



**Social Bond Report
2024**

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1. INTRODUCTION

This report shows the allocation and impacts (social) generated by BFF following the issuance of two social bonds in 2024. The document is structured in accordance with BFF Social Bond Framework (available at BFF's [website](#)), published in September 2023.

- The “Allocation Report” refers to the eligible outstanding amount as of 31st December 2024.
- The “Impact Report” covers the impacts generated in the period from 1st January 2024 to the end of the year.

BFF will publish this report annually (available at BFF's [website](#)) to ensure transparency and accountability in tracking the use of proceeds and the corresponding social benefits. The report does not apply any temporal restrictions on eligible projects.

If any project included in the social portfolio is later found to be ineligible due to exclusion criteria, BFF commits to reporting the specific positions to be excluded in future editions of this report.

As the largest independent specialty finance operator in Italy and a leading player in central and eastern Europe, BFF is renowned for its expertise in management and non-recourse purchase of trade receivables from the public administration and national health systems. This strategic positioning allows BFF to leverage extensive financial capabilities to address significant economic and social needs across the regions it serves.

BFF significantly integrates sustainability into its business strategy. As an example of that, starting from 2019, BFF has implemented a carbon emissions reduction strategy to initiate the improvement process of its carbon footprint. It has adopted new policies and transferred around 47% of its employees to buildings with low environmental impacts. The goal is to increase the use of renewable energy and reduce emissions within the Group. In addition, BFF is currently evaluating the opportunity to launch emissions high quality offsetting projects/programs as part of its [2023 Industrial Plan](#) to compensate residual emissions. The firm actively engages with leading ESG rating agencies to enhance its sustainability performance and demonstrates a proactive approach to integrating ESG factors into its corporate strategies. This engagement has resulted in improved ESG risk ratings.

This report has been designed in accordance with the [ICMA Social Bond Principles 2023](#) and with the approach described in the [ICMA Harmonised Framework for Impact Reporting for Social Bonds](#) dated June 2023, in coherence with the company's mission to address critical social challenges through responsible financing. BFF aims to finance projects that enhance access to essential services like healthcare, thereby contributing to the achievement of the UN Sustainable Development Goals (SDGs). Through these measures, BFF not only reinforces its market leadership but also fosters shared values of transparency, responsibility, and innovation in its pursuit of sustainable growth¹.

¹ BFF was supported by PricewaterhouseCoopers Business Services S.r.l. in the development of the impact assessment analyses presented in the following chapters

2. BFF SOCIAL BOND FRAMEWORK 2023

The process that BFF follows to identify assets that qualify as social assets are outlined in the "Use of Proceeds" and "Process for Project Evaluation and Selection" sections of the Social Bond Framework. The selection criteria are aligned with the ICMA Social Bond Principles and the EU Sustainable Finance Taxonomy. Access to healthcare represents the core dimension of the Social Bond: BFF investment focuses on enhancing healthcare services, ensuring wider accessibility, and supporting the resilience and capacity of healthcare systems.

By meticulously identifying and evaluating eligible assets, BFF Banking Group ensures that its social bonds and other financing instruments have a meaningful and measurable impact on society. This rigorous process underpins BFF's commitment to sustainability and social responsibility, particularly in enhancing the quality and accessibility of healthcare services.

BFF follows predefined processes and internal procedures for the management of ESG risks associated with the eligible assets, as better described in the "Process for Project Evaluation and Selection" of the Framework.

BFF has established a Register to track the allocation of proceeds of the Social bonds to the Eligible Asset Portfolio. Further details on the process of managing and tracking proceeds could be found in the "Management of proceeds" section of the Social Bond Framework.

Social Eligible categories	Eligibility Criteria ²	Impacted Sustainable Development Goals
<p>Access to Essential Services – Healthcare</p>	<p>Factoring to Public Sector Suppliers (focused on National Healthcare Systems) and lending to Public Sector healthcare facilities, to finance infrastructure, services and the access to products and projects supporting the development or delivery of the following:</p> <ul style="list-style-type: none"> ▪ Medical infrastructure like the construction/renovation of clinics, dispensaries, and hospitals ▪ Medical equipment, such as surgical devices, diagnostic equipment, assistive devices, ambulances, syringes, personal protective equipment ▪ Pharmaceutical products such as OTC supplies, vaccines ▪ Training of hospital staff and welfare workers ▪ General operations of healthcare facilities 	

² Consult [BFF Social Bond Framework](#) and related [Second Party Opinion](#) for further details.

3. SOCIAL BONDS OUTSTANDING

ISIN: IT0005591851

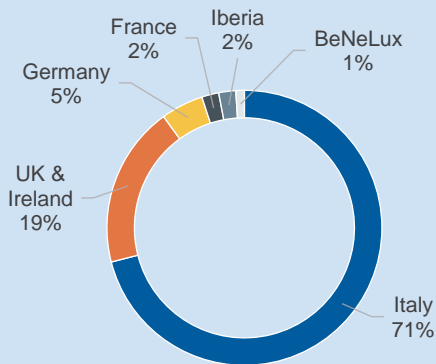
Contribution to the UN SDGs assessed by ISS ESG

- **Year:** 2024
- **Focus on:** Social Portfolio
- **Notional:** € 300 mln Senior Preferred
- **Maturity date:** 20 March 2029
- **Call date:** 20 March 2028

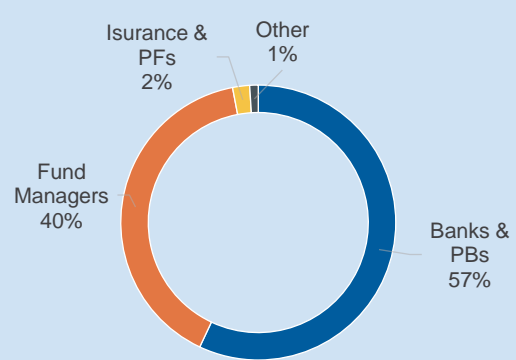


The final book collected orders over Euro 425 million allocated as follow:

Investor by Jurisdiction



Investor by Type



ISIN: IT0005619140

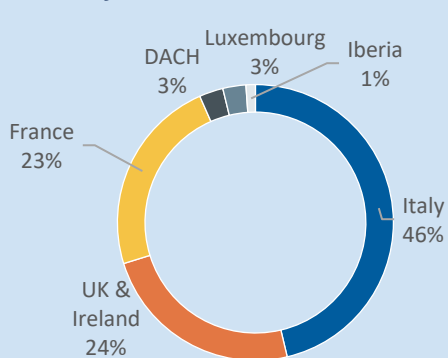
Contribution to the UN SDGs assessed by ISS ESG

- **Year:** 2024
- **Focus on:** Social Portfolio
- **Notional:** € 300 mln Senior Preferred
- **Maturity date:** 30 March 2028
- **Call date:** 30 March 2027

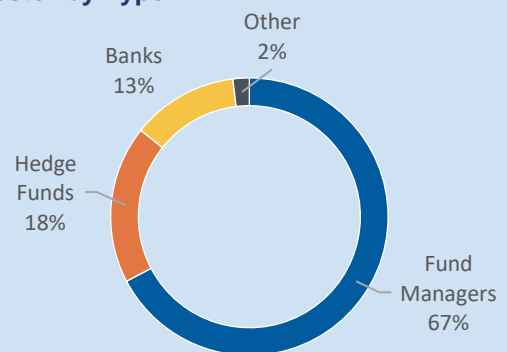


The final book collected orders over Euro 670 million allocated as follow:

Investor by Jurisdiction



Investor by Type



4.1. ALLOCATION REPORT

OVERVIEW

Percentage of Net Proceeds of Social Bonds allocated to Eligible Social Asset Portfolio	100%
Percentage of Eligible Social Asset Portfolio financed (usage ³)	41.8%
Total initial amount of Eligible Social Asset Portfolio	€ 1,436 mln
Balance of Eligible Social Asset Portfolio - (Available eligible Social assets for new issues)	€ 837 mln

BFF SOCIAL ASSET PORTFOLIO BY ELIGIBLE CATEGORY

Eligible categories	Outstanding Amount as of 31/12/2024 (€) ⁴
Access to Essential Services – Healthcare	1,436,843,854

DETAILS OF BFF SOCIAL ASSET PORTFOLIO

Geography	Outstanding Amount as of 31/12/2024 (€)	Share (%)	Tenor ⁵	DSO ⁶	New assets created/acquired ⁷ in 2024 (€)
Factoring activities					
Italy	535,404,838	37%	-	108	1,586,001,492
Portugal	143,874,044	10%	-	119	408,979,804
Poland	30,172,569	2%	-	450	60,440,075

³ Usage measures the percentage of eligible portfolio used for the allocation of the social bond's proceeds

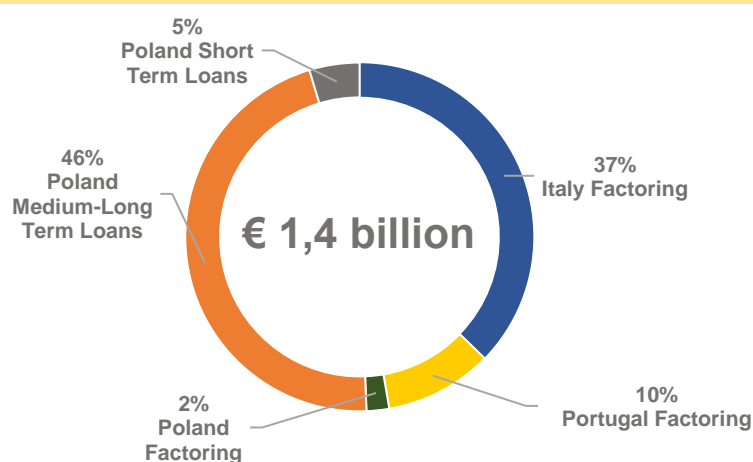
⁴ None of the assets or loans included in the outstanding amount are co-financed by other entities than BFF

⁵ Tenor measures the duration from the start to the maturity of a financial product. It is a standard measure used in lending to assess the risk profile and plan the timeline for the return on investment.

⁶ For Factoring activities, Tenor doesn't serve as a viable indicator. As the focus in factoring is on the rapid conversion of receivables into cash, the concept of Tenor is irrelevant. Instead, DSO refers to the rate at which receivables are converted into cash, measuring the speed of invoice processing and collection.

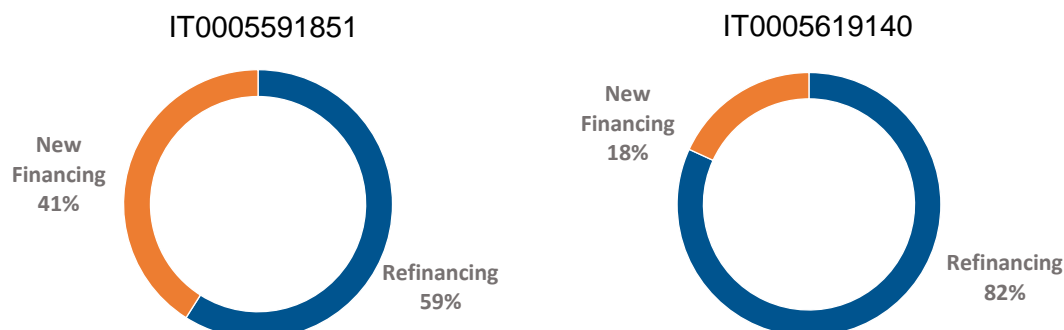
⁷ The "New Assets" column depicts the aggregated value of new invoices purchased (or the aggregated value of the new loans issued) during the year. On the other hand, the outstanding amount reflects a snapshot of the value of the invoices (or of the loans) that are active in the portfolio as of the reporting date (31/12/2024).

Lending activities					
Poland medium- and long-term loans	660,477,817	46%	9.33Y	-	255,967,891
Poland short-term loans	66,914,586	5%	0.90Y	-	512,772,640
Total	1,436,843,854	100%	-	-	2,824,161,902



BFF Outstanding Social Bonds

Issue Date	Amount Issued (€)	Maturity	Call Option	ISIN
12 April 2024	300 mln	20 March 2029	20 March 2028	IT0005591851
29 October 2024	300 mln	30 March 2028	30 March 2027	IT0005619140



N.B. New financing is defined as assets created/purchased after the bond's issuance date. Re-financing refers to assets created/purchased before the issuance date. Percentages of proceeds allocated to re-financing and new financing will be defined upon reporting.

4.2. IMPACT REPORT

Main Impacts of BFF Social Assets in 2024

Country	Outstanding Amount (€)	Hospital beds preserved	Other Impacts
<i>Italy</i>	535,404,838	4,887	<ul style="list-style-type: none"> ▪ 10,963 healthcare jobs preserved. ▪ 1,142,012 days of care* preserved
<i>Portugal</i>	143,874,044	2,235	<ul style="list-style-type: none"> ▪ 4,001 healthcare jobs preserved. ▪ 635,242 days of care preserved
<i>Poland</i>	757,564,972	23,955**	<ul style="list-style-type: none"> ▪ 72,533 healthcare jobs created or preserved ▪ 5,427,712 days of care created or preserved
Total	1,436,843,854	31,077	<ul style="list-style-type: none"> ▪ 87,497 healthcare jobs created or preserved. ▪ 7,204,966 days of care created or preserved

*days of care refers to the cumulative number of hospitalization days for every hospital bed preserved

**created or preserved

4.2.1 Methodological Approach

The assessment of the social impact generated by the proceeds of BFF’s Social Bond, specifically within the public healthcare industry, is based on a methodological approach that allows for quantifying the enhancements in healthcare infrastructure and services directly connected to the bond’s financial interventions. This approach is designed to measure the impact of factoring and lending activities on public healthcare entities, creating a meaningful social impact for the target population—the general public. The evaluation leverages financial statements and public hospital capacity data using as the primary measure of social impact “Number of hospital beds created or preserved”.⁸

1. Factoring activities.

Factoring services provided by BFF contribute to preserve the operational capacity and continuity of public healthcare services. The assessment of this contribution involves calculating entity-specific multipliers based on the ratio of the *number of hospital beds* and the *amount of accounts payable* in the same healthcare facility. The impact measure “hospital beds preserved” is derived by applying the aforementioned multipliers to the residual debt amount of each entity⁹.

2. Lending activities

Lending activities include two distinct categories: (1) short-term loans; (2) medium- and long-term loans, and leasing. Each category uses specific metrics and methods to evaluate the social impacts:

- As for factoring services, short-term loans contribute to preserve the operational capacity and continuity of public healthcare services. The impact is measured using multipliers equal to the ratio between *the number of hospital beds* and *current liabilities* of the same healthcare facility. Multipliers are then applied to the residual debt amount.

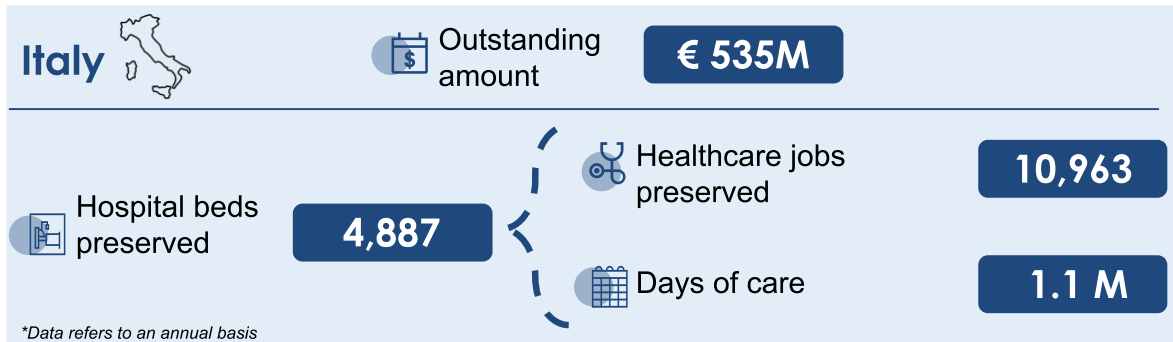
⁸ Reporting is based on absolute values that capture the net impact linked to the financed portfolio.

⁹ If data for a specific public healthcare facility is missing, the average multiplier for its region is applied. Additionally, the number of hospital beds preserved cannot exceed the facility’s total available capacity.

- Medium- and long-term loans, as well as leasing activities support investments in public hospital facilities. Their contribution is assessed by calculating entity specific multipliers as the ratio between the *number of hospital beds* and the value of *Property, Plant, and Equipment* and then applied to the residual debt amount. These ratios reflect the use of funds for the renewal of existing infrastructure, structural improvements and long-term healthcare enhancements. For this reason, the output estimates refer not only to the saving of existing hospital beds but also to the creation of new ones.

4.2.2 Italy

BFF supports the Italian public healthcare system through factoring services which ensure financial continuity for healthcare facilities. Factoring services by BFF help hospitals maintain operations, preventing service disruptions and enabling consistent patient care. This financial support strengthens the resilience and efficiency of the national healthcare system. No negative effects connected with the financed assets have been observed in the reporting period.

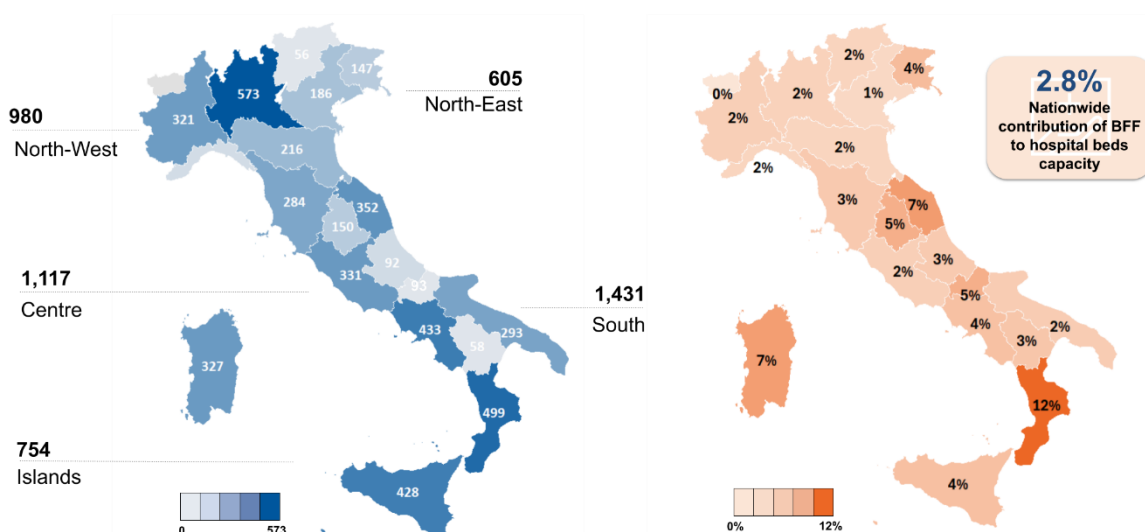


Hospital beds preserved

Hospital beds preserved - breakdown by geography

Hospital bed availability is a critical measure of healthcare system capacity, directly influencing patient care, resource allocation, and overall system efficiency.

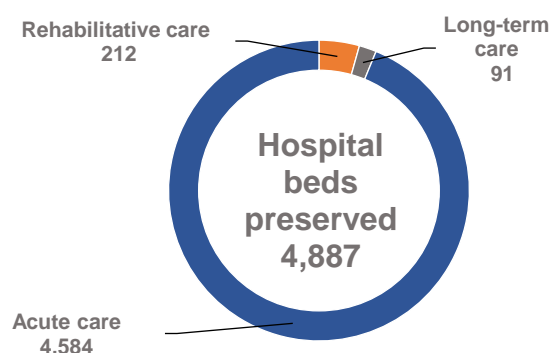
The maps below depict the impact of BFF’s financial contributions in preserving hospital bed capacity across Italy. The first heatmap presents the absolute number of hospital beds sustained through this support, while the second highlights the relative contribution of BFF to public hospital bed capacity in each region. This analysis provides a data-driven assessment of BFF’s role in maintaining the operational stability of the national healthcare system. Impact multipliers per each healthcare facility were calculated as ratio between Number of hospital beds and Accounts payable (under Current liabilities), both inputs are provided by the Italian Ministry of Health.



Region	Outstanding amount (€)	Total hospital beds	Hospital beds preserved	Hospital beds preserved over total	Healthcare jobs preserved	Days of care preserved
Abruzzo	18,879,259	3,455	92	2.7%	232	23,616
Aosta Valley	-	394	-	-	-	-
Basilicata	5,339,259	1,896	58	3.1%	109	9,335
Calabria	117,864,644	4,057	499	12.3%	1,303	108,596
Campania	43,096,005	12,245	433	3.5%	1,018	106,613
Emilia Romagna	24,698,902	13,767	216	1.6%	554	55,716
FVG	11,044,709	3,680	147	4.0%	391	39,967
Lazio	46,720,081	15,195	331	2.2%	643	84,543
Liguria	6,837,713	5,375	86	1.6%	138	20,498
Lombardy	31,678,733	30,535	573	1.9%	940	129,526
Marche	15,863,886	4,912	352	7.2%	779	89,433
Molise	16,762,134	1,032	55	5.3%	96	10,946
Piedmont	28,304,437	14,926	321	2.1%	649	73,315
Puglia	32,162,336	12,194	293	2.4%	524	64,888
Sardinia	12,789,127	4,691	327	7.0%	848	65,168
Sicily	61,300,023	11,829	428	3.6%	938	103,665
Trentino	3,815,105	3,321	56	1.7%	146	11,914
Tuscany	34,170,034	10,343	284	2.7%	849	60,871
Umbria	7,709,106	2,847	150	5.3%	381	41,055
Veneto	16,369,346	14,964	186	1.2%	426	42,349
Italy	535,404,839	171,658	4,887	2.8%	10,963	1,142,012

Hospital beds preserved - breakdown by function of healthcare

The analysis is based on official data from the Italian Ministry of Health, which provides a detailed breakdown of hospital bed availability across healthcare facilities. This classification distinguishes between acute care, rehabilitative care, and long-term care beds, offering a structured view of healthcare capacity. The figures presented quantify the impact of BFF’s financial support in preserving hospital bed capacity across these categories.



Other Impacts

Healthcare jobs and days of care preserved

The estimates are derived from the *Statistical Yearbook* of the *National Health Service (SSN)*, published by the statistics office of the *Ministry of Health*, which provides data on the ratio between hospital beds, healthcare personnel, and patient care capacity in public healthcare.

The figures below the impact of preserved hospital beds on healthcare workforce and the number of days of care preserved.



On average, every facility engaged in factoring with BFF...



...was able to preserve 9 doctors and 22 nurses

1.1M CUMULATIVE DAYS OF CARE PRESERVED IN ITALY OVER ONE YEAR

234 AVERAGE DAYS OF CARE FOR EVERY HOSPITAL BED PRESERVED

4.2.3 Portugal

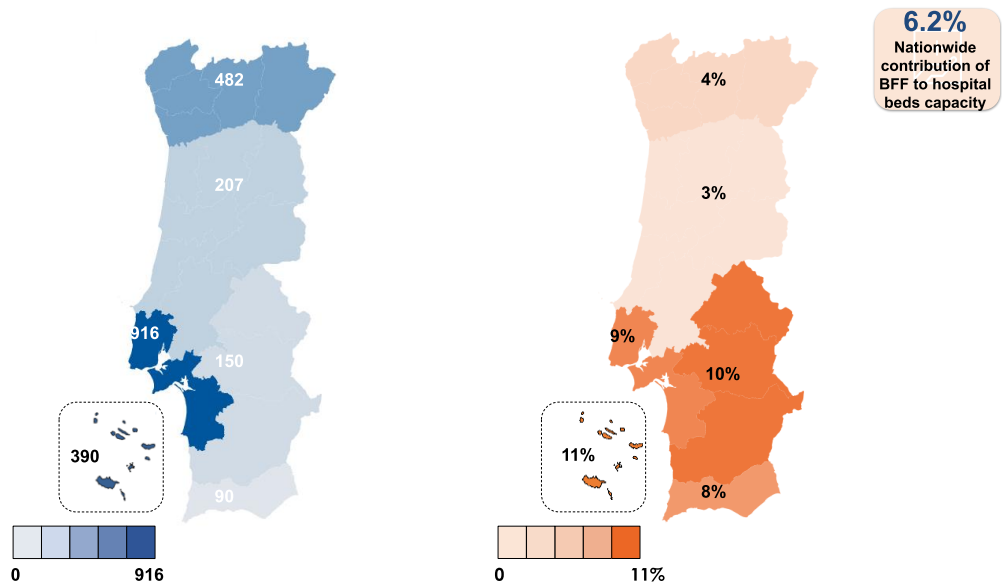
BFF supports the Portuguese public healthcare system through factoring activities. The figures below quantify BFF's impact in terms of preserved hospital beds, healthcare workforce, and patient care days. No negative effects connected with the financed assets have been observed in the reporting period.



Hospital beds preserved

Hospital beds preserved - breakdown by geography

The maps below illustrate the distribution of preserved hospital beds across different regions of the country. The first map presents the absolute number of hospital beds preserved, while the second highlights BFF's contribution to regional hospital bed capacity. Impact multipliers per each hospital facility were calculated as ratio between Number of hospital beds and Accounts payable (under Current liabilities); both inputs are provided by the *Serviço Nacional de Saúde (SNS)*.



Region	Outstanding amount (€)	Total hospital beds	Hospital beds preserved	Hospital beds preserved over total	Healthcare jobs preserved	Days of care preserved
Alentejo	9,651,140	1,495	150	10.1%	314	44,571
Algarve	7,797,931	1,153	90	7.8%	219	25,570
Azores and Madeira	20,561,397	3,593	390	10.7%	400	112,909
Center	17,372,049	6,704	207	3.1%	413	59,078
Lisbon	59,225,312	10,771	916	8.5%	1,780	265,206
North	29,266,216	12,435	482	3.9%	874	127,909
Portugal	143,874,045	36,209	2,235	6.2%	4,001	635,242

Other Impacts

Healthcare jobs and days of care preserved

The charts below provide a breakdown on the relationship between hospital beds preserved and healthcare personnel, as well as the extent of patient care supported. The estimates on healthcare workforce and days of care associated with preserved hospital beds are derived from data published by the *Instituto Nacional de Estatística (INE)*.



On average, every facility engaged in factoring with BFF...

...was able to preserve 19 doctors and 54 nurses

635K CUMULATIVE DAYS OF CARE PRESERVED IN PORTUGAL OVER ONE YEAR

284 AVERAGE DAYS OF CARE FOR EVERY HOSPITAL BED PRESERVED

4.2.4 Poland

In Poland, BFF supports the public healthcare system not only through factoring but also by providing short-term and medium and long-term loans.

Lending activities offer public healthcare facilities greater financial flexibility and enables them to invest in infrastructure, upgrade medical equipment, and manage operational costs more efficiently.

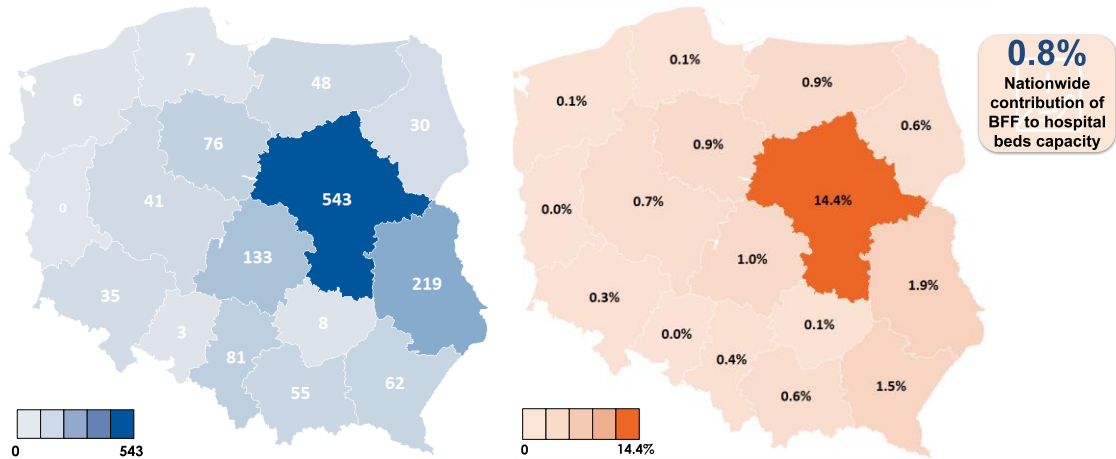
No negative effects connected with the financed assets and loans have been observed in the reporting period.



4.2.4.1 Poland Factoring

Hospital beds preserved - breakdown by geography

The maps below present the geographical distribution of hospital beds preserved in Poland through BFF’s factoring activities. The estimates are derived from an elaboration on financial data from an EMIS report and hospital bed numbers provided by PMR Market Experts. This analysis provides a regional perspective on BFF’s role in supporting the stability and efficiency of the Polish public healthcare system through its factoring activities.

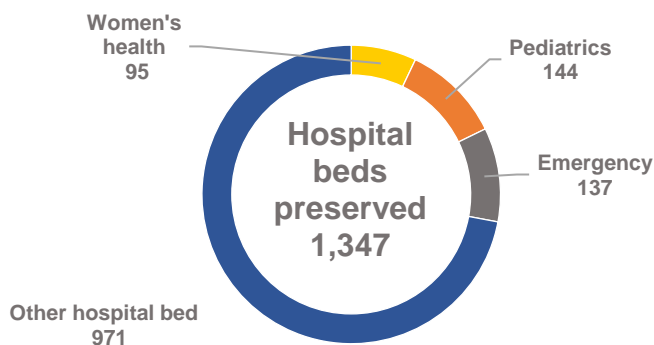


Region	Outstanding amount (€)	Total hospital beds	Hospital beds preserved	Hospital beds preserved over total	Healthcare Jobs preserved	Days of care preserved
Dolnośląskie	542,994	13,039	35	0.3%	101	8,094
Kujawsko-pomorskie	3,079,710	8,358	76	0.9%	197	17,237
Łódzkie	2,148,183	11,346	133	1.0%	396	28,849
Lubelskie	4,037,745	9,568	219	1.9%	670	50,320
Lubuskie	-	3,766	-	0.0%	-	-
Małopolskie	938,673	13,416	55	0.6%	186	13,459
Mazowieckie	12,660,917	23,214	543	14.4%	1,913	120,060

Opolskie	25,579	4,030	3	0.0%	8	651
Podkarpackie	983,791	8,686	62	1.5%	177	14,885
Podlaskie	1,232,566	5,296	30	0.6%	95	6,517
Pomorskie	192,524	7,787	7	0.1%	25	1,492
Śląskie	2,388,783	21,324	81	0.4%	214	18,674
Świętokrzyskie	245,633	5,218	8	0.1%	22	1,916
Warmińsko-mazurskie	859,990	6,219	48	0.9%	100	10,218
Wielkopolskie	714,658	13,309	41	0.7%	114	9,438
Zachodniopomorskie	120,824	6,631	6	0.1%	17	1,417
Poland	30,172,569	161,207	1,347	0.8%	4,234	303,228

Hospital beds preserved – breakdown by function of healthcare

By applying the national distribution of hospital bed categories (Bank Danych Lokalnych) to the total number of preserved beds, it is possible to estimate their allocation across different medical specialties. The chart below presents this breakdown, highlighting the proportion of beds dedicated to emergency and urgent care (10%), pediatrics (11%), and women's health (7%).



Other Impacts

Healthcare jobs and days of care preserved

The estimates on healthcare workforce and days of care associated with preserved hospital beds in Poland are obtained from the latest dataset published from GUS (National Data Bank), Poland's central statistical repository.



On average, every facility engaged in factoring and short-term loans with BFF...

...was able to preserve 10 doctors and 19 nurses

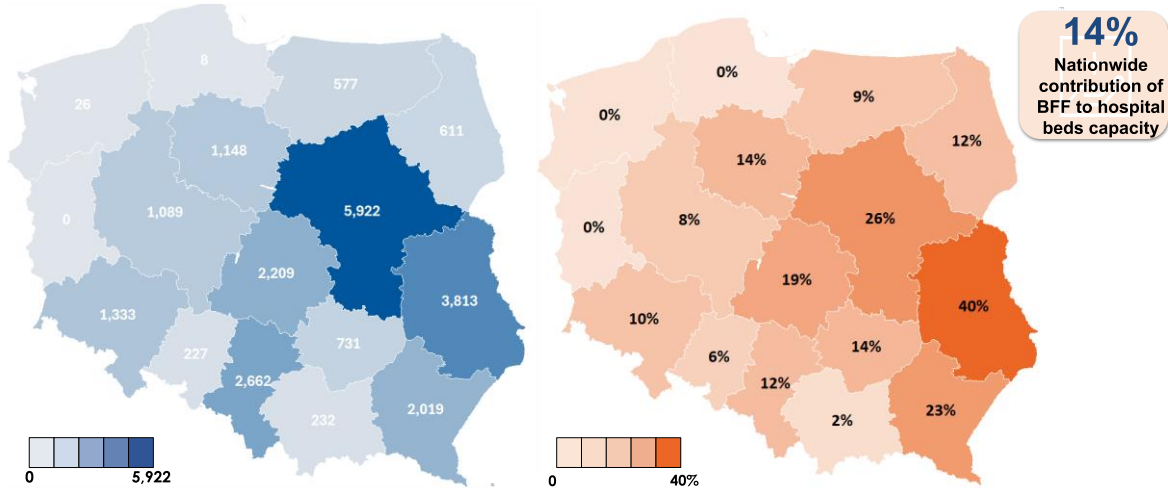
303K CUMULATIVE DAYS OF CARE PRESERVED IN POLAND OVER ONE YEAR

225 AVERAGE DAYS OF CARE FOR EVERY HOSPITAL BED PRESERVED

4.2.4.2 Poland Lending

Hospital beds created or preserved - breakdown by geography

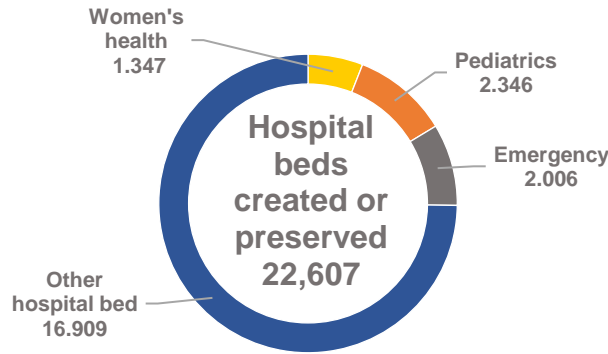
The chart below shows the breakdown by regions of the distribution of hospital beds created or preserved thanks to short-term loans, medium- and long-term loans and leasing activities and their proportion to the total national number of hospital beds.



Region	Outstanding amount (€)	Total hospital beds	Hospital beds created/preserved	Hospital beds created/preserved over total	Healthcare jobs preserved	Days of care preserved
Dolnośląskie	38,066,944	13,039	1,333	10.2%	3,814	306,181
Kujawsko-pomorskie	79,528,263	8,358	1,148	13.7%	2,977	260,382
Łódzkie	33,419,974	11,346	2,209	19.5%	6,588	479,712
Lubelskie	149,061,704	9,568	3,813	39.8%	11,688	877,575
Lubuskie	-	3,766	-	-	-	-
Małopolskie	6,864,794	13,416	232	1.7%	786	56,716
Mazowieckie	155,193,148	23,214	5,922	25.5%	20,862	1309,293
Opolskie	3,357,030	4,030	227	5.6%	538	46,244
Podkarpackie	66,818,438	8,686	2,019	23.2%	5,713	481,606
Podlaskie	24,167,895	5,296	611	11.5%	1,918	132,181
Pomorskie	600,009	7,787	8	0.1%	30	1,801
Śląskie	84,036,959	21,324	2,662	12.5%	6,991	610,607
Świętokrzyskie	30,492,536	5,218	731	14.0%	2,098	182,705
Warmińsko-mazurskie	30,050,363	6,219	577	9.3%	1,204	122,469
Wielkopolskie	24,598,940	13,309	1,089	8.2%	3,020	250,827
Zachodniopomorskie	1,135,405	6,631	26	0.4%	74	6,185
Poland	727,392,403	161,207	22,607	14.0%	68,299	5,124,484

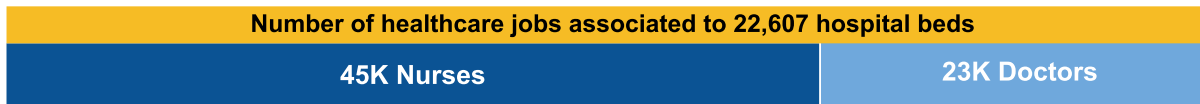
Hospital beds created or preserved – breakdown by function of healthcare

Using the same methodological approach, it is also possible to estimate the number of hospital beds created or preserved by category through lending activities.




Other Impacts

Healthcare jobs and days of care created or preserved



 On average, every facility engaged in medium- and long-term loans with BFF...

 ...was able to maintain and create 91 new doctors and 177 nurses



5. INDEPENDENT AUDITOR'S REPORT