

Consolidated Non-Financial Statement FY 2022-23

In accordance with Legislative Decree No.254 of 2016



MEDIOBANCA



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Methodology



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1. Methodology

1.1 Reporting standards applied

[GRI 1], [GRI 2-3]

The Consolidated Non-Financial Statement (the “Statement” or the “CNFS”) for the Mediobanca Group (the “Group”), drawn up in accordance with the provisions of Article 4 of Italian Legislative Decree 254/16 (the “Decree”), contains information on environmental, social and staff-related issues and on human rights and measures to tackle bribery and corruption, of use to provide an understanding of the activities performed by the Group, its performance, results and the impact produced by it.

The Statement, which has been published annually starting from FY 2017-18, has been drawn up based on the GRI-Sustainability Reporting Standards “in accordance” option defined in 2016 and updated in 2021 by the GRI-Global Reporting Initiatives (the “GRI Standards”). The standards developed by the Sustainability Accounting Standards Board (“SASB”) have also been taken into consideration, where applicable. As from FY 2021-22, the Mediobanca Group is also subject to the reporting obligations introduced by Regulation (EU) 2020/852 of 18 June 2020 (the “Taxonomy Regulation”) and by Commission Delegated Regulations (EU) 2021/2178 and (EU) 2021/2139 related to it. Such disclosure is contained in Section 12 of the Statement entitled EU Taxonomy.

In June 2021 Mediobanca became a signatory to the Principles for Responsible Banking (“PRB”) designed by the UN Environment Programme Finance Initiative (UNEP FI), promoted by the United Nations, and published its first self-assessment of the progress made relative to the Principles in the CNFS for FY 2021-22. Starting from this financial year, the PRB reporting is being published separately, and the report is available from the following link: https://www.mediobanca.com/static/upload_new/prb/prb_report_2023.pdf.

To facilitate stakeholders in locating information within the document, the GRI Content Index is reproduced on p.176. References to the GRI indicators are provided in the text, using the symbol [GRI N.].

The non-financial reporting contained in the Statement reflects the principle of materiality, or relevance, one of the prerequisites set down by the regulations and a key feature of the GRI Standards. Accordingly, the issues presented in the Statement are the ones which, following the materiality analysis described on p.39, are considered relevant in terms of being able to reflect the social and environmental impact of the Group’s activities or influence the decisions of its stakeholders.

The reporting refers to the following principles, as recommended in GRI 1- Foundation 2021:

- ◆ **stakeholder inclusiveness:** the expectations and interests of all stakeholders, i.e. parties which on various grounds contribute to or are otherwise affected by the Group’s activities, are taken into consideration;



- ◆ **sustainability context:** the results of the non-financial reporting takes into account the social and economic context in which the Group operates and the main issues in the sector of which it forms part;
- ◆ **completeness:** the issues reported on, and the scope of the Statement, enable stakeholders to make a full judgement of the Group's principal social and environmental impacts;
- ◆ **balance between positive and negative aspects:** the Statement presents both aspects in which the Group shows positive results and trends, and areas which reflect margins for further improvement;
- ◆ **comparability:** the indicators have been used in such a way as to allow results to be constructed and reconstructed over time, enabling them to be monitored on an ongoing basis;
- ◆ **accuracy:** the reporting has been based on data recorded directly, limiting the use of estimates as far as possible;
- ◆ **timeliness:** the Statement is prepared annually and published at the same time as the Group consolidated financial statements;
- ◆ **reliability:** all the data and information shown have been validated by the heads of the relevant company units and have been processed on the basis of substantiated evidence which is sufficient to prove the existence, completeness and accuracy of such data and information;
- ◆ **clarity:** the Statement contains information presented in a way that is understandable and accessible to all the organization's range of stakeholders.

1.2 Scope of reporting

[GRI 2-2], [GRI 2-3], [GRI 2-4], [GRI 2-5], [GRI 3-1], [GRI 3-2]

The qualitative and quantitative data and information contained in the Statement refer to the results of the Mediobanca Group in the financial year ended 30 June 2023. Not including Section 7.1 *Economic value generated and distributed* (the scope of which coincides with that of the consolidated financial statements), as provided by the Decree, the scope of reporting for the CNFS covers virtually the entire consolidated financial statements for FY 2022-23¹.

Companies with no employees or which are not operative or in liquidation are excluded from reporting non-financial data, if not considered material in view of their contribution to the Group's sustainability performance.

The following transactions and/or changes took place during FY 2022-23, which impact on the scope of the CNFS compared to last year:

- ◆ In October 2022 Compass Banca ("Compass") acquired 100% of Soisy, an Italian fintech, to be merged into Compass in the early months of FY 2023-24. The company is included in the scope of reporting for this document;
- ◆ Sale by Compass of its 100%-owned subsidiary Revalea S.p.A., to be completed in the early months of FY 2023-24; it is accounted for as a non-current asset held for sale pursuant to IFRS 5; Revalea S.p.A. is included in the scope of reporting for the CNFS, as during FY 2022-23 it has contributed to the delivery of the Group's sustainability performances;

1. The full list of companies consolidated is provided on p.115 of the Consolidated Financial Statements, Notes to the Accounts, Part A.



- ◇ Cairn Capital was renamed Polus Capital Management Ltd;
- ◇ Compass acquired 19.5% of HeidiPay, a Swiss company specializing in Buy Now Pay Later (“BNPL”) and classified as an associate company, and accordingly is not included in the scope of reporting;
- ◇ Compass acquired 100% of HeidiPay Switzerland, a company specializing in BNPL; the deal is expected to close by end-2023 and the company will be fully consolidated as from next year;
- ◇ An agreement was signed by Mediobanca to acquire Arma Partners; the deal is expected to close by year-end 2023 and the company will be fully consolidated starting from next year;
- ◇ MB INV AG, a company 100%-owned by Mediobanca, was set up and will be merged into Mediobanca itself within the first months of FY 2023-24.

COMPANIES EXCLUDED FROM SCOPE OF CNFS REPORTING

POLUS CAPITAL MANAGEMENT INVESTMENTS LIMITED
 POLUS INVESTMENT MANAGERS LIMITED
 CMB REAL ESTATE DEVELOPMENT SAM
 MB FUNDING LUXEMBOURG S.A.
 MEOBANCA COVERED BOND S.R.L.
 MEOBANCA INTERNATIONAL IMMOBILIARE S. A R.L.
 QUARZO S.R.L.
 QUARZO CQS S.R.L.
 MB INV AG S.R.L.
 RAM UK (company in liquidation)

Any further limitations to this scope of reporting, with reference to the coverage of specific indicators, have been disclosed where appropriate in the CNFS itself. Such limitations do not affect the representativeness of the Group’s results and assets, as required by Italian Legislative Decree 254/16.

The data reported in the Statement refer to FY 2022-23 and are compared with those for the two previous financial years.

1.3 Reporting process

The Mediobanca Group’s CNFS as at 30 June 2023 has been drawn up on the basis of a structured reporting process which entailed:

- ◇ The involvement of all company units and divisions responsible for the material areas and for the information included in the Statement. The representatives identified described the significant initiatives undertaken during the reporting period, and assisted at the stage of collecting, analysing and consolidating the data, with the responsibility for checking and validating all the information stated in the Statement, each for their own area of responsibility. The process is governed via a specific internal Directive, which also includes formal validation by the contributing units. The data is processed via extractions and point-in-time calculations, and also estimates (where specifically stated). The earnings and financial data and information have been taken from the Mediobanca Group’s



consolidated financial statements for the year ended 30 June 2023, with the exception of the Country by Country Reporting data which refer to the financial statements for the year ended 30 June 2022 (Section 4.3 *Approach to tax and tax compliance issues*).

- ◆ Approval of the Statement by the Board of Directors, called to adopt the accounts for the financial year ended 30 June 2023, subject to prior review by the management Sustainability Committee, the CSR Committee set up by the Board of Directors, and the Statutory Audit Committee;
- ◆ Assurance for the Statement by EY S.p.A. in the form of a limited review;
- ◆ Publication of the Statement on the company website to make it fully transparent and available to all stakeholders.

The internal controls system for non-financial information, which identifies and formalizes the main risks and responsibilities, also includes a matrix of controls attached to the *Group Directive on the Reporting Process for Consolidated Non-Financial Information* each year.

Table showing intersections between areas covered by the Decree, material issues and GRI Standards

AREAS COVERED BY ITALIAN LEGISLATIVE DECREE 254/16	MATERIAL TOPICS IDENTIFIED BY MEDIOBANCA	RELEVANT TOPIC-SPECIFIC GRI STANDARDS	IMPACT SCOPE	
			GROUP INTERNAL IMPACT	GROUP INTERNAL IMPACT
CORRUPTION	Ethics and integrity in business	Anti-corruption (GRI 205) Tax (GRI 207)	Whole Group	Community Clients
	Capital solidity and profitability	(*)	Whole Group	
SOCIAL	Sustainable finance	(*)	Whole Group	Community Clients
	Client satisfaction and quality of service	Marketing and labelling (GRI 417)	Whole Group	Clients
	Digitalization, innovation and cyber-security	Data privacy (GRI 418)	Whole Group	Clients
	Inclusion and financial education	(*)	Whole Group	Community Clients
	Support for the community	Economic value generated and distributed (GRI 201)	Whole Group	Community
STAFF	Training and valorization of human capital and talent retention	Training and education (GRI 404) Human rights assessment (GRI 412) Employment (GRI 401) Labour-management relations (GRI 402)	Whole Group	



AREAS COVERED BY ITALIAN LEGISLATIVE DECREE 254/16	MATERIAL TOPICS IDENTIFIED BY MEDIOBANCA	RELEVANT TOPIC-SPECIFIC GRI STANDARDS	IMPACT SCOPE	
			GROUP INTERNAL IMPACT	GROUP INTERNAL IMPACT
STAFF	Diversity and inclusion	Diversity and equal opportunities (GRI 405) Non-discrimination (GRI 406)	Whole Group	
	Staff health, safety and well-being	Health and safety (GRI 403)	Whole Group	
ENVIRONMENT	Environmental protection and focus on climate change	Materials (GRI 301) Energy (GRI 302) Water (GRI 303) Effluents and waste (GRI 306)	Whole Group	Environment
	Support for environmental transition	Energy (GRI 302) Emissions (GRI 305)	Whole Group	Environment
SUPPLY CHAIN	Responsible supply chain management	Supplier environmental assessment (GRI 308) Supplier social assessment (GRI 414)	Whole Group	Suppliers

* For issues marked with an asterisk (which do not match directly with a Topic-Specific GRI Standard), the Group illustrates the management approach adopted and related performance indicators (independent or developed through the use of an independent methodology, as indicated in the relevant section), considered to be material in the document itself.

For any restatements of data and information for previous years, reference is made to the specific notes in the document as per GRI-2-4.



Strategy



MEDIOBANCA



2. Strategy

2.1 Strategy

[GRI 2-22]

The Group is continuing to grow, and ended the financial year with **total revenues** (up 16% YoY to €3,305m), **net profit** (up 13% YoY to €1,027m) and **profitability** (ROTE 13%, up 2pp YoY) **all at record levels**, in an operating scenario impacted by significant geopolitical events, the sudden change in monetary policy, and high volatility on financial markets.

In a such a challenging scenario, the consolidation of a model for sustainable and inclusive growth is demanded by the initiatives implemented by the regulators, supervisory bodies and international organizations, and confirmed by the increasing attention being focused on such issues by institutional investors and savers' decisions.

Now that the **ESG targets contained in the 2019-23 Strategic Plan have been met in full**², we have now identified a series of cross-divisional actions to contribute towards the achievement of a more sustainable future in terms of **reducing our impact on the environment, increasing our focus on inclusion and diversity**, and **providing support to the community**.

The objective of consolidating the responsible approach to banking for which Mediobanca has always been famous has led us to set qualitative and quantitative targets that have been included in the guidelines for the new **"One Brand – One Culture" 2023-26 Strategic Plan**³ and the staff performance evaluation and remuneration policies for the entire Group population, and for senior management in particular.

The Plan objectives will be pursued by offering solutions, products, and advisory services to support clients in the **transition towards a sustainable economy**, helped by training programmes and awareness-raising campaigns to promote increased sensitivity to ESG topics both within and outside the Group.

As **Alberto Nagel, CEO of Mediobanca**, has said:

“ Sustainable growth over time was one of the 2019-23 Strategic Plan priorities, and has defined the objectives we have set for ourselves in the new 2023-26 Strategic Plan. The Group's growing ESG commitment is intended to improve transparency, encourage sustainable investments, and offer solutions that will facilitate the transition to an economy that is more attentive to safeguarding the environment and to the consumption of limited resources, and to mitigating social inequalities. ”

2. For further details on the delivery of the 2019-23 Strategic Plan, reference is made to Section 9. Future objectives.

3. See www.mediobanca.com/static/upload_new/med/0000/mediobanca-group---presentation-strategic-guidelines-23-26.pdf for all the details on the 2023-26 Strategic Plan.



Our responsible approach to banking, based around ESG criteria being incorporated increasingly and more rigorously into every area of the Group's activity, has been recognized by the leading ESG rating companies, including: **MSCI**, which has raised its rating for Mediobanca from **"A" to "AA"**, and **Morningstar**, which has included us in its annual list of the **best companies** in the **Sustainalytics ESG Risk Ratings** that have distinguished themselves in the ESG space by developing and implementing responsible investment strategies.

This recognition, which we see as a reward for our commitment in this area, has led us to renew our full membership of the **Global Compact**, the **Principles for Responsible Banking** and the **Net-Zero Banking Alliance**, and to subscribe to the recommendations of the **Task Force on Climate-related Financial Disclosures (TCFD)**.

The decision to adhere to these global protocols is in line with our commitment to achieve **carbon neutrality by 2050**, with the **interim target of** cutting the carbon intensity of our emissions financed by **35% before 2030**, by when we expect to **exit the coal industry completely**.

In order to address the issue of climate change, we also intend to continue the path we have undertaken to **reduce our direct impact**, confirming our decision for **100% of our electricity to come from renewable sources** and remaining **carbon neutral** with regard to our emissions.

In addition to these actions, **climate and environmental factors** are being increasingly **integrated into risk management** processes, and lending and investment policies.

The pursuit of such challenging objectives is made possible by our **people**, in whom we continue to invest, involving them also in a staff share ownership scheme, in order to promote a sense of belonging and to encourage them to take a proactive role in creating sustainable value.

To contribute to the well-being of our people, we seek to promote a **collaborative and inclusive working environment**, which values the contributions of everyone, promoting fair growth and improving the level of inclusion and social cohesion, for ourselves, our clients, and society in general.

In this connection, we have recently adopted a **Diversity, Equity and Inclusion Code**, which sets out our approach in terms of objectives, strategies and practices adopted in this area.

The links that bind us not only to our own people but also the **communities** of which we are part, drives us to be a force for positive change for the benefit of the more socially vulnerable categories at the greatest risk of exclusion, especially young people from disadvantaged areas, for whom we have promoted a series of initiatives over the years, donating over **€6.5m** in the last financial year.

Furthermore, as we are aware of the strong impact on society that the tax which we pay can help generate in terms of contributing to the collective needs of the countries in which we operate, we have adopted an internal tax risk control system known as the **Tax Control Framework**⁴.

All the activities described thus far are illustrated in more detail in our sustainability reporting, the main component of which is the **Consolidated Non-Financial Statement**, complete with information on **EU Taxonomy** eligibility, accompanied, for the second year running, by the **TCFD Report**, on climate-related and environmental issues, plus, for the first time this year, a separate report on the results achieved based on the **Principles for Responsible Banking**.

In addition to the above, further information on sustainability can be found in the **Pillar III ESG** and **Green Bond Reports** published simultaneously.

4. See Section 4.3 Approach to tax and tax compliance issues for further details on the Tax Control Framework.

Identity



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3. Identity

3.1 Mediobanca Group

[GRI 2-1], [GRI 2-6]

Mediobanca was founded in 1946 to support the reconstruction and development of the post-war Italian economy. In the course of this activity, the Bank forged strong links with the most important industrial families in Italy, promoting growth by taking equity investments in the companies itself. Although its original mission was to large corporates, activities were soon launched in the retail and mid-corporate segments too, with a view to diversification: with companies operating in consumer credit (Compass, 1960), leasing (Selma, 1970), mortgage lending (Micos, 1992⁵) and private banking (Banca Esperia, 2001 and CMB, 2003).

Starting from 2003 the Bank embarked on a major transformation process, in a market and regulatory scenario that required change to be accelerated in view of the various financial crises that have occurred. With the aim of strengthening its capital and earnings profile, the Mediobanca Group has transformed itself from a holding company to a banking group performing highly specialist activities. This led to more active management of the equity investment portfolio, thus moving away from the system of cross-shareholdings, withdrawing from the various shareholder agreements entered into and selling investments not considered to be strategic, but also growing the banking activities in which the Bank had specialized, prioritizing capital light and fee-generating businesses in particular.

The 2016-19 business plan accelerated this process further, with a Wealth Management division being set up to leverage growth opportunities more effectively. Developing this division has become central to the Group's growth strategies.

In continuity with the previous one, the 2019-23 Strategic Plan sought to refine the effectiveness of the Group's business model, establishing Mediobanca once again as a financial player distinctive for its growth, quality and sustainability.

The new **2023-26 Strategic Plan "One Brand-One Culture"** lays the foundations for further robust growth in revenues, profits and shareholder remuneration, with pursuit of leadership in Wealth Management as one of its main priorities, including through consolidation of the unique Private & Investment Banking.

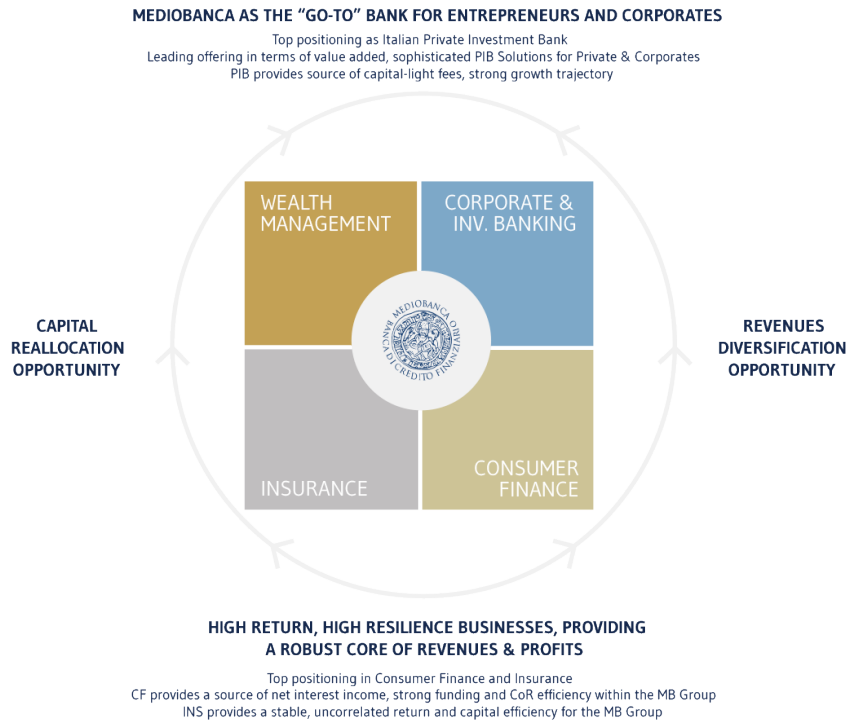
The new Strategic Plan also continues the "school of responsible banking" approach which is firmly rooted in the Group's foundations, identifying a series of cross-divisional qualitative and quantitative actions to help contribute to a more sustainable future in terms of reducing impacts on the environment, being sensitive to the issues of inclusion and diversity, and expressing support for the local community.

The Mediobanca Group's strategy remains focused on delivering growth in all its divisions, to be achieved prudently and progressively, while preserving one of the best risk/return profiles in Europe and building

5. Renamed CheBanca! in 2008.



on our capital solidity and strong reputation, while leveraging on the opportunities offered by the market for growth, both organic and by acquisitions.



Business model based on highly specialized businesses

WEALTH MANAGEMENT	CORPORATE & INVESTMENT BANKING	CONSUMER FINANCE	INSURANCE & PRINCIPAL INVESTING
Private Investment Bank: leader in terms of sophisticated solutions offering high value added for private customers and corporates		Historical business launched in 1960s	The division today consists almost entirely of the Group's holding in Assicurazioni Generali, an investment which delivers very positive returns, and helps stabilizes the Group's revenues and earnings, as it is decorrelated from the Group's other activities.
Business with highly specialized content, recurrent fee-based and low capital absorption	Business historically part of Mediobanca's DNA focused on companies	Specialist business with high entry barriers addressed to families	
Repositioning and strengthening in the Premier segment	Highly specialized, client-based activity	Stable revenue source, driver of net interest income for the Group, highly profitable	
Unique product offering in Italy as Private& Investment Bank, with special focus on illiquid products for UHNWI clients ⁶	Fee-based, profitable, cyclical business Well-diversified business by source, product and geography		
			Division which brings together all the Group's equity investments

◆ **Wealth Management:** this division brings together all the asset management services offered to the various client segments:

◆ **Premier:** (CheBanca!, which will be renamed Mediobanca Premier starting from January 2024);

◆ **Private** (Mediobanca Private Banking e CMB Monaco);

6. Ultra High Net Worth Individuals.

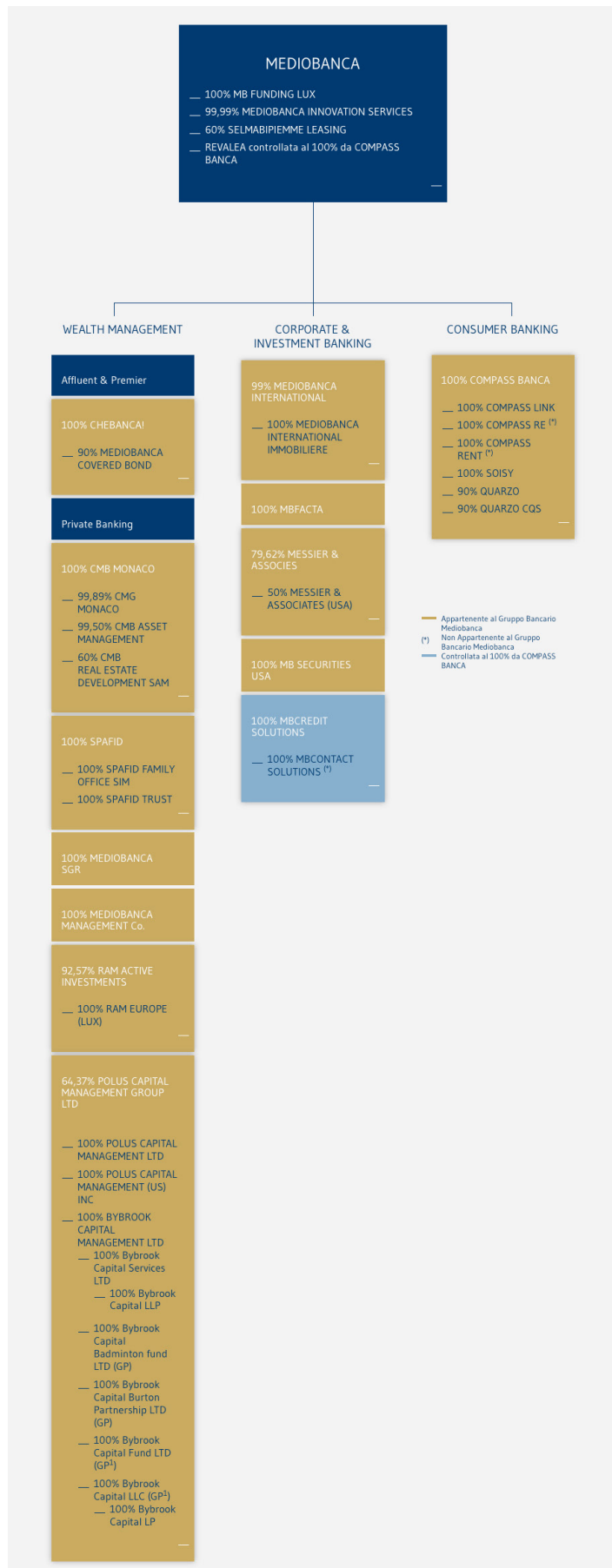


This division also comprises the **Asset Management** companies (Mediobanca SGR, Polus Capital Management, RAM Active Investments and Mediobanca Management Company) plus Spafid, Spafid Family Office SIM and Spafid Trust.

- ◆ **Consumer Finance:** this division provides retail clients with the full range of consumer credit products (personal and special-purpose loans, salary-backed finance, and transactional products), plus BNPL and insurance products. Its scope also includes Compass RE, which reinsures risks linked to insurance policies sold to clients, Compass Rent, which operates in long-term hire in the automotive and furnishings sectors, and Soisy and HeidiPay⁷, two recent acquisitions to strengthen the Group's operations in the BNPL segment through the e-commerce channel.
- ◆ **Corporate & Investment Banking:** this division brings together all services provided to corporate clients in the following areas:
 - ◆ **Wholesale Banking** (lending, capital market activities and advisory services, and trading – client and proprietary – performed by Mediobanca, Mediobanca International, Mediobanca Securities, and Messier et Associés);
 - ◆ **Specialty Finance**, i.e. **Factoring** and **Credit Management** performed by MBFACTA and MBCredit Solutions and MBContact Solutions. During the year under review, following the decision to separate the activities of MBCredit Solutions, choosing to focus on third-party NPL management instead, the Group has now sold Revalea, the company to which the NPL portfolios acquired had been spun off.
- ◆ **Insurance & Principal Investing:** this division manages the Group's equity investments, in particular the stake in Assicurazioni Generali.
- ◆ **Holding Functions:** this division includes SelmaBipiemme Leasing, MIS and other minor companies, plus Group Treasury and ALM (with the aim of minimizing the cost of funding and optimizing the liquidity management on a consolidated basis, including the securities held as part of the banking book), all costs relating to central Group functions (Planning and Control, Corporate Affairs, Investor Relations, etc.), senior management and the control units (Risk Management, Group Audit and Compliance) for the part not allocated to the business lines.

7. The HeidiPay acquisition is expected to be closed in the autumn months of 2023.

8. Group Treasury finances the individual business areas' operations, applying the funds transfer pricing (FTP) rate based on the relevant curves, with varying spreads applied depending on the expiries agreed for the respective use of funds.





The Group maintains an extensive international network through companies set up in the various countries where it has operations.





MATERIAL ISSUES	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIONS
Capital solidity and profitability	Wrong or inadequate consideration of scenario variables (e.g. economic, geopolitical and environmental scenario), of sustainability priorities and stakeholder expectations, with possible adverse impacts on strategic planning, decision-making and operating processes, and on the Group's performances	Board CSR Committee
		Management Sustainability Committee, Group Sustainability unit, and ESG working groups
Ethics and integrity in business	Lack of and/or inadequate business continuity models sufficient to tackle the crisis	Group Sustainability taking part as guest in the Wealth Management division's Investment Committee meetings
		Group Sustainability Policy
		Specific stress testing methodologies defined for credit, liquidity, market, and operational risk, to ensure a fully integrated approach can be taken to management of risks relating to climate change as part of the Group's strategy
		Annual materiality analysis for the Mediobanca Group, supported by specific stakeholder engagement activity
		Regular meetings with the Italian Banking Association (ABI)
		Signatory to PRB (Principles for Responsible Banking)
		Business Continuity Plans updated regularly (Risk Assessment and Business Impact Analysis performed at least once a year)
		Crisis unit
		BCM Office at Group level, liaising with BCM offices at local level
		Internal regulations on business continuity and crisis management
		Regular Business Continuity and Disaster Recovery testing, and implementation of remediation plans drawn up in response to any issues to emerge from the testing
		Supervision of BC solutions deployed by third parties and participation in the main outsourcers' testing
		Training and awareness activities



3.2 Governance model

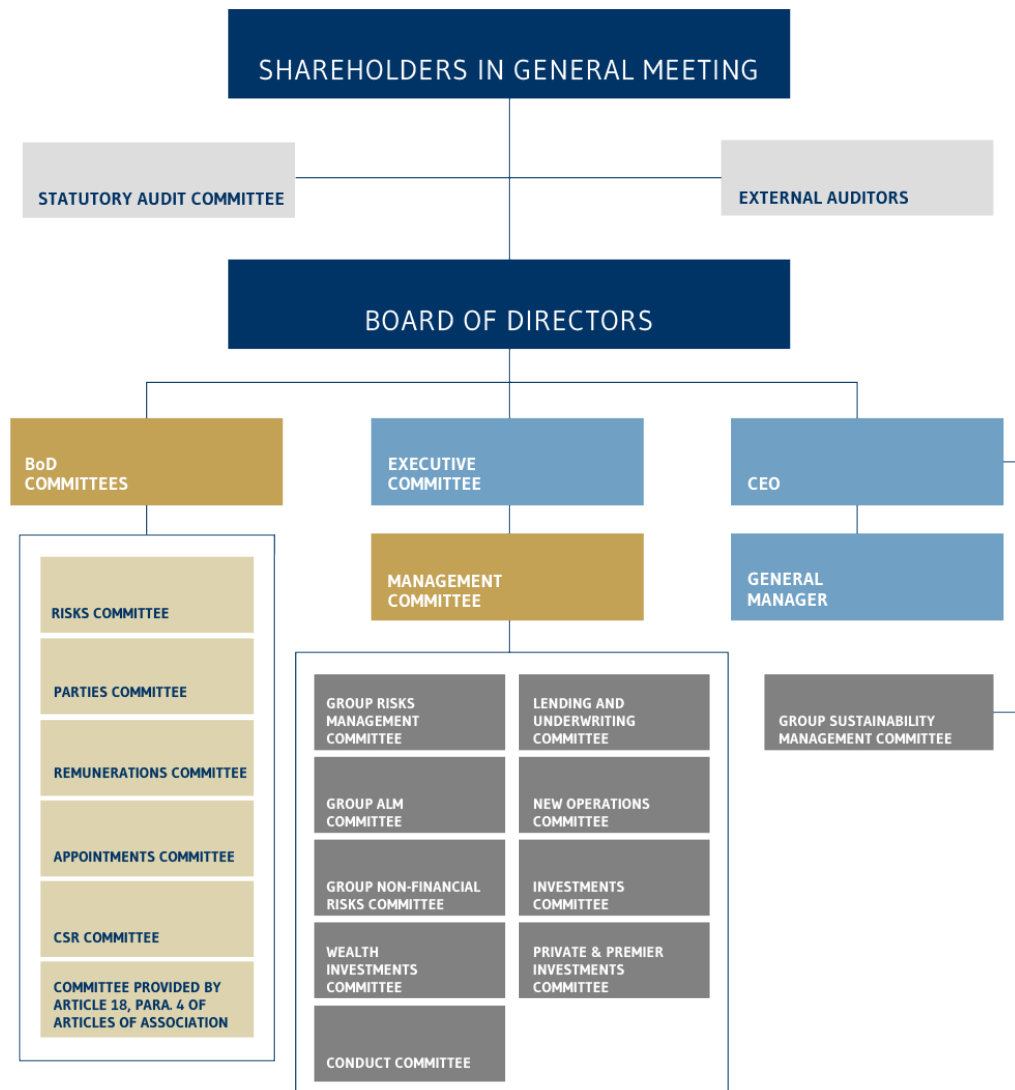
[GRI 2-9], [GRI 2-10], [GRI 2-11], [GRI 2-17], [GRI 405-1]

Mediobanca has adopted a traditional system of governance based on the appointment of a Board of Directors and Statutory Audit Committee by shareholders gathered in annual general meeting.

Within this model, the Group's governance provides for a clear division of roles and responsibilities between governing bodies, as stipulated in the Articles of Association:

- ◈ The Board of Directors is responsible for strategic supervision, approving the strategic direction of the Bank and monitoring to ensure it is implemented in practice;
- ◈ The Lead Independent Director is responsible for co-ordinating the requests and contributions of the independent Directors;
- ◈ Management of the Group is the responsibility of the Executive Committee and the Chief Executive Officer, who are responsible for executing the strategic direction and for managing the company's day-to-day operations;
- ◈ The Statutory Audit Committee is vested with duties of control.

The existing model works as follows:





Under the terms of the Articles of Association, the Board of Directors is appointed on the basis of a list voting mechanism in which lists may be submitted by the Board of Directors and/or by shareholders representing at least 1% of the company's share capital in the aggregate.

The Board of Directors issues its own guidance in the Report on the Qualitative and Quantitative Composition of the Board of Directors, to ensure that the list of candidates submitted for appointment are suitably qualified for the responsibilities they will have to assume.

The Directors must be in possession of the qualifications expressly set by the regulations in force and the requisite time commitment; they must comply with the limits on the number of posts held, and not be in any situations of incompatibility pursuant to Article 36 of Italian law 214/11. The majority of the Directors must qualify as independent according to the definition provided in Article 19 of the Articles of Association and the regulations in force, and no-one over the age of 75 may be appointed. The Board's composition also complies with the law on equal gender representation. Mediobanca acknowledges and promotes diversity within the Group and its own governing bodies, with reference to gender, age, qualifications, capabilities, training and professional profile.

While emphasizing the importance of the Board's collective suitability, and hence the need for its members, executive and non-executive, to be able to take decisions on a collegiate basis, Mediobanca expects candidates for the position of Bank Director to have the required capabilities to ensure an optimal combination in terms of profiles, in order to promote internal debate, effective functioning, and the collective suitability of the Board and the Board Committees. The same considerations apply to the Statutory Audit Committee.

COMPOSITION OF GOVERNING BODIES

The Board of Directors currently in office consists of 15 members –appointed by shareholders at the Annual General Meeting held on 28 October 2020 – 40% are women,⁹ and more than half of whom qualify as independent under the definition provided in Article 19 of the Articles of Association. Furthermore, two Directors are appointed by minority investors, one of whom has been appointed Lead Independent Director. There are four executive and eleven non-executive members on the Board. Of the Directors, 73% has been in office for more than five years, the other 27% between three and five years. More than 60% of the Directors also hold directorships at other companies listed on regulated markets, in financial companies, banks and insurance companies of large size, international as well as Italian.

All fifteen Directors are in the "Over 50 years" age bracket.

The Chairman of the Board of Directors, who is neither executive nor independent, is responsible for ensuring that the corporate governance system runs smoothly in practice, guaranteeing due balance between the powers of the CEO and the other executive Directors. He is also the counterparty for dialogue with the bodies with duties of control and the internal committees.

The Board of Directors has not vested the Chairman with specific duties other than to act as the point of contact between the Board of Directors and the Group Audit Unit, which includes receiving reports

9. The least represented gender on the Board of Directors.



on the results of the audits carried out and monitoring the remediation actions identified to address issues.

In addition to performing the duties pertaining to his role, the Chairman is also a member of the Appointments Committee, and attends various other committee meetings (including management committees) as a guest, in order to facilitate the flow of information to the Board of Directors.

The current composition of the Board of Directors reflects an appropriate combination of competences and professional skills, in line with the recommendations made in the "Report on the qualitative and quantitative composition of the Board of Directors".¹⁰

Some 80% of the Directors have competences in the area of sustainability.¹¹

The Board promotes induction and training programmes for members of the governing bodies, with the objective of equipping them with the expertise they require to take part in the Board's discussions and deliberations on an informed basis, and to refresh their knowledge on general issues in the banking world.

A total of six induction sessions and four training sessions were held during the year under review. Sustainability issues discussed including climate risk monitoring and ESG activities within the Mediobanca Group.

In accordance with the recommendations made in the Corporate Governance Code and in the Bank of Italy's Supervisory Instructions on corporate governance, the Board of Directors has instituted the following Committees:

- ◊ Risks Committee, consisting of 5 non-executive directors, a majority of whom independent, three women and two men;
- ◊ Remunerations Committee, consisting of 5 non-executive and independent directors, two women and three men;
- ◊ Appointments Committee, consisting of 5 non-executive directors, a majority of whom independent, two women and three men;
- ◊ CSR Committee, consisting of 5 directors, one executive and four non-executive, the majority of whom independent, three women and two men;
- ◊ Related Parties Committee, consisting of 4 independent and non-executive directors, two women and two men.
- ◊ Committee instituted pursuant to Article 18 of the Articles of Association, consisting of the Chief Executive Officer, Group General Manager and three other independent directors, one woman and four men.

The Board of Directors has also appointed an Executive Committee, of which the CEO (with the role of Chairman) and Group General Manager form part de jure.

10. For further information on the remuneration payable to the Board of Directors and to staff, including senior executives, the incentivization systems and their correlation to the ESG objectives, reference is made to *Section 5.7 Staff incentives, benefits and remuneration*.

11. For further details on the individual Directors' professional characteristics and competences, reference is made to the relevant sector of the official Mediobanca website (<https://www.mediobanca.com/en/corporate-governance/board-of-directors/composition-and-role.html>).



The Statutory Audit Committee consists of three standing auditors and three alternate auditors, appointed by shareholders at the Annual General Meeting held on 28 October 2020 and in office for the 2021, 2022 and 2023 financial years.

The candidate gaining the highest number of votes in the section for standing auditors in the list which comes second in terms of the number of votes is appointed Chairman of the Statutory Audit Committee. The Committee's composition complies with the legal requirements in terms of gender representation. Of the Statutory Auditors, 33% have been in office for six years, and 67% for three years.

Mediobanca provides detailed information on its corporate governance and the composition of its governing bodies in its "Annual Statement on Corporate Governance and Ownership Structure" which is published on its website under *Governance Reports and Documents*.

3.3 Compliance, internal control and risk management

[GRI 3-3], [GRI 2-23]

The Mediobanca Group is distinguished by its prudent and selective approach to risk management, its excellent asset quality and high capitalization levels which are comfortably above the minimum requisites and are among the highest of any European banks reported.

In order to manage the degree of uncertainty which is implicit in banking and financial activity, the Group has adopted a series of rules, procedures and organizational structures with the objective of:

- ◆ Safeguarding the integrity of the capital of Bank and the Group, to the direct benefit of its shareholders, clients and employees;
- ◆ Supporting the formulation and implementation of the company's strategies;
- ◆ Promoting the sustainable and enduring growth of the Bank and the Group and the return for its shareholders;
- ◆ Structuring effective and reliable company processes and procedures.

The Internal Control and Risk Management System (ICRMS) is the set of corporate rules, procedures and functions, which, by structuring an adequate process for identifying, assessing, managing and monitoring the principal risks, and the exchange of adequate reporting flows to guarantee that information circulates appropriately, helps the business to be run soundly, properly, and in a way that is consistent with the company's objectives.

The ICRMS involves the management and control bodies and business units of Mediobanca S.p.A. and the Mediobanca Group companies, with different roles and responsibilities, in order to pursue the objectives of effectiveness and efficiency of processes, to ensure the reliability and integrity of accounting and management information, compliance with the regulations in force, and risk management.

In particular, in order to promote active co-operation and co-ordination between the various control units, and between the control units and the governing bodies, ensuring that the risk-taking process is suitably structured, Mediobanca and/or the Group Legal Entities may institute specific committees with responsibilities for the taking of certain risks (e.g. the Group Risks Management Committee, which defines



and monitors the strategies for taking credit, issuer, operational and market risk at Group level; the Group Non-Financial Risks Committee, which is responsible for monitoring and mitigating the Group's non-financial risks; and the Conduct Committee, which addresses, governs and approves matters pertaining to conduct risk).

In addition to the control bodies and line management, the other principal company units involved in the management and control of risks are as follows:

◆ **Group Audit Unit:** the unit performs audit activities for Mediobanca S.p.A. and also, as outsourcer, for the Group legal entities (pursuant to contracts governing the respective terms and conditions, responsibilities and methods by which the service is performed). As parent company unit, it also performs co-ordination and control activities for CMB Monaco, and internal audit activities for Polus Capital Management, RAM Group and Messier et Associés. Its mission consists of assessing the Group's operations to check that they are being performed correctly and monitoring changes in the company's risks, reviewing the organizational structure and other internal control system components to check that they are adequate, properly functioning and reliable, and providing advice to the Group's various units, including through participation in project-based activities. The unit performs its activities based on a plan drawn up using a risk-based approach; for it to perform its duties, it has direct access to all useful information, and has adequate means available to it. The head of the Group Audit Function, who reports directly to the Board of Directors, reports to the governing bodies (Board of Directors, Risks Committee and Statutory Audit Committee) on the results of its audit activities, has direct access to the Statutory Audit Committee, and communicates with the Committee without restrictions or intermediation.

◆ **Compliance and Group Anti Money Laundering (AML):** this unit presides over the regulatory and reputational risks facing the Group, and has specific responsibility for reviewing the internal procedures to check they are consistent with the objective of preventing the laws and regulations applicable to the Bank and the Group from being breached.

For Mediobanca S.p.A., the unit proposes ex ante, and checks ex post, the adoption of procedures to ensure the risk of non-compliance is managed (and checks that they have been implemented), provides updates on changes to the domestic Italian and European regulatory framework, and prepares adequate reporting flows to the corporate bodies and the units involved. It handles relations with the supervisory authorities for the matters falling within its own remit.

The unit presides over the risks of non-compliance facing the Group, calling on the assistance of the management and officers of the various Group companies who in this connection report functionally to the head of the Compliance unit and ensure adequate regular and occasional reporting flows to him, in accordance with the provisions of the Compliance unit's own regulations.

Within the Compliance unit itself the following sub-units have been established: (i) the Group AML unit, with the objective of preventing and tackling breaches of the regulations on money laundering and terrorist financing¹²; (ii) the Group Data Protection unit with the objective of governing risks related to the GDPR regulations.

The head of the Compliance and Group Anti-Money-Laundering Unit, who reports directly to the Chief Executive Officer, takes part in Risks Committee meetings, and for matters that fall within the jurisdiction of the BoD and other Committees, providing support to the Committee itself in its controls activity.

◆ **Group Risk Management:** the Group Risk Management unit is responsible for the entire model for risk management and for applying it within the Group, defining the appropriate methodologies and processes for identifying, measuring and monitoring risks, current and future. The unit ensures

12. Based on a centralized approach for all the Italian Group Legal Entities.



ongoing control of the Group's overall exposure and the exposure of each individual unit to credit risk, market risk, liquidity risk, non-financial risk and other relevant risks, up to the limits established by the internal and supervisory regulations, with the assistance inter alia of the Group companies' Risk Management functions which to this end report functionally to the Group Chief Risk Officer.

The Group Chief Risk Officer is responsible for the risk management process, developing risk management policies which include definition and quantification of risk appetite, and policies and risk limits at the individual business unit and Group level. The CRO, who is head of the Group Risk Management unit, reports to the CEO, takes part in Board of Directors, Executive Committee, Risks Committee, Remunerations Committee and CSR Committee meetings, providing support to the Committees in their own control activities.

- ◆ **Heads of business areas:** the heads of the business areas, also known as risk owners, are responsible for ensuring that risk management activities are identified, assessed, managed and monitored properly with respect to their own operations, and for implementing the appropriate first-level control measures.

Furthermore, among the control units identified by the Group Policy on the Internal Controls System, the Head of Company Financial Reporting is responsible for the risk management and internal controls system with regard to the financial disclosure preparation process, as required by the legal provisions in force (Article 154-bis of the Italian Finance Act).

The individual risks identified by the Group, in addition to those typical of the financial sector such credit risk, market risk and liquidity risk, also comprise non-financial risks, among them operational risks, including IT risks and cyber risks, risks related to environmental issues (including climate change aspects), social issues (e.g. management of staff, clients, supply chain and projects to support the community), and tax risks, overseen by the Tax Risk Manager.

The management and ongoing monitoring of such risks is a necessary prerequisite in order to guarantee sustainable value creation over time, for issues considered to be priorities for the Group, i.e. those which reflect the material topics.

In FY 2018-19, the Group Risk Management unit, in conjunction with the other company units involved, launched a process for defining a risk assessment and reporting framework for ESG and climate change risks, followed by analysis of the reference scenario, in order to identify the risks that were potentially material for the Group, based on the approach proposed by the TCFD¹³.

The risks related to the issues identified as material for the Group and related mitigation actions were assessed and implemented through interviews and workshops with the risk owners themselves and specialists at parent company level and the main Group legal entities.

With a view to guaranteeing ongoing improvement and ensuring ESG issues are more closely integrated into the operating risk management model, the project has continued during FY 2022-23 with the following objectives:

- ◆ Updating and supplementing the ESG and Climate Change Risks catalogue, based on changes in the reference regulations and on ESG risk benchmarking analysis, the latter carried out with reference to the leading players in the Italian banking sector;
- ◆ Revising the ESG Risk Assessment and reporting process.

13. Task Force on Climate-related Financial Disclosure. See Section 8. Environment and Climate Change, and Section 11. TCFD Recommendations.



The risk assessment methodology has been revised from last year, with more precise definition of both the impact and probability clusters, the objective being to allow the risk owners and risk specialists involved in the annual campaign to arrive at a clearer and more accurate assessment.

The importance assigned to risk culture by the Group is demonstrated by the major role played by risk management in the remuneration process, by the definition of a framework that is able to guarantee that the reward system is consistent with the Group's risk policies in general and the Risk Appetite Framework in particular.

Training courses were arranged during the twelve months for both the Group Risk Management Unit and the other units involved in the process. Specific training sessions on materiality assessment were also provided (cf. Guide on climate-related and environmental risks).

At the start of 2021 an **ESG Programme** was launched at Group level, developed in several phases, to bring operations in line with the most recent changes in the ESG regulatory framework. Phase 3, completed at end-June 2023, has achieved the following objectives:

- ◊ To continue with the work of implementing the actions contained in the plan sent to the ECB in May 2021, including the Thematic Review shared in March 2023;
- ◊ Progress report on the Group's adaptation to the obligations introduced by the Sustainable Finance Disclosure Regulation (SFDR) and EU Taxonomy;
- ◊ Publication of the Pillar III ESG qualitative and quantitative disclosure on a half-yearly basis.

The Compliance unit has also formalized a team to govern the risk of greenwashing which will be further strengthened in FY 2023-24.

3.4 Group approach to sustainability

[GRI 2-23], [GRI 2-24], [GRI 2-28]

Growth and sustainability are features of Mediobanca's DNA. The Group's strategy is based on the conviction that ethics and profit are not necessarily in opposition to each other, because long-term economic growth has to go hand-in-hand with social and environmental progress.

In order to promote a culture geared towards business ethics, integrity and sustainability, the Group has adopted a **Code of Ethics** and a **Code of Conduct** which define the basic principles to help defend its reputation, and set out the values on which its daily operations are based, as described in more detail in *Section 4.1 Policies and initiatives to prevent and tackle corruption*.

To consolidate this approach, Mediobanca has also adopted a **Group Sustainability Policy**, approved by the Board of Directors on 26 March 2020 and updated in February 2023, with the objective of governing its direct impacts, identifying roles and responsibilities, and sustainability issues considered to be priority for integration into management of the business, in accordance with the Code of Ethics, the Code of Conduct, the Organizational Model instituted pursuant to Italian Legislative Decree 231/01, and all the other policies, guidelines, procedures, directives and related provisions¹⁴.

The Policy is divided into four sections based on areas considered to be priorities: measures to tackle

¹⁴. For further details on the policies adopted by the Group, including the roles and responsibilities identified, reference is made to the section of the official Mediobanca website entitled "Governance reports and documents" (in the "Governance" area).



bribery and corruption, human rights, diversity and inclusion, and climate change and the environment. It is based on the principal reference declarations and regulations, including: the Universal Declaration of Rights, the ILO's Declaration on Fundamental Principles and Rights at Work, and the Rio Declaration on the Environment and Development. It applies to the whole Group in the countries where Mediobanca operates, and the Group also encourages its customers and suppliers to adopt the Policy's principles and provisions.

In line with the **toDEI** roadmap, which sets out the Group's objectives in the area of diversity and inclusion, in May 2023 the **Mediobanca Group Diversity, Equity and Inclusion Code** was adopted, with the aim of promoting an inclusive corporate culture, in which diversity and equity are defended, without any form of discrimination, including in external relations.

To ensure the Group's indirect social and environmental impacts are governed properly, in July 2021 the Board of Directors approved a **Group ESG Policy**, updated in March 2023, defining the reference principles and the positive and negative screening criteria applicable to lending, proprietary investing and investment advisory services to clients, as described in more detail in Section 6.1.6 *Responsible business*.

In defining the Policy, reference was made to internationally recognized principles, such as the Universal Declaration of Human Rights, the ten principles of the UN Global Compact, and the United Nations Sustainable Development Goals (SDGs).

The Mediobanca Group is committed to disclosing its policies and commitments transparently, both externally through the official website, and internally, through the company internet and through numerous training and information programmes. The latter include: the mandatory training course on Sustainability and Human Rights, explaining the implications that sustainability has for the financial sector, and the activities related to the Group Diversity, Equity and Inclusion Code. Various other initiatives have also been run to provide greater focus on ESG issues, as described in more detail in Section 5.5 *Professional training and development*.

To ensure that sustainability is more firmly integrated into the company's operations, the Group set a series of ESG objectives, qualitative and quantitative, in the 2019-23 Strategic Plan. For further details on these targets, virtually all of which have been comfortably delivered, reference is made to Section 9. *Objectives and future commitments*; for further details on how company policies are integrated into the business, reference is made to the initial discussion of the individual chapters of this document.

As further confirmation of the desire to ensure that sustainability is firmly integrated into the Group's industrial strategy, the Board of Directors has approved the guidelines of the new **2023-26 Strategic Plan, One Brand - One Culture**, which contains new quantitative ESG targets, also included in the staff performance evaluation and remuneration policies for the corporate population, and identifies a series of cross-divisional actions to help contribute towards a more sustainable future.

To further consolidated its contribution to growth which is responsible and sustainable, the Group also participates in various international associations and initiatives whose objectives it shares:

United Nations Global Compact

United Nations initiative to get businesses and firms worldwide to adopt sustainable and socially responsible policies and to report on their implementation. The Group is a member of the Global Compact and is also a participant in the Global Compact Italian Network.



Principles for Responsible Banking (PRB)	The Mediobanca Group signed up to the PRB in April 2021. The PRB were launched by the United Nations in 2019, and have the aim of incentivizing banks to set objectives for sustainable growth aligned with those of the UN 2030 Agenda and the Paris Agreement.
Principles for Responsible Investment (PRI)	Mediobanca SGR, RAM AI and Polus Capital Management have all signed up to the PRI, a United Nations-supported international network to promote sustainable and responsible investment by institutional investors, by integrating sustainability considerations into investment decisions and shareholder activism.
Net-Zero Banking Alliance (NZBA)	The NZBA is an alliance set up by the United Nations Environment Programme Finance Initiative (UNEP FI), ¹⁵ with the objective of aligning loan and investment portfolios with the target of achieving net zero emissions by 2050 in line with the Paris Agreement.
Net Zero Asset Managers Initiative (NZAMI)	Initiative, to which the Group is a signatory via RAM, which brings together an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius.
Task Force on Climate-related Financial Disclosure (TCFD)	In April 2022 Mediobanca adhered to the recommendations made by the Task Force on Climate-related Financial Disclosure set up by the Financial Stability Board (FSB), to disclose and transparently represent information on its own environmental impact through the TCFD Report.
Valore D	Mediobanca is a participant in Valore D, the first Italian association of large businesses set up to support diversity and women in leadership.

For further details on relations with sector associations, reference is made to Section 7.2 *Entities and public institutions*.

15. The section of the UN Environment Programme dedicated to financial institutions.



3.5 Sustainability governance

[GRI 2-9], [GRI 2-12], [GRI 2-13], [GRI 2-14]

MATERIAL ISSUES	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
Ethics and integrity in business	Ineffectiveness of internal control and ESG/ climate change risk management systems, with possible impacts in terms of reputation and reaching strategic objectives defined by the Group	<p>BoD CSR Committee and Group Risks Committee</p> <p>Management Sustainability Committee, Group Sustainability unit and ESG working groups</p> <p>ESG Programme: adaptation of risk management frameworks</p> <p>Internal directive defining the process for non-financial information reporting</p> <p>Group ESG Policy, which sets out the guidelines for ensuring ESG criteria are integrated into lending, proprietary investment and investment advisory activities, including the screening criteria applicable to them</p> <p>Staff training on ESG issues</p> <p>ESG Risk Assessment Framework (ESG risks and climate change)</p> <p>Specific stress testing methodologies for credit, market and operational risk</p> <p>Software for managing and preparing Consolidated Financial Reporting</p>
Ethics and integrity in business	Partial achievement of, or failure to achieve, the Group's sustainability objectives due to failure to provide for suitable ESG criteria in the incentivization and performance measurement systems	<p>Governance (governing bodies and company units)</p> <p>Remuneration and incentivization policies aligned with the most recent Italian and European regulatory framework</p> <p>Checks and monitoring to ascertain that the various company units involved meet the objectives</p> <p>Inclusion of predefined and decisive ESG objectives in individual long-term incentive plan adopted for the Mediobanca CEO and Group General Manager and for the CEO of Compass/ CheBanca!</p> <p>Inclusion of ESG financial and sustainability indicators in the annual scorecards for the Mediobanca CEO and Group General Manager and for certain Material Risk-Takers</p> <p>Mediobanca staff assigned a Group objective to evaluate their performance in terms of the adoption of socially responsible behaviours</p>



MATERIAL ISSUES	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
Ethics and integrity in business	Ineffective communication to financial stakeholders on: <ul style="list-style-type: none"> ◆ Sustainability structure over the medium-/long term ◆ Group management models in ESG and climate change ◆ Management to prevent risks in this area 	Board Group CSR Committee
		Management Sustainability Committee, Group Sustainability unit and ESG working groups
		Group Investor Relations unit handling relations with analysts, proxy advisors, shareholders and potential investors (including ESG)
		Group Disclosure Policy
		Road shows, one-to-one meetings, calls and engagement activities with investors
		Dialogue with ESG rating agencies and monitoring the ratings assigned;
		Sustainability assessment, performed by Group Sustainability in conjunction with Group Investor Relations
		Ongoing alignment between Group Investor Relations and Group Sustainability to communicate the Group's sustainability governance, policies, strategy and objectives correctly
		ESG objectives included in MBO scorecards.
		Signatory to Net-Zero Banking Alliance

At a Board meeting held on 14 June 2017, the Directors of Mediobanca mandated the Chief Executive Officer to take charge of activities regarding sustainability and the actions to be implemented and monitored, including the institution of a **management Sustainability Committee**, including representatives of both business and staff units.

On 19 September 2019, the Board of Directors set up its own **Corporate Social Responsibility (CSR) Committee**, which assesses the Group to ensure it is correctly positioned relative to its strategy for sustainable growth over time, valorizing its staff, sensitivity to social issues, and reduction of direct and indirect impact on the environment.

The Committee is responsible for preliminary analysis of sustainability issues to be submitted to the Board's approval, including in particular: i) the Group Sustainability Policy; ii) the Consolidated Non-Financial Statement; iii) the ESG strategy, at the CEO's proposal.

The Committee also liaises with the Remunerations Committee in evaluating whether the sustainability objectives set in the scorecards for management figures have been met, including the Chief Executive Officer, thus contributing to the evaluation of their performances.



The Committee consists of the Chief Executive Officer (who chairs it) and Directors Virginie Banet, Angela Gamba, Maximo Ibarra and Elisabetta Magistretti. The Group General Manager, Committee Secretary, Head of Group Sustainability, Head of Group Human Resources and Group Chief Risk Officer also take part in the meetings, which are held at least once a quarter, along with other Group representatives invited by the Committee Chairman based on the items included on the agenda.

The Board of Directors, which is responsible for approving the CNFS, is briefed regularly on the subjects discussed and the decisions taken in the course of the CSR Committee meetings. The Statutory Audit Committee performs monitoring to ensure that the provisions of the regulations on non-financial reporting are complied with, and reports on it in the annual report to shareholders on the occasion of the annual general meeting.

The Risks Committee performs duties of monitoring, instruction and support to the Board of Directors, including in respect of defining the guidelines for the internal control and risk management system, to ensure that the principal risks facing the Bank and the Group Legal Entities (including ESG risks, environmental and climate risks in particular) are correctly identified and adequately measured, managed and monitored. Metrics for monitoring ESG risk are also included in the Risk Appetite Framework.

The Group Sustainability Unit reports to the Chief Executive Officer, assisting him in all issues relating to social responsibility and ensuring the Group is positioned correctly on these issues in its various areas of operation.

3.6 Stakeholder engagement

[GRI 2-29]

The Group considers it vital to take into consideration the opinions and expectations of its stakeholders, i.e. those parties which on account of their role have an interest in the company's activities. The Group comes into contact with many and varied stakeholders in the course of its business, and for purposes of convenience it has been decided to sub-divide them into a total of eight different categories, for which the most appropriate engagement methods have been identified. The principal initiatives for engagement with stakeholders are summarized in the table below.



STAKEHOLDER	CHANNELS AND MEANS OF INVOLVEMENT
Shareholders and investors	The eMarket SDIR platform and eMarket STORAGE mechanism ¹⁶
	Meetings, conference calls, and dedicated meetings
Clients	Customer satisfaction surveys
	Touch point
	Direct Email Marketing (DEM) channels, text messages, home banking and app
	Website and dedicated guides
	Social Media
	Dedicated one-to-one meetings to ensure ongoing dialogue between advisors and clients
	Initiatives and events
Staff	Training programmes
	Climate analysis
	Performance evaluation processes
	Company intranet
	Internal communication instruments
	Company volunteering
Trade union organizations	Regular meetings with trade union representatives
Entities and institutions	Initiatives and events
	Meetings with representatives
	Working groups
Community	Initiatives and events
	Meetings with representatives
	Working groups
Suppliers and commercial partners	Portal to manage purchasing by the Group
Agents and promoters	Regular training activities in financial products and new regulations

16. As a listed company, Mediobanca is obliged to disclose relevant information which could affect its stock market performance via a regulated procedure. Disclosure is made via the eMarket SDIR (Sistemi di Diffusione delle Informazioni Regolamentate) system. Similarly, information disclosed is stored for a certain number of years to ensure it remains accessible and can be consulted (via eMarket STORAGE).



3.7 Materiality analysis

[GRI 2-29], [GRI 3-1], [GRI 3-2]

The Mediobanca Group carried out its first materiality analysis in 2017, with the aim of identifying the most relevant issues for the Group itself and its stakeholders, i.e. issues which impact significantly on the ability to create value in the short, medium and long term.

Such issues are important also with respect to risk management and strategy, and represent the basis for the non-financial reporting.

The process of analysing material issues, which led to the first materiality matrix being developed, has been repeated on an annual basis with the involvement of both internal and external stakeholders, and the heads of the various Group business units and legal entities, through multi-stakeholder forums, interviews and online questionnaires.

In this Consolidated Non-Financial Statement, the methodology used for the Group's materiality analysis has been revised in accordance with the provisions of GRI 3 – Material Topics 2021, mandatory as from 1 January 2023, which requires assessment of the most significant impacts, positive and negative, generated by the Group on society and its surrounding environment (impact materiality).

The Mediobanca Group's materiality analysis process for 2023 was structured in three steps:

◆ **Step 1:** identification of the main positive and negative impacts generated by the Group in the course of its business. These impacts were then mapped onto the material topics identified for the previous year, with certain changes, additions, and improvements in terms of wording.

In particular, the following main changes were made versus the previous analysis of material topics: "Managing, attracting, developing and retaining talent" was merged into "Human capital training and development and talent retention"; "Governance and sustainable strategy" and "Risk management" were deleted, as they are cross-divisional; and "Adequacy and transparency of product and service offering" was merged into "Ethics and integrity in business".

◆ **Step 2:** certain major stakeholders were involved, in order to assess the Group's economic, social and environmental impacts – effective or potential, positive or negative.

◆ **Step 3:** the results of the shareholder engagement process were compiled, and the list of material topics was shared with and approved by the competent committees and the BoD.

METHODOLOGY AND PARAMETERS USED FOR IMPACT VALUATION

The significance of the impacts generated, which refer to the entire scope of the Group's activities, was assessed by using the qualitative and quantitative parameters recommended in GRI 3: Material Topics, and analysing which categories of internal and external stakeholders suffer the impacts.

The parameters used at the impact assessment phase are described below:

◆ **Negative impacts:** these reflect the **severity of the impact** which depends on the scale (level of seriousness), the scope (degree or extent) and whether or not the impact is irremediable. Potential



breaches of human rights were also considered in relation to the impacts identified. For potential negative impacts, which did not occur in practice, the probability of them occurring was assessed.

◆ **Positive impacts:** these reflect the **scope of the impact** which depends on the scale (in terms of real and/or potential benefits) and scope (degree or extent). For potential positive impacts which did not occur in practice, the probability of them occurring was assessed.

The impact assessment activity enabled the positive and negative impacts to be prioritized in association with the respective material topics.

The impacts will also progressively be associated with metrics and indicators for reporting on the Mediobanca Group' performances.

The table below shows certain types of impact, positive and negative, with the respective indicators for which reporting is provided in this document.

IMPACT	STAKEHOLDERS DIRECTLY IMPACTED	MATERIAL TOPIC	GRI STANDARD
Increase in GHG emissions in the air (deriving from the Group's activities) due to failure to prepare policies to reduce energy consumption (Scope 1 and Scope 2)	Environment	Environmental protection and focus on climate change	305-1 305-2
Improvement in customer experience and client satisfaction rates through implementation of new technologies and IT solutions	Clients	Digitalization, innovation and cyber-security	418-1

A list of the material topics identified is provided below, in decreasing order based on their impact materiality scores¹⁷.

17. Given the change in methodology and the results of the impact analysis due to the new GRI Standards, it is not possible to identify the change in "materiality" compared to the issues reported on in the FY 2021-22 Consolidated Non-Financial Statement.



MATERIAL TOPICS	MAIN IMPACTS GENERATED	IMPACT ASSESSMENT	SDGs
Staff welfare, health and safety	<ul style="list-style-type: none">+ Improvement in the physical and mental well-being of staff, helped by corporate welfare system plus the introduction of measures to safeguard flexibility and to guarantee a healthy balance between personal and professional lives.- Increase in the number of accidents and professional illnesses due to the risk mitigation procedures for health and safety in the workplace not being properly implemented	<div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div></div>	
Capital solidity and profitability	<ul style="list-style-type: none">+ Increase in stakeholder confidence (e.g. shareholders, clients, staff and local communities) as a result of economic value being distributed.- Loss of stakeholder confidence due to earnings and financial performances not being in line with expectations	<div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div></div>	
Ethics and integrity in business	<ul style="list-style-type: none">+ Improvement in the Group's capability in terms of addressing unlawful actions as a result of the introduction of effective governance measures.- Deterioration in the Group's reputation and credibility due to the absence of proper transparent financial conduct.	<div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div></div>	
Diversity and inclusion	<ul style="list-style-type: none">+ Increase in wage equity and equal access to professional development opportunities through dedicated diversity inclusion programmes.- Deterioration in the quality of life of staff due to inadequate or non-existent safeguards to prevent discrimination between employees and collaborators (e.g. based on gender, sexual orientation, religion, etc.).	<div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div></div>	 
Client satisfaction and quality of service	<ul style="list-style-type: none">+ Increase in the quality of products and services offered, due to an adequate management process.- Deterioration in the quality of products and services offered due to failure to implement a management process, or to the management process implemented being inadequate.	<div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div></div>	
Sustainable finance	<ul style="list-style-type: none">+ Social value creation and contribution to protecting the environment by directing clients' investment capital towards dedicated ESG products.- Social value creation and contribution to protecting the environment by directing clients' investment capital towards dedicated ESG products.	<div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div></div>	 
Support for the ecological transition	<ul style="list-style-type: none">+ Promotion of the sustainable development of companies by designing ESG credit products and ESG valuation processes for clients' performances.- Limited contribution to the improvement of companies' ESG performances because of the failure to design credit policies that guarantee access to credit for companies actively engaged in addressing climate change.	<div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div></div>	
Environmental protection and focus on climate change	<ul style="list-style-type: none">+ Reduction in GHG emissions attributable to the Group's activities by rationalizing its energy consumption levels (Scope 1 and 2).- Increase in GHG emissions due to failure to draw up policies to reduce the Group's energy consumption levels (Scope 1 and 2).	<div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div></div>	
Human capital training and development and talent retention	<ul style="list-style-type: none">+ Increase in the attraction and retention of talented staff, due to structuring effective processes for recruiting new employees and developing professional competences that are strategic for the Group.- Reduction in staff satisfaction levels because of the lack of training modules consistent with Group staff training needs.	<div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div></div>	
Digitalization, innovation and cyber-security	<ul style="list-style-type: none">+ Improvement in customer experience and customer satisfaction through implementation of new technologies and IT solutions.- Reduction in clients' perception of security and damage caused by failure to apply incident prevention procedures for data and IT security.	<div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div></div>	
Support to the community	<ul style="list-style-type: none">+ Creation of value which is shared over time with the community in which the Group operates, through initiatives and investments which impact positively on the community.- Loss of identification with the local community, as a result of a failure to interpret its social, environmental, cultural and developmental needs.	<div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div></div>	 
Inclusion and financial education	<ul style="list-style-type: none">+ Reduction in social inequalities in terms of access to credit through successful inclusion and financial education initiatives.- Limited impact of inclusion and financial education initiatives on social inequalities in terms of access to credit due to insufficient investment or bad planning of the initiatives implemented.	<div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div><div><div></div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div></div>	 



3.8 Sustainable Development Goals

[GRI 2-23]

On 25 September 2015, the leaders of the 193 member states of the United Nations met in New York to approve the “**17 Goals to Transform our World: 2030 Agenda for Sustainable Development**”, a manifesto identifying seventeen global objectives, or Sustainable Development Goals, structured into 169 targets of the new agenda to be implemented by 2030 to ensure sustainable development of the planet.



The definition “common objectives” means that all member countries and individuals are required to contribute, combining forces on a collaborative basis and in partnership. Businesses too are therefore required to play an activity role, as with their resources and capabilities they are able to have a fundamental impact on the achievement of these global objectives.

The Mediobanca Group, aware of the close connection between some of the SDGs and its own business, is keen to make its own contribution to making a positive change at the global level, focusing on projects and activities which are more in line with the global objectives (see Section 9. *Objectives and future commitments*).

The Group has also set sustainability targets for itself as part of its 2019-23 Strategic Plan and the new 2023-26 Strategic Plan recently launched, with the intention of contributing to the achievement of eight of the seventeen macro Sustainable Development Goals, and so committing itself to help generate positive change at a global level.



The Group promotes and runs financial education and training via a series of instruments and ventures for clients and vulnerable areas (Section 6.1.5, *Financial inclusion, access to financial resources and education*). It also provides specialist training to its staff, helping them develop and maintain their skills (Section 5.5 *Professional training and development*).

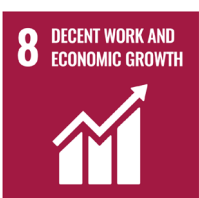
In the new Strategic Plan, the Group has set itself the objective of providing ESG training for all its staff (cf. Section 9. *Objectives and future commitments*).



The Group has instituted the role of Diversity and Inclusion Manager, and has established a Diversity, Equity and Inclusion management committee, and adopted a *Group Diversity, Equity and Inclusion Code*. Furthermore, as part of the toDEI project to promote diversity, quantitative objectives have been set, which have also been integrated into the 2023-26 Strategic Plan. Mediobanca has also adhered to the “Women’s Charter” promoted by the Italian Banking Association ABI, is a signatory to the Valore D manifesto, and has participated in the preparation of a paper on Diversity & Inclusion in the Workplace, compiled by the Global Compact Italian Network in conjunction with the ILO (Section 5.3 *Diversity, inclusion and equal opportunities*).



In a scenario where management of impacts on the environment is taking on increasing importance, the Group which recognizes the importance of protecting the environment as a primary resource for the well-being of current and future generations, is committed to promoting responsible management of resources to reduce its own environmental footprint and the impacts generated by its activity. In new 2023-26 Strategic Plan, has renewed its commitment to use electricity 100% generated from renewable sources with guarantee of origin (cf. Section 9. *Objectives and future commitments*).



The Group’s continuing growth helps create jobs and employment opportunities for young people (see Section 5.2. *Mediobanca Group staff: job creation and protection*). In the new Strategic Plan the Group has committed to promote advisory solutions, products and services that support clients in their transition towards a sustainable economy (cf. Section 9. *Objectives and future commitments*).



The Group promotes numerous initiatives with social impact, including through donations and support, in Italy and the other countries in which it operates. In the new Strategic Plan, the Group has set itself the target of providing support for projects with social and environmental impact with over €20m in contributions (cf. Section 9. *Objectives and future commitments*).



The Group is committed to improving its relations with clients constantly and to monitoring its supply chain responsibly. In the 2023-2026, Strategic Plan, the Group set itself the target of increasing the percentage of suppliers screened using ESG criteria (cf. Section 9. *Objectives and future commitments*).



The Group has become a member of the Net-Zero Banking Alliance (NZBA), with the objective of reaching net zero emissions by 2050 or sooner, in line with the targets set by the Paris Climate Agreement. The new 2023-26 Strategic Plan contains an interim target for cutting the financed emissions intensity for the loan book by 2030, by which date the Group expects to phase out its development in the coal industry entirely. The Group has also committed to maintaining carbon neutrality versus its own emissions (cf. Section 9. *Objectives and future commitments*).



The Mediobanca Group is committed to conducting its business according to the highest ethical standards, and does not tolerate any form of corruption, whether active or passive. As further confirmation of its responsible approach to banking, Mediobanca S.p.A. has adopted an effective **Tax Control Framework**, and has submitted its application to take part in the co-operative compliance regime instituted by the Italian revenue authority (cf. Section 4. *Ethics and integrity in business and anti-corruption measures*).





The background is a classical painting of an interior scene. On the left, a large, ornate chandelier with multiple lit candles hangs from the ceiling, casting a warm, golden light. Below it, a dark, patterned curtain or tapestry is visible. To the right, a tall, narrow window with a decorative glass pattern allows light to enter. In the foreground, a dark, polished surface, possibly a desk or table, reflects the light from the chandelier and the window. The overall color palette is dominated by warm, golden-brown tones.

Ethics and integrity in business and anti-corruption measures



MEDIOBANCA



4. Ethics and integrity in business and anti-corruption measures¹⁸

4.1 Policies and initiatives to prevent and tackle corruption

[GRI 2-15], [GRI 2-16], [GRI 2-23], [GRI 2-26], [GRI 3-3], [GRI 205-2], [GRI 205-3]

As stated inter alia in the Group Sustainability Policy, approved by the Board of Directors and available on the Bank's official website¹⁹, the Mediobanca Group is committed to conducting its business in accordance with the highest ethical standards, and does not tolerate any form of corruption, whether active or passive.

The Group acquires and maintains commercial relations solely on the basis of its own offering of services and the specific needs of its clients. It does not engage in any form of conduct which is or could appear to be intended to obtain and/or offer improper advantages. The approach it adopts is also intended to prevent instances of corruption occurring in the structuring and execution of transactions or commercial agreements.

To ensure corruption is tackled effectively and guarantee compliance with all applicable laws and regulations, the Group has prepared its own internal regulations, procedures and controls, arranges regular training, and carries out audit activities.

All the companies included in the scope of the Statement have adopted dedicated policies and procedures. In particular, Mediobanca, in its pursuit of a zero-tolerance approach to corruption, has adopted the following internal regulations which are all available on the company intranet:

◆ Organizational Model pursuant to Italian Legislative Decree 231/01

The Model contributes towards preventing crimes from being committed that could entail administrative liability for the Bank, including crimes of bribery and corruption (inter alia between private individuals), identifying the activities at risk and the rules of conduct to be adopted based on the principles contained in the Code of Ethics and the guidelines issued by the category associations.

The supervisory organization instituted as part of the Model is responsible for monitoring to ensure it functions smoothly and is complied with in practice. This organization has powers of initiative and control, and its members have the necessary professional qualifications and meet the fit and proper person criteria. The organization maintains and ensures adequate reporting flows to the Board of Directors. These include:

- ◆ Presentation of an annual report on the activities performed and on how the funds used have been managed;
- ◆ Reporting on any changes made to the Model regarding aspects that fall within its area of responsibility.

18. The information contained in this section refers exclusively to companies forming part of the Mediobanca Banking Group and included in the CNFS scope of reporting.

19. https://www.mediobanca.com/static/upload_new/pol/politicasostenibilita-23-en.pdf.



If breaches of the model are noted, the supervisory organization informs the Risks Committee and the Board of Directors in a timely manner.

The Model, approved by the Board of Directors, was revised in December 2022; an excerpt from it can be consulted on Mediobanca's official website in the Governance section²⁰.

◆ **Code of Ethics**

The Code of Ethics, which forms an integral part of the Model instituted pursuant to Italian Legislative Decree 231/01²¹, and updated in December 2022, sets down the set of values which direct the Group's conduct in accordance with its mission and fundamental values.

Each recipient must:

- ◆ Refrain from behaviour which is contrary to the Code of Ethics;
- ◆ Direct, wherever possible, their own collaborators to comply scrupulously with the Code;
- ◆ Circulate the Code to third parties with which the Group companies enter into a relationship.

◆ **Code of Conduct**

The Code of Conduct sets out, along with the Code of Ethics, the fundamental principles on which the company's reputation and activities are based. The Code was revised in March 2022.

All the Bank's staff members and collaborators, including providers and consultants must familiarize themselves with the Code of Conduct and ensure their behaviour is based on the principles and values set forth in it.

Staff must also: complete the training initiatives which the Bank organizes on relevant regulations; contribute to spreading an ethical corporate culture, and act as positive role models for their colleagues; promptly report any violations; and co-operate actively with any further enquiries.

The heads of the organizational units must ensure that the recipients under their supervision maintain the highest ethical and professional standards. If they fail to exercise their powers of supervision appropriately, they may be held jointly responsible for the breaches committed by their own staff. In the event of breaches of the Code of Conduct and the internal regulations, action may be taken involving the offender's variable remuneration, and disciplinary measures based on the seriousness, extent and external relevance of the infringement.

◆ **Tax conduct principles**

The Tax Conduct Principles, approved by the Board of Directors in May 2021, describe the guidelines and principles of conduct followed by the Group in application of the tax regulations in Italy and elsewhere.

◆ **Tax Control Framework**

The internal control system for tax risk was implemented by the Parent Company in June 2023 to meet the access requirements for the co-operative compliance regime with the Italian revenue authority introduced by Italian Legislative Decree No. 128/2015.

◆ **Non-compliance risk management policy**

The policy, updated in June 2023, describes the model used for managing the risk of non-compliance with the regulations in force.

◆ **Whistle-blowing policy**

The Whistle-blowing Policy, approved by the Board of Directors and updated in July 2023, sets out

²⁰ <https://www.mediobanca.com/en/corporate-governance/governance-evolution/code-of-ethics.html>.

²¹ Issues regarding the reporting of possible breaches, the system of sanctions applicable, and control activities, are dealt with in the Organizational, Management and Control Model instituted pursuant to Italian Legislative Decree No. 231/01, to which reference is made.



the principles, means and measures adopted to allow staff members and certain groups of interested parties (such as suppliers and shareholders) to report any breaches of the regulations that govern the company's activities.

The Policy allows reports to be managed correctly, by maintaining the confidentiality of the parties involved, and provides for co-ordination with the supervisory organization in the event of reports that are relevant for purposes of Italian Legislative Decree No. 231/01.

The Mediobanca website contains a section with instructions on how to make reports, both internally (which can be made in person or anonymously) and to the authorities. Confidentiality for the whistleblower and the other parties involved is guaranteed, as is protection against retaliation and other repercussions, as required by the applicable regulations.

During the reporting period, through the whistle-blowing channel a total of six incidents were reported, regarding issues such as working practices, possible use of confidential information in loan trading, and others. All these reports were managed correctly and filed, as the allegations were held to be unfounded.

◆ **Group anti-corruption directive**

This Group directive, updated in May 2022, sets down the standards for identifying and preventing instances of corruption, with the aim of protecting the Group's integrity and reputation.

◆ **Gift directive**

The Group Gift Directive, updated in November 2019, sets out the rules of conduct to be followed regarding the possibility of receiving and offering gifts from and to third parties, to avoid attitudes that could give the appearance of being intended to exert improper influence on the conduct of recipients.

◆ **Directive on relations with the public administration**

The Directive, updated in October 2019, lays down the rules of conduct for relations with the public administration, in order to mitigate the risks of the Bank being involved in instances of crime (for example, fraud or bribery and corruption), and to ensure transparency of relations.

All the companies included in the scope of the Statement have adopted their own internal anti-corruption regulations, incorporating the principles and standards laid out in the documents listed above, and adapting them according to their specific areas of operations.

Mediobanca and the Group companies put on e-learning courses addressing the issue of bribery and corruption (Italian Legislative Decree 231/01 for Italian staff) for employees and management. Initiatives are run when staff are first recruited and/or at regular intervals, generally over a time horizon of several years when changes are made to the regulations or the organizational structure. The Compliance and Group HR units may agree further initiatives to extend awareness of this issue.

Commercial partners and important suppliers are bound by contract to comply with the provisions of the Group's Code of Ethics and related regulations.

With regard to the Board of Directors and the Statutory Auditors, all newly-appointed members receive a copy of the Organization, Management and Control Model instituted pursuant to Italian Legislative Decree No. 231/01, the Code of Ethics and the Code of Conduct adopted by the Mediobanca Group. In addition, any changes to the company documentation and to other relevant policies on such matters are brought to the attention of the Board which is responsible for approving them.

The anti-corruption policies and procedures have been sent to all the corporate population force as of June 30, 2023.



During the reporting period, a total of 2,358 hours' training on anti-corruption issues was provided within the Group, as refresher courses for staff who have already received training and/or basic training courses for new recruits, with a total of 1,638 staff participating, or 31% of the company's population²².

Group employees who have received communications on the anti-corruption policies and procedures by category and geography

CATEGORIES OF STAFF	2022-2023		2021-2022		2020-2021	
	NO.	%	NO.	%	NO.	%
Top management	22	100%	23	100%	22	96%
Management	501	100%	429	97%	376	92%
Middle management	2,300	100%	2,144	98%	1,856	89%
Employees	2,399	100%	2,343	99%	2,315	96%
TOTAL	5,222	100%²³	4,939	98%	4,569	93%

GEOGRAPHICAL REGION	2022-2023		2021-2022		2020-2021	
	NO.	%	NO.	%	NO.	%
Italy	4,675	100%	4,470	100%	4,281	97%
France	54	100%	55	100%	50	100%
Spain	32	100%	30	100%	29	100%
United Kingdom	131	99%	68	54%	73	63%
Rest of world	330	99%	316	98%	136	43%
TOTAL	5,222	100%²³	4,939	98%	4,569	93%

Mediobanca and the Group companies take part in meetings and initiatives of the respective category associations, including those on the fight against corruption.

Mediobanca has also adopted the following policies:

◆ **Policy for managing conflicts of interest**, in order to identify and prevent or manage situations in which the Bank could, in the performance of its business, damage the interests of a customer by acting in its own interests or the interests of another customer. Employees' personal conflicts are also detected; hence staff members are required to report any such situations in a timely manner, to allow specific measures to be adopted if necessary. Furthermore, in accordance with the ECB Guide to Fit and Proper Assessments, the Policy governs the measures to be adopted in cases where the conflict involves members of the Board of Directors or Statutory Audit Committee, and describes the means by which conflicts of interest, including potential ones, that could impact on Mediobanca's ability to act independently and so damage the interests of the Bank itself or of one or more of its clients, are identified and managed²⁴.

◆ **Regulations governing transactions with related parties and their associates**, updated in June 2021,

²² The time horizon for the training is typically several years, meaning that training initiatives may not be rolled out to the entire corporate population in the same financial year.

²³ The actual percentage indicating all Group employees who have received communication regarding the anti-corruption policies and procedures (99.90%) has been rounded, in line with what was done for the reporting of data relating to previous years.

²⁴ Further information on potential situations of conflict of interest, and the means by which they are managed and disclosed, is available in the document summarizing the Policy for managing conflicts of interest, updated in June, which is published on the Bank's website (https://www.mediobanca.com/static/upload_new/sum/summary-of-the-policy-on-conflicts-of-interest.pdf).

adopted in pursuance of the Consob regulations and Bank of Italy instructions, providing the guidelines with which the Bank must comply to ensure the transparency, proper conduct, objectivity and impartiality of transactions with related parties executed directly or via subsidiaries, and compliance with the prudential limits on risk assets versus related parties. The Regulations also describe the transparency regime adopted, including disclosure to the public, reporting in the interim and annual financial statements, and reporting to Consob²⁵.

- ◆ **Directive on external personal interests**, which requires staff members to obtain authorization from senior management before acquiring personal financial interests or accepting positions in companies external to the Group.

The companies included in the scope of the Statement, which provide banking and investment services have adopted internal regulations on conflicts of interest, which include measures to manage personal conflicts.

4.2 Relevant risks in the area of corruption

[GRI 205-1], [GRI 205-3]

To complete the internal regulations adopted to tackle corruption and comply with the relevant external regulations, the Group Legal Entities which operate in the banking and financial sectors perform an annual assessment of the risk of non-compliance with the regulations, which includes those instituted in order to tackle corruption, active and passive, as well as those governing corporate liability of entities for crimes covered by Italian Legislative Decree 231/01.

This risk assessment activity takes the following factors into consideration: the risk of potential breach (taking into account the probability of occurrence in the absence of measures, the seriousness of the sanctions for such breaches, and the potential impact in reputational terms); the existing mitigation measures in place; and the degree of compliance noted in the existing conduct. Following the assessment process, the residual risk of non-compliance can be identified, based on which a decision as to whether or not to institute controls or mitigation measures can be taken. The assessments made have not identified any material residual risks in connection with bribery and corruption and/or Italian Legislative Decree 231/01 more generally, given the measures put in place (as described in the previous section) and the checks carried out. During the year under review, the risk assessment performed covered approximately 93% of the Group Legal Entities' different business lines.

The Group Audit Unit performs audits of the various Group Legal Entities which also include checks on the risk of corruption, including: correct application of the accounting procedures and transfers of funds to suppliers, transparency in relations with the public administration, compliance with powers of representation delegated to staff and with the internal regulations on expense refund claims. Also part of the audit activities are checks which impact on the risk of corruption indirectly, such as those on transactions on financial markets and the nature of counterparties.

The audits performed by the control functions showed no episodes of corruption or other evidence that might suggest similar phenomena.

25. The Regulations may be consulted at <https://www.mediobanca.com/en/corporate-governance/governance-reports-and-documents/documents.html>. For further details regarding the measures adopted, reference is made to the Group's consolidated and individual financial statements, in particular to Part H of the Notes to the Accounts, which contains information on related party transactions executed by Mediobanca and the Mediobanca Group. Further information is contained in the Annual Statement on Corporate Governance and Ownership Structure, also published on the Mediobanca website in the section entitled Governance/ Governance reports and documents.

MATERIAL TOPICS	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
Ethics and integrity in business	Lack and/or ineffectiveness of reporting systems for breaches of Group policies and/or practices (e.g. whistle-blowing)	<p>Group Whistle-Blowing Policy</p> <p>Implementation of a system for reporting breaches of the regulations</p> <p>Update of the Organizational, management and control model instituted pursuant to Italian Legislative Decree 231/01</p> <p>Monitoring reports by compliance teams</p> <p>Reporting to corporate bodies on any reports received</p>
Ethics and integrity in business	Conflicts of interest: non-compliance with the legal provisions or self-imposed regulations in the area of conflicts of interest	<p>Group Policy for Managing Conflicts of Interest, which defines roles and responsibilities for preventing and managing conflicts</p> <p>Adoption of measures for managing conflicts of interest in relation to business activities, including of a personal nature</p> <p>Checks on execution of activities most exposed to the risk of conflicts of interest</p> <p>Annual compliance risk assessment activity</p>
Ethics and integrity in business	Inadequate and/or insufficient Group staff training and awareness initiatives on bribery and corruption, and compliance in general, and possible adverse impacts in terms of breaches of regulations, ethical principles and self-imposed codes	<p>Co-operation between local compliance teams and HR in defining an appropriate training programme and monitoring its usage</p> <p>Regular training activities on issues pertaining to Italian Legislative Decree 231/2001, including tackling corruption, at all corporate levels</p> <p>Regular reports from local Compliance teams to parent company on any issues in the training area</p> <p>Reporting to supervisory body on training activities carried out in relation to Italian Legislative Decree 231/01 activities</p>
Ethics and integrity in business	Internal fraud/misconduct committed by Group staff	<p>Organizational Model pursuant to Italian Legislative Decree 231/2001, Code of Ethics, Code of Conduct, Company Disciplinary Code</p> <p>Second- and third-level control units and HR in internal reporting processes</p> <p>Policies and procedures in the internal fraud management area and in managing any unlawful activities</p>



MATERIAL TOPICS	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
Ethics and integrity in business	Internal fraud/misconduct committed by Group staff	Regular staff training activities on issues relating to Italian Legislative Decree 231/01 and/or bribery and tests on compliance with Code of Conduct
		Monitoring operations and regular checks and audit activity
		Regular assessment of internal fraud risks as part of operational risk management activities
		Annual summary reporting of whistle-blowing activities and regular reporting flows to the Risks Committee and General Management
Ethics and integrity in business	Non-compliance with the regulations on bribery and corruption, money-laundering and terrorist financing	Changes framework for fraud risk management, and implementation of new irregularity indicators
		Organizational model involving company management and local compliance teams to tackle bribery, money-laundering and terrorist financing
		Adoption by all Group legal entities of internal regulations to tackle bribery, money-laundering and terrorist financing
		Regular training on bribery and corruption/ money-laundering at all company levels
Ethics and integrity in business	Risks of misinterpretation of tax regulations, with possible adverse impacts on earnings (e.g. administrative sanctions and claims) and reputational impacts	Checks on most significant activities with reference to bribery and corruption/money-laundering
		Annual assessments of risk of non-compliance with regulations, including those on receiving and giving bribes, money laundering and terrorist financing
		Regular reporting to the various levels of the Group Legal Entities and their respective governing bodies on any issues in terms of bribery and corruption, money laundering and terrorism financing
		Group Tax Unit, guaranteeing full and correct management of tax issues and monitoring changes in the regulations on an ongoing basis
Ethics and integrity in business		Existence of Group tax strategy
		Training activities, with the objective of raising awareness and control levels with regard to tax risk in relation to business



MATERIAL TOPICS	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
Ethics and integrity in business	Risks of misinterpretation of tax regulations, with possible adverse impacts on earnings (e.g. administrative sanctions and claims) and reputational impacts	Specific regulations describing the operating and governance aspects of measuring, managing and monitoring tax risk
		Tax risk management campaign implemented, and tax compliance controls instituted, consisting of testing activities which are run throughout the year
		Working closely with competent authorities in providing the necessary information to enable checks to ascertain that tax obligations have been met correctly
		Compliance with guidance to ensure appropriate funds transfer pricing for intra-Group deals and to allocate income generated in the various countries in which the Group operates
		Implementation of Tax Control Framework pursuant to Italian Legislative Decree 128/15 by Mediobanca S.p.A. in response to the requirements for participating in the co-operative compliance regime (an application was made to the Italian revenue authority in June 2023)
Ethics and integrity in business	Breach of principles of proper conduct, honesty and transparency in relations with the regulators with which the Group interacts (e.g. national banks, European Central Bank, Consob, IVASS, AGCOM etc.)	Regular timely reporting flows to the governing bodies on tax and tax risk management issues
		Adoption of suitable measures to ensure proper conduct, honesty, and transparency in relations with the authorities
		Organizational Model pursuant to Italian Legislative Decree 231/01, Code of Conduct and Directive on relations with the Public Administration
		Units which handle relations with authorities (Group Corporate Affairs and Supervisory Relations and Risk Governance)
		Regular ex-ante and ex-post checks on information sent to the authorities
Ethics and integrity in business		Regular reports by control units on activities performed versus the authorities



4.3 Approach to tax and tax compliance issues

[GRI 2-27], [GRI 3-3], [GRI 207-1], [GRI 207-2], [GRI 207-3], [GRI 207-4]

Correct adoption of the applicable tax regulations is vital for the Mediobanca Group and its stakeholders.

The Group's tax strategy document, which is entitled **Principles of Tax Conduct**, is approved by the Board of Directors of Mediobanca and is reviewed on a regular basis, with the assistance of the Group's Tax unit.

The document describes the guidelines and principles of conduct adopted by the Group on applying tax regulations in Italy and elsewhere. The Group is well aware, on the one hand, of the important contribution that tax revenue can make to the collective well-being in the jurisdictions in which it operates, at both local and global level, and on the other, is convinced that it is essential for the Mediobanca Group and all its stakeholders that all applicable tax regulations should be adopted correctly.

During the financial year under review, a **Tax Control Framework** has also been implemented by Mediobanca S.p.A., with the objective of guaranteeing that an effective system is in place for recording, measuring, managing and controlling tax risk. The framework consists of governance documents (Tax Risk Management regulations and manual) plus a tax risk matrix which is divided into:

- ◆ **Performative tax risks:** which are operational in nature, impact on business processes (e.g. incorrect execution of operational or back office activities that impact on data which is relevant for tax purposes) and/or are related to specific tax performance processes (e.g. errors at the data collection stage or in compiling tax returns);
- ◆ **Interpretative tax risks:** these materialize in the course of the regulatory alignment processes, in the advice provided to the Bank's units and in the interpretative decisions taken in fulfilling tax requirements. They are in turn sub-divided further at the process and engagement level based on whether routine or non-routine operations are involved (new products).

An application has been made to access the co-operative compliance regime with the Italian revenue authority instituted pursuant to Italian Legislative Decree No. 128/2015).

The Mediobanca Group maintains conduct which is proper, transparent and responsible, adopting behaviours geared towards compliance with all fiscal laws, regulations and generally accepted best practices, both national and international, and in both proprietary and client business.

Within the Group, the organizational units that promote operations with potential tax impacts must comply with the Tax conduct principles and other guidance issued by the Group Tax unit, which carries out analysis of the effects and the related tax risks for the Group legal entities governed by Italian law.

The tax strategy is based on the principles set forth in the Code of Conduct and in the Code of Ethics, the latter of which forms an integral part of the Organizational, Management and Control Model instituted pursuant to Italian Legislative Decree 231/01, in which the standards of conduct that must be observed by all the Group's staff members are contained. The system of regulations and procedures conforms to the tax compliance requirements set by the Bank of Italy and with the principles of conduct set at the highest supervisory levels by the OECD in this area.

In this connection, the Group co-operates with the competent authorities in providing the necessary information to allow checks to be carried out to ascertain that the tax obligations have been complied with correctly, and observes the provisions in force to ensure that suitable funds transfer pricing is



applied in intra-Group transactions with the objective of allocating the income generated in the various countries in which the Group operates correctly, in view inter alia of the OECD Guidelines in force at the time.

In operating terms, the set of measures and procedures, with the assignation of roles and responsibilities, must guarantee the accuracy of the data entered in the tax declarations, tax payments and of communications versus the revenue authorities. The Chief Executive Officers and the administrative directors (or equivalent figures) of the individual Group legal entities are responsible for applying these principles to the decisions taken on tax matters and the related administrative activities.

Taxes are subject to an assurance process as part of the auditing of the Financial Statements (Individual and C-consolidated) carried out by the audit firm, as certified by the Independent auditor's report pursuant to Article 14 of Legislative Decree no. 39/2010 and Article 10 of Regulation (EU) no. 537/2014, of 29 September 2022²⁶.

In order to ensure that tax risk is managed properly, Mediobanca has implemented a Tax Risk Management process divided into six sub-phases: planning of activities, identification of risks and potential risk calculation (risk assessment), evaluation of the control measures in place and residual risk calculation, identification and testing of control measures.

This arrangement ensures ongoing improvement and adaptability to the main changes regarding the company's structure and business model or any changes made to the tax legislation.

The Board of Directors is informed in a timely manner of the most important and complex tax issues and of any disputes that may arise; the Tax Risk Manager has direct access to the governing bodies and reports directly on the monitoring/testing activities performed and any problems detected, inter alia in accordance with the provisions of the Italian revenue authority's circular no. 38/E of 16/09/2016.

The Mediobanca Group has received tax-related administrative sanctions for negligible amounts attributable to mere operating errors. No significant instances of non-compliance with laws or regulations have been noted.

26. https://www.mediobanca.com/static/upload_new/bil/bilancio_eng-30-6-2022.pdf, p. 85, p. 417.



Tax disclosure – Country by Country report

JURISDICTION	NO. OF STAFF	REVENUES FROM SALES TO THIRD PARTIES (EUR'000)	REVENUES FROM INTRA-GROUP TRANSACTIONS (EUR'000)	PROFIT (LOSS) BEFORE TAX (EUR'000)	TANGIBLE ASSETS OTHER THAN CASH AND CASH EQUIVALENTS (EUR'000)	CORPORATE INCOME TAX ON CASH BASIS (EUR'000)	CORPORATE INCOME TAX ON ACCRUALS BASIS (EUR'000) ²⁷
Italy	4,483	3,162,323.11	395,907	1,284,762.24	353,574.15	148,838.73	229,295.00 ²⁸
Luxembourg	28	47,376.88	82,074	46,394.67	2,990.89	1,855.91	8,971.37
Monaco	256	143,201	6,538	45,236	65,217	6,249.53	5,465
Switzerland	29	12,251.27	2,423.21	(2,378.46)	999	121.15	217.09
France	55	64,311.69	14,510.2	33,220.76	15,761.88	12,842.09	8,814
Spain	30	2,434.9	15,250.95	2,213.61	1,364	424.62	-
United Kingdom	125	48,395.87	55,624.36	38,379.73	3,546.74	7,358.38	1,642.28
USA	10	824.7	2,145.11	407.92	94.35	2.08	(62.07)
TOTAL	5,016	3,481,119.42	574,472.83	1,448,236.47	443,548.01	177,692.49	254,342.67

Data refer to the year ended 30 June 2022, based on the Country by Country Reporting (required by Italian Law No. 208/2015 in conformity with the OECD Recommendations on Base Erosion and Profit Shifting (BEPS), which is sent to the revenue authority within twelve months of the reference tax period ending.

Finally, the Group seeks to raise awareness of the importance of proper tax compliance among its staff at all times. To this end, it arranges training courses with the objective of increasing the attention devoted to tax risk in relation to the business and enhancing control of the same risk. Any tax irregularities attributable to errors or negligence are taken into consideration in the annual performance evaluation of the persons responsible.

TAX TRAINING

During the twelve months under review, Tax Risk Management ("TRM") has run the following tax training courses, both directly and with the support of external advisors:

- ◆ **"Measures introduced by Italian Budget Law 2023"**: analysis of the impacts of the most significant changes for the Group, including the introduction of withholding tax for profit reserves and the tax "amnesty".
- ◆ **"Refresher course on the methods for managing tax issues in Lending transactions"**: application of registration taxes, withholding tax agent obligations, VAT regime for compensation, and application of dual taxation treaties.

27. Based on the OECD Guidance on implementation of CbC reporting revised in October 2022 (Guidance on the Implementation of Country-by-Country Reporting: BEPS Action 13 (oecd.org)), in the section entitled "Issues relating to the definition of items reported in the template for the CbC report", point 6.2, the heading Income Tax Accrued – Current Year should be reported as a positive amount if constituent entities in a jurisdiction have an accrued current tax expense on profits.

28. The difference between the notional tax calculated on profits/losses reported in the financial statements and the tax accrued during the reference tax period is attributable primarily to the exemption for dividends from securities held for non-trading purposes (reduction in tax rate), as well as to non-recurring items such as the tax value of the goodwill recorded by Compass Banca being realigned to its book value pursuant to Article 110 of Italia Decree Law no. 104 of 14 August 2020 as amended (reduction in tax rate), and the higher tax provisions set aside to cover the impact deriving from the potential distribution of extraordinary dividends by non-Italian companies outside the participation exemption regime (increase in tax rate). For further details, reference is made to the Review of Operations in the Mediobanca Group's financial statements as at 30 June 2022.



- ◆ **“Financial returns”**: operations relevant to Private Banking activity with focus on the taxation of financial returns, fund types and special taxation, VAT issues and amounts to be withheld.
- ◆ **“New regulations on mismatches generated by hybrid entities²⁹” and Regulations on cross-border arrangements (DAC 6 directive³⁰)** provided online through the Group’s SKILLATO platform.

In its capacity as specialist team, TRM is also responsible for ongoing staff refresher activities on tax regulations, which it does by sharing daily press articles and practice documents issued by the Italian revenue authority and category associations.

29. Mismatchess generated by hybrid entities derive from them being treated asymmetrically between two or more countries causing different tax effects, attributable to one of two phenomena: deduction without inclusion, and double deduction. The reference regulations are Italian Legislative Decree no. 142 of 29 November 2018, transposing ATAD 2 (Directive (EU) no. 2016/1164) (the “ATAD” Decree) and Italian revenue authority circular no. 2 of 26 January 2022, providing clarifications on hybrid mismatches. The Decree introduces preventative measures intended to remove the cause of the mismatches, and reactive measures to deal with the effects of them.

30. DAC 6 introduced the obligation for EU Member States to exchange information automatically on cross-border arrangements subject to notification by the intermediaries and tax payers which participate in the arrangement. In practice the exchange is made by making the information available in a secure central register to which all Member States have access. The reference regulations are: Italian revenue authority resolution no. 78 of 31 December 2021, and Italian revenue authority circular no. 12 of 13 May 2022.



People and Human Rights



MEDIOBANCA



5. People and Human Rights

5.1 Relevant policies and risks

[GRI 3-3]

In a competitive scenario where the business and consumption models are undergoing constant and in depth transformation, the Mediobanca Group is aware that change, a fundamental prerequisite for tackling the challenges posed by the market, has to involve leveraging its staff, developing their professional abilities, and an adequate talent retention scheme.

Our staff members are our human capital and the indispensable foundation of the Group's competitiveness. The Group indeed considers the protection of their health and safety, both physical and mental, as one of its priorities.

The trust which underpins every employment relationship is regulated by a body of internal policies and procedures, as formalized and approved by the governing bodies or internal offices responsible.

The Group has adopted a Human Resource Management Policy, updated in May 2023, to ensure that their staff members have the requisite competences and professional qualifications in order to exercise the duties assigned to them. The Policy also describes the roles and responsibilities of all bodies involved in the staff management process: the Board of Directors, Chief Executive Officer, General Manager and Human Resources, in line with the other policies and codes impacting on staff management.

The Human Resource Management Policy is based on a series of non-negotiable general principles:

- ◆ **Sustainability:** The Group's Human Resource Management Policy is intended to increase and protect reputation, credibility and consensus over time, as the basis on which to develop a business that seeks to create and protect value for all stakeholders.
- ◆ **Human Rights:** the Group believes that respect for human rights is a fundamental prerequisite to its own sustainability and that respect for each collaborator's personality and dignity is fundamental.
- ◆ **Ethics and integrity:** the Group promotes an ethical culture which is based on values of proper conduct, professionalism, customer protection and responsibility and ensures that its staff members adopt conduct which is strongly ethical in nature and marked by its integrity.
- ◆ **Dignity and civil liberties:** the Group undertakes to prevent every form of unsolicited behaviour, expressed in physical, spoken or unspoken form and rejects any type of harassment.
- ◆ **Meritocracy:** the Group valorizes its staff on a meritocratic basis, seeking to develop their professional capabilities including through adequate training.
- ◆ **Diligence:** the trust which underpins every working relationship is based on the duty of diligence and



on respect, both in form and in substance, of all internal regulations.

- ◇ **Equality and inclusion:** the Mediobanca Group considers diversity of gender and thought as an advantage to be leveraged, guarantees that all its collaborators are treated without distinction/exclusion and is committed to guaranteeing a correct balance between genders is maintained at all levels of the company. Attention is also devoted to persons with various forms of disabilities, to leveraging on staff with many years' experience, and to all employees who come from different backgrounds, in the sense of nationalities, cultures and/or religious traditions. Each member of staff is assured a positive and respectful working environment.
- ◇ **Health and safety:** the Mediobanca Group guarantees high standards of protection of health and safety in the workplace and the psychological and physical well-being of its staff through specific protection and prevention schemes.
- ◇ **Confidentiality:** each staff member is required to maintain the utmost confidentiality regarding the Mediobanca Group's activities and information regarding its clients.
- ◇ **Data privacy:** all personal data that regards the Group's collaborators is processed in accordance with the provisions of the law and the applicable confidentiality undertakings.

The Group HR division has the task of managing, developing and monitoring human capital and its changes, ensuring the quality and adequacy of its professional capital. The division is also responsible for ensuring that the activities of selecting, training, assessing and developing human resources are performed correctly, with attention in particular to the administrative activities related to employment arrangements. In the exercise of its activities, Group HR has the objective of increasing the sense among staff of belonging to the Group and of valorizing talent.

For the Mediobanca Group, professional development is at the basis of our growth and hence also that of our staff, which is why we guarantee adequate training, practical work experience, experience in different positions, performance assessment, career progression and promotion, on a meritocratic basis and in accordance with the principle of equal opportunities and staff needs, as well as the its own strategic decisions and organizational requirements.

"SKILLATO" PLATFORM³¹

Development of the Skillato® technology platform for online training, engagement and learning adopted by the Group with the objective of increasing participation by colleagues, continues, helped by the expansion of the remote-based offering of programmes.

The project, which was launched in 2021, and implemented from end-June 2022, has the following objectives:

- ◇ Management of all training processes, classroom-based and digital, in a single, integrated environment.
- ◇ Improvement of the training experience in terms of user-friendliness and interactive features.
- ◇ Simplifying data analysis operations and making them more efficient.

31.Brand owned exclusively by the brand owner.



- ◇ Enhanced access to learning contents hosted on external websites/portals.
- ◇ Reorganization of existing online training platforms.
- ◇ Integration of gamification activities to support engagement and internal communications or other HR processes (e.g. on-boarding).

The new platform offers a simpler and more immediate experience, enabling users to have access at all times to: compulsory courses, language training, management programmes, webinars and online events, and will be available both on desktop PCs and mobile devices.

MATERIAL TOPICS	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
Human capital training and development and talent retention	Lack of, or inadequate, policies for attracting talent, difficulties in replacing key staff, competences and specialist expertise, with possible adverse impacts on productivity, process continuity, and project activity, both current and scheduled	Existence of a staff selection, management and training unit within Group HR
		Group Policy on selection, appointment, succession and assessment of the adequacy of company representatives and key function holders
		Human Resource Management Policy
		Ongoing updating of map of competences for specific key positions
		Development of partnerships with universities to identify talent and dedicated recruitment programmes
		KPIs and metrics defined as part of the recruiting process
		Talent programme and graduate programmes launched by Mediobanca to attract talented young professionals, to bridge the training gap and encourage professional growth
		Employer branding strategies and campaigns to promote the Mediobanca brand
		Job rotation and internal mobility opportunities, temporary and permanent, to work for different organizational units in Italy and other countries
		Existence of company welfare systems
		Benchmark analysis of remuneration packages available on the market
		Use of new channels (e.g. podcasts, social media etc.) to facilitate communication with staff, in particular GenZ and millennials



MATERIAL TOPICS	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
Diversity and inclusion	<p>Lack of effectiveness of programmes focused on Diversity & Inclusion, equal opportunities and human rights issues, and failure to apply, or inadequate application of, the principle of impartiality, to prevent any form of discrimination within the Group, with the possibility of a part of the workforce losing motivation</p>	<p>Board CSR committee</p> <p>Management Sustainability Committee, Group Sustainability unit and Diversity, Equity & Inclusion management committee, comprising senior management figures</p> <p>Existence of an Internal Communication, Employee Engagement and D&I organizational unit, and a specific Group Diversity and Inclusion Manager within Group HR</p> <p>Group Staff Management Policy, Group Sustainability Policy, with a pillar specifically on D&I, Mediobanca Group Diversity, Equity and Inclusion Code</p> <p>Specific initiatives to promote diversity, equity and inclusion (e.g. “toDEI” project)</p> <p>Monitoring the number of female staff leaving the company to ascertain reasons (work-life balance)</p> <p>Regular monitoring of internal climate and balance of corporate population</p> <p>Implementation of a staff climate assessment with a focus on D&I issues</p> <p>Support for parents through provision of healthcare services and training courses</p> <p>Existence of company welfare systems</p>
Human capital training and development and talent retention	<p>Inadequate and/or insufficient Group staff training and awareness initiatives (e.g. ESG, sustainable finance, etc.), with possible adverse impacts on human capital, staff motivation, sense of ownership and achievement of objectives set</p>	<p>Existence of a staff training and development unit within the Group HR division</p> <p>Policies for training activities</p> <p>Provision of mandatory, management and technical/specialist training (including mandatory training on Diversity, Equity & Inclusion issues and ESG topics in Wealth Management)</p> <p>Preparation and monitoring of staff development and training plans</p> <p>Map of competences updated on a regular basis</p> <p>Gap analysis in order to map the areas requiring improvement in terms of competences to be filled with training initiatives</p> <p>Monitoring staff satisfaction with training activities through company climate assessment</p>



MATERIAL TOPICS	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
Human capital training and development and talent retention	<p>Inadequate and/or insufficient Group staff training and awareness initiatives (e.g. ESG, sustainable finance, etc.), with possible adverse impacts on human capital, staff motivation, sense of ownership and achievement of objectives set</p>	<p>Definition of a competence and performance tracking system</p> <p>Assessment of staff growth potential and soft skills, followed by definition of a specific training pathway</p> <p>Implementation of an IT platform ("Skillato") to manage and monitor training initiatives at Group level</p>
Human capital training and development and talent retention	<p>Dissatisfaction and reduced engagement levels by staff, and diminished sense of belonging to the Group, in part due to inadequate retention and human capital valorization policies (e.g. structured growth paths, remuneration policies, training, concrete solutions in terms of work-life balance, welfare policies, etc.), with possible adverse impacts on the ability to reach objectives and more generally on the Group's performances</p>	<p>Existence of an Internal Communication, Employee Engagement and D&I unit for staff management and development within the Group HR division</p> <p>Human Resource Management Policy</p> <p>Staff climate analysis to analyse the degree of satisfaction among the corporate population and use of online surveys</p> <p>Development and ongoing monitoring of performance evaluation systems</p> <p>Benchmark analysis of remuneration packages available on the market</p> <p>Development and ongoing monitoring of staff development and training plans</p> <p>Job rotation and internal mobility opportunities, including short-term, working for other units in Italy or in other countries</p> <p>Existence of company welfare systems</p>
Diversity and inclusion Human capital training and development and talent retention	<p>Increase in gender pay-gap leading to female employees becoming demotivated and/or leaving the company</p>	<p>Remunerations and incentivization policies aligned with most recent Italian and EU regulatory framework</p> <p>Existence of an Internal Communication, Employee Engagement and D&I organizational unit, and a specific Group Diversity and Inclusion Manager within Group HR</p> <p>Human Resource Management Policy, Group Remuneration and incentivization Policy, Group Sustainability Policy, including a pillar specifically on D&I, Mediobanca Group Diversity, Equity and Inclusion Code</p> <p>Application of equal opportunities principle with the objective of achieving equal pay</p> <p>Annual market benchmarking of remuneration packages and with reference to gender pay gap/equal pay</p>



MATERIAL TOPICS	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
Diversity and inclusion Human capital training and development and talent retention	Increase in gender pay-gap leading to female employees becoming demotivated and/or leaving the company	Definition of specific metrics for monitoring the gender pay gap (GPG) Existence of a performance evaluation system Specific D&I objectives set as part of the “toDEI” project to promote diversity, equity and inclusion Review and monitoring of objectives set in the Staff Remuneration and incentivization Policy and scorecards to check whether they have been achieved
Human capital training and development and talent retention	Inadequate trade union relations (e.g. breach of trade union agreements, breach of first-level regulations on exercise of trade union rights, non-application or misapplication of employment law etc.), leading to possible tensions, discontent and/or industrial action, with adverse impacts on earnings and reputation	Head of trade union relations appointed, with the role of supervising and co-ordinating the figures mentioned below Issue managed at individual Group Legal Entity level, via specific HR teams Sector collective labour contract defining minimum period for dialogue with trade union organizations before implementing major organizational changes Trade union agreements on work-life balance aspects (Compass, CheBanca!) Regular meetings with trade union representatives

It should be noted that the health and safety risks facing staff members detected by the Group are dealt with in depth in a separate section (5.9. *Staff health, safety and welfare*).

5.2 Mediobanca Group staff: job creation and protection

[GRI 2-7], [GRI 2-8], [GRI 401-1], [GRI 405-1]

As at end-June 2023, the Mediobanca Group had a total of 5,227 staff on its books, slightly higher than last year, with female representation stable at 42% of the total. The majority of the Group’s staff, some 89%, is based in Italy, confirming our strong local roots. The most-represented professional category is that of “white collar”, which accounts for 46% of the total.



Employees by geography and contract type (permanent and temporary)

GEOGRAPHICAL REGION	2022-2023		NON-GUARANTEED HOURS ³²	2021-2022		2020-2021	
	PERMANENT	TEMPORARY		PERMANENT	TEMPORARY	PERMANENT	TEMPORARY
Italy	4,568	108	-	4,378	105	4,331	83
France	54	-	-	53	2	49	1
Spain	32	-	-	30	-	29	-
Germany	-	-	-	-	-	-	-
United Kingdom	131	-	-	125	-	115	-
Rest of world	318	16	-	309	14	301	12
TOTAL	5,103	124	-	4,895	121	4,825	96

Employees by category and gender

CATEGORY OF STAFF	2022-2023			2021-2022			2020-2021		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Top management	18	4	22	18	5	23	18	5	23
Management	408	93	501	372	71	443	348	62	410
Middle management	1,542	763	2,305	1,464	717	2,181	1,398	679	2,077
White collar	1,061	1,338	2,399	1,057	1,312	2,369	1,097	1,314	2,411
TOTAL	3,029	2,198	5,227	2,911	2,105	5,016	2,861	2,060	4,921

Employees by professional category and age

CATEGORY OF STAFF	2022-2023			2021-2022			2020-2021		
	<30	30 – 50	>50	<30	30 – 50	>50	<30	30 – 50	>50
Top management	-	36.4%	63.6%	-	30.4%	69.6%	-	26.1%	73.9%
Management	-	54.7%	45.3%	-	59.1%	40.9%	-	55.4%	44.6%
Middle management	7%	68.2%	24.7%	6.8%	70.3%	22.9%	6.1%	69.3%	24.6%
White collar	15.4%	72.2%	12.3%	14.1%	74.2%	11.7%	12.9%	75.4%	11.7%

32. Employees with non-guaranteed hours are defined in the GRI Standards 2021 as follows: “Non-guaranteed hours employees are employed by the organization without a guarantee of a minimum or fixed number of working hours. The employee may need to make themselves available for work as required, but the organization is not contractually obligated to offer the employee a minimum or fixed number of working hours per day, week, or month”. Reporting on non-guaranteed hours employees was introduced starting from 2022, hence in this Statement only data on this category for FY 2022-23 has been disclosed.



Of the contracts in force, 98% are permanent (5,103), 42% of which are for women (2,128); women represent 40% of the Group's full-time employees and 94% of the staff employed part-time.

The majority of our employees, some 69%, are between thirty and fifty years of age, while the average age is around 43 years. In terms of length of service, the highest concentration is in the 11-20 years bracket (37% of the Group population), representing a good level of loyalty retention among staff.

As at end-June 2023, a total of 966 people were engaged to work on behalf of the Bank under a variety of contractual arrangements (internships, apprenticeships, other collaborations, etc.), in accordance with the legal and regulatory provisions in force in this area and in relation to the business requirements.

There were also 565 Financial Advisors (not employees) linked to the CheBanca! network.

During the course of the year a total of 573 new staff were added, 78% in Italy. A total of 318 staff left the Group's employment during the twelve months under review, fewer than in the previous financial year.³³

The data also reflect the organic growth in operations both in Italy and the Principality of Monaco, as a result of strengthening in Wealth Management activities.

Employees hired and employees leaving the Group by gender and age

GENDER/AGE	2022-2023		2021-2022		2020-2021	
	EMPLOYEES HIRED	EMPLOYEES WHOSE CONTRACTS HAVE ENDED	EMPLOYEES HIRED	EMPLOYEES WHOSE CONTRACTS HAVE ENDED	EMPLOYEES HIRED	EMPLOYEES WHOSE CONTRACTS HAVE ENDED
Men	347	199	303	249	238	174
Women	226	119	183	136	163	108
TOTAL	573	318	486	385	401	282
< 30	250	71	234	69	147	58
30-50	276	208	226	255	215	167
> 50	47	39	26	61	39	57

The percentage of women recruited during the twelve months was 39.4%, higher than the previous year (37.7%), and higher also than the percentage of women leaving the Group (known as the "attrition rate") which was 37.4%.

33. The number of staff recruited and who have departed the Group includes 12 staff who have changed company within the Group.



Employees hired and employees leaving the Group by geographical area

GEOGRAPHICAL AREA	2022-2023		2021-2022		2020-2021	
	EMPLOYEES HIRED	EMPLOYEES WHOSE CONTRACTS HAVE ENDED	EMPLOYEES HIRED	EMPLOYEES WHOSE CONTRACTS HAVE ENDED	EMPLOYEES HIRED	EMPLOYEES WHOSE CONTRACTS HAVE ENDED
Italy	447	283	354	280	335	187
France	20	13	19	14	16	16
Spain	4	2	4	3	8	3
United Kingdom	31	22	44	33	5	24
Rest of world	71	43	65	55	37	52
TOTAL	573	318	486	385	401	282

Turnover rate by gender and age

GENDER/AGE	2022-2023		2021-2022		2020-2021	
	RECRUITMENT RATE ³⁴	DEPARTURE RATE ³⁵	RECRUITMENT RATE	DEPARTURE RATE	RECRUITMENT RATE	DEPARTURE RATE
Men	11%	7%	10%	9%	8%	6%
Women	10%	5%	9%	6%	8%	5%
TOTAL	11%	6%	10%	8%	8%	6%
< 30	47%	13%	48%	14%	34%	13%
30-50	8%	6%	6%	7%	6%	5%
> 50	4%	4%	3%	6%	4%	6%

Recruitment and departure rate by geographical area

GEOGRAPHICAL AREA	2022-2023		2021-2022		2020-2021	
	RECRUITMENT RATE	DEPARTURE RATE	RECRUITMENT RATE	DEPARTURE RATE	RECRUITMENT RATE	DEPARTURE RATE
Italy	10%	5%	8%	6%	8%	4%
France	37%	24%	35%	25%	32%	32%
Spain	13%	6%	13%	10%	28%	10%
United Kingdom	24%	17%	35%	26%	4%	21%
Rest of world	21%	13%	20%	17%	12%	17%
TOTAL	11%	6%	10%	8%	8%	6%

34. Number of staff recruited as a percentage of the total number of staff employed as at 30/6/2023.

35. Number of staff departing the Group as a percentage of the total number of staff employed at 30/6/23.



The total staff turnover rate (incoming) was 11%, while the outgoing turnover rate was 6%; 5% of which occurred on a voluntary basis.³⁶

The recruitment rate was in line with last year, while the departure rate was slightly lower.

Of the positions vacant, 23%³⁷ of those open during the twelve months were filled by internal candidates (internal moves).

5.3 Diversity, inclusion and equal opportunities

[GRI 401-3], [GRI 403-6], [GRI 405-1], [GRI 405-2]

As stated in the Group Sustainability Policy, the Mediobanca Group considers diversity of gender and thought to be an advantage to be leveraged, as well as a source of cultural and professional enrichment.

The Group encourages and believes in the importance of valorizing different perspectives and experiences through promoting an inclusive culture, in May 2023 adopted the Mediobanca Group Diversity, Equity and Inclusion Code, to define the Group's approach in terms of objectives, strategies and active practices on these issues.

The Code, which reflects the principles contained in a series of other documents (Code of Ethics, Code of Conduct, Disciplinary Code, CNFS, Human Resource Management Policy and Group Remuneration and incentivization Policy), sets out:

- ◇ Roles and responsibilities;
- ◇ General principles;
- ◇ Scope and area of application;
- ◇ Monitoring and KPIs;
- ◇ Internal and external communication;
- ◇ Prevention and sanction of inappropriate behaviours.

The Group Staff Management Policy includes specific commitments to ensure equal opportunities and gender parity in HR processes, with a particular focus on selection, management, evaluation and career progression processes.

Pursuit of the appropriate balance between genders at all levels of the company continues, in particular in senior and management positions where the gender gap is most felt. Every announcement for selection processes encourages all candidates in possession of the requisite qualifications and/or experience to apply.

To meet the objectives set in terms of gender balance, the selection procedures require the Group, based on actual availability on the market, to guarantee that at the CV collection and screening stage, at least 50% of the candidates will be given to the less represented gender in the organizational unit where the appointment is to be made where more than one candidate have the same professional qualifications and experience.

36. Other departures include: departures by mutual consent, temporary contracts ending, and early retirements.

37. Ratio between internal movements and positions vacant, calculated by adding together the total number of internal movements and new recruits during the year.



Mediobanca's commitment to DE&I issues has also seen the first external certification in this area obtained by one of the Group Legal Entities, namely **MBCredit Solutions**, which has obtained UNI/PdR 125:2022 certification for gender equality.

Mediobanca too in 2023 has launched the process for obtaining gender equality certification: the initial assessment phase has been successfully completed, and in the course of September discussions will commence with the external audit firm that has been engaged.

The Remuneration and incentivization Policy too reflects the principles of neutrality required in order to ensure equal treatment regardless of gender differences or any other form of diversity, basing the criteria for evaluation and remuneration exclusively on merit and professional ability.

The Group has adopted a granular model for analysing data on compensation relative to position held, which takes account of the responsibilities and complexity managed by the various roles.

The **Gender Pay Gap (GPG)** is measured and monitored in accordance with the provisions of the sector regulations in force and the Bank of Italy instructions. The data analysis methodology provided for in the EBA Guidelines is also used, primarily in order to permit comparison on an international basis. Although an important indicator, the Gender Pay Gap does not take into account the actual role held by the person, which is why the Mediobanca Group also analyses the **Equal Pay Gap (EPG)**, which compares equal pay for equal work, assessing the fairness of the remuneration for men and women who do the same kind of job with a comparable amount of importance, as well as the actual gap in payment based on the number of roles. The metric therefore measures the pay gap for each job class or cluster, weighted for the percentage of the Group's total population represented by the number of people included in that cluster.³⁸

The grading, once assigned, allows the following to be monitored on an ongoing basis:

- ◆ Internal equity, assessing the consistency of employees' remuneration packages by comparing staff employed at the same levels of classification according to their respective organizational divisions and business areas;
- ◆ External competitiveness, by comparison with the reference market through benchmarking activity.

For specific business units (the CIB and Private Banking divisions in particular), the assignment of job titles aligned with international market practice allows roles and responsibilities to be defined and set payment scales to be applied for fixed remuneration, and enables accurate comparison with the market trends for the variable remuneration component as well.

The most recent analysis has provided a snapshot of the compensation paid within the Mediobanca Group, including all Italian and international divisions in FY 2021-22. The main findings are as follows:

- ◆ The gender gaps noted were mainly due to the nature of the roles with access to the highest variable remuneration levels within the organization;
- ◆ The fairest balance between men and women category is recorded among clerical or white-collar staff, which is also the largest in numerical terms;
- ◆ The largest wage gap is in the Corporate & Investment Banking and Wealth Management/Private Banking divisions, areas with the highest proportion of men in senior roles and with the highest remuneration levels in absolute terms;

38. The Mediobanca Group uses the Global Grading System, with the WTW international methodology, for the organizational weighting of all its corporate roles.



- ◇ In the Consumer Finance, Holding Function and Wealth Premier divisions, there is still a gap but overall it is not as pronounced;
- ◇ Conversely, the Equal Pay Gap metric, which measures equal pay for equal work, providing granular analysis of the wage gap for each professional job class, weighted for the percentage of the Group's total population represented by the number of people included in each cluster, reflects much lower levels than those for the Gender Pay Gap as a whole;
- ◇ The existing gap is therefore concentrated in the more highly-specialized divisions where female representation is lower.

As part of the progressive adaption required in terms of transparent disclosure following the introduction of Directive (EU) 2023/970 of the European Parliament and of the Council of 10 May 2023 to strengthen the application of the principle of equal pay for equal work of equal value between men and women through pay transparency and enforcement mechanisms, the median aggregate and divisional data for the GPG and EPG are shown below, along with and the overall percentage of staff receiving variable remuneration by gender:

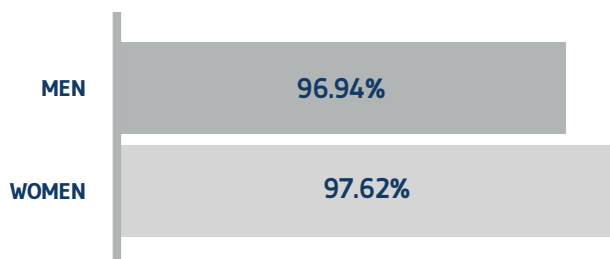
Gender representation, EPG e GPG, by Group divisions

DIVISIONS	GENDER REPRESENTATION		EQUALPAY GAP median				GENDER PAY GAP median			
	2021	2022	FIX 2021	FIX 2022	TOTAL 2021	TOTAL 2022	FIX 2021	FIX 2022	TOTAL 2021	TOTAL 2022
Gruppo Mediobanca	M: 58% W: 42%	M: 58% W: 42%	4.3%	3.4%	4.8%	3.9%	23.06%	24.43%	25.19%	26.14%
Consumer	M: 53% W: 47%	M: 52% W: 48%	0.2%	0.6%	0.3%	1.9%	8.92%	10.01%	9.46%	10.29%
IB - CIB Client	M: 76% W: 24%	M: 78% W: 22%	10.8%	7.6%	13.5%	11.7%	34.54%	42.30%	37.76%	45.10%
Wealth-Premier*	M: 55% W: 45%	M: 55% W: 45%	0.5%	1.4%	1.2%	2.2%	15.44%	15.67%	18.77%	19.44%
Wealth-Private**	M: 58% W: 42%	M: 58% W: 42%	7.5%	4.2%	12.3%	6.0%	53.96%	54.21%	58.88%	59.64%
Holding Function	M: 63% W: 37%	M: 62% W: 38%	3.4%	2.3%	5.2%	2.8%	11.35%	10.73%	14.95%	14.43%

* CheBanca!

**Mediobanca Private Banking and CMB Monaco

ACCESS TO VARIABLE - 2022-2023





The Board of Directors, with Remuneration Committee's support and with the CSR Committee's involvement, analyses the gender neutrality of the Remunerations Policy, examining the gender pay gap in particular and its development over time.

Ratio between basic salary and remuneration for women/men by professional category

CATEGORY OF STAFF	2022-2023		2021-2022		2020-2021	
	BASIC SALARY	REMUNERAT.	BASIC SALARY	REMUNERAT.	BASIC SALARY	REMUNERAT.
Top management³⁹	50%	58%	44%	39%	44%	45%
Management	73%	67%	75%	67%	76%	70%
Middle management	88%	81%	86%	81%	88%	83%
White-collar	105%	105%	99%	98%	100%	100%

It should also be noted that the ratio between the median basic salary for men and women is: 105% for top management, 80% for management, 88% for middle management, and 102% for white-collar employees. With regard to total remuneration, this metric is equal to: 75% for top management, 73% for management, 83% for middle managers and 102% for white-collars.

With a view to further improving earnings/financial performance by leveraging all the Group's talent as fully as possible, a project has been launched to analyse the organization from a diversity, equity and inclusion perspective, following which three areas requiring intervention were identified:

- ◇ **Gender diversity:** the Group aims to increase the number of women in leadership positions;
- ◇ **Generational diversity:** the objective here is to encourage closer interaction between the corporate populations of differing seniority, with a view to leveraging on the talented young professionals at the various Group companies, and accelerating their career progression through dedicated development initiatives;
- ◇ **Cultural diversity:** the Group's ambition is to facilitate the addition and development of people with different backgrounds, skills and mentalities, with the objective of promoting innovation and growth.

In support of project, a change management process called "**toDEI**" has been launched.

39. It should be noted that the "Top management" category includes the CEO and Group General Manager of Mediobanca, all of whom are men, who are also members of the Board of Directors.
















toDEI

On 31 March 2022, Chief Executive Officer Alberto Nagel launched **toDEI**, a corporate cultural change programme designed to create an even more inclusive working environment. While acknowledging the various aspects of diversity and recognizing their importance, the Mediobanca Group has committed as its first priority to closing the gender gap by focusing on the following objectives:

- ◇ Consolidate female representation in senior positions and management roles;
- ◇ Guarantee balanced recruiting and promotion processes;
- ◇ Reduce the pay gap between men and women;
- ◇ Involve all stakeholders (investors, employees and clients) in the cultural transformation process through structured and ongoing communication.

In quantitative terms, the Group has set the following objectives:

Objective		KPIs	As of 30/06/2023	To be
Address gender balance whit long term results	Consolidate female representation in top management and executive positions	% of female members of Mediobanca Key Function Holders	 20%	 >30%  >40%
	Establish gender balanced recruiting inflows	% of female "executives"	 18,7%	 >20%  ~35%
	Ensure balanced and fair advancement & remuneration processes	% of female on total hiring	 ~40%	 >50%  ~50%
		Advancement rate	 14.8%  12.7%	 Parity  Parity

The action plan launched by the Group has the aim of helping talented women to grow in the company, promoting the presence of women in positions of leadership and increasing their presence in the Group as a whole, by improving the recruitment rate.

To achieve these targets, a detailed action plan has been drawn up based on three main pillars:

- ◇ **Governance:** after instituting the figure of **Group Diversity & Inclusion Manager** and setting up a **Diversity, Equity and Inclusion management committee** to report to the Board CSR Committee, a Group Diversity, Equity and Inclusion Code has been adopted.
- ◇ **People management:** a project has been launched to analyse and where appropriate revise the HR policies and processes (selection, promotion and remuneration in particular), in order to align company practice with the strategic objectives.
- ◇ **Corporate culture:** various learning and training pathways have been designed for the whole Group.

Various training and communication initiatives and numerous other projects have been implemented as part of the "toDEI" programme to ensure that inclusion values are embedded



within the organization.

◇ **Training**

The training for senior management and the first lines of management has now been completed (with 10% of the Group's corporate population involved) with a view to enabling them to develop new leadership skills (listening, empathy and collaboration) by helping them to identify unconscious bias that can affect their decision-making.

The training process has generated an extensive network of inclusion agents tasked with embedding throughout the organization a working style based on recognition, respect and constant effort to guarantee inclusion and valorize diversities.

Projects for FY 2023-24 include the distribution of information material to the whole corporate population and the rollout of mandatory training on inclusive values for all new recruits.

Two **compulsory training pathways** have been introduced for all Group staff. The first, launched in June 2023, is intended to reduce the **unconscious bias** that can affect decision-making processes; the second, to be launched in September 2023, is intended to help recognize and **address sexual harassment** in the workplace, illustrating the internal regulations on discriminatory behaviour, bullying and harassment, and the various types of harassment and the procedures to be activated.

Finally, with a view to supporting young talented staff and to facilitating dialogue between the generations, the Group has also recently launched the first in a series of mentoring programmes for talented young staff, with the objective of helping the new generations to develop and grow based on its own system of values. Around 40 mentors and 40 mentees will take part in the first round of the programme.

◇ **Communication**

Various communications initiatives were completed during the year, both internal and external, to share experiences and best practices on inclusion issues. Each event has been based on interviews with colleagues and guests from outside, on a series of different issues, such as: parenting, disability, social stigmas, female empowerment, and generational dialogue.

A Hackathon was organized in conjunction with International Women's Rights Day, to develop a project to support a non-profit organization committed to promoting economic and social progress for women.

Valorizing talented women and the importance of financial education as a driver for women to obtain greater independence and autonomy have been issues at the centre of various awareness-raising campaigns, including: a cycle of digital meetings launched with the support of WomenX Impact, to facilitate dialogue between women and female professionals in the world of finance, removing stereotypes and promoting knowledge of financial products and investment techniques.

Finally, through the launch of a new intranet platform, internal awareness-raising activities have been strongly promoted by Employee Resource Groups ("ERGs") made up of people with similar needs who meet freely to discuss issues such as parenting, independence, developing female talent, psychological and physical well-being, etc.

◇ **HR processes**

In 2022 the Mediobanca Group launched an overhaul of the main HR processes for selection



and promotion, with a view to ensuring that unconscious bias is recognized and mitigated and so does not affect decision-making processes.

At the same time the Group has also launched a series of meetings for female university students with the objective of highlighting opportunities and potential growth developments in investment banking and wealth management, which in the past have tended to be less attractive for talented women.

In June 2023, an inclusive language project was launched, named WORDS, in conjunction with Milan Catholic University. The project has three different phases:

- ◇ Phase 1: internal listening exercise with focus groups and survey for the entire corporate population;
- ◇ Phase 2: compilation of a book, edited by a committee consisting of expert linguists and sociologists;
- ◇ Phase 3: validation and analysis of the book's impact on the corporate population's behaviour through a monitoring phase.

Principal nationalities within the Group

NATIONALITIES	2022-2023	
	% OF TOTAL NO. OF STAFF	% SENIOR, MIDDLE AND JUNIOR OUT OF TOTAL MANAGEMENT*
Italian	90.5%	92.0%
French	4.6%	3.8%
UK	1.5%	1.5%
Monégasque	0.8%	0.7%
Spanish	0.6%	0.3%
Swiss	0.2%	0.4%

Other diversity indicators

	2022-2023	2021-2022	2020-2021
Women in revenue-generating units	41%	41%	41%
Women in IT and technology innovation units	19%	30%	25%
BREAKDOWN OF WOMEN IN MANAGEMENT POSITIONS*	2022-2023		
	SENIOR MANAGEMENT	MIDDLE MANAGEMENT	JUNIOR MANAGEMENT
Group share	20%	30%	39%

* This is the number of women in a position of responsibility with employees reporting to them as a percentage of the total number of management staff also with employees reporting to them. "Senior management" is defined as management with at most two hierarchical levels separating them from the CEO; "middle management" is defined as management with at most three hierarchical levels separating them from the CEO; while "junior management" is defined persons with management responsibilities classified as employees.

At present women working in IT/technology innovation areas and in cash-generating units still represent a clear minority. The share of women who are managers in the revenue-generating units (23%) nonetheless represents a decent starting point. Various measures are planned to address this situation, including: training courses and reskilling and technology upskilling programmes for the former



category; and awareness-raising initiatives regarding opportunities and prospects in the banking sector (investment banking and private banking activities in particular) for the second category, inter alia with the support of universities and dedicated associations.

Several initiatives have also been launched to reduce the gender gap in STEM subjects (Science, Technology, Engineering and Mathematics), which offer more job opportunities. The Group has taken part in the **Girls@POLIMI** project, which for the 2023-24 academic year will assign a total of 25 grants to female students who enrol in degree courses at the Milan Polytechnic University which traditionally have low female participation rates.

In terms of external stakeholders, Mediobanca continues to be involved with **Valore D**, the first association of large companies in Italy set up to support diversity and women of talent in positions of corporate leadership. The **Valore D Manifesto**, of which Mediobanca is a signatory, is intended as a genuine programmatic and strategic manifesto for increased gender diversity and inclusion within organizations.

The Group has also signed up to the **Charter for Women Working for Banks** promoted by the Italian Banking Association **ABI**. This initiative aims encourage gender equality in terms of treatment and opportunities in the banking sector, recognizing gender diversity as a key resource for the development, sustainable growth and value creation of all companies. As part of this initiative, Mediobanca has participated in an interbank working group to compare notes on and consolidate the cultural growth process in banks.

Mention should also be made of Mediobanca's involvement in the drafting of the paper on best corporate practices **Guidelines on Diversity & Inclusion in the Workplace** compiled by **Global Compact Network Italia** in conjunction with the **International Labour Organization (ILO)** and the Italian HR management association **AIDP (Associazione Italiana Direzione Personale)**. The Guidelines contain a series of recommendations on the use of inclusive language and unconscious bias, focus on the pay gap for more vulnerable groups of society, and the need to adopt adequate policies on non-discrimination to be followed from the earliest selection phases.

On the back of its commitment to equal opportunities, Mediobanca has been included for the fifth year running in the **Bloomberg Gender-Equality Index (GEI)**, an initiative which selects companies that have impressed by their transparency of approach as shown in their reporting on gender issues and adopting an increasingly egalitarian approach to the employment of women. The Bank has also received a **Diversity Equity & Inclusion Award** for its work in including workers from protected classes.

In this area, the Group handles the employment of differently-abled people in accordance with the regulations in force, encouraging the various areas of the company to employ staff with different abilities, whose inclusion is guaranteed by the Group's ongoing focus on providing working tools and environments suited to their needs, and ensuring participation in training and social initiatives, providing them with the necessary support.

Mediobanca has also updated its official website with new functionalities to make contents more user-friendly for people with different kinds of disabilities. In particular AI-based applications are used to facilitate use of the sight by epileptic, short-sighted and blind users, users with cognitive or motor disabilities, and with attention deficit disorders.

As at 30 June 2023, a total of 278 differently-abled people were employed by the Group.

In the area of work-life balance, in April 2022 the Group adopted framework regulations on **Remote**



Working, which allow 100% of the company population whose working activities can be performed remotely (i.e. 65% of the total Group headcount) to make use of flexible working arrangements for up to two days a week. This flexible working arrangement has been a positive tool for staff motivation, helping employees to reconcile their work-life balance, increasing company productivity, and reducing the impact on the environment.

Second-level agreements have also been entered into in the Group Legal Entities which have trade union representations. These constitute addenda to the national collective labour contract and the company regulations already in place, in order to provide diversified solutions based on the individual companies' specific characteristics to allow staff to balance the needs of their private and professional lives. The main instruments used are as follows:

- ◆ **Part time:** part-time arrangements are granted based on the role held, with priority being given to workers with difficult family or personal situations. Working part-time in no way constitutes grounds for discrimination in working relationships and/or professional development.
- ◆ **Time bank:** an annual time bank has been set up consisting of a number of hours' paid absence in addition to ordinary leave, to be used by staff in serious personal and/or family circumstances. Hours are contributed to the time bank by the company and by the employees themselves, who can donate their time voluntarily to colleagues in difficulty.
- ◆ **Flexi-time:** this solution is available for most staff who work seven and a half hours per day, and enables them also to limit the forms of overtime they work, which in any case are governed by the provisions of their contracts and employment legislation.
- ◆ **Parenthood policies:** the company provides information on rights and obligations in connection with maternity leave, and allows staff to have access to experts for further details on aspects relating to pregnancy and the post-partum period. Ten days of paid paternity leave are also granted, in addition to those provided by the local legislation in force, to allow fathers to share the first moments of their new-born's life. The company welfare system offers a variety of benefits, such as vouchers and expense refunds for prevention, counselling and proposed solutions for specific problems, seminars on parent/child relationships, and how to manage parenthood. Furthermore, in addition to the possibilities provided for by the regulations and national collective labour contract in force on absences and paid leave, further leave is available for cases where children require assistance, are starting kindergarten or infant school for the first time, or have specific learning difficulties, with close consideration given to the issue of equal rights for cohabiting partners, and particular situations such as adoption/fostering.
- ◆ **Corporate volunteering:** provision has been made at CheBanca! for an additional bank of hours for volunteering activities in which staff are involved.
- ◆ **Break time for nursing mothers:** again at CheBanca!, specific permissions have been introduced for new mothers for a period of two hours to nurse their children.
- ◆ **Remote compulsory training activity:** staff working for the CheBanca! network can use up to two days' work to complete any mandatory training activities they may have.
- ◆ **Remote working:** an agreement has been formalized in Compass to allow staff with difficult family or personal situations to work from home more than in the office.

We have also run the Un Fiocco in Azienda programme again, to assist parents in facing the birth of a child without anxiety and facilitate returning to the company, by providing a series of dedicated services:



- ◇ **Training/information courses webinars:** the aim is to help women and men manage the changes that come with motherhood and fatherhood serenely, improve communications with their partners, and recognize the signs in the event of any psychological difficulties developing;
- ◇ **Prenatal nutrition programme:** the objective here is to encourage healthy eating to reduce the rate of complications in pregnancy due to excessive weight gain and/or poor diet;
- ◇ **Paediatrics card:** this is a service which enables users to locate a paediatrician promptly in emergency situations, which is valid for the child's first year of life.

During the reporting period, a total of 144⁴⁰ staff in various different professional categories took parental leave (100% of those entitled to do so). The rate of staff returning to work after parental leave was 78%; excluding those members of staff who took their leave split across two years the rate of return is 100%. The retention rate was 93%⁴¹.

Employees who took parental leave

CATEGORY OF STAFF	2022-2023			2021-2022			2020-2021		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Top management	-	-	-	-	-	-	-	-	-
Management	3	5	8	1	5	6	1	2	3
Middle management	7	43	50	10	36	46	6	26	32
White-collar	1	85	86	1	91	92	1	79	80
TOTAL	11	133	144	12	132	144	8	107	115

Employees returning to work after taking parental leave

CATEGORY OF STAFF	2022-2023			2021-2022			2020-2021		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Top management	-	-	-	-	-	-	-	-	-
Management	3	3	4	1	2	3	-	3	3
Middle management	7	32	39	10	23	33	3	35	38
White-collar	1	67	68	1	61	62	3	96	99
TOTAL	11	102	113	12	86	98	6	134	140

40. The data for FY 2021-22, published in the CNFS for FY 2021-22, have been recalculated in order to arrive at figures that are more representative of the GRI indicators shown.

41. Retention rate: ratio between staff still employed 12 months after their return to work following a period of parental leave and staff who came back to work after leave during the previous financial year; returning to work rate: ratio between staff who returned to work after parental leave and those who took parental leave.



Employees returning to work after taking parental leave who are still employed by Mediobanca after 12 months

CATEGORY OF STAFF	2022-2023			2021-2022			2020-2021		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Top management	-	-	-	1	-	1	-	-	-
Management	1	2	3	-	2	2	-	3	3
Middle management	10	20	30	6	17	23	3	35	38
White-collar	1	57	58	1	43	44	3	92	95
TOTAL	12	79	91	8	62	70	6	130	136

5.4 Protection of Human Rights

[GRI 2-30], [GRI 402-1], [GRI 406-1]

The Group believes that respect of human rights is a fundamental prerequisite. For this reason it seeks to protect and promote such rights in the conduct of its business, and in particular in the way in which it manages relations with its clients, suppliers and commercial partners, as well as in its relations with its own collaborators.

For this reason it is committed to preventing every type of discrimination, from the selection process to the setting of remuneration, from opportunities for professional development to the conclusion of the working relationship.

The Group guarantees respect for diversity and non-discrimination at every stage of each collaborator's working experience.

The Mediobanca Group guarantees that all its collaborators are treated without distinction, exclusion, restriction or preference, whether direct or indirect, based on their: age, gender, sexual orientation, civil status, religion, language, ethnic, geographical or national origins, physical or mental disabilities, state of pregnancy, maternity or paternity (including as a result of adoption), personal convictions, political opinions, and/or trade union affiliation or activities. It safeguards the right and freedom of association and collective bargaining,⁴² which currently covers 97% of the company population.⁴³ It guarantees high standards of protection of health and safety in the workplace, seeking to raise awareness of risks and promoting responsible behaviour, including via information and training activities. Protection of workers' health and wellness is achieved by adopting specific programmes of prevention and protection, thereby ensuring that all levels of the company take responsibility for this area.

The Group rejects forced labour and child labour and any time of harassment, whether physical, verbal, sexual or psychological, abuse, threatening or intimidatory behaviour in the workplace, guaranteeing

42. The national collective employment contract for the sector covers all staff in Italy and stipulates the minimum period for dialogue with trade union organizations to implement significant organizational changes. In particular, Article 17 (as amended by the renewal agreement of 19 December 2019), stipulates that in the event of major restructuring and/or reorganizations (even in cases where these may derive from technological innovations), the notice and consultation take place after the decision-making phase. The written notice must contain the reasons why the planned restructuring/reorganization is taking place, the legal, economic and social consequences for workers, and any measures regarding them. The first phase of this procedure, unless agreed otherwise between the parties, takes place at company level and must be completed within the deadline of 15 days after the notice referred to has been served. If no agreement can be reached at this level, further negotiating meetings are held, which too must be completed within another 30 days, after which the company must implement the measures approved for the part regarding its staff.

43. Collective national contracts are operative in all countries where the Group operates with the exception of the United Kingdom and the United States. In countries where there are no collective national contracts, the employment contract used reflects the best market practices.



working conditions which are respectful and favourable in the countries in which it operates.

With reference to indirect impact, as stated in the Group Sustainability Policy, the Group identifies and assesses the risks related to the protection of internationally recognized human rights and avoids engaging in relations with parties implicated in unlawful activities which could lead to potential breaches of abuses of Human Rights.

Coverage in this area has been strengthened by the adoption of the Group ESG Policy, which bans business proposals from being accepted that involve parties which have been convicted of serious crimes (which includes breach of human rights), and by the mandatory training course on Sustainability and Human Rights with the aim of raising awareness among all staff of the risk of breach of human rights as a result of the Group's indirect impact.

Outside Italy, Polus Capital Management has recently published a Transparency Statement in accordance with the UK Modern Slavery Act 2015. In this statement Polus commits to respecting human rights in all its commercial external operations and interactions, refusing to tolerate slavery and human trafficking in its own activities and along the supply chain.

During the year no reports of potential episodes of discrimination or breach of human rights were received.

5.5 Professional training and development

[GRI 404-1], [GRI 412-2]

In view of the increasing international dimension of the Group's activities, developments in technology, innovation in products and banking services and the ongoing changes to sector regulations, the Mediobanca Group recognizes the importance and centrality of staff training and professional formation for its own employees, which are key aspects of its staff development process.

The Group draws up a compulsory training programme, with the aim of ensuring that all staff members are continuously aligned on the issues identified by the regulations in force. The Group also promotes ongoing and structured professional and managerial training pathways, taking into account the different contributions made by the various professionals. At the same time, it promotes solutions based on the use of different technologies through initiatives that are appropriate to the levels of preparation and experience required by the various roles.

Initiatives that may be considered to broaden professional experience and facilitate the development of staff's technical and managerial skills include the possibility of working temporarily, for briefer or longer periods, at another organizational unit or Group company.

Such forms of professional mobility are particularly important, and requested specifically by the regulatory authorities, in management of staff employed in control units. Specific provision for this kind of arrangement is made for such staff in accordance with the organization's internal needs.

The training initiatives may be diversified by role, by assessment of which staff members require to develop their skills to a more advanced degree, and by changes in the organizational structure, making it necessary for staff to acquire additional knowledge.

During the financial year under review, a total of 137,503 hours of training were provided, mainly to



white collar staff (45.4%) and middle management (45.4%), with the other 9% provided to management. The total number of staff involved in training activities was 5,139.

The annual budget made available for training was over €3.3m , with an investment of €642 per employee.

During the year under review, targeted training courses were offered to improve the quality of the work done, through careful analysis of the most important soft skills. A programme of initiatives has also been implemented in order to: raise awareness of diversity & inclusion issues, develop skills in public speaking, negotiation and conflict, and time management, and create team-building activities.

TRAINING COURSES ON ESG ISSUES

Numerous initiatives have been launched to increase awareness of ESG issues: the **entire corporate population** of Mediobanca and the main Group legal entities took part in a training course on aspects of **Sustainability and ESG Issues** to provide an overview of the regulatory scenario and market trends in terms of sustainable products, as well as giving a description of the Group's positioning and ESG activities.

In the course of the year, multiple Group Legal Entities have continued to roll out the training course on human rights launched in June 2019, which is compulsory for new recruits in all the Italian-based companies.

The course, which has recently been revised, will be extended to the non-Italian Group Legal Entities and made compulsory for all Group staff, in line with the Plan objectives.

Specialist training sessions have also been organized in the past two financial years, with the help of external consultants and sector experts for certain groups of staff members to explore business issues:

- ◇ In order to respond to the regulator's expectations and those of the protocols to which the Group has adhered (e.g. NZBA), selected staff from the Debt Division and Risk Management unit (for a total of around fifty employees) took part in a structured classroom-based education programme in four models on the subject of **decarbonization**. The course, which has been recorded and subtitled, has been made available on the Skillato e-learning platform for all of both areas. This initiative will enable the staff who participated to increase their awareness of climate-related issues (through indepth analysis of the regulatory, risk, technology and operating environments in which decarbonization activity is taking place in each of the target sectors) and assess the related risk correctly, providing them with the knowledge they require to engage in informed dialogue with counterparties.
- ◇ Representatives of the Mediobanca CIB Debt Division took part in a training course on the **EU Taxonomy**, which summarized the contents of the regulation, and illustrated how the structure of loans and bonds is expected to evolve in order to create products which are "aligned" to the criteria introduced by the regulation.



- ◇ Mediobanca Private Banking division bankers took part in sessions on the subject of **Sustainable Finance and ESG investments**.
- ◇ Senior representatives of the Corporate Finance division for both Mediobanca and Messier & Associés participated in a meeting on the **Growing Role of ESG in M&A deals**.

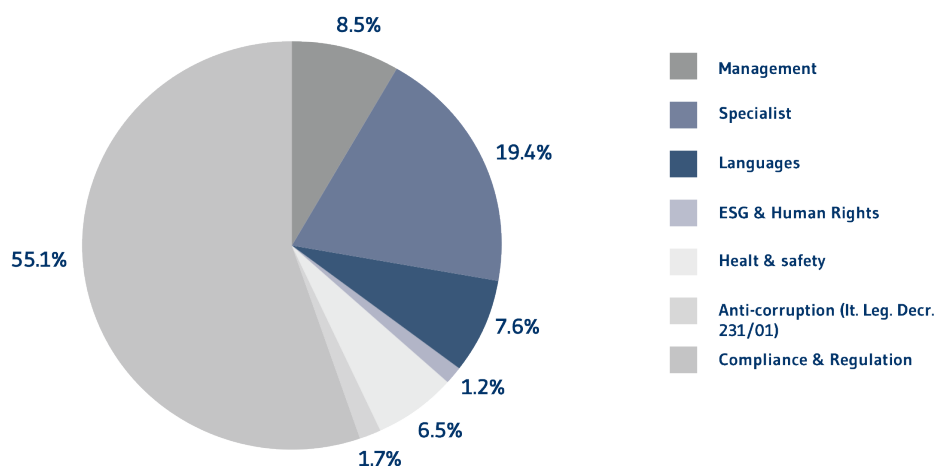
In relation to training on **diversity and inclusion issues**, reference is made to the “toDEI” box in Section 5.3 *Diversity, inclusion and equal opportunities*.

In the area of compulsory training, the Group has provided training on mandatory issues, such as the Organizational Model instituted pursuant to Italian Legislative Decree No. 231/01, anti-corruption, anti-money-laundering, data protection, market abuse, cyber-security, business continuity, MiFID II, IVASS, PSD2, code of conduct, and personal health and safety. Mediobanca also encourages its private bankers to be registered in the single register of insurance brokers (Registro Unico degli Intermediari, or RUI) and to take part in the compulsory training activities, which include 60 hours of courses to be attended in the twelve months prior to registration plus a final test, and 30 hours of annual training to retain registered status. The issues covered by the training include the following areas: legal, contractual, technical, insurance and reinsurance, and management administration.

Average hours of training by gender and professional category

CATEGORY OF STAFF	2022-2023			2021-2022			2020-2021		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Top management	14.9	10.9	14.1	16.9	22.1	18.1	12.6	14.0	12.9
Management	24.5	25.2	24.7	28.6	27.8	28.5	29.4	26.3	28.9
Middle management	28.6	23.9	27.1	34.1	32.1	33.4	33.9	32.0	33.3
White-collar	27.2	25.1	26.0	30.7	29.8	30.2	31.6	31.4	31.5
TOTAL	27.5	24.7	26.3	32.0	30.6	31.4	32.4	31.4	32.0

HOURS OF TRAINING BY TYPE - 2022-2023





In addition, the 565 CheBanca! FAs received training as stipulated by the regulations for a total of 20,607 hours, plus a further 296 hours' optional training.

Compass, meanwhile has provided training and refresher courses on the obligations deriving from sector regulations (AML, IVASS professional training, training in products and services offered, transparency, data privacy, and cyber security), offering mandatory training courses for their own FAs with a percentage of completion for the courses of approx. 95%.

Finally, each year Mediobanca selects one or two talented employees and finances their career development progression, which also includes taking Masters' degrees.

5.6 Managing, attracting, developing and retaining talent

[GRI 404-3]

The Mediobanca Group devotes considerable attention to the issue talent management and retention which is considered to be a strategic factor for its own development.

The Board of Directors approves the ***Policies for the selection, appointment, succession and performance assessment of company representatives and Group Key Function Holders*** which govern inter alia the succession of Directors, both executive (including the Chief Executive Officer and Group General Manager) and non-executive, Statutory Auditors and Key Function Holders; they provide for specific suitability requirements, and also define an emergency plan for replacing company management if the need to do so suddenly arises. Plans must be formalized to ensure orderly succession in key leadership positions, if representatives leave as a result of their terms of office ending or for any other reason, to ensure business continuity and to avoid repercussions in earnings and reputational terms. Company representatives include members of the Board of Directors and Statutory Auditors as well as the Key Function Holders.

Regarding succession planning for the executive Directors, the Chief Executive Officer and Group General Manager, the Appointments Committee is tasked with selecting a limited number of persons, chosen inter alia from among those who are members of the Group's management for at least three years and who are considered able to succeed to those positions. In general, an executive Director must possess all the qualifications required of all Directors, and also have particular experience in a banking, professional or corporate setting, which demonstrates their ability to take decisions in a timely and informed manner. The selection is made with the support of the Chief Executive Officer and Group General Manager in office, Group HR for candidates who are members of the Group's management, and specialized consultants if considered appropriate. This list of members of staff and potential BoD members is updated continuously, so that if need be, the Appointments Committee can make proposals to the Board itself or to shareholders in annual general meeting in a timely manner.

The Key Function Holders are non-Board members with significant influence over the Bank's and/or Group's management, as listed below.



List of Key Function Holders and subdivision by division and gender

ROLE	DIVISION/UNIT	GENDER
Co-Head of Corporate & Investment Banking	Corporate & Investment Banking	M
Co-Head of Corporate & Investment Banking	Corporate & Investment Banking	M
Head of Debt Division	Corporate & Investment Banking	W
Head of Markets Division	Corporate & Investment Banking	M
Head of Consumer Finance – CEO, Compass ⁴⁵	Consumer Finance	M
Head of Premier Banking - CEO CBI	Wealth Management	M
Head of Mediobanca Private Banking	Wealth Management	M
CEO - CMB	Wealth Management	M
CEO - Mediobanca SGR	Wealth Management	M
Head of Insurance & Principal Investing	Insurance & Principal Investing	M
Group Chief Human Resources Officer	Holding Function	W
Group Chief Financial Officer ⁴⁶	Holding Function	M
Head of Company Financial Reporting	Holding Function	M
Group Chief Strategy & Investor Relations Officer	Holding Function	W
Group Chief Communication Officer	Holding Function	M
Group Chief Sustainability Officer	Holding Function	W
Group Chief Technology and Operations Officer	Holding Function	M
Group Legal & General Counsel	Holding Function	M
Group Chief Governance Officer	Holding Function	M
Group Chief Risk Officer	Funzioni di Controllo	M
Group Chief Audit Officer	Funzioni di Controllo	M
Group Chief Compliance Officer	Funzioni di Controllo	M
Group Head AML	Funzioni di Controllo	M

For the Key Function Holders, who are usually employees of the Group, specific competences are defined and formalized to characterize their roles. They must be in possession of the personal characteristics, all other things being equal, and qualify as fit and proper persons to hold office, including based on the regulatory requirements in force, particularly for the control units and the position of Head of

45. The roles of CEO of Compass and CEO of CheBancal are held by the same person.

46. The roles of Chief Financial Officer and Head of Company Financial Reporting are held by the same person.



Company Financial Reporting. The Chief Executive Officer and Group General Manager, with the support of Group HR, identify internal staff able to guarantee short- and medium-term succession for them, while continuing to monitor the market at all times.

Growth and development programmes are identified for these figures, including in terms of involvement in specific strategic projects, exposure to the Board/Committees, and international and intra-Group rotation. As at the recruitment stage, selection is based on assessment of professional and technical competences, as demonstrated by the candidates' CVs and track record within the company, performance and results delivered over time, and possession and development of key leadership abilities.

The application of gender balance principles is of particular importance in preparing and updating the succession planning, with equal access being guaranteed to roles of responsibility for candidates with comparable abilities, qualifications and skills.

The Mediobanca has defined an action plan with a series of objectives, including improving the level of diversity among its staff, with people from an increasing number of geographies, and aiming to valorize their different characteristics.

In the area of attracting new young talent, the Group has ongoing co-operations with the best universities in Italy and other countries, via participation in on campus selection and employer branding activities. In 2023, too, the Bank has chosen to participate in a Career Day to facilitate the recruitment of people with disabilities and candidates from protected categories.

All the employer branding activities for talented women have continued during the twelve months, and new ones have been added, including: participation in the WomenXImpact event in Bologna, organization of the "Luiss meets Mediobanca-female networking", and new partnerships entered into with Women in Business and Finance UK, LSE Female Association and Warwick Female Association, the objective being to stimulate interest among female students and new graduates in the financial sector in general and the Mediobanca Group in particular. In order to expand the range of possible candidates as far as possible, partnerships have been launched with certain universities and with associations which support female talent, both in Italy and other countries.

The various initiatives involved have included the five **Ladies in Banking Breakfasts**, designed to tell young students and graduates about the world of investment banking, and to give them help and advice as they start their careers in the sector, highlighting characteristics and opportunities. Similar initiatives have been undertaken to raise awareness among talented female candidates to encourage them to pursue a career in private banking.

The Group also offers students the possibility of completing internships to complete their academic training, giving them an opportunity if they wish to use their experience in conjunction with the subject of their thesis.

In addition to these activities, Mediobanca has built presence on the main social networks, with particular attention paid to LinkedIn, where a section has been built specifically in order to attract young talent.

The Group adopts a constructive approach to professional development which is geared to achieving results over the long term. As proof of this commitment, instruments to support staff assessment have been adopted, with a view to constructing development and training pathways which are consistent and effective for the business.

Performance evaluation is the system which meets the need for objectivity in terms of assessing



individual performances and defining responsibilities. At the start of each financial year the respective line managers assign and discuss their team members' objectives with them (professional, operational, personal development and corporate) based on their professional profile, role within the organization and the strategic objectives of the unit to which they belong. Such objectives are weighted according to the priority assigned to each staff member, clearly established in terms of results, measurable where possible, achievable and at the same time challenging, and if possible, clearly delineated in terms of time.

Intermediate feedback during the year allows the line managers and their team members to agree on the degree to which the objectives have been met. The employee is encouraged to ask for clarification where necessary, and the line manager to give ongoing feedback.

At the end of the financial year, the line managers make their assessment of the individual staff members as part of an objective discussion of individual performances, ensuring that the organization and each employee reach their objectives while respecting the Group's corporate values, and that transparency is assured in the area of training opportunities, professional development and evaluation criteria for the individual evaluatees.

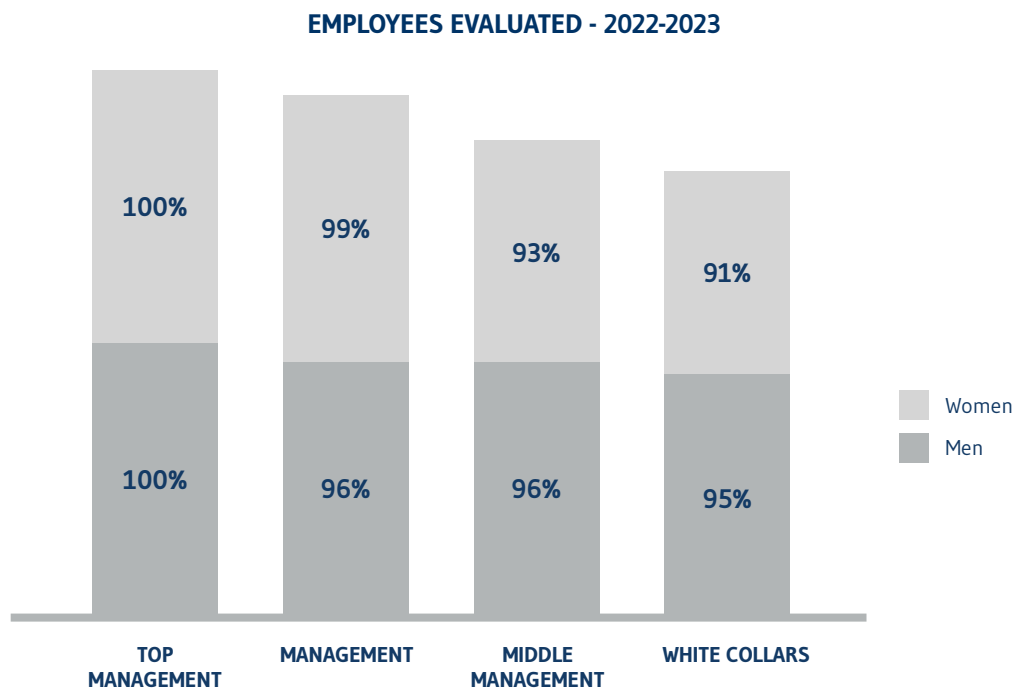
Increasing consideration is being devoted as part of the evaluation process to the achievement of environmental, social and governance (ESG) objectives within the individual and business areas of responsibility. These objectives encourage individual conduct which fosters a working environment where diversity is valued, and personal and professional growth respected, in accordance with meritocratic principles.

As confirmation of this, and in addition to the objective of the adoption of socially responsible conduct, a new objective has been added, which is mandatory for the entire corporate population, aimed at promoting individual attitudes and organizational approaches based on understanding, respect and appreciation of differences, with attention in particular to gender diversity.

Contributing factors in valorizing staff also include the quality of the skills acquired by them and their individual performance, any previous professional experience acquired outside the company, the internal pathway followed by them guided by their immediate superiors, experience "on the ground", expertise in the role covered by them, the skills and potential of the individual being assessed, and compliance with the rules of conduct defined by the Group to ensure that conduct is aligned with the regulations and sector practice, and to serve the interests of our clients as well as possible.

In addition to the mandatory Performance Evaluation too, all staff can benefit from the use of another instrument known as **Continuous Feedback**, which enables constructive feedback to be given immediately on specific activities performed or projects covered from all Mediobanca Group colleagues with whom the staff member has worked. Constructive feedback may be positive or may highlight areas for improvement, and is an effective tool for learning and change. It is indispensable for improving company performance and interpersonal relations.

During the year under review a total of 4,911 employees were assessed (59% men and 41% women), equal to approx. 94% of the company population.



The career advancement process works closely together with the staff assessment process. Professional development decisions for staff may take the form of covering new organizational roles, moving to a new contractual level or being assigned a new corporate title, based on experience acquired and results achieved. Balance between genders is pursued in the career progression process, with equal access guaranteed to roles of responsibility and/or with managerial content, and with the intention where possible of bridging any gaps in terms of gender representation among the most senior employees in the various organizational units, in cases where candidates have the same skills, qualifications and abilities.

The promotion process includes a phase where the candidate is proposed by the head of the organizational unit to which they belong, which is then agreed with the relevant HR unit, and final approval is granted, with the involvement of the Group General Manager and/or Chief Executive Officer for management personnel.

For the highest levels (management or equivalent), the process involves specific assessment of the candidate by other senior Bank staff members with different professional backgrounds, experience and roles; the promotion must also be consistent with the management succession planning adopted.

In order to ensure that the career advancement process is fair, accurate and inclusive, as from this year the promotion proposal forms include instructions to prevent prejudices and stereotypes from affecting the process and preventing it from being carried out properly and fairly. The candidate's line manager is also asked to provide concrete examples of their ability to promote diversity, equity and inclusion values within the team that they work for.



5.7 Staff incentives, benefits and remuneration

[2-18], [2-19], [2-20], [GRI 401-2], [GRI 403-6]

The remuneration system is structured so as to attract, motivate and valorize staff with the professional qualities required by the Group's business. The system is based on principles of fairness, equal opportunities and meritocracy. Group HR is responsible for defining the remuneration and employee benefit policies, co-ordinating staff selection, recruitment and development via processes which are able to leverage and retain talent, increasing their sense of belonging to the Group and guaranteeing flexibility and timeliness in covering key roles.

The Group devotes considerable attention to management of its remuneration policies and is always attentive of the need for compliance with the regulations issued by the authorities, and the Corporate Governance Code in structuring remuneration packages and with reference to the means and instruments by which its various components are paid.

It also guarantees that all its staff members are treated without distinction or exclusion inter alia with reference to remuneration, complementary pension schemes and employee benefits.

The Group Remuneration and Incentivization Policy, which is approved by shareholders at the Annual General Meeting held each year, seek to generate sustainable value over the long term: responsible, fair and transparent remuneration mechanisms increase and protect reputation, credibility and consensus over time, forming the basis for developing business with the objective of creating and protecting value for all stakeholders. In practical terms, the sustainability of the remuneration mechanisms takes the following forms:

- ◇ Pre-established governance mechanisms involving various different bodies, organizational units and parties;
- ◇ An overall remuneration package which reflects a balanced pay mix between fixed and variable components according to company role, complemented by a series of corporate welfare solutions intended to meet the needs and improve the well-being of staff members and their families;
- ◇ An ongoing commitment to offering a fair level of remuneration reflecting the competences, abilities and professional experience of each staff member, ensuring that the principle of equal opportunities is applied;
- ◇ A short- and long-term incentive structure based on risk-adjusted indicators aligned with the Risk Appetite Framework;
- ◇ Correlation of the incentivization system to the principles set out in the Group Policies sustainability-related and Strategic Plan ESG targets; ESG criteria being integrated into the models used for lending, investing and advisory services, and the inclusion of sustainability issues in the Group's short- and long-term business and financial strategies;
- ◇ Limits or cap on variable remuneration;
- ◇ Ongoing monitoring of the positioning of employees' remuneration packages relative to the reference market;
- ◇ Individual performances are evaluated clearly and transparently, based on merit and in accordance with the principle of equal opportunities;



- ◊ Variable remuneration is deferred and paid over a time horizon of several years to link incentives to the creation of value over the long term;
- ◊ Reputational issues have a central role in this system;
- ◊ Pre-established, transparent means of treatment for staff in the event of their employment with the Mediobanca Group ceasing;
- ◊ Transparency of reporting.

Based on the governance arrangements for the Staff Remuneration Policy⁴⁷, which is structured over different levels, the shareholders of Mediobanca gathered in Annual General Meeting (and the same goes for the other Group Legal Entities as well) is responsible for setting the fixed compensation payable to members of the Board of Directors for performance of their duties at their appointment and for their whole term of office. This amount is allocated between the individual members based on the decisions taken by the Board itself. No provision is made for incentives linked to the company's performance, or for special treatment upon leaving office. The Board of Directors compiles the Policy and submits it to shareholders in Annual General Meeting at least once a year, and is responsible for ensuring it is properly implemented.

The Remuneration Committee also has powers of proposal and consultation on matters pertaining to remuneration.

The Mediobanca Group Investor Relations Unit has a tried and tested process for engagement with institutional investors and proxy advisors, which has been in place for several years now, and allows for constructive exchanges of opinions on a variety of topics including the Remuneration and incentivization Policy. The Remunerations Committee specifically analyses the results of the engagement activity, and of the voting in AGM on a regular basis.

INCENTIVIZATION SYSTEMS

The Long-Term Incentive Scheme (LTI) linked to the 2019-23 Strategic Plan of which the Chief Executive Officer and Group General Manager of Mediobanca and the Chief Executive Officer of Compass and CheBanca! were the recipients, set clearly-defined Environmental, Social and Governance targets which referred to the Sustainable Development Goals. All the objectives were public, measurable and quantified, and their weight in the result of the LTI's financial component ranged from -5% to +7.5%, based on the Board of Directors' assessment of whether or not they were met.

The LTI Scheme for 2019-23 was closed in July 2023, and the ESG objectives contained in it were considered to have been met.

With the objective of consolidating the Group's responsible approach to banking even further, ESG has again been integrated into the **2023-26 Strategic Plan, "One Brand-One Culture"** and into the senior management's long-term remuneration. The commitments made by the Group

47. The Group Staff Remuneration Policy and Report contains all the details; it is found on the Bank's official website at www.mediobanca.com (Governance/ Governance reports and documents).



have been translated into qualitative and quantitative targets which have been included in the new Long-Term Incentive Plan 2023-26, which provides a weighting of 50% of the total variable compensation for the Mediobanca CEO and Group General Manager, and extends the scheme to include other strategic Group figures.

To ensure that the remuneration paid to the Group's senior management is aligned with long-term performance, 20% of the LTI Plan objectives are ESG in nature and focused on indicators related to the issues of climate change (reduction of portfolio carbon intensity percentage/ portfolio decarbonization) and diversity and inclusion (percentage of women in management positions within the Group). The Plan will be submitted to shareholders for approval at the AGM to be held on 28 October 2023.

The annual scorecards for the Chief Executive Officer (CEO) and Group General Manager (GGM) of Mediobanca (Short-Term Incentives) also contain financial and quantitative sustainability indicators for performance evaluation over the one-year time horizon. These account for up to 10% of the quantitative component, and refer to the annual targets for the overall ESG objectives set in the four-year Strategic Plan for the Group's main business lines, with financial KPIs related, for example, to increasing the ESG volumes (new production, CIB, Compass and CheBanca!), or to the increased penetration of art. 8 and 9 funds in client portfolios, both retail and private.

The CEO's and Group General Manager's annual scorecards also include non-financial ESG and CSR objectives, the weight of which in the result of the financial component ranges from -5% to +7.5% for each objective individually identified. If only one non-financial ESG KPI is included, it will nonetheless have a weighting which is able to correct two-thirds of the total. For the year ended 30 June 2023 the following objectives were assigned: one specific on Diversity, Equity, Inclusion & Engagement issues (the "toDEI" project) for both the CEO and Group General Manager; and one objective for the CEO alone, relating to projects and activities in the Planet and Environment area. In both cases the objectives have been achieved in full.

For FY 2023-24 the focus on People & Engagement issues ("Our People") has been confirmed for both the CEO and the Group General Manager, and on the Group's social initiatives ("Our Community") for the CEO alone, with quantitative as well as qualitative drivers.

The short-term incentivization mechanisms for the other senior figures (strategic management and Material Risk Takers heading up the principal business lines, including the CEOs/GMs of the main Group Legal Entities) also include, where appropriate, quantitative and measurable ESG indicators, both financial and non-financial.

As already mentioned, all other staff are assigned a Group objective for evaluation by management of the results achieved in terms of the adoption of socially responsible behaviours, in line with the Group's Corporate Social Responsibility Policies, with reference in particular to the protection of the environment, corporate diversity and defence of human and social rights.

With reference to the use of equity instruments as part of the remuneration and incentivization policies, performance share schemes have been launched, which involve Mediobanca shares being allocated to staff members, collaborators and other personnel retained under agency contracts, as the equity component of the variable remuneration assigned to them following the short-term



performance evaluation process linked to both the annual and longer-term budgets (Short- and Long-Term Incentive Plans, the latter normally allocated when the Strategic Plan is approved). The dilution of the grants over a time horizon covering several years, with provision made for vesting and subsequent holding periods before the shares are actually awarded, is an incentive to beneficiaries to pursue conduct that ensures the sustainability of the Mediobanca Group's results over the long term, directing them to maintain performances over time that ensure the Bank retains a solid capital base, comfortable liquidity position, full control of all risks, and profitable results.

The Group's desire to invest in its people and stimulate a sense of belonging in them has resulted in the **launch** of the **first employee share ownership** and coinvestment **plan** for FY 2023-26, the functioning mechanism for which includes ESG KPIs linked to climate change and diversity & inclusion issues, similar to those included in the Long-Term Incentive Plan 2023-26.

Based on an awareness that corporate welfare makes a significant contribution to the implementation of CSR, and the conviction that sound working conditions should be an integral part of all remuneration policies, the Group has adopted instruments which produce positive effects outside the company, benefiting not only staff members but also their family and the local community in general. Corporate welfare creates value that is shared with a broad range of stakeholders, thus helping to produce collective benefits that endure over time. Welfare and benefits are therefore an integral part of the Mediobanca Group's corporate culture, and play a crucial role in terms of:

- ◇ Helping to improve employer branding and staff loyalty retention levels;
- ◇ Create a more cohesive, positive and inclusive working environment;
- ◇ Pursue the desire to guarantee an appropriate balance between working life and private life;
- ◇ Encourage work engagement;
- ◇ Constitute an incentive to obtain the best possible results.

From this viewpoint and in line with the market, the remuneration package is complemented by a series of benefits that reflect the attention devoted by Mediobanca to the personal needs and welfare of its staff, including those already in retirement. The benefits are for the Group's entire population (permanent and temporary staff, staff working full time or part time), and may be distinguished by families of professionals and geographical areas but do not make provision for individual discretionary systems.

- ◇ **Complementary pension scheme:** employees are entitled to participate in complementary corporate pension schemes, with contribution rates distinguished by category and length of time employed by the company. The pension schemes are external to and legally independent from the Group. The performance of the pension scheme depends on the management results of the amounts paid in and the investment product chosen, where possible, based on the beneficiary's risk appetite. No discretionary pension benefits are provided.
- ◇ **Healthcare scheme:** this scheme covers healthcare, dental and preventative medicine expenses for staff members and their family. An extensive network of doctors and dentists who are part of the scheme enables beneficiaries to have direct access to services without having to pay in advance and providing significant financial benefits.



- ◆ **Accident insurance policy, Policy covering permanent disability as a result of illness, Life insurance policy, and Long-term care insurance policy:** the former two of these guarantee coverage to staff in the event of their having accidents, either work- or non-work-related, and/or in the case of invalidity deriving from illness; while the latter two entitle claimants to a guaranteed capital sum in the event of an employee's death, and pay out an annuity in the event of permanent incapacitation resulting in their inability to perform the tasks associated with daily life.
- ◆ **Company welfare/flexible benefit systems:** these have been instituted for all staff or like-for-like categories of staff, as provided by the applicable tax legislation⁴⁸ and regulations in force. Such systems involve the provision of non-cash services and instruments (e.g. training activities, study and education courses, welfare services, etc.), which Group companies make available to their staff and families, with the possibility of paying any amounts unused to the complementary pension scheme. Production and/or result bonuses provided for under complementary company contracts may be used to this end, or other amounts earmarked for the welfare of similar categories of employee and according to marginality criteria relative to the capacity to pay principle.
- ◆ **Company cars:** these are assigned only to the highest professional figures or those with commercial roles. The range of cars available is notable for the number of hybrid and/or electric vehicles on offer, continuously updated, in accordance with environmental sustainability criteria.

5.8 Staff commitment, engagement and satisfaction

[GRI 2-29]

In FY 2021-22 the Group, with the support of a leading market research company, conducted its third staff engagement analysis with the main objective of gauging staff satisfaction levels.⁴⁹

Some changes were made to the methods for engagement compared to previous versions of the exercise:

- ◆ **Scope of reference:** the survey was carried out simultaneously in Mediobanca, Compass, CheBanca!, MIS and MBCredit Solutions, with the aim of providing an overview of the bill of health of staff working for the main Group legal entities;
- ◆ **Questions:** some questions were revised to factor in changes in the company's ownership structure, post-pandemic effects on the emotional as well as physical welfare of our staff, changes in the corporate population's needs as a result of the new ways of working, and gender issues within the Group as a whole.

The response rate was 76% (compared with 77% in 2019), with a total of 859 respondents out of a population of 1,132 employees (versus 765 respondents in 2019 out of a population of 991 employees).

The level of staff satisfaction, which serves as the baseline indicator, increased from 83% in 2019 to 85% in 2021, positioning Mediobanca among the highest levels recorded on the market.

Once again our staff's view of their employer was very positive in terms of brand reputation and opinion of senior management.

48. In Italy the applicable regulations are provided in Article 51, paragraphs 2 and 3 of the Italian Income Tax Act, as amended by the 2016 Stability Law as amended. Changes have been made to the taxation of income earned from employment, by increasing the options and instances of sums and value items that do not go to make up income, and for this reason were considered by the Italian legislator to require protection. These changes have made it easier for companies to introduce their own welfare schemes, i.e. plans which make a basket of solutions available to beneficiaries out of those which meet their own needs and those of their family most closely.

49. The two previous surveys were conducted in 2017 and 2019.



Of the respondents, 70% said they felt they worked in a collaborative environment where staff welfare and engagement were promoted; the most enthusiastic were those in the investment banking area.

The exercise was also useful for identifying areas for further work in the course of the next two years, foremost among which is the issue of gender diversity.

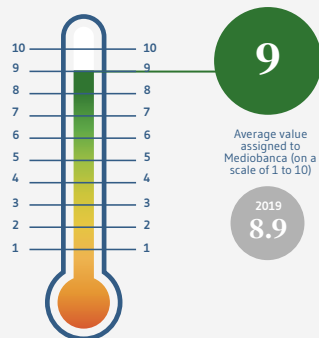
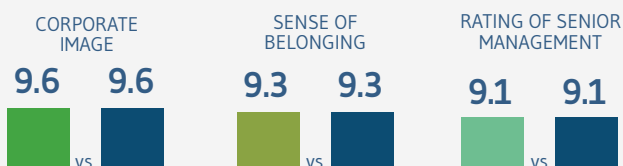
The next climate survey is scheduled for the next financial year.

MOVE BEYOND³

9

AVERAGE VALUE ASSIGNED TO MEDIOBANCA (on a scale of 1 to 10) .

The values assigned to the main indices remain positive



85.5%

OF MEDIOBANCA WORKFORCE
HAVE A POSITIVE OPINION
(84.5% in 2019)

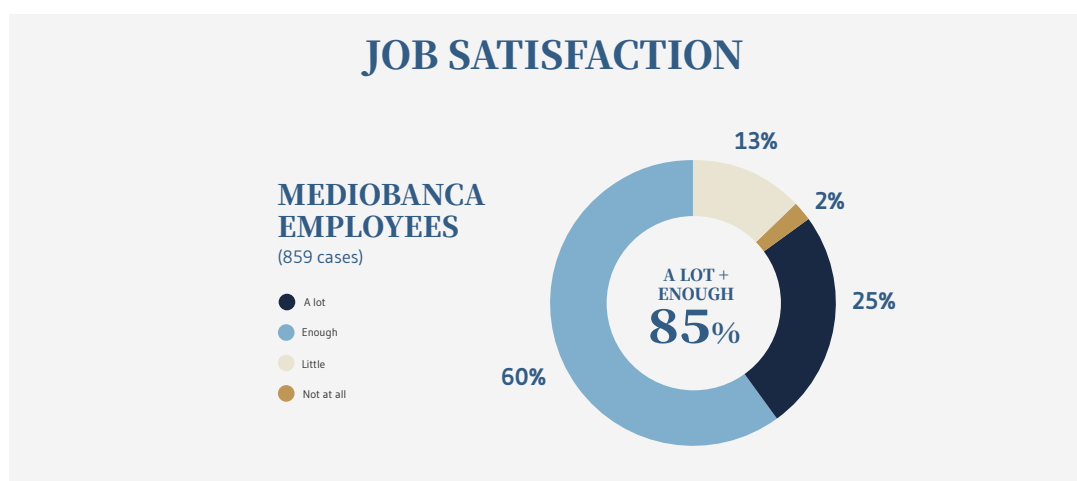


METHODOLOGY



SURVEY

AROUND 76% SURVEY RESPONSE RATE



To help improve the level of engagement and sense of belonging among Group staff, the digital sports challenge **TeamUp4Good** was run again, with once more all the Mediobanca Group legal entities involved, both in Italy and elsewhere.

In this year's competition, which ran from March to May 2023, the staff members who participated were divided into teams, and uploaded their hours of physical activity monitored via fitness trackers to a dedicated app known as Virtuoso, with the aim of accumulating credits to be converted into a donation (with an additional payment by Mediobanca) made to the charitable association Sport Senza Frontiere, technical partner in the programme.

In conjunction with the contest, various in-person sports events were organized in the main cities where the Mediobanca Group operates: in Italy, Milan, Rome, Bologna, Bari, Naples, Palermo and Catania, and elsewhere, Madrid, Luxembourg and Monaco.

The Mediobanca Group, a firm believer in the use of technologies to improve operating efficiency, has also implemented **HR Transformation 4.0**, a long-term strategic project to implement an integrated HR system for all personnel.

The project is intended to facilitate communication and dialogue with people and increase the operating efficiency of HR process with direct impact on staff in particular: management of attendance (leave/irregularities), expense refund claims and benefits, making processes more streamlined, promoting dematerialization and remote working, using advanced technology solutions.

5.9 Staff health, safety and welfare

[GRI 403-1],[GRI 403-2],[GRI 403-3],[GRI 403-4],[GRI 403-5],[GRI 403-7],[GRI 403-8],[GRI 403-9]

The Group considers the promotion of health and safety as one of the priorities. For this reason it is committed to achieving, maintaining and complying with the requirements set in this area as defined in the applicable regulations in force in the countries where Mediobanca operates, adopting an approach which is based on continuous improvement. To this end, the Group has implemented an effective security management system which is co-ordinated and managed by a Safety Committee, made up a Prevention and Protection Manager, external company doctors (CD), a Group Safety Team internal to the organization, and an employees' security representative (ESR).



The health and safety management system covers almost all employed staff and other personnel (100%) covered by the scope of the applicable regulations pursuant to Article 2(1) of Italian Legislative Decree 81/08.⁵⁰ The management system is subject not only to regular internal audit but also a second audit, by the Prevention and Protection Manager, both at the head offices and local branches, and at different intervals.

In addition to health and safety in the workplace, the Group is also very committed to protecting its staff's emotional and mental health. To this end, the psychological support offered during the pandemic, in the shape of the counselling service which was very well received, has been continued.

The Health and Safety unit regulates and monitors security activities for the company, embeds the principles governing the regulatory obligations, and standardizes the means of involving staff members and the Group units involved. The creation of synergies between the various companies allows costs to be kept down and provides for increased efficiency in the management of health and safety in the workplace.

The Safety Committee is responsible for ensuring a secure working environment which is compliant with the regulations in force, such as Italian Legislative Decree 81/08, for defining the Group's guidelines in the area of health and safety, for co-ordinating monitoring activities, and, where necessary, for improving safety conditions. The prevention and protection service covers virtually all staff included in the scope of operations defined by the regulations in force.

The Prevention and Protection Manager's activities include making technical enquiries when a significant accident occurs, by gathering data describing the event, filling in the preliminary enquiry form, and compiling a descriptive report where necessary.

The Prevention and Protection Manager also provides operations support in the event of actions or inspections by the supervisory body.

During the twelve months, a Prevention and Protection staff member has been formally appointed to support the Prevention and Protection Manager, whose activities have now fully resumed both at headquarters and the branch offices of all the Group Legal Entities included in the scope of analysis, with various audits being carried out at offices and branches in Italy, to check that the regulations introduced by Italian Legislative Decree 81/08 are fully complied with. A total of 94 audits were carried out during the year under review (26 at headquarters and 68 at branch offices).

In October 2021, following changes in legislation, the scope of the Prevention and Protection Manager's activities was expanded, especially when unsafe conditions occur, to include aspects of workers' behaviour, and the adequacy of plant and equipment.

For Mediobanca S.p.A. in particular, a new operating procedure on Measures for health and security in the workplace pursuant to Italian Legislative Decree 81/08 (GTO 003/22) has been introduced, which describes the activities implemented for managing safety and physical security in the workplace.

Work on updating the Risk Assessment Documents has also continued where the need has emerged and when new offices and/or branches have been opened.

The impacts of the potential risks on the health of our workers are assessed on an ongoing basis with the assistance of the relevant Company Doctors. The healthcare protocols for the Group legal entities have been updated following the revision of the risk assessment documents.

50. FAs are not yet covered, nor are categories of staff not covered by the scope of application of the Italian regulations in force in this area, and nor are the following Group Legal Entities: Mediobanca International, CMB Monaco, CMB Real Estate Development, MB Securities USA, Compass Rent, Polus Capital Management, Mediobanca Management Company, RAM Geneva, RAM Luxembourg, Mediobanca Messier & Associés SCA, and Mediobanca Messier & Associés LLC US.



The Radon risk⁵¹ monitoring campaign for all basement and semi-underground working spaces has been completed, and mitigation actions are in progress where risks have been noted. A specific Legionella risk maintenance plan is also in operation for the Mediobanca buildings in Milan, to ensure that the water systems serving them continue to be controlled and monitored correctly.

The process of monitoring the warning indicators required to appraise work-related stress (levels of absenteeism, illness, accidents, requests for medical care while at work, etc.) continues. The monitoring for these indicators, which is carried out at six-monthly intervals, has revealed levels which reflect a low risk for staff. Furthermore, since January 2023 a process has been implemented in conjunction with Group HR to manage the procedure of staff returning to work after long absences (over 60 days), requiring a medical examination for returning staff to be readmitted.

During the twelve months under review, the development of the pandemic also continued to be monitored, focusing in particular on cases of persons who tested positive to the virus and on contact tracing, activities which, in line with the regulations in force, are now in the process of being wound down.

Furthermore, as provided by Italian Legislative Decree 81/08, the workers' security representatives appointed at the various Group Legal Entities, who have recently been reappointed, take part in specific activities such as: regular meetings on issues related to health and security in the workplace, representing the workers; consultations for risk assessments; and alerting the Prevention and Protection unit where risks have been detected in the course of activities. As the formal agreements are being finalized, we may consider 100% of the staff employed at the Italian Group Legal Entities as being represented.

MATERIAL TOPICS	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
Staff health, safety and welfare	Failure to comply with regulations on work and protection of staff psychological and physical well-being, failure to comply with regulations on work-related stress illnesses, mental health, theft and robbery in the retail area) and sanctions handed down to the Group as well as damage to its reputation	Safety Committee – Prevention and protection service, consisting of the head of the Prevention and Protection service, the external company doctors, internal Group Safety Team, and the employees' security representatives
		Protocol for managing Covid-19 pandemic
		Manual on health and safety in the workplace
		Formalization of a system of delegated powers in the health and safety areas at all Group Legal entities
		E-learning course on remote working, mandatory for the corporate population that has exercised the option to use this form of working
		Remote working and shifts encouraged to help staff with parenting duties/vulnerabilities
		Training activities on physical security risk mitigation (e.g. armed robbery) for the retail sector
		Regular checks carried out at the various offices and third-level audit activity

51. Radon risk concerns the biological effect that can induce genetic mutations, causing possible cancers and leukemias. The presence of radon is also possible in some rocks used as materials in construction, such as tuff, pozzolan and peperino.



MATERIAL TOPICS	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
Staff health, safety and welfare	Failure to comply with regulations on work and protection of staff psychological and physical well-being, failure to comply with regulations on work-related stress illnesses, mental health, theft and robbery in the retail area) and sanctions handed down to the Group as well as damage to its reputation	Regular updates to Risk Assessments and Documents
		Specific notification to the supervisory organization in cases where accidents occur in the workplace or other events worthy of note as required by Italian Legislative Decree 81/08
		Co-ordination activity with Group HR & Organization
		Presence of criminal risk mitigation systems, e.g. security (video surveillance, intruder alarms, burglar alarms, etc.), and use of automatic/timer safe boxes to ensure the cash necessary for the regional branch network necessary to perform its operations is managed securely
		Initiatives to promote personal health of workers in the workplace, such as changing filters on air conditioners to keep the air clean, water distributors, etc.)
		Regular monitoring of the risk of legionella in all the buildings owned by the Bank

The workers' health and safety risk assessment process has meant that the number of accidents in the workplace recorded last year has remained at extremely low levels. The Group is committed to monitoring accident statistics and indicators in order to further reduce the occurrence of such instances.

During the period under review a total of seven accidents⁵² were reported Group-wide on a total of 8,142,072 hours worked⁵³. None of the accidents entailed serious consequences or resulted in fatalities; both female and male employees were involved, and virtually all the accidents occurred in Italy⁵⁴.

The number of accidents in the workplace was virtually in line with last year (six accidents were recorded in FY 2021-22).

Safety indicators

RATES ⁵⁵	2022-2023			2021-2022			2020-2021		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Accident seriousness rate ⁵⁶	0.02	0.06	0.03	0.00	0.01	0.00	0.00	0.02	0.01
Accident frequency rate ⁵⁷	0.42	1.48	0.86	0.66	0.98	0.79	0.00	1.82	0.76

52. As from FY 2020-21 the Mediobanca Group has used the new GRI 403 (2018). As stipulated in the GRI, the Group reports only on accidents that occur in the workplace, not those which occur in commuting, as there are no cases in which transport is arranged by the organization.

53. The number of hours worked has been estimated by multiplying 7.5 (no. of hours worked per day) by the number of days worked during the year (220 for staff employed for the full year, the relevant number for staff recruited during that time).

54. Of the accidents, six occurred in Italy and one in the Principality of Monaco.

55. The breakdown of accident rates by geographical region is not relevant, as the majority of accidents take place in Italy. As from FY 2020-21 the rates have been calculated by applying the new GRI 403 (2018) which require only accidents that occur in the workplace to be recorded (i.e. excluding those which take place while commuting).

56. This indicator represents the impact of accidents in the workplace which results in the worker who had the accident being absent from work. It is derived from the number of days' work lost due to accidents, divided by the total number of hours worked, and multiplied by 1,000.

57. This indicator represents the frequency of accidents in relation to the total number of hours worked by the entire workforce in the reporting period. It is derived from the number of accidents divided by the total number of hours worked, and multiplied by 1,000,000.



No instances of fatalities have been reported, either among employees or external collaborators, and no cases of professional illness have been recorded, either. The absenteeism rate among staff was 2.59%,⁵⁸ slightly lower than last year, 1.99% of which referred to men and 3.40% to women.

No accidents were recorded involving personnel who are not employees.⁵⁹

The Group, despite not performing high-risk activities, adopts a preventative approach to its operations which involves carrying out regular checks of its premises, arranging meetings on health and safety with the various internal stakeholders, putting on training courses and implementing communications programmes and awareness-raising activities.

Staff training activity continues via the e-learning platform, for new recruits and refresher courses for employees, at the intervals required by Italian Legislative Decree 81/08 in the area of health and safety in the workplace.

In December 2022, a new training course on health and safety was launched with a focus on remote working.

A further training course is at the launch phase on criminal risk, replacing the previous one on the risk of armed robbery.

The following courses were run during the twelve months under review:

- ◇ For all staff: general and specific training, Covid-19 course, remote working, and armed robbery risk for staff employed in branch offices;
- ◇ For staff with management responsibilities: basic training and refresher courses;
- ◇ For staff identified as fire prevention officers: basic training and refresher courses;
- ◇ For staff identified as first aid officers: basic training and refresher courses;
- ◇ For staff identified as workers' security representatives: basic training and refresher courses.

Furthermore, it should also be noted that at the tender award stage, Group Procurement carries out an initial screening of suppliers, followed by more indepth checks by Group Safety on the documentation required under Italian Legislative Decree 81/08, which is then drafted in accordance with the supplier awarded the contract. The following activities in particular carried out, some of which via the Prevention and Protection Manager:

- ◇ Support in drafting the Combined Interference Risk Assessment Report ("DUVRI") to manage work contracted or sub-contracted, supplies and services;
- ◇ Support in collecting and preparing information for the document on risks in the workplace where the contract type does not require a risk assessment document to be drawn up.

As recognition of the work done by the Group in this area and its passion for its staff, Mediobanca has been awarded the **Bollino Rosa** by the **Fondazione Onda** again in 2023, and has been accredited by the foundation as a **Health Friendly Company**.

58. This indicator represents the number of days' absence as a percentage of the total number of days that can be worked during the reporting period. It is obtained from the number of days' absence recorded for sickness and accidents (including accidents while commuting, using own vehicles or those owned by the organization), divided by the total number of days that can be worked during the reference period.

59. Freelance workers are not included, as data for them cannot be monitored.



HEALTH AND SAFETY IN THE COVID-19 CRISIS

The following precautions introduced to manage the Covid-19 emergency have remained operative:

- ◇ Management of cases involving vulnerable workers with chronic illness and/or who are congenitally or non-congenitally immune-compromised, who could be more prone to infection.
- ◇ Contact tracing to monitor the impact of the pandemic at company level in terms of staff testing positive and self-isolating
- ◇ Extraordinary sanitization of premises in cases where staff have tested positive.
- ◇ Hand gel and air purifiers made available.

N95 masks have continued to be delivered until stocks ran out, which coincided with the end of the **medical emergency situation in May 2023**, as declared officially by the WHO on 5 May 2023.



Market



MEDIOBANCA



6. Market

6.1 Clients

6.1.1 Relevant policies and risks

[GRI 3-3]

In performing its activities the Group pursues the objective of combining profitability and competitiveness with scrupulous business ethics, based on principles of honesty, professionalism, transparency and fairness towards its clients.

The approach to conduct risk is intended to identify the principles necessary to ensure correct conduct in the performance of the Group's business, thereby minimizing the risk of the behaviour of its employees, while complying with the regulations in force, nonetheless causing damage, whether actual or potential, to its clients. For this reason too, the Mediobanca Group has adopted a business conduct policy, applying the principles defined at international level to the Group's own areas of operation.

The new version of the Code of Conduct, which was approved by the Board of Directors on 22 July 2022, also contains certain changes, such as a strong concept of transparency versus clients, a focus on information security, and a new section on tackling tax evasion.



MATERIAL TOPICS	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
Sustainable finance	<p>Delays by the Group in responding to clients' needs in the area of responsible investing and lending and sustainable products, creating a negative perception of the Group's approach to sustainability by clients, investors and other stakeholders (reputational risk), plus possible adverse impacts in earnings terms (e.g. reduced market share, becoming less competitive than other brands, etc.) due to ESG offering being uncompetitive and less inclusive than that of peers</p>	<p>Board Group CSR Committee</p> <p>Management Sustainability Committee, Group Sustainability unit and ESG working group</p> <p>Group Sustainability participates as permanent invited guest in the Wealth Management division's principal investment committees</p> <p>ESG/sustainable product catalogues (Mediobanca S.p.A. and Mediobanca SGR) published on the Group's websites</p> <p>Group ESG Policy and specific ESG policies adopted by Mediobanca SGR, Polus Capital Management, CMB and CMG, and RAM</p> <p>Group ESG Programme</p> <p>ESG training activities for Group staff and BoD members</p> <p>Products and initiatives to meet needs of community (e.g. financial inclusion)</p> <p>Adherence to the Principles for Responsible Banking (PRB) by Mediobanca and to the Principles for Responsible Investment (PRI) (Mediobanca SGR, Polus Capital Management, RAM and CMB), CDP - Carbon Disclosure Project (Mediobanca SGR) and Italian Stewardship Principles issued by Assogestioni (Mediobanca SGR)</p>
Ethics and integrity in business	<p>Absence of instruments and methodologies to analyse impact in ESG and climate change areas, and increased costs due to changes in regulations</p>	<p>Board Group CSR Committee</p> <p>Management Sustainability Committee, Group Sustainability unit and ESG working group</p> <p>Group Sustainability taking part as guest in the Wealth Management division's Investment Committee meetings</p> <p>Risks Committee and management committees covering credit risk and market risk climate factors</p> <p>Group Risk Appetite Framework (RAF)</p> <p>Group ESG Policy and specific ESG policies adopted by Mediobanca SGR, Polus Capital Management, CMB and CMG, and RAM</p> <p>Definition of Net Zero targets (Strategic plan and signing up to Net Zero Banking Alliance)</p>



MATERIAL TOPICS	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
Ethics and integrity in business	Absence of instruments and methodologies to analyse impact in ESG and climate change areas, and increased costs due to changes in regulations	<p>Ongoing improvement and extension of projects linked to methodological governance for quantifying environment impacts to other Group Legal Entities</p> <p>ESG training activities for Group staff and BoD members</p> <p>Governance and social aspects included in traditional credit analysis and Know Your Customer processes</p> <p>Access to external info-provider sector databases</p> <p>Projects to improve the ESG data tracking and ownership system</p> <p>Execution of Materiality Assessment (Guide on climate-related and environmental risks)</p>
Customer satisfaction and quality of service Digitalization, innovation and cyber-security Inclusion and financial education	Inadequate response, or inability to respond, to changes in customer preferences, with possible adverse impacts on the Group's offering and/or market share, current or future	<p>Marketing unit for each business line</p> <p>Customer satisfaction analysis for the main Group legal entities (including through use of the Net Promoter Score)</p> <p>Provision made for specific products and initiatives to meet the community's various needs</p> <p>Enhancement of customer service channels (e.g. loan applications can be made online or by phone)</p> <p>Existence of a structured process to modify existing products and introduce new products to the offering portfolio</p> <p>ESG/sustainable product catalogues (Mediobanca S.p.A. and Mediobanca SGR) published on the Group's websites</p>
Digitalization, innovation and cyber-security	IT attacks and/or external fraud committed against the Group's ICT systems, including in relation to the increase in remote working, with possible negative impacts on company operations and reputation, including the loss of personal data	<p>Group IT Risk and Cyber Security unit</p> <p>Set of Group policies applied through information security and management procedures adopted by the Group legal entities</p> <p>Group Directive on Personal Data Breaches</p> <p>Governance and update of Enterprise Fraud Management model</p> <p>Development of framework of threats and controls</p>



MATERIAL TOPICS	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
Digitalization, innovation and cyber-security	IT attacks and/or external fraud committed against the Group's ICT systems, including in relation to the increase in remote working, with possible negative impacts on company operations and reputation, including the loss of personal data	<p>Regular production of security dashboards for monitoring purposes, and reporting on cyber security issues</p> <p>Enhanced monitoring of security controls to identify new attacks deriving from increase in remote working</p> <p>Annual assessment of IT risk and operational risks for payment services</p> <p>Analysis of risks for applications containing personal data performed annually by the Group Data Protection unit</p> <p>Sample-based checks of security measures by the Group Data Protection unit</p> <p>Risk analysis of applications used in personal data processing</p> <p>Security incidents managed through the incident management process</p> <p>Secure access and authentication systems for staff working remotely to connect to the company network</p> <p>Technology and IT measures (e.g. antivirus/malware, firewall, etc.) which are constantly reinforced and updated</p> <p>Classroom-based training sessions for staff and BoD members and versus critical functions</p>
Digitalization, innovation and cyber-security	Breach of personal data privacy and protection regulations in force versus employees and third parties (with reference to retail operations in particular)	<p>Data Protection Officer appointed by each Group legal entity incorporated under Italian law</p> <p>Specific measures for the non-Italian companies (EU and non-EU) subject by law to GDPR regulations, with coverage by the local Compliance units for the other non-Italian, non-EU companies to which the GDPR does not apply</p> <p>Group IT Risk and Cyber Security unit</p> <p>Data Privacy officers for Group legal entities that do not have their own local Compliance unit</p> <p>Policies, directives, manuals and internal operating procedures on personal data protection</p> <p>Training sessions on security, systems administrators and GDPR principles</p>



MATERIAL TOPICS	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
Digitalization, innovation and cyber-security	Breach of personal data privacy and protection regulations in force versus employees and third parties (with reference to retail operations in particular)	<p>General training sessions on the GDPR and specific training sessions on data breach and the principles of privacy by design and privacy by default</p> <p>Reporting flows through regular reports to governing bodies, to ensure that data privacy risk is monitored on an ongoing basis</p> <p>Data privacy risk application installed in the processing register, as required by the regulations in force, and mapping of all personal data processing carried out by the Bank and Group legal entities</p>
Digitalization, innovation and cyber-security	Inadequate and/or insufficient training and awareness-raising initiatives for Group staff with reference to digital and innovative instruments, technologies and solutions, with possible adverse impacts in terms of loss of market share and competitiveness (e.g. inability to maintain high quality standards for services offered)	<p>Staff management and development organizational unit within Group HR</p> <p>Policies for staff training and development activities</p> <p>Specific training initiatives for effective process innovation implementation in order to deepen staff knowledge on IT security issues</p> <p>Gap analysis in order to map areas for improvement in terms of competences to be acquired through training initiatives</p> <p>Preparation and monitoring of staff development and training programmes</p> <p>Monitoring staff satisfaction with training activities through specific employee engagement surveys</p> <p>Existence of a skills and performance tracking system</p> <p>Implementation of an IT platform to manage and monitor training initiatives at Group level</p>
Ethics and integrity in business Digitalization, innovation and cyber-security	IT risk, appropriate use of ICT technology and/or failure to comply with IT legal and regulatory provisions, with possible adverse impacts in earnings terms (e.g. loss of market share) and reputation (e.g. loss of personal data)	<p>Governance at Group level with specific first- and second-level functions in the IT risk, cyber-security and business continuity areas</p> <p>Information and security risk management policies, directives and procedures</p> <p>Non-Financial Risks Committee</p> <p>Risk scenarios extended to include also new and emerging threats</p> <p>Monitoring IT and cyber-security risks through KRIs</p> <p>Risk awareness training activities</p>



MATERIAL TOPICS	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
<p>Ethics and integrity in business</p> <p>Digitalization, innovation and cyber-security</p>	<p>IT risk, appropriate use of ICT technology and/or failure to comply with IT legal and regulatory provisions, with possible adverse impacts in earnings terms (e.g. loss of market share) and reputation (e.g. loss of personal data)</p>	<p>Induction session for the Board of Mediobanca on the main security and IT risks</p> <p>Internal audit activities</p> <p>Third party IT risk monitoring</p> <p>Regular reporting on IT risk status and on security incidents</p>
<p>Customer satisfaction and quality of service</p> <p>Ethics and integrity in business</p>	<p>Improper commercial practices, inadequate and/or non-transparent disclosures, and greenwashing, with potential adverse impacts in earnings terms (e.g. loss of market share and reduced earnings, disputes, complaints and class actions) and reputational terms (e.g. loss of confidence on the part of stakeholders)</p>	<p>Board Group CSR Committee</p> <p>Management Sustainability Committee, Group Sustainability unit and ESG working group</p> <p>Group Sustainability taking part in the Wealth Management division's Investment Committee meetings as a permanent invited member</p> <p>Specific committees for managing operational, compliance and reputational risks</p> <p>Process for approving new products and operations</p> <p>Organizational unit for managing complaints</p> <p>Group ESG Policy defining the guidelines for integrating ESG criteria and outlining the reference principles, negative and positive screening criteria applicable to lending, proprietary investment and client investment advice</p> <p>Group ESG Programme: definition and implementation of ESG risk framework</p> <p>Training on ESG issues for staff and clients</p> <p>Regular monitoring activity on operational, compliance and reputational risk issues</p> <p>Internal audits performed on ESG issues</p> <p>Standard models for responding to requests from clients and for external communications</p> <p>Introduction of an ESG framework to define the criteria and characteristics that must be met for classification as ESG</p>
<p>Sustainable finance</p>	<p>Distribution/subscription of products and services (loans, investments, products and transactions) which are misaligned with the Group's sustainability strategy</p>	<p>Group Board Group CSR Committee and Group Risks Committee</p> <p>Management Sustainability Committee, Group Sustainability unit and ESG working groups</p>



MATERIAL TOPICS	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
Sustainable finance	Distribution/subscription of products and services (loans, investments, products and transactions) which are misaligned with the Group's sustainability strategy	<p>Group Sustainability participates as permanent invited guest in the Wealth Management division's principal investment committees</p> <hr/> <p>Organizational units governing these issues</p> <hr/> <p>Management committees: Lending & Underwriting Committee, New Operations Committee</p> <hr/> <p>Group ESG Programme</p> <hr/> <p>Group ESG Policy and specific ESG policies adopted by Mediobanca SGR, Polus Capital Management, CMB and CMG, and RAM</p> <hr/> <p>Screening of factors characterizing the investment, to check that the proposal is aligned with the Bank's internal sustainability policies and compliance with the negative screening criteria for controversial sectors</p> <hr/> <p>Single-name assessment based on qualitative questionnaires that determine an internal ESG rating at counterparty level</p> <hr/> <p>New products and operations approval process</p> <hr/> <p>ESG training activities for staff</p> <hr/> <p>ESG/sustainable product catalogues (Mediobanca S.p.A. and Mediobanca SGR) published on the Group's websites</p> <hr/> <p>Product analysis performed to check their compliance with the regulations (cf. Article 8/9 of Regulation (EU) No. 2019/2088 (the "SFDR"))</p>
Ethics and integrity in business	Lack of structured governance framework in the reputational risk area	<p>Group Crisis Committee</p> <hr/> <p>Internal regulations on risk assessment – including reputational risk – deriving from the offering of new products</p> <hr/> <p>Group directive on media relations, speaking policy, brand communication and social channels</p> <hr/> <p>Group Communications monitors the brand reputation of Mediobanca the main Group companies</p> <hr/> <p>Awareness initiatives aimed at staff on online conduct with reference to use of social media in particular</p> <hr/> <p>Definition of a specific framework at Group level on reputational risk</p>



MATERIAL TOPICS	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
<p>Support for the ecological transition</p>	<p>Physical risk: risk deriving from the occurrence of extreme climate events (such as floods, landslides, tornadoes, etc.), more gradual climate changes (e.g. increases in temperature, rising sea level, loss of biodiversity, etc.) due to climate change, with financial implications in terms of indirect impact, in the sense of subsequent events (e.g. increase in number of non-performing loans among the Group's portfolio of clients, reduction in the value of collateral or lease contracts, concentration of credit versus clients most exposed to climate and environmental risk, and interruptions to the supply chain), or at the same time representing factors triggering various existing categories of risk (e.g. credit risk market risk, liquidity risk)</p>	<p>Group Board Group CSR Committee and Group Risks Committee</p> <hr/> <p>Management Sustainability Committee, Group Sustainability unit and ESG working groups</p> <hr/> <p>Presence of a team which defines and updates the methodologies and assesses the ESG risk present in the loan book</p> <hr/> <p>Presence of a team which analyses and monitors market risks for the loan book (including ESG risk)</p> <hr/> <p>Group ESG Programme</p> <hr/> <p>Group ESG Policy</p> <hr/> <p>Group credit guidance and RAF (Risk Appetite Framework) Policy (e.g. specific triggers for residential properties)</p> <hr/> <p>Stress testing methodologies, for credit, market, and operational risks</p> <hr/> <p>Definition of an ESG heat map by sector for loan book monitoring based on ESG pillars</p> <hr/> <p>Client and product geographical diversification strategy</p> <hr/> <p>Single-name assessment based on qualitative questionnaires that determine an internal ESG rating at counterparty level</p> <hr/> <p>Monitoring of any criticalities regarding environmental risks, and revision of initial valuations of properties used as collateral</p> <hr/> <p>Portfolio alignment exercise for monitoring strategic emissions reduction objectives</p>
<p>Sustainable finance</p> <p>Ethics and integrity in business</p>	<p>Lending to, investing in, and managing transactions involving, companies operating in controversial sectors or which otherwise do not comply with the laws, regulations and/or standards in force on bribery and corruption, terrorism, human and workers' rights, and/or whose operations impact adversely on the environment and climate</p>	<p>Group Board Group CSR Committee and Group Risks Committee</p> <hr/> <p>Management Sustainability Committee, Group Sustainability unit, ESG working groups and AML unit</p> <hr/> <p>Group Sustainability participates as permanent invited guest in the Wealth Management division's principal investment committees</p> <hr/> <p>Presence of specific Investments/ESG committees</p>



MATERIAL TOPICS	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
<p>Sustainable finance</p> <p>Ethics and integrity in business</p>	<p>Lending to, investing in, and managing transactions involving, companies operating in controversial sectors or which otherwise do not comply with the laws, regulations and/or standards in force on bribery and corruption, terrorism, human and workers' rights, and/or whose operations impact adversely on the environment and climate</p>	<p>Group ESG Policy and specific ESG policies adopted by Mediobanca SGR, Polus Capital Management, CMB and CMG, and RAM</p> <hr/> <p>Group ESG Programme</p> <hr/> <p>Policy and procedures to tackle bribery and corruption, terrorism and money-laundering</p> <hr/> <p>Specific procedures activated for counterparties operating in the arms sector as required by Italian Law 185 of 9/7/90</p> <hr/> <p>ESG training activities for Group staff and BoD members</p> <hr/> <p>Individual analysis of all clients, applications for financing and every investment</p> <hr/> <p><i>Ex-post</i> monitoring based on issuer ESG rating and credit standing</p> <hr/> <p><i>Ex-post</i> checks on compliance with the parameters set as part of the investment process</p> <hr/> <p>Ongoing monitoring activity for counterparty reputational risk</p> <hr/> <p>Governance and social aspects included in traditional credit analysis and Know Your Customer processes</p> <hr/> <p>Regular reporting to the Risks Committee and to the Group Risk Management Committee containing the results to emerge from the single-name analysis</p> <hr/> <p>Performance of ESG audits</p> <hr/> <p>Adherence to the Principles for Responsible Banking (PRB) by Mediobanca and to the Principles for Responsible Investment (PRI) (Mediobanca SGR, Polus Capital Management, RAM and CMB), CDP - Carbon Disclosure Project (Mediobanca SGR) and Italian Stewardship Principles issued by Assogestioni (Mediobanca SGR)</p>



MATERIAL TOPICS	RISKS IDENTIFIED BY MEOBANC	MITIGATION ACTIVITIES
Support for the ecological transition	Transition risk with reference to the process of transition towards a more sustainable economy deriving, for example, from changes and/or developments (in the short and medium term especially) in public policies, environmental regulations, technology, and consumer preferences, with possible impacts in terms of financial losses (direct or indirect), or at the same time representing factors triggering various existing categories of risk (e.g. credit risk market risk, liquidity risk)	Board Group CSR Committee and Group Risks Committee
		Management Sustainability Committee, Group Sustainability unit and ESG working groups
		Presence of a team which defines and updates the methodologies and assesses the ESG risk present in the loan book
		Presence of a team which analyses and monitors market risks (including ESG risk) for the loan book
		Group ESG Policy which defines the guidelines for integrating ESG criteria
		Group RAF (Risk Appetite Framework) Policy
		ESG training activities for staff and Board members
		Stress testing methodologies for credit, market and operational risks
		ESG heat map by sector for monitoring of the lending and investment portfolios based on ESG pillars
		Screening of factors characterizing the investment, to check that the proposal is aligned with the Bank's internal sustainability policies and compliance with the negative screening criteria for controversial sectors
		Single-name assessment based on qualitative questionnaires that determine an internal ESG rating at counterparty level
		ESG training activities for staff and BoD
		Portfolio alignment exercise for monitoring strategic emissions reduction objectives



6.1.2 Group clients

[GRI 2-6]

For over seventy years the Group has sought to help its clients grow, offering them high-level advisory services and a full range of credit products ranging from the simplest and most traditional forms of credit to the most sophisticated solutions available on financial markets.

The business segmentation with three separate divisions contributing equally to the company's performances also enables the Group to meet the needs of different client brackets.

◆ Corporate & Investment Banking

The activity is focused on services to medium-sized and large companies, with a full product offering which ranges from lending to advisory, capital markets, leasing, credit management and factoring.

◆ Consumer Finance

Consumer Finance is addressed to households, supporting them in their spending needs and consumption needs, primary and luxury, in a variety of forms which include personal loans, credit cards, salary- or pension-backed finance, the Buy Now Pay Later (BNPL) PagoLight product, and long-term hire solution through dedicated company Compass Rent. Compass, which operates in consumer credit, currently has 312 POS located throughout Italy and 63 Compass Link agents, which is able to reach clients even further afield, both in person and via the digital services it offers.

◆ Wealth Management

Wealth management is addressed primarily to individuals, offering savings, investment and asset management products diversified according to client bracket: from mass affluent to high net worth individuals and family office. The division also offers mortgage services and fund management activities for institutional clients. Within the division, **Mediobanca Private Banking** helps its clients to manage, protect and pass on their wealth, both financial and other. Its reach is significant, with branches throughout Italy and an extensive network of private bankers working closely with that of the investment bankers, in implementing Mediobanca's unique private and investment banking model.

Outside Italy, **CMB Monaco** provides exclusive services to its customers, ranging from lending to asset management.

CheBanca!, meanwhile, offers a professional advisory service in the areas of saving and investments, as well as granting mortgages. With a complete financial and insurance product offering, CheBanca! can meet the needs of all private clientele brackets, from the affluent segment to the premier world. CheBanca! is distinguished by its digital, multi-channel and innovate character. With the new "One Brand – One Culture" Strategic Plan 2023-26, the activities of CheBanca! will gradually be repositioned towards the Premier client bracket in terms of products and advisory offering. As part of this process, CheBanca! will also be renamed Mediobanca Premier starting from January 2024.



6.1.3 Customer satisfaction and quality of service

[GRI 2-29]

The Group assigns the highest importance to managing and maintaining satisfactory relations with its clients, including potential clients, through maintaining constant contact with them in order to be able to adapt the product offering swiftly to any changes in their needs and expectations.

Compass and CheBanca! some time ago launched structured processes for recording customer satisfaction, using internationally-recognized methodologies in order to gain a real picture of their clients' perceptions, and so allowing any critical issues to be identified to be dealt with on a priority basis. Annual quantitative and qualitative brand satisfaction and loyalty level monitoring is performed via specific surveys monitoring the Customer Satisfaction Index (CSI)⁶⁰ and the Net promoter score (NPS)⁶¹ indicators, with reference to the world of investments especially.

Mediobanca Private Banking by contrast does not use the survey, in view of the importance which confidentiality has in relations with its clients. However, the ongoing dialogue between advisors and clients, which is crucial to the division's business model, is an effective tool with which to pursue maximum client satisfaction levels while at the same time making the service offered more efficient and innovative.

◆ Compass

The customer satisfaction surveys conducted by Compass in the past year have involved around 1,500 people, and reflect a high trend in customer satisfaction. The segment which recorded the highest satisfaction levels among clients interviewed was personal loans.

During the year under review, the Customer Satisfaction Index was 88.9 (out of 100), while the Net Promoter Score was 65 (again out of 100), more or less the same as the results of the exercise last year.

Compass also performs a customer satisfaction telephone survey to gauge satisfaction levels for the inbound call service. The spontaneous responses given by some 93,000 clients between June 2022 and May 2023 revealed that 81% of those who responded were thoroughly satisfied with the service provided, slightly lower than the previous reporting period. Furthermore, in April-May 2023, a telephone survey was conducted to gauge the degree of customer satisfaction among those who subscribed to the personal loan through the branch office product: out of over 1,000 individuals contacted, 81% said they were fully satisfied with the experience, and 99% expressed a highly favourable opinion of the branch and the courtesy of the staff working there.

Research and analysis are based on information collected externally, to explore or examine aspects relating to products, processes or communication.

All listening surveys used can be quantitative – addressed to a representative sample of the target audience – or qualitative, i.e. carried out with a select group of interviewees using targeted listening techniques. The analysis is also distinguished between initiatives which derive from specific and contingent necessities and monitoring available on an ongoing basis.

60. The CSI is a summary indicator of customer satisfaction based on the percentage of users satisfied with individual aspects of the service provided to them. The indicator is obtained by dividing the number of positive responses by the number of total responses and multiplying the result by 100.

61. The NPS is the most important metric used worldwide to measure customer satisfaction and loyalty. The score is obtained from the difference between the percentage of detractors and the percentage of promoters.



Compass Banca has also carried out a series of research studies since 2015, as part of the Compass monitoring centre project which collects merchants' perceptions of the current market scenario and future prospects, and analysis the behaviour of end-consumers and their purchasing choices. It also provides an overview of the CRIF⁶² data on vehicle credit and other special purpose loans.

◆ **CheBanca!**

Client satisfaction levels are recorded and monitored by an outside company. Two observations were made during the year: one, more streamlined one, with a specific focus on the digital channels, and a broader observation which included benchmark analysis. The answers collected are compared in order to highlight problems and opportunities, customer satisfaction and brand loyalty levels.

The indicators monitored include the CSI for the premier segment,⁶³ and the NPS indicator, which were 81 and 47 respectively, both comfortably above the 2019-23 Strategic Plan objectives.

In addition to these indicators, CheBanca! regularly monitors its clients' degree of satisfaction with regard to mortgages and new debit cards.

Client satisfaction monitoring has also been introduced for customers who request telephone assistance: the responses received have confirmed the operators' professionalism and the quality of service offered by them.

Mediobanca was voted the "Best Investment Bank" at the MF Banking Awards 2023 for its involvement in all the largest M&A, lending and capital markets deals. It also received the MF Innovation Award in the "Twin Bank – PriceTech" category for having developed a calculation infrastructure that has enabled the business model to be transformed in a sustainable and scalable manner with the client placed at the centre.

Mediobanca Private Banking was successful in the "Excellence in Private Markets" and "Club Deal" categories at the Private Banking Awards organized by Bluerating. Such recognition is a reward for the division's capability in structuring distinctive investment solutions in the real economy for important Italian entrepreneurial families.

6.1.4 Transparency of information on products and services and complaints management

[GRI 2-16], [GRI 2-25], [GRI 417-1]

Transparency and clarity of information are of particular importance in the area of customer relations.

The Group seeks to convey information in language that is simple, clear, and easily comprehensible

62. Financial risks central database..

63. Affluent segment: clients with deposits of between €50,000 and €500,000; wealth segment: clients with deposits of over €500,000).



by the end-client, without prejudice to confidentiality and in compliance with the regulations in force. The comprehensibility and transparency of information are reflected both in the contractual documentation provided to clients, and in the information disclosed on the various products and services offered.

The main information documents on the product and service offering, which are drawn up in accordance with the requirements in terms of clarity and transparency, and the various guides on risk issues and complaints, are available in the Group legal entities' branch offices and also in the relevant sections of the respective institutional websites.

The links to the websites where such documentation can be found are as follows: for Compass ([Transparency and Accessibility | Compass](#)), CheBanca! ([Information on Transparency – CheBanca!](#)), and Mediobanca Private banking ([Transparency | Mediobanca mediobancapb.com](#)).

◆ **Compass**

Compass has published on its website the guide produced by the Bank of Italy *Consumer credit made easy*⁶⁴ to provide practical instructions on how to choose a loan and work out the cost, illustrating the main customer rights. All transparency-related documents on the product offering⁶⁵ are also available on the website, including: the table showing the global average effective interest rates recorded for regulatory purposes in relation to usury; the terms and conditions for using the advanced electronic signature service using graphology techniques; information on the BNPL solution.

The website also contains: the insurance precontractual information documentation and the related insurance information sets, the Application form for activating procedure for peer arbitration and the Monitoring service offered by Assofin, which allows the consumer to assess whether or not the repayments are sustainable, as further proof of the attention devoted by the company to the issue of responsible lending.

Following the establishment of **Compass Rent**, a subsidiary of Compass Banca specializing in the long-term hire of automotive vehicles and other core goods, a separate website (Forms | CompassRent) has been set up where the contractual and insurance documentation for the product and service offering can be consulted.

◆ **CheBanca!**

CheBanca! has published multiple documents on its website, including: the guides prepared by the Bank of Italy to provide practical guidance on how to choose products and determine their costs, and illustrating clients' main rights.⁶⁶ Up-to-date information sheets and other documentation are also available to allow clients to know and understand the financial characteristics and terms and conditions of each product, plus information sets on third-party insurance products sold by the bank.

64. The Consumer credit made easy, Central Risks Database, and E-commerce payments made easy guides are all available in German as well as in Italian.

65. Among these: the Italian financial banking arbitration guide, and the Italian banking association (ABI) Guide on Transfer of Payment Services; the guide to E-commerce payments made easy; the European Commission leaflet Your rights when making payments in Europe; and the Central Risks Database guide; the Buying a House – Mortgages in Simple Language; the brochure on The interbank protection and deposit fund.

66. The following documents are available on the website: Consumer Credit Made Easy, Current Accounts Made Easy, Buying a House: Mortgages Made Easy, The Central Risks Database Made Easy, and E-Commerce Payments.



CheBanca! has consolidated its product governance operating procedures, for investment products (financial, insurance and pensions) and banking and credit products. These documents illustrate the guiding principles, organizational architecture and interdependences underlying the Bank's product and service development, amendment and monitoring process, assigning duties, roles and responsibilities, and sharing the principles set forth in the Transparency and Business Conduct Policies.

◆ **Mediobanca Private Banking**

Transparency and clarity for the services provided and activities performed versus clients are guaranteed by the close and ongoing relationship which customers have with their bankers, as well as by the official communications which the Bank regularly sends to its clients, as required by the legal obligations in force.

A substantial section of the website is dedicated to sustainable investments, in order to provide the public with adequate disclosure regarding:

- ◆ The integration of sustainability criteria into its policies for providing investment services;
- ◆ Negative screening criteria taken into accounts for sustainability reasons;
- ◆ The integration of clients' sustainability preferences as part of product governance and in assessment of the adequacy of transactions being recommended.

Moreover, Mediobanca arranges regular staff training and refresher courses for its staff on transparency issues and the proper way to propose products.

With regard to the issue of complaints, the Group is aware that proper management in this area is an opportunity to improve customer confidence and satisfaction: Compass, CheBanca! and Mediobanca Private Banking all provide extensive information on complaints in a dedicated section of their websites, including details regarding the nature of the complaints, the communication channels activated, the means by which they are managed, and the organizational units responsible.

◆ **Compass**

Compass offers its clients a wide range of channels by which to submit complaints: those made via the digital and telephone channels are handled by Customer Support, which analyses their contents and provides rapid feedback; whereas those received in writing are forwarded to the Complaints office.

Complaints are mapped in reporting which analyses trends, types and response service levels. In FY 2022-23 an average of 320 complaints a month were received. Annual reports on complaints are also published on the bank's website, along with an excerpt from the company's Complaints management policy, with specific information on the methods by which complaints are handled. More detailed information is available in the relevant section of the Compass website ([On the side of the customer | Compass](#) and [Trasparenza and Accessibilità | Compass](#)), to which reference is made for further details.

◆ **CheBanca!**

CheBanca! seeks to obtain maximum feedback from its clients, through all the various touch points made available to them: branches, home banking, email and social channels.



Complaints are recorded and managed using a specific tool, and fields are filled in using the criteria defined by ABI and Consob. The unit responsible extracts data from the tool to prepare regular reporting, highlighting the main issues raised. The Risks Committee and the Conduct Risk Committee also regularly monitor complaint management and trends, examining the most frequent causes and any remediation actions implemented.

As required by the Supervisory Instructions on transparency in banking and financial operations and services, the bank has adopted a Complaints Management Policy which is approved and updated regularly by the management body in its supervisory function. As a further guarantee against legal and reputational risks, a procedure has been activated for handling complaints that ensures swift and exhaustive responses, promotes resolution of issues raised, and safeguards the quality of relations with clients.

The dedicated section of the bank's official website ([Complaints | CheBanca!](#)) describes the means by which complaints are to be made, gives confirmation of receipt, and provides annual reporting on complaint management activity, including numbers. Wide-ranging information on how to make a complaint is also provided, such as a Practical Guide to Banking and Financial Arbitration, and the other documents required by the regulations in force.

◆ **Mediobanca Private Banking**

With a view to ensuring maximum transparency, on its website the Bank discloses the communication channels activated and the methods by which the complaints are managed, with details on the appeals and reconciliation processes. Annual reporting is also provided, in accordance with the regulations in force.

Customers can make complaints using various channels, such as: letters sent by recorded delivery, normal or certified email, or delivery over the counter subject to a receipt being issued. Reference is made to the relevant section of the website for further details ([complaints | Mediobanca](#)).

6.1.5 Financial inclusion, access to financial resources and financial education

The Group has always been keen to promote and develop the financial awareness of its clients. For this reason it has promoted a model of financial education based on sharing information on products and services expressed in clear, simple terms.

◆ **Compass**

Compass engages with its clients through a variety of contact channels, which include: paper mailing, text messages, emails, contact centres, social networks, and an app replete with services, promoting engagement activities, dedicated contents on different products and services, and awareness-raising campaigns on IT fraud (e.g. phishing risks, use/recovery of secure access credentials, etc.).

Compass's contribution to financial inclusion and accessibility involves the following initiatives:

- ◆ Communications for commercial purposes in English, Spanish, Filipino and French, as well as Italian);
- ◆ Various sections of the website include translations in English, Spanish, Filipino and Romanian;



- ◇ Audio guide version for people with disabilities;
- ◇ Accessibility statements for Compass Banca, Compass Rent and Pagolight websites and apps published as per AgID guidelines⁶⁷;
- ◇ Multichannel approach to meet all customer needs: physical POS, agents who can reach clients everywhere, online loans that can be applied for using any device, from any place and at any time (24/7);
- ◇ *Pagolight*, the BNPL product launched in 2020, which allows merchants to grant their clients deferred payment terms free of charge for the purchase of goods and services. Since May 2023 PagoLight has become even more flexible, giving clients the possibility to defer payment of larger amounts for a longer period of time, and has been complemented by a new consumer credit product known as PagoLight Pro. This solution has enabled Compass to expand its range of both merchants and clients, allow rapid access to credit among younger customers as well, by means of a simple process available at both physical POS and online. Over 166,000 transactions have been completed through this innovative service in FY 2022-23.
- ◇ Basic current account with favourable terms (no charge for opening or closing the account, no stamp duty, etc.) for the more vulnerable groups of society, such as clients with an ISEE (equivalent financial situation indicator) of less than €11,600 who apply for it⁶⁸.

◇ **CheBanca!**

CheBanca is committed to making its digital channels even more accessible by adopting technology solutions that can guarantee the use of services online, in accordance with the AgID guidelines. Accordingly, at end-November 2022 the Accessiway widget was launched, which allows people with physical and cognitive disabilities to use the website's contents, configuring it according to their own needs.

The bank addresses its clients through a variety of channels, including its Facebook page, which has over 205,000 followers, and has rich editorial content including services, engagement and financial education.

CheBanca! is also committed to raising its clients' awareness regarding the issue of digital security, through regular information campaigns on IT and bank frauds, in order to make clients aware of the measures to be adopted to protect their personal and financial data, passwords and ID codes as securely as possible.

During the twelve months under review, as part of partnerships with leading asset managers, a total of nine training meetings were arranged in some of the largest Italian cities, with over 900 people attending in person, and a total of 614 participants in the only digital event arranged.

Compass and **CheBanca!** also suspend repayment of instalments of their clients' personal loans and mortgages in the event of flooding, earthquakes and other natural disasters.

◇ **Mediobanca Private Banking**

This division promotes and encourages the financial awareness of its clients by addressing

67. AgID: Agenzia per l'Italia Digitale (Agency for Digital Italy).

68. A total of six contracts supporting these disadvantaged categories were executed during the reporting period.



information on the products and services offered to them in clear and simple fashion. Mediobanca Private Banking FAs engage in continuous financial training activities, to enable their clients to make an informed assessment of the solutions and services being offered to them.

To this end, training events on topical issues are organized. In 2017 Mediobanca Private Banking launched *The Equity Club (TEC)*, a club deal which brings together some of the most important names in Italian capitalism, which has attracted some €500m in commitments for investments in outstanding Italian businesses, with a particular focus on medium-sized enterprise. A total of €480m has been invested.

◆ **Mediobanca SGR**

In April 2016, Mediobanca SGR launched its second private debt fund Mediobanca Fondo per le Imprese 2.0 to help finance small and medium-sized domestic enterprises with solid fundamentals which require finance in order to fund their development and growth plans over the medium term. At 30 June 2023, the Fund had a portfolio consisting of five investments for a total of €22m. The investment period has now ended, so the fund is now focused on managing the positions it holds.

The Group's co-operation with **Junior Achievement** also continues. JA is the largest non-profit organization for economic and business education in schools in the world. The partnership includes the involvement of volunteers from Mediobanca, CheBanca! and Compass, who take on the role of "company expert", working alongside the teachers in the middle and senior schools during lessons on economics, business studies and personal finance.

The second three-year cycle was launched of *Crescere che impresa!*, the project for financial education launched in September 2018 in collaboration with Junior Achievement (2020-23) has recently ended.

In its first three years the initiative focused on schools in certain poorer areas of Puglia, Sicily, Tuscany, Liguria and Lombardy, using:

- ◆ A digital platform for accessing useful materials, including digital content for lessons in the classroom, teaching kit for the class and family activity kit;
- ◆ E-learning support modules for volunteers and teachers: online section providing information on the programme, classroom lesson preparation, and development of a community of JA volunteers and teachers;
- ◆ JALab learning laboratories, including an awareness-raising laboratory for young people and their parents.

All the innovative digital aspects of the initiative introduced during the pandemic, including the provision of training workshops online, have been maintained and are once again complemented by classroom-based events which have now been resumed. Involvement of families has also continued through use of the "Family Activities" sheets, which have enabled a further 1,617 children throughout Italy to be reached.

During the 2022-23 school year, the programme has seen the involvement of a total of 153 schools, 581 classes, 11,490 pupils, 372 teachers, and 151 volunteers, 65 of whom from the Mediobanca Group.



During the 2020-23 three-year period, a total of 31,349 students and 1,096 teachers of 1,538 classes at 631 schools were involved, with the participation of 353 volunteers, 124 of whom from the Mediobanca Group.

The new version of the project will be run again in the 2023-26 period.

6.1.6 Responsible business

[GRI 417-1]

The Group, aware that effective management of its impact on society and the indirect impacts it generates on the environment is a major challenge to the objective of creating shared wealth, having become a signatory to the **Principles for Responsible Banking (PRB)**,⁶⁹ through which it committed to setting objectives for sustainable growth and to measure the impact of its own activities on people and the climate, also became a member of the **Net-Zero Banking Alliance (NZBA)** and signed up to the **Task Force on Climate-related Financial Disclosure (TCFD)**,⁷⁰ strengthening its commitment to addressing climate change.

Within the Group, Mediobanca SGR, RAM AI and Polus Capital Management have also signed up to the Principles for Responsible Investment (PRI) promoted by the United Nations to develop a more sustainable global financial system by incorporating ESG issues into investment decisions and shareholder activism. RAM, which is already a supporter of the **TCFD**, has also adhered to the **Swiss Sustainable Finance** and the **Net Zero Asset Managers Initiative**,⁷¹ disclosing its first interim portfolio emissions intensity reduction targets.

The **Group ESG Policy**, which defines the guidelines for integration of ESG criteria (Environmental, Social and Governance) in lending, investment and advisory activities, is based on a combination of:

- ◆ **Negative screening**, through use of exclusion criteria, to identify parties involved in specific activities and/or in the production and/or sale of goods with particular technical characteristics;
- ◆ **Positive screening**, based on criteria to identify parties that are valued positively and/or assets with positive characteristics from an ESG standpoint.

In addition to the general principles applicable to all types of business, the Group has also structured these criteria different for the various areas of activity, and set out specific sector guidelines.

The following changes have been made in the most recent update of the Policy: engagement activity with clients on their climate transition,⁷² and new limitations on sectors and operators which have an adverse impact on climate, with also the commitment undertaken as part of the 2023-26 Strategic Plan to exit the tobacco and coal industries at global level.

The Group ESG Policy has been adopted by Mediobanca SGR,⁷³ RAM AI,⁷⁴ Polus Capital Management⁷⁵ and CMG Monaco,⁷⁶ who have issued their own policies which set out the guidelines

69. For further information reference is made to the Principles for Responsible Banking Report.

70. For further information reference is made to TCFD Report.

71. In line with the NZBA (the initiative for banking institutions), the Net Zero Asset Managers Initiative is an international group of asset managers committed to supporting the goal of net zero greenhouse gas (GHG) emissions by 2050 or sooner, for all assets under management, in line with global efforts to limit warming to 1.5 degrees Celsius.

72. For further details see the Group ESG Policy: https://www.mediobanca.com/static/upload_new/pol/politica-esg_eng_23.pdf.

73. Policy on responsible investing (ESG): https://www.mediobancasgr.com/sites/default/files/sgr-07-21_policy_on_responsible_investing_esg_sept_2021_eng.pdf.

74. Sustainability Policy: www.ram-ai.com/sites/default/files/2023-01/ram-sustainability-and-exclusion-policies-18.01.2023.pdf.

75. ESG Policy: <https://poluscapital.com/wp-content/uploads/2022/11/ESG-Policy-2022-10.pdf>.

76. ESG Policy: <https://cmb.mc/sites/default/files/2022-05/CMG%20MONACO%20ESG%20POLICY.pdf>.



for incorporating ESG factors into the companies' investment processes and strategies, and so supplement the provisions of the **SFDR**⁷⁷.

- ◆ **Mediobanca SGR:** the company introduced diversified investment limits which differ according to product (ESG, i.e. SFDR Articles 8/9, or non-ESG) and management characteristics (absolute return or benchmarked). In particular, issuers and/or UCITS⁷⁸ are assessed on the basis of an ESG rating and a summary score reflecting involvement in serious controversies. Mediobanca SGR has also developed a methodology for considering the principal adverse impacts, or PAIs, from a sustainability viewpoint, in order to monitor, contain and reduce the effects of investment decisions that generate adverse impacts on sustainability factors. The **ESG Committee**, with powers of consultation and proposal, promotes knowledge regarding sustainable and responsible investing, expresses the company vision on sustainability issues, and defines and monitors the criteria used to determine the sustainable investment thresholds, having regard to the risk/return indicators and changes in the reference regulations. With regard to the situation at 30 June 2023, all investments were analysed according to the ESG criteria described above, as well as to financial criteria.
- ◆ **Polus Capital Management:** applies top-down negative screening principles, which excludes companies operating in certain sectors, combining with a bottom-up approach for assessing investments according to specific ESG criteria for each asset class. An **ESG Policies Committee** meets quarterly to assess any changes to be made to the ESG framework.
- ◆ **RAM Active Investments** incorporates ESG factors its investment processes and strategies, on both the equity and debt side, with a coverage ratio of 100% (including third-party management). The **Responsible Investments Committee**, which meets once a quarter to analyse ESG issues from different perspectives, reviews and validates any material decisions on ESG topics before they are submitted to the company's Board of Directors for approval.
- ◆ **CMG Monaco:** analyses all its investments from an ESG perspective;⁷⁹ the fund managers take part in six-monthly **ESG Committee** meetings. Monthly ESG reporting is prepared for each proprietary fund, whereas Risk Management draws up a report on the ESG risk associated with the funds and management products, and any disputes are monitored through monthly notifications.

For individual portfolio management activities, the Group Legal Entities incorporate ESG factors into their respective investment processes by different means and with different limits.

- ◆ **Mediobanca Private Banking** and **CheBanca!** have outsourced their individual portfolio management service to Mediobanca SGR. For investment advisory services, sustainability factors are taken into consideration, along with the potential adverse impact that investment decisions might have on sustainability factors, and the client is offered a selection of different types of instrument assigned an ESG rating above the limits set internally.

77. In force since 10 March 2021, Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (the "Sustainable Finance Disclosure Regulation", or "SFDR") has the objective of increasing and harmonizing the reporting requirements for the ESG investment processes for participants in financial markets, at both company and product level, thus strengthening the transparency required by the market as a whole. The SFDR requires every product to be assigned one of the following classifications: Article 9: funds with a strong ESG focus; Article 8: funds with a certain degree of attention to ESG issues.

78. Undertakings for Collective Investment in Transferable Securities.

79. The company systematically considers the non-financial information available on the websites of the companies in which it invests and/or obtained from third-party info-providers.



- ◆ **CMB Monaco**, through its subsidiary **CMG Monaco**, provides fund management and advisory services for various institutional investors which are becoming increasingly demanding on sustainability issues. The funds are analysed through individual reports provided by Morningstar and Bloomberg, which assess the non-financial performances and carbon footprint of portfolios, and measure their impact. Maximum carbon intensity limits are also formalized for investments in institutional funds in certain sectors, and a negative screening criterion has been established excluding companies that generate their revenues from coal and oil sands.

The Group's asset managers also carry out regular individual and collective engagement activities:

- ◆ **Mediobanca SGR** has recently signed up to the Non-Disclosure Campaign promoted by the Carbon Disclosure Programme (CDP), thereby committing to the achievement of a global economic system which is able to prevent the damaging effects of climate change. It has also signed up to the **Italian Stewardship Principles** operated by Assogestioni, committing to engaging in constructive dialogue with the issuers of the securities it invests, in the conviction that sound corporate governance policies and practices can create value over the long term. Mediobanca SGR takes part in the Asset Managers' Committee, made up of wealth managers and institutional investors which work together to present lists of candidates for minority directors and statutory auditors in listed Italian issuers.
- ◆ **Polus Capital Management** carries out engagement activities on ESG issues as an integral part of its own investment process. The company is an active member of the PRI Securitized Products Advisory Committee and the ESG working groups set up by the Alternative Investment Management Association (AIMA) and Standards Board for Alternative Investments (SBAI). It also takes part in the discussions launched by the European Leveraged Finance Association (ELFA) to promote engagement between investors and investee companies on ESG issues and to standardize ESG reporting methodologies.
- ◆ **RAM AI** carries out specific engagement activities with companies involved in series controversies, and the Responsible Investments Committee can decide to exclude those that fail to make the changes required. RAM is also an active member of collective initiatives such as the Institutional Investors Group on Climate Change (IIGCC), the Carbon Disclosure Project (CDP), Access to Medicine Foundation, and Climate Action 100+.

6.1.7 Sustainable products

In line with market standards and its own strategic guidelines, the Group has continued with its roadmap to support the spread of sustainable products, both as part of client activity, and in terms of the diversification of ESG sources of financing.

Furthermore, in accordance with the ECB guidelines, the green transition of the Bank's portfolio has been confirmed in the new 2023-26 Strategic Plan which contains increasingly challenging targets in terms of portfolio percentage and contribution to the Group's earnings results.

For a more precise description of the ESG products offered by the Group, reference is made to the **ESG Product Catalogue**.

On the **credit** side, multiple activities took place in the course of the twelve months:



- ◆ **Mediobanca (CIB Lending):** as at 30 June 2023, green/ESG loans disbursed by the CIB Lending division amounted to approx. €2.5bn⁸⁰ (i.e. 19% of new loans). Currently some 30% of new business was made up of this type of loan, and the objective is to reach 40% over the course of the 2023-26 Strategic Plan⁸¹.
- ◆ **Compass:** during the twelve months under review, Compass granted ESG loans⁸² worth over €201.6m (vs €175m in FY 2021-22). As at 30 June 2023 the stock of such loans totalled approx. €375m, i.e. 2.5% of total loans. The target included in the 2023-26 Strategic Plan is an annual average compound growth rate for ESG new loans of 15%.
- ◆ **CheBanca!:** in FY 2022-23 CheBanca! disbursed a total of €291.8m in new mortgages for the purchase and/or refurbishment of energy class A or B properties. This amount is equal to 13% of the total annual amount disbursed. Green loans as at 30 June 2023 totalled around €600m (approx. 5% of the loan stock), compared with €334m the previous year. The target set for the final year of the 2023-26 Strategic Plan is that green mortgages will account for around 20% of new business at the Wealth Management division level⁸³.
- ◆ **MB FACTA:** as at 30 June 2023 some €158.7m in green loans were outstanding for factoring business, involving tax credits in investments in renovations and improvements to energy efficiency introduced by the Italian government or the governments of other EU countries.
- ◆ **SelmaBipemme Leasing:** in the twelve months the company disbursed some €67m in green/ESG leases, equal to 22% of the total. As at 30 June 2023, the stock of these loans was worth approx. €165m (11% of the total).

Some of these loans form part of the pool supporting the Green, Social and Sustainability Bond Framework, against which Mediobanca has set the objective of making at least two further issues over the 2023-26 Strategic Plan time horizon, after successfully closing a €500m Sustainable Senior Preferred Bond in November 2022.

In **Debt Capital Markets** activity, during FY 2022-23, Mediobanca acted as Bookrunner and/or Structuring Advisor in bond placements with ESG labels worth a total amount of some €17bn, equal to over 47% of all DCM deals concluded during the year. This should rise to around 50% in the course of the Plan.

ESG issuances supported by DCM in FY 2022-23

DCM ISSUES		OF WHICH ESG	GREEN	SUSTAINABLE	SUSTAINABILITY LINKED	SOCIAL
N. (tranches)	53	25 47%	15	1	7	2
Amount (€ m)	36,565	17,100 47%	10,150	500	5,200	1,250

80. The total is €7.4bn including amounts agreed but not disbursed (33% of the total amount agreed).

81. In terms of the amount of the lines granted (disbursed and available). The amount is calculated on a cumulative basis over the course of the three years.

82. Such loans, which historically have involved loans to acquire products which, because of their environmentally-friendly content, generate the possibility of tax relief for the client, since July 2022 have also included finance to acquire personal mobility devices (bikes and e-scooters), plus an important social component consisting primarily of the following categories: a) "SMEs in disadvantaged areas" (loans granted to businesses/companies in regions where GDP is below the national average); b) "Financial support for education (loans granted to students to acquire PCs or for training/educational expenses)", and c) "Loans to pensioners" (credit granted as pension-backed finance to persons aged over 70 with a pension of up to €1,500).

83. The divisional target also includes mortgages granted by CMB Monaco, which, however, does not yet contribute to the disclosure, in part due to the different local regulations.



In the last twelve months, the Mediobanca **Corporate Finance** team has provided financial advisory services on some of the largest M&A deals in the energy sector in Italy and Spain; over the course of the plan, the Energy team will focus on deals that will favour clients' energy transition.

The **Wealth Management** division offers its clients the possibility to invest in various ESG products and services. On the advisory side, the offering includes lists compiled by the Mediobanca SGR Advisory team, solutions proposed by CMG Monaco, RAM Active Investment funds, and sustainable equity and bond investments.⁸⁴

Mediobanca Private Banking also offers a discretionary Global Impact **portfolio management** contract, with investment management activity delegated to Mediobanca SGR (an Article 8 SFDR product), and is committed to the commercial activity in relation to the Blackrock coinvestment programme, which seeks to allow clients access to direct investment in companies alongside some of the most authoritative international private equity funds. Although it does not involve Article 8/9 SFDR funds, the Mediobanca BlackRock Co-Investment programme has ESG guidance that the target investments must meet⁸⁵.

CMB Monaco, as part of the portfolio management mandates delegated to CMG Monaco, offers the **CMG Monaco** Discretionary Asset Management product, for which a best-in-class positive screening ESG asset management methodology has been adopted⁸⁶.

As at 30 June 2023 the assets held by Mediobanca Private Banking, CheBanca! e CMB Monaco in **Article 8/9 SFDR mutual investment funds**⁸⁷ amounted to approximately **€8,535m**, made up as follows:

SFDR Article 8/9 funds and ETFs

	2022-2023		2021-2022	
	€M	PORTFOLIO %	€M	PORTFOLIO %
Mediobanca Private Banking	2,398	36%	2,436	38%
CheBanca!	5,507	69%	4,674	65%
CMB Monaco	630	18%	538	14%
	8,535	47%	7,647	44%

These funds represent approx. 47% of the total amount of customers' holdings in funds (under management, advice and custody). The target set in the new Strategic Plan is for this to increase to above 50% by 30 June 2026.

Article 8/9 SFDR mutual investment funds subscribed to by clients of the Group's networks include

84. These investments are identified by selecting third-party funds based on their adaptation to SFDR Articles 8 and 9, the use of negative and/or positive screening criteria, and qualitative and quantitative analysis of the investment process result.

85. Any deal is subjected to ESG due diligence which contains a grid for the risks linked to the investment. The ESG Scorecard entails different risk levels for each issue: Risk Level 1: Risk identified/high; - 3: Adequate risk control; -5: Main driver of business (in the positive sense).

86. The investment profile, although not explicitly configured as conforming to SFDR Article 8 because it is specific to the regulatory framework of the Principality of Monaco, aims to create a principal exposure in equity and bond instruments, concentrating on companies and states with exemplary ESG ratings.

87. SFDR Article 8 also applies to a financial product with environmental or social characteristics or a combination of them, provided that the investee companies respect good governance practices. SFDR Article 9, meanwhile, applies to financial products which have sustainable investments as their specific objective and for which a reference index has been designated, or alternatively, if no such benchmark has been identified, an explanation of how the sustainable investment objective has been reached.



18 funds offered by some of the **Group asset managers** (6 by Mediobanca SGR, 11 by RAM, and 1 by CMG), in part placed also with external clients. Over the course of the 2023-26 Strategic Plan, the Group is committed to increasing the number of such funds by 50%.

In order to assess the sustainability of the mutual investment funds offered to clients, these companies use the services of info-provider Morningstar, which defines a sustainable investment strategy if this description is used in the relevant prospectuses and regulatory documents. Sustainable investment funds are classified into four separate groups:

Sustainable funds and ETF*

(€M)	2022-2023			2021-2022		
	PROPRIETARY	THIRD PARTY	TOTAL	PROPRIETARY	THIRD PARTY	TOTAL
ESG Integration	758	1,375	2,133	528	1,148	1,676
Thematic	492	1,209	1,709	633	1,803	2,436
Impact Investing	458	1,633	2,091	105	655	760
ESG Engagement	57	9,295	9,352	-	8,260	8,260

* Proprietary funds and ETF are defined as liquid and illiquid products managed directly by a Group Legal Entity or the management of which is outsourced to third parties on the Group's instructions (i.e. management products created by the Group, or illiquid products structured for the Group). Third-party funds and ETF are defined as all products of which the management is the exclusive prerogative of third parties, with no instructions from the Group. In the Morningstar classification, a mutual investment fund may adopt one of the investment strategies defined below, hence the assets of some funds will be included in the total for various categories. for this reason the assets in each category have been distributed pro rata.

6.1.8 Innovation, multi-channel approach and digitalization

In the previous 2019-23 Strategic Plan, a four-year IT strategic plan was also launched, which speeded up the process of increasing systems efficiency, of modernizing the technology infrastructure, of increasing the take-up of innovative technological solutions such as cloud-based applications, artificial intelligence and blockchain solutions, of digitalizing the support processes underpinning the Wealth Management activities, and of extending process automation (Robot Process Automation).

In view of the further acceleration in innovation demanded by the market, the Group has developed a new **Digital Agenda**, one of the pillars of the strategic development envisaged by the new 2023-26 Strategic Plan, which provides for an organic transformation process that will operate vertically within the business divisions and cross-divisionally across shared areas such as people and technology platforms.

The initiatives envisaged in the three-year roadmap aim to significantly upgrade the Group's technology ecosystem, through non-linear development of distinctive solutions compared to those of the market and through the transformation of the existing systems. The adoption of innovative paradigms and partnering with some of the leading national and international market players will enhance the Group's offering versus its clients through innovative solutions across all channels, and will be an important driver to reach the objectives set by the Plan.

The Group's 2023-26 Strategic Plan consists of around 30 transformation programmes, comprising more than 300 projects, and involving a total investment of €230m over a three-year time horizon, an average increase of 25% per annum compared to the previous plan.



MAIN TRANSFORMATION PROGRAMMES	DESCRIPTION
Digital WM platform	Consolidation of a uniform technology platform to maximize synergies between the individual legal entities and improve the overall digital level
Acceleration of innovation in CIB	Innovation plan to bolster the business's competitiveness through data valorization, AI-based automation and cutting-edge platforms
Digitally-guided CF	Enhancement of digital offering with new channels (e.g. BNPL), new products (e.g. instant lending), and expansion in international markets
Data valorization platform	Consolidation of the Group's data management platform to improve business development, encourage cross-selling and integration of ESG factors, as well as meet regulatory requirements using real-time analysis and AI
Intelligent automation platform	Development of a shared technology platform to support all smart automation initiatives (RPA, AI, Low Code) dematerialization initiatives (e.g. electronic signatures)
Journey to Cloud	Adoption of a hybrid cloud approach, combining the existing on-premise systems with the advantages of cloud-based solutions (on-demand capability and system upgrade)

A substantial portion of the budget will be spent on enhancing the offering to clients, deploying cutting-edge solutions to offer a more effective customer journey which is consistent across all channels, on developing the digital platforms in order to support the sales force and operations units, with the objective of maximizing efficiency while at the same time reducing the cost to serve, through the adoption of automation and AI solutions. For the Wealth Management division in particular, the development of a digital platform harmonized at Group level will be completed, in order to strengthen synergies between the divisions and make the investments more effective.

The Plan also envisages cross-divisional initiatives for the systematic adoption of cloud computing solutions, to strengthen the measures put in place to guard against cyber-security, to modernize systems, and to make the adaptations required to new regulations, to be developed in the course of the three years.

Among the cross-divisional initiatives, a particularly important role is played by the partnership between Mediobanca and accelerator and fintech venture builder UK Founders Factory. This partnership will provide a boost to the Group's digital ecosystem as envisaged by the Strategic Plan. Through this joint venture, Mediobanca will facilitate innovation in financial services by supporting early-stage fintech startups as well as further boosting support for Italy's start-up ecosystem.

The digitalization issue has been developed coherently in different ways within the Group.

Compass

During the financial year under review and in line with the Digital Strategy Plan previously



adopted, Compass has consolidated the implementation of various initiatives which are innovative both in terms of process and technology adopted, in order to improve the customer experience of its own clients. Some of the more noteworthy initiatives include two instant loan products that can be applied for by customers exclusively through the MyCompass app, which has an average of over 16,000 monthly installations, via a digital process in which the client's credit rating is assessed automatically and a response is received in the space of a few minutes:

- ◆ **€500 to fulfil your dreams:** this product can be applied for by all clients who download the app and entails the use of a nano-lending platform⁸⁸. From when the product was launched to August 2022, more than a thousand loans were disbursed for a total of over €500,000.
- ◆ **One-minute response loan:** this product is offered only to selected clients. From the product's launch until October 2022, more than five hundred loans were disbursed for a total of over €2m.

Furthermore, a new online loan flow has recently been introduced, redesigned from a mobile-first perspective, with the aim of making the experience more user-friendly. This service has generated more than €120m in new loans during the financial year under review.

◆ **CheBanca!**

CheBanca!, which was conceived with an innovative multi-channel model, has grown in terms of both product offering and service model, accompanying and in many cases anticipating market changes. The bank makes cutting-edge technology instruments available to its clients which allow for integrated multichannel interaction.

In September 2022, the bank's official website was authorized to identify clients wanting to acquire CheBanca! products using their digital identity (SPID) or electronic identity card. The take-up rate has been 80% versus the traditional method.

To enhance investment management, during 2022 the CheBanca! app was enhanced with the addition of a new markets area, new online trading functions, and alert and notification services.

Experimentation has also begun on the tokenization of investment fund units using blockchain technology as part of the regulatory sandbox instituted by the Italian Ministry for the Economy and Finance, and an internet banking platform has been opened for Premier Business clients.

◆ **Mediobanca Private Banking**

The main activities included in the IT Strategic Plan are as follows:

- ◆ Development of the existing digital platform to support staff and the salesforce, with the objective of maximizing the efficiency and scalability of commercial activity while at the same time reducing the cost to serve. Specifically the aim is to enhance the remote channel digitalization process and complete the IT platform used to manage customer relations;
- ◆ Expansion of the functions offered by the existing home banking platform, and adoption

88. The nano-lending service is based on a platform that allows users to borrow small amounts of money at low interest rates which are easy to repay.



of the multichannel approach using digital signatures; the project intends to offer customers an integrated experience between channels which will simplify remote operations.

The **Mediobanca** institutional website has also been optimized for use by persons with different disabilities. In particular, the use of artificial intelligence techniques embedded in the website enhances the browsing experience for epileptic, visually impaired and blind users, those with cognitive disorders and attention deficit disorders and motor disabilities.

6.1.9 Personal data protection and data security

[GRI 418-1]

Protection of customers' personal data and information is a key factor in the Group activities, and the Group is committed to ensuring that data is processed in accordance with the legal provisions in force.

The Group Data Protection unit, which is part of the Compliance unit, in co-operation with IT Risk & Cyber Security, provides continuous reporting on issues relating to personal data and information security. In particular, the Board of Directors is briefed annually by the Group Data Protection unit through the presentation of an annual report, and quarterly by means of a dashboard that includes data protection-related issues among others, and when material events occur. Apart from in cases where incidents require prompt reporting, the IT Risk & Cyber Security unit briefs the Board one a year on information security issues in the form of a specific report.

Information of different kinds is processed and managed regarding significant issues such as: transactions, contracts, and confidential customer and staff. The Group undertakes to protect such data from unauthorized or accidental alteration, loss or unauthorized disclosure. It also ensures, in accordance with the business requirements, the availability and integrity of information which must be reliable and usable on the part of the users, as well as up-to-date.

The regulations on personal data protection are applied within the Mediobanca Group based on the following model:

- ◆ Mediobanca and all Italian Group companies which process personal data, apply in full the provisions of the Regulation (EU) 2016/679 (the "General Data Protection Regulation", or "GDPR"), along with those of the Italian regulations (**cluster 1**);
- ◆ The Group Legal Entities established in the EU that process personal data and the non-Italian Group companies which, while not located in the EU, still provide goods or services – exclusively or even only in part – to natural persons in the EU, process their data by applying the provisions of the GDPR, along with the relevant local regulations (**cluster 2**⁸⁹);
- ◆ The non-Italian Group Legal Entities not included in the first two clusters which process personal data comprise **cluster 3**⁹⁰.

Each Group Legal Entity guarantees the protection of the personal data for which it is the controller, identifying the relevant security objectives and principles.

Governance of the risks associated with the processing of personal data is guaranteed: for cluster

89. Mediobanca International, Mediobanca Management Co., RAM Europe (Lux), Messier & Associés.

90. CMB Monaco, Mediobanca USA, Cairn Capital and RAM AI.



1, via (i) adoption of the general measures contained in the *Group Personal Data Protection Policy*, and (ii) appointment of a Data Protection Officer (DPO) pursuant to Article 37 of the GDPR; for clusters 2 and 3, via co-ordination between the DPO of Mediobanca and the local compliance officers, or the DPO of the company concerned if one has been appointed.

In the area of personal data protection, in the course of FY 2022-23, the Mediobanca Group has continued to consolidate the necessary activities, to comply with the provisions of the GDPR and the measures issued by the national and EU authorities.

Mediobanca and its Group Legal Entities have, *inter alia*:

- ◆ Assessed the data privacy safeguards contained in the contracts, negotiating the appointments for the position of data processor with the natural and legal persons that process personal data on their behalf;
- ◆ Introduced further specifications to the internal regulations on systems administrator log storage and to those for the circulation of banking information and for tracking banking operations;
- ◆ Increased the controls on personal data protection, with regard in particular to systems administrators (extending these to the outsourcers as well) and to Group suppliers;
- ◆ Co-ordinated activities to adapt the Group Legal Entities' websites following the national personal data privacy authority's ruling on the use of Google Analytics;
- ◆ Monitored the running of training courses on personal data protection issues;
- ◆ Identified the standard measures to be implemented for the use of US-based cloud service providers;
- ◆ Launched analysis of the structure of data privacy roles in the dynamics of financial intermediation, based on the individual Legal Entities' operations, and in the light of the national personal data privacy authority's ruling on bancassurance;
- ◆ Promoted and enhanced application of the privacy by design and privacy by default principles within the Group, issuing internal regulations on these principles.

On the issue of data security, protection in exchanges of and access to data is ensured through the adoption of secure communication protocols and certificates issued by the relevant authorities (such as the Global Trust Certification Authority), and access to data takes place in compliance with the need-to-know and least privilege principles.

In recent years the Group has continued to strengthen the personal data protection security measures, such as encryption of databases that contain confidential data (data at rest), and masking of data stored in development and testing environments. This year Mediobanca has once again pursued logical data security by enhancing certain measures, such as: segregation of the data network, tracking access to servers and databases, enhanced password policy, implementation of advanced malware identification and blocking solutions (EDR – Endpoint Detection and Response), and implementation of connection encryptions.

In the course of the reporting period, with reference to personal data protection, some of the Italian Group legal entities received a total of 1,783⁹¹ complaints (a number which is not significant

91. As from FY 2022-23, it has been decided to extend the scope of application of data privacy complaints to include categories that were previously excluded. The expanded scope has inevitably led to a significant increase in the overall number of complaints compared to FY 2021-22.



compared to the companies' total number of active clients), with no material impact on the companies concerned or the data subjects involved. No complaints were made directly to the Italian personal data protection authority under Article 77 of the GDPR.

In relation to personal data breaches, the Group recorded a total of 18 data breaches during the period, for 16 of which no risk to the rights and freedoms of the data subjects involved was noted, hence notification to the Italian personal data protection authority, and/or the data subjects themselves was not necessary. For two of the breaches it was necessary to inform the authority as required by Article 33 of the GDPR and to notify the data subjects under Article 34 of the GDPR. It should be noted, however, that so far the data breaches have not generated a material impact on the Group's clients or legal entities.

The Group places great importance on training activities; since the GDPR came into force, all staff, including interns and those employed under temporary arrangements, are assigned a course on data privacy issues which includes a final test with assessment, as well as a short message on data breaches and another on the principles of privacy by design and privacy by default.

The annual **Information Security Awareness programme** addressed to all staff, including interns and contract staff, is now consolidated and run annually in line with the developments in cyber threats for the whole Mediobanca Group. The main activities entailed by the programme were as follows:

- ◆ Mandatory course on cyber security issues using the Group's online platform, with final test and dedicated sessions for the critical functions (e.g. assistant bankers, IT developers);
- ◆ Security awareness signage produced; security bulletins sent via specific communications, to update Group users regarding the principal risks faced and phishing campaigns, and phishing campaign simulations to check Group users' security awareness levels.
- ◆ Early warnings sent for suspicious events;
- ◆ Regular training for Directors of Mediobanca (Board induction sessions);

For retail and private clients, specific communications have been developed to raise awareness of the main IT threats, and the guidelines to be followed for use of digital channels have been illustrated.

Furthermore, a notice has been sent to all suppliers appointed as data processors, reminding them of the importance of carrying out regular checks to ensure that the technical and organizational measures formalized in the contract when they were appointed have been adopted and are effective, and assessing whether additional physical and IT security measures should be implemented to increase the level of personal data security and protection, to ensure they are adapted to risk at all times.

With regard to personal data protection, the Italian companies adopt ex ante and ex post controls at local level and maintain formalized reporting flows between the Group Data Protection unit and the Group companies themselves. They also perform regular controls on the security measures adopted by providers that process personal data on behalf of the Group legal entities.

In FY 2022-23, the IT Risk & Cyber Security Unit performed the following activities for all the Group companies, which will be performed annually:

- ◆ Spear phishing simulation, to gauge users' ability to recognize this type of cyber-attack and to apply the relevant IT security procedures correctly;



- ◇ Technical security checks (vulnerability assessment and penetration tests) run on the main updates to applications and/or infrastructure;
- ◇ Assessment of the network infrastructure security and monitoring measures to test its robustness and effectiveness⁹².

For further information on all relevant Group Policies, Directives and Manuals, reference is made to the dedicated section of the Bank's official [website](#).

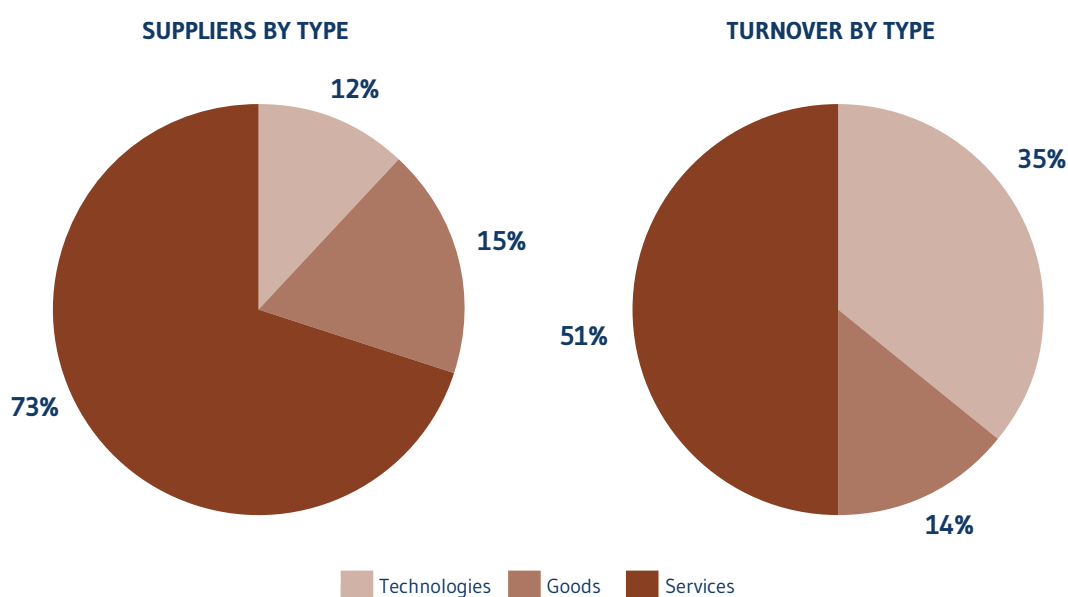
6.2 Responsible supply chain management

6.2.1 Relevant policies and risks

[GRI 2-6], [GRI 3-3], [GRI 308-1], [GRI 414-1]

The Group seeks to develop relations with its suppliers based on the principles of fairness, transparency and equal treatment.

During the reporting period the Group had a total of 7,949 suppliers with turnover of over €660m, 8.3% higher than during the previous year. The increase is primarily attributable to services orders and their turnover.



The acquisition of goods and services is normally centralized at the Group Procurement, which, through competitive and negotiation processes, selects the suppliers based on their knowledge and professional capabilities, their organizational solidity and sustainability and the Group's aim to obtain value for money. In particular, the Group is committed to avoiding situations of conflict of interest and ensuring selection on the basis of transparent and objective criteria.

The Group Directive on purchasing process management and the Purchasing process management operating procedure require that suppliers involved in the competitive processes

⁹² In the performance of the technical checks and security assessments, specialist external companies are engaged to ensure the results are accurate and independent. For these external audits the Group uses certified suppliers, including the IT infrastructure management provider, which has obtained several certifications, including ISO 27001 (information security management system) and ISO 27017 (information security for cloud services).



or contracts managed by Group Procurement must qualify under qualification guidelines set at Group level, furnishing: suitable documentation, earnings/financial data which show they are able to supply the good/service concerned, positive earnings results and no negative issues of any kind.

In order to minimize the risks associated with buying from counterparties which are unreliable or which could lead to problems in the future, the Group Procurement unit:

- ◇ Enters active or potential suppliers in the Group list of suppliers for every area of expense and the contracts managed by the unit;
- ◇ Reviews information and documents published (DURC, chamber of commerce certificate, financial statements, etc.) to check they are complete and accurate, and carry out not only analysis of the company's earnings/financial data, but also checks, through external sources, of any negative aspects regarding counterparties;
- ◇ Assigns the companies assessed a qualification status, positive or negative;
- ◇ Reviews any spontaneous applications, which may come from other suppliers for inclusion in the list of suppliers;
- ◇ Asks active suppliers to update the data and documents entered in the list of suppliers, at regular intervals;
- ◇ Manages purchasing processes inter alia through organizing competitive procedures with a view to assigning provision of goods, work or services, thereby optimizing costs without prejudice to the requirements in terms of qualification and technical and/or service specifications;
- ◇ Manages formalization of contracts with the successful suppliers with the support of the internal Legal Counsel unit.

Relations with suppliers are conducted based on principles of fairness and integrity, and suppliers are reminded of the need to do business according to standards of conduct which are consistent with those set down in the Group's Code of Ethics. All suppliers involved in competitive processes are required to comply with the:

- ◇ Regulations protecting the rights of workers employed in the provision of their services and in particular the collective labour contracts for the relevant sectors;
- ◇ Provisions in respect of social security, accident prevention and security, and with the specific regulations in force on the subject of health and safety in the workplace;
- ◇ The principles set down in the Group's Code of Ethics when an order is transmitted or a contract executed.

To this end, suppliers newly registered in the Group's list of suppliers must sign a declaration confirming that their staff members are treated without distinction and/or discrimination (in terms of policy, religion, etc.), that they reject forced and child labour, condemn every form of harassment, and guarantee decent working conditions for all their employees. Counterparties which do not accept the Mediobanca Group Code of Ethics and refuse to sign the above declaration are accordingly excluded from the Group's supply chain.



Work continued during the twelve months on collecting ESG scores for the suppliers covered by Group Procurement as part of the ESG assessment project launched with *Cerved Rating Agency*⁹³ last year.

The reports obtained are in the process of being reviewed, with the objective of consolidating the assessments and then launching awareness-raising actions across the supply chain and consolidating the final results. So far a total of 60 counterparties have been assessed, or 28% of the total active suppliers (4% of turnover). This overall assessment of sustainability aspects goes to make up report on the counterparty that enables the score achieved for each Environmental, Social and Governance (ESG) issue to be analysed in more depth.

MATERIAL TOPICS	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
Responsible supply chain management	Non-compliance by business partners and suppliers (of goods and services) with laws, regulations and/or general principles laid down in the Group's Code of Ethics (e.g. proper conduct and honesty, impartiality, protection of the environment, protection of health and safety) and/or with protection of human rights	Group Procurement Committee
		Group Directive on Purchasing Process Management, and specific operating procedures defining the process for qualifying and monitoring suppliers
Ethics and integrity in business Responsible supply chain management	Decentralized management of strategic single sourcers	Due diligence procedure performed by Group AML unit
		Suppliers screened at the qualification phase, when the contract is awarded and while the service is being provided, and ongoing monitoring of suppliers in accordance with the principle of proportionality
		Inclusion of an ESG self-assessment questionnaire in the supplier selection process
		Group Procurement Committee for sharing the main problems encountered with suppliers
		Group Procurement unit responsible for selecting suppliers
		Existence of specific sections within the Code of Ethics and Organizational Model instituted pursuant to Italian Legislative Decree 231/01 on responsible supply chain management
		Group Directive on Purchasing Process Management and Group Directive on Managing Outsourcing Arrangements
		Management and monitoring of the qualification process and maintenance of the list of suppliers
		Analysis and monitoring of feedback from contract owners, and ad hoc checks run on suppliers using external info-providers

93. Cerved is an Italian rating agency specializing in the assessment of companies' credit standing. The agency also carries out assessments of the sustainability of financial operators, such as companies, financial institutions, and insurers, developing innovative solutions through an ESG methodology in line with best international practices.



MATERIAL TOPICS	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
Ethics and integrity in business Responsible supply chain management	Decentralized management of strategic single sourcers	<p>Suppliers screened at the qualification phase, when the contract is awarded and while the service is being provided, and ongoing monitoring of suppliers in accordance with the principle of proportionality</p> <p>Third-level audits performed</p>
Responsible supply chain management	Internal control system inadequate with regard to the supply chain, in particular with reference to ESG criteria characterizing the process of selecting, assessing and monitoring of suppliers (of goods and services) and business partners, with possible adverse impacts in reputational terms	<p>Group Procurement Committee</p> <p>Group Procurement unit responsible for selecting and managing suppliers</p> <p>Group Directive on Purchasing Process Management and Group Directive on Managing Outsourcing Arrangements</p> <p>Specific operating procedures</p> <p>ESG self-assessment questionnaire included in the supplier qualification process</p> <p>Suppliers screened at the qualification phase, when the contract is awarded and while the service is being provided, and ongoing monitoring of suppliers in accordance with the principle of proportionality</p> <p>Monitoring suppliers in accordance with specific operating procedures, and checks on the adequacy of the documentation and data provided, through the use of the info-provider platforms</p> <p>Further enquiries on any reputational aspects and issues in the areas of human rights/the environment</p>

6.3 Investors and shareholders

[GRI 2-6]

The Mediobanca Group considers relations with its investors and shareholders as one of the company's ethical and strategic responsibilities in order to create effective two-way dialogue between the company itself and the financial community.

The Group liaises constantly with investors and shareholders to pursue its mission, which has three main objectives:

- ◆ To create a base of institutional and retail investors for the medium/long term for its own shares and bonds;
- ◆ To promote stock liquidity and share price stability;



- ◆ To foster ongoing, constructive dialogue between investors and senior management, including with reference to strategic decisions.

To reach these objectives, the Group guarantees timely, reliable and comparable disclosure to the market which is comprehensible by all categories of user. This activity, which is performed by the Group Investor Relations unit, is addressed to all Italian and international institutional investors in the equity, credit (including rating agencies) and ESG (including proxy advisors) segments.

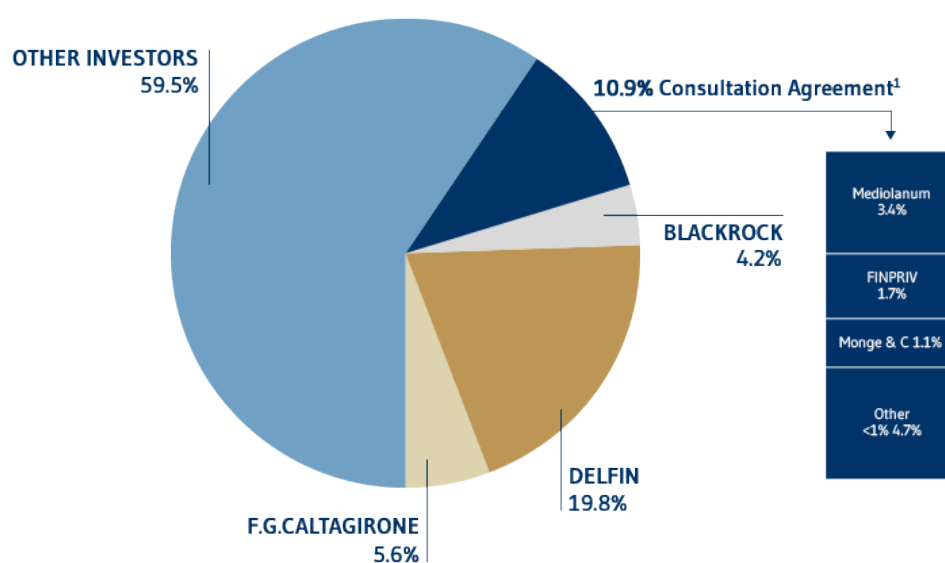
As confirmation of the importance that managing relations with its stakeholders has for the Group, in June 2022 the Board of Directors approved a specific **Board Investor and Proxy Advisor Engagement Policy** which defines the methods of engagement between investors and the BoD in line with the legal provisions in force, identifying the interlocutors, the subjects for discussion, and the process for managing the requests.

For the transmission and storage of regulated information, Mediobanca uses the eMarket SDIR and the eMarket STORAGE mechanisms.

Mediobanca has more than 49,000 shareholders, split between institutional and retail investors. Some of the investors, representing approximately 11% of the company's share capital, are parties to a consultation agreement which makes no provision for its commitments in terms of lock-up or votes in respect of the shares syndicated under its terms. The agreement governs the means by which the parties meet to share reflections and considerations regarding the Group's performance, without prejudice to the principle of full parity of information versus the market.

According to the most recent shareholder analysis, SRI investors account for approx. 11% of the share capital.

MEDIOBANCA SHAREHOLDERS' STRUCTURE



1. No provision made for commitments either in terms of lock-up or voting rights over shares syndicated. The agreement governs the means by which shareholders meet to share reflections and considerations regarding the Group's performance, in accordance with the principle of parity of information versus the market

In the reporting year, the Investor Relations team has taken part in more than 200 meetings and conference calls, in which it has met with around 500 investors, the majority of whom (80%) non-Italian.



Community



MEDIOBANCA



7. Community

7.1 Economic value generated and distributed

[GRI 201-1]

The Mediobanca Group recognizes the importance of a balanced distribution of the value created from the activities it carries out versus its own stakeholders, value which the stakeholders themselves have directly or indirectly contributed towards creating.

The table below shows a list containing a quantification of the wealth generated by the company and its impact on the main categories of stakeholder with which Mediobanca dialogues in the course of its business.

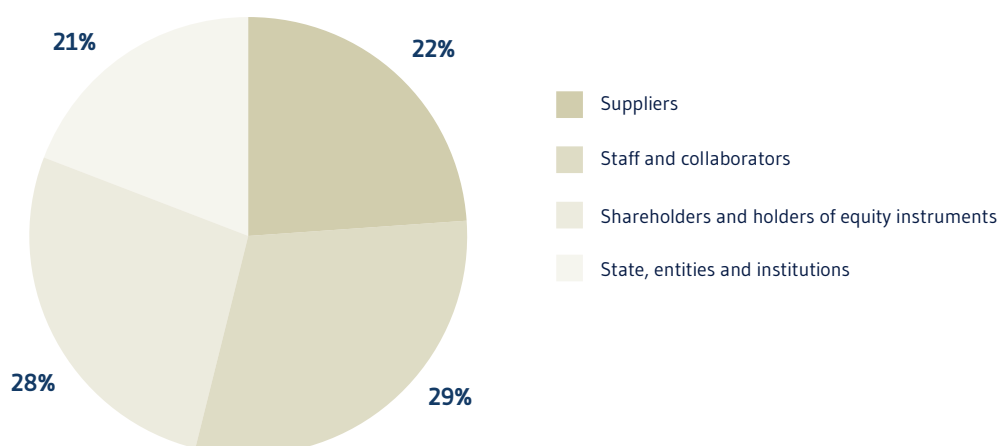
In FY 2022-23, more than 97% of the wealth produced by the company was distributed to its own stakeholders; in particular staff and collaborators and shareholders were among the categories of stakeholder that benefited the most from the wealth generated by Mediobanca, receiving 29% and 28% of the total wealth distributed respectively.

Economic value generated and distributed by the Group

(€'000)	2022-2023	2021-2022	2020-2021
Economic value generated	2,636,765	2,281,124	2,294,832
Economic value distributed	2,554,731	2,270,680	2,092,605
Staff and collaborators	731,643	671,474	636,708
Suppliers	566,726	516,640	486,878
Third parties	3,034	2,677	1,623
State, entities and institutions, community	532,067	443,098	390,912
Shareholders and holders of equity instruments	714,682	629,164	569,164
Collective and the environment	6,579	7,627	7,320
Economic value withheld	82,034	10,444	202,227



ECONOMIC VALUE DISTRIBUTED - 2022-2023



7.2 Entities and Public Institutions

[GRI 2-28]

The Group seeks to entertain constructive, ongoing and transparent relations with all its stakeholders, including entities and public institutions.

Relations with the regulatory authorities, institutions and public entities are based on principles of proper conduct and transparency, with respect to the different roles and excluding behaviour and attitudes which seek to obtain improper and/or undue influence on operations.

Mediobanca does not make charitable donations to political movements or organizations, and any personal involvement by staff in political organizations has no relation to the function performed by them within the Group and is conducted in accordance with the provisions of the regulations in force.

Since 2015 Mediobanca has been registered in the Transparency Register run by the European Commission. The Register is a database that lists organizations in order to control lobbying activities by interest representatives across the European Union, and provide information on civil society, to ensure open and transparent dialogue between the politicians and decision-makers in Europe.

Mediobanca, as a result of its desire to ensure that any lobbying activity it performs is tracked properly, has signed up to the code of conduct instituted in respect of the Transparency Register, a database listing the organizations that are legitimate stakeholders in the legislative process and in implementing the EU institutions' policies.

Furthermore, in the area of institutional dialogue, Mediobanca is constantly committed to governance of the legislative activity entailed by the Group's business, with a view to containing legal, economic and reputational risk, and also in order to leverage possible new opportunities. 2022 was another crucial year in terms of changes to the regulations in the area of sustainability, which is one of the reasons why the Group has continued to dialogue and partner with the leading category associations:

- ◆ ABILab "Green Banking" Survey: active participation on energy saving and environmental reporting issues.
- ◆ ABI: sharing of comments on delegated regulations at the consultation stage in connection with the EU Taxonomy (Regulation (EU) 852/2020).



MEDIOBANCA REPRESENTATIVE APPOINTED AS MEMBER OF EFRAG ADVISORY PANEL

In connection with the European Financial Reporting Advisory Group for the development of sustainability reporting standards (EFRAG), the head of the Mediobanca Financial Reporting Management and Tax unit will be a member of the Connectivity Advisory Panel (EFRAG CAP) set up in 2023, which is tasked with supporting the Financial Reporting Technical Expert Group (EFRAG FR TEG) in the project to promote connectivity between financial and sustainability reporting.

The Advisory Panel's objectives are to: (i) to share perspectives and practical experience with connectivity matters; (ii) help EFRAG identify, assess and prioritize connectivity issues, and to identify user needs in relation to connectivity; and (iii) develop possible approaches to improve connectivity.

Being able to participate actively in the working group that will be responsible for redesigning European sustainability reporting in the next few years will enable the Bank to deepen the knowledge base and competences required to implement the reporting outlined in the Corporate Sustainability Reporting Directive (CSRD),⁹⁴ and give us an opportunity to raise material issues for financial institutions deriving from the application of the new regulations.

Some of the main institutions which the Group partners and works with in the financial services area are as follows:

- ◆ **ABI – Italian Banking Association:** the association's membership comprises directly or indirectly the entire universe of Italian credit institutions and credit institutions operating in Italy, along with virtually all of the financial intermediaries;
- ◆ **ABI Lab:** the research and innovation centre for banks promoted by ABI intended to create a hub for banks and ICT and energy partners to meet and exchange ideas;
- ◆ **AFME - Association for Financial Markets in Europe:** the European association for financial intermediaries operating in wholesale banking;
- ◆ **ASSOGESTIONI:** Italian fund managers' association, representing most Italian and non-Italian fund managers operating in Italy, as well as banks and insurance companies operating in individual and collective asset management services;
- ◆ **ASSONIME:** an association of Italian listed companies founded in 1910, which serves as a focus for analysis and discussion of problems which directly or indirectly regard the interests and development of the Italian economy;
- ◆ **ASSOSIM:** the Italian association of brokers operating on financial markets carries out research and training activities, and represents its members in the consultations and round tables launched by Consob and the Bank of Italy on regulatory and financial issues;
- ◆ **Conciliatore Bancario Finanziario:** his non-profit organization specializes in the mediation of disputes arising in banking, financial and corporate matters;

⁹⁴ The Corporate Sustainability Reporting Directive is a new EU regulation which lays down stricter rules for preparing corporate sustainability reporting.



- ◆ **European Issuers:** pan-European organization which represents the interests of publicly quoted companies from all sectors to the EU institutions;
- ◆ **International Capital Market Association (ICMA):** non-profit organization and category association for participants in capital markets.

Contributions to political parties and category associations*

(€)	2022-2023
Lobbying and interest representation**	50,000
Politicians and political parties	0
Category associations***	909,351
Other associations/organizations (sustainability promotion/facilitation, sector/theme-based research and analysis)	267,343

* The contributions refer to the subscriptions fees payable by Mediobanca S.p.A. for the 2022 calendar year.

** The estimated annual cost of activities covered by the Register's scope of application is €50,000-€99,999.

*** The largest subscription fees are to ABI, ASSONIME, and ORX ASSOCIATION.

7.3 Impact on and investments in the community

The Mediobanca Group plays an active role in the community in which it operates and pursues growth and value creation objectives which are sustainable over the long term for all its stakeholders and are respectful of people, the environment and society as a whole.

MATERIAL ISSUES	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
Support to the community	Inadequate/wrong planning and management of project initiatives to support the communities where the Group operates, including as a result of partnerships with third parties not in line with the ethical, environmental and social standards for which the Group is known, with possible adverse impact in reputational terms, or discrimination in community support activities, or inability to identify categories most at risk of financial/social exclusion and in need of significant help	<p>Group Board CSR Committee</p> <p>Management Sustainability Committee, Group Sustainability unit, and ESG working groups</p> <p>Co-ordination and monitoring of the Group's corporate citizenship activities</p> <p>Monitoring of sponsorships and donations in connection with the provisions of the Organizational Model instituted pursuant to Italian Legislative Decree 231/01</p>

To this end it promotes numerous initiatives with social impact, including via donations by providing solidarity and support, both in Italy itself and the other countries in which it operates.

The Group also encourages its staff to be actively and concretely involved in projects to support the local community. During the year under review, and despite the medical emergency, some 430 members of staff devoted around 1,750 hours of volunteering during working hours.

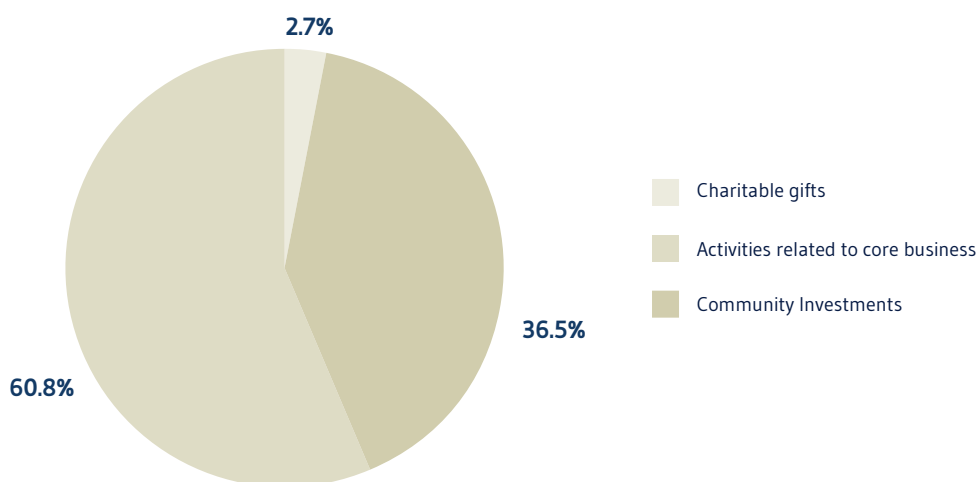


The Group's aggregate contribution to the community for the year amounted to over **€6.5m**, higher than last year.

The calculation was made using management data in part based on estimates, whereas the type of analysis is based on the Guidance issued by the **London Benchmarking Group (LBG)**, the global standard in measuring and managing corporate community investment.

In accordance with the LBG model, to measure and represent the Group's commitment, the contributions provided have been split into three categories (charitable gifts, community investment and activities related to core business).

BREAKDOWN OF THE GROUP'S GLOBAL ANNUAL CONTRIBUTION ACCORDING TO LBG MODEL



In its selection of projects for development, the Group has also identified certain selection criteria and in particular three areas in which to concentrate its involvement: environment and territory; culture, research and innovation; and social inclusion.

7.3.1 Environment and territory

The Mediobanca Group is aware of the rapid changes affecting the climate and environment as a whole. In a scenario of where environmental impact management is becoming increasingly crucial, the Group acknowledges the importance of protecting the environment as the primary resource of well-being for both current and future generations. For this reason the Group is committed to managing its resources responsibly to reduce its own carbon footprint and the impact generated on the environment as a result of its businesses.

In 2022 too, the Mediobanca Group was **carbon neutral (Scope 1 and 2)**⁹⁵, by offsetting its remaining CO₂ emissions following the domestic mitigation actions undertaken, equivalent to 4,241 tonnes of CO₂ (tCO_{2eq}). The carbon neutralization project was made possible by acquiring carbon credits generated from two environmental protection projects in developing countries: the

95. In addition to these are Scope 3 emissions related to business travel.



Tamil Nadu Wind Power Project in India, and the Cordillera Azul National Park REDD Project, a forestry conservation project in Peru which aims to tackle illegal deforestation activities with the involvement of the local communities.

The reforestation activities undertaken in Italy serve a similar purpose: over 1,000 trees have been planted and maintained by members of the Group's staff in the Parco delle Madonie in the province of Palermo, which was devastated by fires during the autumn of 2021, another 750 trees have been planted in Nova Milanese and 1,000 in Gaggiano, both in the province of Milan, to reforest an area to be used for environmental education excursions for children and young people. All these activities have been possible through the involvement of Group staff members.

Other initiatives in this area include:

- ◆ **Fondo Ambiente Italiano:** is one of the "FAI 200", a group of generous patrons who, with their companies, support the FAI (Fondo Ambiente Italiano) in its mission to protect, care for and valorize the historical, artistic and environmental heritage of Italy.
- ◆ **GreenSanPa:** Mediobanca has decided to lend its support to the development of a photovoltaic park to produce electricity from renewable sources at San Patrignano, sharing the objective of making it an example of what a sustainable human community can look like: sustainable for the environment, and sustainable for the young people that live there. Through this project, San Patrignano will be able to release precious resources for reinvestment in the community's social mission, while at the same time reducing its impact on the environment.
- ◆ **Urban reforestation:** this project, implemented by CheBanca!, in collaboration with the Rete Clima association, is intended to offset the environmental impact caused by publication of their branch magazine "Stepsmag". The trees planted by staff members will neutralize the entire amount of CO₂ emissions generated by the publication over the magazine's entire life cycle. Compass too supports national reforestation projects, as part of the Italian national forestry campaign.
- ◆ **Ocean plastic cards:** in October 2022, CheBanca! chose to contribute to improving its impact on the environment and on marine ecosystems in particular by promoting credit and debit cards made out of plastic recovered from the seas.

In the United Kingdom, **Polus Capital Management** has decided to measure its own carbon footprint and offset it⁹⁶ by supporting two wind energy products, one in Chile and one in South Africa, and a renewable energy project in Asia.

In Switzerland, **RAM AI** offers investors innovative solutions with clear and ambitious climate objectives. With the launch of the RAM Stable Climate Equities Fund, the company has taken a step forward on the path to transition. The fund's carbon footprint is offset through support projects certified by the UNFCCC to reduce or eliminate the release of greenhouse gases into the atmosphere. In particular, the contributions have been earmarked for renewable energy or energy efficiency projects in developing countries with positive impacts on the local and global communities.

96. Scope 1 and Scope 2 emissions, plus Scope 3 emissions from travel and work-related transfers.



7.3.2 Culture, research and innovation

The Mediobanca Group's commitment to culture and research bears out our awareness of the responsibility which our company has on a civic and social level as well, in the knowledge that our role is bigger than merely the pursuit of economic gain. From as early as the years following its inception, Mediobanca has promoted important publishing initiatives, and has been committed to valorizing its architectural and archival heritage. Equally important is the attention we devote to scientific and economic research which is a core feature of the Group's identity.

In this area the following activities should be noted:

- ◆ **MB Research Area:** The Research Area is a centre which specializes in economic and financial analysis and research, with a focus on manufacturing enterprise and the industrial economy, issues to which Mediobanca has always ascribed substantial importance, including in connection with its own core business. The area has its own database input with the results of individual restatements of balance-sheet acquired exclusively from official and primary sources. Having proprietary data available has enabled the area to construct coherent and consistent historical series, some of which date back to the early 1970s in the case of company data and to the 1930s for the stock market figures. Research activity is currently focused on two main strands.
 - ◆ The first strand covers areas of excellence in Italian production activities and made-in-Italy products in particular. The reports cover individual sectors (such as fashion, furniture, and certain food and beverage industry specializations, and including their retailers, as in the case of the report on the large-scale distribution industry) or chains, identified in part for their importance relative to the main megatrends. This includes, for example, the health industry, which ranges from food on the one hand to hospital facilities on the other. Particular attention has been focused for more than two decades now on family-owned medium-sized businesses, and on the structural characteristics and growth path for Italian family-owned business in general.
 - ◆ The second strand is focused on production activities at the technology frontier: ranging from internet and software companies to those operating in media and entertainment, from TLC players to the more recent focus on the fintech ecosystem.

Typically, the reports consider Italian firms in an international competitive setting, against a benchmark made up of the leading non-Italian competitors.

Much of the data thus processed, in particular the historical surveys such as Leading Italian Companies, Financial Aggregates, and Medium-Sized Companies, is available free of charge at the area's website (www.areastudimediobanca.it). Engagement activity included media presentations, taking part in events promoted by institutional and academic entities, and organizing meetings with entrepreneurs.

The outlay incurred annually by Mediobanca for the Research Department's activity, measured exclusively by giving-back criteria, amounts to around €3.4m.

The Mediobanca Research Area also offers a generous number of internships to candidates looking for an opportunity to acquire basic skills in economic and financial analysis. This training initiative facilitates the internees' transition from the world of education to the



workplace, while providing the Bank with the possibility of retaining the most talented people.

- ◆ **“Vincenzo Maranghi” Historical Archive:** the objective of Mediobanca’s historical archive, which may now be consulted online, is to preserve the Bank’s wealth of documents and make it accessible. Documents for the period from the Bank’s foundation until 31 December 1973 are available free of charge. In 2014 the Archive was given the status of being “of particularly important historical interest”. In the publishing area, the Historical Archive has now published a total of six monographs, all of which may be downloaded from the new website, and printed versions for some are also available. The most recent publications are the volume edited by Giorgio La Malfa and Taddeo Molino Lova entitled *La fusione Montecatini – Edison (1965-1971)* (2023) and *Mediobanca e le aziende alimentari del Gruppo Fidia: Bertolli, Cora, De Rica e Samis* (2022). The first such volume of source materials, a volume on the rescue of Olivetti in the 1960s (*Mediobanca e il salvataggio Olivetti. Verbali delle riunioni e documenti di lavoro, 1964-1966*), was followed in 2021 by the publication of *Mediobanca e le relazioni economiche internazionali dell’Italia. Atlantismo, integrazione europea e sviluppo dell’Africa, 1944-1971*, by Giovanni Farese.
- ◆ **Mediobanca Historical Library:** set up in 2014, the Historical Library gives the public access to the Bank’s holdings of rare and precious volumes on the history of Italian and international economic analysis, collected over the years by Enrico Cuccia, Vincenzo Maranghi and Ariberto Mignoli. The collection holds over 12,000 volumes.
- ◆ **Istituto Europeo di Oncologia:** the IEO was founded in Milan at the initiative of Mediobanca which is a leading shareholder almost 25% of the share capital. The IEO is the leading private comprehensive cancer centre in Italy, combining clinical work with research. It also owns the Istituto Monzino, the leading specialist cardiology centre in Milan. The IEO-CCM Foundation, which supports the research carried out by the Istituto Europeo di Oncologia and the Centro Cardiologico Monzino directly, has raised over €50m to support research from 2000 to the present date. Each year the Foundation awards grants to young researchers to carry out clinical and experimental research (230 new grants have been made in the last six years), to allow medical and paramedical staff to go on refresher courses, and to help in the acquisition of cutting-edge equipment and machinery to allow more lives to be saved and enable cancers and cardiovascular illnesses to become easier to cure.

For several years now Mediobanca has also been supporting the work of various cultural organizations such as: **Civita**, which works to promote and protect Italy’s cultural and environmental heritage; **ISPI, the Italian Institute for International Political Studies**, which carries out research and analysis into the risks and opportunities at world level for companies and institutions; and the **Ugo La Malfa Foundation**, whose mission is to carry out analysis and research into issues and problems of economic importance and national and international policy.

CheBanca! has always been aware of the talent represented by younger generations, and to this end has renewed its partnership with the **National Theatre** of Milan, a prestigious institution in terms of its social and cultural value which is committed to supporting and staging shows, musicals, concerts and various initiatives, and to training the new generations in these arts.

Outside Italy, **CMB Monaco** has shown substantial commitment in the area of culture, sponsoring a variety of local institutions over the years, such as the **Grimaldi Forum**, Monaco’s leading cultural and tourist centre, hosting a wide range of shows and events, including the sixth Art Monte Carlo



art fair, and a major exhibition on Claude Monet. CMB Monaco has also been an official partner of the **Monaco Art Week**, a week-long series of exhibitions, artistic encounters and round tables serving to promote and publicize local artists.

In Switzerland, **RAM AI** is involved in the **RAM Active Philanthropy Foundation**, supporting numerous projects in the areas of medical and scientific research, including: the **Italian MS Association (AISM)**, which supports, directs and finances scientific research into this terrible disease; the **CANSEARCH Foundation**, which has created the first research platform specifically focused on paediatric oncology-haematology, based in Geneva; and the **ARTC – Association pour la Recherche sur les Tumeurs Cérébrales**, set up with the main goal to promote brain tumour research through fellowships or scholarships to young researchers and through direct support of research projects at an early stage.

7.3.3 Social inclusion

The Mediobanca Group is convinced that an inclusive society must be based on mutual respect and solidarity, guaranteeing equal opportunities and a decent standard of living for all.

Based on the conviction that each individual is of value and belongs to the community, this year Mediobanca has decided to support the **integrated protection programme for female refugees and asylum seekers who are survivors of gender-based violence (GBV)** which in Italy is run by the **UNHCR**, the United Nations High Commissioner for Refugees. The programme offers female refugees who are survivors of GBV and victims of the slave trade to find shelter, understanding, support and assistance in their progress to physical and psychological healing and their reintegration into the community, helping them take back control of the decisions affecting their lives.

Being included is part of living together, which is why inclusion can take place in multiple environments. In the sporting environment, Mediobanca, Compass and CheBanca! have joined forces to show their support for the core values traditionally associated with sport: honesty, responsibility, determination and team spirit. The many initiatives supported by the Group include:

◆ **INSIEME /TOGETHER:** a long-term project devised in conjunction with CUS Milano Rugby and the Milan city council, to promote opportunities for sport among young people forming part of the weakest areas of society at risk of exclusion in certain peripheral areas of Milan. The initiative, which began in 2017 in the Milanese suburb of Quarto Oggiaro, has subsequently extended to the Via Padova area and Baggio areas.

The sports activities themselves (rugby, volleyball and athletics in particular) will be assisted by the presence of a psychologist to provide support in cases involving the most difficult family situations. Several volunteers from the Group also took part in the activities on the pitch.

The Group has also financed the refurbishment of the sports facilities most in need of upgrade in the areas involved and has renewed its support for a third three-year period (2023-26).

◆ **Mediobanca Group Sport Camp:** a multi-sport camp developed in conjunction with the Milan City Council and run at the “Cesare Beccaria” Institute in Milan to give young offenders an opportunity to spend a week playing sport in a healthy environment which promotes competition, respect for the rules and fair play. The project has also involved improvement of the facilities themselves, with the installation of rugby posts and new goal posts for football. In 2022, the camp was run for the seventh year at end-June, once again with the direct



involvement of some of our own staff participating in the activities and assisting the Camp trainers in the course of the week.

On the back of their ongoing focus on young people at risk of social exclusion, Mediobanca and CheBanca! have renewed their long-term partnership with Associazione Cometa to run a project under the name of **Accademia del Legno** (the “Academy of Woodworking”), now in its seventh year of activity, an organization to be run according to a social business model which facilitates the inclusion of young people coming from situations of social, economic and personal difficulties in the workplace, with the objective of becoming a sustainable and self-standing business, which develops services and products of excellence in the furnishing and interior décor sector. There are therefore two sides to the Academy: on the one hand it focuses on training, which is essential for the growth and future career of the students enrolled in the “Oliver Twist” school run by Cometa; while on the other, it functions as a genuine, artisanal start-up venture, manufacturing products of high value in quality terms to be marketed in Italy and exported to international markets. The project has been confirmed for the next three years (2021-24).

Mediobanca has confirmed its support for **VIDAS**, a charity which provides complete healthcare and assistance free of charge to patients suffering with terminal cancer, both at home and in the Casa Vidas hospice in Milan. Mediobanca has decided to focus its support on funding the construction of the **Casa Sollievo Bimbi** which provides care and relief for children and young people at advanced stages of incurable cancer and their families.

In the area of inclusive education, the partnership with **Fondazione Mission Bambini** has been confirmed, with a new initiative to redevelop outside areas of schools for children and young people in socially vulnerable environments. Volunteers from the Mediobanca Group will once again be involved in the project, which also includes the provision of psychological and emotional support for the school children within a dedicated area, plus enhancement of the schools’ computer equipment.

In the area of the income divide, Mediobanca has also signed agreements with the **Sant’Anna University in Pisa**, the **Polytechnic University in Milan** and the **Polytechnic University in Turin**, committing to provide financial support to students from the lowest income-bracket areas in the form of merit-based grants, and helping them as they look to enter the workplace through mentoring activities and where appropriate the offer of internships.

The three-year partnership with the charity **Opera San Francesco per i Poveri** to develop a new day respite centre as part of a facility for the neediest members of society located in the suburbs of Milan also continues.

Mediobanca and its volunteers took part, in conjunction with non-profit organization **Il Bullone**, in a project entitled “Scars: The Art of Starting Over”, an initiative in which art and psychology combined to enable participants to articulate their “scars” which were then represented on a special statue.

The gift matching programme has also continued, by which Mediobanca annually supports a variety of solidarity initiatives, in some of which staff members themselves have taken part as proof of our commitment.

CheBanca! has strengthened its commitment to supporting children by launching a partnership with the **Albero della Vita** charity, which seeks to protect children in difficulty and transform their



disadvantages into new opportunities. In particular CheBanca! supports a project entitled La Rondine which provides shelter for single mothers and their children in difficult financial and social conditions, who are often the victims of violence or abandoned, with the objective of helping them find their way back into society. The yearly partnership ensures that twenty-two mothers have shelter, psychological support and careers guidance to help them become independent in financial, housing and organizational terms.

Support also continues for the Childcare project run by the **Italian league against cancer** for the Milan-Monza-Brianza area, a programme for children and young people with cancer and their families, with the objective of providing them with care and assistance throughout the entire period in which they are in hospital.

In the United Kingdom, the **Mediobanca London branch office** has launched a partnership with the local charity **St Mungo's**, including volunteering activities by some of the branch colleagues, to help the homeless find secure housing.

Polus Capital Management has provided support to a series of charities working in the area of diversity and inclusion, the following in particular:

- ◆ **Smart Works**, which aims to give women the confidence they need to reach their full potential and find employment.
- ◆ **Black Heart Foundation**, which supports initiatives aimed at improving access to education helping disadvantaged children throughout the world raise their aspirations.
- ◆ **Southside Young Leaders' Academy**, which empowers black and minority ethnic children through personal development, teamwork and training in skills and prepares them to form a new generation of leaders.

CMB Monaco took part in a cultural inclusion and access programme with the **Les Enfants de Frankie** association, to allow disabled children to participate in the Claude Monet summer exhibition held at the Grimaldi Forum. A generous donation was also made to the Monégasque branch of the **Red Cross**, an organization which has always been in the front line in tackling the largest global disasters. In recent years, CMB Monaco has also supported **Children&Future**, a charity that promotes and contributes to defending and respecting children's rights, **Monaco Disease Power**, an association that helps children with physical and mental disabilities, and **Sauvez le Coeur des femmes**, a charity involved in the fight against cardiovascular diseases in women.

In Switzerland, **RAM AI**, through the **RAM Active Philanthropy Foundation**, supports numerous social projects, including the following:

- ◆ **Children of the Dawn**: an organization based in South Africa which supports initiatives for children who are orphans as a result of their parents dying from AIDS.
- ◆ **1001Fontaines**: an association which seeks to improve the health of the rural populations in India, Cambodia and Madagascar by offering them sustainable and independent access to safe drinking water.
- ◆ **Terres des Hommes Valais**: a Swiss organization which, as part of a specialized care programme, welcomes children with diseases and malformations who require specialized operations, using advanced technologies not available in their country of origin.





Environment and climate change



MEDIOBANCA



8. Environment and climate change

8.1 Relevant policies and risks

[GRI 2-23], [GRI 3-3]

The Mediobanca Group is sensitive to the need to protect the environment, and climate change, as the primary resource of human well-being, and its decisions are geared towards ensuring compatibility between economic initiative and environmental requirements in accordance with the regulations and codes of conduct in force.

The Group, aware of the impact deriving from its activities and the role it can play in the promotion of responsible behaviour, intends to manage the risks and rise to the challenges deriving from changes in the environmental scenario (in terms of climate, biodiversity or otherwise linked to the availability of natural resources) that could impact on the development of its business, promoting initiatives intended to limit the impacts generated.

Having reached all the environmental targets included in the 2019-23 Strategic Plan, the Group has identified challenging new objectives that are now part of the 2023-26 Strategic Plan One Brand-One Culture⁹⁷:

- ◆ Achievement of carbon neutrality by 2050, as a result of the Group's membership of the Net-Zero Banking Alliance (NZBA), with an interim target of a 35% reduction in financed emissions intensity for the CIB loan book by 2030⁹⁸, by which date it expects to completely phase out its involvement in the coal industry;
- ◆ Continuing efforts to reduce the Group's direct impact on the environment, confirming its stance of using electricity 100% from renewable sources and maintaining carbon neutrality for its own emissions (Scope 1 and Scope 2);
- ◆ Offering clients solutions, products and advisory services to support them in the climate transition;
- ◆ Climate and environmental factors increasingly integrated into risk management, lending and investment processes.

With reference to the impact that climate change can have on the Group's performances, the risks included in the ESG Risk Assessment process have been assessed and reported on in Section 3.3. These have been identified using the approach proposed by the TCFD Framework, with a distinction made between physical and transition risks, with the latter more material for the Group. The environmental and climate change risks identified are shown in the table below.

97. See Section 9. *Future objectives* for details of the 2019-23 and 2023-26 Strategic Plans.

98. The MBFactor scope of operations is excluded.



MATERIAL TOPICS	RISKS IDENTIFIED BY MEDIOBANCA	MITIGATION ACTIVITIES
Environmental protection and focus on climate change	<p>Inadequate management of energy resources, raw materials and waste; failure to reach objectives in terms of reducing emissions and sourcing energy, and/or failure to set measurable material sourcing objectives</p>	<p>Group Procurement Committee</p> <hr/> <p>Group organizational unit for selecting suppliers</p> <hr/> <p>Group organizational unit for facility management and managing suppliers in this area</p> <hr/> <p>Mobility Manager to co-ordinate staff mobility issues</p> <hr/> <p>Group Sustainability Policy promoting sustainable business limit impact generated</p> <hr/> <p>Home-Work Commute Plan, drawn up for the city of Milan</p> <hr/> <p>tDefinition of measurable sustainability objectives in order to reduce energy consumption</p> <hr/> <p>Awareness initiatives through providing information (company intranet) and training (e-learning courses)</p> <hr/> <p>Helping to spread good practices and behavioural conduct to promote energy savings</p> <hr/> <p>Initiatives to minimize energy consumption during refurbishments, and other initiatives to ensure waste is minimized and managed properly</p> <hr/> <p>Renewable energy sourced for Italy and the international branch offices</p> <hr/> <p>Sourcing of FSC-certified paper (in Italy 100%)</p> <hr/> <p>Gradual reduction of plastic food packaging</p> <hr/> <p>Report sulle performance ambientali presentato annualmente al Comitato endoconsiliare di CSR</p> <hr/> <p>Report on the environmental performances presented annually to the Board CSR Committee</p> <hr/> <p>Annual reporting on waste treatment to the supervisory organization</p> <hr/> <p>Partial installation of energy consumption monitoring systems at Group headquarters</p>
Support for the ecological transition	<p>Physical risk: risk deriving from the occurrence of extreme climate events (such as floods, landslides, tornadoes, etc.), more gradual climate changes (e.g. increases in temperature, rising sea level, loss of biodiversity, etc.) due to climate change, with financial implications in terms of direct impact (e.g. material damage to properties, including leased properties, and/or reductions in productivity), or at the same time representing factors triggering various existing categories of risk (e.g. operational risk)</p>	<p>Group organizational unit which defines guidelines and implements action in the physical security area</p> <hr/> <p>Crisis unit</p> <hr/> <p>Existence of a Group Business Continuity Management (BCM) office to supervise business continuity</p> <hr/> <p>Group Sustainability Policy</p> <hr/> <p>Monitoring the climate risk relevance level for the geographical areas in which the company's offices and buildings are located</p> <hr/> <p>Information on seismic and hydrogeological risk, with every organizational unit included in every Group Legal Entity's risk assessment document</p> <hr/> <p>Screening the level of climate risk coverage in insurance policies</p>



8.2 Support for the climate transition

Climate change poses significant challenges that require concrete actions and immediate solutions to promote the transition towards a low-carbon emissions economy. The financial system has assumed an increasingly central role in the decarbonization process, through its ability to direct capital towards investments considered to be sustainable.

The Mediobanca Group is aware of its responsibility to meet this objective, which was structured into individual ESG targets included the 2019-23 Strategic Plan; for this reason a series of initiatives were launched to raise awareness at the organizational level of the risks and opportunities deriving from climate change.

As confirmation of its commitment, in November 2021 the Mediobanca Group became a member of the **Net-Zero Banking Alliance**. As a signatory to the NZBA, the Group has assumed specific obligations which include the following:

- ◆ Set scenario-based interim portfolio decarbonization targets for 2030 and 2050, for given economic sectors of counterparties;
- ◆ Set an objective for at least one sector within 18 months of signing, and reporting annually thereafter; such objectives must be consistent with the aim of limiting global warming to +1.5°C up to 2100;
- ◆ Annually publish emissions and emissions intensity reporting;
- ◆ Disclose progress against a Board-reviewed transition strategy.

The Group is convinced of the importance of transparent disclosure of the approach taken to integrate climate risk into its strategy, and so also prepares its own **TCFD Report**. The main changes representing the activities performed in the course of the financial year are included in the second publication. The Framework pillars are summarized below:

- ◆ **Governance:** this section has been expanded, but the governance structure adopted by the Bank for its investment decisions is largely unchanged; at the same time, various initiatives have continued with a view to spreading awareness of climate-related issues within the Group. The report also provides an overview of the way in which climate KPIs are integrated into the pay incentive schemes.
- ◆ **Strategy:** this section provides an overview of the climate-related objectives contained in the new Strategic Plan. These objectives, which are both commercial and portfolio modelling-related, are instrumental to the strategy resilience model that the Group is developing by strengthening the climate transition product offering, the negative screening and the stakeholder engagement policies, all of which in relation to the Risk Appetite Framework which is incorporating an increasing number of climate-related objectives.
- ◆ **Risk Management:** this section contains information on the climate risk materiality map compiled during FY 2022-23, on the risk assessment methodologies, and the results for the various risk classes. The stress testing methodologies and the Risk Appetite Framework (RAF) are identified. The RAF FY 2021-22 monitoring metric for CheBanca! mortgages and the related climate risk has translated to a RAF trigger for FY 2022-23, which now also includes monitoring the metrics for: a) emissions intensity for the loan books of Mediobanca S.p.A. and Mediobanca International (Luxembourg) S.A.; b) energy efficiency for the properties used as collateral for CheBanca! mortgages; and c) the client portfolio's exposure to SFDR products.



◆ **Metric and Targets:** this section contains the results of the analysis and testing carried out during the 2022-23 financial year to align the Group with the targets set by the NZBA. During FY 2022-23 the testing was extended to the corporate loan book as well as to the mortgages, vehicle loans, and sovereign debt asset classes; and further interim sector NZBA targets were set. Last year, the 2030 reduction objectives were set in relation to a limited scope of exposures for the loan book, for the Power and Automotive sectors. Further sector targets were set in FY 2022-23, for the cement and aviation industries, and the portfolio scope considered for the analysis was extended.

The Sectoral Decarbonization Approach (SDA) targets for the Cement, Aviation, Automotive and Power sectors are shown below. For the latter two an update is necessary, as mentioned above due to a change in the methodology (SDA approach) and info-provider. For further information, reference is made to the TCFD Report.

Progress towards reaching the targets will be monitored over time and disclosed annually.

NZBA targets

SECTOR	TARGET METRIC	BASELINE (2022)	INTERMEDIATE TARGET (2030)	NET ZERO TARGET	NET ZERO TARGET YEAR
Power	tCO _{2eq} /MWh	0.34	0.16	0	2040
Automotive	gCO ₂ /km	139	85	0	2050
Cement	tCO _{2eq} /tonn cement	0.66	0.50	0	2050
Aviation	tCO _{2eq} /pkm	94	84	0	2050

Finally, the portfolio targets for certain sectors are also complemented by calculations of emissions financed (Scope 3, Cat. 15 GHG Protocol) for the majority of the portfolio, based on the Standard and Global GHG Accounting and Reporting Standard for the Financial Industry (November 2020) developed by the **Partnership for Carbon Accounting Financials (PCAF)**. Emissions will be reported annually, and changes in them will be monitored.

During FY 2022-23, a new exercise to calculate emissions financed was run, extending the scope of reporting to several more Group Legal Entities⁹⁹, to cover virtually all the Group's on-balance-sheet banking book exposure versus corporates, households and sovereign issuers. The emissions financed by the last two categories have been calculated for the first time, in accordance with the PCAF methodology published in December 2022.

The table below shows the emissions financed for corporates, updated to 30/6/03, and the calculation made as at 31/12/2022 for households and sovereign issuers. For further information, reference is made to Section 5.1 *Financed Emissions of the Group TCFD Report*.

99. The exposures of CMB Monaco, CheBanca! S.p.A, Compass Banca S.p.A, MBFACTA S.p.A, SelmaBipiemme Leasing S.p.A. and Revalea S.p.A. as at 31 December 2022 have been included, in the following asset classes has been analysed, for a total outstanding of €55.6bn.



Group financed emissions

	TOTAL EMISSIONS [Million CO _{2eq}]	SCOPO 1	SCOPO 2	SCOPO 3
30/06/2023	8.4	2.0	0.4	6.1
	FINANCED EMISSIONS HOUSEHOLDES E SOVEREIGN [Million tCO _{2eq}]	SOVEREIGN	MORTGAGES	MOTOR VEHICLE LOAN
31/12/2022		2.81	0.43	0.07

Mediobanca is evaluating the frequency at which to update these data in the coming years, assigning priorities based on their relevance within the Group's portfolio. The pilot exercise has shown that mortgages and automotive loans accounted for 3.9% of the total emissions financed as at 31/12/22, and so have low strategic relevance in the fight against climate change.

For further details, reference is made to Section 5.1 *Financed Emissions of the Group's TCFD Report*.

8.3 Managing the business's impact on the environment

[GRI 3-3], [GRI 2-27]

The Mediobanca Group is committed to limiting the impact on the environment generated by its operations, through:

- ◊ Ongoing monitoring and improvement of environmental efficiency, with reference in particular to the consumption of resources, including electricity, paper and water;
- ◊ Developing initiatives to improve energy management, such as procuring energy from renewable sources and through the use of innovative, lower-impact technologies and solutions;
- ◊ Improving its waste management;
- ◊ Prior assessment of the environmental impact of the new processes, new systems/equipment, and structural and organizational changes;
- ◊ Mobility management initiatives to reduce emissions due to commuting.

As in previous years, no material sanctions have been handed down for failure to comply with environmental laws or regulations.

8.4 Energy consumption and CO₂ emissions

[GRI 302-1], [GRI 302-2], [GRI 302-3], [GRI 302-4], [GRI 305-1], [GRI 305-2], [GRI 305-3], [GRI 305-4], [GRI 305-5], [GRI 305-6], [GRI 305-7]

The Group's energy consumption is linked primarily to its use of heating and air-conditioning systems, the functioning of its data centre and server rooms, to office lighting systems, and to charging electric vehicles included in the Group's fleet of company cars for work-related travel by staff.



Currently the whole Mediobanca Group uses energy deriving from renewable sources¹⁰⁰ for its own named utilities, and for the data centre.

A feasibility analysis is also underway for Mediobanca Innovation Services to implement a Power Purchase Agreement (PPA), which is expected to be launched early in 2024. This project, which would mitigate the volatility of the costs of acquiring electricity, is intended to contribute to the country's energy transition by entering into a long-term contract to acquire energy from newly-implemented solar power stations.

Various initiatives to reduce consumption levels have been implemented in FY 2022-23:

- ◊ Work on the heating and air-conditioning systems at Mediobanca Rome and Milan (Via Filodrammatici) has continued, and is expected to generate a 10 tons reduction in CO₂ emissions by 2024;
- ◊ Work on heating systems using VRV technology using on the first and second floors of the offices in Via Filodrammatici 3 has been completed¹⁰¹;
- ◊ Replacement of light fittings with LED lightbulbs in various Compass branches and the CheBanca! headquarters, which has generated a reduction of 68 MWh in electricity;
- ◊ Launch of mandatory energy diagnosis as required by Italian Legislative Decree 102/14.

The various initiatives implemented to improve the efficiency of the data centres and optimize cooling include cold aisle containment.

Energy consumption levels are shown in the table below.

Energy consumption within and outside of the organization¹⁰²

	UNIT	2022-2023	2021-2022	2020-2021
From heating/electricity generators		25,219.73	29,415.95	26,606.01
Diesel		114.87	60.51	3.60
Natural gas ¹⁰⁴		25,104.86	29,355.44	26,602.41
<i>From named users</i>	GJ ¹⁰³	7,842.33	10,291.69	9,674.25
<i>From unnamed users¹⁰⁵</i>		17,262.53	19,063.75	16,928.16
From company cars¹⁰⁶		25,852.88	22,863.93	23,136.22
Diesel		12,906.66	15,748.77	17,858.91
Petrol		12,946.22	7,115.16	5,277.30

100. In Italy a framework agreement is in place, under the terms of which renewable energy is acquired from CVA Energie, the energy used is from 100% renewable sources certified by a "Guarantee of Origin".

101. Variant Refrigerant Volume is a system which allows for varying degrees of cooling in more specific areas.

102. For energy consumption, where figures are not available estimates have been used: for natural gas in cases involving shared building expenses of which the precise share cannot be calculated, consumption has been estimated on the basis of the floor space in the building actually occupied, or thousandths of the property owned. For bills still to be received, consumption has been estimated based on the previous year's figures. Data on fuel consumption by company cars which is not available has also been estimated using a similar method.

103. Gigajoule.

104. Energy consumption of natural gas has been calculated based on the total price of gas per cubic metre published by the Italian authority ARERA (Agenzia di Regolazione per Energia Reti e Ambiente).

105. Starting from FY 2022-23, the Group has succeeded in obtaining and reporting on the data for named and unnamed users separately. Consumption of natural gas by unnamed users is attributable to users outside the organization.

106. Data on fuel consumption for CMB is unavailable as fuel consumption is paid directly by the employees with no refund.



	UNIT	2022-2023	2021-2022	2020-2021
Electricity		84,014.55	86,436.12	85,325.40
From non-renewable sources		495.34	662.65	757.02
<i>From named users</i>		0	-	-
<i>From unnamed users</i>		495.34	-	-
From renewable sources		83,519.21	85,773.47	84,568.38
<i>From named users</i>		77,675.22	-	-
<i>From unnamed users</i>		5,843.98	-	-
Heating	GJ	731.94	1,615.65	983.76
From non-renewable sources		731.94	399.92	250.02
<i>From named users</i>		731.94	-	-
<i>From unnamed users</i>		0	-	-
From renewable sources		0	1,215.73	733.74
<i>From named users</i>		0	-	-
<i>From unnamed users</i>		0	-	-
TOTAL		135,819.1	140,331.65	136,051.39

The consumption of gas from named users reduced during the twelve months, largely because of the milder winter, leading to the heating being turned on later and off earlier than as stipulated in the Italian national regulations.

With reference to the fleet of company cars, there was an increase in the consumption of petrol, due to the increase in the number of petrol hybrid vehicles, which in turn drove a reduction in the consumption of diesel.

Meanwhile, a reduction was reported in indirect energy consumption for FY 2022-23, alongside an increase in the use of energy from renewable sources. This trend demonstrates the effectiveness of the energy efficiency initiatives and focus on climate change.

MBCredit Solutions, which already has a Gold Medal rating from Ecovadis, has obtained new certifications: UNI CEI EN ISO 50001:2018 for energy management systems, UNI EN ISO 14064:2019 for quantifying and reporting on greenhouse gas (GHG) emissions; and UNI EN ISO 14001:2015 for environmental management.

Mediobanca SpA this year has responded to the Ecovadis questionnaire, obtaining a bronze medal for doing so.



The Group monitors its own GHG emissions, both:

- ◆ **Direct:** deriving from energy consumption, i.e. of natural gas and diesel for heating, fuel for the company's fleet of vehicles, and this year for the first time, emissions deriving from fluorinated refrigerant gases (Scope 1);
- ◆ **Indirect:** referring to the consumption of electricity acquired from third parties (Scope 2 market-based and location-based), to work-related travel by own staff by train or by air, to consumption of materials and energy from unnamed accounts in leased properties¹⁰⁷ (Scope 3). Although these are calculated on a voluntary basis for the ESG Pillar III disclosure (and will be mandatory starting from 30/6/24) and in compliance with TCFD Framework, financed emissions will be included in this Consolidated Non-Financial Statement starting from the next financial year.

The Group has promoted the following initiatives to reduce its CO₂ emissions:

- ◆ Use of video-conferencing facilities to reduce travel by staff;
- ◆ Training courses that can be accessed by using e-learning facilities;
- ◆ Reduction in the use of individual private transport through the company shuttle service provided for Compass headquarters in Milan (between the Lotto metropolitan underground station and the head office located Via Caldera), the special arrangement with ATM for cheaper season tickets for CheBanca! staff members, and the shuttle service operated by MIS on a reservation basis (Mediobanca MISposto);
- ◆ Management of the company car fleet based on criteria which promote respect for the environment. The Group's car fleet consists of vehicles with limited CO₂ emissions, electric and plug-in hybrid vehicles;
- ◆ Institution of a Corporate Mobility Manager¹⁰⁸, and definition of a *Home-Work Commute Plan (HWCP)* to reduce the use of private vehicles by staff and support initiatives to optimize working hours, offering the best alternative and low environmental impact solutions.

To support electric mobility, 10 new charging stations have been installed at the Compass headquarters in Via Caldera for electric and hybrid plug-in vehicles, 23 at the offices of MIS, and 30 at the head office of CheBanca!, in addition to those already available within the Group (five at Mediobanca headquarters and four at MIS).

107. With the separation between named and unnamed accounts, as from FY 2022-23 it has been possible to improve the reporting, by moving the data on energy consumption from unnamed accounts to category 3 of the Scope 1 emissions. For this type of contract (e.g. energy consumption in office blocks owned by third parties in which the Group leases a branch office) Mediobanca has no leverage or decision-making capacity.

108. Article 229 of Italian Decree law No. 34 of 19 May 2020, as converted into Italian Law No. 77/2020, the institution of a Corporate Mobility Manager has become obligatory for all companies with more than 100 staff located in the capital city of a region, a metropolitan city or town with a population of more than 50,000 inhabitants.



Direct and indirect CO₂¹⁰⁹ emissions¹¹⁰

	UNIT	2022-2023	2021-2022	2020-2021
From heating/electricity generators (natural gas, diesel)		465.48	1,706.12	1,539.07
From company cars (petrol and diesel) ¹¹¹		1,911.40	1,697.06	1,719.31
From losses of gas coolant ¹¹²		507.86	nd	nd
Direct emissions (Scope 1)		2,884.73	3,403.18	3,258.38
From electricity		0	39.21	50.56
From heating		42.89	23.53	14.50
Indirect emissions (Scope 2) – market-based		42.89	62.74	65.06
From electricity		5,491.26	6,479.65	6,804.01
From heating		42.89	23.53	14.50
Indirect emissions (Scope 2) – location based		5,534.15	6,503.18	6,818.51
Indirect emissions deriving from acquisition of goods and services (Category 1)		362.46	nd	nd
From paper		362.46	-	-
<i>Not recycled</i>	tCO _{2eq}	20.57	-	-
<i>Recycled</i>		341.89	-	-
Indirect emissions deriving from company mobility (Category 6)¹¹³		1,578.35	774.59	112.82
Air travel		1,475.11	703.94	83.24
<i>National flights</i>		305.14	154.94	40.22
<i>International flights</i>		1,169.97	549	43.02
Train travel		89.62	63.03	27.24
<i>High speed</i>		78.44	55.88	25.26
<i>Other types</i>		11.19	7.15	1.98
Third-party car services		13.62	7.63	2.34
Indirect emissions related to consumption of fuel and energy (category 13)		1,509.91	nd	nd
From electricity (unnamed accounts) ¹¹⁴		504.19	-	-
From methane gas (unnamed accounts)		1,005.72	-	-
Other indirect emissions (Scope 3)		3,450.72	774.59	112.82

109. The following climate change gases are included in the calculation: CO₂, CH₄ and N₂O.

110. For direct emissions (Scope 1), indirect emissions (Scope 2) and company cars (Scope 3), we have used the emission factors recommended in the “Guidelines on application of GRI (Global Reporting Initiative) environmental indicators in banks” released by the Italian banking association (ABI) and compiled in the Italian Greenhouse Gas Inventory 1990-2019 – National Inventory Report 2021 – by ISPRA (Istituto Superiore per la Protezione e la Ricerca Ambientale). For direct emissions deriving from air and train travel, we have used the emissions for each individual route published by the travel agencies. Where these are unavailable, we have used the emissions factors recommended in the ABI guidelines compiled respectively by the ICAO (International Civil Aviation Organization) and the UIC (Union Internationale des Chemins de Fer) via Ecopassenger.

111. From FY 2020-21, a change to the methodology used to calculate the company car fleet’s emissions was introduced. The new “manufacturers methodology”, which has replaced the ABI methodology previously used, enables the increasing efficiency of the car fleet’s emissions to be monitored more accurately.

112. The following types of gas are included: R-410; R-407C; R-32 and R-134.

113. For indirect emissions (Scope 3), estimates have been used in cases where no data was available for recent months, based on the consumption figures recorded in the months prior to that, or using the consumption figures for the same period in the previous year.

114. Calculated using the same conversion factors used in the Location-based methodology for Scope 2.



Although losses of refrigerant gasses have been included in the Scope 1 emissions starting from this year, the trend is downward. The reduction versus last year was more than 15%, helped by the fact that consumption of gas (for heating) by unnamed users has been included in the Scope 3 emissions.

Conversely, the increased use of energy from renewable sources has generated a benefit in terms of Scope 2 market-based emissions which have decreased. It should also be noted that the target for the Group to acquire 100% of its energy from renewable sources (for Group named user accounts) included in the 2019-23 Strategic Plan has been reached.

The increase in Scope 3 emissions is due to full resumption of business-related travel following the end of the pandemic; to the consumption of fuel and energy from unnamed accounts being reclassified correctly (as category 13); and to the new calculation of emissions deriving from the acquisition of goods and services for the first time in FY 2022-23 (category 1).

The Group has recorded the following emission levels: 732.35 Kg of NO_x and 15.89 Kg of SO₂. Both pollutants reflect lower levels than last year.

Emission¹¹⁷ and energy¹¹⁶ intensity indicators

	UNIT	2022-2023	2021-2022	2020-2021
Direct energy intensity	Kwh/m ²	84.09	87.99	84.10
Indirect energy intensity		139.54	148.19	145.93
		2022-2023	2021-2022	2020-2021
Emission intensity (Scope 1)	tCO _{2eq} /m ²	0.0171	0.0206	0.0198
Emission intensity (Scope 2) – Market-based		0.0003	0.0002	0.0003

8.5 Water

[GRI 303-1], [GRI 303-2], [GRI 303-3], [GRI 303-4]

The Group, on account of the sector in which it operates, does not consume large amounts of water. At the Group's premises, the main source of water consumption is the use of the toilet facilities. The type of activity performed does not require large amounts of water to be used, but the withdrawal of water from areas subject to hydric stress is stated nonetheless.

Water consumption was largely in line with last year, but a reduction in the water consumed from mains (which fell by 4%) was offset by an increase in the water drawn from wells (up 2%).

115. NO_x and SO₂ emissions are calculated based on the consumption of gas, diesel, LPG and electricity from non-renewable sources according to the formulae provided by the Italian Banking Association ABI Guidelines. Given the type of business performed by Mediobanca, pollutants deriving from the vehicle fleet are not included in the calculation.

116. Ratio between energy consumption and the total surface area of the Group's premises (sq. m).

117. Ratio between emissions and the total surface area of the Group's premises (sq. m).



Withdrawal of water

	UNIT	2022-2023		2021-2022	2020-2021
		From all areas	From areas subject to hydric stress ¹¹⁸		
Water consumed¹¹⁹		303.426	18.956	304.086	257,016
of which from mains	m ³	114.874	18.956	119.330	104.960
of which from wells		188.552	0	184.756	152.056

With reference to sewage, given the purpose for which water is used by the Group (whose buildings are connected to the urban sewage systems), the volume is the same in terms of quantity as that of the water withdrawn, even if the sub-division for areas subject to hydric stress is respected.

8.6 Consumption of materials

[GRI 301-1], [GRI 301-2]

The Mediobanca Group is committed to managing its consumption of natural resources responsibly, promoting the use of FSC certified paper and gradually eliminating plastic from its offices.

Monitoring of paper and waste is an important issue, and allows intervention through campaigns and initiatives to reduce consumption.

Of the A4 office paper used, 99.80 % is FSC-certified (100% in Italy).

Paper consumption¹²⁰

	UNIT	2022-2023	2021-2022	2020-2021
Paper consumed (A4)	ton	165.39	172.84	169.93
Paper consumed (A3)		1.39	1.92	1.57
Paper consumed (A5)		0.09	-	-
Paper for commercial uses (business cards and headed paper)		317.89	253.12	217.43
TOTAL		484.76	427.87	388.93

The 26% rise in consumption of paper for commercial uses (business cards and headed paper) is attributable to the increase in communications with customers. Toner for printers is another material of which consumption is significant.

118. Areas identified using the WRI's Aqueduct tool.

119. For water consumption, where figures are not available estimates have been used: for shared building expenses of which the precise share cannot be calculated, consumption has been estimated on the basis of the floor space in the building occupied. For bills still to be received, consumption has been estimated based on the previous year's figures. Consumption figures for the New York branch office (MB Securities and Messier & Associés) are not monitored (as the shared consumption figures are not available).

120. For paper consumption, estimates have been used in cases where data for recent months is unavailable, based on the consumption levels for the previous months calculated pro rata.



All credit cards provided by Compass to Mediobanca Group staff members are made out of PLA (polylactic acid), which is 90% natural being made from biological materials derived mainly from corn, whereas those issued by Compass branch offices are manufactured in recycled PVC plastic.

The CheBanca! debit cards (International) and credit cards (Classic) are also made out of plastic recovered from the oceans; a total of over 59,000 have already been produced.

To reduce consumption and promote the use of sustainable materials, the Group has continued to maintain the initiatives already adopted:

- ◇ Printers default configured to double-sided printing, with use of the “Follow me” system which involves printing via a shared printing queue at centralized printers;
- ◇ Increased digitalization in commercial activities in retail banking; CheBanca! and Compass have advanced electronic signature service using graphology techniques;
- ◇ Recycled paper used for some communications with Compass customers and for all CheBanca! advertising and commercial material;
- ◇ The plastic cups and spoons provided by the automatic drink distributors have been replaced by articles made out of recyclable cardboard and wood, and the plastic bottles by aluminium tins or containers made out of biodegradable material;
- ◇ An “Environment” section has been added to training courses to increase staff awareness in this area;
- ◇ Dematerialization of internal processes, such as supporting documentation for expense claims; Use of electronic lunch vouchers at Group level to replace the paper-based system;
- ◇ Plastic water cooler containers have been replaced by systems linked directly to the water supply, both at headquarters in Mediobanca and 28 CheBanca! branch offices;

8.7 Waste management

[GRI 306-1], [GRI 306-2], [GRI 306-3], [GRI 306-4], [GRI 306-5]

The waste generated by the Group is generally attributable to materials linked with office activities, which are used to provide services to clients: toner, paper, IT materials (e.g. computers, phones), and bulky waste. In recent years N95 masks have been added to the categories of waste products in the last year, because of the pandemic.



Waste produced¹²¹

	UNIT	2022-2023	2021-2022	2020-2021
Dangerous waste¹²²	ton	15.52	10.20	16.99
Toner		7.4	6.81	5.99
Other: electronic devices, batteries, surgical masks, etc.		8.12	3.39	11.00
Non-dangerous waste		70.18	44.77	50.55
Paper wrapping and cardboard		26.95	4.67	9.27
Bulky waste, food waste and general waste		43.23	40.10	41.28
TOTAL WASTE PRODUCED		85.69	54.97	67.54

Waste treatment method

	UNIT	2022-2023	2021-2022	2020-2021
UNTREATED WASTE¹²³	ton	77.79	46.89	61.58
Dangerous waste		8.22	3.14	11.03
Amount recycled		0.26	0.02	-
Amount recovered		7.96	3.11	11.03
Non-dangerous waste		69.57	43.75	50.55
Amount recycled		5.82	4.15	-
Amount recovered		63.75	39.60	50.55
WASTE DUE FOR TREATMENT¹²⁴		7.91	8.08	5.96
Dangerous waste		7.30	7.06	5.96
Other		7.30	7.06	5.96
Non-dangerous waste		0.61	1.02	0
Landfill		0.61	1.02	0

121. At present waste disposal data is not specifically monitored by the Group. For toner the disclosure is based on volumes acquired, while for the other categories the volumes are derived from the waste treatment forms.

122. For dangerous waste, methods based on estimates have been used where data is unavailable.

123. At present the Group has no information on the means by which untreated waste is recovered.

124. At present the Group has no information on the type of treatment carried out. However, it is known that this category includes a small percentage of surgical face masks for disposal, equal to 0.03 tons, while the other 0.121 tons are recycled.



The 56% increase in waste produced is attributable to the destruction of electronic devices that have become obsolete and of paper records due to archiving activities.

The disposal of computer material, bulky items and surgical masks is managed by specialist firms that issue the requisite FIR (Formulario Identificazione Rifiuto) forms when the items referred to are collected.

The management of waste such as plastic, paper, glass and aluminium includes use of the recycling facilities implemented by the local authorities. Accordingly, waste of this kind is collected by the local services.

The supply and disposal of toner is governed by a framework agreement with Kyndryl; for companies not covered by this agreement, the relevant identification FIR form.

For leased assets fully available to the company (i.e. assets not redeemed or collected following contract terminations), or assets held as part of investments in real estate funds, all the necessary measures are adopted to mitigate any environmental risks. Leading companies specializing in decontamination and waste treatment are sometimes involved in these activities.





Future objectives



MEDIOBANCA



9. Future objectives

The ESG objectives integrated into the 2023-2026 Strategic Plan to demonstrate the Group's strong commitment to sustainability issues are listed below.

A summary of the 2019-2023 Plan targets is also listed below.

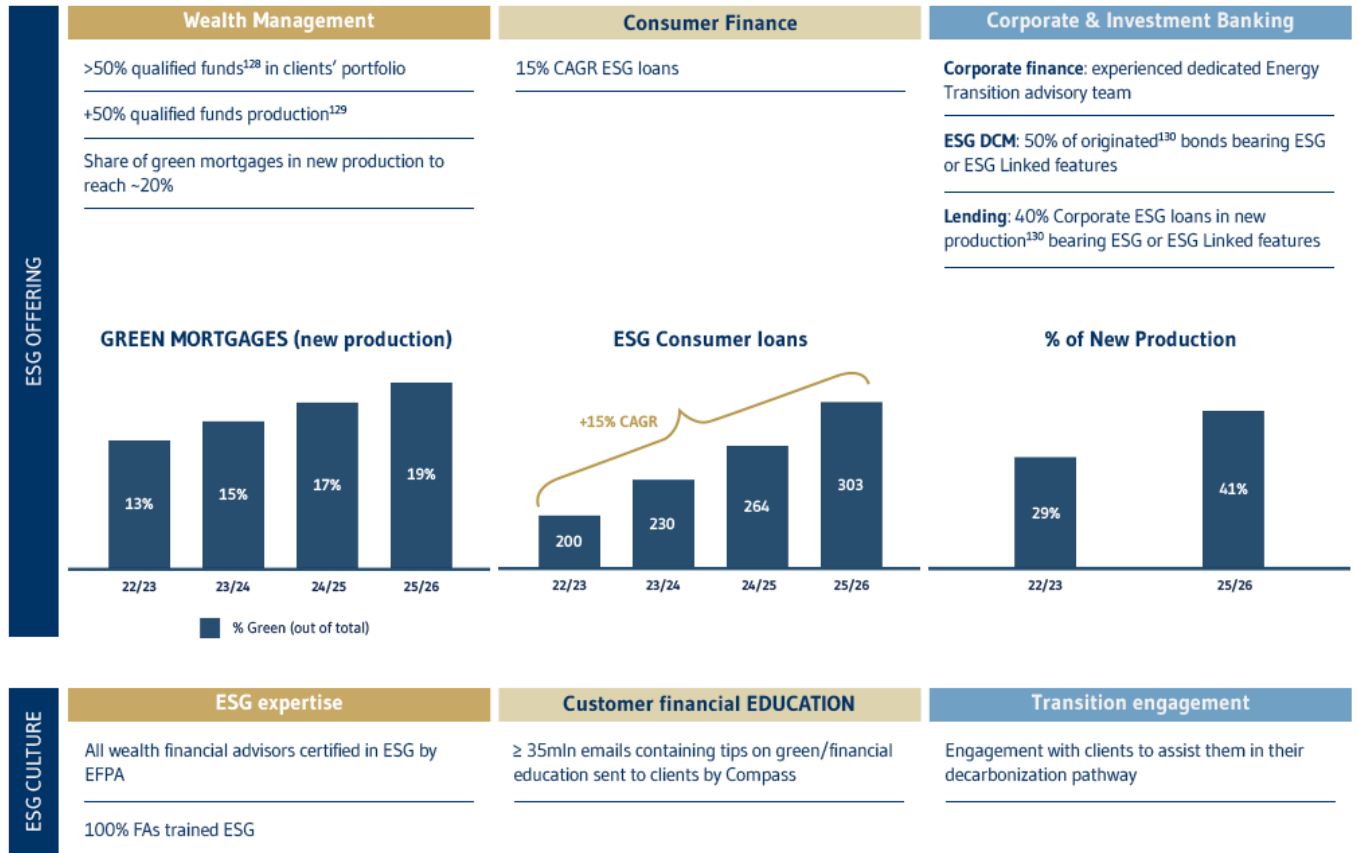
STRATEGIC PLAN 2023-2026: ONE BRAND – ONE CULTURE ESG OBJECTIVES

ENVIRONMENT		SOCIAL		GOVERNANCE	
<div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div>13 CLIMATE ACTION</div></div>		<div><div>4 QUALITY EDUCATION</div><div>5 GENDER EQUALITY</div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>		<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div>	
<div>CARBON FOOTPRINT</div> <div><div>◆ Net Zero financed emissions by 2050</div><div>◆ -35% financed emissions intensity by 2030 (-18% by 2026)</div><div>◆ Interim sector targets for Net Zero Banking Alliance released by 2024¹²⁶</div></div>		<div>DIVERSITY & INCLUSION</div> <div><div>◆ >30% female members of MB Key Function Holders</div><div>◆ >20% female executives</div><div>◆ >50% women out of total hires</div><div>◆ Parity in advancement rate</div></div>		<div>REMUNERATION</div> <div><div>◆ New Long-Term Incentive Plan featuring:<div><div>◆ 50% of total variable compensation (vs previous @20%) for Group CEO and General Manager delivered all in equity</div><div>◆ Extended to include other key Group strategic resources</div><div>◆ 20% assigned to ESG KPI weighting¹²⁵</div></div></div><div>◆ Launch of the first Employee Share Ownership Plan to foster engagement and ownership at all levels</div></div>	
<div><div>◆ Phase-out from coal by 2030¹²⁷</div><div>◆ Carbon neutrality on own emissions</div><div>◆ 100% renewable electricity at Group level</div><div>◆ Incorporating more “Climate & Environment” metrics into risk management processes such as RAF, ICAAP and Stress testing</div></div>		<div><div>◆ 100% employees trained in ESG</div><div>◆ >€20m support to projects with social and environmental impact</div><div>◆ Stop lending to/investing in tobacco¹²⁷</div><div>◆ 70% of procurement expenses screened with ESG criteria</div></div>			
<div>◆ At least 2 Sustainability bond issues</div>					

125. Two proposed KPIs to be included in the 2026 LTI: % of female executives; reduction in financed emissions intensity.

126. No exposure to coal mining and agriculture. Four sector targets published by September 2023 (Automotive and Power already published; Cement and Aviation will be added). The remaining NZBA sectors will be disclosed by September 2024.

127. In CIB lending (excluding specialty finance) and proprietary investment portfolio in all markets.



128. % of ESG qualified funds (SFDR Articles 8&9 funds) out of total funds in clients' portfolio.

129. Number of ESG qualified funds (SFDR Articles 8&9 funds) manufactured by the Group Asset Managers.

130. Cumulated figure over the 1 July 2023- 30 June 2026 period.



CSR OBJECTIVES – STRATEGIC PLAN 2019-23

SDG	AREA	OBJECTIVES TO 2023	30/06/2023
	Quality education	Avg. training hours: up 25%, to enhance employees' competences	Up 49% vs 30/6/19
	Gender diversity	Approx. 50% of female candidates to be considered for new hirings	Procedures implemented and new quantitative targets identified to FY 2026-27 and to FY 2030-31
		All suitable female candidates to be considered for internal promotions	
	Responsible investing	AM: 100% of new investments screened using ESG as well as financial criteria	100%
		40% of total affluent ¹³¹ clients' portfolios now invested in qualified ESG funds (SFDR Article 8/9) ¹³²	66%
	Contributing to growth	€700m to be invested in outstanding Italian SMIs	€480m already invested
	Support to local community	€4m per year in projects with positive social/ environmental impact	Over €6.5 in FY 2021-22
		MB Social Impact Fund: AUM increase ≥ 20%	AUM up 23.5% versus 30/6/19
	Sustainable procurement	40% of procurement expenses screened using ESG criteria	62% of procurement expenses screened using ESG criteria ¹³³
	Clients	Customer satisfaction: <ul style="list-style-type: none"> ◆ CheBanca! CSI for premier segments¹³⁴ @75, NPS @30¹³⁵ ◆ Compass: CSI @85, NPS @65¹³⁶ 	CSI @81, NPS @47 CSI @88.9 NPS @65

131. Affluent segment: deposits between €50,000 and €500,000.


132. Target revised upwards from the original (30% of client portfolios to consist of ESG products) which was comfortably achieved, even following the introduction of the SFDR obligations.

133. Suppliers that have completed the CSR section of the form contained in the Group's List of Suppliers. This involves merely recording information which does not affect the choice of supplier when decisions are made regarding them.

134. Premier, i.e. clients in the affluent (with deposits of between €50,000 and €500,000) and the Wealth Management segment (deposits >€500,000).

135. CSI and NPS revised upwards versus original targets: CSI (Customer Satisfaction Index) @73, NPS (Net Promoter Score) @25.

136. NPS revised upwards versus original target: NPS @55.

SDG	AREA	OBJECTIVES TO 2023	30/06/2023
	Reducing direct impact on environment	94% ¹³⁷ energy from renewable sources	100% energy from renewable sources
		11% ¹³⁸ reduction in CO ₂ emissions	CO ₂ emissions down 12.3%
		Hybrid cars @72% ¹³⁹ of the Mediobanca Group's float in Italy	75% of hybrid cars
	Supporting transition to clean energy	Green bond issued: €500m	Issued a Green Bond and a Sustainability Bond for €500 mln each
		RAM AI: carbon neutral to be issued	<i>RAM Stable Climate Global Equities</i> carbon neutral fund issued
		CheBanca! green mortgages up 50%	Green mortgages up 80% versus 30/06/2022

137. Target adjusted from the original (92%).

138. For Scope 1 + Scope 2 Market-based, named users. Target adjusted from the original (15%) because of delays in the delivery of hybrid vehicles and the use of fuel cards being extended to the entire commercial segment and car fleet.

139. Target adjusted from the original figure of 90% due to delays in the delivery of electric and hybrid vehicles as a result of first the pandemic then the war.



GRI Content Index



MEDIOBANCA

10. GRI Content Index

Statement of use	Mediobanca Group has reported in accordance with the GRI Standards for the period 01/07/2022 - 30/06/2023
GRI 1 used	GRI 1 - Foundation - 2021 version
Applicable GRI Sector Standard(s)	N/A - publication of the sector-specific standard is forthcoming

GRI Standard/ Other source	Disclosure	Location	Omission (Requirement(s) omitted, reasons, explanation)
GENERAL DISCLOSURES			
GRI 2 General Disclosures - 2021 version	2-1 Organisational details	Pp. 20-24, 206	
	2-2 Entities included in the organisation's sustainability reporting	Pp. 9-10	
	2-3 Reporting period, frequency and contact point	Pp. 9-12, 206	
	2-4 Restatements of information	Pp. 9-12, 80	
	2-5 External assurance	Pp. 9-12, 200-202	
	2-6 Activities, value chain and other business relationships	Pp. 20-25, 115, 133-137	
	2-7 Employees	Pp. 67-71	
	2-8 Workers who are not employees	Pp. 67-71	
	2-9 Governance structure and composition	Pp. 26-29, 35-37	
	2-10 Nomination and selection of the highest governance body	Pp. 26-29	
	2-11 Chair of the highest governance body	Pp. 26-29	
	2-12 Role of the highest governance body in overseeing the management of impacts	Pp. 29-32, 35-37	
	2-13 Delegation of responsibility for managing impacts	Pp. 35-37	
	2-14 Role of the highest governance body in sustainability reporting	Pp. 35-37	
	2-15 Conflicts of interest	Pp. 48-52	

GRI Standard/ Other source	Disclosure	Location	Omission (Requirement(s) omitted, reasons, explanation)
GENERAL DISCLOSURES			
GRI 2 General Disclosures - 2021 version	2-16 Communication of critical concerns	Pp. 28-32, 48-52, 116-119	
	2-17 Collective knowledge of the highest governance body	Pp. 26-29	
	2-18 Evaluation of the performance of the highest governance body	Pp. 90-94	
	2-19 Remuneration policies	Pp. 90-94	
	2-20 Process to determine remuneration	Pp. 90-94	
	2-21 Annual total compensation ratio	The ratio between the highest earner's total annual compensation and the median total annual compensation for all staff (excluding the highest earner) was 107 ¹⁰⁴ , while the same ratio considering the average rather than the median was 61. Furthermore, the ratio between the percentage increase in the highest earner's total annual compensation and the percentage increase in the median total annual compensation for all staff was 6.5	
	2-22 Statement on sustainable development strategy	Pp. 16-17	
	2-23 Policy commitments	Pp. 29-34, 48-52, 56-59, 154-155, 62-67, 81-82, 104-113	
	2-24 Embedding policy commitments	Pp. 32-34, 42-44, 48-52, 56-59, 71-81, 170-173	
	2-25 Processes to remediate negative impacts	Pp. 116-119	
	2-26 Mechanisms for seeking advice and raising concerns	Pp. 48-52	
	2-27 Compliance with laws and regulations	Pp. 56-59, 104-113, 158	
	2-28 Membership associations	Pp. 32-34, 141-143	
	2-29 Approach to stakeholder engagement	Pp. 37-42, 94-96, 115-116, 133-137	
	2-30 Collective bargaining agreements	PPp. 81-82	

140. The above comprises all compensation items, including non-cash benefits and the fair value equivalent of the equity component as required by the Regulations for Issuers.

GRI Standard/ Other source	Disclosure	Location	Omission (Requirement(s) omitted, reasons, explanation)
MATERIAL TOPICS			
GRI 3 Material topics (2021)	3-1 Process to determine material topics	Pp. 9, 11-12, 39-42	
	3-2 List of material topics	Pp. 9-12, 39-42	
CAPITAL SOLIDITY AND PROFITABILITY			
GRI 3 Material topics (2021)	3-3 Management of material topics	Pp. 39-42, 52-55, 104-113	
ETHICS AND INTEGRITY IN BUSINESS			
GRI 3 Material topics (2021)	3-3 Management of material topics	Pp. 39-42, 56-59	
GRI 205 Anti-corruption (2016)	205-1 Operations assessed for risk related to corruption	Pp. 52-55	
	205-2 Communication and training about anti-corruption policies and procedures	Pp. 48-52	
	205-3 Confirmed incidents of corruption and actions taken	Pp. 48-55	
SASB FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	Pp. 48-52	
SASB FN-CB-510a.2 FN-IB-510a.2 FN-AC-510a.2	Description of whistleblower policies and procedures	Pp. 48-52	
GRI 207 Tax (2019)	207-1 Approach to tax	Pp. 56-59	
	207-2 Tax governance, control and risk management	Pp. 56-59	
	207-3 Stakeholder engagement and management concerns related to tax	Pp. 56-59	
	207-4 Country-by-country reporting	Pp. 56-59	
SUSTAINABLE FINANCE			
GRI 3 Material topics (2021)	3-3 Management of material topics	Pp. 39-42, 104-113	

GRI Standard/ Other source	Disclosure	Location	Omission (Requirement(s) omitted, reasons, explanation)
TRAINING AND VALORIZATION OF HUMAN CAPITAL AND TALENT RETENTION			
GRI 3 Material topics (2021)	3-3 Management of material topics	Pp. 39-42, 62-67	
GRI 401 Employment (2016)	401-1 New employee hires and employee turnover	Pp. 67-71	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pp. 90-94	
	401-3 Parental leave	Pp. 71-81	
GRI 404 Training and education (2016)	404-1 Average hours of training per year per employee	Pp. 82-85	
	404-3 Percentage of employees receiving regular performance and career development reviews	Pp. 85-89	
GRI 402 Labour/ management relations (2016)	402-1 Minimum notice periods regarding operational changes	Pp. 81-82	
DIVERSITY AND INCLUSION			
GRI 3 Material topics (2021)	3-3 Management of material topics	Pp. 39-42, 62-67	
GRI 405 Diversity and equal opportunity (2016)	405-1 Diversity of governance bodies and employees	Pp. 26-29, 67-81	
	405-2 Ratio of basic salary and remuneration of women to men	Pp. 71-81	
SASB FN-IB-330a.1 FN-AC-330a.1	Percentage of gender and racial / ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Pp. 27-29, 67-71, 71-81	
GRI 406 Non- discrimination (2016)	406-1 Incidents of discrimination and corrective actions taken	Pp. 81-82	

GRI Standard/ Other source	Disclosure	Location	Omission (Requirement(s) omitted, reasons, explanation)
STAFF HEALTH, SAFETY AND WELL-BEING			
GRI 3 Material topics (2021)	3-3 Management of material topics	Pp. 39-42, 96-101	
GRI 403 Occupational health and safety (2018)	403-1 Occupational health and safety management system	Pp. 96-101	
	403-2 Hazard identification, risk assessment, and incident investigation	Pp. 96-101	
	403-3 Occupational health services	Pp. 96-101	
	403-4 Worker participation, consultation and communication	Pp. 96-101	
	403-5 Worker training on occupational health and safety	Pp. 96-101	
	403-6 Promotion of worker health	Pp. 93, 100-101	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pp. 96-101	
	403-8 Workers covered by an occupational health and safety management system	Pp. 96-101	
	403-9 Work-related injuries	Pp. 96-101	
CUSTOMER SATISFACTION AND QUALITY OF SERVICE			
GRI 3 Material topics (2021)	3-3 Management of material topics	Pp. 39-42, 104-113	
GRI 417 Marketing and labelling (2016)	417-1 Requirements for product and service information and labelling	Pp. 116-119, 122-124	
	417-3 Incidents of non-compliance concerning marketing communications	1 case. P. 41 of Consolidated Review of Operations and p. 218 (Section B)	
SASB FN-AC-270a.3	Description of approach to informing customers about products and services	Pp. 116-119, 123-124	
SASB FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	1 case. P. 41 of Consolidated Review of Operations and p. 212 (Section B)	
SASB FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	1 case. P. 41 of Consolidated Review of Operations and p. 212 (Section B)	
SASB FN-MF-270a.3	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators	1 case. P. 41 of Consolidated Review of Operations and p. 212 (Section B)	

GRI Standard/ Other source	Disclosure	Location	Omission (Requirement(s) omitted, reasons, explanation)
DIGITALIZATION, INNOVATION AND CYBERSECURITY			
GRI 3 Material topics (2021)	3-3 Management of material topics	Pp. 39-42, 104-113	
GRI 418 Customer privacy (2016)	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pp. 130-133	
SASB: FN-CB 230a.2 FN-CF-230a.3	Description of approach to identifying and addressing data security risks	Pp. 127-133	
SASB: FN-CB-230a.1 FN-CF-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Pp. 132	
SASB FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Pp. 132	
INCLUSION AND FINANCIAL EDUCATION			
GRI 3 Material topics (2021)	3-3 Management of material topics	Pp. 39-42, 104-113	
RESPONSIBLE SUPPLY CHAIN MANAGEMENT			
GRI 3 Material topics (2021)	3-3 Management of material topics	Pp. 39-42, 133-136	
GRI 308 Supplier Environmental Assessment (2016)	308-1 New suppliers that were screened using environmental criteria	Pp. 133-136	
GRI 414 Supplier Social Assessment (2016)	414-1 New suppliers that were screened using social criteria	Pp. 133-136	
SUPPORT TO THE COMMUNITY			
GRI 3 Material topics (2021)	3-3 Management of material topics	Pp. 39-42, 133-136, 143-144	
GRI 201 Economic performance (2016)	201-1 Direct economic value generated and distributed	Pp. 140-141	

GRI Standard/ Other source	Disclosure	Location	Omission (Requirement(s) omitted, reasons, explanation)
ENVIRONMENTAL PROTECTION AND FOCUS ON CLIMATE CHANGE			
GRI 3 Material topics (2021)	3-3 Management of material topics	Pp. 39-42, 154-156	
GRI 301 Materials (2016)	301-1 Materials used by weight or volume	Pp. 164-165	
	301-2 Recycled input materials used	Pp. 164-165	
GRI 302 Energy (2016)	302-1 Energy consumption within the organization	Pp. 158-160	
	302-2 Energy consumption within the organization	Pp. 158-160	
	302-3 Energy Intensity	Pp. 163	
	302-4 Reduction of energy consumption	Pp. 158-163	
GRI 303 Water and Effluents (2018)	303-1 Interactions with water as a shared resource	Pp. 163-164	
	303-2 Management of water discharge-related impacts	Pp. 163-164	
	303-3 Water withdrawal	Pp. 163-164	
GRI 305 Emissions (2016)	305-1 Direct (Scope 1) GHG emissions	Pp. 158-163	
	305-2 Energy indirect (Scope 2) GHG emissions	Pp. 158-163	
	305-3 Other indirect (Scope 3) GHG emissions	Pp. 158-163	
	305-4 GHG emissions intensity	Pp. 158-163	
	305-5 Reduction of GHG emissions	Pp. 158-163	
	305-6 Emissions of ozone-depleting substances (ODS)	Pp. 158-163	
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), or other significant air emissions	Pp. 158-163	
GRI 306 Waste (2020)	306-1 Waste generation and significant waste-related impacts	Pp. 165-167	
	306-2 Management of significant waste-related impacts	Pp. 165-167	
	306-3 Waste generated	Pp. 165-167	
	306-4 Waste diverted from disposal	Pp. 165-167	
	306-5 Waste directed to disposal	Pp. 165-167	
SUPPORT FOR THE ECOLOGICAL TRANSITION			
GRI 3 Material topics (2021)	3-3 Management of material topics	Pp. 39-42, 104-113, 154-155	







TCFD Recommendations



MEDIOBANCA

11. TCFD Recommendations

Mediobanca has adhered to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations to provide transparent disclosure on information on its impact on the environment through the TCFD Report, the first version of which will be published simultaneously with this statement, based on four pillars: Governance, Strategy, Risk Management, Metrics and Targets. The contents of the report and the references to the Group's other publications are summarized below:

TCFD Recommendations: cross references

TOPICS	TCFD RECOMMENDATIONS	INTERNAL REFERENCES IN PUBLICATIONS
GOVERNANCE	<p>Disclose the organization's governance around climate-related risks and opportunities, describing:</p> <ul style="list-style-type: none"> ◆ The Board's oversight of climate-related risks and opportunities ◆ Management's role in assessing and managing climate-related risks and opportunities 	<ul style="list-style-type: none"> ◆ TCFD Report: 2 Governance of the Organisation in relation to Climate-related Risks and Opportunities ◆ TCFD Report: 2.2 Board oversight ◆ TCFD Report: 2.4 Management's role ◆ CNFS: 3.2 Governance model ◆ CNFS: 3.4 Sustainability governance ◆ CNFS: 5.7 Staff incentives, benefits and remuneration ◆ CNFS: 9 Objectives and future commitments
STRATEGY	<p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning, describing:</p> <ul style="list-style-type: none"> ◆ The climate-related risks and opportunities the organization has identified over the short, medium and long term ◆ The impact of climate-related risks and opportunities on the organization's businesses ◆ The resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario 	<ul style="list-style-type: none"> ◆ TCFD Report: 3.3.1 Climate related opportunities and Mediobanca Climate Solution Products ◆ TCFD Report: 3.3 Transition plan and Strategy Resilience ◆ TCFD Report: 4.2 Climate related and Environmental Risks Materiality assessment ◆ TCFD Report: 4.5 Scenario analysis for Climate Stress Testing ◆ CNFS: 3.3 Compliance, internal control and risk management ◆ CNFS: 6.1.6 Responsible Business ◆ CNFS: 6.1.7 Sustainable products
RISK MANAGEMENT	<p>Disclose how the organization identifies, assesses, and manages climate-related risks, describing:</p> <ul style="list-style-type: none"> ◆ The organization's processes for identifying and assessing climate-related risks ◆ The organization's processes for managing climate-related risks 	<ul style="list-style-type: none"> ◆ TCFD Report: 4. Risk Management ◆ TCFD Report: 4.1 Climate Risk Management Process ◆ TCFD Report: 4.2 Climate related and Environmental Risks Materiality assessment

TOPICS	TCFD RECOMMENDATIONS	INTERNAL REFERENCES IN PUBLICATIONS
RISK MANAGEMENT	<ul style="list-style-type: none"> How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management 	<ul style="list-style-type: none"> CNFS: 3 Compliance, internal control and risk management CNFS: 3.3 Compliance, internal control and risk management Group ESG Policy
METRICS & TARGETS	<p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material, in particular:</p> <ul style="list-style-type: none"> Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks Describe the targets used by the organization to manage climate-related risks and opportunities and performances against targets 	<ul style="list-style-type: none"> TCFD Report: 5 Metrics and Targets TCFD Report: 5.1 Portfolio Target TCFD Report: 5.2 Financed emissions TCFD Report: 5.3 Targets & Metrics relative to direct impacts (own operations) CNFS: 3.7 Sustainable Development Goals CNFS: 7.3.1 Environment and territory CNFS: 8.3 Energy consumption and CO₂ emissions CNFS: 9 Objectives and future commitments Definition of Mediobanca Green, Social and Sustainability Bond Framework and related Second Party Opinion (and issuance of the first Green Bond under the framework)¹⁴¹

141. https://www.mediobanca.com/static/upload_new/med/0000/mediobanca_green-social-and-sustainability-bond-framework_final_2022.pdf.
https://www.mediobanca.com/static/upload_new/iss/iss-esg-second-party-opinion.pdf.

EU Taxonomy



MEDIOBANCA

12. EU Taxonomy

12.1 EU Taxonomy (EU Regulation No. 2020/852): scenario and reporting requirements

Regulation (EU) 2020/852 (the European Taxonomy for environmentally sustainable economic activities, or the “Taxonomy Regulation”) forms part of the regulatory framework put in place by the European Union with the aim of accepting the challenges posed by climate change and ensuring the continent’s transition towards carbon neutrality by 2050.

Recognizing the decisive role played by the financial sector in mobilizing the funds necessary in order to reach these ambitious objectives, through the Taxonomy Regulation the European Commission’s intention is to create a common language for the benefit of all market operators, in such a way as to provide a single definition of **environmentally sustainable activities** with reference to the following environmental objectives:

- ◇ Climate change mitigation;
- ◇ Climate change adaptation;
- ◇ The sustainable use and protection of water and marine resources;
- ◇ The transition to a circular economy;
- ◇ Pollution prevention and control;
- ◇ The protection and prevention of biodiversity and ecosystems.

In particular, under the Taxonomy, economic activities that contribute to at least one of the environmental objectives are considered to be environmentally sustainable, provided they do not materially damage any of the other objectives, are performed in accordance with the minimum guarantees in terms of safeguarding human rights, and meet the criteria set out in the Delegated Acts to the Taxonomy Regulation.

In June 2021, the European Commission formally adopted its first Delegated Act (Regulation (EU) No. 2021/2139, or the **Climate Delegated Act**) which includes a list of economic activities referring to different sectors and the related technical screening criteria which enable it to ascertain whether they contribute materially to the achievement of the objectives in terms of **climate change mitigation** and **climate change adaptation**. On 2 February 2022, the European Commission approved the Complementary Climate Delegated Act, which included nuclear and gas energy activities in the list of activities covered by Regulation (EU) No. 2021/2139.

On 27 June 2023, the European Commission formally adopted its second Delegated Act (the **Delegated Act for Economic Activities**), which defines the list of economic activities and technical assessment criteria for the **remaining four environmental objectives**, and will come into force on 1 January 2024.

Regulation (EU) No. 2021/2178, which supplements Article 8 of the Taxonomy Regulation, further specifies the contents and presentation of the information required of companies subject to the obligation to publish non-financial information under Article 19-bis or Article 29-bis of Directive 2013/34/EU. The Delegated Act for Economic Activities also makes changes to Regulation (EU) No. 2021/2178 in order to clarify the reporting requirements for companies relative to the other four environmental objectives.

In particular, for the **first two environmental objectives** of climate change mitigation and adaptation, from 1 January 2022 until 31 December 2023 financial institutions must only disclose:

- ◆ The proportion in their total assets of exposures to Taxonomy **non-eligible** and Taxonomy-**eligible** economic activities;
- ◆ The proportion in their total assets of exposures to central governments, central banks and supranational issuers and exposures in derivatives;
- ◆ The proportion in their total assets of exposures to undertakings that are not obliged to publish non-financial information;

along with certain qualitative disclosures to accompany the quantitative KPIs referred to above.

Credit institutions also disclose the proportion of their trading portfolio and on demand interbank loans in their total assets.

As from 1 January 2024, the scope of the disclosures will be extended to include the proportion in their total assets of exposures to economic activities qualifying as “**environmentally sustainable**” based on the definition provided in the Taxonomy Regulation, to be reported using the templates provided by the regulations, and further reporting requirements will be introduced for other categories of exposures and earnings/capital ratios, such as indicators for off-balance-sheet exposures (assets under management and financial guarantees).

For the other **four environmental objectives**¹⁴², from 1 January 2024 until 31 December 2025, financial firms must disclose the proportion in their total covered assets of exposures to Taxonomy **non-eligible** and Taxonomy-**eligible** economic activities, along with qualitative disclosures to accompany the indicators.

Starting from 1 January 2026, the disclosure will be extended, and financial institutions will have to publish indicators on their exposures to Taxonomy-aligned and hence “**environmentally sustainable**” economic activities.

Lastly, in accordance with the provisions of Commission Delegated Regulation (EU) No. 2022/1214 of 9 March 2022, from 1 January 2023 until 31 December 2023, financial companies are required to measure and disclose the proportion in their total assets of exposures to eligible and non-eligible economic activities in the nuclear and fossil gas energy sectors; while from 1 January 2024, they will also be required to disclose the proportion in their total assets of exposures to Taxonomy-aligned economic activities in the nuclear and fossil gas energy sectors.

12.2 The Taxonomy Regulation for the Mediobanca Group

In the twelve months under review the Mediobanca Group has continued the Taxonomy-related activities

¹⁴² The sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and prevention of biodiversity and ecosystems.

which it launched in FY 2021-22, with a view to analysing the regulatory obligations and plan the activities required to incorporate the reporting process in its Consolidated Non-Financial Statement.

As a credit institution, the Group discloses the Key Performance Indicators (KPIs) required by Regulation (EU) 2021/2178 for this type of financial undertaking.

The disclosure is to be considered as “obligatory”, as the KPIs are calculated based on actual data recorded in the Group’s accounting and management system and information made available directly by the counterparties, without using proxies or estimates.

It should also be noted that as required by the regulations, the KPIs have been calculated on the basis of the scope of the Group’s prudential consolidation determined in accordance with Regulation (EU) No. 575/2013, Title II, Chapter 2, Section 2.

KEY PERFORMANCE INDICATORS (KPIs)

TAXONOMY ELIGIBILITY INDICATORS	DESCRIPTION	VALUE (TURNOVER BASED)	VALUE (CAPEX BASED)
Proportion of exposures financing taxonomy-eligible activities as compared to total covered assets	Exposures financing taxonomy-eligible activities/Total covered assets	27.26%	28.13%
Proportion of exposures financing taxonomy-eligible activities as compared to total assets	Exposures financing taxonomy-eligible activities/Total assets	20.90%	21.57%
Proportion of exposures financing taxonomy non-eligible activities as compared to total covered assets	Exposures financing taxonomy non-eligible activities/Total covered assets	32.88%	32.01%
Proportion of exposures financing taxonomy non-eligible activities as compared to total assets	Exposures financing taxonomy non-eligible activities/total assets	25.22%	24.55%

OTHER INDICATORS	DESCRIPTION	VALUE
Proportion of exposures to central governments, central banks and supranational issuers as compared to total assets	Exposures to central governments, central banks and supranational issuers/Total assets	13.07%
Proportion of exposures in derivatives as compared to total covered assets	Exposures to derivatives/Total covered assets	1.85%
Proportion of exposures to undertakings that are not obliged to publish non-financial information as compared to total covered assets	Exposure to undertakings that are not obliged to publish non-financial information/Total covered assets	27.26%

OTHER INDICATORS	DESCRIPTION	VALUE
Proportion of on demand interbank loans as compared to total covered assets	On demand interbank loans/Total covered assets	0.86%
Proportion of trading portfolio as compared to total assets	Trading portfolio/Total assets	10.24%

With reference to the indicators referred to above, it should be noted that:

- ◆ “Total Covered Assets” represent 76.68% of “Total Assets”, and have been calculated by subtracting exposures to central governments, central banks and supranational issuers and the trading portfolio, from total assets;¹⁴³
- ◆ It has been decided to calculate the KPIs using “Total Assets” as the denominator for the indicators referring to the trading portfolio and to exposures to central governments, central banks, and supranational issuers, as such exposures are not included in the definition of “Total Covered Assets”;
- ◆ The values for the exposures refer to the Gross Carrying Amount¹⁴⁴ as at 30 June 2023.

The exposures which go to make up the numerator of the “proportion of exposures financing taxonomy-eligible activities as compared to total assets” KPIs are as follows:

- ◆ **Exposures to financial counterparties obliged to publish non-financial information¹⁴⁵**, the Taxonomy-eligible proportion of which¹⁴⁶ has been identified with reference to the indicators reported in the counterparties’ respective FY 2022 Non-Financial Statements; it should also be noted that the majority of the in-scope financial counterparties have only published the total eligibility shares which consider both climate objectives. Consequently, given the limited availability of information on eligibility shares per the Climate Change Mitigation and Climate Change Adaptation objectives, only the total eligibility shares have been included in the calculation of the KPIs;
- ◆ **Exposures to non-financial counterparties obliged to publish non-financial information¹⁴⁷**, the Taxonomy-eligible proportion of which¹⁴⁸ has been identified with reference to the turnover- and capex-based KPIs reported in the counterparties’ respective FY 2022 Non-Financial Statements; it should also be noted that the majority of the in-scope financial counterparties have only published the total eligibility shares which consider both climate objectives. Consequently, given the limited availability of information on eligibility shares per the Climate Change Mitigation and Climate Change Adaptation objectives, only the total eligibility shares have been included in the calculation of the KPIs;
- ◆ **Loans to households¹⁴⁹** secured by mortgages over residential properties, vehicle finance, and loans granted to renovate buildings or homes;

143. As clarified by the European Commission in the FAQs published in February 2022 (FAQ 21).

144. Under IFRS for debt instruments at amortized cost, the gross carrying amount shall be the carrying amount before adjusting for any loss allowance and for debt instruments at fair value through other comprehensive income, the amortised cost before adjusting for any loss allowance.

145. Counterparties obliged to disclose non-financial information have been identified as counterparties that meet all the following conditions: i) EU company; ii) listed company; iii) staff headcount > 500; iv) total revenues > €40m or total assets > €20m. Counterparties that are not subject to the non-financial information disclosure requirement but are part of a group which publishes such disclosures at consolidated level are considered to be included in this definition.

146. The eligible proportion, where no distinction is made between turnover and capex, should be assumed to have been included in the calculation of the turnover-based KPIs only.

147. See previous footnote.

148. See previous footnote.

149. The eligible proportion of individual exposures to private individuals has been used to compile both the turnover-based and the capex-based KPIs.

◆ **Properties used as collateral**, commercial and residential, recovered or held for sale.

For loans and financing to financial and non-financial counterparties, all exposures have been treated as “general lending”; the eligible percentage therefore relates to the counterparty and not to the projects and/or assets involved in specialized lending.

Furthermore, after specific analysis, specialized lending exposures and exposures to local public entities have been considered irrelevant for purposes of calculating the “Exposures financing taxonomy-eligible activities/Total assets” indicator in view of the small amounts involved.

Disclosure on exposures to nuclear and fossil gas related activities

As required by Commission Delegated Regulation (EU) 2022/1214, the Mediobanca Group publishes information on its own exposures to nuclear and fossil gas related economic activities, and on the amount and share of the exposures versus EU Taxonomy eligible activities relative to the denominator of its own KPIs.

Template 1: Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities

Row	Economic activities	Amount and proportion			
		TOTAL (CCM + CCA)			
		Turnover Based		Capex Based	
		Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.00	0.00 %	1.00	0.00 %
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	68,880.00	0.10 %	32,832.00	0.05 %
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	16,341.00	0.02 %	7,519.00	0.01 %
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	533.00	0.00 %	627.00	0.00 %
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	19,396,048.00	2714 %	220,065,603.00	28.08 %
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	19,481,803.00	2726 %	20,106,582.00	28.13 %

Template 5: Taxonomy non-eligible economic activities

Row	Economic activities	Amount and proportion			
		Turnover Based		Capex Based	
		Amount	%	Amount	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
2	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	469.00	0.00 %	469.00	0.00 %
3	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4,814.00	0.01 %	3,401.00	0.00 %
4	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
5	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
6	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	23,494,941.00	32.88 %	22,871,575.00	32.00 %
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	23,500,224.00	32.88 %	22,875,445.00	32.01 %

12.3 The Taxonomy Regulation in the Mediobanca Group's corporate strategy and product design

The Mediobanca Group, aware of the material direct and indirect impacts it has, and as proof of its commitment to incorporate sustainability into its industrial and financial strategies, has included qualitative and quantitative sustainability objectives in its new 2023-26 Strategic Plan One Brand-One Culture, in continuity with the previous plan. The targets, which contribute to the achievement of eight of the 17 Sustainable Development Goals (SDGs), are focused in particular on the following SDGs: 8 – Decent work and economic growth, 11 – Sustainable cities and communities, 12 – Responsible consumption and production, 13 – Climate action, and 16 - Peace, justice and strong institutions.

Mediobanca's determination to pursue ESG objectives, is further demonstrated by its application of the Green and Sustainable Bond Framework, which defines rules and procedures to identify eligible projects and initiatives. The framework is aligned with the Green Bond Principles (2021), the Social Bond Principles (2021) and the Sustainability Bond Guidelines (2021) issued by the ICMA (International Capital Market Association), and will also pursue, where feasible and on a best-efforts basis, alignment with the technical standards laid down in the EU Taxonomy Regulation Delegated Acts and in any relevant future updates applicable from time to time, including any update to the regulations and/or new standards proposed by the EU authorities.

Numerous organizational and training initiatives have been implemented, to raise awareness and increase capabilities in ESG areas within the Group, including as follows:

- ◆ The **ESG Project**, includes a specific focus on the Taxonomy Regulation, and which has been the starting point for more indepth reflections on the impact that the Regulation will have on the Group's business;
- ◆ The **ESG Working Group**, which reports to the management Sustainability Committee, includes members from various business and staff units, as well as representatives of the main Group Legal Entities. The Working Group itself is sub-divided into thematic sub-groups, namely Reporting, which is focused on quantifying and monitoring the financial KPIs for ESG products, and Business. The main task of the Business sub-unit is to factor ESG risks and opportunities into strategy, and the first concrete step in this direction was to prepare the **Group ESG Product Catalogue**, which is available on the official Mediobanca website, providing an overview of the whole range of sustainable products offered. The Working Group intends increasingly to incorporate the technical standards to be established in the EU Taxonomy Regulation delegated acts into definition of the ESG products included in the Catalogue.



Independent report on limited assurance of Consolidated Non- Financial Statement



MEDIOBANCA

13. Independent report on limited assurance of Consolidated Non-Financial Statement

[GRI 2-5]



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Independent auditors' report on the consolidated non-financial statement in accordance with art. 3, par. 10, of Legislative Decree 254/2016 and with art. 5 of CONSOB Regulation adopted with Resolution n. 20267 of January 2018

(Translation from the original Italian text)

To the Board of Directors of
Mediobanca S.p.A.

We have been appointed to perform a limited assurance engagement pursuant to art. 3, paragraph 10, of Legislative Decree 30 December 2016, n. 254 (hereinafter "Decree") and art. 5, paragraph 1, lett. g, of CONSOB Regulation adopted with Resolution 20267/2018, on the consolidated non-financial statement of Mediobanca S.p.A. (hereinafter the "Bank") and its subsidiaries (hereinafter the "Group") for the year ended 30th June 2023 in accordance with art. 4 of the Decree approved by the Board of Directors on 20th September 2022 (hereinafter "CNFS").

Our assurance engagement does not cover the information included in the paragraph "EU Taxonomy" of the CNFS, that are required by art. 8 of the European Regulation 2020/852.

Responsibilities of Directors and Board of Statutory Auditors for the CNFS

The directors are responsible for the preparation of the CNFS in accordance with the requirements of artt. 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" by GRI – Global Reporting Initiative (hereinafter "GRI Standards") identified by them as a reporting standard.

The directors are also responsible, within the terms provided by law, for that part of internal control that they consider necessary in order to allow the preparation of the CNFS that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for identifying the contents of the CNFS within the matters mentioned in art. 3, par. 1, of the Decree, considering the business and the characteristics of the Group and to the extent deemed necessary to ensure the understanding of the Group's business, its performance, its results and its impact.

The directors are also responsible for defining the Group's management and organization business model, as well as with reference to the matters identified and reported in the CNFS, for the policies applied by the Group and for identifying and managing the risks generated or incurred by the Group.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.



Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior. Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the CNFS with the requirements of the Decree and of the GRI Standards. Our work has been performed in accordance with the principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and execution of work in order to obtain a limited assurance that the CNFS is free from material misstatements. Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the CNFS were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the CNFS, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the relevant topics in relation to the activities and characteristics of the Group reported in the CNFS, in order to assess the reasonableness of the selection process applied in accordance with the provisions of art. 3 of the Decree and considering the reporting standard applied;
2. analysis and evaluation of the criteria for identifying the consolidation area, in order to evaluate its compliance with the provisions of the Decree;
3. comparison of the economic and financial data and information included in the CNFS with those included in the Company's financial statements Mediobanca Group's consolidated financial statements;
4. understanding of the following aspects:
 - Group's management and organization business model, with reference to the management of the topics indicated in art. 3 of the Decree;
 - policies adopted by the firm related to the matters indicated in art. 3 Decree, results achieved and related key performance indicators;
 - main risks, generated or suffered related to the matters indicated in the art. 3 of the Decree.

With regard to these aspects, we obtained the documentation supporting the information contained in the CNFS and performed the procedures described in item 5. a) below.



5. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the CNFS.
In particular, we have conducted interviews and discussions with the management of Mediobanca S.p.A. and Mediobanca Innovation Service S.C.p.A., Compass Banca S.p.A. and CheBanca! S.p.A. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the management responsible for the preparation of the CNFS.

Furthermore, at group level, for significant information, considering the Group activities and characteristics:

- at Group level,
 - a) with reference to the qualitative information included in the CNFS, and in particular to the business model, policies implemented and main risks, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
 - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- We have selected the following companies CheBanca! S.p.A., Mediobanca SGR S.p.A., RAM Active Investments SA based on their activity, relevance to the consolidated performance indicators and location; we have carried out examinations during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that CNFS of Mediobanca Group for the year ended 30th June 2023 has not been prepared, in all material aspects, in accordance with the requirements of artt. 3 and 4 of the Decree and the GRI Standards. Our conclusions on the CNFS of Mediobanca Group do not refer to the information included in the paragraph "EU Taxonomy" of the CNFS itself, that are required by art. 8 of the European Regulation 2020/852.

Milan, 29th September 2023

EY S.p.A.
Davide Lisi
(Auditor)

This report has been translated into the English language solely for the convenience of international readers.





Contact details



MEDIOBANCA

14. Contact details

[GRI 2-1], [GRI 2-3]

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MEDIOBANCA

All photos and other images are of Mediobanca offices and buildings