

## REPORT REVIEW

# BFF Banking Group Social Bond Report

10 April 2026

## VERIFICATION PARAMETERS

### Type(s) of reporting

- Social Bond Allocation and Impact Reporting

### Relevant standard(s)

- Harmonised Framework for Impact Reporting for Social Bonds, ICMA, June 2025
- BFF Banking Group's Social Bond Report (as of March 3, 2026)
- BFF Banking Group's Social Bond Framework (as of September 29, 2023)

### Scope of verification

- Bond(s) identification:

Issue date	ISIN	Maturity date	Amount raised (EUR)
12/04/2024	IT0005591851	20/03/2029	300 mln
29/10/2024	IT0005619140	30/03/2028	300 mln

### Lifecycle

- Post-issuance verification
- Second year of reporting on social bond<sup>1</sup>

### Validity

- As long as no changes are undertaken by the Issuer to its Social Bond Report (as of March 3, 2026)

<sup>1</sup> The previous year's Report Review delivered by ISS-Corporate, see [weblink](#).

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## SCOPE OF WORK

BFF Banking Group (“the Issuer” or “BFF”) commissioned ISS-Corporate to provide a Report Review on its Social Bond Report by assessing:

1. The alignment of BFF’s Social Bond Report (as of March 3, 2026) with the commitments set forth in BFF’s Social Bond Framework (as of September 29, 2023).<sup>2</sup>
2. BFF’s Social Bond Report, benchmarked against the Harmonised Framework for Impact Reporting for Social Bonds, ICMA, June 2025.
3. The disclosure of proceeds allocation and soundness of reporting indicators — whether the impact metrics align with best market practices and are relevant to the social bond issued.

## BFF BANKING GROUP OVERVIEW

BFF purchases and manages non-recourse receivables due from Public Administration and national health systems. Additionally, the company provides securities and payment services to more than 400 clients in Italy. The company operates in Italy, Spain, Portugal, Greece, Poland, the Czech Republic, and Slovakia. As of 31st December 2025, the company had a non-recourse factoring and lending volume of € 8.900 million.

<sup>2</sup> The Framework was assessed as aligned with the Social Bond Principles as of September 29, 2023.

## ASSESSMENT SUMMARY

REVIEW SECTION	SUMMARY	EVALUATION
<b>Part I</b> <b>Alignment with the Issuer's commitments set forth in the Framework</b>	BFF's Social Bond Report meets the commitments set forth in its Social Bond Framework.	<b>Aligned</b>
<b>Part II</b> <b>Alignment with the Harmonised Framework for Impact Reporting for Social Bonds</b>	The Social Bond Report is in line with ICMA's HFIRSB. The Issuer follows core principles and, where applicable, recommendations. The Issuer provides transparency on the level of expected reporting and on the frequency, scope and duration, aligned with best market practices. BFF also discloses a clear description of the portfolio financed.	<b>Aligned</b>
<b>Part III</b> <b>Disclosure of proceeds allocation and soundness of reporting indicators</b>	The allocation of the bond's proceeds has been disclosed, with a detailed breakdown across different eligible project categories/asset categories as proposed in the Framework. <sup>3</sup> BFF's Social Bond Report has adopted an appropriate methodology to report the output generated by providing comprehensive disclosure on data sourcing, calculation methodologies and granularity, reflecting best market practices.	<b>Positive</b>
<b>Limited Assurance conclusion</b>	Based on ISS-Corporate's limited assurance methodology, <sup>4</sup> Parts I, II, and the sampling check assessment results, nothing has come to ISS-Corporate's attention indicating that the information provided by BFF in its report does not present fairly, in all material respects, the allocation of the bond proceeds to eligible social projects/assets as described in the Issuer's Social Bond Framework.	

<sup>3</sup> 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.

<sup>4</sup> ISS-Corporate's limited assurance procedure is based on common market practices and voluntary guidelines such as ISAE 3000. It solely relies on the analysis of the information provided by the Issuer, which remains the responsibility of the Issuer, including data on the allocation of proceeds, project/asset descriptions, sample portfolios and impacts of projects/assets. The External Review was conducted through desk-based analysis and no on-site visits were conducted. However, limited assurance reviews have inherent limitations and may not be able to detect all instances of non-compliance in the matters being reviewed, including fraud, error or non-compliance. We prepared this External Review for the Issuer, and we do not assume any responsibility for any reliance on this report by any persons or users other than the party for whom it was prepared.

## REPORT REVIEW ASSESSMENT

### PART I: ALIGNMENT WITH COMMITMENTS SET FORTH IN THE SOCIAL BOND FRAMEWORK<sup>5</sup>

The following table evaluates the Social Bond Report against the commitments set forth in BFF's Framework, which are based on the core requirements of the Social Bond Principles and best market practices.

SBP	OPINION	ALIGNMENT WITH COMMITMENT
<b>Process for project/asset evaluation and selection</b>	<p>BFF confirms to follow the process for project/asset evaluation and selection described in BFF's Social Bond Framework. The Issuer applied the eligibility criteria set in the Framework to determine whether projects/assets fit within the defined categories.</p> <p>ESG risks associated with the project/asset categories are identified and managed appropriately, as defined in the Framework.</p>	✓
<b>Management of proceeds</b>	<p>BFF confirms to follow the management of proceeds described in BFF's Social Bond Framework.</p> <p>The proceeds collected are equal to the amount allocated to eligible projects/assets, with no exceptions. The proceeds are tracked appropriately and attested in a formal internal process.</p>	✓
<b>Reporting</b>	<p>The report is in line with the initial commitments set in BFF's Social Bond Framework.</p> <p><i>Further analysis of this section is available in Part III.</i></p>	✓

<sup>5</sup> BFF's Social Bond Framework was assessed as aligned with the Social Bond Principles (as of June 2023) as of September 29, 2023.

## PART II: ASSESSMENT AGAINST THE HARMONISED FRAMEWORK FOR IMPACT REPORTING

Reporting is a core component of the Social Bond Principles, and transparency is of particular value in communicating the expected and/or achieved impact of projects/assets in the form of annual reporting. Social bond issuers are required to report on both the use of social bond proceeds and the social impacts at least annually until full allocation. The HFIRSB has been chosen as the benchmark for this analysis as it represents the most widely adopted standard.

The table below evaluates BFF's Social Bond Report against the HFIRSB.

CORE PRINCIPLES		
HFIRSB	SOCIAL BOND REPORT	ASSESSMENT
Reporting on an annual basis	<p>BFF has reported within one year of issuance and thereafter within one year of the last report. The report will be available on BFF's <a href="#">website</a>.</p> <p>To illustrate the social impact of projects/assets, the report includes qualitative performance indicators, where feasible.</p>	✓
Formal internal process to allocate proceeds	All proceeds allocated to social projects/assets as of the Social Bond Report date have only been allocated to projects/assets that meet the Framework's eligibility criteria.	✓
Allocation of the proceeds to social project/asset categories	<p>In accordance with the criteria established within the Framework and in compliance with the SBP, BFF has allocated the net proceeds of the bond issued under this Framework to new and/or existing eligible assets within the "Access to Essential Services – Healthcare" category.</p> <p>The Issuer also discloses the sector of operation for each project/asset category.</p> <p>The issuer identifies alignment of the project/asset category with market-wide social or development objectives.</p>	✓
Target population(s) identified	The Issuer defined targeted populations for the Access to Essential Services - Healthcare project/asset category.	✓

<p>Output, outcome and/or impact of projects/assets at project/asset or portfolio level</p>	<p>The Issuer referred to the existing indicator list from Annex III of the HFIRSB (i.e., number of hospital beds preserved, healthcare jobs preserved, and healthcare jobs created). The chosen metrics capture the social changes and are supplemented with qualitative information.</p> <p>A detailed analysis of reporting indicators is available in Part III.</p>	<p>✓</p>
<p>Illustrate the expected social impacts or outcomes</p>	<p>The Issuer displays the expected social output enabled by the projects/assets using quantitative indicators.</p> <ul style="list-style-type: none"> <li>▪ Number of hospital beds created or preserved</li> <li>▪ Number of healthcare jobs created or preserved</li> <li>▪ Number of days of care created or preserved</li> </ul> <p>The Issuer reports annual actual impacts (ex-post).</p> <p>The Issuer also discloses the method used for estimating the outcomes. More information can be found in Part III.</p> <p>The estimation method was assessed by an external verifier in line with best standards and practices for the Specialized Finance sector.</p>	<p>✓</p>
<p>Prorated share of the overall impact results of the projects/assets or portfolio of projects/assets</p>	<p>The Issuer finances 100% of all their projects/assets. BFF's impacts are based only on the amount they have financed.</p>	<p>✓</p>
<p>ESG risk management</p>	<p>The Issuer has a system to identify and manage ESG risks related to the financed projects/assets. The method used to assess ESG risks is elaborated in the Issuer's Social Bond Framework.</p> <p>The Issuer reports no negative effects and confirms that no material risks have been</p>	<p>✓</p>

	identified in relation to the financed projects/assets.	
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**RECOMMENDATIONS**

HFIRSB	SOCIAL BOND REPORT	ASSESSMENT
Report at project/asset or portfolio level	Reporting was conducted on a portfolio basis, whereby proceeds from all of BFF’s outstanding social bonds funded a portfolio of projects/assets.	✓
Define and disclose period and process for including/removing projects/assets in the report	<p>All proceeds have been allocated to social assets. Only project/asset financing disbursed and confirmed as eligible by the Committee up to December 31, 2025, is included in the Social Bond Report.</p> <p>As part of its due diligence, the Issuer monitors the projects/assets included in its social bond program. The Issuer transparently reports on the process used to remove and add projects/assets to the reported portfolio in the framework.</p>	✓
Disclose a detailed description of the projects/assets	The Issuer provides details of the projects/assets (e.g., context, region, target population).	✓
Disbursement reporting	<p>The proceeds from the social bond issuance were used to finance new loans/assets or refinance existing loans/assets.</p> <p>The Issuer does not display a table indicating the year when the disbursements were made to the reported eligible projects/assets, due to the high number of disbursements by country.</p>	-
Indicate the total signed amount and the amount of social bond proceeds allocated to eligible disbursements	<p>The Issuer reports the amount of social bond proceeds allocated to eligible disbursements but does not disclose the total signed amount due to the revolving nature of its financial asset portfolio.</p> <p>Allocated amount: EUR 1,709,689,580</p>	-

Report on sector-specific core indicators	For its "Access to Essential Services – Healthcare" category, the Issuer reports on the core indicators and some of the other indicators highlighted in the HFIRSB.	✓
Disclose the methodology and the assumptions used for the calculation of impact indicators	The Issuer reports on actual absolute output indicators.	N/A
Approach to impact reporting	The Issuer reports on the overall impact of the portfolio and discloses the prorated share of the overall results.	N/A
Projects/assets with partial eligibility	All projects/assets are 100% eligible for financing.	N/A
Reporting on the estimated lifetime impacts and/or project/asset economic life	The Issuer does not report on the estimated lifetime impacts and/or project/asset economic life in years. The estimated lifetime does not serve as a viable indicator for factoring activities, as the Issuer's portfolio consists of financial assets rather than discrete projects. The focus in factoring is on the rapid conversion of receivables into cash. BFF reports on the DSO and Tenor as time-dimension indicators.	N/A

OPINION

*BFF follows the HFIR's core principles and some key recommendations. The Issuer provides transparency on the level of expected reporting and on the frequency, scope and duration, aligned with best market practices. BFF also discloses a clear description of the portfolio financed and reports the overall impact.*

## PART III: DISCLOSURE OF PROCEEDS ALLOCATION AND SOUNDNESS OF THE OUTPUT REPORTING INDICATORS

### Use of proceeds allocation

Use of proceeds allocation reporting contextualizes impacts by presenting the number of investments allocated to the respective use of proceeds categories.

Allocation reporting occurred within one year of issuance, after full allocation of the proceeds.

This is the second year of allocation reporting and the 100% of allocation in 2025 compares with the 100% of allocation in 2024. The use of proceeds allocation reporting occurred within the regular annual cycle after the issuance.

### Proceeds allocated to eligible projects/assets

The allocation of proceeds is broken down portfolio level. The Issuer has provided details about the type of projects/assets included in the portfolio.

The allocation reporting section of BFF's Social Bond Report aligns with best market practices by providing information on:

- The breakdown of financing vs re-financing
- The total amount of proceeds in million euros
- A geographical breakdown of the eligible social portfolio
- The types of projects/assets under the eligible social portfolio

### Output indicators

The table below presents an independent assessment of the Issuer’s report and disclosure on the output, outcome and/or impact of projects/assets using indicators.



ELEMENT	ASSESSMENT
<p><b>Relevance</b></p>	<p>The output indicators chosen by the Issuer for this bond are the following:</p> <ul style="list-style-type: none"> <li>▪ Hospital beds preserved/created</li> <li>▪ Healthcare jobs preserved/created</li> <li>▪ Days of care preserved/created</li> </ul> <p>These indicators are quantitative and material to the use of proceeds category financed through this bond. The Issuer’s chosen indicator Hospital Beds Created or Preserved is in line with the Suggested Impact Reporting metrics for Access to Essential Services – Healthcare Projects/Assets by the HFIRSB. This aligns with best market practices.</p>
<p><b>Data sourcing and methodologies of quantitative assessment</b></p>	<p>For the Issuer’s factoring activities, the number of hospital beds preserved is calculated using 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 multipliers to the residual debt amount of each entity.<sup>6</sup></p> <p>Beyond their factoring activities, the Issuer has two distinct lending categories in its eligible portfolio: i) short-term loans and ii) medium- and long-term loans and leasing. For the short-term loans, the Issuer calculates the number of hospital beds preserved using the same approach as for factoring, except that the entity-specific multipliers are now based on the number of hospital beds and the current liabilities of the same healthcare facility.</p> <p>Medium- and long-term loans and 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.</p>

<sup>6</sup> 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.

	<p>For the Issuer’s Italian portfolio of eligible assets, data on healthcare facilities was obtained from the Italian Ministry of Health.</p> <p>For the Issuer’s Portuguese portfolio of eligible assets, data on healthcare facilities was obtained from the Portuguese Ministry of Health.</p> <p>For the Issuer’s Polish portfolio of eligible assets, data on healthcare facilities was derived from an elaboration on financial data from an EMIS report and hospital bed numbers provided by PMR Market Experts.</p>
<b>Baseline selection</b>	The Issuer reports on absolute values.
<b>Scale and granularity</b>	The impact data is presented at the use of proceeds category level for the indicator(s).

### High-level mapping of the impact indicators with the U.N. Sustainable Development Goals

Based on the project/asset categories financed and refinanced by the bonds as disclosed in the Issuer’s Social Bond Report, the impact indicator(s) adopted by BFF for its social bond can be mapped to the following SDGs, according to ISS Sustainability’s SDG Solutions Assessment, a proprietary methodology designed to assess the impact of an Issuer’s product or services on the U.N. SDGs.

IMPACT INDICATORS	SUSTAINABLE DEVELOPMENT GOALS
<p><b>Access to Essential Services – Healthcare</b></p> <ul style="list-style-type: none"> <li>Hospital beds preserved/created</li> </ul>	
<p><b>Access to Essential Services – Healthcare</b></p> <ul style="list-style-type: none"> <li>Healthcare jobs preserved/created</li> <li>Days of care preserved/created</li> </ul>	

## OPINION

*The allocation of the bond's proceeds has been disclosed, with a detailed breakdown across different eligible project categories/asset categories as proposed in the Framework. The Social Bond Report has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculation methodologies and granularity, reflecting best market practices. In addition, the impact indicators used align with best market practices using the HFIRSB's recommended metrics.*

## DISCLAIMER

1. Validity of the External Review (“External Review”): Valid as long as the Social Bond Report remains unchanged.
2. ISS-Corporate is a leading provider of robust SaaS and expert advisory services to companies, globally. ISS-Corporate’s data-driven, research-backed Compass platform empowers businesses to understand and shape the signals they send to institutional investors, regulators, lenders, and other key stakeholders. By delivering essential data, tools, and advisory services, ISS-Corporate can help businesses around the world to be more resilient, align with market demands, and proactively manage governance, compensation, sustainability, and cyber risk initiatives. ISS Corporate Solutions, Inc. (“ISS-Corporate”) is a wholly owned subsidiary of Institutional Shareholder Services Inc. (“ISS”) and part of the ISS STOXX GmbH group of companies. This document and all of the information contained in it, including without limitation all text, data, graphs, charts (collectively, the “Information”) is the property of ISS-Corporate or its affiliates. The Information may not be reproduced or disseminated in whole or in part without prior written permission of ISS-Corporate. ISS-Corporate MAKES NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION. ISS-Corporate provides advisory services, analytical tools and publications to companies to enable them to improve shareholder value and reduce risk through the adoption of improved corporate governance practices. The ISS STOXX Governance and Sustainability research teams, which are separate from ISS-Corporate, will not give preferential treatment to, and are under no obligation to support, any proxy proposal of a corporate issuer nor provide a favorable rating, assessment, and/or any other favorable results to a corporate issuer (whether or not that corporate issuer has purchased products or services from ISS-Corporate). No statement from an employee of ISS-Corporate should be construed as a guarantee that ISS STOXX will recommend that its clients vote in favor of any particular proxy proposal or provide a favorable rating, assessment or other favorable result.
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## ANNEX 1: Methodology

### High-level mapping to the SDGs

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary methodology based on ICMA's Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals, the extent the Issuer's reporting and project categories contribute to related SDGs is identified.

## ANNEX 2: Quality management processes

### ISSUER'S RESPONSIBILITY

The Issuer's responsibility was to provide information and documentation on:

- Social Bond Report
- Social Bond Framework
- Proceeds allocation
- Reporting impact indicators
- Methodologies and assumptions for data gathering and calculation
- ESG risk management

### ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS STOXX, which ISS-Corporate is part of, has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

This independent Report Review has been conducted by following ICMA's Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews, and its methodology, considering, when relevant, the ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

The engagement with BFF took place from March to April 2026.

### ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate conducted this verification in strict compliance with the ISS STOXX Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS STOXX.

## About this Report Review

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

ISS-Corporate assesses the alignment of the Issuer's report with external principles (e.g., the Green/Social Bond Principles), assesses the alignment of the Issuer's report against the commitments in the respective Framework, and analyzes the disclosure of proceeds allocation, data source and calculation methodologies of the reporting indicators against best market practices. Following these guidelines, we draw up an independent Report Review so investors are as well-informed as possible about the proceeds allocation and the impact of the sustainable finance instrument(s).

Please visit ISS-Corporate's [website](#) to learn more about our services for bond issuers.

For information on Report Review services, please contact [SPOsales@iss-corporate.com](mailto:SPOsales@iss-corporate.com).

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