



# MEDIOBANCA CREDIT ESG PROFILE

April 2021



MEDIOBANCA



# AGENDA

**Section 1. Mediobanca overview and ESG profile**

**Section 2. Preliminary approach to Sustainability-Linked Bonds (SLBs)**

**Section 3. Summary of MB Green and Sustainable Framework and Inaugural Issuance**

**Appendix**

**Impact on People, Environment and Community**



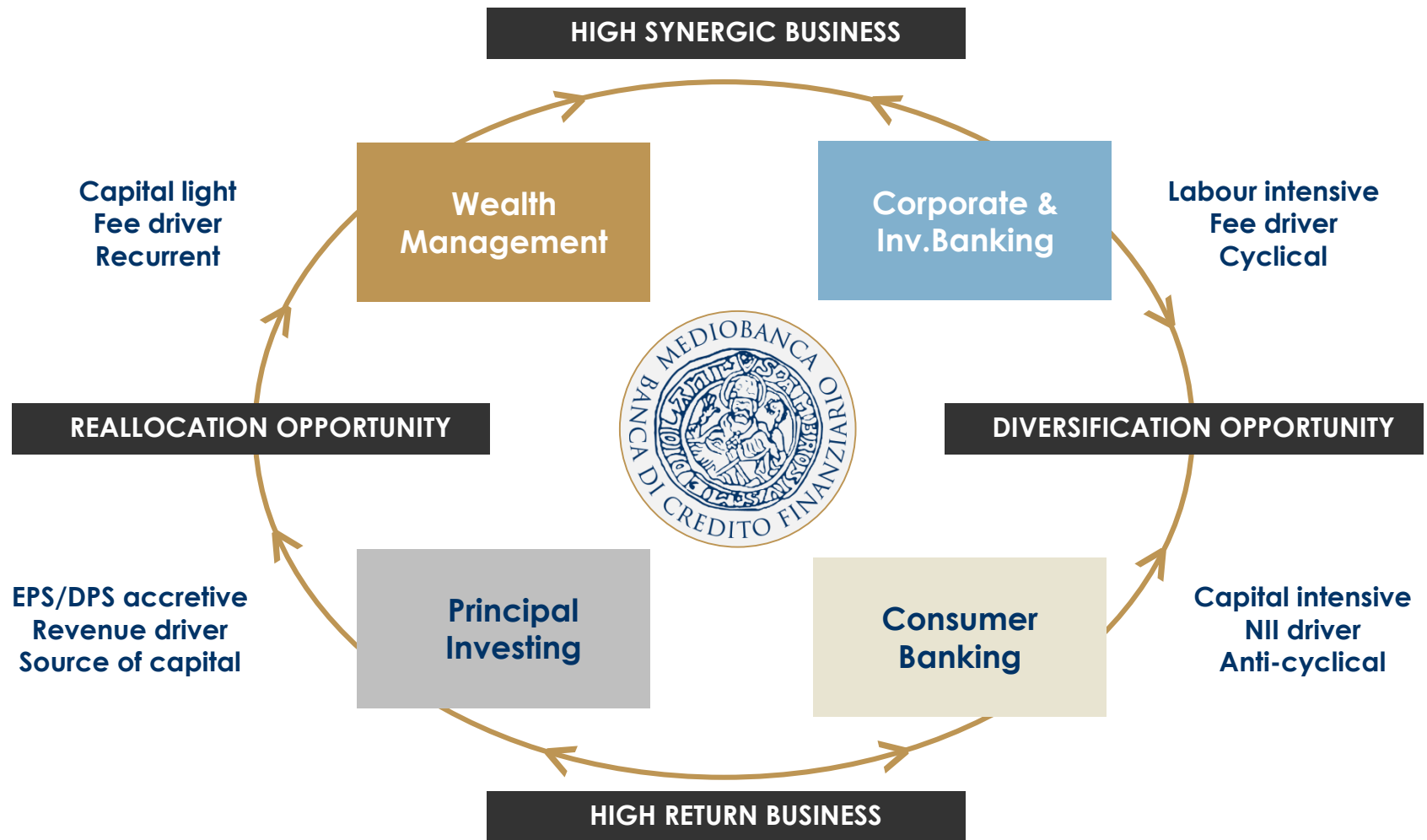
MEDIOBANCA

# MEDIOBANCA OVERVIEW AND ESG PROFILE

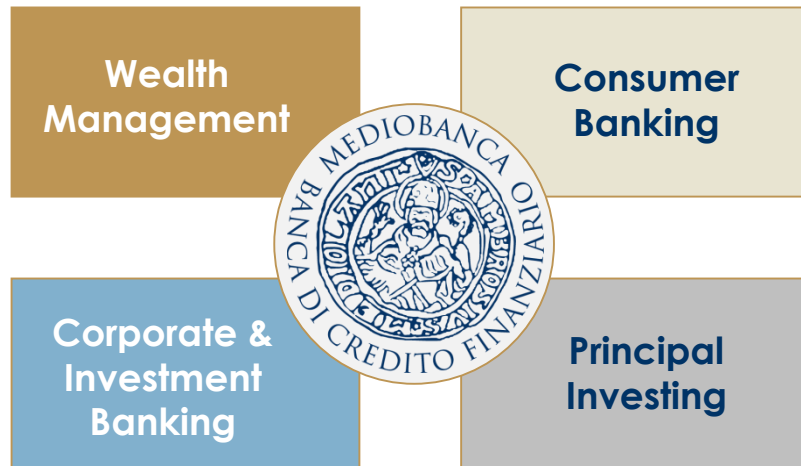
Section 1



# MEDIOBANCA GROUP: AN INTEGRATED BUSINESS MODEL ...



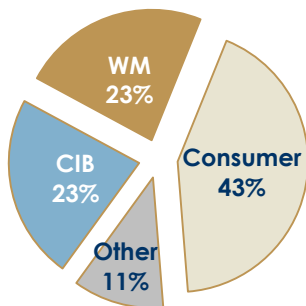
# ... WITH SOLID FEATURE AND STABLE PROFITABILITY ...



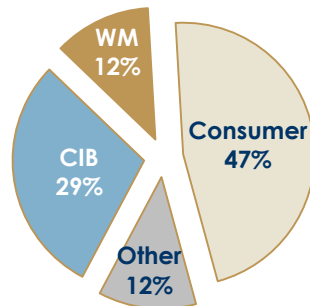
## Key financial information<sup>1</sup>

Revenues:	€2.5bn	TFA:	€64bn
Net profit:	€600m	Loan book:	€47bn
ROTE adj <sup>5</sup> :	10%	Gross NPLs/Gross Ls	4.1%
C/I ratio:	47%	DPS FY20:	€0 <sup>2</sup>
No. of staff:	4.9k	Payout FY21:	70% <sup>4</sup>
CET1 phase in:	16.1%	Loan/funding ratio:	85%
Total assets:	€79bn	Market cap: <sup>3</sup>	€7.8bn

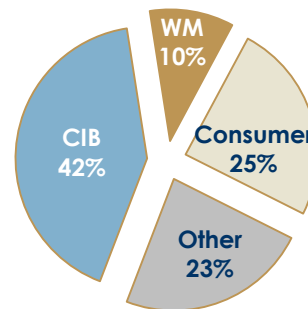
Revenues



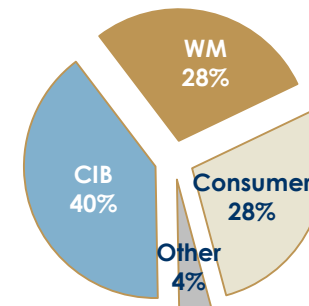
GOP



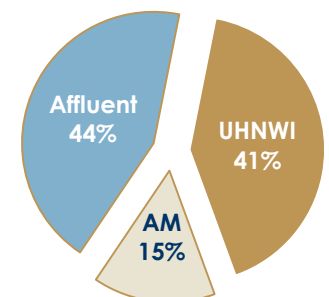
RWAs



Loans



TFAs



1) Figures as at end-June 2020 (financial year)  
 2) In accordance with ECB guidance on Covid crisis  
 3) As at 10 February 2021  
 4) Subject to removal of ECB restriction, currently in force until 30 September 2021  
 5) ROTE based on net profit adjusted calculated as GOP net of LLPs, minorities and taxes, with normalized tax rate (33% for Affluent, CIB, Consumer and HF; 25% for PB and AM; 2% for PI). Covid-related impact excluded for FY20 and 4Q20

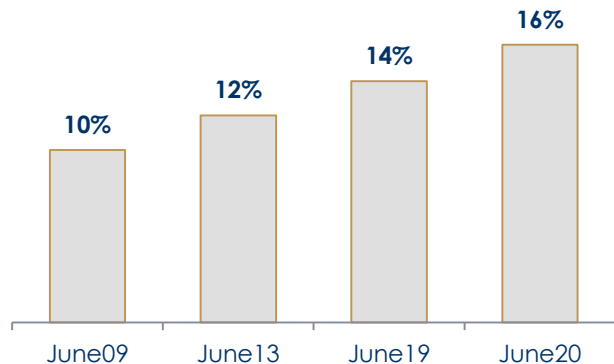
# ... ACHIEVED THROUGH GROWTH RESHAPING ACROSS CYCLES...

## Mediobanca overview and ESG profile

## Section 1

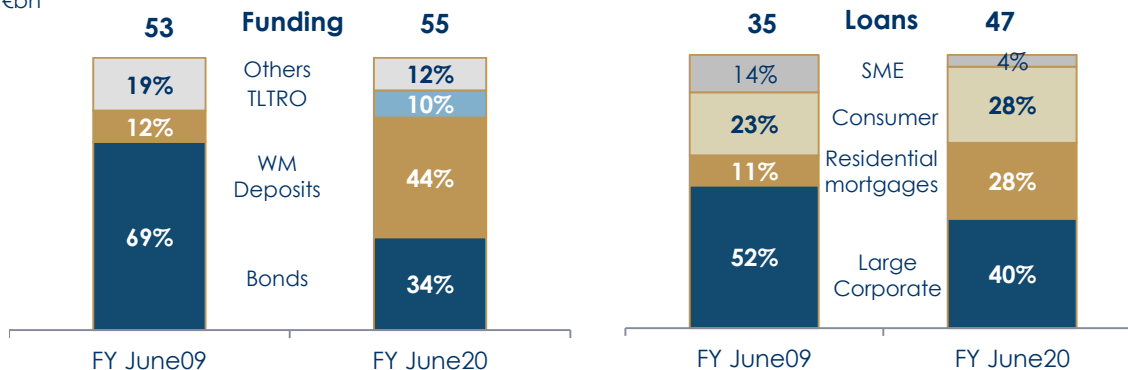
### Stronger capital base

CET1 ratio (%)



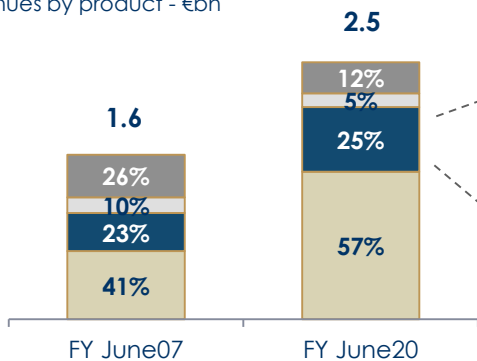
### Different funding and loan book mix

€bn

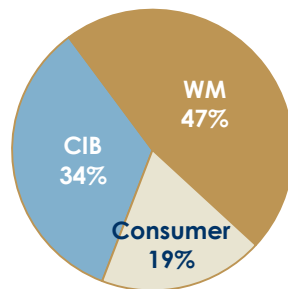


**Enlarged and diversified revenues, with WM now at 23% (from almost zero), CIB at 23%, Consumer at 42%, PI reduced to 12% (from 30%)**

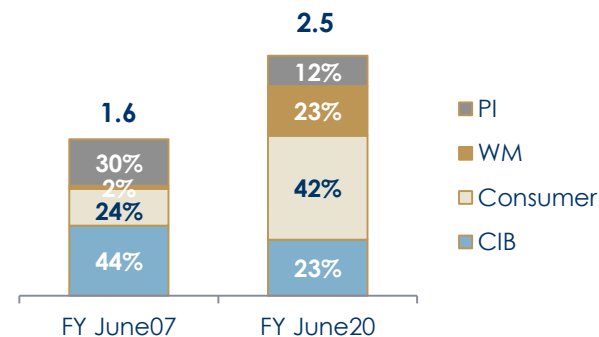
Revenues by product - €bn



Fees by division - €bn



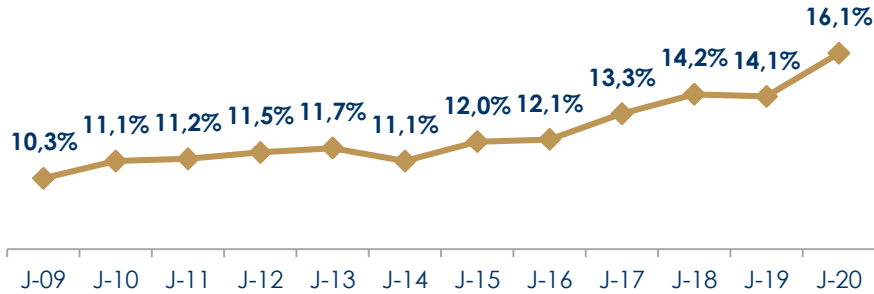
Revenues by division - €bn



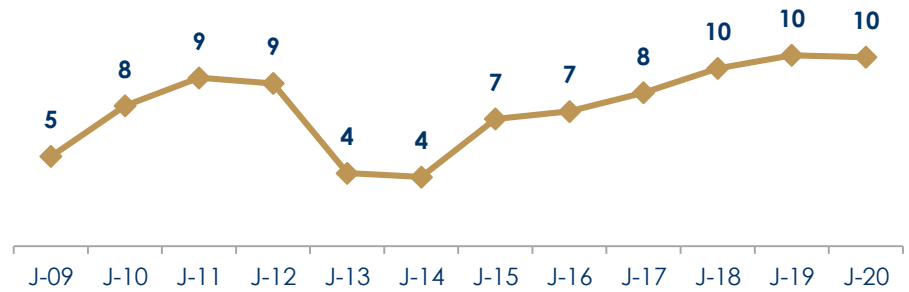
# ... SHOWING SOUND RESILIENCE & STAKEHOLDERS REMUNERATION...

## High capital generation (last capital increase in 1998) and high profitability...

CET1 ratio %

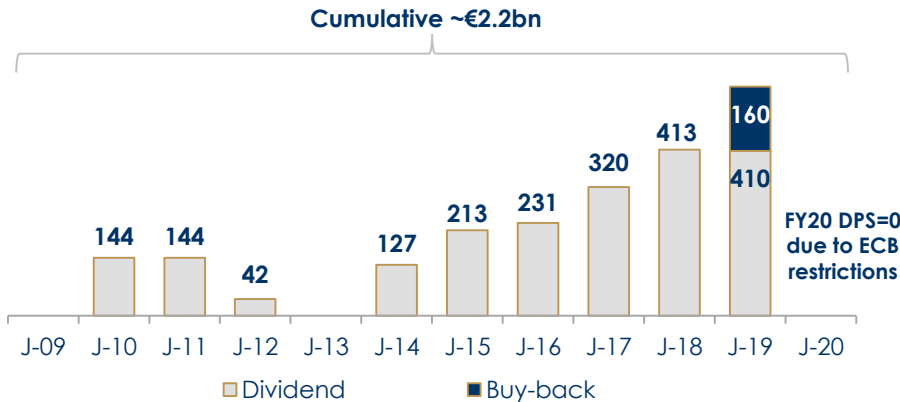


ROTE adj. %

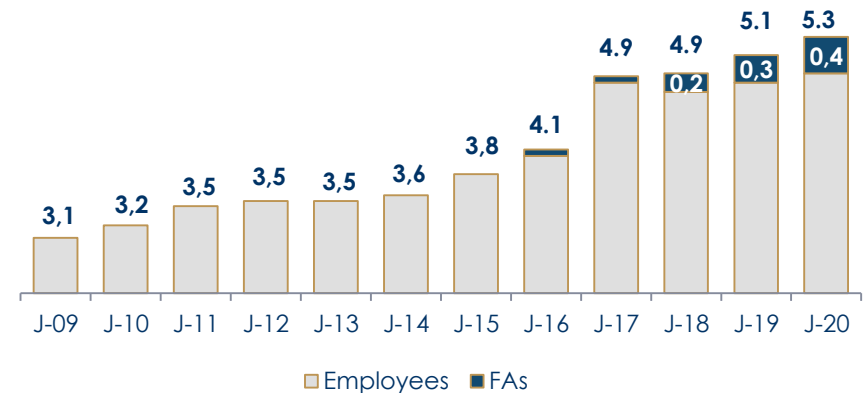


## ... has enabled MB to return more than €2bn to shareholders, while investing constantly in people

€m

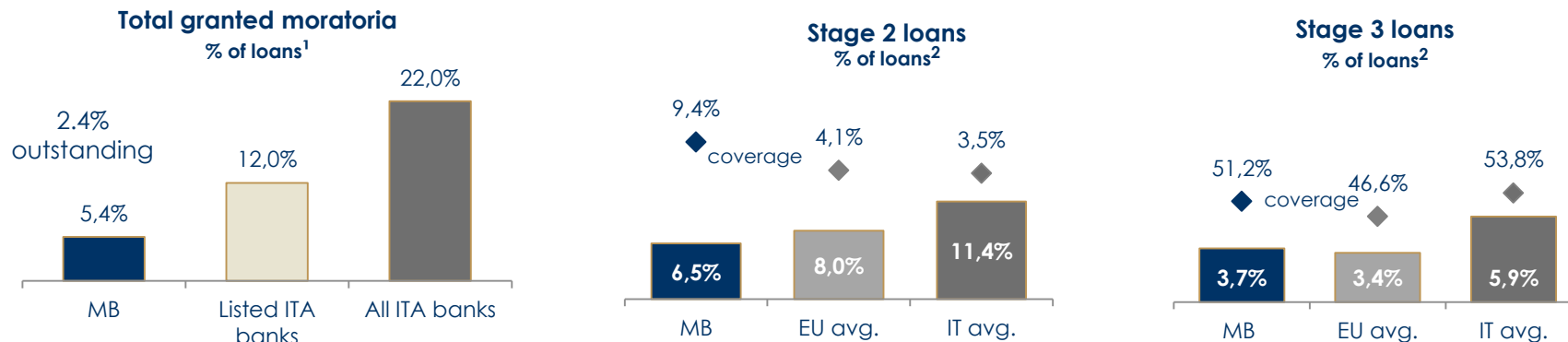


Group staff ('000)

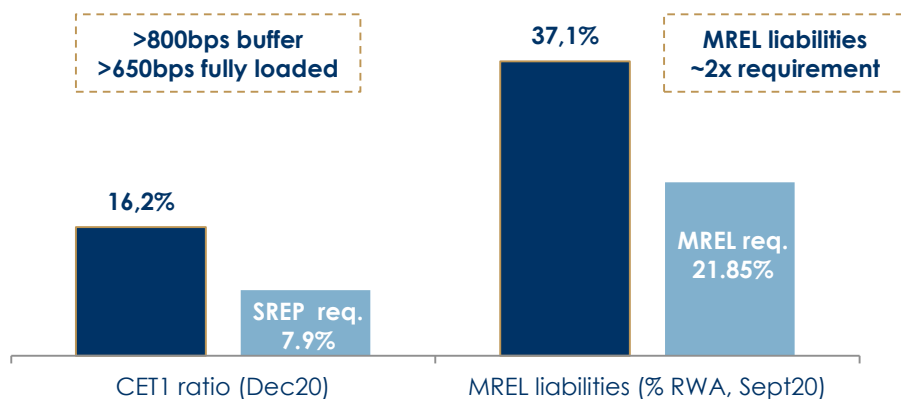


# ...COUPLED WITH A RISK PROFILE OUTSTANDING AT EU LEVEL

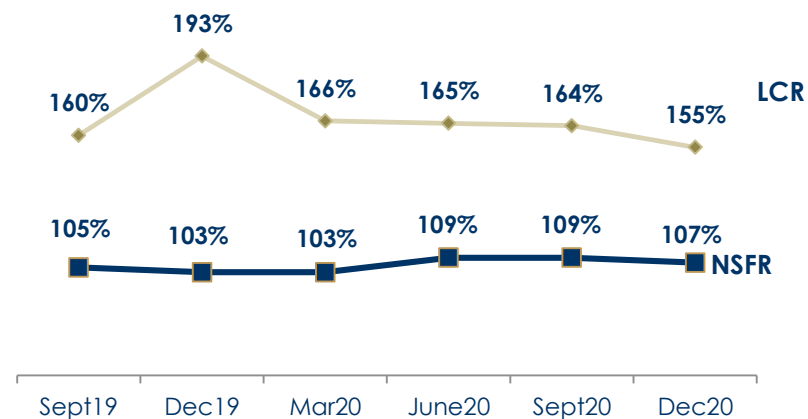
Loans under moratoria well below Italian average, Stage 2 high coverage, stage 3 aligned to EU averages



MB: buffers well over SREP and MREL requirements



MB: liquidity and funding ratios at strong levels



1) MB as at Dec.20. Source: Bank of Italy, as of 29 January 2021 for systemic data; ITA banks' June20 results presentations, reports and pillar 3 for Listed ITA banks  
 2) Source: EBA Risk Dashboard – Data as of September 2020- %of loans (histogram) and coverage ratio (dots). MB data as of Dec20





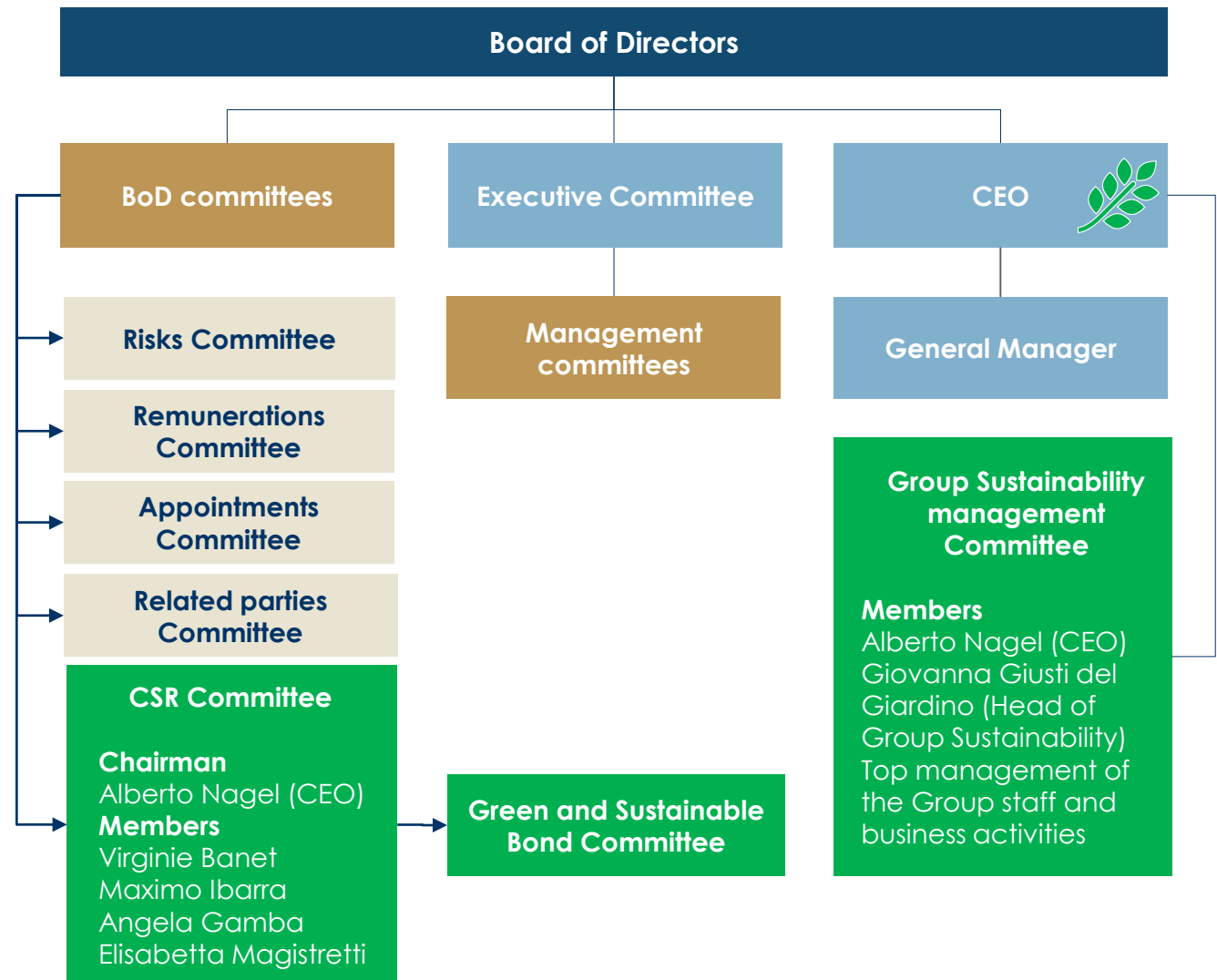
# A STRONG GOVERNANCE APPROACH RELYING...

## CEO in charge of sustainability.

**Corporate Social Responsibility Committee** (including the CEO and 3 independent BoD members) has responsibility for prior analysis of sustainability issues to be submitted to the BoD.

The **Group Sustainability Management Committee** remains responsible for defining policies and implement practices within the Group

**Green and Sustainable Bond Committee** is composed by Group Treasury, ESG team, CIB division and all relevant legal entities that contribute to the origination of the Eligible Assets



# ... ON OUR DISTINCTIVE CULTURE AND POSITIONING ...

## Stable Board and management in the last 15Y

Indepth knowledge of business environment  
Long-term approach to business  
Strong risk management as part of DNA

## Responsible business approach

Strong brand value  
Reputable, trusted, high-quality player  
Talent-driven organization

## Specialization and Innovation

Private-Investment Bank of choice for Italian entrepreneurs  
Innovative, long-standing profitable consumer bank  
Unique human-digital bank for affluent customers

## Strong positioning in businesses whose growth is driven by long-term trends

Leading investment bank in Southern Europe  
One of top 3 operators in Italian Consumer Banking  
Distinctive player in WM

## High capital generation, high asset quality content

CET1@16%  
Last capital increase in 1998  
Unrivalled asset quality  
Low operational gearing

## Limited exposure to ITA macro and adverse regulation

Low exposure to Italian spread and govies  
Low NII sensitivity to interest rates and GDP  
Solid loan book/TFAs growth over the whole cycle

## Governance progressively evolving

Institutional investors @50% of the shareholders base  
Board quality steadily improved/improving in number, mix of competences, independence

## Comprehensive ESG approach

CSR involving the whole organization  
Remuneration policy fully aligned with stakeholders' interests

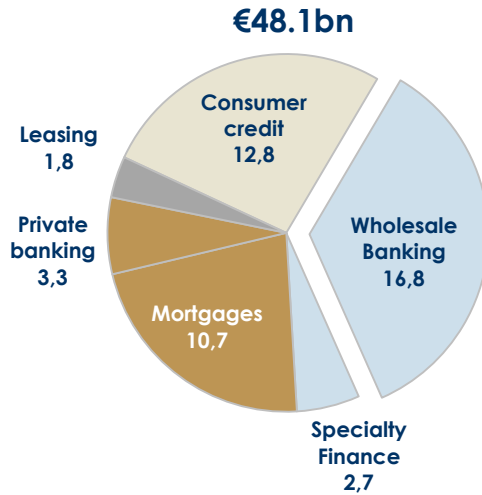
# ... COUPLED WITH AN ALREADY ENVIRONMENT FRIENDLY FOOTPRINT...

## Mediobanca overview and ESG profile

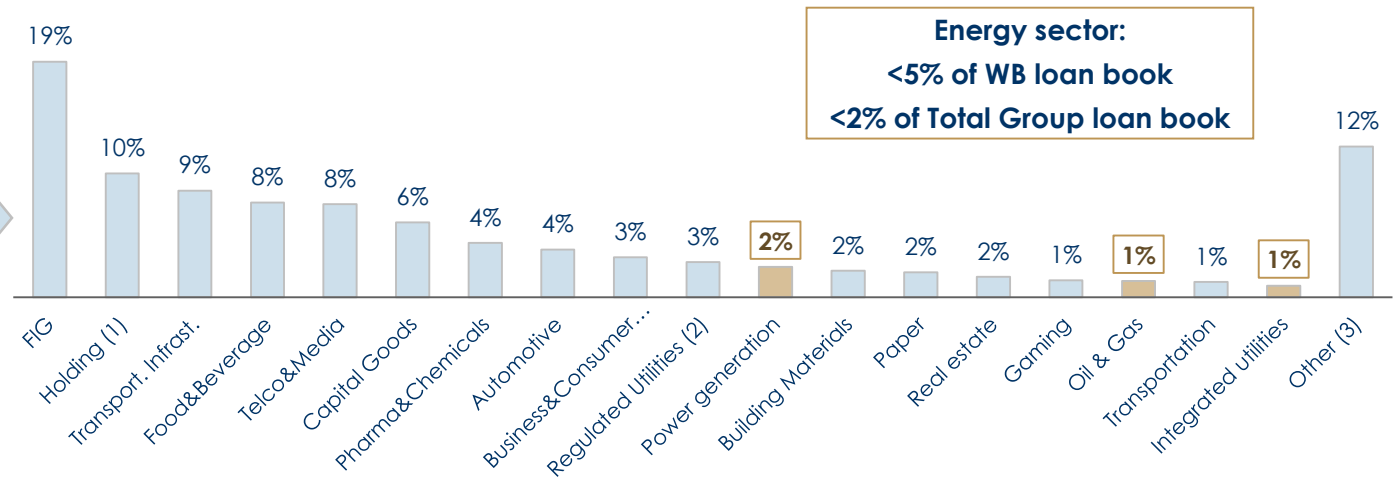
## Section 1

### Group loan book

(as at Dec.20)



### WB loan book by sector (as at Dec.20)

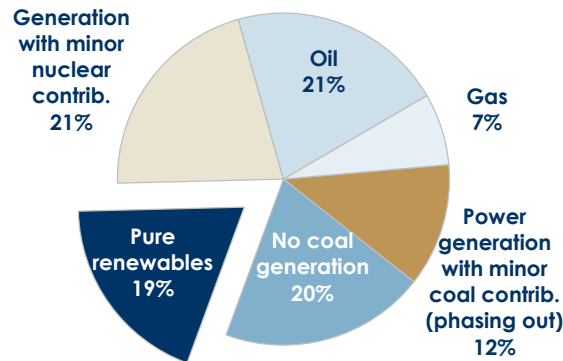


### Energy exposure:

- ◆ 1/5 pure renewables
- ◆ 4/5 minor/residual exposure to coal (phasing-out) and nuclear

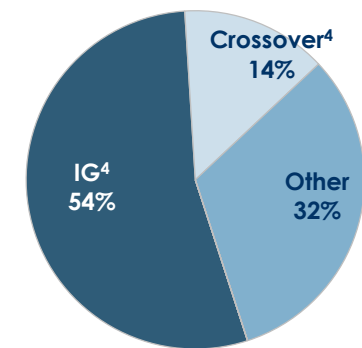
No exposure to mining and coal mining sectors

### Energy sector exposure by power source



**High quality corporate portfolio with almost 70% IG+crossover**

### Loan book by rating



1) Excluding holding with underlying assets in oil&gas and power generation, which instead are included in the relative sector

2) Includes energy supply chain and transportation only

3) "Other" includes sectors with exposure below 2%: Construction, Consumer Goods, Containers&Packaging, Energy Services, Healthcare, Information Technology, Infrastructure, Lodging&Leisure, Luxury, Metal, Restaurants&Food Chain, Retail Food and Non-Food and other

4) Investment grade (IG) including rating classes from AAA to BBB-, crossover including BB+ rating bucket



# ... AND A STRONG COMMITMENT TO ESG DEVELOPMENT ...

## INVESTMENTS

- ◆ **Distribution (CheBanca!): ESG funds<sup>1</sup> in clients portfolio almost 40%** (+45% in last 18 months)
- ◆ **Asset Management:**
  - ◆ **Procedure started to include ESG criteria in investment evaluation**
  - ◆ **RAM: launch of Stable Climate Global Equities Fund, its first carbon-neutral fund**
  - ◆ **MB SGR: launch of 2 ESG funds** (ESG European Equity & ESG US Equity) representing almost **10% of ITA managed funds.**

## CREDIT






- ◆ **Consumer:** green volumes still limited (approx €20m in last quarter) but growing (up 70% YoY)
- ◆ **Mortgages:** green new production at €40m per quarter, growing fast

# ... FOSTERED ESG DEVELOPMENT: FROM COMPLIANCE TO STRATEGY

## Integrating CSR into corporate strategy ...

2017	2018	2019	2020
<p><b>Structure created</b></p> <ul style="list-style-type: none"> <li>◆ Sustainability unit</li> <li>◆ Group managerial Sustainability Committee</li> <li>◆ Group Sustainability Policy</li> <li>◆ First materiality matrix</li> <li>◆ First Group sustainability report</li> </ul>	<p><b>First Consolidated Non-Financial Statement</b></p> <ul style="list-style-type: none"> <li>◆ Directive on responsible investing</li> <li>◆ Multi-stakeholder forum to update materiality matrix</li> <li>◆ Signed up to UN Global Compact</li> <li>◆ First Consolidated Non-Financial Statement</li> </ul>	<p><b>Policy on responsible investing and financing</b></p> <ul style="list-style-type: none"> <li>◆ New Group policy on responsible investing and lending</li> <li>◆ Responses to leading ESG Index questionnaires</li> <li>◆ Signed up to Principles for Responsible Investing</li> <li>◆ E-learning course on Sustainability and Human Rights</li> <li>◆ Second Consolidated Non-Financial Statement</li> </ul>	<p><b>CSR objectives included in new Strategic Plan</b></p> <ul style="list-style-type: none"> <li>◆ CSR objectives included in the 2019-23 Strategic Plan and in the LTI for senior management</li> <li>◆ BoD CSR Committee</li> <li>◆ Revised version of Group Sustainability Policy</li> <li>◆ Signed up to Principles for Responsible Investing</li> <li>◆ Third Consolidated Non-Financial Statement</li> </ul>

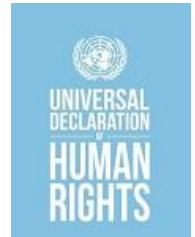
## ... to satisfy the demands of all stakeholders with our acknowledged ethical approach

<p><b>SHAREHOLDERS</b> </p> <p><b>Solid profitability</b> <b>Outstanding capital ratios</b></p>	<p><b>OUR PEOPLE</b> </p> <p><b>4,920<sup>1</sup></b> employees <b>58% men 42% women</b> <b>180,758</b> hours of training</p>	<p><b>ENVIRONMENT</b> </p> <p><b>93%</b> of electricity acquired from renewable sources Issue of first MB <b>green bond</b></p>	<p><b>COMMUNITY</b> </p> <p><b>€5.4m<sup>1</sup></b> community investment in 3 areas:</p> <ul style="list-style-type: none"> <li>◆ Environment and territory</li> <li>◆ Culture, research and innovation</li> <li>◆ Social inclusion</li> </ul>	<p><b>SUPPLY CHAIN</b> </p> <p><b>35.8%</b> of spending on supplies screened using ESG criteria<sup>1</sup></p>
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# THE SUSTAINABILITY PRINCIPLES WE EMBRACE ...

Mediobanca Group has based its Sustainability policy on the following principles

Universal Declaration of Human Rights



Ten principles of the UN Global Compact



UN Sustainable Development Goals (SDGs)



UN-supported Principles for Responsible Investment ("PRI")



# ... HAVE INSPIRED OUR RESPONSIBLE INVESTMENTS POLICY ...

Mediobanca SGR, RAM Active Investment and Cairn Capital are signatories to the Principles for Responsible Investment (PRI) launched by the United Nations in 2006 set up to promote a sustainable and responsible approach to investment by institutional investors

## Group Sustainability Policy

- ◆ The Group Policy, in line with the principal international standards and declarations, is sub-divided into four areas held to be priorities: **measures to tackle bribery and corruption, human rights, diversity and inclusion and environment and climate change** with the objective of driving improvement in the Group's conduct and direct impact in all these areas

## Group Policy on responsible lending and investing

- ◆ The policy applies to **lending activities, investment of own funds and advisory services on investments provided to clients** by the Mediobanca Group, pursuing an approach which is based on a combination of:
  - ◆ **Negative screening** through use of exclusion criteria, to identify companies involved in specific activities which therefore cannot be taken into consideration for lending, investment and advice processes
  - ◆ **Positive screening** based on precise inclusion criteria to identify companies that are committed to ESG issues

## Other Policies

- ◆ **Mediobanca SGR** has adopted a Policy on responsible investments, considering the integration of environmental, social and governance criteria within the investment processes as a priority
- ◆ **RAM** adopted a **Policy for responsible investing** setting out the investment beliefs, the guidelines, and the approach to consider and incorporate ESG factors into investment process and strategies and a **Policy on climate change**, to tackle climate change risks through investment decisions and direct or collaborative engagements
- ◆ **Cairn Capital** has adopted an ESG policy based on negative, top-down screening to exclude companies operating in certain sectors, combined with a bottom-up approach to evaluating investments based on ESG criteria specific to each asset

## ESG products and services

- ◆ **Mediobanca Social Impact** is a fund for philanthropic purposes, which has been developed in partnership with some of the leading Italian charitable which receive a recurring devolution
- ◆ **Compagnie Monégasque de Banque - ESG Mandate** invests in companies/countries that contribute to the development and the future of our society and are committed to build a better world

# ... AND OUR BUSINESS PLAN CSR/ESG TARGETS AS WELL

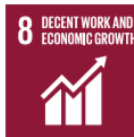
## CSR FY23 targets as at Nov.19



**Avg. training hours up 25%**, to enhance employees' competences



**~50% of female profiles to be considered for external selections**  
**All suitable female profiles to be considered for internal promotions and/or vacancies**



**AMt: 100% of new investments screened also with ESG criteria**  
**€700m investments in Italian excellent SMEs**  
**ESG qualified products in clients' portfolio +30%**



**€4m per year in projects** with positive social/environmental impact  
**MB Social Impact Fund: AUM increase at least by 20%**



**Sustainable bond issue: €500m**  
**40% of procurement expenses assessed with CSR criteria**  
**Customer satisfaction: CheBanca! CSI<sup>1</sup> on core segment<sup>2</sup> @73, NPS<sup>1</sup> @25 Compass: CSI @85, NPS @55**



**Energy: 92% from renewable sources, CO<sub>2</sub> emissions down 15%; hybrid cars @90% of MB fleet**  
**RAM: first issue of a carbon neutral fund**  
**CheBanca! Green mortgages up 50%**

## Where we are

Employee competences enhanced with **avg. training hours up 95% YoY** (FY20) in part to deal with Covid-19 emergency

**Procedure adopted to reach targets for equal opportunities**, including specification in head-hunter mandates

**AM: procedure started to include ESG criteria in investment evaluation**  
**€100m investments in outstanding Italian SMEs**  
**ESG qualified products in clients' portfolio up 20%**

**€5.4m in FY20 for social/environmental proj.**  
**MB Social Impact Fund: AUM up 29%** (BPtarget23: up 20%)

**ESG bond issue: target achieved**  
**36% of procurement exp. assessed with CSR criteria**  
**Customer satisfaction: CheBanca! CSI<sup>1</sup> in core segment<sup>2</sup> @74, NPS<sup>1</sup> @28**

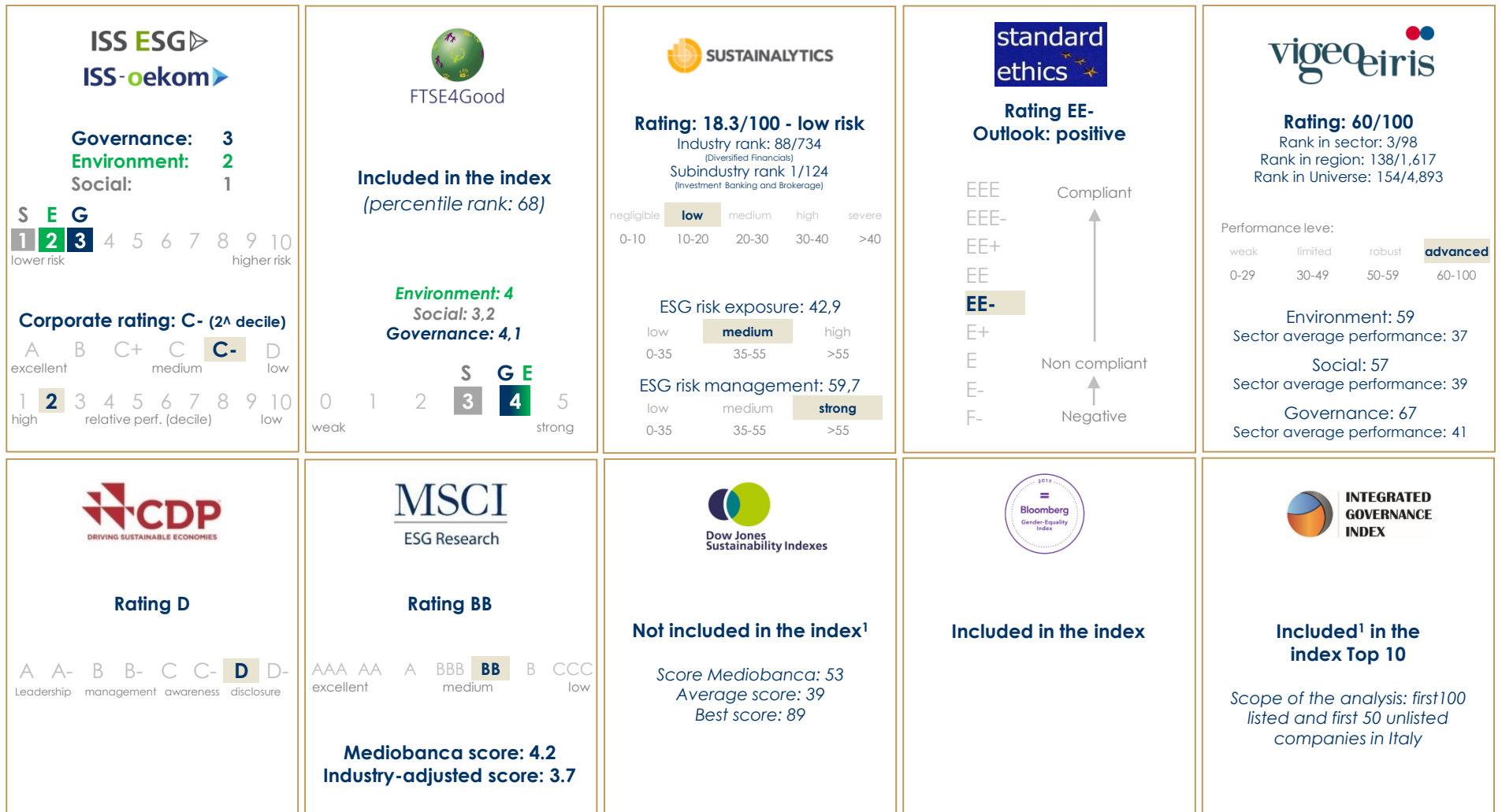
**Energy: target achieved** with carbon neutrality  
**RAM: target achieved with the launch of Stable Climate Global Equities Fund**



# MEDIOBANCA - ESG INDEXES AND RATING

## Mediobanca overview and ESG profile

## Section 1



# **PRELIMINARY APPROACH TO SUSTAINABILITY-LINKED BONDS**

Section 2



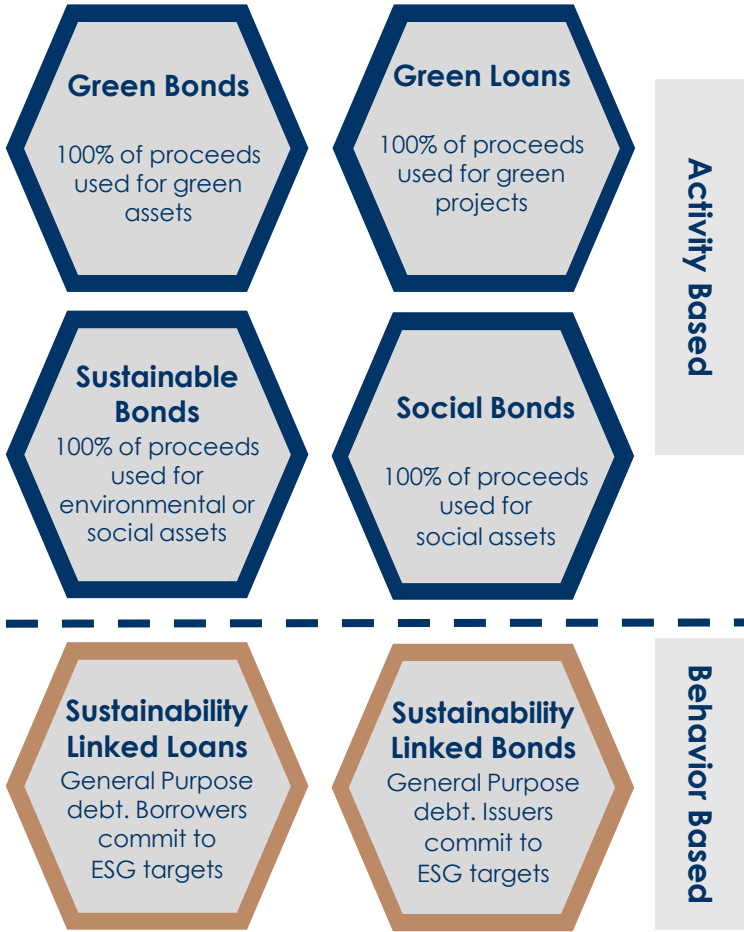
# SUSTAINABILITY-LINKED BONDS: A NEW OPPORTUNITY

Preliminary approach to Sustainability-Linked Bonds (SLBs)

Section 2

## Sustainability-Linked Bonds overview

<p><b>Sustainability-Linked Bonds</b></p>	<p>Bonds whose <b>coupons and/or redemption amount can vary</b> depending on whether the issuers achieve predefined Sustainability or ESG objectives within a predefined timeline</p>
<p><b>ESG Objectives</b></p>	<p>Measured through predefined Key Performance Indicators (<b>KPIs</b>) Assessed against predefined Sustainability Performance Targets (<b>SPTs</b>) that must be <b>ambitious</b> and beyond "Business as Usual" trajectories</p>
<p><b>Key differences with Green and Sustainable Bonds</b></p>	<p>SLBs are intended to be used for <i>general corporate purposes</i> and are linked to ESG targets (<b>behaviour based</b>) while Green Bonds must identify a pool of eligible assets to be financed and defined according to some specific criteria (<b>activity based</b>)</p>



Alongside green bonds, SLB could become a useful funding instrument for MB, helping to further enhance the Group ESG profile, actively driving lending and investment initiatives

# MB APPROACH TO SLB

## Reasons to consider SLB as a potential new tool of ESG strategy

### Strengthen MB ESG Profile

- ◆ SLB an integration of broader ESG strategy
- ◆ SLB can give clear visibility on ESG medium-term strategy
- ◆ Dialogue with investors on KPIs to help alignment of overall ESG strategy

### Highlight Relevant ESG Targets

- ◆ SPTs calibration consistent with broader ESG strategy and Business Plan targets
- ◆ MB commitment through clear accountability
- ◆ Issuer and investors' objectives fully aligned

### Anticipate Impact of Future Regulations

- ◆ Useful tool to drive MB towards a faster transition to ESG objectives
- ◆ EBA recent publications testify the need to anticipate future relevant ESG requirements
- ◆ GAR a potential transparent and comparable KPI

### Further Expand Investor Base

- ◆ An effective tool to complete MB funding profile, beside green bonds
- ◆ SLB could help to further expand MB investor base
- ◆ Further increase ESG issuance capacity beyond structural limits of green pool

**SUMMARY OF MEDIOBANCA GREEN AND SUSTAINABLE  
BOND FRAMEWORK  
AND  
INAUGURAL ISSUANCE**

Section 3



# MEDIOBANCA GREEN AND SUSTAINABLE BOND FRAMEWORK

Summary of MB Green and Sustainable Framework and Inaugural Issuance

Section 3

Mediobanca determination in pursuing ESG targets is further demonstrated by the application of the Green and Sustainable Bond Framework, aligned with the ICMA Green Bond Principles 2018, Social Bond Principles 2020 and the Sustainability Bond Guidelines 2018

## *Use of Proceeds*

- ◆ Finance and/or refinance Green and Sustainable Assets belonging to these Eligible Categories: (a) Renewable energy (b) Energy efficiency (c) Sustainable mobility (d) Green and energy efficient buildings (e) Waste management and circular economy (f) Environmentally sustainable management of living natural resources (g) Sustainable water (h) SME financing and micro financing

## *Project evaluation and selection*

- ◆ Establishment of the Green and Sustainable Bond Committee (GSBC)
- ◆ GSBC selects the eligible assets, monitors the selected pool, updates and maintains the Framework, validates annual reporting for investors and review external auditors' reports

## *Management of Proceeds*

- ◆ Net proceeds will be allocated to eligible assets on a portfolio basis and the aggregate amount of the pool will be monitored and tracked via internal information systems over time

## *Reporting and External Review*

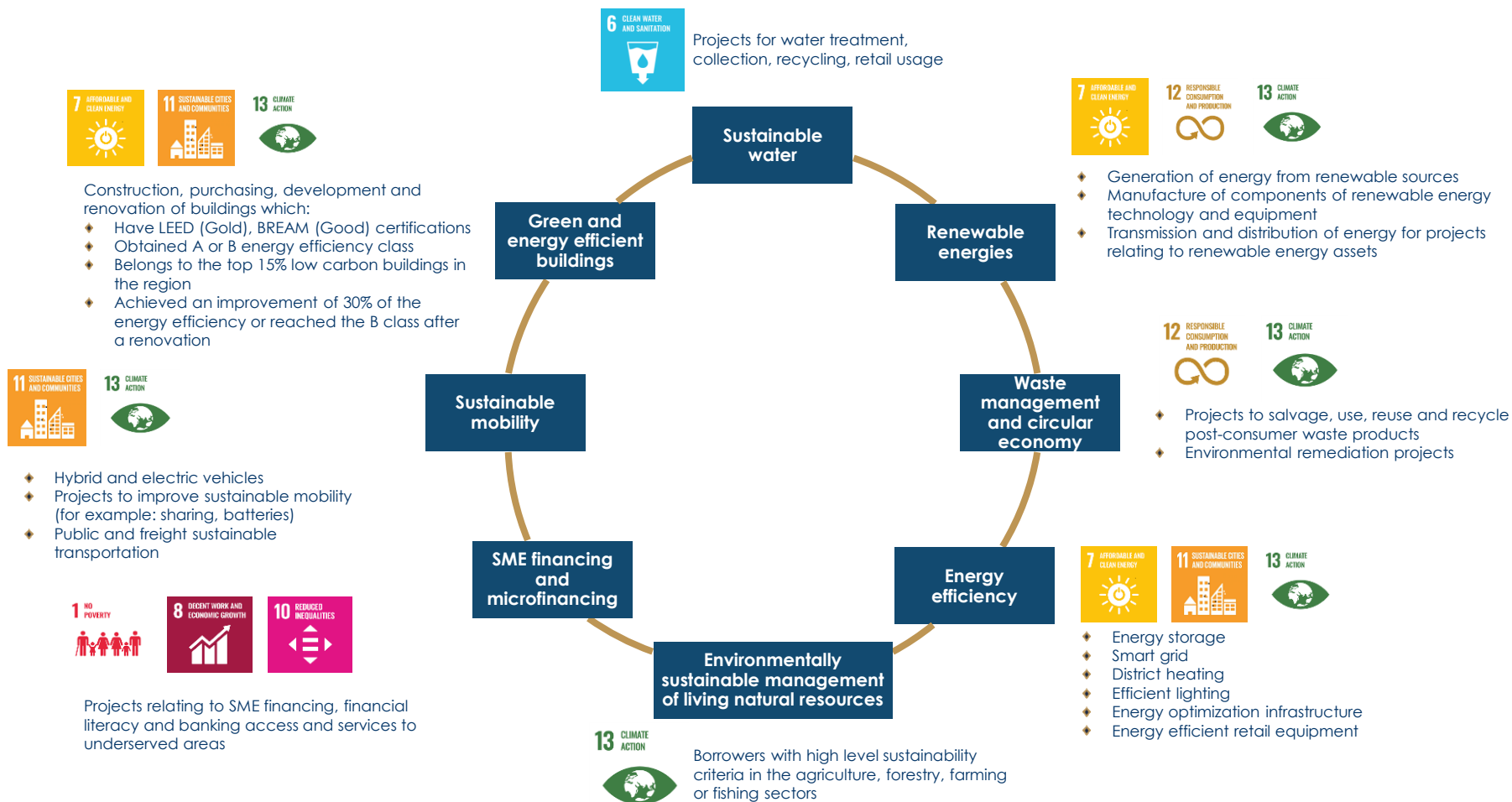
- ◆ Mediobanca will report annually the use of proceeds and impact reporting
- ◆ ISS ESG already issued a second opinion verifying the Framework, a selected portfolio and the overall sustainability performance of the Group
- ◆ Post any potential future issuance, appointment of an external auditor which will carry out an independent review



# USE OF PROCEEDS

## Summary of MB Green and Sustainable Framework and Inaugural Issuance

## Section 3



**ISS ESG Opinion:** "considers the Use of Proceeds description provided by Mediobanca's Green and Sustainable Bond Framework as aligned with the Green and Social Bond Principles and the Sustainability Bond Guidelines. The eligible Project categories align with the Green and Social Bond Principles categories of projects, provide with a clear description of the sustainability objectives and aligns with the broader strategy of the issuer. Furthermore, Mediobanca defined formal exclusion of controversial project categories, which aligns with best market practices"

# PROJECT EVALUATION AND SELECTION

## Summary of MB Green and Sustainable Framework and Inaugural Issuance

## Section 3

### Green and Sustainable Bond Committee (GSBC)

- ◆ Composed by Group Treasury, ESG team, Corporate and Investment Banking division and all relevant legal entities that contribute to the origination of the Eligible Assets
- ◆ Will approve and validate the pool of eligible assets and will have the power to exclude assets as well
- ◆ Will meet on an annual basis

### Selection activity

- ◆ While final inclusion and selection of the Eligible Assets is within the remit of GSBC only, the originating unit performing the lending activity will initially assess the compliance of any project with the Eligible Categories' criteria
  - ◆ **Corporate loans and infrastructure projects** - Mediobanca S.p.A. lending unit
  - ◆ **Retail mortgages** – CheBanca!, the retail arm of the Group
  - ◆ **Consumer credit** – Compass Banca, the consumer credit arm of the Group
  - ◆ **Leasing financing** – SelmaBipiemme Leasing S.p.A, the leasing financing arm of the Group

### Excluded categories and limitations

- ◆ Mining
- ◆ Nuclear power
- ◆ Defence and weapons
- ◆ Coal-Fired Power and fossil fuel

**ISS ESG Opinion:** "considers the Process for Project Evaluation and Selection description provided by Mediobanca's Green and Sustainable Bond Framework as aligned with the Green and Social Bond Principles and Sustainability Bond Guidelines. Selection and exclusion criteria are defined for key project categories in the Use of Proceeds part, and responsibilities related to the projects evaluation and selection are clearly described"



# REPORTING AND EXTERNAL REVIEW

## Summary of MB Green and Sustainable Framework and Inaugural Issuance

## Section 3

### Allocation reporting

- ◆ Until full allocation, Mediobanca will publish an annual report on
  - ◆ Net proceeds allocated to the pool of Green and Sustainable Assets
  - ◆ Allocation of net proceeds to each Eligible Category
  - ◆ Balance of unallocated proceeds

### Impact reporting

- ◆ The issuer will report some aggregated measure such as
  - ◆ Expected annual renewable energy generation (MWh per year)
  - ◆ Installed renewable energy capacity (MW)
  - ◆ Reduction in energy use (MWh per year)
  - ◆ GHG saving (tons per year) as per low carbon transportation and infrastructure projects and green buildings
  - ◆ Number of items (e.g. electric vehicles)
- ◆ For Eligible Categories, where relevant impact metrics are different from the ones described above, Mediobanca will adhere to best market practices

### External review

- ◆ Second party opinion
  - ◆ Soundness and validity of the Framework when compared with ICMA's Principles and Guidelines
  - ◆ Assessment of the selected asset pool
  - ◆ Mediobanca overall sustainability performance
- ◆ External assurance
  - ◆ Mediobanca will appoint an external auditor which will carry out an independent review of the use of proceeds associated with the Eligible Categories, adherence to the selection process of Green and Sustainable Assets, and reporting metrics

**ISS ESG Opinion:** “finds that the reporting proposed by Mediobanca's Green and Sustainable Bond Framework is aligned with the Green and Bond Principles and Sustainability Bond Guidelines”








# OVERVIEW OF SELECTED ELIGIBLE PROJECTS (1/2)

## Summary of MB Green and Sustainable Framework and Inaugural Issuance

Section 3

- ◆ The inaugural issue out of the Mediobanca Green and Sustainable Bond Framework was in Green format, refinancing eligible projects in the categories detailed below
- ◆ 3-year lookback period applied: starting in July 2017 with balance as of June 2020
- ◆ Total size of eligible projects is € 528m with residual maturity of 8.7 years. 79% originated in Italy, 21% in Germany
- ◆ Pool breakdown: 65% corporate loans, 26% retail mortgages, 9% consumer credit

## Corporate Loans

Use of Proceeds	Amount Financed	Indicative Impact metrics <sup>1</sup>	Relevant SDGs
<b>Renewable energy generation pure player</b>	€ 150m	MWh of renewable energy production and saving Tons of CO2 greenhouse gas emissions avoided	 
<b>R&amp;D and manufacturing of Batteries for Electric Vehicles</b>	€ 112m	MWh of renewable energy production and saving Tons of CO2 greenhouse gas emissions avoided	 
<b>Purchase &amp; modernization of electric trains and rolling stocks</b>	€ 82m	MWh of renewable energy production and saving Tons of CO2 greenhouse gas emissions avoided	  

# OVERVIEW OF SELECTED ELIGIBLE PROJECTS (2/2)





Summary of MB Green and Sustainable Framework and Inaugural Issuance

Section 3

## Retail mortgages

Use of Proceeds	Amount Financed	Indicative Impact metrics <sup>1</sup>	Relevant SDGs
Green residential buildings	Aggregated amount € 138.6m <sup>2</sup>	Number of mortgages with an energy efficiency class of A or B	

## Consumer credit

Use of Proceeds	Amount Financed	Indicative Impact metrics <sup>1</sup>	Relevant SDGs
Electric & hybrid vehicles Domestic water softeners and filters Solar Systems and Shadings Domestic Biomass Heating Energy efficient home equipments, appliances and AC Systems	Aggregated amount € 45.2m <sup>3</sup>	Number of items	   

1) Quantitative impact metrics will be published yearly after the issuance of the first bond under the Mediobanca Green and Sustainable Bond Framework.  
 2) Number of mortgages as of June 2020: 865  
 3) Number of Items as of June 2020: 16,306

# MEDIOBANCA INAUGURAL GREEN BOND

## Summary of MB Green and Sustainable Framework and Inaugural Issuance

## Section 3

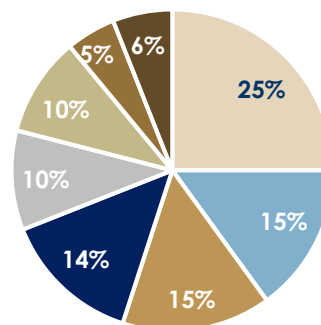
### Mediobanca Inaugural Green 7-years € 500m Senior Preferred Issuance:

- ◆ CSR targets are key elements of MB Strategic Business Plan 19-23 and the publication of the Green and Sustainable Bond Framework in June 2020 represents a key pillar of our ESG strategy
- ◆ The inaugural green transaction has been focused towards the achievement of SDG 7 (Affordable Clean Energy), SDG 11 (Sustainable Cities and Communities) and SDG 13 (Climate Action)
- ◆ Total size of eligible green projects at the date of the issuance was € 528m, with residual maturity of 8.7 years
- ◆ Breakdown of assets included in the green pool: 65% corporate loans, 26% retail mortgages, 9% consumer credit
- ◆ Thanks to Mediobanca strategic ESG goals and ambitions, the transaction saw a meaningful participation from SRI investors, demonstrating a clear sign of appreciation for the newly established framework

### Transaction Highlights

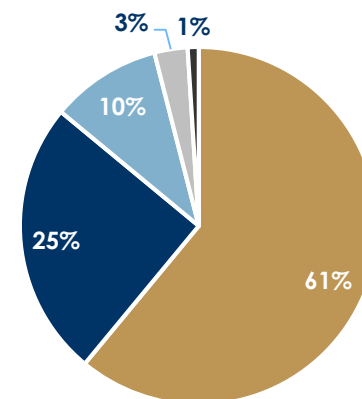
Bond Type	Senior Preferred Green
Pricing Date	Sept 1 <sup>st</sup> , 2020
Tenor	7 years
IPT	Mid swap +165bps
Re-offer spread	Mid swap +135bps
Amount	€ 500m
ISIN	XS2227196404
Use of Proceeds	Re-financing of eligible Green Assets
NIP	-8bps
Over-subscription	~7.0x

### Allocation by Geography



- France
- Italy
- Nordics
- Swiss
- Ger&Austria
- UK
- Iberia
- Others

### Allocation by Investor Type



- Funds
- CBs & Ols
- Others
- Banks
- Insurance & PF

# **IMPACT ON PEOPLE, ENVIRONMENT AND COMMUNITY**

Appendix



# STAKEHOLDER FRIENDLY

## Impact on People, Environment and Community

## Appendix



Our **staff members** are our human capital and the indispensable foundation of the Group's competitiveness



We are sensitive to the need to protect the **environment** as the primary resource of human well-being, and our decisions are geared towards ensuring compatibility between economic initiative and environmental requirements



We play an **active role in the community** in which we operate, and we pursue growth and value creation objectives which are sustainable over the long term for all our stakeholders



We assign the highest importance to managing and maintaining **relations with our clients** providing a high-quality service and solutions able to meet the different needs of our various clients



Our **relations with the regulatory authorities**, institutions and public entities are based on principles of proper conduct and transparency, with respect to the different roles



We consider **relations with our investors and shareholders** as one of our ethical and strategic responsibilities in order to create effective two-way dialogue with the financial community



We seek to develop **relations with our suppliers** based on the principles of fairness, transparency and equal treatment

# OUR PEOPLE

**In the performance of their work, Group employees are required to adopt conduct which is in line with our principles and values, which are based on ethics and integrity**

We undertake to offer a **fair level of compensation** reflecting the skills, abilities and professional experience of each staff member, thus guaranteeing that the principle of equal opportunities is applied in practice

We believe that **diversity of gender and thought is an advantage** to be leveraged, as a source of cultural and professional enrichment

We recognize the strategic role and central place which **training and professional development** has for our staff

We devote considerable attention to the issue **talent management and retention** which is considered to be a strategic factor for its own development

We are committed to **preventing every form of discrimination**, from the selection process right up to the determination of remuneration, from professional development opportunities to the end of the employment relationship



We consider the **promotion of health and safety** as one of the priorities of its way of doing business

We believe that **respect of human rights** is a fundamental prerequisite to our own sustainability

# OUR PEOPLE

Impact on People, Environment and Community

Appendix



- ◆ 33% of women in the Board of Directors (5 over 15)
- ◆ 42% women in the total company employees
- ◆ Ratio of remuneration of women to men by professional category: management 76%; middle management 87%; white collars 104%



# ENVIRONMENT

**100% of the electricity acquired by the Group in Italy derives from certified renewable sources**

We monitor and improve our **environmental efficiency**, with reference in particular to the consumption of resources

We develop initiatives to improve **energy management**, including by sourcing energy from renewable sources and through the use of innovative, lower-impact technologies and solutions

We rationalize our **use of resources** such as electricity, paper and water



We improve in **waste management** by using sustainable disposal methods where possible

We maintain our properties and equipment to progressively improve **environmental performances**

We assess the **environmental impact** of new processes, new systems, equipment and structural and organizational changes

**Environment training**  
section added to courses to increase staff awareness in this area

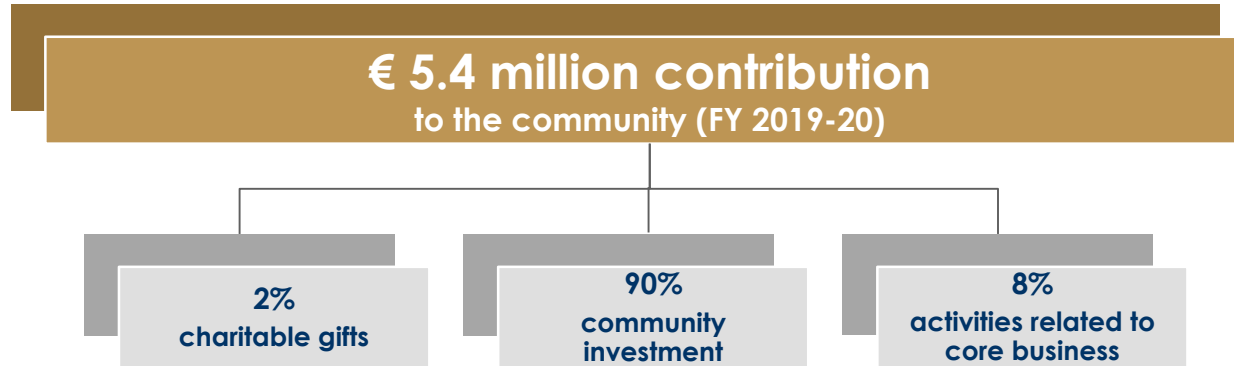
**7,365 CO<sub>2</sub> Ton avoided in Italy**  
100% of electricity in Italy derives from certified renewable sources

**363 tonnes paper consumption**  
- 35% compared to FY 2018-2019

**194,649m<sup>3</sup> Water consumption**  
- 13% compared to FY 2018-2019

**No toxic waste**

# COMMUNITY



## We have identified certain selection criteria three areas in which to concentrate our involvement

### CULTURE, RESEARCH AND INNOVATION

We are committed to culture and research being aware of our responsibility on a civic and social level as well, in the knowledge that our role is bigger than merely the pursuit of economic gain



### SOCIAL INCLUSION

We are convinced that an inclusive society must be based on mutual respect and solidarity, guaranteeing equal opportunities and a decent standard of living for all

### ENVIRONMENT AND TERRITORY

We acknowledge the importance of protecting the environment as the primary resource of well-being for both current and future generations

# COMMUNITY

## Impact on People, Environment and Community



Mediobanca Group has neutralized its remaining greenhouse gas emissions (5,618.81 tCO<sub>2</sub>eq in FY 2019-2020) by acquiring carbon credits generated from environmental protection projects in developing and thanks to 1,000 trees donated



Mediobanca has moved to upgrade our buildings, installing green technologies at **Mediobanca Innovation Services** and taking steps in some offices to reduce CO<sub>2</sub> emissions and water consumption



Mediobanca has launched an internal initiative to reduce the use of plastic cups by giving all staff an aluminum water bottle to use instead



CheBanca! has launched a new project to remove all plastic from its headquarters in Milan

## Appendix



As a member of the “**FAI 200**” group of enterprises, Mediobanca supports and finances the Fondo Ambiente Italiano, the Italian Heritage Trust, in its work to protect and promote Italy's historical, artistic and environmental heritage



Ram Active Investments (Ram Ai) supports the Task Force on Climate-related Financial Disclosures (Tcfd) joining a growing list of over 500 supporters



Compagnie Monégasque de Banque has supported for many years the **Oceanographic Museum of Monte Carlo**, with the mission to increase attention to the seas and the oceans and contribute to preserving them



MEDIOBANCA

# COMMUNITY

## Impact on People, Environment and Community

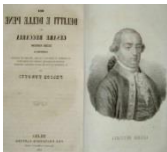


AREA STUDI  
MEDIOBANCA

**MB Research Area** is our economic and financial research centre, which publishes studies and research primarily online and free of charge



**IEO** is Italy's leading private cancer centre. It was founded in Milan at the initiative of Mediobanca, which is its largest shareholder with a stake of approx. 25%



In 1978, we began collecting the writings of **Cesare Beccaria** into a 16-volume series. The series was completed in 2009, Beccaria's deals of justice and commitment to public life



CheBanca! supports the **Milan Conservatory Orchestra**, which serves as a link between the worlds of education and work

## Appendix



**Mediobanca Historical Archive**, named after **Vincenzo Maranghi** in June 2012 is fully digitized and constantly updated; the archive comprises documents on the Bank's history and business activities



Through Compagnie Monégasque de Banque, we sponsor the **Grimaldi Forum**, one of the Principality's leading cultural institutions



In partnership with **Junior Achievement** professionals from various sectors work with Italian schools to assist teachers in introducing pupils to topics related to the economy, business and personal finance



# COMMUNITY

## Impact on People, Environment and Community



**INSIEME** is our multi-year initiative to promote sport for young people from disadvantaged backgrounds and at risk of exclusion, by targeting pupils at primary and secondary schools in several outer-Milan districts



**Gruppo Mediobanca Sport Camp** is multisport camp at the Cesare Beccaria Young Offender Institution in Milan, offering the young detainees a week of sport and competition within a framework of rules and fair play



In partnership with Cometa we support the social artisanal enterprise Academy of Woodworking that aims to **offer employment opportunities to young people with social, economic and personal difficulties**

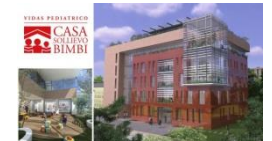


We are partner of **Valore D Association**, which promotes women leaders in business

## Appendix



In 2016, we teamed up with the **Italian Paralympic Committee** for the #Oltre ("Beyond") project, aimed at spreading the values of Paralympic sport as a way to encourage social integration, and to celebrate a culture of achievement and fair play



We support the **Casa Sollievo Bimbi** which provides care and relief for children and young people at advanced stages of incurable cancer and their families.



**The Prisoners Ask Why** initiative, we invited some major Italian writers to come with us to various prisons to offer the inmates an opportunity to ask them some of their most profound questions



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