



**Banca Popolare  
di Sondrio**

FONDATA NEL 1871



# Green, Social and Sustainability Bond Framework

December 2024

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## Introduction

Among the first Italian popular banks, since 1871 Banca Popolare di Sondrio SpA (hereinafter also "BPS" or "the Bank") has served the territories where it operates. A long history, based on mutual trust and nourished by a passion for work, constant attention to customers and the evolution of their needs, and firm roots that have enabled the Bank to broaden its horizons.

Over time, BPS has extended its reach throughout the country, maintaining strong ties to its home area and its traditions, fostering sustainable economic development of the community through attentive and personalized support to small entrepreneurs, ordinary citizens, medium-sized and large businesses.

The Bank offers its customers a range of services that meet all their banking, financial and insurance needs.

In addition to its primary activity, the Bank promotes cultural initiatives: among these, the organization of events with the presence of eminent personalities and a refined publishing activity stand out for their prestige and resonance.

BPS has over 500 branches and in terms of branch network, it ranks among the ten largest banking groups in Italy. The Bank has been under direct supervision by the European Central Bank (hereinafter "ECB") since the launch of the Single Supervisory Mechanism in 2014.

The Banca Popolare di Sondrio Banking Group ("the Group"), with total assets standing at 56,7 billion euros at the end of the first half of 2024, consists of:

- (i) the parent company Banca Popolare di Sondrio SpA, a joint-stock company headquartered in Sondrio. It is listed on the Italian Stock Exchange (BIT: BPSO) and is included in the FTSE MIB index.
- (ii) Its subsidiaries include:
  - Banca Popolare di Sondrio (SUISSE) SA, a banking company under Swiss law;
  - Factorit SpA, operating in the field of receivables financing, credit protection and receivables management;
  - Sinergia Seconda Srl, operating in the property sector mainly providing operational support to the Parent Company and the Group;
  - Banca della Nuova Terra SpA - (hereinafter referred to as "BNT"), a company that serves and supports the agricultural and agribusiness sectors and offers services to households and individuals, including loans repayable by means of pension-backed loans, salary-backed loans and delegation of payment;
  - PrestiNuova Srl - Agency in Financial Activity, a wholly owned subsidiary of BNT, carries out its activities as a financial services agency for the public;
  - Popso Covered Bond Ltd, a functional company for issuing covered bonds (covered bonds).

## Banca Popolare di Sondrio's commitment to sustainability

The Group's commitment to sustainability is constantly renewed in a gradual and decisive evolution of its strategy, solid in the integration of ESG factors and with a focus on climate-environmental aspects. This commitment has been made explicit by the joining, in 2023, of the Net-Zero Banking Alliance (NZBA): an alliance of Banks born within the UNEP FI, with the aim to lead the sector towards a transition of the economy to "net-zero emissions" by 2050.

The update of the Business Plan presented an important opportunity to reinforce the Group's ESG strategy: the integration of ESG factors into business and operations is now represented by cross-cutting and measurable objectives, including strengthening governance, implementing sustainability in the Bank's main processes, revisiting the product and service catalog, participating in national and international initiatives on sustainability issues, and continuously updating reporting on ESG issues. In line with these objectives, the Bank has initiated a path to include climate and environmental risks (hereafter also "C&E risks") within its strategic mechanisms, risk management systems, and neuralgic processes that characterize its business model, including credit granting and monitoring processes.

In addition, it has integrated the consideration of sustainability factors into its investment decision-making processes, tailoring its products and services more closely to its strategy and changing market needs.

### BPS's commitment - The strategic plan 22-25

The approval of the 2022-2025 Business Plan integrated ESG factors into the Bank's business and operations through five areas of integration.



Specifically, the Plan focuses on interventions that are transversal to the Bank's main business and operations areas regarding the strengthening of governance, the improvement of sustainability rating/scoring, the participation in national/international initiatives on sustainability issues, the update of regulations and practices by adopting specific policies, the assessment of the product and service catalogue, the extension of the Green Bond Framework, the continuous updating of reporting and the definition of a broader ESG communication strategy.

Moreover the Plan emphasizes interventions in specific areas which originate from the Sustainability Policy adopted by the Group in the summer of 2021, namely: the definition of environmental performance targets and related monitoring KPIs, the strengthening of the Group's activities with positive impact on the local area and the reference community, the implementation of new initiatives pertaining to personnel management, the

continuous updating of internal regulations on issues related to the protection of personal data, as well as the anti-corruption sphere, also through voluntary actions.

## BPS's commitment to protecting the environment and combating climate change

The consequences of climate change affect the financial system in several respects: the materialisation of physical and transition risks can cause damage to real estate and businesses, including from an economic point of view. The potential negative effects of climate change are the main reason why central banks and Supervisory Authorities have long included environmental Sustainability in their work programs. Moreover, by ensuring adequate management of these risks, the financial system can make a key contribution to channeling the resources necessary for the transition towards a Sustainable economy.

The Group considers Sustainability topics as material and, among these, identifies environmental protection and the fight against climate change as priorities, acknowledging the role of the financial sector as fundamental in the path towards a transition economy. Climate change generates new risks, but also new opportunities that the Group intends to seize in order to improve its impact and support its customers in the ecological transition process. In 2023, with the adoption of the first ESG Credit Policy, the Bank developed the 'next' sustainable credit products: a line of loans intended for individuals and companies that aim to reduce their energy consumption, approach more sustainable travel options or investing in energy efficiency and renewable energy sources. Moreover, in December 2023, the Group approved the ESG Investment Policy, which identifies the Bank's commitments and approach to integrating ESG factors into its investment processes.

Transparently reporting the direct and indirect environmental impacts of one's activities is a fundamental prerequisite for doing business in a conscious and informed manner, setting improvement objectives from year to year. This is precisely why, in 2023, the Bank further extended the calculation scope of GHG emissions (climate-changing gases) deriving from its credit and investment portfolios, strengthening the analyses relating to the corporate component and integrating the data relating to emissions deriving from proprietary portfolio and asset management.

## BPS is a member of the NZBA

The NZBA aims to accelerate the sustainable transition of the banking sector, through the commitment of member banks to align their credit and investment portfolios with the achievement of net zero greenhouse gas emissions by 2050. BPS's membership in the NZBA, being already a supporter of the Task Force on Climate Related Financial Disclosure, marks a further step in the fight against climate change. This goal was achieved in December 2023.

The activity of defining decarbonization targets as required by the NZBA positions the Bank in line with the Paris Agreement (2015) and the European Green Deal (2019) and with European and international best practices requiring greater commitment from the private sector in climate change mitigation actions.

The Bank is aware of the need to account for emissions along its value chain in order to comprehensively manage risks related to its carbon footprint: not only to meet the demands of the regulator and the expectations of the market, but above all to embark on a process of self-analysis aimed at defining new environmental and climate targets. To set solid decarbonisation targets based on a scientific methodology, the Bank has chosen to follow internationally recognised standards, both for the calculation of financed emissions (GHG Protocol and PCAF) and for the definition of the targets themselves (NZBA).



## BPS's approach to equality and inclusive growth

BPS has historically pursued the goal of creating value in the medium- to long-term while addressing the needs of the community in which it operates, such as households, small and medium-sized enterprises, cooperatives and public and private bodies.

Solidarity, support, and attention to individuals and communities, together with a strong presence among families and SMEs, have always guided the Bank's actions, which operates in line with the UN 2030 Agenda, with particular care for the SDG 11 "Make cities and human settlements inclusive, safe, resilient and sustainable".

As a key part of its ESG Strategy, the Group intends to strengthen and expand its activities with a positive social impact: in particular through the promotion of access to credit, the offering of a wide range of products and services suitable for different needs, the adoption of a well-defined programme of sponsorships and donations and through the use of new mechanisms for selecting suppliers that take into account their performance in the Environmental Social and Governance spheres.

In 2023, community support extended to the patronage of cultural and sports initiatives, including a collaboration with FEduF (Foundation for Financial Education and Savings), which enabled events with high school students on the circular economy, resource management, and financial education.

The Bank's commitment is reflected in an increasingly inclusive approach, aimed at progressively engaging groups that may require additional assistance through a strong presence and a wide offer.

In line with the 2022-2025 Business Plan, the Bank reaffirms its commitment to support SMEs, which, along with households, represent not only the core of its clientele but also the social and economic fabric of the country. Support to SMEs is mainly delivered in the form of loans, which constituted in 2023 the major part of total disbursed, as well as in the introduction of a dedicated ESG credit line aimed at helping companies across various sectors to reduce vehicle-related emissions and enhance sustainability.

The Group, aware of the importance of engaging in dialogue with customers in order to better understand their needs and share requests and projects, provides support and attention not only to companies, but also to the household sector.

In this context, BPS promotes financial inclusion across age groups, offering targeted products for young people, students, and seniors. To facilitate the financial inclusion of young people, the Bank offers savings solutions dedicated to minors, such as the savings accounts "Conto 44 Gatti" for children up to 12, which offers discounts at theme parks and a bimonthly kids' magazine, and "Primi Frutti" for those under 18 to encourage early savings. In recent years, the Bank has paid particular attention to the university world – thanks to the Treasury and Cash agreements with leading Italian universities – through the proposal of products and services dedicated to university students. In particular, the offer includes the possibility of requesting the interest-free "SoPOP" loans, low-interest student loans for various educational needs, and branded credit cards designed for both general use and fee payments.

Likewise, the Group provides a specific offer for the elderly: very often, due to age limits, this type of customer has limited access to the credit market for large amounts and, in the event of financial need, is forced to evaluate the sale of the property or bare ownership. Hence the desire to offer a financial instrument that makes it possible to supplement income, to improve the standard of living and to satisfy liquidity needs by realising the value of real estate assets. Based on this awareness, the Bank is one of the few on the market to offer Reverse Mortgages, i.e. medium-long term mortgage loans reserved for over 65s.

The Group actively supports women, contributing to the reduction of inequalities and promoting inclusion both within and outside the organization. Internally, BPS adheres to initiatives such as Valore D and ABI's "Women in Banking Charter," which promote inclusive corporate cultures and equal opportunities in the banking sector. Through these partnerships, the Group aims to empower women at all levels, providing resources and policies

that encourage leadership development, professional growth, and work-life balance. This commitment extends to BPS's broader mission, where it seeks to support female entrepreneurs and women-led projects, reflecting its dedication to fostering diversity and gender equity in the communities it serves.

In its commitment to promote equal access to financial services, the Bank recognizes the importance of reaching potentially vulnerable groups as well as underserved communities. In this regard, beyond helping to reduce gender inequality and eliminate discrimination, the Bank actively works to ensure access for people in areas with limited financial options. BPS notoriously operates in sparsely populated areas to provide essential financial services and support to local communities; in fact, 30% of its access points are currently located in low population density areas, specifically municipalities with fewer than 5,000 inhabitants, ensuring that even residents in remote locations have access to critical banking services such as savings accounts, loans, and financial advice. Additionally, in 20% of the municipalities in which it operates, BPS is the only financial institution present, making it an essential resource for the local population. By maintaining a presence in these underserved areas, the Group enables a broader range of individuals to benefit from essential financial services, fostering inclusivity and greater economic opportunity.

At present, BPS has taken a further step in advancing its positive social impact by introducing social categories in the Bond Framework, with a focus on key areas that drive social and economic progress. The eligible categories for these bonds, such as access to essential services and social cohesion, support in disadvantaged areas, female entrepreneurship and youth, basic infrastructure, and affordable housing, reflect the commitment to fostering an inclusive society. Through targeted investments in essential services and infrastructures, BPS aims to further empower the communities in which it operates, while support for female entrepreneurs and youth underscores the Bank's dedication to breaking down barriers to economic participation and encouraging the next generation of leaders. This framework represents therefore a meaningful extension of the Bank's mission to drive positive social impact and equity across the communities it serves.



## Governance

Governance represents the system through which an organization makes and implements decisions to pursue its goals, as it is the choices and activities put in place that can make a significant contribution to sustainable development.

In the Business Plan, governance and related issues are among the enabling factors for sustainability to find effective implementation: maintaining *corporate identity*, developing expertise, and thus strengthening governance are the foundations for the effective implementation of the Group's ESG and environmental strategy.

In order to increasingly integrate sustainability into the business, BPS has implemented an ESG governance structure that involves the interaction of several bodies dedicated to the oversight and management of these issues. In particular, the recent establishment of a Board Sustainability Committee strengthens the oversight of ESG issues within the company's top management.

Below are presented in details the two fundamental ESG governance bodies: the Board Sustainability Committee and the Managerial Sustainability Committee:

- The Board Sustainability Committee performs a support function to the Board of Directors by exercising an investigative, advisory and proactive role in assessing the sustainability factors considered fundamental to the medium- to long-term strategy and their translation into the Bank's policies. It is composed of three nonexecutive directors, at least one of whom is independent. With particular reference to the climate-environmental issue, the Committee evaluates, also from a proactive perspective, the integration in the Business Plan of environmental aspects aimed at creating value in the medium- to long-term; it examines the Bank's commitments in relation to sustainability, particularly with regard to decarbonization ("net-zero") targets, and assesses their pursuit, with particular regard to the products offered and the sustainable finance solutions provided. It also reviews sustainability disclosures, with main focus on the Consolidated Non-Financial Statement, but also considering the TCFD Report and the ESG section of the Public Disclosure in application of the "Third Pillar" regulations.
- The Managerial Sustainability Committee has propositional, advisory and coordinating functions with regards to the organizational units responsible for implementing the policies of top management bodies on issues of environmental, social and governance sustainability. It is composed of the following permanent members: Chief Financial Officer (CFO), Chief Commercial Officer (CCO), Chief Lending Officer (CLO), Chief Risk Officer (CRO), Chief Information and Operations Officer (CIOO), Head of the Logistics and Operational Support Service, Head of the Personnel and Organizational Models Service, Head of the Planning, Investor Relations and Management Controls Service, Head of the Sustainability Office. The Committee is chaired by the Chief Financial Officer (CFO), and the Managing Director and all ESG contacts, including those from subsidiaries, are invited to the meetings on a permanent basis. Among its main tasks, the Committee contributes to the coordination of the Parent Company's organizational structures according to strategic sustainability planning and holds an active role in the reporting activities, by coordinating activities and providing insights to the relevant Board Committee.

Moreover, it is the Committee's responsibility to validate the ESG Bond eligible assets and to approve the related Framework, while, with particular reference to climate-environmental issues, it periodically reviews regulatory developments, national and international reference standards and practices overseen by the Sustainability Office, ensuring their dissemination to the relevant organizational units and assessing proposals for the adoption or revision of related Policies and Regulations.

In addition to what has just been represented, it should be noted that the process of communicating climate-related issues to the governing bodies also takes place through *ad hoc* sessions in which the Chief Risk Officer area exposes ESG risk reporting with a focus on climate and environmental risk factors to the members of the Board of Directors on a quarterly basis.

Further information on the Governance system is available in the Sustainability section of the institutional website within the [dedicated page](#), the Sustainability Policy and the TCFD Report.



## Sustainability ratings

Sustainability ratings/scoring are developed by major industry players and are also used to compile and publish various sustainability indices, similar to conventional benchmarks.

As evidence of the Group's commitment to sustainability, BPS participates in a number of internationally significant initiatives, and in particular, it is engaged annually with a number of ESG rating and scoring, between those:

**CDP**, an international nonprofit organization that directs companies and governments to reduce their greenhouse gas emissions, conserve water resources and protect forests. It is considered the premier provider for climate reporting data, working with institutional investors whose combined assets total about \$110 trillion. Banca Popolare di Sondrio has been participating in the initiative since 2020, through the completion of the CDP's Climate Change Questionnaire, demonstrating transparency and awareness – indispensable characteristics to embark on the path towards a prosperous and sustainable future. In 2023, the Bank achieved a score of A-.

**Standard Ethics**, an independent agency that issues a summary judgment of the level of compliance achieved against international sustainability guidelines set by some of the major international institutions (European Union, United Nations, OECD). In April 2024, at the end of the annual review process, the Corporate Rating was upgraded to “EE+” from the previous “EE”.

More information about the Bank's sustainability assessments can be found on the [dedicated page](#) within the Bank's institutional website.

The **ISS group** (Institutional Shareholder Services) provides ESG rating including:

«ESG Corporate Rating» which refers to a company's demonstrated ability to adequately manage material ESG risks, mitigate negative and generate positive social and environmental impacts, and capitalize on opportunities offered by transformation towards sustainable development. BPS' ISS Corporate Rating is C-.

«Quality Score»: rating made by the sustainability pillars through a score from 1 (best) to 10 (worst). BPS' results are the following: Governance - 3; Environment - 2; Social - 2.

**Sustainalytics'** ESG Risk Ratings measure a company's exposure to industry-specific material ESG risks and how well a company is managing those risks. BPS' rating is Medium.

## ESG Credit Policy

In line with the requirements of the Supervisory Authority and in compliance with the core relevant regulations, the Group has long been moving forward to the integration of C&E risks and, in general, environmental, social and governance factors (hereafter also "ESG factors," i.e., Environmental, Social and Governance) into its processes and related internal regulatory framework.

To this end, the Group has adopted the ESG Credit Policy (hereafter also "the Policy"), with the aim of identifying the approach and general principles the Group adopts in integrating C&E risks and ESG factors into its loan origination and monitoring activities by providing general principles and guidelines for integrating the assessment of these factors into the broader creditworthiness assessment framework.

Specifically, the Parent Company has defined the ESG Framework for managing the impacts arising from ESG factors, in line with the objectives set forth in the Paris Agreement and the European Commission's Action Plan on Sustainable Finance, aiming to promote the "green" transition through the orientation of capital toward sustainable investments, also in line with the adherence to the Net-Zero Banking Alliance.

This framework, in line with the Regulator's guidance, aims to include in the lending process assessments of its credit counterparties' exposure to impacts arising from ESG factors, incorporating the principles of proportionality and graduality.

In this context, and in compliance with the Group's Risk Appetite Framework, both in general terms and with specific reference to ESG factors, the integration of ESG considerations within its loan origination and monitoring processes is based on:

- the establishment of the Group ESG strategy, that includes mitigation initiatives applied to its lending activities to support the transition to an economy with low consumption of fossil fuels and, more generally, of non-renewable natural resources with a negative impact on the environment;
- the integration of ESG factors into the lending process, with particular reference to the use of a proprietary ESG scoring model, the development and updating of which is the responsibility of the CRO Area;
- the definition of ESG metrics, also through specific allocation criteria and sector strategies;
- the development and promotion of a culture to encourage protection from ESG risks and their prevention within the Group.

In accordance with the Group's values and commitments to integrate ESG factors into its business and operations, the Parent Company, also in line with the market *best practices* and regulatory developments, has identified a list of ESG-sensitive sectors:

<b>Coal</b>	<b>Agriculture</b>
<b>Oil &amp; Gas</b>	<b>Real Estate</b>
<b>Electric Energy</b>	<b>Iron and steel</b>
<b>Manufacture and trade of weapons</b>	<b>Alluminio</b>
<b>Mining sector (non fossil)</b>	<b>Cement</b>
<b>Gambling</b>	<b>Transportation</b>
<b>Tobacco</b>	

With the aim of enabling the ESG assessment of counterparties, the Group has adopted a three-tiered framework that considers, on the one hand, the ethical and integrity principles that form the foundation of its

way of operating and acting and, on the other hand, the peculiarities of the context in which the counterparties operate.

Specifically, the following criteria were defined:

- General criteria, to be applied across all sectors and counterparties;
- Sectoral criteria, including *Positive Screening*, *Build out* or *Negative Screening* based on the sector the counterparties belong to and the characteristics of the counterparty;
- Operation Criteria, which includes *Positive Screening*, *Build out* or *Negative Screening* based on the ESG assessment of the operation, in particular, whether it is aligned with the criteria defined by the EU Taxonomy.

More information on the Credit Policy is available on the dedicated page of the institutional website: <https://istituzionale.popso.it/en/sustainability/esg-credit-0>

### next: green financing from BPS

In outlining specific courses of action regarding the Group's sustainability strategy, the Bank had also planned to launch ESG products. The aim is to support customers, in their ecological transition journey, promoting sustainability as a core value for both households and businesses.

The expanded range of ESG-focused credit products offered by BPS was created to meet the needs of consumers who, today, are increasingly more attentive to the environmental and social impact of the products and services they purchase, as well as to help companies invest in innovative business models, increasing their level of competitiveness on the market in compliance with European environmental protection regulations.

Specifically, the Bank has developed "next - sustainable credit products," a financing package designed to assist individuals, professionals, and businesses who want to invest in reducing their "carbon footprint" through, for example, installing renewable energy systems, purchasing environmentally friendly transportation, buying eco-friendly homes or workplaces or making them more efficient.

With reference to individuals, it includes personal loans or mortgages, depending on the size of the financing. With regard to businesses, the "next" offer includes medium- and long-term mortgage and/or unsecured loans, that can also be disbursed according to the progress of the specific works. The complete range of ESG products is available on the Bank's commercial website at [www.popso.it/next](http://www.popso.it/next) (Italian version only).





## ESG risk management

The Bank has implemented a plan of action to ensure proper management of ESG risks, with particular focus on climate and environmental change.

The programme shall in particular aim to:

- incorporate the assessment of these risks into the formulation and implementation of strategies, credit, financial and investment policies and the provision of services to clients;
- understanding the potential short and longer term impacts by identifying and integrating ESG factors into routine risk management practices.

In this respect, the Bank aims to achieve full integration of social and environmental sustainability risks into its risk management system. In addition to the regular execution of processes and techniques for identification, mapping and assessment of the materiality of exposure to climate and environmental risks, BPS has a policy for guiding the management of risk profiles of species, Governing the guiding principles for integrating these factors into traditional banking risk control systems and describing the processes for their management.

The Bank has developed a proprietary methodology to assign a score dedicated to the analysis and classification of credit customers based on their exposure to ESG risks. The ESG Score, automatically processed by using internal and external data calibrated at the level of individual borrower, provides for environmental aspects a set of metrics of potential increase in risk assessed in prospective climate transition scenarios that take into account both the risk factors related to the evolution towards a "decarbonized" economy the degree of vulnerability of assets and counterparts to threats from extreme or chronic natural events linked to climate change and rising temperatures. The ESG classification system of the funded entities also includes counterparty-specific risk scores on social issues (Social) and indicators concerning aspects of good corporate governance (Governance). The ESG Score of synthesis results from the combination of the components described.

The scope of application of the scoring system extends to all non-financial companies in the portfolio, as well as to the segment of households with exposures supported by real estate guarantees. The ESG Score, as well as a tool for monitoring ESG risks on an individual and aggregate portfolio basis, is used in all key credit risk assumption and management phases: is embedded in the electronic credit practice review procedures and has an impact on overall credit policy orientations, the determination of the bodies authorized to take decisions on contracts and standard pricing conditions applicable to credit transactions.

For companies particularly subject to ESG risk factors, a complementary due diligence process is planned to investigate with the counterparty, through a specific questionnaire, the environmental, social and governance management strategies and policies adopted. The results of the questionnaire result in a dedicated score that, appropriately integrated with the statistical ESG Score, determines the final ESG Score attributed to the client, providing an even more complete and timely assessment of the company's profile and its sustainability characteristics.

The activity of contacting and examining information found from each counterparty contributes to improving the level of knowledge of the strengths and weaknesses of the client and to refine the ESG classification provided through the scoring model.

As for the ESG risk profile monitoring processes, the Bank complements its own Risk Appetite Framework (hereinafter "RAF") through:

- the inclusion of indications and qualitative objectives related to aspects of governance and management of ESG risks;
- the analysis of a range of quantitative indicators referring to different types of "traditional" banking risk (credit, market, operational, reputation, etc.) impacted by ESG factors.

These metrics, together with specific and progressive exposure limits, are also useful to support the adoption of appropriate ESG risk-taking policies.

To formalize and report the results of the periodic monitoring, a special reporting system is also defined to represent on a quarterly basis to the Committees and Governing Bodies the dynamics of the risk of business portfolios and operations the Bank in terms of the impact of environmental factors, social and governance.

As part of the internal capital adequacy assessment (ICAAP) and liquidity assessment (ILAAP), the Bank incorporates a forecast analysis of environmental and climate risk factors by conducting dedicated impact quantifications (e.g., portfolio and business asset values, operating volumes and profitability, existing risk exposure management and regulatory measures, etc.) based on the application of forward-looking scenarios simulating climate transition and/or on severity assumptions of the effects of relevant physical hazards.

The risks related to climate scenarios are also considered in the estimation of expected credit losses underlying the balance sheet write-downs, by integrating an additional cost component of credit with statistical provisioning models (ESG overlay adjustment), quantified on the basis of potential risk-adding effects on the expected loss of the credit portfolio.



## Banca Popolare di Sondrio Green, Social and Sustainability Bond Framework

The Banca Popolare di Sondrio has drawn up this Green, Social and Sustainability Bond Framework ("the Framework") in line with the Green Bond Principles 2021<sup>1</sup>, ICMA's Social Bond Principles 2023<sup>2</sup> and Sustainability Bond Guidelines 2021<sup>3</sup>, structured around this four core components:

1. Use of proceeds
2. Project evaluation and selection process
3. Income management
4. Report



BPS' Green, Social and Sustainability Bond Framework allows the Bank to issue Green Social and Sustainability Bonds in a variety of formats, including public or private placements.

Bonds can be issued under BPS's EMTN Program (Senior Preferred, Senior Non Preferred and Tier 2) or they can be covered bonds (Covered Bank Bonds under BPS's Covered Bond Program) or under the retail program (approved by Consob or another competent national authority) and intended for retail investors.

The Bank intends to periodically review its Green, Social and Sustainability Bond Framework for alignment and consistency with evolving market standards in relation to the Green Social and Sustainability Bond Principles and/or future regulatory developments.

### Use of proceeds

An amount equivalent to the net proceeds of BPS' ESG Bonds will be used exclusively to finance or refinance, in whole or in part, new or existing eligible projects that relate to loans/financing made by the Group for activities, enterprises or projects that meet the eligibility criteria of BPS's Green, Social and Sustainability Bond Framework, as defined below.

BPS will allocate the proceeds of its Green, Social and Sustainability Bonds to eligible projects, as defined in the following list of eligible categories and included in its own balance sheet or the balance sheet of any of the Group's entities, as appropriate.


A loan will be considered eligible for the Green, Social and Sustainability Bond Framework of the BPS if it is granted to an enterprise that records 90 percent or more of its revenues from activities falling within the list of Eligible Categories below (a so-called Pure Player enterprise).



<sup>1</sup> Green Bond Principles | June 2021





<sup>2</sup> Social-Bond-Principles - SBP | June 2023

<sup>3</sup> Sustainability Bond Guideline | June 2021



## Eligibility Criteria – Green Assets

Eligible Categories - ICMA SBP Project Category	Eligibility Criteria - Description	EU environmental goals / Environmental benefits	Sustainable Development Goals - SDGs impacted
<p><b>Green Buildings</b></p>	<p><b>Loans or activities related to the purchase, construction, and renovation of energy-efficient residential and/or commercial buildings that meet one of the following criteria:</b></p> <p><b>construction or acquisition of buildings:</b></p> <ul style="list-style-type: none"> <li>• buildings belonging to the 15% most energy-efficient buildings (in Italy, an Energy Performance Certificate (EPC) of class A and B; in Switzerland, a cantonal building energy certificate (GEAK) of class A and B); or</li> <li>• buildings that have achieved LEED certification at least Gold, BREEAM certification at least Excellent, Minergie certification.</li> </ul> <p><b>activities related to financing the renovation of an existing building or individual renovations that meet one of the following criteria:</b></p> <ul style="list-style-type: none"> <li>• the renovation results in a reduction in primary energy demand (PED) of at least 30%;</li> <li>• individual renovation measures such as installation, repair, or maintenance of energy-efficient equipment (e.g., insulation of the existing building envelope, new energy-efficient windows, heating, ventilation and air conditioning, and water heating systems), charging stations, devices for measuring and regulating building energy performance, and renewable energy technologies.</li> </ul>	<p>Climate change mitigation --- Energy saving</p>	

<p><b>Renewable energy</b></p>	<p><b>Loans related to the acquisition, development and operation of renewable energy.</b></p> <ul style="list-style-type: none"> <li>• Offshore and onshore wind power;</li> <li>• concentrated solar power ("CSP") / Solar photovoltaic ("Solar PV");</li> <li>• small-scale hydropower (&lt;25MW);</li> <li>• geothermal plants with direct emissions less than 100gCO<sub>e</sub>/kWh<sub>2</sub>;</li> <li>• waste biomass with raw materials not derived from sources that compete with food sources or deplete the carbon pool.</li> </ul>	<p>Climate change mitigation --- Reducing greenhouse gas emissions</p>	
<p><b>Clean Transportation</b></p>	<p><b>Loans related to low-carbon transport activities and the purchase, construction and operation of dedicated low-carbon transport infrastructure.</b></p> <p><b>Private transport (passenger cars and light commercial vehicles):</b></p> <ul style="list-style-type: none"> <li>• electric vehicles/hybrid vehicles with CO<sub>2</sub> emissions below 50 gCO<sub>2</sub>/km.</li> </ul> <p><b>Urban, suburban and road passenger transport (buses, streetcars, trolleybuses, underground and elevated railways):</b></p> <ul style="list-style-type: none"> <li>• direct CO<sub>2</sub> (from exhaust) emissions from vehicles are zero.</li> </ul> <p><b>Rail transport (passenger or freight):</b></p> <ul style="list-style-type: none"> <li>• trains and passenger coaches with zero direct (exhaust) emissions of CO<sub>2</sub>;</li> <li>• for freight transport: trains and cars are not dedicated to transporting fossil fuels.</li> </ul> <p><b>Freight transport services by road:</b></p> <ul style="list-style-type: none"> <li>• vehicles of category N1 with zero direct (tailpipe) CO<sub>2</sub> emissions;</li> <li>• vehicles of category N2 and N3 with a technically permissible maximum laden mass not exceeding 7,5 tonnes are 'zero-emission heavy-duty vehicles';</li> <li>• vehicles of category N2 and N3 with a technically permissible maximum laden mass exceeding 7,5 tonnes are one of the following: <ul style="list-style-type: none"> <li>- 'zero-emission heavy-duty vehicles';</li> <li>- vehicles with CO<sub>2</sub> emissions below 25 gCO<sub>2</sub>/tkm.</li> </ul> </li> </ul> <p><b>Infrastructure for personal mobility:</b></p> <ul style="list-style-type: none"> <li>• the infrastructure built and managed is dedicated to personal mobility: sidewalks, bike lanes and pedestrian zones, and electric charging stations.</li> </ul>	<p>Climate change mitigation --- Reducing greenhouse gas emissions</p>	



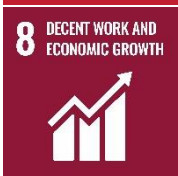
<p><b>Energy Efficiency</b></p>	<p><b>Loans related to activities that contribute to a reducing energy consumption.</b></p> <ul style="list-style-type: none"> <li>• Energy storage systems;</li> <li>• energy-efficient lighting;</li> <li>• (LED lighting);</li> <li>• district heating and cooling;</li> <li>• energy-efficient smart grid/smart meters.</li> </ul>	<p>Climate change mitigation --- Reduction of greenhouse gas emissions</p>	
<p><b>Environmentally sustainable management of natural living resources and land use</b></p>	<p><b>Loans related to activities that contribute to the sustainable management of living natural resources and land use.</b></p> <ul style="list-style-type: none"> <li>• Environmentally sustainable agriculture certified by recognized third-party bodies, such as EU Organic, Demeter or Bio Suisse;</li> <li>• investment in protected areas (regional nature parks) including reforestation, conservation or restoration of protected areas;</li> <li>• With regards to reforestation projects, native species or trees that are well adapted to local conditions are used and have a sustainable forest management plan certified to the Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC).</li> </ul>	<p>Climate change mitigation</p>	
<p><b>Prevention and control of pollution</b></p>	<p><b>Loans related to activities that contribute to waste prevention and collection, waste reduction and recycling.</b></p> <ul style="list-style-type: none"> <li>• Development, operation and upgrading of recycling facilities (metals, plastics and paper);</li> <li>• facilities, systems, and equipment<sup>4</sup> that are used to divert waste from landfills;</li> <li>• remediation of contaminated sites and areas.</li> </ul>	<p>Pollution prevention and control  Climate change mitigation</p>	 

<sup>4</sup> Collection vehicles considered have an emission threshold of 50 gCO<sub>2</sub>/km or less.

<p><b>Sustainable water and wastewater management</b></p>	<p><b>Loans related to activities that improve water quality, distribution efficiency, and conservation.</b></p> <ul style="list-style-type: none"> <li>• Water treatment infrastructure, including wastewater treatment systems and sewerage systems;</li> <li>• water distribution systems with increased efficiency;</li> <li>• water capture and storage infrastructure, including stormwater management systems, water distribution systems, and groundwater storage;</li> <li>• water storage facilities.</li> </ul>	<p>Climate Change Mitigation</p>	
<p><b>Circular Economy</b></p>	<p><b>Loans related to activities oriented toward a circular economy, i.e., investments that involve sharing, restoring, reusing, repairing, reconditioning and recycling of existing materials and products.</b></p> <ul style="list-style-type: none"> <li>• Development of business models that prevent waste creation from the design stage of products and/or services (i.e., late stage R&amp;D projects, secondary markets for raw materials, C2C business);</li> <li>• creation of production processes that increase the degree of ease of repair and extend lifespan of products;</li> <li>• adoption of products and services that greatly improve resource use efficiency, not only with respect to the company's internal processes but also to its integrated supply chain (i.e., through the application of logistics reverse, principles of industrial symbiosis, the adoption of cycle closure models and/or the application of eco-design and systemic design principles);</li> <li>• development of fully recyclable or compostable products within a framework of efficient collection, separation and recycling after use.</li> </ul>	<p>Climate change mitigation --- Energy saving</p>	

## Eligibility Criteria – Social Assets

Categories - ICMA SBP Project Category	Eligibility Criteria - Description	Target Population and Social Benefits	Sustainable Development Goals - SDGs impacted
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<p><b>Access to essential services and social cohesion</b></p>	<p><b>Loans to public entities, third sector entities<sup>5</sup>, ONLUS<sup>6</sup> and private sector entities (affiliated structure<sup>7</sup>) that provide access to essential services (e.g., health service, health care, education and vocational training, banking and financial services) to the widest possible audience.</b></p> <ul style="list-style-type: none"> <li>• Funding to hospital, health facilities and for the purchase of medical equipment and innovative technologies (public entities or private entities that are affiliated structure).</li> <li>• social health care for the elderly and permanently and temporarily disabled (affiliated structure, ONLUS or ETS);</li> <li>• funding to Public universities, schools, vocational training and students;</li> <li>• loans related to sports, para-sports and cultural activities (ETS and ONLUS);</li> <li>• soft loans for households and SMEs<sup>9</sup> affected by natural disasters (i.e. floods/earthquakes);</li> </ul>	<p>Protect communities and defend their cultural heritage, improve access to education, culture and health care in all countries through the funding on the left reported.</p> <p>Ensure access to banking and financial services for vulnerable groups (elderly or displaced persons) and underserved communities due to lack of quality access to products and services.</p>	  
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<sup>5</sup> Third sector entities (ETS)<sup>(1)</sup> according to Italian law, *Lsg. D. 117/2017*, a Third Sector Organization or Ente del Terzo Settore (hereinafter, "ETS") is a not-for-profit private organization or entity that pursues civic, solidarity and social benefits purposes carrying out, exclusively or principally, activities of general interest in an accountable and transparent way. Such entities are registered in the the National single register for Third Sector (i.e. RUNTS).

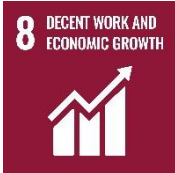

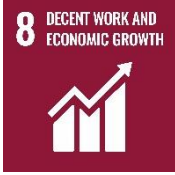
<sup>6</sup> Onlus: acronym for Non-Profit Organization of Social Utility, a private entity which, based on its statute or deed of incorporation, carries out its activity for the exclusive purposes of social solidarity and non-profit purposes in a sector deemed to be of social interest by law . Non-profit organizations (associations, committees, foundations, cooperative societies or other private entities with or without legal personality) must operate in one or more of the sectors specifically indicated in the *D.lgs 460/4 December 1997*

<sup>7</sup> Affiliated structure ("strutture convenzionate") regulated by *Decreto Legislativo n. 502 del 1992*

<sup>8</sup> Municipalities classified as rural areas with development issues (class D) - <https://www.reterurale.it/areerurali>




<sup>9</sup> As for the EU definition - [https://single-market-economy.ec.europa.eu/smes/sme-fundamentals/sme-definition\\_en](https://single-market-economy.ec.europa.eu/smes/sme-fundamentals/sme-definition_en)



		Improve Italian socioeconomic conditions and economic growth through support of areas and populations affected by natural disasters (economic/health emergencies).	
<b>Support in disadvantaged areas</b>	<p><b>Loans related to activities to support the SMEs located in economically and geographically disadvantaged areas.</b></p> <ul style="list-style-type: none"> <li>Financing for SMEs based in municipalities considered "Aree con problemi di sviluppo"<sup>10</sup> and with a GDP per capita lower than the national average<sup>11</sup>.</li> </ul>	Supporting the areas economically and geographically disadvantaged.	
<b>Female and youth entrepreneurship</b>	<p><b>Female entrepreneurship.</b></p> <ul style="list-style-type: none"> <li>Loans related to activities to promote enterprises (SMEs) in which women constitute a majority, strong or exclusive presence (majority-owned or majority-managed/led with majority defined as more than 50%).</li> </ul> <p><b>Youth entrepreneurship</b></p> <ul style="list-style-type: none"> <li>SMEs in which the company owner is under 35 and his income is below the national average).</li> </ul>	Ensuring access to funding banking products and services, to young age groups and women with entrepreneurial projects in order to help reduce the gender inequalities and eliminate forms of discrimination.	 

<sup>10</sup> <https://www.reterurale.it/areerurali>

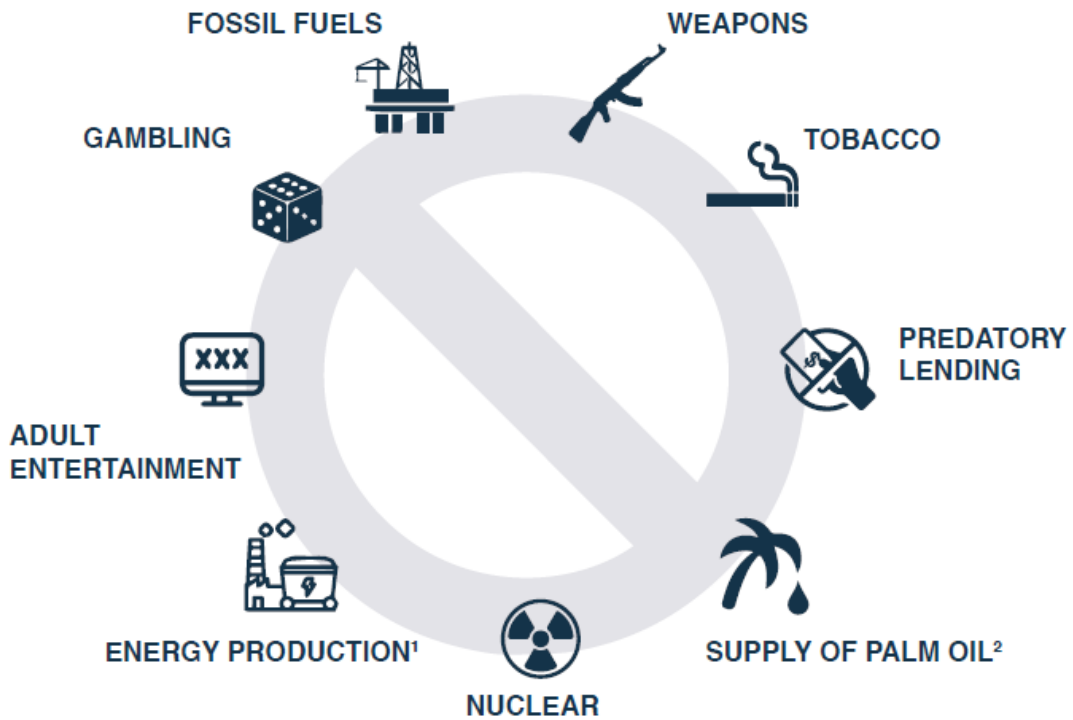
<sup>11</sup> GDP per capita national average - <https://www.finanze.gov.it/inevidenza/Statistiche-sulle-dichiarazioni-dei-redditi-persone-fisiche-Irpef-e-dichiarazioni-IVA-a.i.-2022/>

<p><b>Basic infrastructure</b></p>	<p><b>Loans related to activities to create, expand or cover more population with basic infrastructure such as waterworks, sewerage, purification plants and transportation.</b></p> <ul style="list-style-type: none"> <li>Funding dedicated to activities that can expand the population covered by basic services such as access to clean water and food safety.</li> </ul>	<p>Ensure access to basic infrastructure services to the population and/or communities living below the poverty line, ostracized and/or marginalized.</p>	 
<p><b>Affordable housing</b></p>	<p><b>Access to mortgages for young people e/or low income population.</b></p> <ul style="list-style-type: none"> <li>Loans to under 35 first time buyer (principal home, buy or build or renovation), with gross income less than 32,000 euros, maximum financed amount 250,000 euros.</li> </ul> <p><b>Support for social housing projects or social housing.</b></p>	<p>Ensuring access to affordable housing for individuals with low income, youth, women, in order to ensure the widest number of people receive basic services and reduce the poverty line.</p>	

## Exclusion criteria

In line with Group values, market best practices, and inspired by its Code of Ethics, BPS has developed a list of exclusion criteria for the proceeds of its GSS Bonds.

The Bank is committed to consciously not being involved in financing the following projects or activities through the proceeds of its Green, Social and Sustainability Bonds:



<sup>1</sup> from oil, coal, lignite, and tar sands (this also includes energy-efficient technologies that are carbon-intensive or that are fueled by coal or oil)

<sup>2</sup> If from suppliers that do not hold recognized certifications, such as Roundtable on Sustainable Palm Oil (RSPO)

Specifically, the exclusion approach for the various sectors shown in the figure follows what was defined in the ESG Credit Policy, in which the Group identified sector and operation criteria for the following sectors:

- Coal: The Group undertakes not to finance coal (excluding peat), anthracite and lignite mining activities and, in particular, projects aimed at the construction of new mines and/or expansion of existing mines.
- Oil & Gas: the Group does not provide financing intended to support projects for extraction from fossil sources and, in particular, undertakes not to finance projects aimed at the extraction of crude oil and natural gas. It also excludes financing projects aimed, not only at extraction, but also at exploration, construction, and expansion of deposits of:
  - unconventional crude oil and natural gas;
  - tar sands;
  - crude oil located in the Arctic Region.
- Electricity: evidence of significant shares of electricity generation from fossil sources constitutes negative screening criteria. For counterparties that show such characteristics, and in the absence of positive screening criteria, the Group provides only for the granting of finalized financing or verification of the presence of official commitments made by the counterparty to undertake a transition path.
- Arms Manufacturing and Trade: The Group, as regulated under its Policy on Financing in Arms Manufacturing and Trade, excludes any form of financing in the controversial arms sector and exercises an enhanced due diligence process, with reference to the conventional arms sector.
- Gambling: the Group, in order to take into account the economic and social impacts that gambling can cause, takes a careful and vigilant attitude towards counterparties and/or operations related to the sector, providing for intensified controls.
- Tobacco: the Group, due to the controversial nature of the industry, both in terms of climate-environmental impact and harmful effects on human health, provides for intensified controls in the case of financing to counterparties engaged in the manufacture of tobacco or tobacco products.
- Mining (non-fossil) sector: considering that companies in the sector operate in full compliance with applicable laws and observe any national and/or international conventions of reference for the sector, the Group, by virtue of the controversial nature of the mining (non-fossil) sector from an environmental point of view, envisages the application of intensified controls when analyzing any requests for financing. The Group, consistent with its commitments, does not finance mining projects or companies that:
  - carry out asbestos mining activities;
  - mine and/or trade rough diamonds from war zones or that have not been certified in accordance with the Kimberley Process.

## Project evaluation and selection process

Project evaluation and selection is a key process to ensure that eligible projects financed by Green, Social and Sustainability Bonds meet the criteria of BPS' Green Social and Sustainability Bond Framework. BPS has established a Sustainability Management Committee that, among other tasks, oversees the governance of this Green, Social and Sustainability Bond Framework.

In relation to the Governance of the Green, Social and Sustainability Bond, it is required to fulfill the following responsibilities:

- i. approves the document, the so-called "Green, Social and Sustainability Bond Framework," and, from time to time, any updates;
- ii. revises and validates the set of eligible assets, i.e., that can be financed or refinanced through the proceeds of the issue; over the life of the bond, reviews and validates new assets to be included in that set;
- iii. oversees the internal tracking of bond issue proceeds and monitors the management of raised and temporarily unallocated funds;
- iv. monitors developments in the market environment and regulations related to ESG bonds;

- v. reviews and approves the allocation and impact reporting related to the bond ("Green, Social and Sustainability Bond Report") produced time to time.

The Bank has an ESG Credit Policy in place and ESG Risk Management Framework to identify and manage social and environmental risks associated with the projects that may be financed under the Framework. For additional details, see pages 11, 13 and 14.

The process of asset valuation is as follows:

- The relevant departments within the Group make a pre-selection of potential eligible projects.
- These potential eligible projects are presented by the relevant departments to the Sustainability Management Committee.
- The Sustainability Management Committee checks whether potential projects are in line with the Bank's eligibility criteria.
- If yes, eligible projects are identified in the Bank's internal information system.

## Management of Proceeds

BPS is committed to ensure allocation of the GSS Bonds proceeds to Eligible Asset to the extent matching or exceeding these proceeds. Continuous and periodic monitoring guarantees the maintenance of the eligible portfolio significantly higher than the allocated amount.

The net proceeds of the Green, Social and Sustainability Bond of the Bank will be deposited into the general account, and an amount equal to the net proceeds will be allocated to the Portfolio of Eligible Assets.

The balance of tracked income must be adjusted on a quarterly basis to match the allocation to eligible Green and Social Assets re/funded during this period.

Net proceeds can be attributed to eligible assets realized or refinanced after January 1, 2018.

The Group has set up an internal information system for recording and tracking eligible Green and Social Assets.

BPS will do its best to replace eligible Green and Social Assets that are no longer eligible as soon as an appropriate replacement option is identified.

Payment of principal and interest on the ESG Bonds issued by BPS under the Green, Social and Sustainability Bond Framework will be made from the Bank's general funds and will not be tied to the performance of any eligible Project.

## Unallocated income

The Bank will make every effort to allocate the proceeds to eligible Green and Social Assets within a maximum of 36 months. Pending the allocation or reallocation, as appropriate, of the net proceeds, BPS will invest the balance of the net proceeds, at its discretion, in cash and/or cash equivalents and/or other marketable liquid instruments, consistent with the Bank's liquidity management activities and, to the extent possible, invest in Green, Social and Sustainability Bonds.



## Reporting

BPS undertakes to publish a report on allocation and impact one year after the issuance of the Green, Social and Sustainability Bond and annually thereafter until the net proceeds are fully allocated, and as necessary in the event of significant developments.

All reports will be available to the public on Bank's website in the financial operations section of the institutional website, EMTN program section, as well as on the Sustainability page.

### Allocation reporting

The allocation report will provide information such as:

- Total project allocations eligible
- Share of funding versus refinancing
- Amount of unallocated income at the end of the reporting period (if any)
- Breakdown of the total amount of eligible projects by eligible category
- Geographical breakdown of projects eligible

### Reporting on impact

#### Environmental Metrics.

BPS also accounts for relevant environmental impact metrics where possible and will disclose the methodology for measuring quantitative indicators. The following are some examples of impact indicators environmental that can be reported:

Eligible Categories - ICMA GBP Project Category	Potential quantitative performance metrics
RENEWABLE ENERGY	<ul style="list-style-type: none"><li>• CO<sub>2</sub> emission avoided (tCO<sub>2</sub>e)</li><li>• Total installed capacity (MW)</li></ul>
ENERGY EFFICIENCY	<ul style="list-style-type: none"><li>• CO<sub>2</sub> emission avoided (tCO<sub>2</sub>e)</li><li>• Expected Energy savings per year (MWh)</li></ul>
CLEAN TRANSPORTATION	<ul style="list-style-type: none"><li>• CO<sub>2</sub> emission avoided (tCO<sub>2</sub>e)</li><li>• New clean transportation infrastructure built (km)</li></ul>
GREEN BUILDINGS	<ul style="list-style-type: none"><li>• CO<sub>2</sub> emission avoided (tCO<sub>2</sub>e)</li><li>• Floor space of green real estate (m<sup>2</sup>)</li><li>• Expected Energy savings per year (MWh)</li><li>• Number of residential buildings belonging to the top 15% of the most carbon efficient buildings</li></ul>

<p>ENVIRONMENTALLY SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES AND LAND USE</p>	<ul style="list-style-type: none"> <li>● Total surface financed (hectares)</li> <li>● Number of agricultural business financed</li> <li>● Volume of farming input avoided (t/year)</li> </ul>
<p>POLLUTION PREVENTION AND CONTROL</p>	<ul style="list-style-type: none"> <li>● CO<sub>2</sub> emission avoided (tCO<sub>2</sub>e)</li> <li>● Waste diverted from landfill (tonnes)</li> </ul>
<p>SUSTAINABLE WATER AND WASTEWATER MANAGEMENT</p>	<ul style="list-style-type: none"> <li>● Volume of water saved/reduced/treated (m<sup>3</sup>)</li> <li>● Total Population served by the system</li> </ul>
<p>CIRCULAR ECONOMY</p>	<ul style="list-style-type: none"> <li>● Number of scraps reused in the production process (in tons)</li> <li>● Amount of recyclable materials produced (in tons)</li> <li>● Amount of waste reduced (in tons) and/or amount of materials recovered (in tons), due to a product re-design project, new business models initiated</li> </ul>

## Social metrics

BPS intends to report annually on the social benefits derived from the Portfolio linked to the Green, Social and Sustainability Bonds issued, providing evidence of the calculation methodology adopted.

The following are examples of social impact indicators that can be reported on:

Eligible Categories - ICMA SBP Project Category	Potential quantitative performance metrics
ACCESS TO ESSENTIAL SERVICES	<ul style="list-style-type: none"> <li>● Number of people allowed access to financial services</li> <li>● Number of sports activities/health care/educational facilities built (sq.m)</li> <li>● Geographical distribution of loans dedicated to the financing of the healthcare system</li> </ul>
SUPPORT IN DISADVANTAGED AREAS	<ul style="list-style-type: none"> <li>● Number of loans in economically and geographically disadvantaged areas</li> <li>● Geographical distribution of loans</li> <li>● Distribution of loans according to the different categories of clients</li> </ul>
FEMALE ENTREPRENEURSHIP AND YOUTH	<ul style="list-style-type: none"> <li>● Number of loans to young entrepreneurs (i.e., under 35)</li> <li>● Number of loans to female entrepreneurs</li> </ul>
BASIC INFRASTRUCTURE	<ul style="list-style-type: none"> <li>● Number of people provided with adequate sanitation facilities</li> <li>● Number of water infrastructure projects implemented/updated</li> </ul>
AFFORDABLE HOUSING ACCESSIBLE	<ul style="list-style-type: none"> <li>● Number of accessible dwellings built or renovated</li> <li>● Number of individuals/families receiving subsidized housing</li> </ul>

## External audit

### **Second-party opinion:**

BPS has obtained a Second-Party Opinion from Sustainalytics on this Green Social and Sustainability Bond Framework. The PES is available to the public on the institutional website of the Bank in the [financial operations section](#).

### **External post-assessment verification:**

On an annual basis, an external auditor conducts an independent review of the use of proceeds associated with the selected eligible categories, compliance with the framework of selected eligible projects, and allocation reporting metrics.

## Disclaimer statement

This document has been prepared by BPS for informational purposes only and does not constitute an offer to the public within the meaning of current legislation, nor does it constitute an offer to sell or a solicitation to buy or subscribe for any securities or financial instruments, nor does it constitute advice or a recommendation regarding such securities or other financial instruments.

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