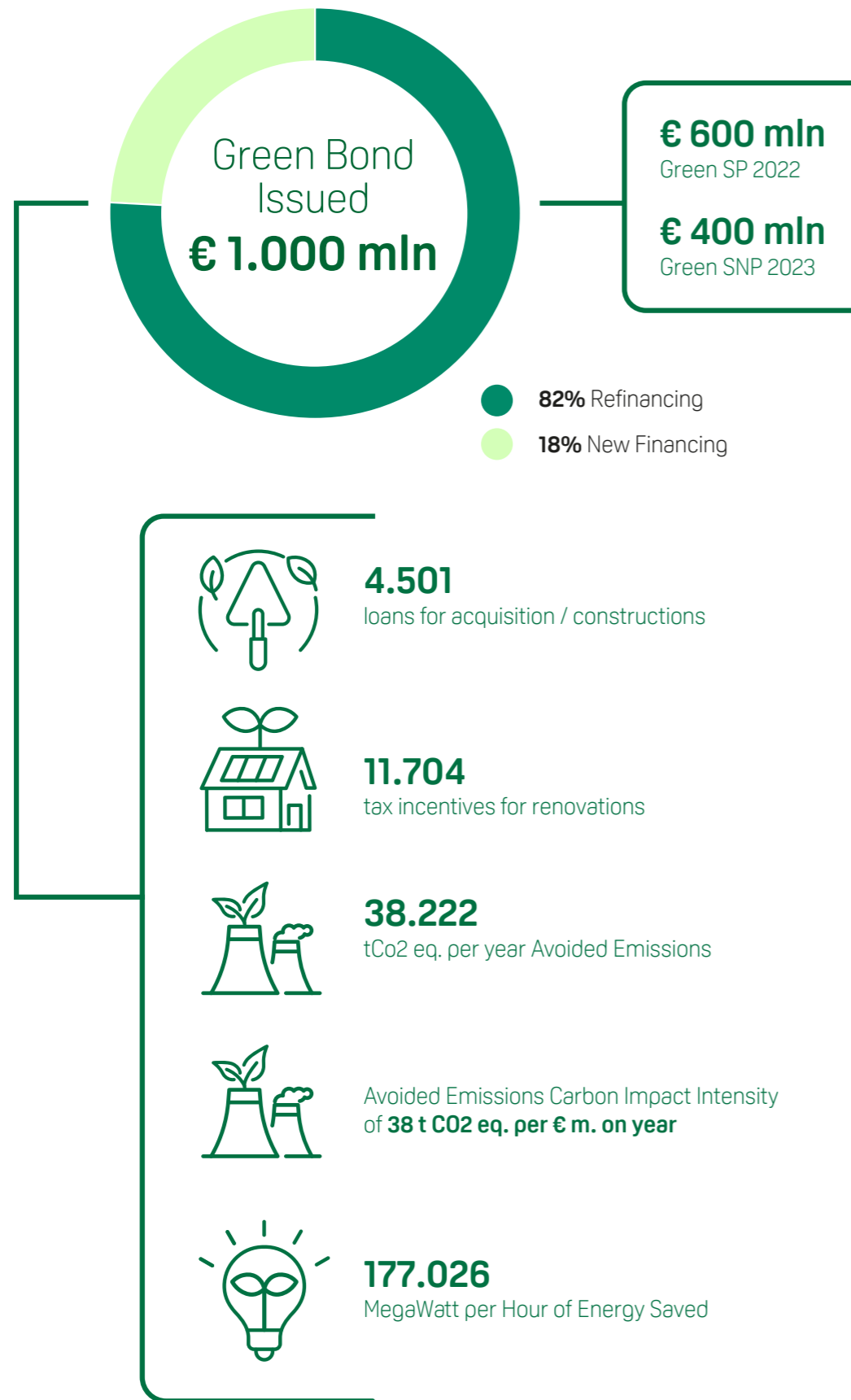
Cassinadri Giuliano,

Giuliano Cassinadri - Credem's Co-General Manager



This urgent need, combined with the growth of market-led initiatives in transition finance and green-enabling activities—underscored by mature yet stable ESG investment flows—clearly demonstrates that ESG remains at the heart of the global economic debate. It is precisely within this complex context that the Credem GSS Bond Report is published.

SUMMARY OF ALLOCATION AND IMPACT REPORTING



Sustainable Development Goals Contribution

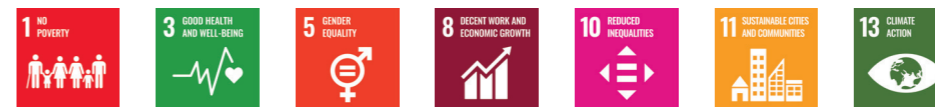


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1. CREDEM GROUP'S ESG STRATEGY AND KEY ESG COMMITMENTS

Credito Emiliano S.p.A. (“**Credem**”) is a modern, private bank founded in 1910 on the initiative of Reggio Emilia’s entrepreneurs under the name Banca Agricola Commerciale di Reggio Emilia (Commercial Agricultural Bank of Reggio Emilia). As of 31.12.2025, Credito Emiliano Banking Group (the “**CREDEM Group**” or the “**Group**”) is among the top 6 largest Italian listed banking groups, with **€68 billion in total assets, almost 1.7 million customers, 6,771 employees, 860 financial advisors, 686 agents and 474 branches all over the country.**

During 2025, a comprehensive Transition Plan has been approved, aiming to achieve net-zero CO2 emissions by 2050. Aligned with the 1.5°C global warming limit set by the Paris Agreement, the strategy extends beyond environmental targets; it embeds sustainability into the core business model, directly linking it to the financial planning and executive remuneration policies.

The structuring of the plan included the definition of strategies designed to enable a reduction in Scope 1 emissions (attributable to company vehicles and heating) and Scope 3 emissions (relating to portfolios). With reference to Scope 3, the targets provide for a 76% reduction in the weighted emission intensity of portfolio client companies in the Power sector and 25% for the Oil & Gas sector by 2030, respectively 100% and 69% by 2040, compared to the 2023 base year.

During 2025, Credem monitored the proper pursuit of the targets defined for Power Generation and Oil & Gas sectors.

Monitoring of achieved results versus CREDEM Group’s sustainability objectives will be carried out annually and reported in the Sustainability Reporting.

Since 2020, CREDEM Group has carried out a multi-year planning process which includes ESG as well as financial objectives. In 2025, the Group defined new strategic targets for the period 2025 - 2040¹, with different time horizons.

Area Indicators	Indicators	Target 2026	Target 2030	Target 2040
Finance	Total outstanding ESG Bonds / Total Outstanding Bonds	60%		
Wealth Management	Incidence of sustainable assets in Group’s Wealth management (OICR, GIP, and IBIPs under Articles 8 and 9) as a percentage of total Assets Under Management (AUM) on Group’s products	43,5%		
Credem Euromobiliare Private Banking (CEPB)	Incidence of sustainable assets in Group’s Wealth management products (OICR, GIP, and IBIPs under Articles 8 and 9) as a percentage of total AUM on Group’s products	42%		
Team ICE- Commercial Business Unit	Incidence of sustainable assets in Wealth (OICR, GIP, and IBIPs under Articles 8 and 9 ²) as a percentage of total AUM Wealth of the Group’s products	42%		
Credito - Companies	ESG financing granted (gross) in absolute value	Em 600		
Credito - Private Individuals	Volume of green products originated (Mortgages in classes A-B with verified EPC + Construction mortgages - amount at closing) Volume of residential mortgages originated, including construction mortgages (% incidence)	23%		
Leasing	Value of contracts signed in the year for full electric vehicles, photovoltaic systems, properties (including under construction) in energy classes A and B	Em 150		
Avvera	Volume of green products originated (Mortgages in classes A-B with verified EPC + Construction mortgages - amount at closing) Volume of residential mortgages originated, including construction mortgages (% incidence)	23%		
	Volume of green financing granted in absolute value	Em 12		
Factor	Number of contracts of reverse factoring, confirming e factoring SLL*	30 contracts		
Credem Assicurazioni	Number of product contracts Natural Disaster Protection for Enterprises*	1400 contracts		
	Percentage of Home Insurance with Earthquake and/or Flood coverage out of total Home Insurance policies issued (Target market: retail)*	20%		

¹Additional information can be found in the 2025 Sustainability Reporting.

Area Indicators	Indicators	Target 2026	Target 2030	Target 2040
SOCIAL	Leave and permits: allow voluntary corporate quota, incremental compared to legal obligations (6 types in addition to the 8 already provided by the national collective labor agreement))		6	
	Increase in the number of students involved in financial education activities in partnership with FEduF ³		12000	
	Percentage of incentive for agile work across the entire workforce		86%	
	New hires during the period, focusing on younger generations		700	
	External certification on diversity and inclusion		2	
	Health prevention: ensure periodic medical check for the entire workforce		at least 2 campaigns	
	Share of e-learning training on total training delivered		80%	
	Customer satisfaction on provided financial services		83%	
	Customer satisfaction on provided financial services		83%	

Area Indicators	Indicators	Target 2026	Target 2030	Target 2040
ENVIRONMENTAL	Scope 1 emissions: reduction of direct GHG emissions(heating) Baseline 2023 (1.547 tCO2e)		-658 tCO2e (-43%)	
	Scope 1 emissions: reduction of direct GHG emissions (company vehicles) Baseline 2023 (1.177 tCO2e)		-21 tCO2e	

Area Indicators	Indicators	Target 2026	Target 2030	Target 2040
SCOPE 3 NET ZERO	Reduction of the weighted average carbon intensity (WACI) in the Oil & Gas sector		-25% vs. 2023	-69% vs. 2023
	Reduction of the weighted average carbon intensity (WACI) in the Power sector		-76% vs. 2023	-100% vs. 2023

Area Indicators	Indicators	Target 2026	Target 2030	Target 2040
GOVERNANCE	ESG Induction		Extension of inductions to Boards' members, Group's top management, and ESG links ⁴	
	ESG objectives integrated into remuneration policies		Extension of objectives to all relevant personnel, Group companies, and commercial networks	
	Stakeholder engagement on ESG issues ⁵		+25%	
	% of supplier evaluation according to ESG criterias		100% ⁶	

Climate change is the most relevant environmental issue and characterises the Group's short, medium and long-term strategy. As regards direct and indirect emissions, Credem Group pursues a significant contribution to the real economy in transitioning to net-zero greenhouse gas emissions by 2050. Thus, this can be achieved through the identification of sectors with high carbon intensity and setting related reduction targets.

Also the CREDEM Group has planned to significantly reduce its carbon footprint: after the quantification of its emissions, it has elaborated a multi-year roadmap, characterised by diversified actions to be deployed in different time horizons (short, medium and long). Moreover, from 2025 the Scope 1 and 2 of residual CO2 will be compensated by an equivalent number of carbon credits.

Starting from 2023, financial institutions are required to disclose the Green Asset Ratio (GAR) together with further indicators and information on their exposures to economic activities involved in fossil and nuclear sectors. The following charts represent a summary of this information:

KPI AT 31.12.2025	KPI TURNOVER-BASED	KPI CAPEX BASED
Green Asset Ratio (stock)	2,45%	2,63%
Green Asset Ratio (flusso)	2,25%	3,03%

More information of Credito Emiliano's sustainability strategy here:
<https://www.credem.it/content/credem/en/credem-group/sostenibilita.html>

² OICR: Organismi di Investimento Collettivo, GIP: Gestioni Individuali di Portafoglio, IBIPs: Insurance-Based Investment Products

³ Fondazione per l'Educazione Finanziaria e al Risparmio (FEduF) dell'Associazione Bancaria Italiana (Abi)

⁴ ESG Links, figures that are identified within the functions/structures of the Parent Company and the Group Companies that act as a link between the reference functions of Credem/Group Companies and the Sustainability

Team to favour the synergy/coherence of information flows concerning issues related to Sustainability

⁵ The target refers to the number of questionnaires sent out, aimed at investigating the most relevant issues for the Group's business in terms of impacts, risks and opportunities (IRO)

⁶ It applies to the perimeter of commercial vendors whose current-year revenue is greater than €5,000.

⁷ Additional information can be found in the 2025 Corporate Sustainability Reporting

2. OVERVIEW OF THE GREEN, SOCIAL AND SUSTAINABILITY BOND FRAMEWORK

OVERVIEW THE GREEN, SOCIAL AND SUSTAINABILITY BOND FRAMEWORK

Overview of CREDEM Group Green, Social and Sustainability Bond Framework

Launched in December 2021, the Green, Social & Sustainability Bond Framework completed by the Green Real Estate Technical Analysis serves as the reference document for the Green, Social & Sustainability Bond issuances of all CREDEM Group entities and CredemHolding.

Green, Social or Sustainability Bonds can be issued as different instruments, including public or private placements, commercial papers, senior preferred, non-preferred bonds and subordinated, as well as secured bonds (such as Covered Bonds) and other securities (such as ABS and RMBS) in various formats and currencies.

The update of the Green, Social and Sustainability Bond Framework is an opportunity for the Group to strengthen its position in the sustainable finance market.

- In 2023 Credem has updated its Framework to include recent market developments, namely on the regulatory front:
- On the regulatory front as mentioned below, Credem has considered namely taken into account the Substantial Contribution Criteria of the European Taxonomy to develop the eligibility criteria of the use of proceeds categories.
- Credem has also added some use of proceeds categories (Social housing) or eligible products (tax incentives put in place by state mechanisms), reflecting the bank's commitment towards financing the transition to a sustainable economy.
- In 2024 and 2025, the Framework's update was strictly linked to the development in the Group's sustainability strategy.
- The 2026 update of the Framework reflects the most recent best market practices and aims to align with the latest ICMA principles and guidelines, notably regarding the transparency around the EU Taxonomy and the PAB exclusion list.

The Framework is aligned and compliant with the 2025 edition of the Green Bond Principles, the **2025 Social Bond Principles and the 2025 Sustainability Bond Guidelines published by the ICMA**, and consisting of the four following core components:

MAIN COMPONENTS OF THE FRAMEWORK

1. USE OF PROCEEDS:

Green Eligible Categories

- POLLUTION PREVENTION AND CONTROL
- RENEWABLE ENERGY
- CLEAN TRANSPORTATION
- GREEN BUILDINGS
- SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES AND LAND USE
- GREEN ASSETS BACKED BY STATE MECHANISMS

Social Eligible Categories include

- SMALL MEDIUM ENTERPRISES FINANCING
- HEALTHCARE SYSTEM
- NON-PROFIT ORGANIZATIONS
- SOCIAL HOUSING

2. ASSET EVALUATION AND SELECTION

The Group Sustainability Committee is established to support the Framework and development of the ESG strategy. Such committee meets at least every four months and has also the responsibility to exclude financing of a range of businesses, as well as projects with relevant negative impact on communities.

The Group Sustainability Committee is chaired by the General Manager, and it is made up by two members of the Board of Directors (BoD), as well as Group's Top Managers (i.e. CRO, CFO, CLO,...).

The Treasury department of Credem carries out a pre-selection of potential Eligible Assets. The potential Eligible Assets are submitted by the Treasury department to the Group Sustainability Committee. The Group Sustainability Committee verifies the alignment of the pre-selected assets to the Eligible Asset criteria confirming the correctness and compliance of the portfolio of Loans with the Framework. The Eligible Assets are clearly identified within CREDEM Group's internal information system.

Furthermore, since 2021 the Group's Risk Committee has an ad-hoc Sustainability mandate for supporting the BoD in the definition of the Sustainability strategy, the supervision of environmental, climate & social related risks and last but not least the analysis of the Sustainability Report.

3. MANAGEMENT OF PROCEEDS

- The Group Sustainability Committee is in charge of monitoring the allocation of proceeds to the Eligible Assets
- The Group Sustainability Committee, so appropriately addressed by the Treasury department, will try to ensure that the net proceeds raised by Green, Social and Sustainability Bonds is lower than the total amount of the Eligible Assets. In any case, CREDEM Group commits that all the net proceeds will be fully allocated within 24 months after the issuance of the Green, Social or Sustainability Bond.
- The allocation process is monitored through an internal information system until the relevant bonds maturity

4. REPORTING

Annual report published on Credem's website detailing:

- The allocation of the Green, Social and Sustainability Bond proceeds
- The environmental impact of the Eligible Assets by eligibility criteria

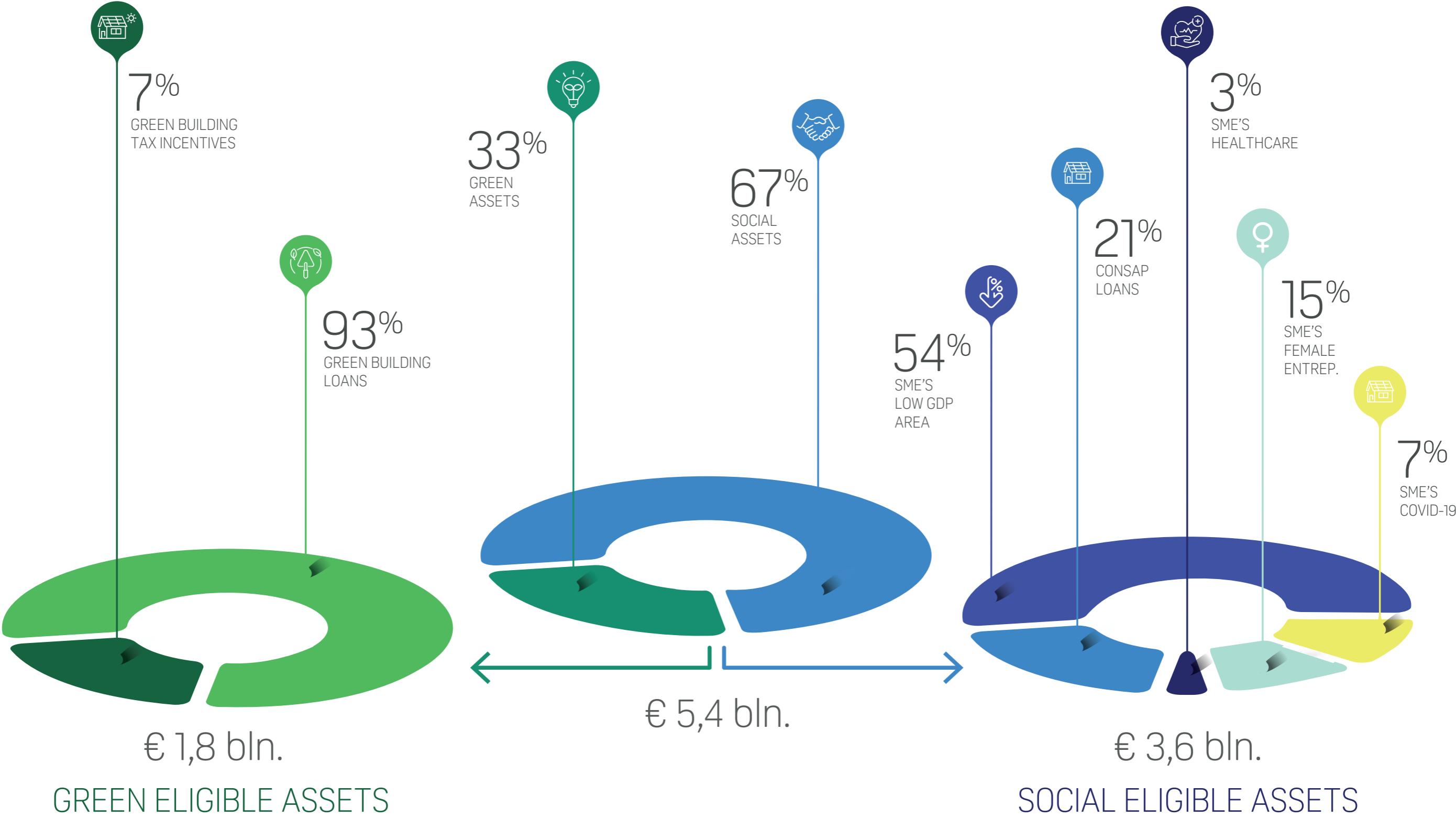
CREDEM has obtained from ISS Corporate Solutions a positive second opinion available at:

<https://www.credem.it/content/credem/it/gruppo-credem/sostenibilita/documentazione-bond-esg.html>

The update of the Framework may result in the modification and evolution of the pool of eligible assets either in terms of volume of eligible assets or of additional categories and associated eligibility criteria.

3. TOTAL ELIGIBLE PORTFOLIOS

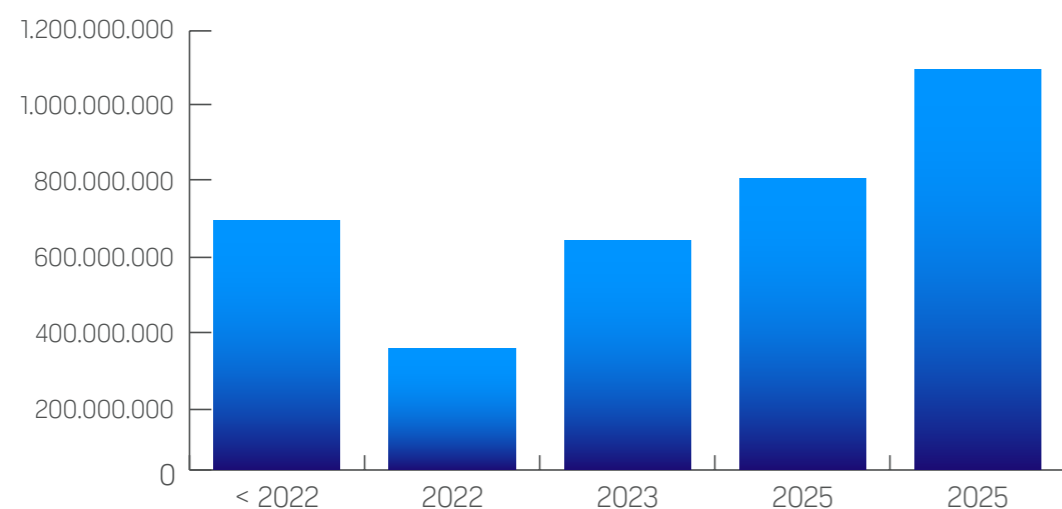
This report follows to the greatest extent possible to date, the recommendations of the ICMA Harmonized Framework for Impact Reporting⁸. Below, the total eligible portfolios of CREDEM Group as of 30.09.2025 are represented:



⁸Handbook Harmonised Framework for Impact Reporting June 2024: Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf

Below, it is shown the break-down of the total **social eligible portfolio** by year of origination:

RESIDUAL DEBT BY YEAR OF ORIGINATION (EUR MLN)



CREDEM Group has defined a Social Portfolio (here below as of 30.09.2025 dedicated to its social bonds. The Bank worked in order to identify different social categories, such as:

Social Portfolio categories Loans to:	Outstanding amount / EUR MM (as of end of December 2023)	Average ticket size on residual debt / K EUR	Number of loans
SME's in healthcare sector	112	41	2.755
SME's with female entrepreneurship ⁹	528	71	7.469
SME's in low GDP area	1.954	49	39.854
SME's to face COVID-19 emergency	240	18	13.380
Consap Loans (social housing) ¹⁰	759	125	6.088
TOTAL SOCIAL ASSETS	3.593	61	69.546

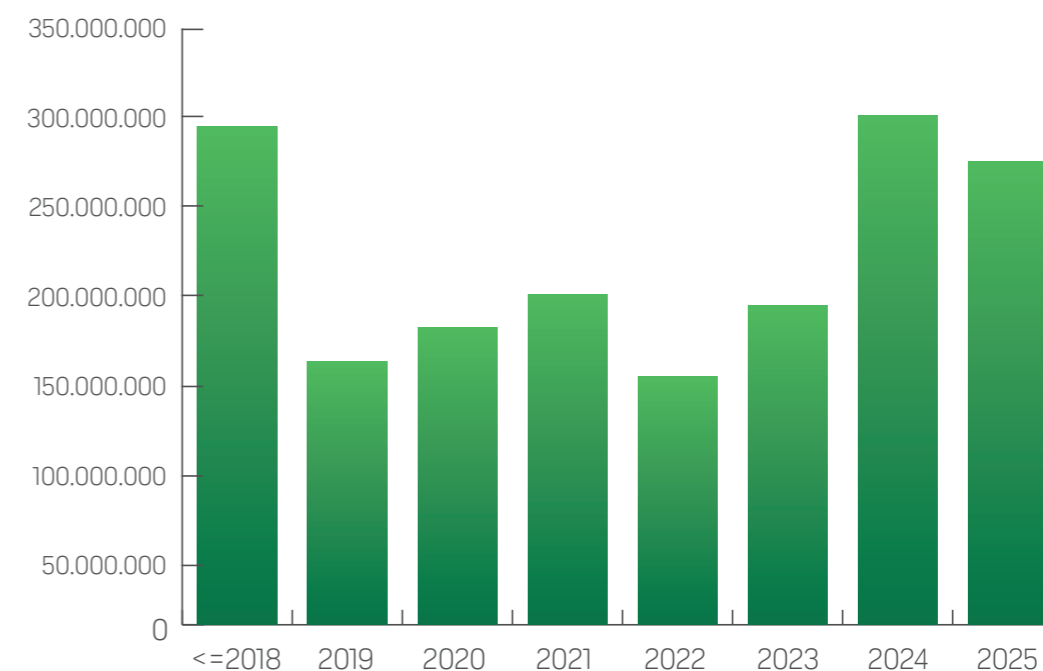


⁹ SME's with Female entrepreneurship are defined as SME with an ownership of more than 50% composed by women

¹⁰ Consap Loans: residential mortgage loans with a state-backed guarantee for the purchase or renovation of primary residences, aimed at supporting first-time homebuyers

Below, it is shown the break-down of the total **green eligible portfolio** by year of origination:

RESIDUAL DEBT BY YEAR OF ORIGINATION (EUR MLN)



Here below the total CREDEM Group's Green Portfolio as of 30.09.2025 dedicated to its green bonds.¹¹

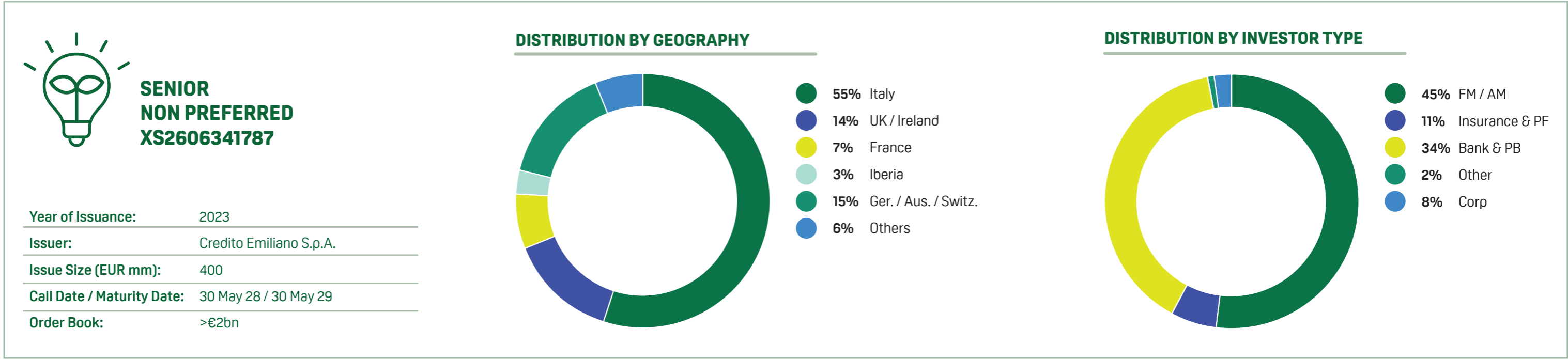
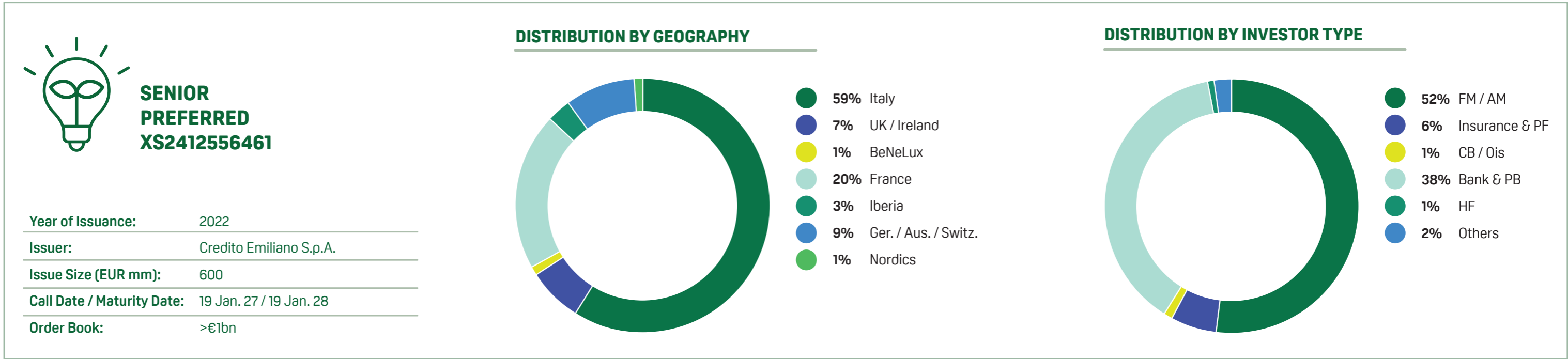
Green Buildings	Outstanding amount / EUR MM	Average ticket size on residual debt / EUR K	Number of loans / tranches
Under Criteria 1.1 Residential buildings with EPC labels: A, B or C	605	137	4.425
Under Criteria 1.2 Commercial buildings with EPC labels: A, B	203	518	392
Under Criteria 2 New residential constructions built since 2016 and until 2020	301	109	2.759
Under Criteria 3 NZEB – 10 % (construction after 2020)	548	323	1.692
Tax Incentives	122	10	11.704
TOTAL GREEN ASSETS	1.778	220	20.972



¹¹ Please find more information on the eligibility criteria at Chapter 7. Contextual information & Methodological Notes

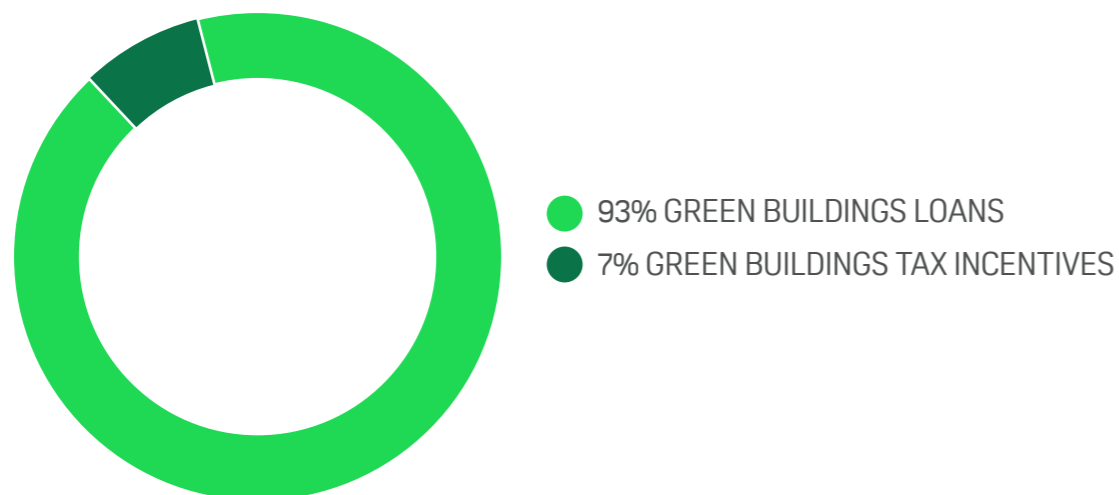
4. GREEN REPORTING

AMOUNT AND CHARACTERISTICS OF THE OUTSTANDING GREEN BONDS



GREEN ALLOCATION REPORTING – NET PROCEEDS

As shown in chapter 3, below it is represented the total eligible green portfolio:



Starting from the total eligible portfolio above, this section describes the net proceeds of Credem's Green Bond that have been selected: 4.501 loans and 11.660 tranches of tax incentives, for 1.000 million euros. As per 30.09.25, The weighted average residual life for Green Buildings Loans is 11 years, while for the Green Buildings Tax Incentives is 1,5 years.

Green Buildings	Allocation (€ m.)	Number of Loans / Tranches of tax incentives	% Allocation vs Total Eligible Portfolio
Green Buildings Loans	878	4.501	53%
Green Building Tax Incentives	122	11.704	100%
TOTAL	1.000	16.205	59%

Overview of eligible allocated green building loans per property type

Type of loan	Number of loans	Number of buildings	Current financing amount (EUR MM)
Residential	3.932	3.974	395
Non-Residential	569	575	483
TOTAL	4.501	4.549	878

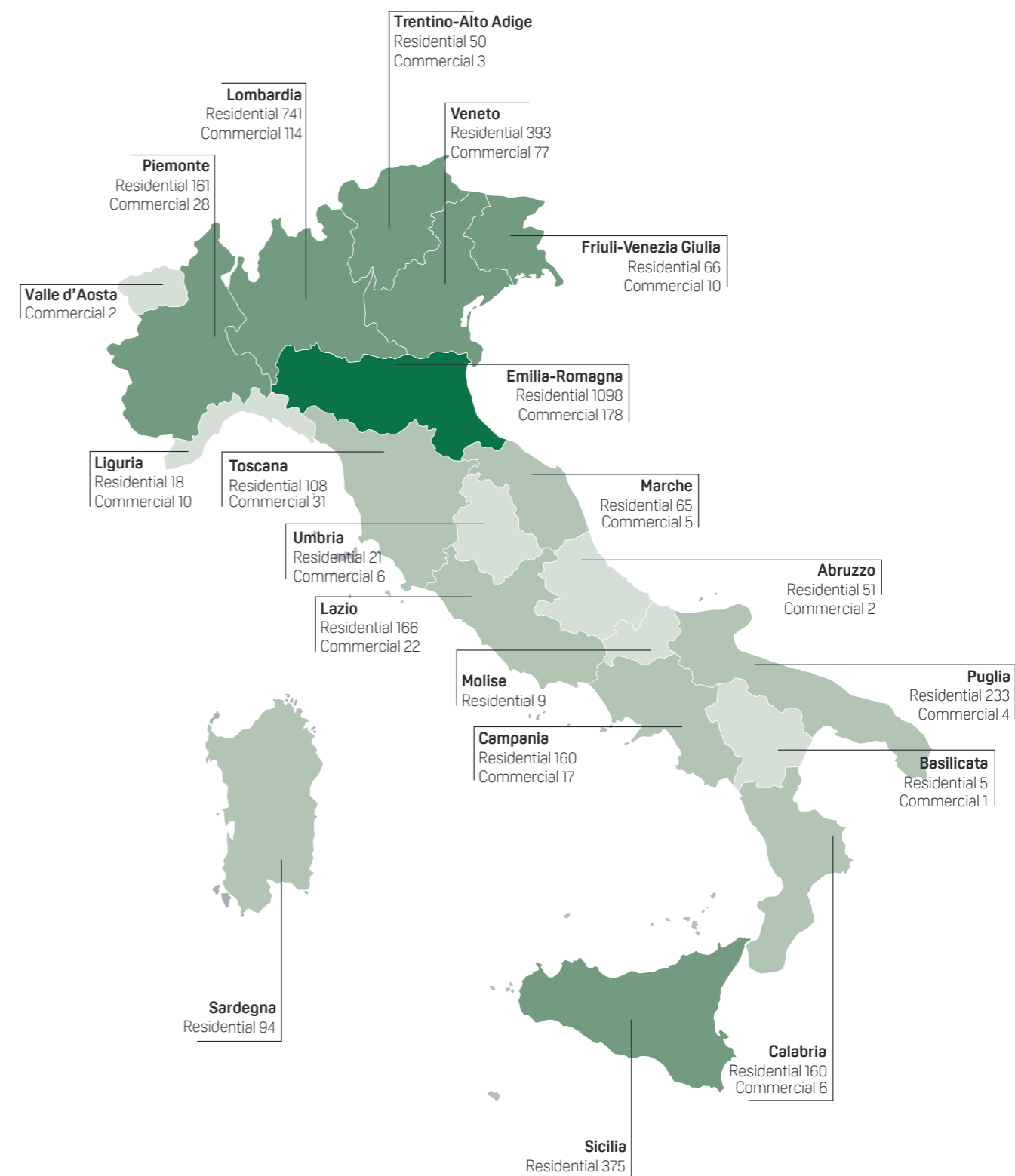
Overview of eligible allocated green buildings tax incentives tranche per type of tax incentives

Type of tax incentives ¹²	Number of tranches	Current financing amount (EUR MM)
SuperBonus 110%	11.660	121
Ecobonus	44	1
TOTAL	11.704	122

Source: CRIF elaboration on CREDEM Portfolio

¹²For further details see: Chapter 7. Contextual information & Methodological Notes

Below, it is shown the distribution of residential and commercial green properties related to loans between Italian regions:



Below, it is shown the distribution of **tax incentives** tranches between Italian regions:



GREEN IMPACT REPORTING – NET PROCEEDS

Below, are shown the main environmental impact metrics for the CREDEM Group's Portfolio for both loans to finance the acquisition and constructions of green buildings and tranches of tax incentives. The metrics that will be represented are: Avoided Co2 Emissions, Positive Carbon Impact and Energy Savings¹³

¹³For further details see: Chapter 7. Contextual information & Methodological Notes

Overview of positive emission impact - residential:

Green Buildings	Allocation (€ m.)	Avoided emissions (t CO2 eq. per year)	Carbon impact (t CO2 eq. per € m. / year)	Energy Savings (Mwh)
Green Buildings Loans	878	10.450	12	77.452
Green Building tax Incentives	122	27.772	229	99.574
TOTAL	1.000	38.222	38	177.026

For the category Green Buildings Loans, below it is shown the impact divided between residential and commercial buildings, distributed across the different types of buildings.

RESIDENTIAL GREEN BUILDINGS LOANS

Residential properties have a positive impact of **4.252 tons of CO₂ per year**. It corresponds to **11 tons** of equivalent carbon dioxide every financed million euro. Residential buildings have a total energy savings of **23.060 MegaWatt Hours**.

Overview of positive emission impact - residential:

Criterion	Allocation (€ m.)	Avoided emissions (t CO2 eq. per year)	Carbon impact (t CO2 eq. per € m. / year)	Energy Savings (Mwh)
1. EPC 1.1 Residential (A, B, C)	197	2.669	14	13.109
2. Construction year (Residential, since 2016)	156	989	6	6.794
3. NZEB – 10%	42	594	14	3.157
TOTAL	395	4.252	11	23.060

COMMERCIAL GREEN BUILDINGS LOANS

Below the positive impact of non-residential eligible buildings (**6.198 tons of CO₂ eq. per year**).

Overview of positive emission impact - non residential

Criterion	Allocation (€ m.)	Avoided emissions (t CO2 eq. per year)	Carbon impact (t CO2 eq. per € m. / year)	Energy Savings (Mwh)
1. EPC 1.2 Non-Residential (A, B)	200	2.583	13	25.685
3. NZEB – 10% (Post 2020)	283	3.615	13	28.706
TOTAL	483	6.198	13	54.392

Below, are shown the social co-benefits of green buildings loans, divided between SME's Financing and Social Housing Financing:


Social Portfolio categories Loans to:	Eligible Asset (€ mln)	N. Companies	N. Employees
SME's Healthcare	1	5	5
SME's Female Entrep.	14	23	57
SME's Low GDP Area	21	26	42
Total	36	54	104

Social Portfolio categories Loans to:	Eligible Asset (€ mln)	N. Families	N. Family Members
Consap Loans	25	169	312
Total	25	169	312

¹⁴Total number of employees in the financed SMEs, based on Credem's Database

5. SOCIAL REPORTING

AMOUNT AND CHARACTERISTICS OF THE OUTSTANDING SOCIAL BONDS



SUBORDINATED T2
XS2488465423

Year of Issuance: 2022

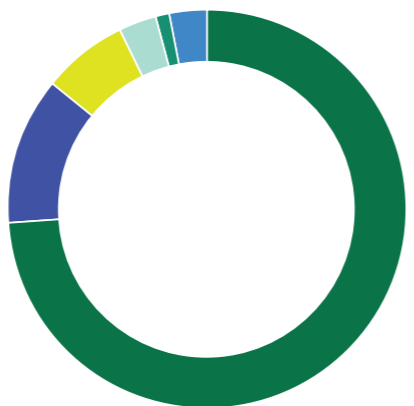
Issuer: Credito Emiliano S.p.A.

Issue Size (EUR mm): 200

Call Date / Maturity Date: 5 Jul. 27 / 5 Jul. 32


Order Book: >€ 0,4 bn

DISTRIBUTION BY GEOGRAPHY




- 74% Italy
- 12% UK / Ireland
- 7% France
- 3% Iberia
- 1% Ger. / Aus. / Switz.
- 3% Others

DISTRIBUTION BY INVESTOR TYPE



- 40% FM / AM
- 11% Insurance & PF
- 17% Bank & PB
- 20% Corp.
- 12% HFs



SENIOR PREFERRED
XS2684860203

Year of Issuance: 2023

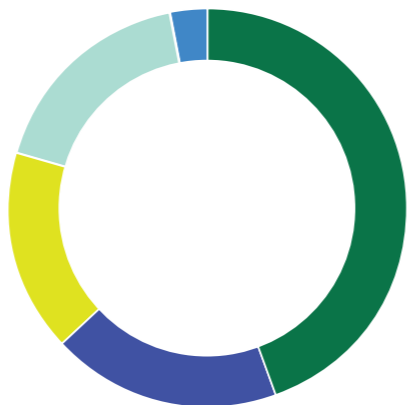
Issuer: Credito Emiliano S.p.A.

Issue Size (EUR mm): 500

Call Date / Maturity Date: 18 Jan. 29

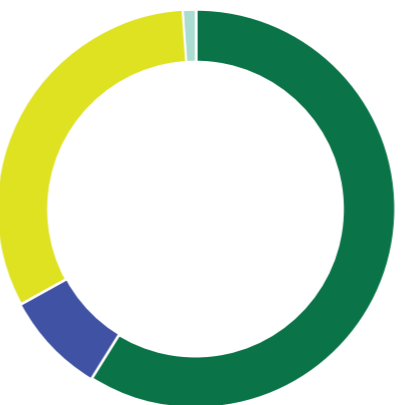
Order Book: >€ 2 bn

DISTRIBUTION BY GEOGRAPHY



- 46% Italy
- 19% UK / Ireland
- 17% France
- 15% Ger. / Aus. / Switz.
- 3% Others

DISTRIBUTION BY INVESTOR TYPE



- 59% FM / AM
- 8% Insurance & PF
- 32% Bank & PB
- 1% Others

SENIOR PREFERRED XS2640881608

Issuer: Credito Emiliano S.p.A.

Issue Size (EUR mm): 135

Call Date/Maturity Date: 25 Jul. 28

Investor Type: 100% Retail Investors


SENIOR PREFERRED XS2640884701

Issuer: Credito Emiliano S.p.A.

Issue Size (EUR mm): 95

Call Date/Maturity Date: 31 Jul. 27

Investor Type: 100% Retail Investors



STANDARD COVERED BOND
IT0005579294

Year of Issuance: 2024

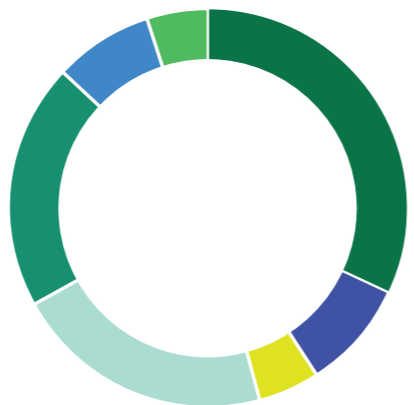
Issuer: Credito Emiliano S.p.A.

Issue Size (EUR mm): 500

Call Date / Maturity Date: 18 Jan. 29

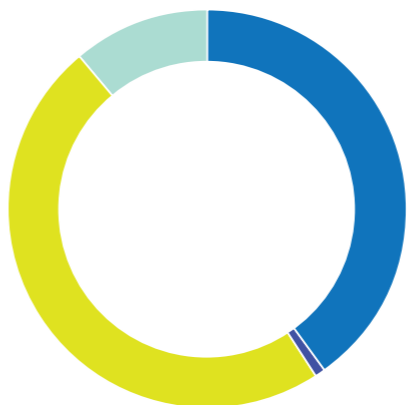
Order Book: >€ 2 bn

DISTRIBUTION BY GEOGRAPHY



- 32% Italy
- 9% UK / Ireland
- 5% France
- 21% Ger. / Aus. / Switz.
- 20% Nordics
- 8% Spain
- 5% BeNeLux

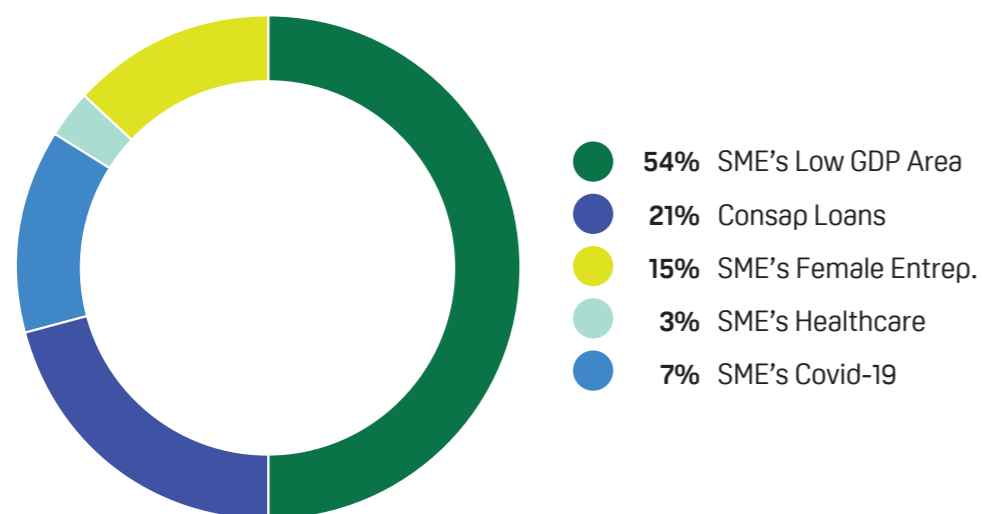
DISTRIBUTION BY INVESTOR TYPE



- 40% FM / AM
- 1% Insurance & PF
- 48% Bank & PB
- 11% CB & Ois

SOCIAL ALLOCATION REPORTING– NET PROCEEDS

As shown in chapter 3, below it is represented the total eligible social portfolio:



Starting from the total eligible portfolio above, this section describes the **net proceeds of Credem's Social Bond that have been selected: 37.768 loans, for around 1.430million euros.**

A) Loans to SME's:

- Low GDP Area: Loans to SMEs located in areas with a GDP per capita below National average¹⁵
- Female entrepreneur: Loans granted to SMEs run by women

B) Loans to Healthcare System:

- Healthcare: SMEs operating in the healthcare sector

B) Social Housing Loans:

- Consap Loans: residential mortgage loans with a state-backed guarantee for the purchase or renovation of primary residences, aimed at supporting first-time homebuyers.

As per 30.09.2025, The weighted average residual life for SMEs Loans is 3,7 years, while for Consap Loans is 26 years.

Overview of eligible assets per eligible social categories

Eligible Social Category	Social Portfolio categories Loans to:	Allocation (€ mln)	Num. Loans	% Allocation vs Total Eligible Portfolio
Loans to Healthcare system	SME's Healthcare	49	1.931	44%
Loans to SME's	SME's Female Entrep. ¹⁶	230	4.963	43%
	SME's Low GDP Area	850	28.457	44%
Social Housing Loans	Consap Loans	301	2.417	40%
TOTAL		1.430	37.768	40%

¹⁵ Data on GDP per capita are from ISTAT at the following link:

https://esploradati.istat.it/databrowser/#/it/dw/categories/IT1,DATAWAREHOUSE,1.0/UP_ACC_TERRIT/IT1,93_1227_DF_DCCN_TNA1_6,1.0

For Consap Loans, new loans financed during 2024 and allocated as net proceeds are equal approximately to 56 € mln. The following charts show the regional distribution of companies (for loans to SME's) and families (for loans to Social Housing) to whom has been granted the loans and the relative current financing

Distribution of companies for **Loans to SME's**

Region	Allocation (€/mln)	N. Companies
ABRUZZO	23	421
BASILICATA	10	148
CALABRIA	85	3.564
CAMPANIA	305	5.437
EMILIA-ROMAGNA	43	839
FRIULI-VENEZIA GIULIA	2	44
LAZIO	17	425
LIGURIA	7	99
LOMBARDIA	52	571
MARCHE	71	825
MOLISE	7	132
PIEMONTE	14	175
PUGLIA	171	5.056
SARDEGNA	46	829
SICILIA	200	7.336
TOSCANA	18	332
TRENTINO-ALTO ADIGE	2	24
UMBRIA	38	341
VENETO	20	263
TOTAL	1.129	26.861

Distribution of families for **Loans to Social Housing**

Region	Allocation (€/mln)	N. Families
ABRUZZO	4,6	41
BASILICATA	0,2	2
CALABRIA	7,3	67
CAMPANIA	29,8	223
EMILIA-ROMAGNA	41,3	327
FRIULI-VENEZIA GIULIA	4,7	40
LAZIO	26,2	180
LIGURIA	1,7	16
LOMBARDIA	43,4	325
MARCHE	4,7	39
MOLISE	0,5	6
PIEMONTE	6,5	55
PUGLIA	25,4	214
SARDEGNA	40,3	346
SICILIA	35,2	310
TOSCANA	9,2	65
TRENTINO-ALTO ADIGE	0,2	2
UMBRIA	1,4	12
VALLE D'AOSTA	0,1	1
VENETO	18,7	146
TOTAL	301	2.417

SOCIAL IMPACT REPORTING¹⁷ – NET PROCEEDS

In the table below, it is shown the number of employees¹⁸ for each company in case of loans to SMEs, giving also a metric of the average number of employees for each one and the difference in the number of employees between 2025 and 2024, indicating also the distribution by region¹⁹. For Social Housing loans (consap loans) it is shown the number of family members and it is represented also the metric of the average number of family members; moreover, it is shown the aggregate average net income per family and how it changes relative to the number of family members, comparing it also to the average Italian net income²⁰ per family, showing therefore the positive impact for the access to the housing market through the consap loans financing.

¹⁷ For further details see: Chapter 7. Contextual information & Methodological Notes

¹⁸ Where not available, the number of employees for a company has been estimated as 1

¹⁹ Where the number of employees has not been updated during 2024, the difference in the number of employees is estimated as 0

²⁰ Data of the average Italian net income are from ISTAT and available at the following link:

https://esploradati.istat.it/databrowser/#/it/dw/categories/IT1,DATAWAREHOUSE,1.0/UP_ACC_TERRIT/IT1,93_1227_DF_DCCN_TNA1_6,1.0

Loans to SMEs

Distribution of number of employees for loans to SMEs

Social Portfolio categories Loans to:	Allocation (€/mln)	Num. Companies	Num. Employees ²¹	N. Employees on Num. Companies	Diff. in Num. of employees 2025 vs. 2024 ²²
SME's Healthcare	49	1.556	3.969	2,6	83
SME's Female Entrep.	230	3.666	10.173	2,8	44
SME's Low GDP Area	850	21.639	44.069	2	889
TOTAL	1.129	26.861	58.211	2,2	1.016

Distribution of the difference in the number of employees (2025 vs 2024) by Region for loans to SMEs

Region	Diff. in the number of employees (2025 vs 2024)	Region	Diff. in the number of employees (2025 vs 2024)
ABRUZZO	4	MOLISE	-3
BASILICATA	11	PIEMONTE	10
CALABRIA	104	PUGLIA	97
CAMPANIA	252	SARDEGNA	43
EMILIA-ROMAGNA	101	SICILIA	230
FRIULI-VENEZIA GIULIA	-1	TOSCANA	-
LAZIO	10	TRENTINO-ALTO ADIGE	-1
LIGURIA	1	UMBRIA	41
LOMBARDIA	-58	VENETO	19
MARCHE	156	TOTAL	1.016

For each social eligible category related to SMEs loans, below is shown the distribution of the residual debt by number of employees, according with 4 different clusters, based on residual debt:

- Companies with employees between "0-24"
- Companies with employees between "25-49"
- Companies with employees between "50-99"
- Companies with employees between "100-249"

Distribution of number of employees:

Number of Employees	SME's Healthcare	SME's Female Entrep.	SME's Low GDP Area
0-24	97,2%	96,91%	96,85%
25-49	0,76%	2,42%	1,5%
49-99	1,63%	0,38%	1,28%
100-249	0,41%	0,28%	0,37%
Total	100%	100%	100%

For loans to SMEs, below it is shown also the distribution of employees for each economic sector included in the net proceeds.

Economic Sector	N. Employees
Wholesale and Retail Commerce	22%
Manufacturing Activities	18%
Agriculture, Forestry and Fishing	10%
Constructions	9%
Accommodation and Food Service Activities	7%
Healthcare and Social Assistance	7%
Other	27%
TOTAL	100%

Social Housing Loans

Distribution of number of family members for Social Housing loans

Social Portfolio categories Loans to:	Allocation (€ mln)	N. Families	N. Family Members	N. Family Members on Num. Families	Average Net Income per Family	Average Italian Net Income	Difference in Net Income btw Families Financed and Italian Average
Consap Loans	301	2.417	4.088	1,7	29.429	37.511	-8.082
TOTAL	301	2.417	4.088	1,7	29.429	37.511	-8.082

In relation to the Consap Loans, below it is shown the numeric composition of the families, based on residual debt:

N. Family Members	Consap Loans
1	48%
2	33%
3	12%
4	6%
5 or more	1%
TOTAL	100%

Below it is shown the distribution of Consap Loans by product type and guarantees provided by Consap:

Consap Product Type ²³	Allocation %
Consap Non Priority Categories, Consap Guarantee 50%	28%
Consap Priority Categories, Consap Guarantee 50%	26%
Consap Priority Categories, Consap Guarantee 80%	46%
TOTAL	100%

Credito Emiliano recognizes that the indicators presented here can be more considered as *output indicators*. The lack of sufficient and credible data does not allow the measurement of *impact indicators*.

²¹ Total number of employees in the financed SMEs, based on Credem's Database

²² When a SME has entered the pool of allocated assets in 2025, the evolution in the number of employees is still tracked in the same way than any other loan, by looking at the difference between the number of employees between 2024 and 2025

²³ More information about Consap Categories can be found at: <https://www.consap.it/fondo-prima-casa/normativa-e-modulistica/>

6. DESCRIPTION OF ELIGIBLE ASSETS (EXAMPLES)



GREEN ASSETS EXAMPLES

Green Building - Commercial Mortgage:

In 2025 the company applied for a 12 years real estate lease pertaining to an industrial building in Piemonte, consisting of a production complex of approximately 1,400 squared meters divided in the floors. The ground floor is dedicated to the production activity and the warehouse while the first floor is dedicated to administrative offices.

Additionally, a photovoltaic system with a power output of 30 kW is installed on a portion of the roof. From an energy perspective, these features have enabled the property to achieve an “A4” energy rating, with an energy consumption (EP_{gl, nren}) of approximately 107 kWh/m² per year and CO₂ emissions of approximately 8 kg/m² per year.

The EPC Level (A4) positions this building among the top 15% of the most carbon-efficient buildings, qualifying it as part of the eligible assets under the Credem Group’s GSS Framework.



SOCIAL ASSETS EXAMPLES

Social Housing Consap Loans:

As a representative example of a typical Consap-backed loan, in September 2025, a couple, aged 27 and 28, applied for a 30-year mortgage of €140,000 to purchase their first home. They met the eligibility criteria outlined under the “Fondo di Garanzia per la Prima Casa”, managed by Consap, which is specifically designed to support young borrowers, single-parent households, and other priority categories in accessing first-home financing under favorable conditions.

Thanks to the scheme, the couple was able to obtain an 80% guarantee on their mortgage, significantly reducing the risk for the lending bank and allowing them to access more favorable loan terms, such as lower interest rates and reduced collateral requirements. The Fondo Consap plays a crucial role in facilitating homeownership for first-time buyers by mitigating financial barriers and enhancing credit accessibility.

Healthcare System SME Loans:

In June 2025, a company based in southern Italy applied for a five-years leasing of approximately €700,000. The company operates as a radiographic laboratory, and the equipment leasing is aimed at the acquisition of new MRI scanners.

7. CONTEXTUAL INFORMATION & METHODOLOGICAL NOTES



GREEN PORTFOLIO:

Credem has mandated CRIF Real Estate Services to provide a technical analysis on the Italian residential market, with the aim to position CREDEM Group’s eligible portfolio at the very best market practices.

The methodology focuses on the identification of the eligible buildings based on Climate Bonds Initiative Taxonomy, or EU taxonomy for new buildings.

The methodological note aims at describing the eligibility criteria and the impact metrics, firstly for the mortgages related to energy efficient buildings and then for the tax incentives related to energy efficiency renovation for existing buildings.



GREEN BUILDINGS LOANS:

The Green, Social & Sustainability Bond Framework adopted defines the green real estate assets as loans to finance construction and/or the acquisition of commercial and residential buildings belonging to:

- the top 15% of the most carbon efficient buildings (kgCO₂e/sqm) (Criterion 1.1, 1.2 and 2) and CRIF has applied the three criteria indicated in the table below to identify the eligible residential and commercial stock complying with the top 15% approach within CREDEM Group’s portfolio
- the NZEB – 10 % (Criterion 3), where Crif and CTI have defined thresholds for newly built properties based on the climate zone and an aggregated data for nZEBs building within the Italian territory.

Approach based on EPC (Attestato Prestazione Energetica - APE)

Criterion 1.1

Residential buildings with EPC labels: A, B or C

- The Italian most important database on buildings' energy performance (SIAPE) confirms that EPC labels **A, B and C** represents **19.3%** of the existing residential stock. In order to comply with the top 15% best-in class approach, since the C label straddles the top 15% of the national distribution, the thresholds on Primary Energy Demand (PED) are used to assess the eligibility of the building for green financing.

Criterion 1.2

Non residential buildings with EPC labels: A or B

- SIAPE also confirms that EPC labels **A and B** represents **13.7%** of the existing Non residential stock, complying with the top 15% best-in class approach. However, some buildings may have an EPC label that straddles the top 15% of the national distribution of EPC labels. In this case, the thresholds on Primary Energy Demand (PED) are used to assess the eligibility of the building for green financing. These thresholds have been defined by CRIF-CTI following the EU taxonomy, which sets technical criteria for sustainable activities.

Approach based on the year of construction

Criterion 2

New residential constructions built from 2016 until end 2020*

- According to SIAPE database, 98.4% 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% haircut over the portfolio identified under this criterion is applied

Approach based on the Primary Energy Demand

Criterion 3

NZEB – 10% Constructions built after 2020

- The Primary Energy Demand (PED), defining the energy performance of the building resulting from the construction, is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council
- The EU taxonomy has criteria based on an index of energy demand deriving from the EPC. The primary energy demand (PED) is defined as “The calculated amount of energy needed to meet the energy demand associated with the typical uses of a building expressed by a numeric indicator of total primary energy use in kWh/m2 per year and based on the relevant national calculation methodology and as displayed on the Energy Performance Certificate (EPC)”.

Criterion 1.1 PED Thresholds (expressed in kWh/m2 per year)

YEAR OF CONSTRUCTION ≤ 2020	CLIMATE ZONE					
	A	B	C	D	E	F
Residential Properties	65	65	70	75	100	105

Criterion 1.2 PED Thresholds (expressed in kWh/m2 per year)

YEAR OF CONSTRUCTION ≤ 2020	CLIMATE ZONE					
	A	B	C	D	E	F
Commercial Properties	250	250	260	260	270	270
Properties Used As Offices	160	160	170	180	180	180
Properties For Tourist-Hotel Use	270	270	280	280	290	290
Buildings For Workshop-Industrial Agricultural Use	170	170	170	180	180	180
Other Commercial Properties	250	250	270	275	280	300

Criterion 3 PED Thresholds (expressed in kWh/m2 per year). The thresholds indicated below already account for a primary energy demand lowered for the 10% requirement.

YEAR OF CONSTRUCTION > 2020	CLIMATE ZONE					
	A	B	C	D	E	F
Residential properties	45	45	50	55	70	70
Commercial properties	150	150	160	160	180	180
Properties used as offices	105	105	110	115	120	120
Properties for tourist-hotel use	180	180	190	190	200	210
Buildings for Workshop-Industrial Agricultural use	110	110	115	115	120	125
Other commercial properties	150	150	160	165	170	175



GREEN BUILDINGS TAX INCENTIVES

As stated in the bank's **Green, Social & Sustainability Bond Framework**, eligible green buildings category includes also the tax incentives, put in place by Italian or other UE mechanism, dedicated to the improvement of buildings' energy efficiency. Two relevant tax incentives in Italy, as an example, are the Ecobonus and Superbonus.

ECOBONUS

Ecobonus is the tax incentives to support the increase of buildings' energy efficiency, introduced by the 2007 financial law (article 1, paragraphs 344 to 349, of law 296/2006), it is currently governed by the article 14 of Legislative Decree 63/2013.

The benefit consists of a deduction from the IRPEF or IRES, to be divided into 10 annual installments of the same amount, depending on whether the intervention concerns the single real estate unit or a condominium and the year in which it is carried out. The relief can be requested for expenses incurred within 31 December 2024.

For most interventions the deduction is equal to 65%, for others it is 50%. They fall into the second category:

- the purchase and installation of windows including frames;
- the purchase and installation of solar shading;
- the purchase and installation of winter air conditioning systems equipped with heat generators powered by combustible biomass;
- the replacement of winter air conditioning systems with systems equipped with condensing boilers with efficiency at least equal to class A or with systems equipped with heat generators powered by combustible biomass (however, the greater deduction of 65% is due if the boilers, in addition to be at least in class A, are also equipped with advanced thermoregulation systems);

For refurbishments carried out on common parts of a condominium or on the whole condominium, different rules and measures are envisaged. When certain energy performance indices are achieved, higher deductions can be made (70% or 75%).

For refurbishments on the common parts of a condominium buildings located in seismic zones 1, 2 and 3, aimed jointly at reducing seismic risk and energy requalification, an even higher deduction is envisaged, equal to 80% if the works determine the passage to a lower risk class, or 85%, if the interventions determine the passage to two lower risk classes.

In some cases the law actually in force allows (article 121, Legislative Decree 34/2020; Legislative Decree 11/2023) to directly use the deduction:

- for a contribution in the form of a discount on the fee due, up to a maximum amount equal to the fee itself, advanced by the supplier who carried out the interventions (so-called "invoice discount") and recovered by the latter in the form of a tax credit
- for the transfer of a tax credit, corresponding to the deduction due to other subjects.

Further credit transfers are possible, but only if carried out in favor of:

- registered banks and financial intermediaries
- companies belonging to a registered banking group
- insurance companies authorized to operate in Italy.



SUPERBONUS

The Superbonus is the tax benefit regulated by article 119 of legislative decree no. 34/2020 ("relaunch decree"), which consists of a 110% deduction of expenses incurred starting from 1 July 2020 for the implementation of specific actions aimed at improving energy efficiency and static consolidation or reducing the seismic risk of buildings. The subsidized interventions also include the installation of photovoltaic systems and infrastructure for charging electric vehicles in buildings.

The benefit comes alongside the deductions, already in force for many years, due for energy requalification interventions of buildings (ecobonus) and for those for the recovery of the building heritage, including anti-seismic ones (sismabonus), currently regulated, respectively, by the articles 14 and 16 of the legislative decree n. 63/2013.

The Superbonus is due in case of the following "main" or "relevant" interventions:

- thermal insulation interventions on the casings
- replacement of winter air conditioning systems in common areas replacement of winter air
- replacement of winter air conditioning systems on single-family buildings or on the real estate units of functionally independent multi-family buildings
- anti-seismic interventions.

In addition to the key interventions listed above, the Superbonus also includes expenses for interventions carried out together with at least one of the following "relevant" interventions. These are:

- energy efficiency interventions
- installation of photovoltaic solar systems and storage systems infrastructure for charging electric vehicles
- interventions to eliminate architectural barriers (16-bis, letter e of the TUIR).

The deduction is recognized as described above and must be divided, for expenses incurred starting from 1 January 2022, in annual installments of the same amount, within the capacity limits of the annual tax deriving from the tax return of the entitled entity.

As an alternative to directly using the deduction, it is possible to opt for an advance contribution in the form of a discount applied by the suppliers of the goods or services (discount on the invoice) or for the transfer of the credit corresponding to the deduction due.

The transfer can be arranged in favor of:

- of the suppliers of the goods and services necessary for the implementation of the interventions
- of other subjects (natural persons, including those carrying out self-employed or business activities, companies and organisations)
- of credit institutions and financial intermediaries.

As part of the CREDEM ECOBON project, the bank offered its customers the possibility of transferring tax credits linked to Superbonus, Ecobonus and Sismabonus.

The bank was thus able to collect, for each tax incentive related to one or more building refurbishment, the pre- and post-renovation energy performance certificates of the buildings, when they were required by law. For the purposes of the portfolio analysis, for each transfer, only the tax incentives related to energy efficiency interventions identified by the following tax codes were taken into consideration:

6921	SUPERBONUS ART. 119 DL N. 34/2020 - UTILIZZO IN COMPENSAZIONE CREDITO PER CESSIONE O SCONTO ART. 121 DL N. 34/2020
6922	ECOBONUS ART. 14 DL N. 63/2013 E IMPIANTI FOTOVOLTAICI ART. 16-BIS, COMMA 1, LETT. H), DEL TUIR UTILIZZO IN COMPENSAZIONE CREDITO PER CESSIONE O SCONTO ART. 121 DL N. 34/2020
6924	COLONNINE RICARICA ART. 16-TER DL N. 63/2013 - UTILIZZO IN COMPENSAZIONE CREDITO PER CESSIONE O SCONTO - ART. 121 DL N. 34/2020
7701	CESSIONE CREDITO - SUPERBONUS ART. 119 E 121 DL N. 34/2020 - ART. 121 DL N. 34/2020
7702	CESSIONE CREDITO - ECOBONUS ART. 14 DL N. 63/2013 E IMPIANTI FOTOVOLTAICI ART. 16-BIS, COMMA 1, LETT. H), DEL TUIR - ART. 121 DL N. 34/2020
7704	CESSIONE CREDITO - COLONNINE RICARICA ART. 16-TER DL N. 63/2013 - ART. 121 DL N. 34/2020
7708	CESSIONE CREDITO - SUPERBONUS ART. 119 DL N. 34/2020 ART. 121 DL N. 34/2020 OPZIONI DAL 01/11/2022
7709	CESSIONE CREDITO - SUPERBONUS ART. 119 DL N. 34/2020 ART. 121 DL N. 34/2020 OPZIONI DAL 01/04/2023
7711	SCONTO - SUPERBONUS ART. 119 DL N. 34/2020 - ART. 121 DL N. 34/2020
7712	SCONTO - ECOBONUS ART. 14 DL N. 63/2013 E IMPIANTI FOTOVOLTAICI ART. 16-BIS, COMMA 1, LETT. H), DEL TUIR - ART. 121 DL N. 34/2020
7718	SCONTO - SUPERBONUS ART. 119 DL N. 34/2020 ART. 121 DL N. 34/2020 - OPZIONI DAL 01/11/2022
7719	SCONTO - SUPERBONUS ART. 119 DL N. 34/2020 ART. 121 DL N. 34/2020 - OPZIONI DAL 01/04/2023

The tax codes relating to the SUPERBONUS (6921, 7701, 7708, 7709, 7711, 7718, 7719) can however refer to both energy efficiency intervention and seismic risk reduction. In this case, three situations can occur, based on the type of underlying interventions:

1. If the building interventions that benefit from the SUPERBONUS are exclusively energy efficiency interventions, the amount transferred relating to SUPERBONUS tax codes is considered in full.
2. If the construction interventions benefiting from the SUPERBONUS are exclusively seismic risk reduction interventions, the amount transferred relating to SUPERBONUS tax codes is not considered.
3. If among the construction interventions benefiting from the SUPERBONUS there is at least one seismic risk reduction intervention, the amount transferred relating to SUPERBONUS tax codes is considered only for the part relating to the energy efficiency interventions.

Decarbonising the buildings and construction sector is critical to achieve the **Paris Agreement commitment and the United Nations (UN) Sustainable Development Goals (SDGs)**: according to the **2024/2025 Global Status Report for Buildings and Construction** of the UNEP, **at world level**, this sector is responsible for 21% of global greenhouse gas emissions. Moreover, in 2023, buildings were responsible for 32% of global energy demand. CO2 emissions from building operations and construction in 2024 made up 34% of total global CO2 emissions,, due to emissions from buildings operations and material production.²⁴

²⁴ United Nations Environment Programme (2024). 2024 Global Status Report for Buildings and Construction: Towards a Zero-emission, Efficient and Resilient Buildings and Construction Sector. More information can be found at: <https://www.unep.org/resources/report/global-status-report-buildings-and-construction>

The **European Commission** also declared that the building sector is crucial for achieving the EU's energy and environmental goals, within the European Green Deal and "Fit for 55", and **in line with the Commission's February 2024 recommendation for a -90% intermediate emissions reduction target by 2040**.

One of the first European steps to integrate national energy policies is represented by the **2020 Climate and Energy Package** drafted by the European Council in 2007.

The **2018 Energy Performance of Buildings Directive** of the EU outlines specific measures for the building sector to tackle challenges, updating and amending the 2010 Directive, and **recast in 2024 (Directive (EU) 2024/1275)**, which already introduced the necessity of a minimum set of requirements regarding both new and existing buildings.

Decarbonising the buildings and construction sector is also part of a broader context related to the Net Zero transition of the EU: in 2019, the European Commission launched the **European Green Deal**: a plan to comply with the United Nations' sustainable goals and the Paris Agreement (2015), reducing the net greenhouse emissions to zero by 2050.

In light of Russia's invasion of Ukraine, the European Commission presented the **REPowerEU Plan** in 2022 to make Europe independent from Russian fossil fuels well before 2030, focusing on saving energy, producing clean energy, and diversifying the energy supplies, with further steps in 2025 setting a roadmap to fully end dependency on Russian energy by 2027.

The **EU external energy engagement in a changing world**, presented as part of the REPowerEU Plan, explains how the EU supports a global, fair energy transition to ensure sustainable, secure and affordable energy.

In the same year, the **World Green Building Council** launched the **EU Policy Whole Life Carbon Roadmap for buildings²⁵ (as part of #BuildingLife)** which aims to catalyze transformation in the buildings sector in the EU in three areas: well-being and health, climate change, and resources and circularity. It lays out a timeline of recommendations, with the greatest number of actions to occur before 2030 it focuses on four key thematic areas: building regulations, waste and circularity, sustainable procurement, and sustainable finance.

Below is described CRIF's methodology to estimate avoided CO2 emissions of CREDEM Group's green buildings portfolio both for mortgages related to energy efficient buildings as well as for the renovations of existing buildings related to tax incentives:²⁶.

Starting from the energy efficient mortgages (criterion 1.1, 1.2, 2 and 3) the assessment relies on the following steps:

A. Calculation of buildings' greenhouse gas emissions

The calculation of GHG emissions of CREDEM Group's Green Buildings consists of three approaches:

1. The CO2 emissions are available through a valid Energy Performance Certificate (following 'EPC'). Estimated CO2 emissions are the result of an automatic computation by a professional software in line with national existing legislation on energy efficiency and the characteristics of the assets as provided by the real estate valuer.
2. The CO2 emissions are valued through the attribution of a benchmark value based on EPC's data when the PED is missing. This approach is executed for a small portion of the Portfolio for which the EPC label is available but not CO2 emissions due to lack of data provided by regional energy cadastres.
3. The CO2 emissions are available as a result of an automatic estimation performed by CRIF implementing the physical characteristics of the property.

²⁵ More information can be found in the official document at: <https://viewer.ipaper.io/worldgbc/eu-roadmap/?page=2>

²⁶ More information can be found in the CRIF's Technical Report at: <https://www.credem.it/content/credem/it/gruppo-credem/sostenibilita/documentazione-bond-esg.htm>

B. Identification of a National benchmark

To identify a National benchmark, the Ministerial Decree on 26/06/2015 introduced a national database, SIAPE, managed by ENEA. The SIAPE database represents the most important available data pool on the energy efficiency of Italian real estate stock and it has been identified by CRIF as the data source for the construction of national benchmarks.

C. Emission Conversion Factors

To estimate CO2 emissions, as mentioned in paragraph 4.1.1, when Primary Energy Demand is available from EPC the following Italian market standard conversion factors are implemented²⁷:

1. The CO2 emission conversion factor for natural gas is 0.1998 kg/m³
2. The CO2 emission conversion factor for electricity consumption is 0.4332 tCO₂/MWh

D. Identification of a proper attribution factor:

Loan-to-value (LTV).

$$\text{Attribution factor}_t = \frac{\text{Outstanding amount}_t}{\text{Property Value}_{t0}}$$

A cap of 1 is applied to the attribution factor²⁸.

E. Financed Emissions:

The emissions of buildings are calculated as the product of a building's energy consumption and the identified attribution factor (step D).

$$\text{Financed emission} = \sum_i^t \text{Attribution Factor}_{i,t} \times \text{Estimated Emissions}_{i,t}$$

F. Avoided Emissions:

Starting from SIAPE's data, the portfolio's avoided emission in terms of emission is calculated.

$$\text{Avoided Emissions} = [(\sum_i^t \text{Attribution Factor}_{i,t} \times \text{Benchmark Emissions}_{i,t}) - \text{Financed Emissions}_i] \times \text{Building Surface}_i$$

The formula expresses the total amount of savings in kg of CO₂ for the guarantees under investigation, considering the attribution factor and a market benchmark.

G. Calculation of the positive Carbon Impact

The Positive Carbon Impact (PCI) is calculated as the ratio between tonnes of CO₂ emissions avoided and the total outstanding amount expressed in millions of euros, the PCI therefore measures the positive impact in tonnes per million euros:

$$\text{PCI} = \sum_i^n \text{Avoided Emissions}_i / \sum_i^n \text{Outstanding Amount}_i$$

H. Energy Savings

Energy saving is determined as the difference between the benchmark and the non-renewable energy performance index (EPgInren) of the building multiplied by the building surface and the attribution factor

$$\text{Energy Saving} = \sum_i^n [(\text{EPgInren})_{\text{benchmark}} - (\text{EPgInren})_i] \times \text{Building surface}_i \times \text{Attribution factor}_i$$

Where the EPgInren is expressed in kWh/m² per year and the heated surface in m², the formula therefore expresses the annual saving of kWh.

In relation to the **Tax Incentives**, the assessment relies on the following steps:

A. Collection of buildings' greenhouse gas emissions before and after renovation

The CO₂ emissions were obtained through digitalization of the pre- and post-renovation Energy Performance Certificates (Ape) obtained from the documentary platforms managed by the bank.

B. Calculation of avoided emission from renovation

The avoided emissions are calculated as the difference between the pre- and post-renovation CO₂ emissions multiplied by the heated surface area of the property indicated on the EPC:

$$\text{Building's renovation avoided emission} = \sum_i^t (\text{CO}_2 \text{ emission})_{i,\text{pre}} - (\text{CO}_2 \text{ emission})_{i,\text{post}} \times \text{heated surface}$$

Where CO₂ emissions are expressed in kg/m² per year and the heated surface in m². The formula therefore expresses the annual saving of kg of CO₂.

C. Attribution of the avoided emissions to the tax incentives

The avoided emissions are then allocated in proportion to the value of the single tranche of the related tax incentive linked to the building renovation's practice, the attribution factor is therefore calculated as follows.

$$\text{Attribution factor}_t = \frac{\text{Tax Incentive's tranche value}_t}{\sum \text{Tax Incentive's tranche value}_t}$$

Avoided emission of the single tax incentive's tranche are thus calculated:

$$\text{Tax incentive's tranche avoided emissions}_i = \text{Attribution factor}_i \times \text{Building's renovation avoided emissions}_i$$

D. Calculation of the positive carbon impact

The Positive Carbon Impact (PCI) is calculated as the ratio between tonnes of CO₂ emissions avoided and the total amount of tax incentives expressed in millions of euros, the PCI therefore measures the positive impact in tonnes per million euros:

$$\text{PCI} = \sum_i^n \text{Tax incentive's tranche avoided emissions}_i / \sum_i^n \text{Tax incentive's tranche avoided emissions}_i$$

E. Energy Saving

The reduction in primary energy demand is determined as the difference between the pre- and post-renovation non-renewable energy performance index (EPgInren) multiplied by the heated surface area of the property indicated on the certificate and the attribution factor

$$\text{Building's renovation energy savings} = [\sum_i^t (\text{EPgInren})_{i,\text{pre}} - (\text{EPgInren})_{i,\text{post}}] \times \text{heated surface}_i \times \text{attribution factor}_i$$

Where the EPgInren is expressed in kWh/m² per year and the heated surface in m², the formula therefore expresses the annual saving of kWh.

²⁷ Source: Ministry of Economic Development Circular dated 18 December 2014; Appointment of the officer responsible for energy conservation and the rational use of energy, pursuant to Article 19 of Law No. 10 of 9 January 1991 and Article 7, paragraph 1, letter (e) of the Ministerial Decree of 28 December 2012. Methodology for the assessment and reporting of energy consumption. Table 1. Energy content of various fuels for the purpose of calculating energy consumption.

²⁸ The bank emission saving cannot be greater than the real one.



SOCIAL PORTFOLIO:

For each eligible category, CREDEM has identified at least output indicators relevant for the eligible loans. These indicators should help to capture the sustainable contribution of the eligible assets. I.e. CREDEM considers that providing financial resources to the targeted SMEs can have a positive impact on employment and economic development (for the SMEs located in disadvantaged areas), and foster women’s entrepreneurship (for the SMEs run by women).

Also, providing financial resources to SMEs from the healthcare sector supports the healthcare services in the country and eventually reinforces the healthcare offer. For the social housing loans, CREDEM considers that Consap Mortgages loans ease access to home ownership for the beneficiaries of this state mechanism. In addition, eligible categories covered by the Framework are mapped with UN SDGs that should highlight the global sustainable contribution of the eligible loans.

Loans to SMEs:

- Number of Companies supported = Number of Borrowers ID²⁸
- Number of Employees supported = Number of Employees Registered²⁹
- Number of Employees supported per Company = Number of Employees Censused / Number of Borrowers ID
- Difference in the number of employees = Number of Employees Year-1 vs Number of Employees Year0

Consap Loans:

- Number of Families supported = Number of Borrowers ID
- Number of Family Members = Number of Family member registered²⁴
- Number of Family Members supported per Family = Number of Family Members / Number of Borrowers ID
- Difference Between Financed Borrowers’ average net income versus Italian Average Net Income

All loans are not pool financed. The estimated impact generated by each loan is assumed to be 100% attributed to Credem.

8. TO LEARN MORE ABOUT CREDEM

Credem Sustainability:

<https://www.credem.it/content/credem/en/credem-group/sostenibilita.html>

Credem Investor Relations:

<https://www.credem.it/content/credem/en/credem-group/investor-relations.html>

Credem Press Releases:

<https://www.credem.it/content/credem/en/credem-group/press.html>

Credem ESG Bond Documents:

<https://www.credem.it/content/credem/en/credem-group/sostenibilita/esg-bond-documents.html>

9. SECTION OF THE INDEPENDENT AUDITOR

Below it is represented a summary of the external review³¹:

ASSESSMENT SUMMARY REVIEW SECTION	SUMMARY	EVALUATION
Part I Alignment with the Issuer’s commitments set forth in the Framework	Credem’s Green, Social & Sustainability Bond Reporting meets the commitments set forth in its Green, Social & Sustainability Bond Framework.	ALIGNED
Part II Alignment with the HFIR and HFIRSB	The Green, Social & Sustainability Bond Reporting is in line with ICMA’s HFIR and HFIRSB. The Issuer follows core principles and, where applicable, recommendations. The Issuer has published the allocation and impact report annually on its website, demonstrating the anticipated environmental impact resulting from proceeds allocation. For the proceeds allocated to social project categories, the Issuer has also defined the target populations and explained the rationale for selecting these specific groups.	ALIGNED
Part III Disclosure of proceeds allocation and soundness of reporting indicators	The allocation of the bond’s proceeds has been disclosed, without a detailed breakdown across different eligible project categories as proposed in the Framework. ³² Credem’s Green, Social & Sustainability Bond Reporting has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculation methodologies and granularity of the output/outcome/impact indicators used, reflecting best market practices.	POSITIVE

²⁸ Source: Credem’s Database

²⁹ Source: Credem’s Database collected during the loans’ origination and borrower’s credit review, National registry of Chamber of Commerce and other external providers (es. CRIF, Bureau van Dijk)

³⁰ Source: information registered in Credem’s Database during origination through the acquisition of certification released by National Registry

³¹ The complete version of the external review can be found in: <https://www.credem.it/content/credem/it/gruppo-credem/sostenibilita/documentazione-bond-esg.html>

³² The assessment is based on the information provided in the Issuer’s report. The Issuer is responsible for the preparation of the report, including the application of methods and procedures designed to ensure that the subject matter is free from material misstatement.

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