



UNEP FI – Principles for Responsible Banking 2024 Report



MEDIOBANCA



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UNEP FI – Principles for Responsible Banking

Definitions, documents and links

CNFS 2023-24	Consolidated non-financial statement 2023-2024 https://www.mediobanca.com/static/upload_new/cnf/cnfs_2023-24.pdf
Code of Ethics	https://www.mediobanca.com/static/upload/mb-/mb-code-of-ethics.pdf
Code of Conduct	https://www.mediobanca.com/static/upload_new/cod/codice_condotta_eng.pdf
ESG Product Catalogue	https://www.mediobanca.com/static/upload_new/esg/esg-catalogue-post--comitato-sost--engl-.pdf
MB Green, Social and Sustainability Bond docs.	<p>Mediobanca Green, Social and sustainability Bond documentation - available at the following link https://www.mediobanca.com/it/investor-relations/finanziamento-rating/green-social-and-sustainability-bond-framework.html - includes:</p> <ul style="list-style-type: none"> ◇ Mediobanca Green and Sustainability Bond Report 2024 ◇ Impact reporting CRIF 2024 ◇ Mediobanca Green, Social and Sustainability Bond Framework 2022 ◇ Mediobanca Technical Report CRIF 2022 ◇ ISS ESG Second Party Opinion 2022
Group ESG Policy	https://www.mediobanca.com/static/upload_new/esg/esg_policy.pdf
Group Sustainability Policy	https://www.mediobanca.com/static/upload_new/pol/politicassostenibilita-_24-en.pdf
Group Remuneration Policy and Report	Group Remuneration Policy and Report is found on the Bank's official website at https://www.mediobanca.com/en/corporate-governance/governance-reports-and-documents/documents.html
Annual Report 2022-23	Mediobanca Annual Accounts and Report as at 30 June 2023 https://www.mediobanca.com/static/upload_new/mb_/mb_eng-2023_v9.pdf
Pillar 3 ESG reporting	<p>Basel III - Pillar III - Disclosure to the public as at 30 June 2024: section. 8 ESG risk disclosures involve qualitative information on environmental, social and governance risks, quantitative information on climate change.</p> <p>https://www.mediobanca.com/en/investor-relations/capital-solidity/pillar-iii.html</p>

Plan 23-26	Strategic guidelines FY 2023-26 Mediobanca "One Brand-One Culture" – 24 May 2023 https://www.mediobanca.com/static/upload_new/med/0000/mediobanca-group---presentation-strategic-guidelines-23-26.pdf
Polus	Polus Capital Management Group Limited
RAF	Risk Appetite Framework
RAM	RAM Active Investments SA
TCFD 2023-24	Task Force on Climate-related Financial Disclosure Report 2023-2024 https://www.mediobanca.com/static/upload_new/tcf/tcf_report_2024.pdf



PRINCIPLE 1: ALIGNMENT

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

BUSINESS MODEL

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

RESPONSE	LINKS AND REFERENCES
<ul style="list-style-type: none"> ◆ Mediobanca ("Mediobanca") is the primary investment bank in Italy and a leader in Southern Europe. With FY23-24 revenues of €3.6bn, the Group headed up by Mediobanca operates in the following areas. ◆ Wealth Management ("WM"): the division – contributing approx. 26% of Group revenues - brings together asset management/investment services and lending products (mortgages and Lombard) offered to premier (Mediobanca Premier) and private banking (Mediobanca Private Banking and CMB Monaco) clients. This division also comprises the Group's Asset Management factories. Clients are mainly located in Italy, Monaco and UK. ◆ Consumer Finance ("CF"): with 327 points of sales located throughout the country and 216 agents, Compass is a leading consumer banking operator in Italy, supporting households in their spending and consumption needs, in a variety of forms which include personal loans, credit cards and salary-or pension-backed finance. It accounts for 33% of the Group revenues. ◆ Corporate & Investment Banking ("CIB"): this division brings together all services provided to corporate clients in Wholesale Banking and Specialty Finance (the latter relating to factoring and credit management activities). The division's revenues – which account for 21% of the total income – derive from Advisory M&A (30% of divisional income), Lending (29%), Markets (23%), Specialty Finance (10%), Proprietary Trading and Capital markets (4% each). Clients are mainly located in Italy, France, Spain, UK and Germany. ◆ Insurance & Principal Investing ("I-PI"): this division manages the Bank's principal investments, which consist mainly of the 13.17% stake owned in Assicurazioni Generali. It is also worth mentioning the 25.37% stake owned in Istituto Europeo di Oncologia (European Institute of Oncology), one of the world's most prestigious hospitals and the fastest growing comprehensive cancer centre in Europe. The division accounts for approx. 15% of the Group's revenues. ◆ In addition to these business areas, the Group also operates through its Holding Functions division ("HF"), which comprises, among other activities, the Group's central staffing units and leasing operations (the latter only in Italy). ◆ As at 30 June 2024 CIB accounted for 36% of the €52.4bn Group loan book, followed by WM (32%) and CF (29%), and other businesses (mainly leasing, 3%). ◆ At the same date, TFAs totalled €99.4bn and were made up as follows: Private Banking €44.9bn; Premier Banking €41.8bn, and gross Asset Management TFAs €28.2bn, €15.5bn of which placed within the Group. 	<ul style="list-style-type: none"> ◆ Description of business model and divisional information published on the Group's official website¹ ◆ FY 2023-24 Results² ◆ CNFS 2023-24 <ul style="list-style-type: none"> ◆ 3.1 – Mediobanca Group ◆ 6.1.2 – Group clients

1. <https://www.mediobanca.com/en/our-group/business-model.html>

2. <https://www.mediobanca.com/en/investor-relations/results-presentations/results.html> - see in particular "Divisions (Excel) as at 30.06.2024"

STRATEGY ALIGNMENT

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

- Yes
 No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- UN Guiding Principles on Business and Human Rights
 International Labour Organization fundamental conventions
 UN Global Compact
 UN Declaration on the Rights of Indigenous Peoples
 Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: **NFRD (Italian Decree 254/2016), EU Taxonomy Regulation, Guide on climate related and environmental risk – ECB, EBA Pillar III - ESG reporting requirement under the CRR – environmental risk disclosure, Carbon Disclosure Project (CDP) and Task Force on Climate-related Financial Disclosure (TCFD)**
 Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: **UK Modern Slavery Act 2015 - EBA Pillar III - ESG reporting requirement under the CRR – social risk disclosure**
 None of the above

RESPONSE

We acknowledge we generate material direct and indirect impacts both on the local areas in which we operate on a daily basis, and in the countries where we have a footprint.

Based on this awareness and on our willingness to help build a more sustainable world and as proof of our commitment to integrate sustainability into the Group's business and financial strategies:

- ◆ The Group Sustainability Policy (updated in FY 2023-24 to include a new "Financial Health and Inclusion" section) and the Group ESG Policy have been created with the objective of governing the Group direct and indirect impact. The Policies are based on widely recognized frameworks including the Universal Declaration of Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work, the Ten Principles of the UN Global Compact, the Sustainable Development Goals, and the European Pillar of Social Rights.
- ◆ The Group has adhered to a series of voluntary frameworks, commitments and reporting standards, such as: Task Force on Climate-related Financial Disclosures (TCFD), Partnership for Carbon Accounting Financials (PICA), and Carbon Disclosure Project (CDP), that are focused on climate and environmental disclosure, as well as the Principles of Responsible Banking, Principles for Responsible Investments, Net-Zero Banking Alliance (NZBA), and Net Zero Asset Managers Initiative (NZAM), which all, under the UNEPFI umbrella, embrace responsible business practices and/or require the setting of sustainable targets.

The sustainability strategy is firmly integrated into the 2023-26 Strategic Plan "One Brand – One Culture"; as it is considered a business enabler across all business units, quantitative, measurable ESG objectives have been set, providing our stakeholders with transparent information on non-financial performance.

These objectives are linked to eight out of the seventeen macro Sustainable Development Goals ("SDG 4 – Quality education", "SDG 5 – Gender equality", "SDG 7 – Affordable and clean energy", "SDG 8 – Decent work and economic growth", "SDG 11 – Sustainable cities and communities", "SDG 12 – Responsible consumption and production", "SDG 13 – Climate action" and "SDG 16 – Peace, justice and strong institutions") to bring about positive change at global level.

LINKS AND REFERENCES

- ◆ Group Sustainability Policy
 - ◆ 1.3 - General principles and reference regulations
- ◆ Group ESG Policy
 - ◆ 2 - General principles
- ◆ CNFS 2023-24
 - ◆ 3.8 - Sustainable Development Goals
 - ◆ 6.2 - Responsible supply chain management
 - ◆ 9 - Objectives and future commitments
- ◆ Plan 23-26 - ESG objectives (Slides 82-83)
- ◆ TCFD 2023-24
 - ◆ 3.1.1 Inspiring Principles
 - ◆ 3.1.2 - Climate Initiatives
 - ◆ 3.1.3 - The Group Policies
 - ◆ 3.2 - Transition Plan and Strategy Resilience

RESPONSE	LINKS AND REFERENCES
<p>Environmental – and in particular climate-related topics – are a priority in view of the ambition to align the Group’s business activities with the Paris Agreement objectives. Portfolio emission targets as well as sectoral ones have already been set and reported.</p> <p>Social objectives have been established in terms of sustainable products (see Principle 2 for additional details), policies (for example exit from the tobacco industry within 2026), and financial education.</p> <p>The divisional ESG approach and targets contained in the 2023-26 Strategic Plan in terms of spreading ESG culture and products are described in further detail under Principles 2 and 3.</p> <p>This approach is supported by increasingly stringent screening criteria and detailed policies, and is more and more embedded into the Group risk framework, as well as into portfolio shaping and commercial strategy.</p> <p>Sustainability strategy refers to the entire value chain, applying not just to clients but also suppliers (whose ESG profile is scrutinized).</p> <p>An overview of the 2023-26 Strategic Plan “One Brand – One Culture” ESG objectives is provided in Section 9 – Objectives and future commitments of the CNFS for FY 2023-24.</p>	



PRINCIPLE 2: IMPACT AND TARGET SETTING

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 IMPACT ANALYSIS (KEY STEP 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly and fulfil the following requirements/elements (a-d):

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

RESPONSE

Mediobanca performed an impact analysis in the first half of 2024 using the most recent version of UNEP FI Portfolio Impact Analysis Tool for Banks (i.e. January 2024 updated version 3) based upon data for the 2022-23 financial year.

The assessment impact analysis involved the following activities:

- ◆ **WM:** Mediobanca Premier revenues (all generated in Italy) totalled approximately €414m, contributing **13% of the Group's total income** ("TI 22/23"), taking into account both "on balance" (lending, current accounts and saving accounts) and "off balance" (investment services) activities. The latter (which account for approx. 4% of TI 22/23) cannot be segmented into the identification module. Nonetheless, the clients concerned have been analysed and categorized, also for the purposes of financial health and inclusion targets (please see Principle 2.1 d below).
- ◆ **CF:** with a total income of €1,123m (nearly all generated in Italy), Compass consumer loans contributed **34%** of TI 22/23.
- ◆ **CIB and HF:** the lending/specialty finance portfolio of Mediobanca, Mediobanca International, MBFACTA and MBCredit Solutions, together with the operations of SelmaBipiemme Leasing, generated €323m in revenues, contributing **10%** of TI 22/23. The portfolio's geographic composition is provided in point b) below.

FINANCIAL YEAR 2022-23	TOTAL INCOME (€m) %	
Group	3,303	100%
Analysed scope		
Mediobanca Premier (WM)*	414	13%
Excluding investment advisory services	288	9%
Compass (CF)	1,123	34%
Lending and Specialty finance (CIB)	288	9%
Leasing (HF)	35	1%
Total analysed scope	1,860	56%
Excluding Mediobanca Pr. investment services	1,734	52%

* Mediobanca Premier's revenues relate both to on-balance-sheet activities (€126m – lending and funding) and investment advisory services (€288m).

The table above shows increased coverage compared to last year, when activities contributing to 50% of Group revenues were analysed.

LINKS AND REFERENCES

- ◆ Annual Report 2022-23 - pp. 27,29, 61, 44 and 52
- ◆ <https://www.unpri.org/signatories/signatory-resources/signatory-directory>
- ◆ <https://www.netzeroassetmanagers.org/signatories/ram-active-investments-sa/>
- ◆ CNFS 2023-24
 - ◆ 3.7 - Materiality analysis
- ◆ TCFD 2023-24
 - ◆ 4 - Risk Management and, in particular 4.2 - Climate related and environmental risks materiality assessment

RESPONSE	LINKS AND REFERENCES
<p>The €1,443m “still uncovered” revenues, are mainly generated by the following activities (the delta relates to HF other than leasing):</p> <ul style="list-style-type: none"> ◊ WM - Private Banking and asset management generated €406m in revenues. It should be noted that the Group’s main asset managers – Mediobanca SGR, RAM and Polus – are PRI members and therefore disclose their Responsible Investment strategy and targets, and have obtained strong PRI scores.³ RAM, as NZBA member, also sets and publicly discloses Net Zero Targets; ◊ CIB: Markets, Advisory M&A, Proprietary Trading and Capital Markets generated €424m in revenues; ◊ I-PI: €464m revenues, mainly consisting of the contribution from Assicurazioni Generali. 	

This impact analysis is additional to the annual materiality mapping exercise reported in the CNFS 2023-24 and to the more risk-centric mapping exercises such as the climate-related and environmental (C&E) risk materiality assessment and other risk methodologies as described, *inter alia*, in the TCFD 2023-24.

<p>b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope</p> <p>i) by sectors & industries for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or</p> <p>ii) by products & services and by types of customers for consumer and retail banking portfolios.</p> <p>If your bank has taken another approach to determine the bank’s scale of exposure, please elaborate, to show how you have considered where the bank’s core business/major activities lie in terms of industries or sectors.</p>

RESPONSE	LINKS AND REFERENCES
<p>The Consumer Banking Identification Module has been used to assess WM and CF impacts: data on consumer loan, banking products and investment services to retail customers were collected from Compass and Mediobanca Premier and segmented according to product and counterparty (income, gender, age), and was entered in the tool. On 30 June 2023, the analysed product range offered to customers was as shown below. Additional details on client segmentation across the product range are provided in section d) Performance measurement.</p>	<ul style="list-style-type: none"> ◊ Annual Report 2022-23 - pp. 41, 46 and 51

Mediobanca Premier Portfolio split – 30 June 2023	Volumes (€m)	Volumes (%)	Clients (#)
Lending products	12,964	100%	
Mortgage loans	12,817	99%	115,329
Other loans	147	1%	17,271
Current and savings accounts	16,150	100%	
Current accounts	9,929	61%	507,161
Savings accounts	6,221	39%	193,996
Investment services	19,910	100%	200,481

3. In particular: a) Mediobanca SGR received a 4 stars score in almost all modules of the assessment; b) RAM received a 4 stars score in Policy Governance and Strategy, and 5 stars in the following categories: i) Direct – Listed equity – Active quantitative, ii) Direct – Hedge funds – Long/short equity, and iii) Confidence building measures; and c) Polus was rated at least 4 stars in all modules (obtaining 5 stars in Confidence building measures).

RESPONSE

LINKS AND REFERENCES

Compass Portfolio split – 30 June 2023	Volumes (€m)	Volumes (%)	Clients (#)
Personal loans	7,119	100%	913,206
Mobility (car and motorcycle) loans	3,538	24%	412,322
Salary-backed financing	1,717	12%	120,420
Purpose loans	1,342	9%	1,173,172
Credit cards	603	4%	365,125
Consumer factoring (buy now-pay later) and other product	129	1%	132,727

Drawn exposures relating to the lending/specialty finance portfolios of Mediobanca, Mediobanca International, MBFACTA and MBCredit Solutions (all part of the CIB division) and the operations of SelmaBipiemme Leasing as at 30 June 2023 have been collected, grouped by NACE⁴ code and entered in the **Institutional Banking Identification Module**.

PORTFOLIO BY SECTOR (NACE CODE)	%
A Agriculture, forestry and fishing	0.1%
B Mining and quarrying	1.3%
C Manufacturing (*)	33.8%
D Electricity, gas, steam and air conditioning supply	8.8%
E Water supply; sewage; waste management and remediation activities	1.3%
F Construction	1.2%
G Wholesale and retail trade; repair of motor vehicles and motorcycles	4.6%
H Transportation and storage	7.4%
I Accommodation and food service activities	1.6%
J Information and communication (**)	8.6%
K Financial and insurance activities	19.5%
L Real estate activities	2.7%
M Professional, scientific and technical activities	0.6%
N Administrative and support service activities	1.9%
O Public administration and defence; Compulsory social security	0.5%
Q Human health and social work activities	0.8%
R Arts, entertainment and recreation	3.7%
S Other service activities	1.4%

(*) The main contributors being the manufacture of: 10 - food products (6%); 11- beverages (1.9%); 21 - basic pharmaceutical products (4.3%); 27- electrical equipment (1.9%); 28 - machinery and equipment (3.4%); 29 - motor vehicles, trailers and semi-trailers (8.7%)

(**) Of which telecommunications: 6.6%.

From a geographical point of view, as at 30 June 2023, Italy accounted for 56% of the exposure, followed by France (12%) and Spain (8%). Germany and UK represented 5% each, with other countries representing the other 14%.

4. It should be noted that last year the portfolio was grouped by ISIC code. The change has been implemented to ensure alignment with other Group reporting disclosures.

c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

RESPONSE	LINKS AND REFERENCES
<p>In 2024 we re-performed the analysis carried out in 2023 using the Context Module made available by UNEP FI.</p> <p>Data and information embedded in the tool have been integrated to take into account the priorities stated at Italian, French, Spanish, German and UK level.</p> <p>We deemed the Italian priorities stated into the National Recovery and Resilience Plan (NRRP) and the Next Generation EU to be particularly significant, given the preponderance of Italian clients in WM, CF and leasing, as well as the materiality of Italian/EU counterparties in CIB.</p> <p>To achieve a more thorough analysis, the outcome of the ISTAT 2023 SDGs Report⁵ and 2023 ASVIS Report⁶ have been taken into account in the "Trends & Scenario" section, in order to identify areas that were deteriorating, static or improving.</p> <p>The following prioritized⁷ areas emerged (no major differences were noticed from last year):</p> <ul style="list-style-type: none"> ◇ "Climate Stability" and "Availability, accessibility, affordability, quality of resources and services" – very high level of priority globally and high level of priority in Italy; ◇ "Circularity" – very high level of priority in Italy and high level of priority globally; ◇ "Infrastructure" – very high level of priority globally and high level of priority in Italy; ◇ "Biodiversity and healthy ecosystems" - high level of priority globally. <p>Furthermore, relevant stakeholders are consulted annually as part of the materiality mapping exercise reported in the Consolidated Non-Financial Statement published in accordance with Italian Legislative Decree 254/16. The following prioritized topics, among others, emerged with a higher ranking in the materiality analysis reported in the CNFS FY 2023/24: "Ethics and integrity in business", Support for the ecological transition", and "Inclusion and financial education" (see also Principle 4.1 below).</p>	<ul style="list-style-type: none"> ◇ CNFS 2023-24 ◇ 3.6 - Stakeholder engagement ◇ 3.7 - Materiality analysis

5. "Rapporto SDGs 2023 – Informazioni statistiche per l'agenda 2030 in Italia" published by Istituto nazionale di statistica (ISTAT).

6. "L'Italia e gli Obiettivi di Sviluppo Sostenibile – Rapporto 2023" by Alleanza italiana per lo sviluppo sostenibile (ASVIS).

7. Very High level or priority corresponds to a Context Module need score of 4, while High and Moderately High levels correspond to need scores of 3 and 2 respectively.

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)? Please disclose.

RESPONSE

LINKS AND REFERENCES

We conducted the impact analysis in the first half of 2024, analysing the portfolio as at 30 June 2023 using the most recent version of UNEP FI Portfolio Impact Analysis Tool for Banks (i.e. "January 2024 updated version 3"). In particular the "Consumer banking / Identification Module" was used to assess the business of Mediobanca Premier and Compass (taking Italian priorities into account), and the "Institutional Banking / Identification Module" was used to assess impacts related to the CIB and leasing corporate portfolios (taking global priorities into account, as well as those of the following countries: Italy, France, Germany, Spain, UK).

The diagrams in Annex 1 show the positive and negative impacts of the various business/legal entities. In a nutshell:

- ◆ For Mediobanca Premier and Compass, the positive impacts are linked to Financial Health and Inclusion (which corresponds to Availability, accessibility, affordability, quality of resources and services) and Socio-economic convergence, with the former also recording key associations with high scores for both Mediobanca Premier and Compass. Negative impacts are linked to Availability, accessibility, affordability, quality of resources and services, Circularity and Climate stability; mid-score key associations are recorded only by Compass, in relation to Availability, accessibility, affordability, quality of resources and service.
- ◆ For the corporate portfolio, the main positive effects with key associations relate to Availability, accessibility, affordability, quality of resources and service. Negative outcomes with key associations are linked to Climate, Circularity and Biodiversity.

In view of the fact that "Climate Stability" and "Financial Health and Inclusion" (i.e. the two areas which had already been identified in previous PRB reports as significant impact areas):

- ◆ Have emerged as relevant impact areas according the UNEPFI Consumer Banking and Institutional banking Identification Modules;
- ◆ Are institutionally prioritized topics in the key geographic markets in which we operate and cover the prioritized areas; and
- ◆ Are deemed material by our stakeholders as reported in the impact materiality analysis reported in CNFS FY 2023-24,

in this Report we will disclose impact data for these two areas, as follows:

- ◆ **Climate change mitigation**⁸, in accordance with the NZBA commitment;
- ◆ **Financial health and inclusion**⁹, reflecting gradual alignment with the PRB framework.

Mediobanca is also engaged in improving its impact in the area of Health and Safety, as witnessed by its commitment to have a "tobacco free" proprietary book within 2026, and the strategic nature of its stake in Istituto Europeo di Oncologia (European Institute of Oncology).

- ◆ Plan 23-26 - ESG objectives (Slides 82-83)
- ◆ CNFS 2023-24
 - ◆ 3.7 - Materiality analysis

8. Corresponds to the "Climate Stability" impact area as defined by UNEPFI Consumer Banking and Institutional banking Identification Modules.

9. Corresponds to "Availability, accessibility, affordability, quality of resources and services" impact area as defined by UNEPFI Consumer Banking and Institutional banking Identification Modules.

d) For these (min. two prioritized impact areas): Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health & inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex to the PRB Self-Assessment Template.

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

RESPONSE	LINKS AND REFERENCES
<p>As mentioned above, we used the UNEP FI Portfolio Impact Analysis Tool for Banks to identify the most relevant impact areas related to the business relationship with Corporate and Retail clients as well as the most impacting sectors, clients and products.</p> <p>With specific reference to the Climate Change area, as well as the UNEPFI Tool, additional methodologies (both risk and impact based) have also been used as part of a multi-year plan (the ESG Programme) launched in January 2021 to gradually adapt the Group's operations to the new regulations in the ESG area, with a particular focus on climate-related regulations, including the EU Taxonomy Regulation, the ECB Guide on climate related and environmental risk, and the EBA Pillar III - ESG reporting requirement under the CRR.</p> <p>The TCFD 2023-24 provides, <i>inter alia</i>, information in relation to</p> <ul style="list-style-type: none"> ◆ Climate risk (both transition and physical) mapping and assessment methodologies, results and mitigating actions, including the climate risk indicators and metrics being included in the Group's RAF; ◆ Climate opportunities linked to climate-related products; ◆ Strategic moves (for example, changes in screening criteria) aimed at improving the impacts generated by Mediobanca's business activities. <p>The Report also contains the results of the following analyses and exercises that have been carried out in order to comply with both regulatory requests and the commitment made upon becoming a signatory to the NZBA:</p> <ul style="list-style-type: none"> ◆ Portfolio emissions quantification in relation to the Group's exposure versus corporate counterparties based on the NACE classification (which has enabled impacting sectors to be identified more precisely), sovereign bonds, mortgages and motor vehicle loans; ◆ Interim decarbonization targets related to the lending and investment proprietary portfolio exposure of the Group in NZBA sectors. <p>The UNEPFI Tool for Banks highlighted the impact in terms of Financial Health and Inclusion of Mediobanca Premier and Compass retail offering, which had been segmented in terms of product type and customer base as recommended by the UNEP "Financial Inclusion and Financial Health Target Setting" guidance.</p> <p>The results of this analysis are reported and commented on in the following tables and sections; this detailed overview also has the objective of identifying vulnerable/less represented client categories.</p>	<ul style="list-style-type: none"> ◆ CNFS 2023-24 <ul style="list-style-type: none"> ◆ 9 - Objectives and future commitments ◆ 12 - EU Taxonomy ◆ TCFD 23/24 <ul style="list-style-type: none"> ◆ 1.2 - Third Mediobanca TCFD Report ◆ 3.2 Transition plan and Strategy Resilience and, in particular <ul style="list-style-type: none"> ◆ 3.2.2. – Implementation strategy ◆ 4 – Risk Management and, in particular <ul style="list-style-type: none"> ◆ 4.2 – Climate related and Environmental Risks Materiality assessment ◆ 4.3 – Risk Metrics and Results ◆ 4.5 Climate risk in the Group's Risk Appetite Framework ◆ 5 - Metrics and Targets ◆ Plan 23-26 - ESG objectives (Slides 82-83)

RESPONSE

LINKS AND REFERENCES

Mediobanca Premier offers its clients lending (mainly mortgages) and savings products (current and savings accounts), coupled with investment services. For the sake of completeness the clients of the latter business line have been segmented even if investment services are not included into the scope of the UNEP FI Consumer Banking Identification Module.

Mediobanca Premier – 30 June 2023 Distribution of products/ service across population group	Income [a]			Gender		Age [b]			Regional income [b]	
	Low	Middle	High	Male	Female	Youth	Middle	Senior	Low	High
Lending products (mainly mortgages)										
# of customers	14%	71%	15%	67%	33%	5%	79%	16%	34%	66%
volume	8%	67%	25%	68%	32%	5%	85%	10%	29%	71%
Current and saving accounts										
# of customers	14%	67%	19%	60%	40%	7%	66%	26%	24%	76%
volume	10%	56%	35%	62%	38%	3%	60%	37%	18%	82%
Investment advisory services										
# of customers	11%	59%	30%	60%	40%	3%	47%	50%	18%	82%
volume	10%	46%	44%	64%	36%	1%	37%	62%	16%	84%

[a] Low: below €1,000 - Middle: between €1,000 and €3,000 - High: above €3,000.

[b] Youth: 18-30 ys - Middle: 30-60 ys - Senior: +60 years.

[c] Low/High: below/above national average (year 2021)

The least represented categories are young people, followed by those with a monthly income of less than €1,000. The percentage of female clients is still low, at around 40%. More than two-thirds of clients are resident in regions with income above the national average.

Lending products offered by **Compass** consist of personal loans and purpose loans (including sustainable mobility solutions), as well as salary-backed and other consumer finance products; the table below provides details of such offer in terms of client type:

Compass - 30 June 2023 Distribution products a cross population group	Income [a]			Gender			Age [b]			Regional income [b]			
	Low	Middle	High	n.a.	Male	Female	n.a.	Youth	Middle	Senior	n.a.	Low	High
Entire portfolio													
# of customers	20%	66%	5%	9%	58%	42%	0%	11%	64%	24%	0%	53%	47%
volume	18%	69%	10%	3%	61%	37%	2%	8%	64%	26%	2%	51%	49%
Personal loans													
# of customers	26%	66%	7%	2%	57%	43%	0%	8%	65%	26%	0%	51%	49%
volume	20%	67%	12%	2%	60%	40%	0%	7%	68%	25%	0%	50%	50%
Mobility (car and motorcycle loans)													
# of customers	18%	70%	10%	2%	66%	31%	3%	16%	65%	17%	3%	62%	38%
volume	15%	69%	14%	2%	67%	29%	4%	16%	66%	14%	4%	57%	43%
Salary-backed financing													
# of customers	26%	73%	1%	0%	61%	39%	0%	1%	37%	62%	0%	46%	54%
volume	14%	83%	3%	0%	64%	36%	0%	1%	42%	57%	0%	47%	53%
Purpose loans													
# of customers	18%	75%	4%	4%	56%	43%	0%	13%	65%	22%	0%	56%	44%
volume	16%	74%	7%	3%	56%	42%	2%	10%	65%	24%	2%	50%	50%
Credit cards													
# of customers	25%	52%	3%	19%	57%	43%	0%	4%	69%	28%	0%	47%	53%
volume	26%	57%	3%	14%	57%	43%	0%	3%	68%	29%	0%	43%	57%

[a] Low: below 1,000 euro - Middle: between 1,000 and 3,000 euro - High: above 3,000.

[b] Youth: 18-30 ys - Middle: 30-60 ys - Senior: +60 years.

[c] Low/High: below/above national average (year 2021)

As with Mediobanca Premier, young people are the least represented type of client, and women make up around 40% of the total. Approx. 20% of the clients and 18% of the volumes are attributable to clients with monthly income of less than €1,000, much higher than the equivalent figures for Mediobanca Premier (14% and 8% respectively; figures refer to lending products). The regional mix is fairly well balanced, with a slightly higher percentage of clients resident in regions with income below the national average.

SELF-ASSESSMENT SUMMARY

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?

Scope:	<input type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis? *Climate change and Financial Health and Inclusion.*

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: *(optional)*

2.2 TARGET SETTING (KEY STEP 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

RESPONSE

The Mediobanca 2023-26 Strategic Plan represents an important step forward to embed sustainability as part of the Group's growth strategy: Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (being linked to the Plan horizon) targets have been disclosed and will be annually monitored. These objectives aim at contributing positively to 8 out of the 17 SDGs, which are also linked to the two selected areas (see also Principle 1).

To check the alignment, we also used the Assessment Module, which for section 1 "Alignment" showed the following priorities/interlinkages:

- ◆ Institutional banking - Climate stability very relevant/relevant global/county needs emerged. In terms of climate negative interlinkages, the topics to be investigated are mainly in the following domains: Energy, Other vulnerable groups and Socio-economic convergence;

LINKS AND REFERENCES

- ◆ Plan 23-26 - ESG objectives (Slides 82-83)
- ◆ CNFS 2023-24
 - ◆ 3.8 - Sustainable Development Goals
- ◆ TCFD 2023-24
 - ◆ 3.1.1 Inspiring Principles
 - ◆ 3.1.2 - Climate Initiatives
 - ◆ 3.1.3 - The Group Policies
 - ◆ 3.2 - Transition Plan and Strategy Resilience

RESPONSE

LINKS AND REFERENCES

- ◆ Consumer banking - Finance/Equality & Justice Italian priorities are related to Finance (SDG 8 and 9), Gender equality (SDG 5), Age discrimination and Other vulnerable Groups (SDG 10).

In view of the above, we focused our Financial Health and Inclusion baseline measurement and target setting on gender equality (women empowerment), age discrimination (products for young and elderly people), income and competence divide (penetration in low-income areas, and clients' digitalization and financial education).

The literature and statistics consulted show that "higher levels of participation of individuals in economic life, greater financial knowledge and the existence of financial education strategies reduce the likelihood of a country being in the low financial inclusion segment. Moreover [...] digitalization offers great opportunities to expand inclusion",¹⁰ while at the same time showing that even though financial inclusion is satisfactory at country level (95.6% families have a deposit or savings account) the analysed sample shows differences linked to the gender, nationality and location of the main income family owner (lower levels of inclusion for women, foreigners and people living in the southern Italian regions).¹¹ The population of Italy as a whole also shows an unsatisfactory level of digital and financial literacy¹².

On the Climate side, as a member of the NZBA, Mediobanca has undertaken specific commitments in terms of portfolio decarbonization, in order to reach the Paris Agreement objective.

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of the indicators can be found in the Annex to the PRB Self-Assessment Template.

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

RESPONSE

LINKS AND REFERENCES

*Climate Change*¹³

Over the last couple of years we have been assessing our financed portfolio emissions, to set a baseline for our decarbonization target and track emissions performance over time.

- ◆ TCFD 2023-24
 - ◆ 3.2 - Transition Plan and Strategy Resilience
 - ◆ 5 - Metrics and Targets

10. Banca d'Italia - Questioni di Economia e Finanza (Occasional Papers) «Challenges for financial inclusion: the role for financial education and new directions» (Oct. 2022).

11. Banca d'Italia - Indagine su bilanci delle famiglie (July 2022).

12. OECD/INFE - International Survey of Adult financial Literacy (2020) and «ISTAT - Rapporto SDGs 2023 – Informazioni statistiche per l'agenda 2030 in Italia».

13. The classification by sector of economic activity presented in what follows (NACE code - Nomenclature of Economic Activities) reflects the internal analysis carried out with reference to individual counterparties and based on available information specifically attributable to the counterparty, so as to identify the sector most aligned with the main economic activity conducted. This process was essential to focus exclusively on counterparties whose actual economic activity falls within the sectors reported under Pillar III Template 3 and the NZBA. Indeed, the latter are not limited to a purely disclosure function, but also, and more importantly, they pose strategic directions. The setting of consistent, achievable targets resulting in real emission reductions depends closely on the correct identification of the sector to which the counterparties belong.

RESPONSE		LINKS AND REFERENCES
INDICATOR CODE ¹⁴	INDICATOR AND RESPONSE	
A.1.1 – Climate strategy	<ul style="list-style-type: none"> Does your bank have a climate strategy in place? Yes – see Principle 1 	<ul style="list-style-type: none"> CNFS 23/24 <ul style="list-style-type: none"> 6.1.7 - Sustainable products 9 - Objectives and future commitments 12 EU Taxonomy Plan 23-26 - ESG objectives (Slides 82-83) Pillar 3 ESG reporting - Template 10
A.1.2 – Paris alignment target	<ul style="list-style-type: none"> Has your bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when? Yes - net zero by 2050, to do so Mediobanca joined NZBA. What is the emissions baseline / base year for your target? The emission baseline of our corporate exposure is 31 December 2022 based on the most recent available emissions. What climate scenario(s) aligned with the Paris climate goals has your bank used? The International Energy Agency NZE2050. 	
A.1.3 – Policy and process for client relationships	<ul style="list-style-type: none"> Has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients’ activities and business model? Yes, ESG policy exclusion criteria and the Engagement policy are applied respectfully to all businesses and to Wholesale Banking activities. For further details, please see Principle 5.3. 	
A.1.4 – Portfolio analysis	<ul style="list-style-type: none"> Has your bank analysed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15)? Yes. If yes: please specify which parts of the lending and investment portfolio you have analysed. Mediobanca has analysed absolute financed emissions for the whole Group’s on-balance-sheet banking book investment and lending portfolio, including sovereign bonds, mortgages and motor vehicle loans. 	
A.1.5 – Business opportunities and financial products	<ul style="list-style-type: none"> Has your bank developed financial products tailored to support clients’ and customers’ reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, green securitisations etc.)? Yes, see also Principle 3.2. Please specify which ones, and what financial volume and/or % of the portfolio they account for. Amounts and relative weighting as a percentage of the portfolio are reported in the CNFS FY 2023-24. 	
A.2.1 – Client engagement process	<ul style="list-style-type: none"> Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model (for business clients), or towards low(er)-carbon practices (for retail clients)? Yes, see also Principle 3.1 client engagement for additional details. 	
A.2.2 – Absolute financed emissions	<ul style="list-style-type: none"> What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or investment portfolio? See below the baseline already indicated in the 2023 PRB Report split by asset category: <ul style="list-style-type: none"> Investment and lending portfolio Scope 1 & 2 emissions: 2,2796 MtCO₂eq Sovereign bonds Scope 1 & 2 emissions: 10038 MtCO₂eq Mortgages: 0.4297 MtCO₂eq Motor vehicle loans: 0.0702 MtCO₂eq. 	
A.2.3 - Sector-specific emission intensity (per clients’ physical outputs or per financial performance)	<ul style="list-style-type: none"> What is the emission intensity within the relevant sector? Please specify which sector (depending on the sector and/or chosen metric): kg of CO₂eq/kWh, CO₂eq/m²; kg of CO₂eq/USD invested, or kg of CO₂eq/revenue or profit. An overview of the two target-setting methodologies used is provided in Annex 2 together with sector baseline, target and advancement data. Reference is made to TCFD 2023-24 for further details. 	

14. Indicator code as per Annex to the Principles for Responsible Banking - Reporting and self-assessment template

RESPONSE

LINKS AND REFERENCES

INDICATOR CODE ¹⁴	INDICATOR AND RESPONSE
A.2.4 - Proportion of financed emissions covered by a decarbonization target	<ul style="list-style-type: none"> ◇ What proportion of your bank's financed emissions is covered by a decarbonization target, i.e. stem from clients with a transition plan in place? % (denominator: financed emissions in scope of the target set). As at 30 June 2024 Financed emissions covered by a target were equal to 6.7MtCO₂eq representing approx. 29% of the 23.1MtCO₂eq total Group financed emissions.
A.3.1 - Financial volume of green assets/low-carbon technologies:	<ul style="list-style-type: none"> ◇ How much does your bank lend to/invest in green assets / loans and low-carbon activities and technologies? [bn/m USD or local currency, and/or % of portfolio; please specify the definition of green assets and low-carbon technologies used] As at 30 June 2024 the GAR stock and the GAR Capex were 1.76% and 2.75% respectively. Reference is made to the CNFS FY 2023-24, section 12, "EU Taxonomy" for further details; see in particular the GAR KPI Stock (Turnover) and GAR KPI Stock (Capex) diagrams shown in Template 3.
A.3.2 - Financial volume lent to / invested in carbon intensive sectors and activities and transition finance	<ul style="list-style-type: none"> ◇ How much does your bank lend to/ invest in carbon-intensive sectors and activities? The Gross Carrying Amount invested or lent by the entire Group to corporate clients in Carbon Intensive sectors as defined by the EBA Pillar III Template 3 and related to exposures to be analysed according to the UNEP-FI "Guidelines for Climate Target Setting" is provided in Annex 2 (and further detailed in the TCFD FY 2023-24). ◇ How much does your bank invest in transition finance? As at 30 June 2024, the Group had invested approx. €1.7bn in transition finance. These investments consist of sustainable-linked loans, that include clauses encouraging counterparties to reduce emissions and align with the Paris climate goals, and green loans intended to finance green activities. For further details, please refer to template 10 of the Pillar III ESG reporting.
A.4.1 - Reduction of GHG emissions	<ul style="list-style-type: none"> ◇ How much have the GHG emissions financed been reduced? [% over time; baseline and tracking GHG emissions in kg of CO₂eq (or applicable metrics)]. As at 30 June 2024 financed emissions were equal to 23.1MtCO₂eq, v. 12.7MtCO₂eq as at 31 December 2022. The increase is mainly related to the inclusion by some non-financial portfolio companies of additional Scope 3 categories (in particular of category 11 - "Use of sold product") among reported emissions; additional details on the respective components and their development over time are available in TCFD FY 2023-24. As specified in Principle 2.2 c, we have stated our objective of obtaining a 18-35% reduction of the emissions intensity of the WSB lending portfolio by 2026-30. Comments on the trend in this metric are provided in Principle 2.3.
A.4.2 - Portfolio alignment	<ul style="list-style-type: none"> ◇ How much of your bank's portfolio is aligned with Paris? See Annex 2.

In terms of ESG products, the 2023-26 Strategic Plan targets related to those more strictly linked to climate change are set to increase:

- ◇ The share of green mortgages¹⁵ in the Wealth Management division's new business
 - ◇ Baseline: 13% in FY 2022-23;
- ◇ Compass green loans¹⁶ new business
 - ◇ Baseline: €65m in FY 2022-23.

15. Financing – including retail mortgages – or refinancing for the construction, purchasing, development and renovation of buildings which comply with stringent criteria based on best practices. For additional details please refer to the ESG Product Catalogue.

16. Consumer credit solutions to finance a) sustainable mobility (hybrid and electric vehicles, personal mobility devices) and b) improvement to the energy efficiency of buildings (solar systems, water softeners, biomass heating systems, electric equipment, etc.).

RESPONSE

LINKS AND REFERENCES

Financial Wealth and Inclusion

The 2023-26 Strategic Plan targets related to product offering, staff training and the spread of an ESG culture testify to the Group's commitment to contributing positively to Financial Wealth and Inclusion. Following the baseline quantification performed during FY 2023-24, some additional actions have been identified.

An overview of the existing and revised KPIs and the related baseline is provided below.

- ◇ 2023-26 Strategic Plan objectives:
 - ◇ Increase the stock of Compass ESG loans including loans in the following categories: lending to SMEs in disadvantaged areas¹⁷, financial support for education,¹⁸ and lending to elderly people.¹⁹
 - ◇ Baseline: in FY 2022-23, Compass granted €137m new loans for these "social" categories.
 - ◇ increase the number of Mediobanca Premier Wealth Management Financial Advisors certified in ESG by EFPA.
 - ◇ Baseline: 0 employees trained as at 30 June 2023.
 - ◇ New ESG training at Group level to be launched in September 2023.
 - ◇ Baseline: 0 emails sent as at 30 June 2023.
 - ◇ ESG culture: Compass committed to sending clients at least 35 million emails containing tips on green/financial issues by 30 June 2026.
 - ◇ Baseline: 0 emails sent as at 30 June 2023.
- ◇ New objectives:
 - ◇ Young clients - Mediobanca Premier offering specifically for clients under 18 years old will be launched during the next financial year.
 - ◇ Baseline: 0 products as at 30 June 2024.
 - ◇ Women: Mediobanca Premier envisages starting a financial empowerment programme aiming at increasing female involvement in the financial planning process.
 - ◇ Baseline: no specific activity as at 30 June 2024.
 - ◇ A training course on Financial Health and Inclusion for employees will be launched at Group level in the next FY.
 - ◇ Baseline: 0 employees trained as at 30 June 2024.

Reference should be made to the following Principles: c) SMART targets, d) Action plan and 2.3 Target implementation and monitoring for the related target objectives, as well as an update on actions implemented and targets' advancement.

17. Loans to SMEs located in Italian regions with per capita GDP below national average (source ISTAT).

18. Financial support to access education (student loans), financial support for professional training organizations, and training and education infrastructures.

19. Salary-backed finance granted to pensioners aged over 70 years, with an average monthly pension of less than €1,500.

c) SMART targets: (incl. key performance indicators (KPIs): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

RESPONSE

LINKS AND REFERENCES

Climate Change

- ◇ In the Climate Change area, the Mediobanca Group's membership of the Net-Zero Banking Alliance (NZBA) confirms the Bank's intention of playing an active role in the green transition.
 - ◇ In the 2023-26 Strategic Plan, Mediobanca stated its objective of obtaining a 18-35% reduction in the emissions intensity of the WSB lending portfolio by 2026 and 2030 respectively: on 31 December 2022 this scope accounted for 7 MtCO₂eq (or 76% of the Group's emissions versus corporate counterparties, excluding mortgages and motor vehicle loans) based on counterparties' Scope 1, 2 and 3 emissions. The intensity at the same date (sum of Scope 1-2-3 financed emissions (tCO₂eq.) divided by the sum of the gross carrying amount) was 482 tCO₂eq/€m.
 - ◇ We have set aligned interim targets for high-emitting sectors as detailed in Annex 2 and further detailed in the TCFD Report FY 2023-24.
- ◇ In terms of commercial offering, several targets have been set for ESG products; the most closely linked to climate change are:
 - ◇ Share of green mortgages in the Wealth Management division's new business to reach ~19% in FY 2025-26 (from 13% in FY 2022-23)
 - ◇ Compass ESG products to grow at a 15% CAGR during the 2023-26 Strategic Plan period: ESG loans originated in FY 2022-23 amounted to approx. €202m, approx. €65m of which were green products, which are expected to grow at a 19% CAGR over the business plan horizon.

Financial Wealth and Inclusion

Moving on to Financial Health and Inclusion, the following targets have been identified:

- ◇ Since personnel and Financial Advisors' training is a prerequisite and an enabling factor to develop financial inclusion products for our clients and assist them in taking responsible financial choices, Mediobanca has implemented the following activities to ensure its staff and FAs are suitably prepared:
 - ◇ in addition to the "Sustainability and Human Rights" training course launched last year, a mandatory new course on Financial Health and inclusion will be launched in FY 2024-25. The target is to have 100% of Group employees and Financial Advisors trained on both topics by end-June 2026.
 - ◇ Similarly, Mediobanca Premier committed to have all Wealth Management FAs certified in ESG by EFPA by the same date.
- ◇ In terms of product offering:
 - ◇ Compass committed to record a 15% CAGR2023-26 in new ESG loans. With specific reference to social lending the new production objective is to grow at a 13% CAGR2023-26. The identified categories (lending to SME in disadvantages areas, financial support to education and lending to elderly people) match National objectives to foster education and reduce the gap in terms of access to financial services between generations and between low and high-income regions.
 - ◇ In order to contribute to young people access to finance, Mediobanca Premier is planning to launch during next Financial Year an ad hoc offer to satisfy transactional needs of family young members.

- ◇ TCFD 2023-24
 - ◇ 3.2 - Transition Plan and Strategy Resilience
 - ◇ 5 - Metrics and Targets
- ◇ Plan 23-26 - ESG objectives (Slides 82-83)
- ◇ CNFS 23/24
 - ◇ 6.1.7 - Sustainable products
 - ◇ 9 - Objectives and future commitments
- ◇ Compass website section

RISPARMIO

SCELTE CHE CONTANO PER L'ECONOMIA DI CASA, PER L'AMBIENTE E PER TE

<https://www.compass.it/risparmio.html>

RESPONSE	LINKS AND REFERENCES
<p>◇ In terms of ESG/financial education for clients:</p> <ul style="list-style-type: none"> ◇ Compass has committed to send clients at least 35 million emails containing tips on green/financial education issues from 1 July 2023 to 30 June 2026 (see Compass “RISPARMio” section). ◇ Mediobanca Premier plans to contribute to the financial education of young clients (through the launch of dedicated banking products and digital services, dedicated contents, events, and seminars, as mentioned above) and to the financial empowerment of women by organizing a dedicated pathway, starting from a research field and continuing with dedicated events and conferences. ◇ The Bank continues to support clients’ awareness in cyber-security and phishing through an ongoing and updated communication programme via direct emailing, digital channels and website. ◇ Aims to enhance clients’ knowledge of financial markets and the main economic trends through an ongoing education and communication programme via direct emailing and dedicated events. <p>Reference is made to the following Principles: d) Action plan and 2.3 Target implementation and monitoring for an update on actions implemented and targets’ advancement.</p>	

d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

RESPONSE	LINKS AND REFERENCES
<p>The ESG targets embedded in the 2023-26 Strategic Plan have been set considering also the results of the impact analysis.</p> <p>The objectives are the results of a structured process involving working groups covering all legal entities the outcome of which has been discussed at Management and Board Committee levels (see Principles 5.1 and 5.2 for details respectively on governance and initiatives). In particular, the ESG targets embedded in the 2023-26 Strategic Plan have been submitted to and approved by the Board of Directors as part of the new strategic plan and published on the institutional website. KPIs are monitored continuously and the main results are included in the presentation to the market approved by the Board. A specific focus on the state of progress made in achieving the ESG targets is provided in the annual CNFS.</p> <p>A summary of the key actions planned to contribute to Climate stability and Financial Health and Inclusion in each of the four categories identified by the Principles is provided below:</p> <p><i>Advocacy and partnership</i></p> <ul style="list-style-type: none"> ◇ Continuing support to initiatives and frameworks focused on climate topics (TCFD, PICAF, Net-Zero, CDP); ◇ Active participation in ABI – Italian Banking Association-sustainability and ESG-related initiatives and two advisory panels to the EFRAG SR TEG; ◇ Long-standing co-operation with Junior Achievement – the largest non-profit organization 	<ul style="list-style-type: none"> ◇ CNFS 2023-24 <ul style="list-style-type: none"> ◇ 7.2 Entities and Public Institutions ◇ 6.1.5 Financial inclusion, access to financial resources and financial education ◇ 9 - Objectives and future commitments ◇ TCFD 2023-24 <ul style="list-style-type: none"> ◇ 2.6.3 – Training Initiatives ◇ 2.7 - Remuneration ◇ 3 - Strategy ◇ 4 - Risk management, in particular: <ul style="list-style-type: none"> ◇ 4.3 - Risk metrics and results ◇ 4.5 - Climate risk in the Group’s Risk Appetite Framework

RESPONSE

LINKS AND REFERENCES

for economic and business education in schools in the world – with the involvement of volunteers from Mediobanca as “company experts”, working alongside teachers in middle and senior schools during lessons on economics, business studies and personal finance;

- ◆ Regarding women’s financial empowerment, Mediobanca Premier, in co-operation with a reputable partner, is launching a research project to understand better the characteristics, goals, expectations and preferences of female clients. This study will be held in 1H FY 2024-25.

For further details please see Principle 4.

Client engagement

- ◆ Clients’ education on ESG and financial knowledge topics (for further details please see Principles 2.2 b and c);
- ◆ Energy transition engagement with our clients (for further details please refer to Principle 3.1).

Portfolio composition and financial flow

- ◆ Enrichment of our ESG product offering.

For further details please see Principles 2.2 b and c and 3.2.

Internal policies and processes

- ◆ Updates to internal policies, directives and practices to incorporate ESG criteria;
- ◆ Ongoing upgrade of ESG risk methodologies (further details are provided in TCFD 2023-24);
- ◆ Employees’ training on ESG issues;
- ◆ Structured and quantifiable targets in employees’ short-term and long-term incentive plans.

For further details please see Principle 5.

Reference is also made to Principle 2.3 for additional information on Climate Transition Plan.

SELF-ASSESSMENT SUMMARY

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing

	CONTRAST TO CLIMATE CHANGE	FINANCIAL HEALTH AND INCLUSION
Alignment	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

2.3 TARGET IMPLEMENTATION AND MONITORING (KEY STEP 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank’s progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

RESPONSE

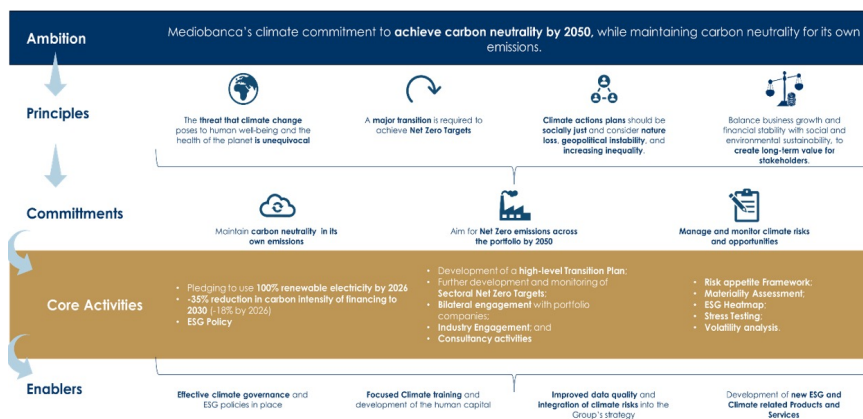
LINKS AND REFERENCES

Climate Change

As a signatory to the Net-Zero Banking Alliance, Mediobanca is required to disclose a high-level transition plan translating the Bank’s net-zero commitment into specific objectives and actions that are aimed at reducing real-economy GHG emissions, and providing credibility and accountability to net-zero commitments.

- ◆ To implement its **Transition Plan**, Mediobanca has adopted the Glasgow Finance Alliance for Net Zero (GFANZ) guidelines²⁰ for financial institutions, structuring the approach as follows (the approach is set out in more detail in the TCFD Report FY 2023-24):
 - ◆ **Foundation** – Based on a series of recognized principles, Mediobanca’s commitment is to achieve Net-Zero Emissions by 2050 while maintaining carbon neutrality for its own emissions, and to identify, manage and monitor climate-related risks and opportunities, integrating ESG (and, specifically, climate-related impacts) into the financial planning.

- ◆ TCFD 2023-24
 - ◆ 3.2 - Transition Plan and Strategy Resilience and, in particular:
 - ◆ 3.2.3 -Engagement strategy
 - ◆ 5 - Metrics and Targets
- ◆ CNFS 23/24
 - ◆ 6.1.5 Financial inclusion, access to financial resources and financial education
 - ◆ 6.1.7 - Sustainable products
 - ◆ 9 - Objectives and future commitments



- ◆ **Implementation strategy:** this consists of embedding the Net-Zero commitment into the day-to-day activities, such as: a) development of financial solutions to encourage investments in companies committed to energy transition and to sustainable business models, while offering clients support on transition risks and coaching towards net-zero goals; b) counterparty evaluation and monitoring; and c) adoption of policies and conditions for access to financing as well as criteria for continuing co-operation.

20. GFANZ, “Financial Institution Net-zero Transition Plans – Fundamentals, Recommendations, and Guidance”, Nov 2022 - <https://assets.bbhub.io/company/sites/63/2022/09/Recommendations-and-Guidance-on-Financial-Institution-Net-zero-Transition-Plans-November-2022.pdf>

RESPONSE

LINKS AND REFERENCES

- ◇ **Engagement strategy** is pursued in order to foster dialogue with clients and other key stakeholders on their transition through engagement activities with clients, industry associations and the investors (see also Principle 3).
- ◇ **Metrics and targets** are used to set and monitor the Net-Zero targets, and the enabling levers.
- ◇ **Governance** is established with a focus on the roles, responsibilities, and compensation of the Bank's governing bodies (see also Principle 5).
- ◇ As far as the KPIs and SMART Targets defined under Principle 2.2 b) and c) are concerned, the updated figures are as follows:
 - ◇ WSB lending portfolio emission intensity: as at 30 June 2024 the intensity (sum of Scope 1-2-3 financed emissions (tCO₂eq.) divided by the sum of the gross carrying amount) was 435²¹ tCO₂eq/€m or -9.8% versus the baseline (482 tCO₂eq/€m), on track to achieve the 18-35% reduction of the emissions intensity by 2026-30.
 - ◇ Reference is made to Annex 2 for an update on the trend in the decarbonization metrics for those sectors for which a target was set in the previous PRB reports. Further details are provided in the TCFD Report FY 2023-24.
- ◇ In terms of ESG products offering:
 - ◇ During FY 2023-24 green mortgages represented approx. 11.5% of the Wealth Management division's new mortgages. The share is slightly below expectations due to unfavourable market conditions.
 - ◇ New loans in green categories granted by Compass are predicted to grow at a CAGR 2023-26 of 19%: during FY 2023-24 Compass granted €123m in new green loans, outperforming the target with 89% growth vs the € 65m loans granted in FY 2022-23.

In terms of monitoring negative interlinkages, the Group's ambition is to balance business growth and financial stability with social and environmental sustainability, in order to create long-term value for stakeholders. Recognizing the unequivocal threat that climate change poses to human well-being and the health of the planet, Mediobanca reiterates that climate action plans must be socially just, and consider factors such as nature loss, geopolitical instability, and increasing inequality in its transition plan.

Financial Wealth and Inclusion

A summary of the progress achieved with respect to targets stated in 2023-26 Strategic Plan, that the Group identified and started monitoring since July 2023, is provided below:

- ◇ New loans in social categories granted by Compass to grow at a CAGR 2023-26 of 13%: during FY 2023-24 Compass granted €167m, outperforming the target with growth of 22% vs €137m in loans granted in FY 2022-23;
- ◇ Mediobanca Premier Wealth Management Financial Advisors certified in ESG by EFPA: at end-June 2024 65% of Wealth Management Financial Advisors were certified (vs 57% as at 30 June 2023), on track to reach 100% by end-June 2026.
- ◇ As at 30 June 2024, 84% of the Group's employees had completed the Sustainability and Human Rights training course (the target is to reach 100% by end-June 2026).
- ◇ Since July 2023 Compass has sent clients 10 million emails containing tips on green/ financial issues (at least 35 million to be sent by 30 June 2026).

Monitoring of newly introduced objectives relating to: product offering for young clients, financial empowerment of women, and staff training on Financial Health and Inclusion will start in FY 2024-25.

21. It should be noted that a change in the intensity calculation was applied during the financial year. Due to potential volatility from the gradual inclusion of category 11 of Scope 3 "Use of sold product" in counterparties' disclosure, the Group decided to exclude this impact from the calculation of financed emissions for the sectors enabling the energy transition (i.e. "enabling" as defined by Regulation (EU) 2020/852). This exclusion prevents counterparties that contribute to climate change objectives from being penalized. However, the exclusion was not applied to sectors targeted by the Net-Zero Banking Alliance.

RESPONSE	LINKS AND REFERENCES
<p>The Group is keen to continuously assess any potential negative impacts associated with identified targets, including that customers new to banking do not become over-indebted. In this respect, Compass will be subject to the new Consumer Credit Directive (CCD), Directive (EU) 2023/2225 (“CCD II”). Consumer Credit Directive (EU) 2023/2225 came into effect on 19 November 2023, and must be transposed into Italian law by 20 November 2025, becoming applicable from 20 November 2026, and repealing the current Directive 2008/48/EC. Compass is therefore working to be fully compliant with the upcoming regulation by the latter date. Key innovations introduced include consumer protection measure and stricter advertising rules;²² the directive also explicitly requires member states to adopt preventive, containment, and resolution measures for consumer over-indebtedness and states lenders’ obligation to follow creditworthiness assessment procedures to determine whether consumers can realistically repay their credit.</p> <p style="text-align: center;">***</p> <p>Overall, quantitative and measurable ESG goals included in the Group’s 2023-26 Strategic Plan are monitored, and progress towards the targets is reported in the Consolidated Non-Financial Statement published annually.</p>	

22. Borrowers will have easy access to all relevant information and will be informed of the total cost of credit, the directive also establishes more stringent advertising rules to reduce abusive credit practices for over-indebted consumers. Effective measures against excessive pricing are also introduced.



PRINCIPLE 3: CLIENTS AND CUSTOMERS

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 CLIENT ENGAGEMENT

Does your bank have a policy or engagement process with clients and customers in place to encourage sustainable practices?

- Yes In progress No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

- Yes In progress No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

RESPONSE

Mediobanca is committed to having a positive impact on society, and so supports its clients in their transition processes, while carrying out engagement activities to increase the level of its counterparties' awareness on sustainability issues.

The Group ESG Policy, adopted by all the Group Legal Entities, defines the guidelines for integration of ESG criteria applicable to the activities of lending, investing own funds, and providing investment advice to clients. The Policy is based on a combination of negative and positive screening criteria.

In addition to the general principles applicable to all types of business, the Group has also structured different positive and negative screening criteria for the various areas of activity. In particular, with reference to financing and proprietary investment activity, specific policies have been developed on biodiversity and excluded materials, plus sectors considered to be sensitive in ESG terms, namely: defence and arms, forestry and use of forested areas, production of agricultural goods, mining, the production, sale and consumption of energy, and infrastructure and transport.

The Policy includes new limitations on sectors and operators with a negative impact on the climate (including the commitment to exit from tobacco and thermic coal globally by 2026 and 2030 respectively), and a specific section related to engagement activity with clients active in high-impact sectors, in particular with counterparties that are "misaligned" versus the sector net zero objectives.

Mediobanca engages with and support its clients and portfolio companies in their journey towards achieving net-zero emissions, thereby facilitating the realization of its own transition goals.

The Group is keen to support the transformation of high-impact sectors by continuing to finance them in the short term, to the extent the counterparties involved develop replacement technologies. While discontinuing the financing of an activity can provide an incentive for the sector's decarbonization, it can also, albeit unintentionally, prolong the life of high-impact assets or even worsen their greenhouse gas emissions profile, if the assets concerned are sold to less climate-sensitive parties. This approach, known as a "managed phase-out", enables the credit system to actively reduce the real economy's carbon footprint, assuming responsibility for it rather than passing it to others. It also mitigates financial marginalization of firms with reliable decarbonization plans in critical sectors, facilitating their transition and engaging various

LINKS AND REFERENCES

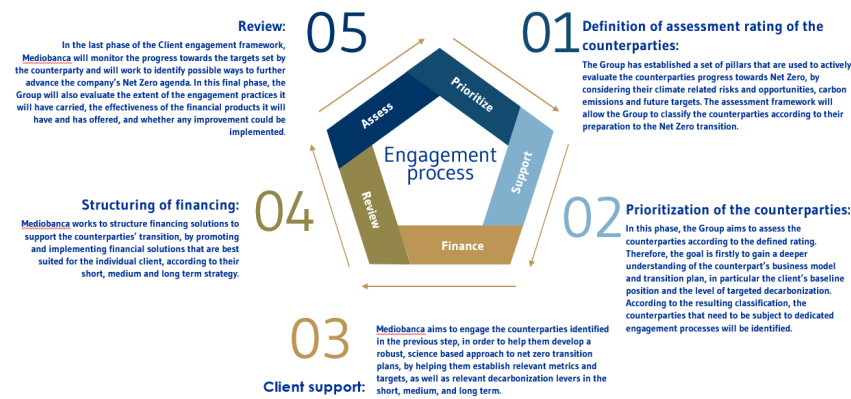
- ◇ Group ESG Policy
 - ◇ 4 - Responsible Business activities
 - ◇ 5 - Engagement activities
 - ◇ Annex 1 - Specific Lending and Investment Policies
- ◇ CNFS 23/24
 - ◇ 6.1.6 - Responsible business
- ◇ TCFD 2023-24
 - ◇ 3.1.3 – The Group Policies
 - ◇ 3.2.2 – Implementation strategy
 - ◇ 3.2.5 – Engagement strategy
- ◇ Plan 23-26 - ESG objectives (Slides 82-83)

RESPONSE

LINKS AND REFERENCES

Stakeholders in ensuring a “just transition” which ensures continuity in the provision of key services.

As such, the Group has adopted the engagement framework, shown below, to help counterparties move towards more climate-responsible business and to align the Group’s investments to the Net Zero Scenarios. For an update on the level of implementation please refer to the 2023-24 TCFD Report.



3.2 BUSINESS OPPORTUNITIES

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services , information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

RESPONSE

LINKS AND REFERENCES

As proof of its commitment to structuring business opportunities related to sustainability issues as part of its corporate strategy, Mediobanca publishes an ESG Product Catalogue on its website, providing an overview of the whole range of sustainable products offered by the Group.

Disclosure on the value and portfolio share of ESG Products is annually provided in the Consolidated Non-Financial Statement.

With reference specifically to climate issues, a description of the related opportunities and climate solution products developed by Mediobanca is provided in TCFD 2023-24. Starting from the identification of potential opportunities and the related financial impact, the Report selects among ESG Product Catalogue those products which contribute most significantly to climate stability and provides some case studies.

The Group set objectives in terms of growth in sustainable products and promoting responsible investments for the first time in the 2019-23 Strategic Plan (all achieved/exceeded), which have been integrated in more granular form into the 2023-26 Strategic Plan as summarized in Section 9 - Objectives and future commitments of the CNFS for FY 2023-24.

Reference is also made to Principles 2.2 and 2.3 for details in terms of baseline and targets related to products specifically linked to the two selected impact areas.

- ◇ ESG Product Catalogue
- ◇ CNFS 2023-24
 - ◇ 6.1.7 – Sustainable products
 - ◇ 9 – Objectives and future commitments
- ◇ TCFD 2023-24
 - ◇ 3.2.2.1 – Products and services



PRINCIPLE 4: STAKEHOLDERS

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 STAKEHOLDER IDENTIFICATION AND CONSULTATION

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups) you have identified as relevant in relation to the impact analysis and target setting process?

Yes In progress No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

RESPONSE

The Group believes it is fundamental to take the views and expectations of its stakeholders into consideration, i.e. those who, for whatever reason, have an interest or stake in the company's activities. The stakeholders with which the Group comes into contact in the course of its activities have been grouped together into the following categories: "Shareholders and investors", "Clients", "Staff", "Trade union organizations", "Entities and institutions", "Community", "Suppliers and commercial partners", and "Agents and promoters". Numerous engagement activities are arranged with each of these categories.

In 2017 the Mediobanca Group carried out its first materiality analysis, leading to the definition of a materiality map which has been updated annually since then, through multi-stakeholder forums or online questionnaires, in order to identify issues which are held to be increasingly sensitive and to focus action and reporting on them. Since 2023, the methodology used has been revised in accordance with the provisions of the "GRI 3 – Material Topics 2021", which requires assessment of the most significant impacts, positive and negative, generated by the Group on society and its surrounding environment (impact materiality). Moreover, this year the first steps have been taken in the direction of the European Sustainability Reporting Standards (ESRS) produced by EFRAG, with a view to preparing the Mediobanca Group's materiality framework for when the EU Corporate Sustainability Directive ("CSRD") comes into force, which is expected to be during the next financial year.

Relevant stakeholders belonging to each of the aforementioned categories have been asked to express their opinion. The results of this engagement process translated to the definition and prioritization of material topics. "Ethics and integrity in business", "Sustainable finance", "Customer satisfaction and quality of service", "Support for the ecological transition", "Sustainable finance", "Environmental protection and focus on climate change", and "Inclusion and financial education" and "Digitalization, innovation and cyber-security" are among the prioritized topics related to impacts. The Group reflected the results of this exercise in the definition of the ESG targets contained in the 2023-26 Strategic Plan as well as in the selection of the PRB impact areas.

For details on Responsible Business Activities and Engagement activities with **clients** please refer also to Principle 3.

The Mediobanca Group is convinced that meeting ESG criteria can help deliver improved performances for investors in the long term, and so encourages the companies in which it has invested, or in which it intends to invest, to engage in dialogue over their approaches to sustainability. The Group is also committed to "active ownership" practices, insofar as these are applicable to the different types of activity, taking part in the annual general meetings of the companies in which it has invested, in accordance with their specific voting policies/directives.

LINKS AND REFERENCES

- ◇ CNFS 2023-24
 - ◇ 3.6 - Stakeholder engagement
 - ◇ 3.7 - Materiality analysis
 - ◇ 6.2 - Responsible supply chain management
 - ◇ 7.2 - Entities and Public Institutions
 - ◇ 7.3 - Impact on and investments in the community
- ◇ Plan 23-26 - ESG objectives (Slides 82-83)
- ◇ Group ESG Policy
 - ◇ 4 - Responsible Business activities
 - ◇ 5 - Engagement activities
 - ◇ Annex 1 - Specific Lending and Investment Policies
- ◇ TCFD 2023-24
 - ◇ 3.2.3 – Engagement strategy

RESPONSE

LINKS AND REFERENCES

Relations with **suppliers** are conducted based on principles of fairness and integrity, and suppliers are requested to 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. In view of the objective (stated in the 2023-26 Strategic Plan) of having 70% of procurement expenses screened by ESG criteria by end-June 2026, Group Procurement has so far assessed a total of 155 counterparties, or 68% of the suppliers overseen by Group Procurement and 65% of turnover (respectively 28% and 4% at end-June 2023).

Mediobanca also actively co-operates with several **public entities, institutions, trade union associations, and internationally recognized frameworks** to contribute to the establishment of a sustainable approach to business, 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.

On the climate side, during the last FY, the Mediobanca "Ufficio Studi" carried out an analysis in collaboration with Centro Studi Tagliacarne and Unioncamere (the Italian association of chambers of commerce) in assessing the sensitivity of Italian mid-cap family businesses to green issues. This comprehensive review included an examination of the actions these companies have undertaken, the related investments, the challenges they have encountered during implementation, and the best practices identified. The analysis also aimed to highlight any sectoral, geographical, or size-related trends that may exist. The study was based on a detailed survey distributed to approximately 4,100 mid-sized Italian family-owned manufacturing companies. For benchmarking purposes, the survey was also sent to an additional 500 medium-to-large family-owned manufacturing companies.

Mediobanca also co-operates with ABI (Italian Banking Association) and ABI Lab (ABI research and innovation centre) on ESG/climate related initiatives including ABILab "Green Banking" Survey (focused on energy saving and environmental reporting issues).

Since June 2021 Mediobanca SGR has adhered to the Italian Stewardship Principles operated by Assogestioni, which includes establishing guidelines for intervening with investee companies on environmental issues.

Additional details in relation to interactions regarding climate topics are provided in the TCFD 2023-24 report.

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, and to this end is involved in several initiatives. On the financial inclusion side in particular, the Mediobanca Group has been partnering for some years now with Junior Achievement, the largest non-profit organization for economic and business education in schools in the world. In October 2023 a new financial education and careers guidance programme called "CONTA SUL FUTURO!" ("Count on the Future"), aimed at middle school students. The partnership is testimony to the Group's commitment to strengthening the younger generations' understanding of financial matters, including with the help of volunteers from the Group itself, 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.



PRINCIPLE 5: GOVERNANCE & CULTURE

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 GOVERNANCE STRUCTURE FOR IMPLEMENTATION OF THE PRINCIPLES

Does your bank have a governance system in place that incorporates the PRB?

- Yes In progress No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- ◇ which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- ◇ details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- ◇ remuneration practices linked to sustainability targets.

RESPONSE

Sustainability issues, including **PRB** commitment related activities, **are governed by the framework** described below:

- ◇ In June 2017, the Board of Directors mandated the **Chief Executive Officer to supervise** activities relating to **sustainability** and the actions to be implemented and monitored in this area, with provision for a **Management ESG Committee** to be set up consisting of members from several business and staffing units.
- ◇ Within the Board of Directors itself, a **Board Sustainability Committee** chaired by the CEO was also set up, with responsibility for processing sustainability issues (in particular, **at the CEO's proposal, defining the ESG strategy**) and the proposals for submission to the approval of the Board of Directors. In FY 2023-24 this Committee met a total of five times.
- ◇ The **Board Risks Committee** performs duties of monitoring, processing and support to the Board itself, including in defining the guidelines for the internal control and risk management system, to ensure that the main risks (including **ESG risks**) to which the Bank is exposed are correctly identified and adequately measured, managed and monitored. In FY 2023-24 this Committee met sixteen times.
- ◇ The Group Sustainability unit assists in managing all matters pertaining to social responsibility.

The methodological approach and target setting for climate change are the result of a joint effort between the Group Sustainability and Risk Management units, not least because some impact targets (for example those linked to portfolio alignment) are also Key Risk Indicators and therefore have been embedded in the RAF. In these cases, the decision process involves both the Board Sustainability and Board Risks Committees.

In this scenario, the **PRB implementation** pathway (for example the decision to adhere to NZBA and TCFD) **and** the related reporting **disclosure** (CNFS/TCFD/PRB Reports) are discussed at Management ESG Committee level and then shared with and – to the extent applicable – approved by the Board Sustainability Committee, the Board Risk Committee and/or the Board of Directors itself. The UN Principles for Responsible Banking recommendations contained in the Individual Progress Report are shared at Board level, together with the steps and initiatives identified to

LINKS AND REFERENCES

- ◇ CNFS 2023-24
 - ◇ 3.3 - Compliance, internal control and risk management
 - ◇ 3.5 - Sustainability governance
 - ◇ 5.7 - Staff incentives, benefits and remuneration
 - ◇ 9 - Objectives and future commitments
- ◇ TCFD 2023-24
 - ◇ 2.1 - Sustainability Governance overview
 - ◇ 2.2 - Board oversight
 - ◇ 2.3 - The Chief Executive Officer
 - ◇ 2.4 - Role of management
 - ◇ 2.5 - Staff and Business Units' responsibilities
 - ◇ 2.7 - Remuneration
- ◇ Plan 23-26 -ESG objectives (Slides 82-83)
- ◇ Group Remuneration Policy and Report

RESPONSE	LINKS AND REFERENCES
<p>achieve alignment with the Protocol, as well as the related state of progress/monitoring.</p> <p>During the 2023-24 financial year, thirteen meetings of the Board of Directors were held, many of which also dealt with ESG issues. The Board also oversees the state of progress with the 2023-26 Strategic Plan, which includes ESG targets (some of which are relevant also for the purposes of PRB alignment).</p> <p>RAF KPIs (including ESG indicators) are part of a “Dashboard” which is presented to the Mediobanca Board on a quarterly basis.</p> <p>The ESG dimension also plays an important role in the Group’s Incentive System. Specific (also quantitative) ESG KPIs have been incorporated in the Long-Term Incentive Plan for senior management and Key Function Holders since 2019. Qualitative and quantitative targets have also been included in the 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. Of the LTI Plan objectives approved at the AGM held on 28 October 2023, 20% are ESG in nature and focused on indicators related to the issues of climate change (portfolio decarbonization) and diversity and inclusion (% women executives within the Group).</p> <p>The Chief Executive Officer’s and Group General Managers’ annual scorecards (Short-Term Incentives) include both financial and non- financial ESG and CSR objectives to be assessed for performance over a one-year time horizon; reference is made to the most recent Group Remuneration Policy and Report for details on the selected ESG KPIs and assessment of them.</p> <p>The short-term incentive scheme for other senior figures (strategic management and Material Risk Takers heading up the main business lines) also includes, both individually and as part of the scorecards used to define the divisional bonus pools, and where appropriate to the scope under consideration, the presence of quantitative, measurable ESG indicators with weightings of up to 10%.</p>	

5.2 PROMOTING A CULTURE OF RESPONSIBLE BANKING:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

RESPONSE	LINKS AND REFERENCES
<p>The Group is keen to spread responsible banking culture among its employees and therefore organizes several initiatives and training sessions on ESG including:</p> <ul style="list-style-type: none"> ◆ Multi-year ESG Programme: the initiative – launched in 2021 – involves several business and staff units and is focused on the ongoing alignment with sustainability mandatory regulation and voluntary frameworks, as well as on the development of ESG practises within the Group. The ESG Programme will continue in the next financial year. ◆ ESG Working Group: set up in 2022, these include members from various business and staffing units and comprises representatives of the main Group Legal Entities. The initiative reports to the management Management ESG Committee and has the purpose of 	<ul style="list-style-type: none"> ◆ CNFS 2023-24 <ul style="list-style-type: none"> ◆ 3.3 - Compliance, internal control and risk management ◆ 5.5 - Professional training and development ◆ 5.7 - Staff incentives, benefits and remuneration ◆ 9 - Objectives and future commitments

RESPONSE

promoting understanding and awareness of sustainability in order to translate it into a business enabler. Frequent meetings take place to manage ESG risks, identify ESG opportunities, map the Group's positioning and define its ESG objectives in terms of product offering and impact generation. During the year, specific focus groups took place to – inter alia - monitor the ESG objectives included in the 2023-26 Strategic Plan, discuss how to keep the Group ESG Policy updated and broaden the PRB impact analysis and target setting.

- ◆ **Training and induction sessions** are regularly organized for Board of Directors, and ESG education programmes are in place for staff, including:
 - ◆ All employees receive first-level training on ESG topics, with a focus on human rights;
 - ◆ Specific modules for the benefit of the Debt Division, Risk Management, Compliance and CFO members of Mediobanca, Mediobanca International, MBFACTA, SelmaBipiemme Leasing, MBCredit Solutions and Mediobanca SGR have taken place in the last two years, aimed in particular at reinforcing the skills needed to assess and monitor clients' decarbonization plans and targets as part of customer engagement activities;
 - ◆ During FY 2023-24, the employees of MBFACTA, SelmaBipiemme Leasing, MBCredit Solutions and Mediobanca SGR have received training in the Italian regulator's expectations regarding climate and environmental risks;
 - ◆ In Mediobanca Premier, 853 staff members followed the ESG module as part of the MiFID II 2023 refresher course; while the EFPA ESG Advisors certification pathway continued, with 145 Wealth Management FAs receiving accreditation, equal to 65% of the total (higher than the 57% reported in the previous financial year).

A description of how ESG KPIs are included in the **remuneration incentive system** is provided in Principle 5.1 above. In addition, Group staff are assigned a Group objective (with a weighting of between 5% and 10% of the total) to evaluate the performance delivered in terms of the adoption of socially responsible behaviour on a management basis, in line with the Group's Corporate Social Responsibility policies.

LINKS AND REFERENCES

- ◆ TCFD 2023-24
 - ◆ 2.5 - Staff and Business Units' responsibilities
 - ◆ 2.6 - ESG Projects and initiatives
 - ◆ 2.7 - Remuneration
- ◆ Group Remuneration Policy and Report

5.3 POLICIES AND DUE DILIGENCE PROCESSES

Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

RESPONSE

Policies

To embed and promote a corporate culture based on ethics, integrity and sustainability in business, the Group has adopted a Code of Ethics and a Code of Conduct which define the fundamental principles for protecting its reputation, and contain the values underpinning the Group's everyday activities, in addition to the **Group Sustainability Policy** already mentioned.

LINKS AND REFERENCES

- ◆ Code of Ethics
- ◆ Code of Conduct
- ◆ Group Sustainability Policy

RESPONSE

The PRBs are expressly cited among the reference principles of the **Group ESG Policy**, the document which has the purpose of managing the Group's indirect Impact also through specific exclusion/sectoral policies (see also the description provided in Principle 3.1 above). Further details on how this Policy has been adopted by all the Group Legal Entities and integrated into their businesses are provided in CNFS 2023-24.

Both the Group Sustainability Policy and the Group ESG Policy are updated annually to reflect changes in the reference regulations and practices. In the former, a new section "Financial health and inclusion" has been introduced to state the Group's commitment to pursue a business model that is respectful of the financial health of its clients and does not exclude vulnerable groups from the credit system. The Group ESG Policy has been amended to incorporate, inter alia, the commitments made by the Group as part of the 2023-26 Strategic Plan objectives in relation to the exit from the tobacco and coal sectors.

ESG Risk assessment and monitoring

ESG and, in particular climate-related and environmental (C&E) risks, are integrated into the risk framework. Business decisions are also based on appropriate ESG-based limits set out in the RAF, which are monitored on a quarterly basis as a result of their being included in the Dashboard presented to the Board Risks Committee and the Board of Directors itself.

In line with the regulator's expectations, a holistic assessment of the impacts of C&E risks on traditional risk categories such as strategic, credit, market, operational, and liquidity risks, and their effects on activities across various time horizons, has been conducted. This process, called the "materiality assessment", involves identifying C&E risk drivers, mapping their transmission channels to traditional risk categories and financial products, selecting proper methodologies to capture these C&E risks, and quantifying their impacts. In 2023 the Group defined a process to assess the materiality of C&E risks at a Group level, which has been operational since then, and was extended in 2024 to include all the main Group Legal Entities and business units. Materiality is detected whenever the value of a key risk indicator exceeds the thresholds value.

The materiality of physical and transition risk is also considered in the climate stress scenarios integrated into the ICAAP managerial stress tests, to assess the impact of C&E risks on the Group's capital indicators.

With reference to the Group's lending and investments portfolio in particular, an assessment is carried out on a quarterly basis to enquire to what degree such exposures are impacted by ESG factors. For this purpose, Risk Management has developed an "ESG Heatmap", an instrument which applies international standards and methodologies to assign different levels of ESG risk to the sectors to which the assets included in the portfolio refer. This methodology has been recently extended to encompass a wider scope (the MBFACTA and SelmaBipiemme Leasing portfolios are now included), so the analysis now covers almost all the Group's Corporate and FIG lending and the majority of the whole Group's proprietary investment exposure.

The portfolio is initially mapped to identify the exposures to counterparties operating in high risks sectors from an ESG point of view. This sector-based ESG Heatmap is recalibrated to take into account single-name ESG risk assessment of assets included in the portfolio to determine the share of clients' exposure effectively at risk in environmental, social and governance terms. As a result of this process, as at 30 June 2024, the percentage was approx. 0% in each pillar (0.6% in terms of environmental risks).

Furthermore, for the Mediobanca and Mediobanca International CIB lending portfolio, the Group Risk Management unit evaluates the counterparty's ESG risks, and summarizes the ESG assessments received during the origination process, such as the level of compliance with the Group ESG Policy or the synthetic ESG Internal Score. These analyses and the resulting ESG ratings are part of the approval process and are updated every 12-18 months to be reviewed by the Credit and Market Committee alongside the annual credit risk rating reviews.

A description of risk metrics and assessment methodologies for all traditional risk categories is provided in the TCFD 2023-24 Report, together with the outcomes of the analysis.

LINKS AND REFERENCES

- ◇ Group ESG Policy
- ◇ CNFS 2023-24
 - ◇ 4 - Ethics and integrity in business and anti-corruption measures
 - ◇ 6.1.6 -Responsible business
 - ◇ 9 - Objectives and future commitments
- ◇ Plan 23-26 - ESG objectives (Slides 82-83)
- ◇ TCFD 2023-24
 - ◇ 3.1.3 – The Group Policies
 - ◇ 3.2.2.2 – Activities and decision making
 - ◇ 3.2.2.3 – Policies and conditions
 - ◇ 4 - Risk Management and, in particular:
 - ◇ 4.2 - Climate-related and environmental risk materiality assessment
 - ◇ 4.3 - Risk metrics and results
 - ◇ 4.4 - Scenario analysis for climate stress testing in the ICAAP context
 - ◇ 4.5 - Climate risk in the Group's Risk Appetite Framework

SELF-ASSESSMENT SUMMARY

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes In progress No



PRINCIPLE 6: TRANSPARENCY & ACCOUNTABILITY

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 ASSURANCE

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

- Yes Partially No

If applicable, please include the link or description of the assurance statement.

RESPONSE	LINKS AND REFERENCES
<p>In line with the Protocol requirement, Sections 2.1, 2.2, 2.3 and 5.1 of the PRB Report have been reviewed by EY. Please see the Auditors' Report for further details on the scope, responsibility, work performed, limitations and conclusions.</p>	<ul style="list-style-type: none"> ◆ Assurance Statement at the end of this PRB Report

6.2 REPORTING ON OTHER FRAMEWORKS

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
- SASB – (taken into consideration, where applicable)
- CDP
- IFRS Sustainability Disclosure Standards (to be published)
- TCFD
- Other: EU Taxonomy – Pillar 3 ESG – SFDR – plus several voluntary framework (see Response below)

RESPONSE	LINKS AND REFERENCES
<p>Mediobanca has published its Consolidated Non-Financial Statement once a year since FY 2017-18.</p> <p>The CNFS for FY 2023-24 has been drawn up in accordance with the provisions of Italian Legislative Decree 254/16 and with the "in accordance" option of the GRI-Sustainability Reporting Standards defined in 2016 and updated in 2021 by the GRI-Global Reporting Initiatives (the "GRI Standards").</p> <p>The standards developed by the Sustainability Accounting Standards Board ("SASB") have also been taken into consideration, where applicable.</p> <p>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.</p> <p>Since 30 June 2022 Mediobanca has provided qualitative information on environmental, social and governance risks as well as quantitative information on climate change on a half-yearly basis in Section 8 of Basel III - Pillar III - Disclosure to the public.</p>	<ul style="list-style-type: none"> ◆ CNFS 2023-24 <ul style="list-style-type: none"> ◆ 1.1- Reporting standards applied ◆ 12 – EU Taxonomy ◆ TCFD 23/24 <ul style="list-style-type: none"> ◆ 3.1- The Framework ◆ Pillar 3 ESG reporting ◆ MB Green, Social and Sustainability Bond docs.

RESPONSE**LINKS AND REFERENCES**

Since FY 2021-22 Mediobanca has also published the TCFD Report on an annual basis.

The Group has also adhered, directly or through some of its legal entities, to several initiatives and protocols including: Global Compact, PRB, PRI, NZBA, NZAM.

In 2020 the Group issued its first €500m Bond under the Green and Sustainable Framework (in July 2022 renamed the Green, Social and Sustainability Bond Framework) followed by the issuance of another €500m Sustainable Senior Preferred Bond in November 2022. More recently, Mediobanca has issued a sustainability bond in senior non-preferred form, taking the total notional amount issued in ESG format to €1.5bn. An annual report is published, reporting on the characteristics of the underlying pool of assets and the related impact metrics. EY was appointed as external auditor and has provided a positive outcome, validating the such report which will be published on Mediobanca's website to be made available to investors.

6.3 OUTLOOK

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)? Please describe briefly.

RESPONSE**LINKS AND REFERENCES**

Mediobanca has for several years been strongly committed to ensuring its activities impact positively on society and the environment, as shown by the inclusion of ESG targets included in the 2023-26 Strategic Plan as well as the Group Remuneration policies.

Its adherence to voluntary initiatives such as the NZBA and the TCFD, plus the numerous organizational and training activities undertaken, constitute further proof of the Group's growing commitment to sustainability issues, in view inter alia of its commitment to the PRB.

Mediobanca will continue to assess positive and negative impacts. Next year the Group will:

- ◆ Conduct a double materiality exercise in connection with the first Sustainability Statement (in accordance with the CSRD);
- ◆ Perform its impact analysis again;
- ◆ Refine the target-setting exercise for the Financial Health and Inclusion impact area based on the results of the new product offering for young clients and the financial empowerment initiatives launched for women;
- ◆ Monitor the progress made in achieving the SMART objectives set, for both the Net-Zero targets for the most polluting sectors set by the Net-Zero Banking Alliance, and for environmental and ESG products (including those contributing to Financial health and Inclusion) and sustainability culture dissemination.

- ◆ CNFS 2023-24
- ◆ 9 - Objectives and future commitments

6.4 CHALLENGES

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input checked="" type="checkbox"/> Data availability |
| <input type="checkbox"/> Conducting an impact analysis | <input checked="" type="checkbox"/> Data quality |
| <input type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input type="checkbox"/> Choosing the right performance measurement methodologies | <input type="checkbox"/> Reporting |
| <input checked="" type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Other: ... | <input type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these: ***we expect data availability and quality to increase in future, mainly through the implementation of Taxonomy reporting and CSRD implementation. Nonetheless, as of today we have experienced significant gaps in data availability and difficulties in data gathering (info providers often do not provide updated data). Estimating methodologies also still require further refinement and standardization.***

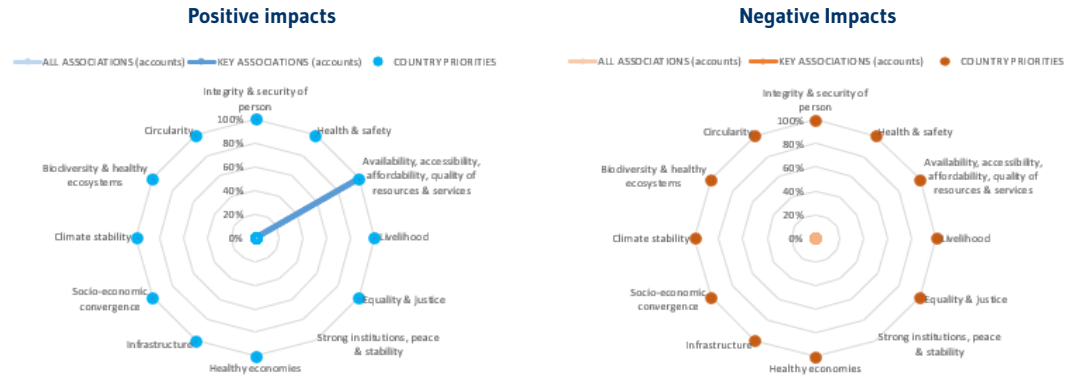
Consumer Banking Identification Module²³

WM – MEDIOBANCA PREMIER

CREDIT PRODUCTS

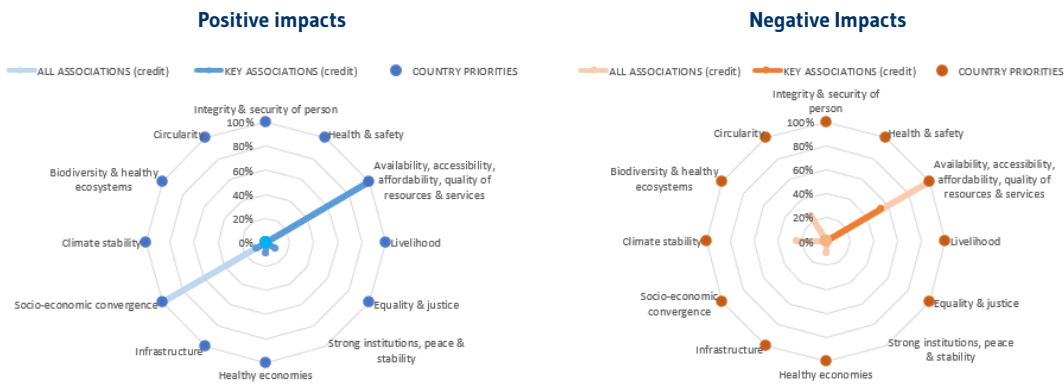


CURRENT ACCOUNTS AND SAVINGS



CF - COMPASS

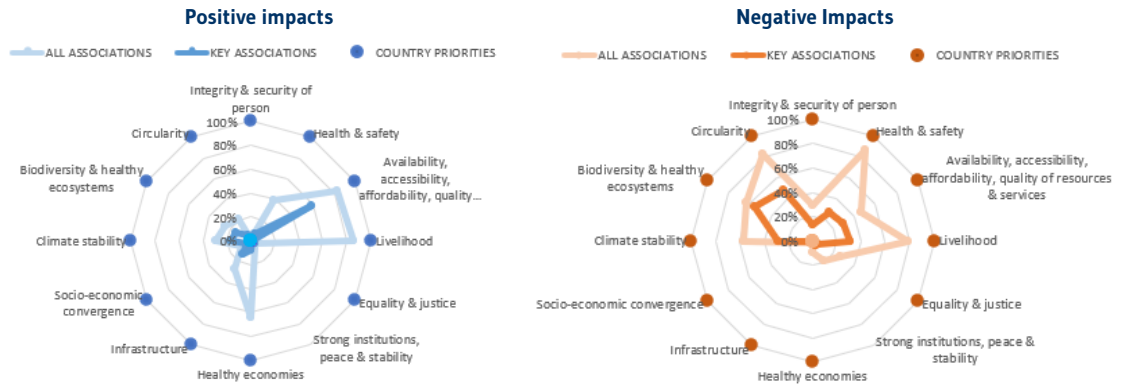
CREDIT PRODUCTS



23. Country priority relate to Italy.

CIB AND HF – MEOBANCANCA, MEOBANCANCA INTERNATIONAL, MBFACTA AND SELMABIPIEMME LEASING

LENDING PORTFOLIO



24. Country priorities factorize global as well as Italian, French, German, Spanish and UK priorities.

Annex 2 - Exposure to carbon intensive sectors and activities and sector-specific emission intensity targets

Exposure to carbon intensive sectors as defined by the EBA Pillar III Template 3

The table below provides an overview of the Group exposure to carbon intensive sectors as defined by the EBA Pillar III Template 3 (Gross Carrying Amount invested or lent to corporate clients) together with related sector specific carbon intensity metrics.

In this regard:

- ◇ Portfolio counterparties have been included in a physical intensity-based or an economic intensity-based target, based on the sub-sector to which they belong. In some cases data availability influenced this split, resulting in some sub-sectors containing counterparties assigned either to a physical-intensity based or to an economic-intensity based target. The absence of emission data for some of the counterparties did not allow for overall coverage of portfolio volumes during the analysis.
- ◇ SDA methodology (green in the table below): methodology based on SBTi, in which the intensity target is defined by a reduction in emissions relative to a specific sectoral physical metric, such as the company's output (e.g., tons of CO₂eq per tons of product).
- ◇ Economic intensity methodology - GEVA (orange in the table below): where it is impossible (methodologically, or due to lack of data) to apply the SDA methodology, the target is set through an annual economic intensity reduction rate defined a priori as constant from year to year.
- ◇ GEVA methodology, being subject to greater volatility, has been used with secondary relevance compared to the SDA option.
- ◇ The preference for the SDA method also lies in the fact that it considers targets stated directly by the counterparties or subject to more robust estimation methodologies compared to those used in the GEVA option (where reduction percentages derived from internal estimates are assigned to the counterparties).

Please note that the Group has no exposure to coal.

Sector ²⁵	Amount (€ m) / Analysed share ^{a)}		Emission intensity metric	Baseline value (year)	Intermediate Target		Progress as at 30 June 2024
	30 June 2023	30 June 2023			Previous	New	
Automotive ²⁶	1,616 80%	1,441 82.5%	Average grams of CO ₂ eq per vehicle-km (vkm)	139.23 (2022)	117.39 ^{d)} (2025)		153.59 To be monitored through engagement.
			Average tonnes of CO ₂ eq per unit of Revenue (\$ m)	48.36 (2022)	40.67 (2025)	38.01 ^{d)} (2025)	81.87 Metric subject to a significant level of volatility, given the high concentration of portfolio volumes under analysis. The Group is monitoring changes in the value over time very carefully.
Aviation	358 73%	261 93.3%	Average tonnes of CO ₂ eq per passenger-km (pkm)	93.80 (2022)	90.5 ^{d)} (2025)		85.79 On track
			Average tonnes of CO ₂ eq per unit of Revenue (\$ m)	69.69 (2022)	58.61 (2025)	57.78 ^{d)} (2025)	752.3 The increase is mainly connected to the c. 20% increase in the covered perimeter. The Group is monitoring changes in the value over time very carefully, evaluating the need to restate the baseline and the target.
Cement	141 98%	91 94.7%	Average tonnes of CO ₂ eq per tonne of output (cement)	0.66 (2022)	0.59 ^{d)} (2025)		0.60 On track
			Average tonnes of CO ₂ eq per unit of Revenue (\$ m)	213.62 (2022)	179.65 (2025)	167.91 ^{d)} (2025)	488.43 Metric subject to a significant level of volatility, given the high concentration of portfolio volumes under analysis. The Group is monitoring changes in the value over time very carefully.
Chemicals	New target	1,088 88.5%	Average tonnes of CO ₂ eq per unit of Revenue (\$ m)	73.95 (2023)	=	58.21 ^{d)} (2026)	New target
Oil & Gas	New target	768 92.7%	Average tonnes of CO ₂ eq per tonne of output (KJ)	67.2 (2022)	=	64.1 ^{d)} (2025)	New target
			Average tonnes of CO ₂ eq per unit of Revenue (\$ m)	291.96 (2023)	=	229.80 ^{d)} (2026)	New target
Power	1,141 92%	793 83.4%	Average tonnes of CO ₂ eq per MWh	0.34 (2022)		0.26 ^{d)} (2025)	0.21 On track
			Average tonnes of CO ₂ eq per unit of Revenue (\$ m)	607.39 (2022)	510.82 (2025)	477.41 ^{d)} (2025)	226.81 On track
Shipping	New target	76 58.0%	Average tonnes of CO ₂ eq per unit of Revenue (\$ m)	21.32 (2023)	=	16.78 ^{d)} (2026)	New target
Steel (inc. Iron and coke or metal ore production)	New target	92 26.6%	Average tonnes of CO ₂ eq per unit of Revenue (\$ m)	171.89 (2023)	=	135.30 ^{d)} (2026)	New target

a) % of the on-balance-sheet total lending and investment banking book Group's drawn exposure (Gross Carrying Amount) in these sectors covered by the target.

b) No change vs target set in 2023 PRB Report. In the TCFD Report and Pillar III Disclosure to the Public, details are also provided regarding the corresponding target value derived from the same estimates for the following year.

c) Revised target vs. the one set in 2023 PRB Report to reach an approx. 21% reduction from 2022 to 2025 (the reduction is more challenging compared to the previous -16%).

d) New target translating to an approx. 21% reduction from 2023 to 2026.

e) New target.

25. Sectors have been assigned considering the NACE codes defined by the EBA (Pillar III Template 3) as a minimum requirement, supplemented by further specific additions relevant for the Group.

26. The emissions associated to Motor vehicle loans (as defined by PCAF) granted to households (€49 m) are immaterial (12.9 ktCO₂eq or 0.06% of financed emissions) and therefore have not been included into any target. The 90.4 ktCO₂eq emissions (or 0.39% of financed emissions) related to Motor vehicle loans granted to corporates (€300.5 m) have been included in the Automotive target sector, in relation to vehicle financing, and in the sectors of the counterparty if related to the financing of outfitting and/or other types of credit not strictly related to the vehicle. These exposures are negligible therefore it was not deemed necessary to update the target.

Exposure to other carbon intensive sectors or activities identified according to the UNEP-FI “Guidelines for Climate Target Setting”

No target has been set in relation to the following sectors/exposures, due to the negligibility of the related exposures and/or financed emissions as at 30 June 2024:

- ◇ **Agriculture** (NACE A-01, A-02, A-03) - both exposures (€24m) and related emissions are immaterial (11.51ktCO₂eq or 0.05% of financed emissions²⁷);
- ◇ **Real estate** (NACE 68) - the emissions associated with general purpose loans to and investments in counterparties belonging to this sector (€1,333m) are immaterial (16.52 ktCO₂eq or 0.07% of financed emissions);
- ◇ **Mortgages** (as defined by PCAF) - the emissions associated with mortgage loans (€14,121m) are immaterial (499.16 ktCO₂eq, or 2.2% approx. of financed emissions).

27. Incidence on the c. 21.1MtCO₂eq financed emissions of the Group, as reported in Section 5.2 – Financed emissions of TCFD 2023-24.

Auditors' Report



Mediobanca S.p.A.

Independent Auditors' report on selected disclosures
reported in the Principle for Responsible Banking Report of
the Mediobanca Group for the year ended 30th June 2024



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Independent Auditors' report on selected disclosures reported in the Principle for Responsible Banking Report of the Mediobanca Group for the year ended 30 June 2024

To the Board of Directors of Mediobanca S.p.A.

We were engaged to perform a limited assurance engagement on sections "2.1 Impact Analysis", "2.2 Target Setting", "2.3 Target implementation and monitoring", "5.1 Governance Structure for Implementation of the Principles" (the "Subject Matter") included in the Principle for Responsible Banking Report of the Mediobanca Group for the year ended 30 June 2024 (the "2024 PRB Report"), approved by the Board of Directors of Mediobanca S.p.A. (the "Bank") on 19 September 2024.

The Subject Matter has been prepared in accordance with the "Principles for Responsible Banking" and the "Principle for Responsible Banking – Guidance Document" issued by the United Nations Environment Programme Finance Initiative ("UNEP FI").

Management's responsibility

Management is responsible for the preparation of the 2024 PRB Report in compliance with the "Principle for Responsible Banking" and the "Principle for Responsible Banking – Guidance Document" issued by the UNEP FI.

Management is also responsible for the internal controls as management determines is necessary to enable the preparation of the 2024 PRB Report, that is free from material misstatement, whether due to fraud or error.

Independence and management control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1 (ISQM Italia 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent Auditors' responsibility

Our responsibility is to express a conclusion on the Subject Matter based on our limited assurance engagement. We conducted our limited assurance engagement in accordance with the provisions of the standard "International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised") issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain limited assurance whether the Subject Matter is free from material misstatement.

The procedures we performed were based on our professional judgment and included inquiries, primarily of persons responsible for the preparation of the Subject Matter, inspection of documents,

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Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998

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recalculation, agreeing or reconciling with underlying records and other evidence-gathering procedures that are appropriate in the circumstances.

Our limited assurance engagement also included:

- ▶ understanding of the internal rules underlying the preparation of the Subject Matter through acquisition and analysis of the relevant internal documentation (policies, procedures, process guides and methodologies);
- ▶ interviews and discussions with Bank's management to gather information on the reporting and technology systems used in preparing the Subject Matter and on the processes and internal control procedures used to gather, combine, process and transfer data and information for the preparation of the Subject Matter;
- ▶ sample-based analyses of documentation supporting the preparation of the Subject Matter to obtain evidence of the application of the processes put in place to prepare the data and information presented therein;
- ▶ analysis of the consistency of the information reported in the Subject Matter with the relevant disclosures reported in the 2024 TCFD Report and in the 2023-2024 Consolidated Non-Financial Statements approved by the Board of Directors of the Bank on 19 September 2024;
- ▶ obtaining a representation letter from management on the compliance of the Subject Matter with the "Principle for Responsible Banking" and the "Principle for Responsible Banking – Guidance Document" issued by the UNEP FI and on the reliability and completeness of the information and data contained therein.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement conducted in accordance with ISAE 3000 revised and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement.

Conclusion

Based on the procedures we have performed, nothing has come to our attention that causes us to believe that the Subject Matter for the year ended 30 June 2024 is not prepared, in all material respects, in accordance with the criteria provided by the "Principle for Responsible Banking" and the "Principle for Responsible Banking – Guidance Document" issued by the UNEP FI.

Others matters

This report has been prepared solely for the purposes described in the first paragraph and, accordingly, it may not be suitable for other purposes.

Milan, 25 September 2024

EY S.p.A.

A handwritten signature in black ink, appearing to read 'Davide Lisi', written over a light blue horizontal line.

Davide Lisi
(Auditor)



MEDIOBANCA

All photos and other images are of Mediobanca offices and buildings