



MEDIOBANCA GROUP ITALIAN SUSTAINABILITY DAY 2023

September 2023



MEDIOBANCA



AGENDA

1. **Executive summary**
2. **One Brand – One Culture**
3. **Mediobanca ESG profile**
4. **Environment – Relevant progresses on tackling climate issues**
5. **Social - Supporting employees and the community**
6. **Governance - Responsibility to inspire, capability to deliver**

Annexes

1. Mediobanca – ESG Indexes and Rating
2. Mediobanca – KPI
3. FY22 TCFD at a glance
4. Process for the submission of the list of candidates proposed by the outgoing Board of Directors



MEDIOBANCA

EXECUTIVE SUMMARY

Section 1



EXECUTIVE SUMMARY

BP 19/23

DELIVERY

- ◆ **Mediobanca Group, leveraging its' distinctive and diversified business model, has confirmed consistency in delivering results by achieving all BP19/23 targets** including: revenues up to €3.3bn, net profit up to €1bn, ROTE @13%, cumulative €2.2bn distributed and all ESG targets achieved.

BP 23/26

ONE BRAND
-
ONE CULTURE

- ◆ **ONE BRAND – ONE CULTURE is the new business plan that will drive further robust growth in revenues** (up to €3.8bn, 3YCAGR: +5%), **earnings** (EPS from €1.21 to €1.8ps), **profitability** (ROTE from 13% to 15%) **and remuneration** (€3.7bn cumulated including cash dividend and share buy back) by leveraging Mediobanca's distinctiveness and responsible approach to banking.
- ◆ **Leadership in Wealth Management main priority:** with a holistic and synergistic approach between the Group businesses, Mediobanca intends to establish a **unique model of Private & Investment banking** emerging definitively as a leader in the Wealth Management.

ESG

- ◆ **Mediobanca has adopted an integrated strategy to combine growth in business and financial solidity with social and environmental sustainability** by identifying a series of cross-divisional actions to help contribute to a more sustainable future in terms of reducing impacts on the environment, being sensitive to the issues of inclusion and diversity, and expressing support for the local community.
- ◆ The aim of consolidating the responsible approach to banking, **which has always been firmly rooted in the Bank's traditions**, has led to **qualitative and quantitative objectives being set in the Plan guidelines and included in the staff performance evaluation and remuneration policies** for the Group's entire corporate population and senior management in particular.

EXECUTIVE SUMMARY

ENVIRONMENT

- ◆ **New targets and actions disclosed in the BP23-26:**
 - ◆ **18% reduction in financed emissions intensity** for the CIB loan book **by 2026 (down 35% by 2030),**
 - ◆ **NZBA: consolidation of the first intermediate portfolio targets** (Automotive and Power Generation) and **publication of two new sector targets** (Cement and Aviation). **The 4 sectors represent 70% of the “Carbon Intensive” group within the portfolio** (~€4.7bn; data coverage allowed to set NZ Target for 60% of such exposure).
 - ◆ **Remaining Pillar 3 and NZBA sectors** (aluminium, commercial and residential real estate, iron and steel, oil and gas, and shipping) to be covered in 2024. **No exposure in Coal mining and Agriculture.**
- ◆ Publication of the **second TCFD Report with enhanced disclosure.**

SOCIAL

- ◆ Diversity, equity and inclusion - top priority for the Group:
 - ◆ **creation of the new Group D&I Code** which aims to define the Group's approach in terms of objectives, strategies and active practices **to promote a collaborative and inclusive working environment**
 - ◆ **clear and transformational targets to foster gender balance**
- ◆ Donation: **>€20m** to support to projects with **social and environmental impact**

EXECUTIVE SUMMARY

GOVERNANCE

- ◆ **New 2023-26 LTI plan:**
 - ◆ **50% weight of total variable compensation for the Group CEO and GM (vs 20% previously)**
 - ◆ 20% assigned to ESG KPI weighting
 - ◆ inclusion of other selected professionals considered to be strategic in reaching the objectives set
 - ◆ **payment entirely in equity over a long-term time horizon**
- ◆ **New ESOP (Employee Share Ownership Plan) to invest in people and engage them directly in achieving the 2023-26 Plan.**

ONE BRAND - ONE CULTURE

Section 2



MEDIOBANCA

A STORY OF DISTINCTIVENESS, GROWTH AND VALUE

One Brand – One Culture

Section 2

In the past decade **Mediobanca** has always delivered on its strategy and targets, growing and reshaping over time, with robust revenue growth and attractive, higher-than-industry returns

Mediobanca's mission today is to become a pre-eminent Wealth Manager through a holistic model that leverages on its distinctive IB Franchise, Brand and People

Mediobanca: ONE BRAND – ONE CULTURE

Diversification of revenues and high cashflows will also be achieved with growing contributions from Consumer Finance and Insurance

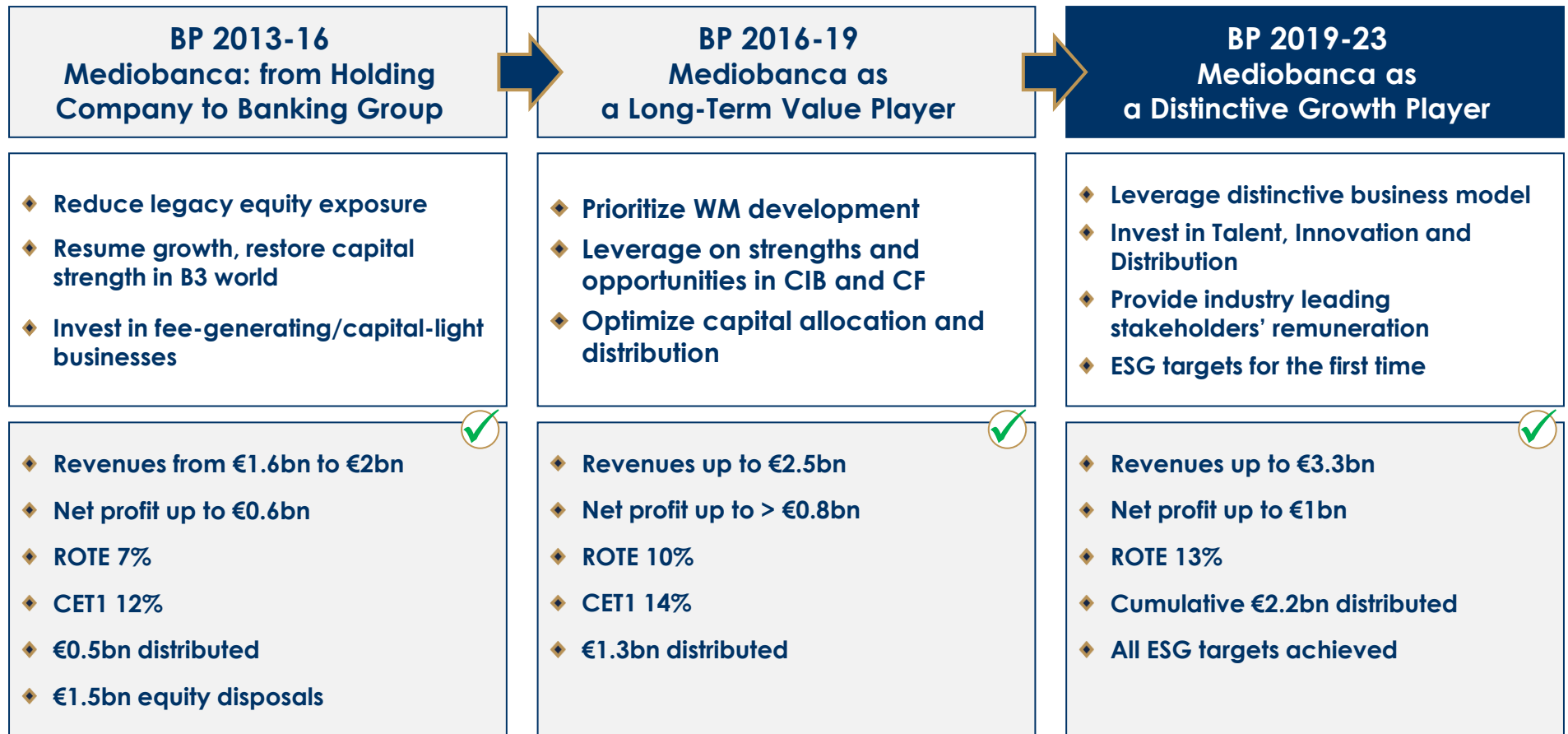
Strong future prospects

Mediobanca will continue to focus on superior sustainable growth, innovation and stakeholder remuneration remaining anchored to **one-of-a-kind “school of responsible banking”** firmly rooted in the Bank's traditions

IN LAST 10Y WE HAVE UPSCALED THE GROUP SIGNIFICANTLY... REVENUES, PROFITABILITY AND REMUNERATION CONSISTENTLY INCREASING STRATEGIES AND TARGETS DELIVERED AT ALL TIMES

One Brand – One Culture

Section 2



AND IMPROVING THE EFFECTIVENESS OF OUR BUSINESS MODEL FOLLOWING TEN YEARS OF GROWTH AND RESHAPING

One Brand – One Culture

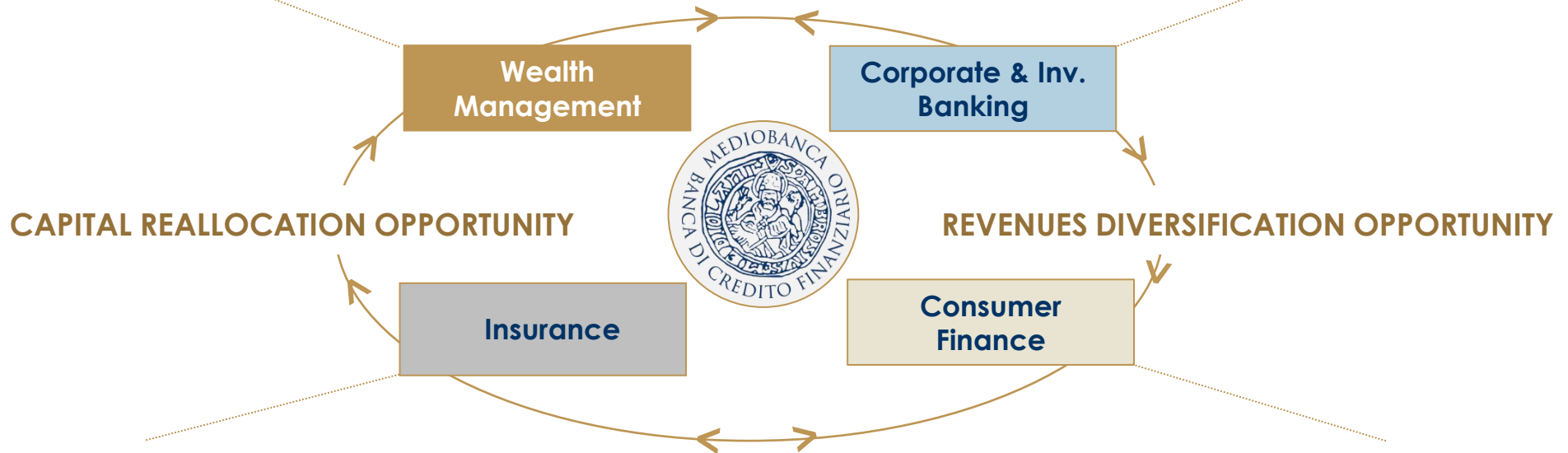
Section 2

MEDIOBANCA AS THE “GO-TO” BANK FOR ENTREPRENEURS AND CORPORATES

Top positioning as Italian Private Investment Bank

Leading offering in terms of value added, sophisticated PIB Solutions for Private & Corporates

PIB provides source of capital-light fees, strong growth trajectory



HIGH RETURN, HIGH RESILIENCE BUSINESSES, PROVIDING A ROBUST CORE OF REVENUES & PROFITS

Top positioning in Consumer Finance and Insurance

CF provides a source of net interest income, strong funding and CoR efficiency within the MB Group

INS provides a stable, uncorrelated return and capital efficiency for the MB Group

WHAT'S NEXT: A PRE-EMINENT WEALTH MANAGER POWERED BY ONE BRAND – ONE CULTURE

One Brand – One Culture

Section 2

MEDIOBANCA: ONE BRAND – ONE CULTURE WHERE SOPHISTICATED APPROACH IS ORDINARY BUSINESS

Mediobanca will be a leading player for high-value, high-end, complex operations, executed effectively through Mediobanca's distinctive people, culture and accountability

To reach these goals we will leverage substantially on the Mediobanca Brand and synergistic approach between our businesses

We aspire to be the best place for our people, employees and customers, remaining anchored to one-of-a-kind “school of responsible banking”

We aim to be a distinctive investment opportunity for our shareholders, focusing on capital-light, low-risk, profitable growth, and outperforming the industry on stakeholder remuneration

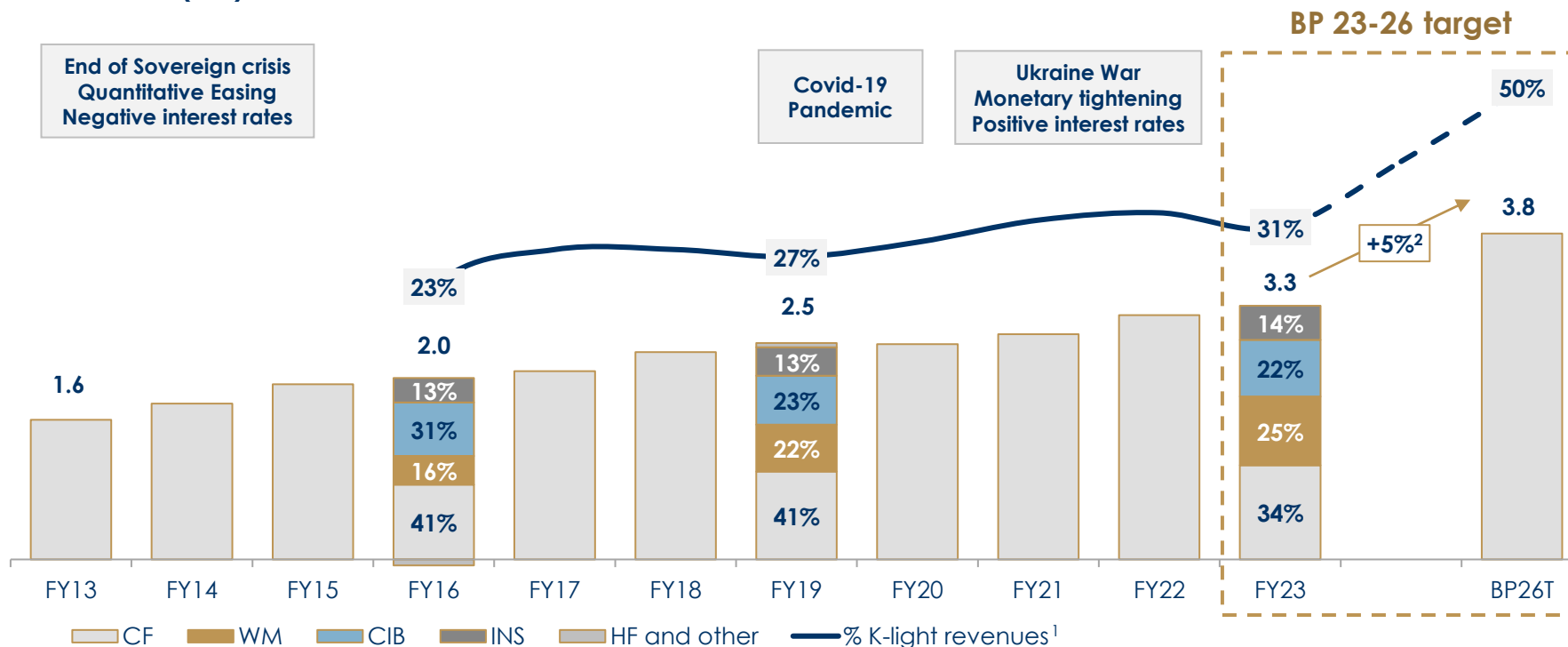
BP 2023-26: AMBITIONS SET FOR NEXT 3Y...

REVENUES UP TO €3.8BN AFTER DOUBLING IN LAST 10Y DESPITE CRISES AND CHALLENGING MACRO

One Brand – One Culture

Section 2

Revenues trend (€bn)



◆ In the last decade we doubled our revenues to €3.3bn (6% CAGR) exceeding original targets. New BP 2023-26 set €3.8bn revenue target (5% CAGR 23-26)

- ◆ All business segments have been enlarging, contributing positively to growth and profitability
- ◆ Revenue quality enhanced by Diversification and growing contribution from capital-light activities (from ~30% to ~50%)

12 1) WM revenues (excl. trading income), CIB fees (excl. Lending and Specialty Finance) and Insurance (from FY 2023-24, when Danish Compromise becomes permanent)
2) 3YCAGR 2023-26

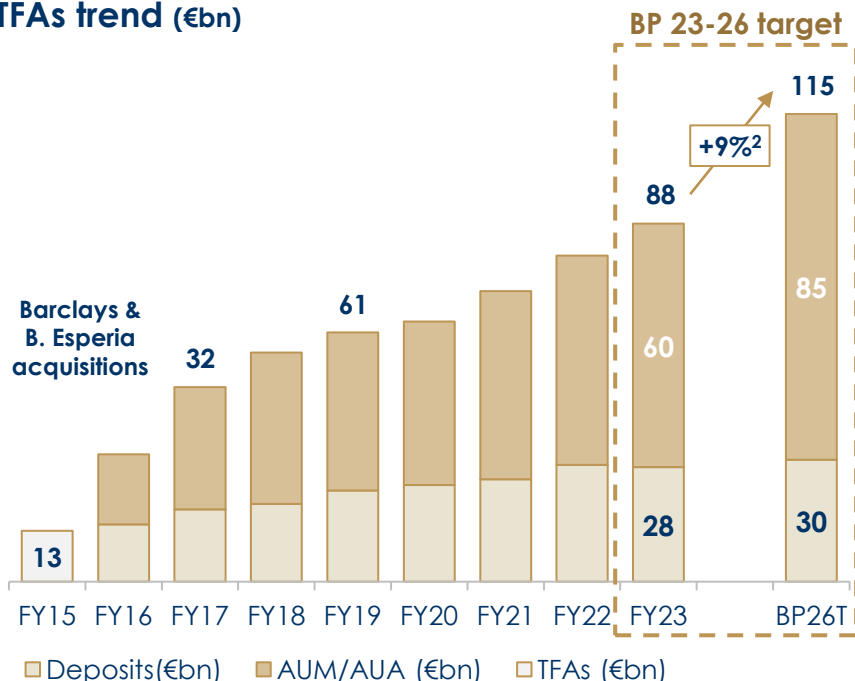


WITH FOCUS ON WM AND VALUE-DRIVEN ASSET GROWTH...

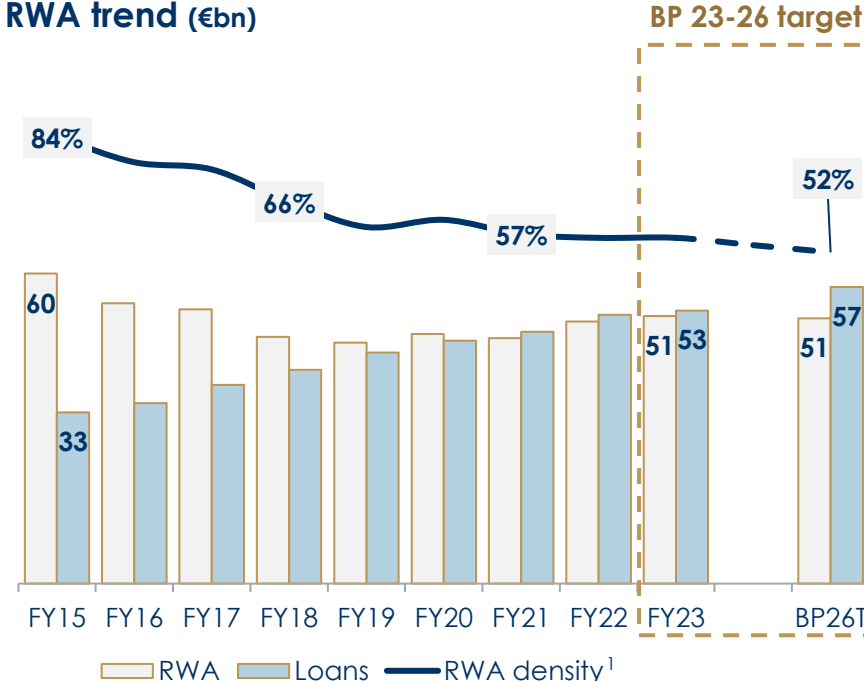
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Section 2

TFAs trend (€bn)



RWA trend (€bn)



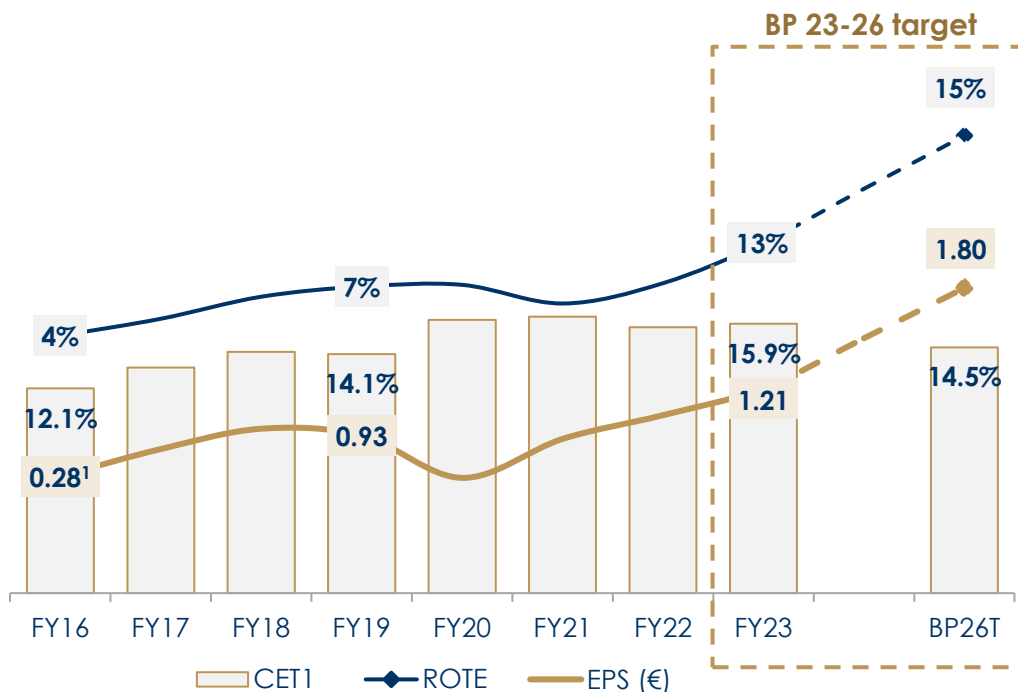
- ◆ Since 2016, when Mediobanca effectively entered in the WM business, TFAs have almost tripled (to €88bn) due to MB Private-Investment Banking model adoption, significant investment in distribution and acquisitions
- ◆ In the last 10Y MB loan book increased by 5% 10YCAGR to €53bn, with RWA down from €60bn to €51bn) and RWA density reducing from 72% to 56% due to ongoing capital absorption optimization
- ◆ BP23-26 set €115bn target for TFA (9% CAGR), 75% driven by AUM/AUA (€85bn, 13% CAGR) and ongoing optimization of loan book growth (up to €57bn), enabling to keep RWA flat over BP horizon (density down to 52%)

INCREASING OUR EARNINGS AND PROFITABILITY ON A SOUND CAPITAL BASE...

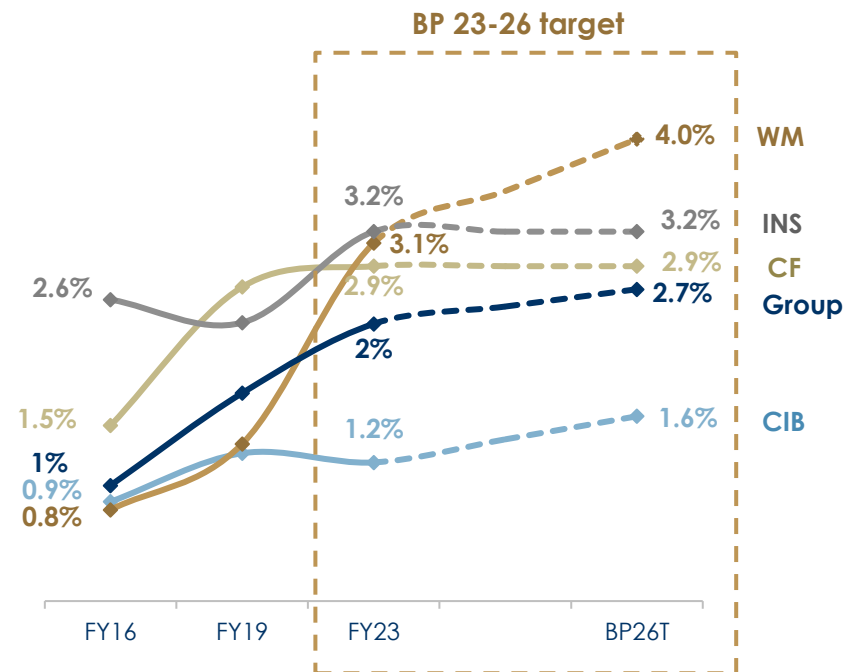
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Section 2

CET1 ratios, ROTE and EPS trend (% , €)



RoRWA trend (%)



- ◆ Capital generation has enabled solid CET1 ratios, without capital increases
- ◆ Earnings per share increasing steadily due to a combination of organic growth, acquisitions and share buybacks
- ◆ Profitability ramping up sustainably, mainly driven by WM

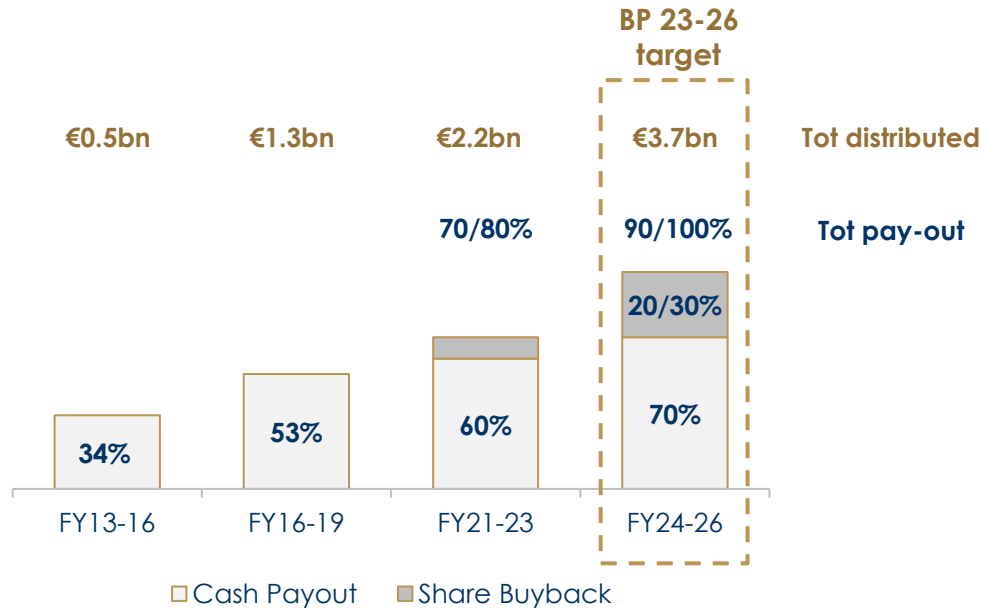
BOOSTING SHAREHOLDER REMUNERATION

€3.7BN DISTRIBUTED OVER 3Y, UP 70%

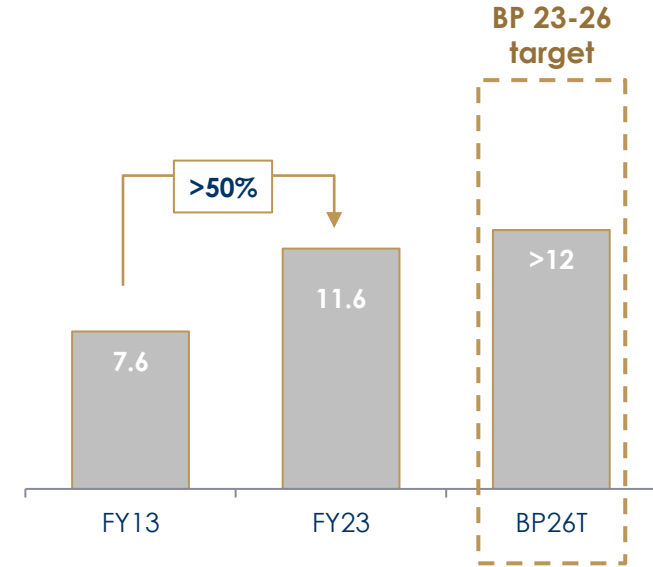
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Section 2

Total payout and distribution trend (%)



TBVPS¹ trend (€)



- ◆ **Next 3Y: cumulative shareholder remuneration up 70% to €3.7bn**
- ◆ **In next 3Y total payout at 90/100% with:**
 - ◆ **€2.7bn cumulative cash, with 70% cash dividend payout**
 - ◆ **€1bn cumulative share buyback¹ to be spread over three years (with amount fixed annually)**
- ◆ **Interim dividend from FY24:** 70% of 1H earnings to be paid in May 2024, 70% of 2H earnings to be paid in Nov 2024

1) Share buyback scheme (€1bn of which ~80% to be cancelled) subject to approval of Danish Compromise, ECB and Mediobanca AGM authorizations, CET1 FL >13.5%

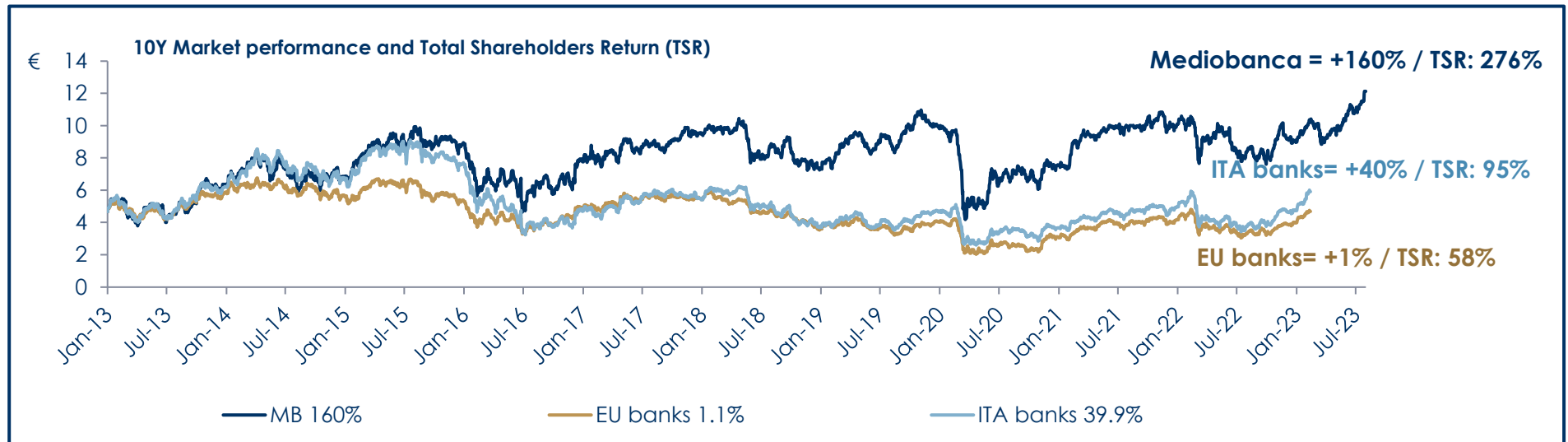


OUTPERFORMANCE IN TERMS OF FINANCIAL RESULTS AND STOCK MARKET TREND (TSR 276%)...

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Section 2

Last 10Y performance	MEDIOBANCA	ITALIAN BANKS ¹ avg	EUROPEAN BANKS ¹ avg
Revenues (10Y CAGR ²)	+7%	+1%	+2%
Net interest income / fees (10Y CAGR ²)	+6% / +7%	0% / +2%	+2% / +2%
PBT (10Y CAGR ²)	+14%	n.m.	+7%
Employees (10Y CAGR ²)	+4%	-2%	0%
FL CET1 ratio pf ²	15.9%	13.6%	13.0%
ROTE adj. ²	13%	10%	11%
Cost/income ratio ²	43%	54%	58%



1) Source: Nasdaq IR Insight, MB Securities for CET1 ratio, ROTE adj. and C/I ratio Peer group: ITA (Intesa Sanpaolo, Unicredit, Banco BPM, BPER Banca), EU (BNP Paribas, Société Générale, Bankinter, CaixaBank, Banco de Sabadell, Banco Santander, BBVA, Deutsche Bank, UBS, KBC)
2) 10YCAGR June 13/23 Mediobanca, Dec 13/22 peers. Other figures at June 23 for Mediobanca, Dec 22 peers



LONG-STANDING RESPONSIBLE APPROACH TO BANKING

NEW GROUP ESG TARGETS

One Brand – One Culture

Section 2

7 AFFORDABLE AND CLEAN ENERGY



ENVIRONMENT

13 CLIMATE ACTION



CARBON FOOTPRINT

Net Zero financed emissions by **2050**
-35% financed emissions intensity
 by **2030 (-18% by 2026)**
Interim sector targets for Net Zero
 Banking Alliance released by **2024**¹

Phase-out from **coal** by **2030**²

Carbon neutrality on own emissions
100% renewable energy at Group
 level

RISK

Incorporating more “Climate & Environment” metrics into risk management processes such as **RAF, ICAAP and Stress testing**

4 QUALITY EDUCATION



5 GENDER EQUALITY



SOCIAL

11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



DIVERSITY & INCLUSION

- ◆ **>30%** female members of **MB Key Function Holders**³
- ◆ **>20%** female **executives**
- ◆ **>50%** women **out of total hires**
- ◆ **Parity** in **advancement rate**

100% employees **trained in ESG**

>€20m support to projects with **social and environmental impact**

Stop lending to/investing in **tobacco**²

70% of **procurement expenses** screened with **ESG criteria**

8 DECENT WORK AND ECONOMIC GROWTH



GOVERNANCE

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



REMUNERATION

New Long-Term Incentive Plan featuring:

- ◆ **50% of total variable compensation** (vs previous @20%) **for Group CEO and General Manager delivered all in equity**
- ◆ Extended to include other key Group strategic resources
- ◆ 20% assigned to ESG KPI weighting⁴

Launch of the first **Employee Share Ownership Plan** to foster engagement and ownership at all levels

Full adoption of **Tax Control Framework** for all the Group Italian banks

At least **2 Sustainability bond** issues

1) No exposure to coal mining and agriculture. Four sector targets published by September 2023 (Automotive and Power already published; Cement and Aviation will be added). The remaining NZBA sectors will be disclosed by September 2024
 2) In CIB lending (excluding Specialty Finance) and proprietary investment portfolio in all markets
 3) Key Function Holders: Group senior management
 4) Two proposed KPIs to be included in the 2026 LTI: % of female executives; reduction in financed emissions intensity



STRUCTURED ESG OFFERING ACROSS ALL DIVISIONS

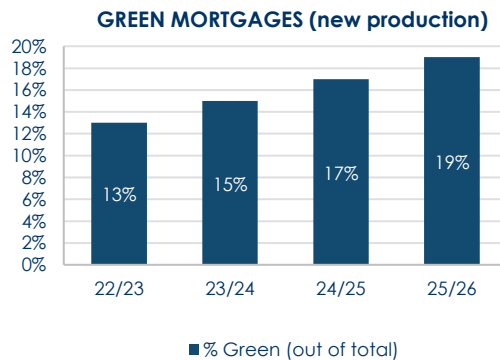
One Brand – One Culture

Section 2

ESG OFFERING

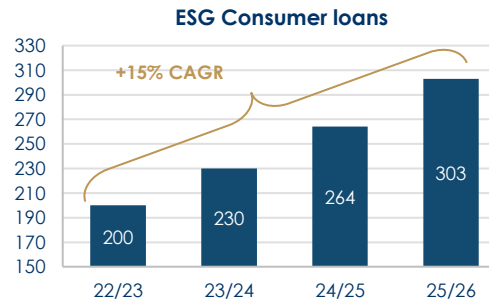
Wealth Management

- ◆ **>50%** qualified funds¹ in clients' portfolio
- ◆ **+50%** qualified funds production²
- ◆ Share of **green mortgages** in new production to reach **~20%**



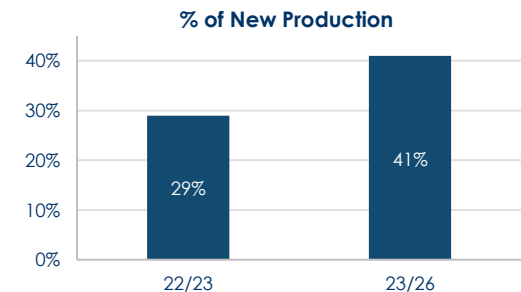
Consumer Finance

- ◆ **15% CAGR ESG loans**



Corporate & Investment Banking

- ◆ **Corporate finance:** experienced dedicated Energy Transition advisory team
- ◆ **ESG DCM: 50% of originated³ bonds** bearing ESG or ESG Linked features
- ◆ **Lending: 40% Corporate ESG loans** in new production³ bearing ESG or ESG Linked features



ESG CULTURE

ESG expertise

- ◆ **All** wealth financial advisors **certified in ESG** by EFPA
- ◆ **100%** FAs **trained ESG**

Customer financial health

- ◆ **≥ 35 million** emails containing **tips on green/financial education** sent to clients by Compass

Transition engagement

- ◆ **Engagement** with clients to assist them in their **decarbonization** pathway

1) % of ESG qualified funds (SFDR Articles 8&9 funds) out of total funds in clients' portfolio
 2) Number of ESG qualified funds (SFDR Articles 8&9 funds) manufactured by the Group Asset Managers
 3) Cumulated figures over the 1 July 2023- 30 June 2026 period



GROUP TARGETS

One Brand – One Culture

Section 2

Group Target	June23	June26	3Y CAGR
Revenues (€bn)	3.2	3.8	+5%
EPS (€)	1.21	1.80	+14% ³
ROTE adj.	13%	15%	+2pp
RORWA adj.	2.4%	2.7%	+30bps
CET1 phase-in	15.9%	>14.5%	
TFAs (€bn)	88	115	+9%
RWA (€bn)	51	51	flat
Loans (€bn)	53	57	+3%
Funding (€bn)	60	64	+2%

Divisional Target	June23	June26	3Y CAGR
Revenues (€bn)			
Wealth Management	0.8	>1.0	+10%
Corp. & Inv. Banking	0.7	0.9	+11%
Consumer Finance	1.1	1.3	+5%
Insurance	0.5	0.5	+1%
RORWA (%)			
Wealth Management	3.1%	4.0%	+90bps
Corp. & Inv. Banking	1.2%	1.6%	+40bps
Consumer Finance	2.9%	2.9%	-
Insurance	3.2%	3.2%	-

Remuneration¹

Dividend: 70% cash pay-out
Buyback²

€2.7bn over 3Y
up to €1.0bn cumulated over 3Y, ~80% share deleted

Financial targets based on current regulatory requirements and Group scope of consolidation

MEDIOBANCA ESG PROFILE

Section 3



RELYING ON A STRONG GOVERNANCE APPROACH ...

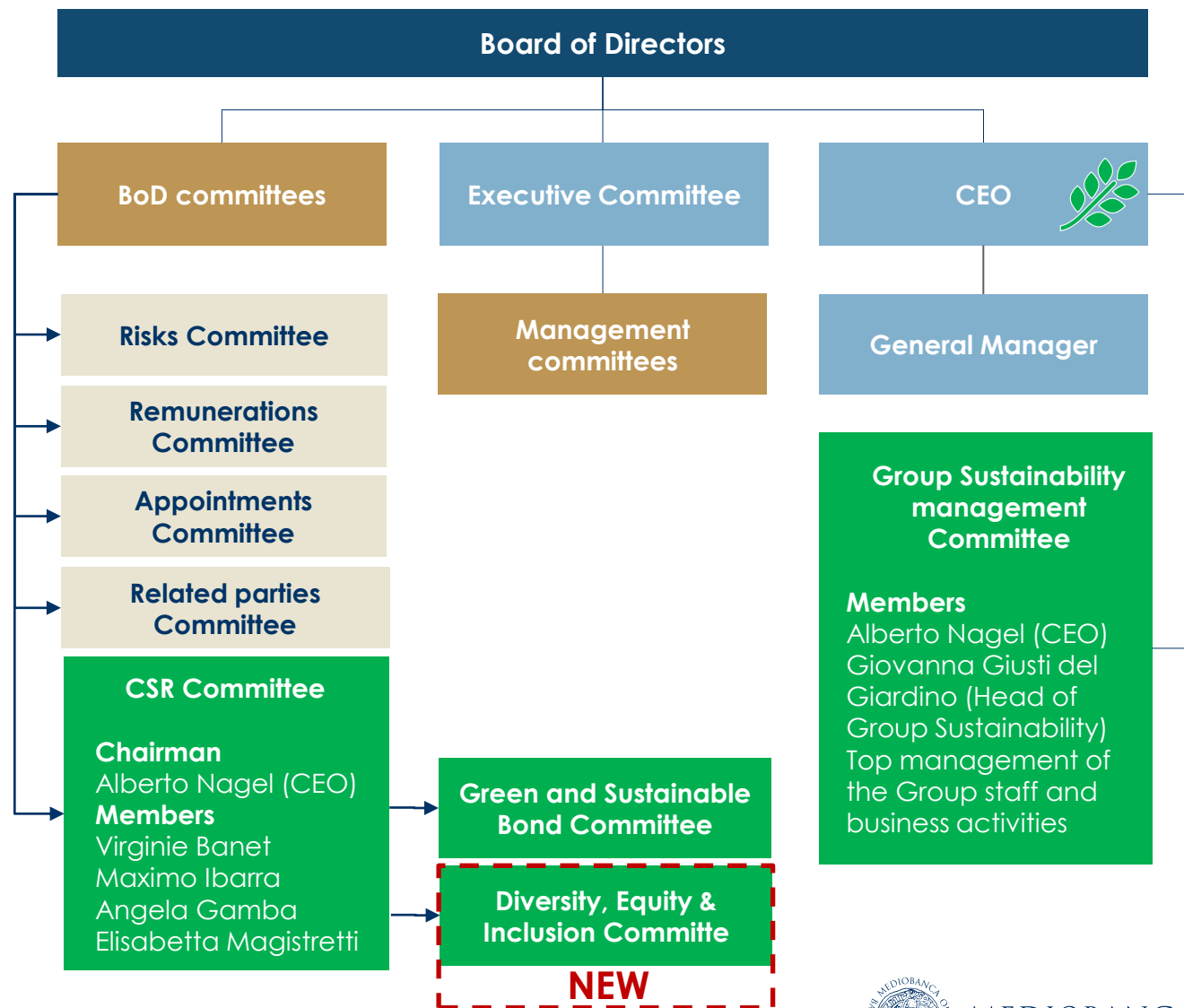
CEO in charge of sustainability.

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

The **Risk Committee** monitors, carries out preliminary analysis, and provides support to the Board of Directors in its supervision of ESG risks, with reference in particular to the implications of climate and environmental risks on business model and strategy

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 INTERNATIONAL PRINCIPLES AND STANDARDS...

In recent years the Mediobanca Group has signed up to the most important international principles and standards

UN Global Compact principles



17 UN Sustainable Development Goals (SDGs)



UN Principles for Responsible Investment ("PRI")



UN Principles for Responsible Banking ("PRB")



Net Zero Banking Alliance



Task Force on Climate-related Financial Disclosures (TCFD)



Partnership for Carbon Accounting Financials (PCAF)¹



SUSTAINABILITY
POLICY



ESG
POLICY

1) In February 2022 Mediobanca was the first major Italian bank to join the Partnership for Carbon Accounting Financials (PCAF), so reiterating its commitment to tackling climate change with the objective of achieving net zero by 2050. PCAF is a global partnership of financial institutions that work together to develop and implement an harmonized approach to assess and disclose the GHG emissions associated with their loans and investments.



...AND ON POLICIES SET AT GROUP LEVEL

Group Sustainability Policy

- ◆ The 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 ESG Policy

- ◆ 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
- ◆ **Polus** 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
- ◆ **Mediobanca SGR, RAM and Polus** 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

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

The Group is convinced that **fair, transparent and responsible conduct** increases and protects our reputation, credibility and consensus over time, all of which are prerequisites in order to deliver sustainable growth for the business with a view to **creating and protecting value for all our stakeholders**

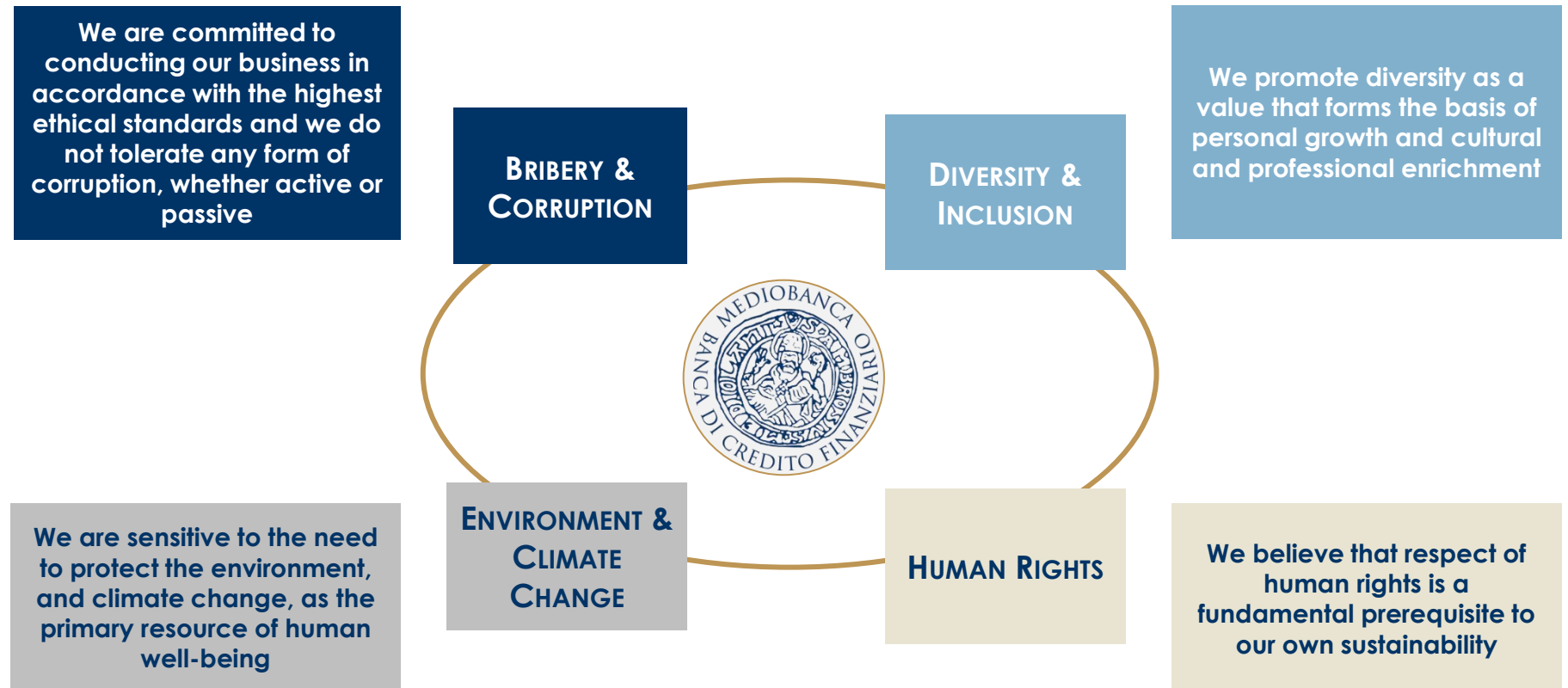
In line with this commitment, the Group has adopted a **strategy** focused on sustainable growth over time, valorization of our staff, sensitivity to the societies in which we operate, and reducing our direct and indirect impact on the environment

*We're convinced that long-term economic growth cannot be achieved without **increasing social welfare and protecting natural resources***



... SETTING OUR SUSTAINABLY PRIORITIES

The Group Sustainability 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 ESG POLICY

To reflect MB's ongoing commitment to minimize harm to people and nature in our finance activities, in addition to general negative and positive screening criteria, **specific policies** have been developed on biodiversity and excluded materials, as well as for sectors considered to be highly impactful. In **2023** the Policy has been updated to introduce **increasingly stringent selection criteria** and to include a specific section on **client engagement in relation to climate transition**.

<p>BIODIVERSITY</p>	<ul style="list-style-type: none"> Do not finance and invest in activities that are performed in protected areas or areas of high biodiversity value 	<p>AGRICULTURE</p>	<ul style="list-style-type: none"> Set out policies regarding the activities such as deep-sea trawling, excessive use of pesticides and fertilizers, and poor water management
<p>EXCLUDED MATERIALS</p>	<ul style="list-style-type: none"> Do not support the production, process, and/or sale of goods such as tropical timbers, palm oil and endangered species 	<p>MINING</p>	<ul style="list-style-type: none"> Set out policies regarding the mining, processing, and sale of resources such as asbestos, diamonds and minerals. Coal is subject to restrictions as well.
<p>DEFENCE & ARMS</p>	<ul style="list-style-type: none"> Set out policies regarding controversial weapons such as biological weapons, chemical weapons, and cluster bombs 	<p>ENERGY</p>	<ul style="list-style-type: none"> Set out policies regarding coal-fired plants, oil & gas exploration, and nuclear fuel Applying a 10% revenue threshold for companies in coal and non-conventional oil & gas
<p>FORESTRY</p>	<ul style="list-style-type: none"> Set out policies regarding activities in protected areas, uncertified timber exploitation, and illegal deforestation 	<p>INFRASTRUCTURE & TRANSPORT</p>	<ul style="list-style-type: none"> Do not finance projects located in areas of high biological or social value

A further step forward was taken in the context of the **2023-2026 Strategic Plan**, which provides for the **exit from the tobacco and coal by 2026 businesses at a global level**.

THE NEW CODE ON THE PRINCIPLES OF DIVERSITY, EQUITY AND INCLUSION

The **Code on the Principles of Diversity, Equity and Inclusion** represents the clear and formal statement of the Mediobanca Group in relation to the **mission and strategy on DEI issues** with a view to defining guidelines for the adoption of practices and initiatives that **promote the spread of diversity and inclusion within the organization**.

Target	<p>The Group's strategy takes into account different dimensions of diversity with a specific focus on the differences of:</p> <p style="text-align: center;">Gender; Generations and Skills</p>	Elements of application	<ul style="list-style-type: none"> ◆ Culture: Fostering an inclusive leadership style ◆ People Management: adoption of a transversal approach that impacts all the different areas of the organization ◆ Work-life balance ◆ Internal and external communication and engagement
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KPI
<ul style="list-style-type: none"> ◆ The Group has defined and communicated specific KPIs in terms of gender diversity, monitoring their achievement ◆ Monitoring the path of cultural change with periodic analysis of the Corporate climate on diversity and inclusion issues

Remediation
<ul style="list-style-type: none"> ◆ The Mediobanca Group commits to prevent any behaviour, abuse, harassment or threat ◆ Specific internal complaint modalities are indicated, including whistleblowing

Governance
<ul style="list-style-type: none"> ◆ Diversity and Inclusion Manager ◆ Diversity, Equity and Inclusion Committee

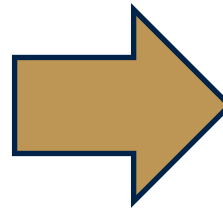
EVOLUTION OF MATERIALITY ANALYSIS

Materiality analysis is a structured process aimed at identifying **the ESG issues that are actually relevant to a company**, understanding what impacts can be generated on the context in which it operates, and in relation to these topics, how these issues influence the company's strategies.

In view of implementing the CNFS 22/23, **the Group conducted a new materiality analysis**, abiding by the recent methodological references provided for by the update of the GRI Universal Standards 2021 Framework, which came into force on 1 January 2023. The new approach changes the 'perspective' of evaluation:

PREVIOUS MATERIALITY ANALYSIS

The materiality analysis involves the evaluation, by external stakeholders and the company, of the **issues (ESG) considered most relevant**, creating a materiality matrix².



NEW "IMPACT MATERIALITY"

In line with the provisions of the new GRI Universal Standards 2021, the Group have identified the list of the **most significant impacts that Mediobanca generates** (or may generate) on the Community, the environment and people.

1) The identification of issues, their reporting and reference to a reporting standard, are mandatory activities pursuant to Legislative Decree 254/16 (non-financial reporting obligation).

2) The X-axis shows the Group's assessment, while the Y axis shows the assessments of external stakeholders. See p. 36 DCNF.

MATERIALITY ANALYSIS PROCESS 2023

The material topics (and their related impacts) identified, are not significantly different from the material “issues” included in the Materiality Matrix mentioned in the previous year, except for certain changes, additions, and improvements mainly in terms of efficacy or wording.

The outcome of the analysis in the CNFS 2022-2023 will be represented through a **LIST of topics** (abiding by GRI Standards framework).

Mediobanca will work on DOUBLE MATERIALITY in the next NFD 2023-2024



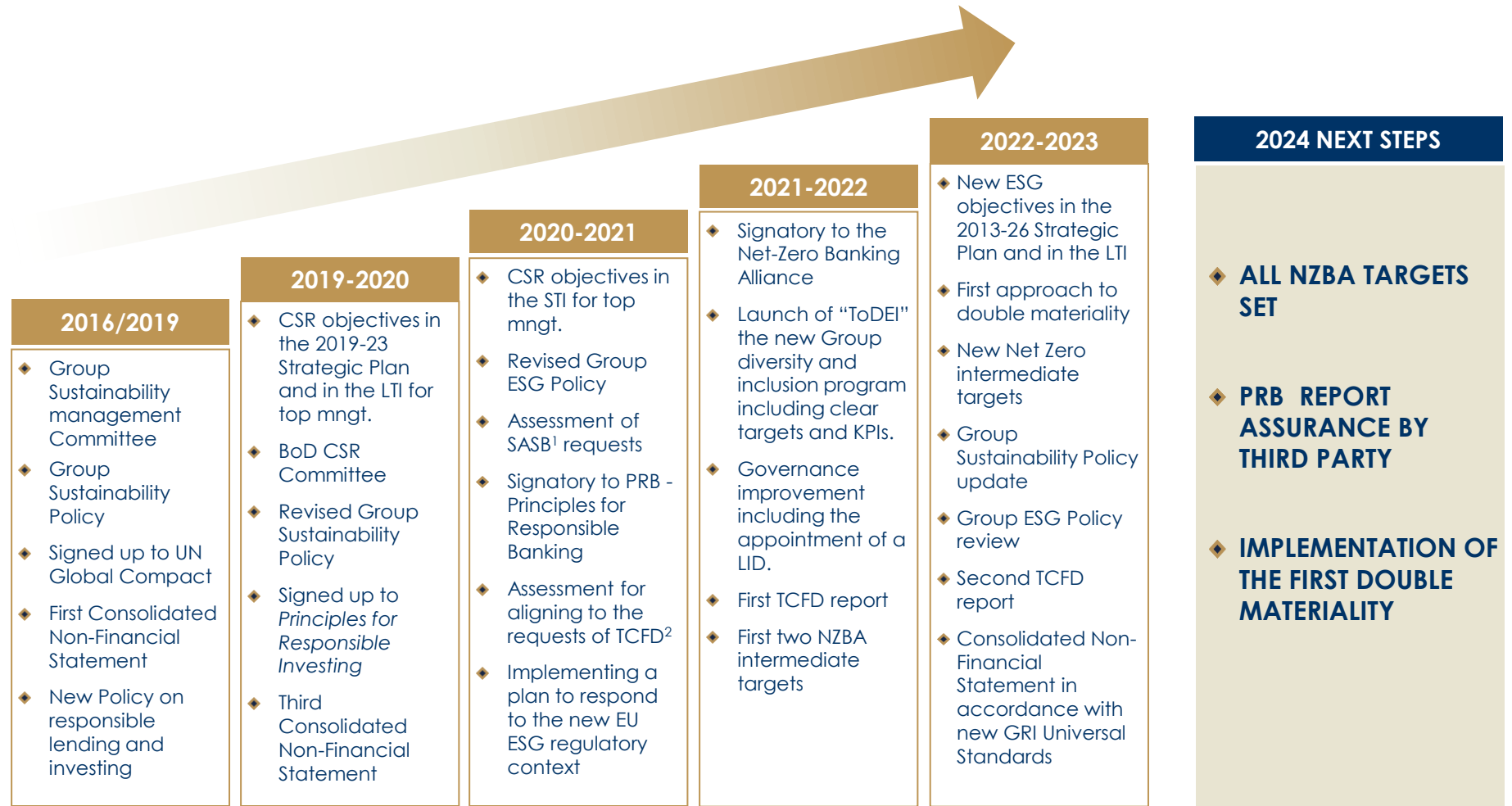
RESULTS OF THE MATERIALITY ANALYSIS 2023

Ranking	Pillar	Material Topics
1	Staff	Employee health, safety and well-being
2	Economic	Capital strength and profitability
3	Economic	Business ethics and integrity
4	Staff	Diversity and inclusion
5	Customers	Customer satisfaction and quality of service
6	Economic	Sustainable finance
7	Environment	Support for the ecological transition
8	Environment	Environmental protection and attention to climate change
9	Staff	Training and enhancement of human capital and talent retention
10	Customers	Digitalization, innovation and cybersecurity
11	Communities and suppliers	Community Support
12	Customers	Inclusion and financial education
13	Communities and suppliers	Responsible supply chain management

● Staff ● Economic ● Customers ● Communities and suppliers ● Environment



SUSTAINABILITY AT MEDIOBANCA



1) Sustainability Accounting Standards Board is a US non-profit organization whose mission is to develop and disseminate sustainability reporting standards that help companies disclose material and useful information to investors in order to make decision
 2) Task Force on Climate-related Financial Disclosures



ENVIRONMENT & CLIMATE CHANGE

RELEVANT PROGRESSES ON TACKLING CLIMATE ISSUES

Section 4



ENVIRONMENT - STRONG COMMITMENT TOWARD INDIRECT IMPACT ...

After focusing on direct impact, establishing targets and monitoring processes, Mediobanca Group is constantly committed to improve its indirect impact promoting sustainable products

DIRECT IMPACT

- ◆ We commit to **monitor and improve our environmental efficiency** (rationalizing the use of resources such as electricity, paper and water) **improving waste management**.
- ◆ Furthermore, **to reach zero direct emissions we purchase carbon credits generated by environmental protection projects in developing countries** to offset the remaining carbon footprint after our domestic mitigation actions.

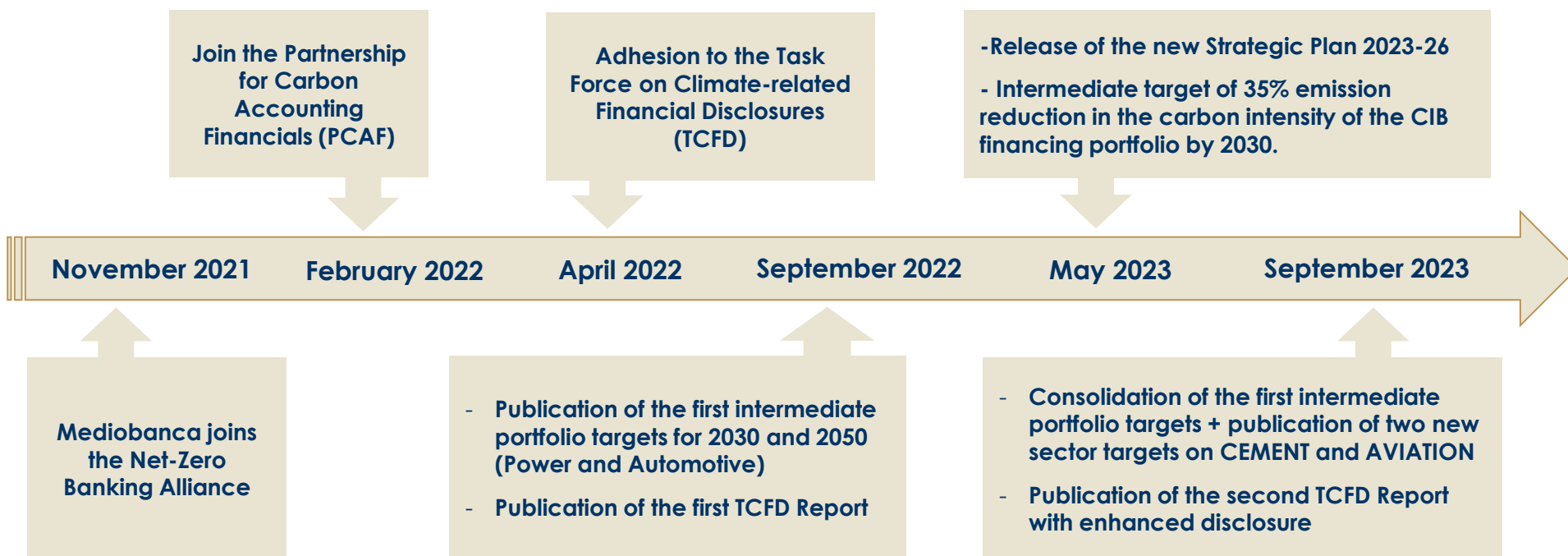


INDIRECT IMPACT

- ◆ **We commit to reduce our indirect impact** supporting our clients targeting climate change offering a advisory and dedicated product:
- ◆ ESG/green credit product footprint now material with ~ €4.1bn of stock o/w:
 - ◆ 76% corporate
 - ◆ 15% mortgages
 - ◆ 9% consumer finance
- ◆ Strong ESG funds growth (% of art. 8-9 funds+ETF @47%)
- ◆ Mediobanca DCM notable positioning in ESG space, with 25 transactions for a total issued amount in excess of € 17bn in 12M.

... REINFORCED BY JOINING THE NET-ZERO BANKING ALLIANCE ...

The Mediobanca Group since November 2021 is member of the Net-Zero Banking Alliance (NZBA), initiative promoted by the UN with the objective of accelerating the sustainable transition of the international banking sector. Here below the timeline of the progress made, and the other commitments related.



PORTFOLIO DECARBONISATION TARGETS

In the **Second TCFD report** which will be published by the end of September, additional Net Zero Targets will be published: during the 2022-23 Financial year the **perimeter** has been **enlarged** to include **all the Group** to start segmenting investment and lending counterparties belonging to Carbon Intensive sectors as defined in EBA Pillar 3 (Template 3).

Automotive and Power targets published in September 2022 with reference to Wholesale Banking lending have been reinstated on the new enlarged perimeter and **Cement and Aviation sectors have been put under scrutiny**. These four **sectors represent 70% of the** approximately 4,7 billion Euros **“Carbon Intensive” group portfolio**; data coverage allowed to set Net Zero Target for counterparties representing 60% of such portfolio exposure.

Sectors in scope	Sector exposure out of Carbon Intensive	Coverage exposure out of Carbon Intensive
Automotive	35%	28%
Power	24%	22%
Aviation	8%	6%
Cement	3%	3%
	70%	59%

The Group has **no exposure in Coal mining and Agriculture** and plans to **cover the remaining** Pillar 3 and NZBA **sector** (aluminium, commercial and residential real estate, iron and steel, oil and gas, and shipping) in 2024.

RAM CLIMATE PORTFOLIO TARGETS UNDER THE NET ZERO ASSET MANAGERS INITIATIVE (NZAM)



- ◆ Joining NZAM in 2021, RAM AI committed to meeting Net Zero emissions by 2050.
- ◆ RAM AI is in the process of publishing its first interim goals: reducing the carbon emission intensity by 33% as of 2025 and by 50% as of 2030.
- ◆ 68% of RAM AI's AUM would be managed under this commitment.

To meet these targets, RAM AI will apply three approaches: allocation, engagement and divestment.

ALLOCATION

- ◆ RAM AI is relentlessly working on developing innovative solutions and integrating them into its investment processes.
- ◆ **RAM AI wishes to increase the share of companies in its portfolio that are committed to green transition** and favours companies that have good environmental, social and governance practices.

ENGAGEMENT

- ◆ RAM AI believes that **engagement is an important and effective way of nudging corporates into the Net Zero direction.**
- ◆ RAM AI participates in **collective engagements such as the CDP non-disclosure and SBTi campaign.**
- ◆ RAM AI is also part of **Climate Action 100+ and Global Investors' statement to the Governments,** among other initiatives.

DIVESTMENT

- ◆ **RAM AI would divest when a company is in breach of RAM AI's exclusion policy.**
- ◆ It prescribes **restrictions on companies that generate significant revenues from coal (thermal and metallurgical), thermal coal power generation and unconventional fossil fuel.**
- ◆ RAM AI would also **divest from companies that derive majority of their revenue from conventional fossil fuels without any commitment to Science to Science Based Targets (SBTi).**

FY23 TCFD AT A GLANCE

The main updates, representative of the activities carried out during the year, are reported in the second publication. Below is a summary divided according to the pillars of the Framework:

GOVERNANCE	Enriched chapter, with a deeper overview of how climate KPIs are integrated into the compensation incentive plan is also provided.
STRATEGY	This section provides an overview of the climate-related objectives contained in the new strategic plan
RISK MANAGEMENT	Updated information on the climate risk materiality map, and the progress on implementation of stress test and Risk Appetite Framework (RAF) climate-related.
METRIC AND TARGETS	Results of the analyses to align the Group with NZBA: additional sectoral targets were set, for cement and aviation, and an extension of the portfolio perimeter considered for the analysis was implemented.



SOCIAL

SUPPORTING EMPLOYEES AND THE COMMUNITY

Section 5

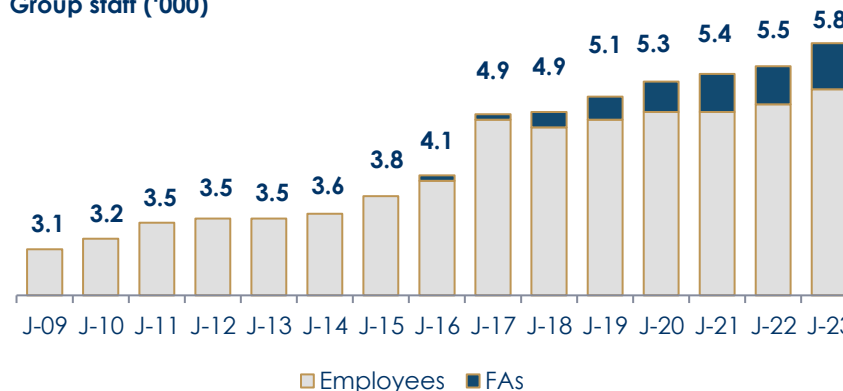


MB DELIVERING GROWTH TO THE BENEFIT OF EMPLOYEES ...

Group staff stably growing with no involvement in restructuring/downsizing

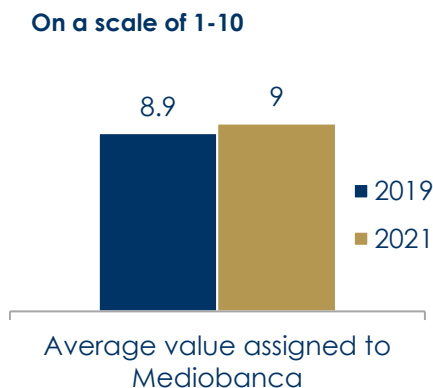
- ◆ **Group Headcount stably growing, now up to almost 6k people thanks to:**
 - ◆ solid balance sheet and profitability has driven MB business development both via internal growth and M&A
 - ◆ prudent approach to risk and business mix resiliency have driven the Group through financial crisis and bank's branches shrinking with no need for restructuring,
 - ◆ managing, attracting, developing and retaining talent at the heart of MB HR strategy.

Group staff ('000)



Strong employee satisfaction ...

- ◆ **Routine staff engagement analysis** (survey + focus groups) to gauge employee satisfaction levels. First survey in 2017 with a follow-up in 2019. A new survey has been conducted in 2021 and from then on once every two years.



... and engagement level

- ◆ **Volunteering activities** and **sportive challenges** have been the core of employee engagement initiatives to increase the sense of belonging and collaboration between colleagues.
- ◆ **TeamUp4Good** - the digital sports contest of Mediobanca Group – has attracted **610 employees**. Social impact: hours of sports collected by people turned into a donation to a no profit association.
- ◆ **373 employees and more than 1660 hours** have been dedicated to **corporate volunteering activities**.

...CREATING A MORE INCLUSIVE ENVIRONMENT

The effort to create a more inclusive work environment has given positive results during the last fiscal year, in terms of **i) growth of female talent in managerial positions, ii) support to female students in financial sectors, iii) promotion of an openminded and unbiased leadership**



During July 2023 Mediobanca has launched a **compulsory training on unconscious bias** and the attendance rate is higher than 75% on Group population.

In order to affirm the commitment to DE&I, the Group has finalized **an internal code that collect all the principles and the strategy adopted to address these issues**

Female Group executives

+2% YoY

19%

Goal: 35%
by the end of 2031

Female intake

+2% YoY

40%

Goal: parity by 2027

Managers trained as DE&I ambassadors

~500

Employees participating to Group DE&I Community

~ 220

GOVERNANCE

RESPONSIBILITY TO INSPIRE, CAPABILITY TO DELIVER

Section 6



GOVERNANCE – CONSISTENT, TRANSPARENT AND SUSTAINABLE

Board of Directors

- ◆ **The current BoD is aligned with the best national and International practice**, complies with the regulations issued by the ECB and the Bank of Italy, and reflects the results of the self-assessment process
- ◆ **Size: 15 Directors**
- ◆ **Separate Chair and CEO**
- ◆ **Lead Independent Director (LID) with clear responsibilities**
- ◆ **Strong Independent Representation**
- ◆ **Continuity in BoD composition** to steward the 2019-23 Strategic Plan
- ◆ **Balanced combination of expertise, including strengthened international experience** and profiles in areas other than legal and economic
- ◆ **Good gender diversity (women @40%)**



What's next (FY23 AGM October the 28th)

- ◆ **The current BoD**, appointed by shareholders at the AGM held in 2020, **will expire** with the approval of the FY23 financial statement,
- ◆ **A new BoD, in charge to deliver the “One Brand - One Culture” business plan, will be appointed by the AGM** in accordance to the changes to Articles of Association approved in the 2021 AGM:
 - ◆ removal of requirement to have Group managers in the BoD,
 - ◆ **increased presence of minorities** on the BoD with **one seat reserved to Institutional Investors** (provided they receive 2% support)
- ◆ **A New Long-Term Incentive Plan will be approved** featuring:
 - ◆ **50% of total variable compensation (vs previous @20%)** for Group CEO and General Manager delivered all in equity
 - ◆ Inclusion of other key Group strategic resources
 - ◆ 20% assigned to ESG KPI weighting
- ◆ **Launch of the first Employee Share Ownership Plan** to foster engagement and ownership at all levels



Remuneration policy

- ◆ **Adequate pay mix** to attract and retain talent while fostering sustainable and long-term approach.
- ◆ **Variable compensation strongly related to results:**
 - ◆ **mandatory deferral policy**¹
 - ◆ **significant equity component**
 - ◆ **risk-adjusted**²
 - ◆ **cap:** applied to mitigate risk appetite
 - ◆ **claw back**³
 - ◆ **malus conditions applied**
- ◆ **Severance for Executives and MRT:** 24 months of rem. capped at €5mln

1) Total variable compensation vesting over no less than 4Y, 5Y for Top Executives
2) Gateways linked to Risk Appetite Framework, Bonus Pools to Economic Profit/ROAC
3) In the event of damages on MB's capital base, profitability, financial results
4) Including notice & non competition agreements

MB'S BOD COMPRISED OF DIVERSE SKILLS AND STRONG EXPERIENCE

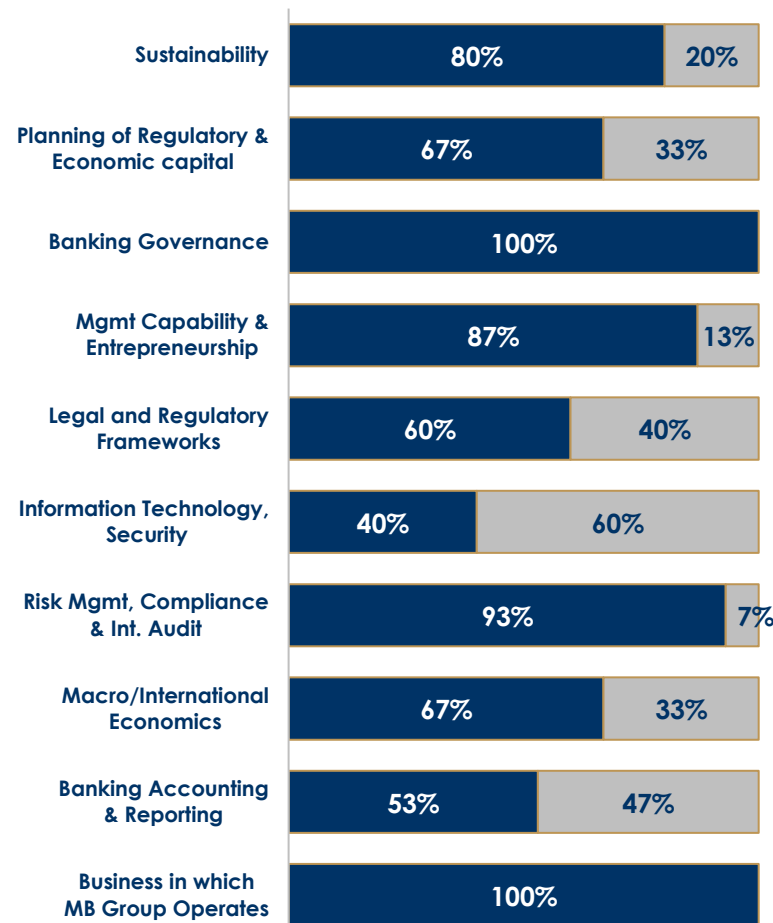
Governance

Section 6

Board members

Name	Age	Role	Independent	First Election
Renato Pagliaro	65	Chairman ¹		2008
Maurizia Angelo Comneno	74	Deputy Chairman	X ³	2014
Alberto Nagel	57	CEO		2008
Francesco Saverio Vinci	59	GM		2008
Angela Gamba	52	Director - LID	X ^{2,3,4}	2017
Virginie Banet	56	Director	X ^{2,3}	2020
Maurizio Carfagna	74	Director	X ^{2,3}	2014
Laura Cioli	59	Director	X ^{2,3}	2020
Maurizio Costa	73	Director	X ^{2,3}	2014
Valérie Hortefeux	54	Director	X ^{2,3}	2017
Maximo Ibarra	53	Director	X ^{2,3}	2018
Alberto Lupoi	52	Director	X ^{2,3,4}	2017
Elisabetta Magistretti	75	Director	X ³	2011
Vittorio Pignatti Morano	65	Director	X ^{2,3}	2018
Gabriele Villa	58	Director	X ³	2017

MB's Board Skills Matrix



An individualized skills matrix is available [here](#)

1) Non-executive
 2) Independent as defined by Article 19 of the Articles of Association
 3) Independent as defined by Article 148, para. 3 of the Italian Finance Act
 4) Members appointed from the minority list (Assogestioni) -> the top shareholder did not submit a slate



MB'S BOARD SELF-ASSESSMENT AND SUCCESSION PLANNING

Board Self-Assessment (FY22)

LARGELY POSITIVE ASSESSMENT

- ◆ **Composition and functioning** of the BoD and of the BoD Committees
- ◆ **Adequacy** in terms of the mix of **knowledge, skills and experience**
- ◆ **Focus on strategy, risk governance, innovation, and gender equality** within the BoD

AREAS OF IMPROVEMENT

- ◆ BoD documentation: **introduction of executive summaries and new management-type presentation formats for economic performance and risk reporting** with evidence of risks and opportunities
- ◆ **Possibility of anticipating questions and requests** for more in-depth information on the items on the agenda also in written form **before the meeting** and sharing answers/clarification with all other BoD members
- ◆ **Identification of topics to be discussed directly** (omitting presentation)
- ◆ **Additional training sessions on ESG and risk monitoring issues** (providing the possibility to include external advisors)
- ◆ **Provision for meetings of independent directors prior to relevant meetings** (e.g., approval of the strategic plan).

FY22, all actions suggested by the FY21 self-assessment were implemented:

- ◆ induction and training meetings enriched with sessions related to sustainability (including measurement of related risks) and IFRS9 application
- ◆ 2 BoD meetings entirely dedicated to strategy and innovation (fintech)
- ◆ CSR Committee: 6 meetings held vs 4 in the previous year.

Succession Planning

- ◆ Regarding **executives**, the BoD approves and updates the "Policies for the selection, appointment, succession and performance assessment of company representatives and Group Key Function Holders" governing the suitability requirements of governing bodies¹ and the heads of the main business lines/functions and geographical areas covered by the Mediobanca Group. For each position, the **Appointments Committee has ascertained that all the current holders meet the suitability requirements**, and has examined the succession planning **identifying more than one potential internal candidate for succession**.
- ◆ Regarding the succession of **non-executive directors**:
 - ◆ those appointed from the **minority list** are replaced, where possible, by **unappointed directors from the same list**, in accordance with the provisions on equal gender representation in force;
 - ◆ those appointed from the **majority list**, in line with best practice, the selection of candidates will **reflect the guidance issued by the BoD in its Report on the qualitative - quantitative composition of the BoD**, giving priority to candidates in possession of the same characteristics as the Director leaving office (in terms of gender, independence, international experience and specialization).

TRANSPARENT APPROACH TO REMUNERATION

LONG-TERM VALUE CREATION

The **remuneration structure** is aligned both to the **latest European and Italian legislation/provisions** and with **global best practices**. Investor and Proxy Advisor feedback also informs our approach and structure to remuneration. An **adequate balance between fixed and variable** remuneration is considered **crucial to avoid risk and short-term behaviour**.

All variable remuneration is subject to performance conditions in the performance period, ex post malus condition (Group performance, compliance breaches, responsibility for financial losses or reputational damages) **and claw back clauses** (in case of fraud or willful misconduct).

Employee category	Fixed Compensation		Variable compensation			
	Base	Pension plan	STI (Annual Scorecard)		LTI (Strategic Plan 19 - 23)	
	Upfront	Annual contrib.	5 Y deferral - 60% deferred*		5 Y deferral - 60% deferred*	
	Cash	Cash	Cash	Shares	Cash	Shares
Non Executive directors included Chairman	100%					
Executive Directors	100%	100%	47%	53%	47%	53%
Executives - Senior Managers	100%	100%	47%	53%	47%	53%
Other Executives (Material Risk Takers)	Upfront	---	4 Y Deferral - 40/60% deferred			
	100%	100%	50%	50%	---	---

* If variable amount equal or higher of € 404.000

- ◆ **Executive directors** variable remuneration
 - ◆ accrues only if aligned with established gateways
 - ◆ variable remuneration is distributed at least ~50% in cash and ~50% in equity (performance shares)
- ◆ **Executives** variable remuneration is paid inter alia in the form of equity instruments (performance shares)

The Group's identified staff (or MRT - Material Risk Takers Executives) as at 30 June 2022 represents around 2% of the total Group staff and are as follows: 98 resources qualified as identified staff, including Executives, Senior Management, Manager of business units and other resources with managerial responsibilities.

- ◆ In accordance with the European Directive CRD, **Mediobanca has set a cap on variable remuneration for all employees at 200% of fixed pay** to:
 - ◆ maintain adequate flexibility and minimize fixed costs
 - ◆ align interests and encourage the achievement of sustainable results
 - ◆ attract and retain talent in an aggressive market context
 - ◆ reward performance and link individual performance to the results of the bank
- ◆ Employee bonus pool determination and distribution is governed by "gateways".
- ◆ Individual allocation is based on documented quantitative and qualitative performance evaluation, with particular attention to aspects of compliance.

FY23 CEO SCORECARD - MB GROUP GROWTH AND ESG

Governance

Section 6

CEO – FY23 STI Scorecard

PARAMETER	WEIGHT	KPI target = 50% fixed	Δ KPI max = 150% Fixed
Gross ROAC adj. Banking activities	30%	vs. Budget	15% target
Cost of risk	20%	Vs. Budget	9% target
Net Interest Income	20%	vs. Budget	3% target
Fee Income	20%	Vs. Budget	7% target
Quantitative ESG targets	10%	vs. Budget	
- CIB Loan book with ESG/Green features			29% target
- WM/Consumer ESG new production			16% target
- ESG funds in WM Premier clients' portfolio			11% target
- ESG funds in WM Private Banking clients' portfolio			10% target
Diversity, Equity, Inclusion & Engagement	non-financial with BoD evaluation		
ESG: Planet, Environment & Climate Change	non-financial with BoD evaluation		

GM – FY23 STI Scorecard

PARAMETER	WEIGHT	KPI target = 50% fixed	Δ KPI max = 150% Fixed
Gross ROAC adj. Banking activities	25%	vs. Budget	15% target
Cost of funding	15%	Vs. Budget	8% target
Cost of risk	15%	vs. Budget	9% target
Banking activities cost/income ratio	20%	Vs. Budget	4% target
Net New Money	15%	vs. Budget	16% target
Quantitative ESG targets	10%	Vs. Budget	
- CIB Loan book with ESG/Green features			29% target
- WM/Consumer ESG new production			16% target
- ESG funds in WM Premier clients' portfolio			11% target
- ESG funds in WM Private Banking clients' portfolio			10% target
Diversity, Equity, Inclusion & Engagement	non-financial with BoD evaluation		
Mediobanca Digitalization Journey	non-financial with BoD evaluation		

Non-financial targets with BoD evaluation

Diversity, Equity, Inclusion & Engagement - toDEI project, for a sustainable growth with attention to ESG factors. KPIs:

- i) women's representation in management positions increasing from 15.95% (as of 06/30/2022) to 20% projected at the end of FY 2026-2027
- ii) Gender Balance in recruitment increasing from 38% of the less represented gender in FY 2020-2021 to parity (50%) projected at the end of FY 2026-2027

Planet, Environment & Climate Change - focus on the Group's ESG initiatives related to environmental sustainability

- i. Scope 1 + Scope 2 (Market based) emissions down 11% vs. 2019
- ii. planting of 2,000 trees
- iii. increase of electric/hybrid cars in corporate fleet to 72%
- iv. continuation of project strands of the multi-year ESG Project (among others strengthening PRB and TCFD reports)

Digital Strategy & Innovation - focus on the technological and digital transformation taking place in the Group, as part of the planned interventions with the following project drivers

- i. digitalization of the Private Division
- ii. launch of innovation initiatives
- iii. definition and launch of the "Go to cloud" model

ANNEXES



MEDIOBANCA - ESG INDEXES AND RATING

Annex 1



ESG RATINGS AND INDEXES

Mediobanca – ESG Indexes and Rating

Annex 1

ISS ESG 
ISS-oeekom 

Governance: 2
Environment: 2
Social: 1

S E/G
 1 2 3 4 5 6 7 8 9 10
 lower risk higher risk

Corporate rating: C (2nd decile)
 A B C+ C C- D
 excellent medium low

1 2 3 4 5 6 7 8 9 10
 high relative perf. (decile) low


 FTSE4Good

Included in the index
 (percentile rank: 63)

Environment: 3,0
Social: 3,2
Governance: 4,1

S/E G
 0 1 2 3 4 5
 weak strong

 **SUSTAINALYTICS**

Rating: 14/100 - low risk
 Industry rank: 80/929
 (Diversified Financials)
 Subindustry rank 2/126
 (Investment Banking and Brokerage)

negligible **low** medium high severe
 0-10 10-20 20-30 30-40 >40

ESG risk exposure: 41,2
 low **medium** high
 0-35 35-55 >55

ESG risk management: 68,5
 low medium **strong**
 0-35 35-55 >55

S&P Global
 former


Dow Jones Sustainability Indexes

S&P Global ESG Score 2022
Score Mediobanca: 61
Average score: 32

MOODY'S ANALYTICS

Rating: 62/100
 Sector average: 45

Performance level:
 weak limited robust **advanced**
 0-29 30-49 50-59 60-100

Environment: 62 (sector avg.: 46)
 Social: 58 (sector avg.: 44)
 Governance: 70 (sector avg.: 47)
 Energy transition: 55/100 (Robust)
 Carbon footprint: A (Moderate)

moderate intense
 A B C D


 DRIVING SUSTAINABLE ECONOMIES

Rating C

A A- B B- **C** C- D D-
 Leadership management awareness disclosure

MSCI
 ESG Research

Rating AA

AAA **AA** A BBB BB B CCC
 excellent medium low

S&P Global

S&P Europe 350 ESG
 Included starting from April 2021

Included in the 2022 Sustainability Yearbook



Included in the index
For the 5th year in a row

MIB ESG Index

Included in the index
launched for the first time in 2021

MEDIOBANCA - KPI

Annex 2

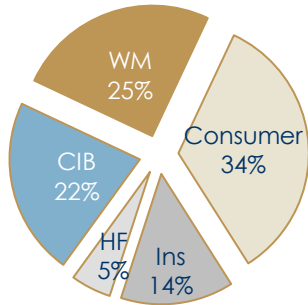


MEDIOBANCA AT A GLANCE

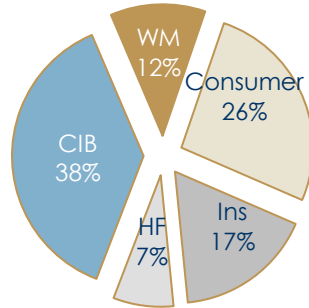
Mediobanca - KPI

Annex 2

Revenues¹



RWAs¹

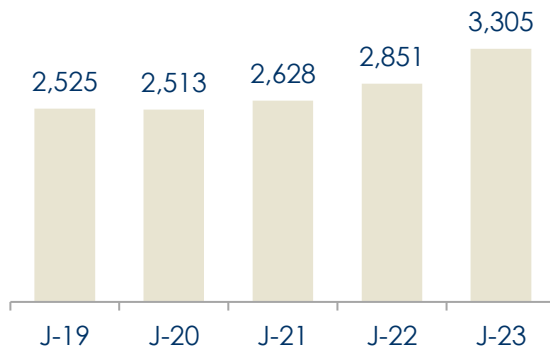


Key financial information¹

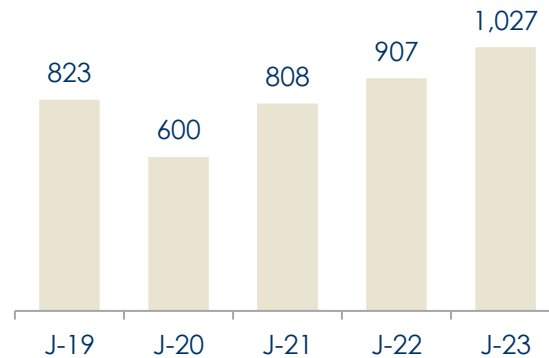
ROTE ² :	13%
RORWA ² :	2.4%
C/I ratio:	43%
RWAs:	€51bn
Assets:	€92bn
TFA:	€88bn
No. of staff:	5.2k

CETI :	15.9%, Tot. Cap: 17.9%
Moody's rating	Baa1
S&P rating :	BBB
Fitch rating :	BBB
Cash Payout:	70%
Loan/funding ratio:	87%
Market cap. ³ :	€10.2bn

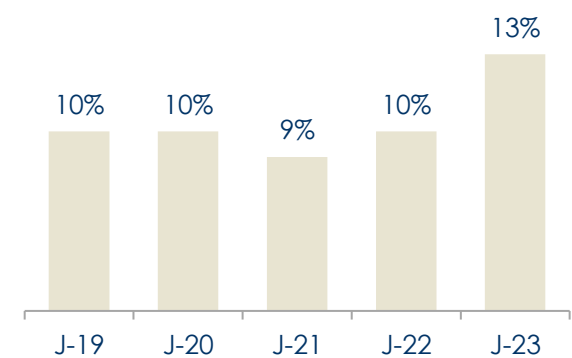
Revenues (€m)



Net profit (€m)



ROTE adjusted²

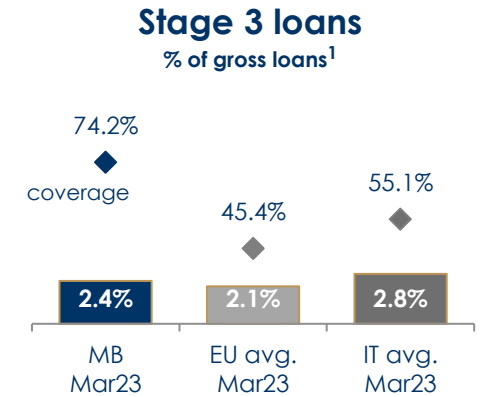
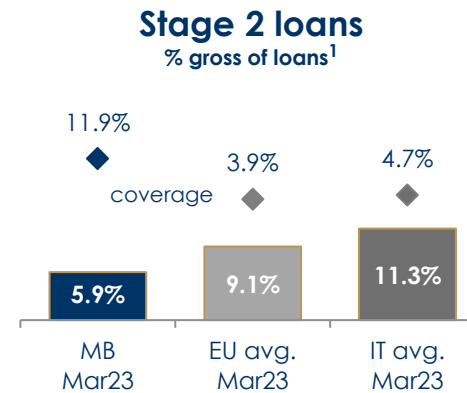
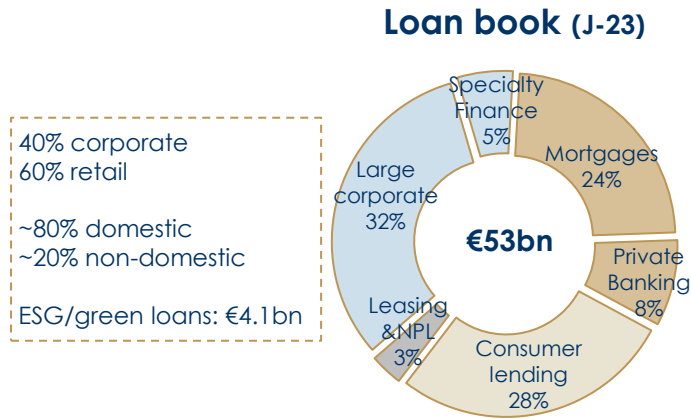


1) MB fiscal year ends 30 June. P&L figures referred to 12M period. Stock data referred to June 23
 2) ROTE/RORWA based on net profit adjusted calculated as GOP net of LLPs, minorities and taxes, with normalized tax rate (33% for Premier, CIB, Consumer and HF; 25% for PB and AM; 4.16% for Ins). Covid-related impact excluded for FY20
 3) MB share price as at 31 July (€12.2 ps)

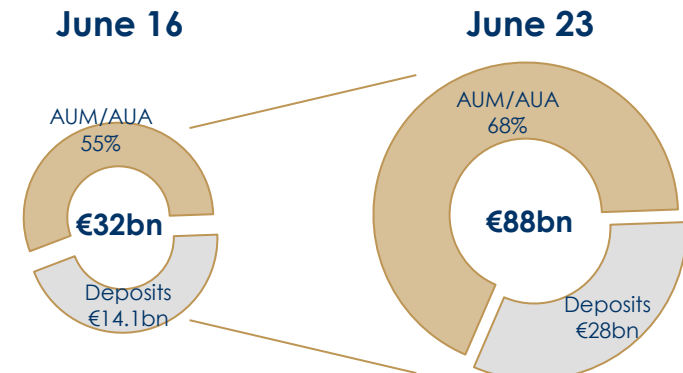
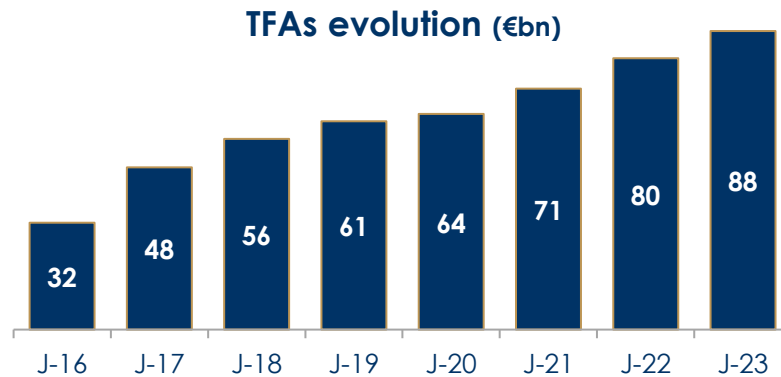


DIVERSIFIED AND STRONG QUALITY OF REVENUE-GENERATING ASSETS...

Diversified loan book with very low risk profile



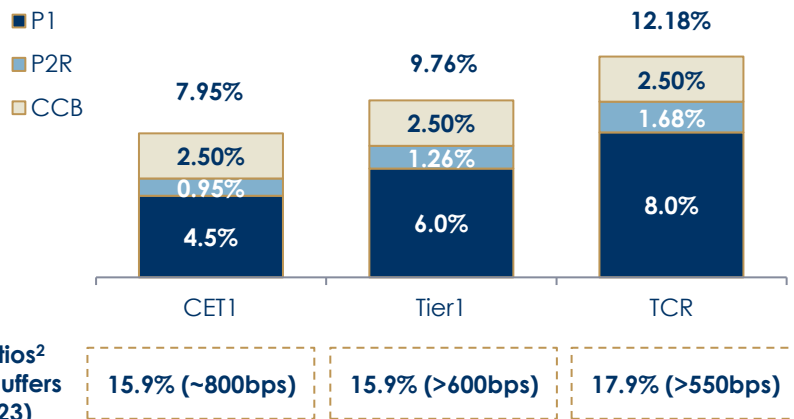
Fast growing TFA, with improving mix towards qualified AUM/AUA, while enlarging deposit base



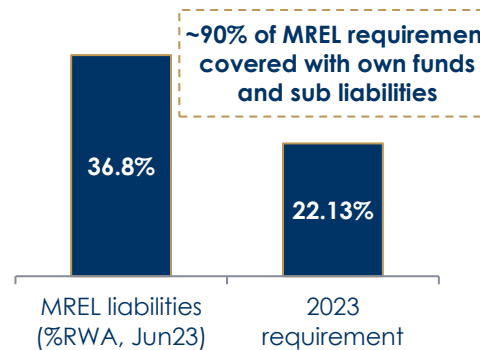
...MATCHED WITH SOLID CAPITAL AND FUNDING POSITIONS

Strong capital positions, with wide buffers over requirements, and leverage above peers

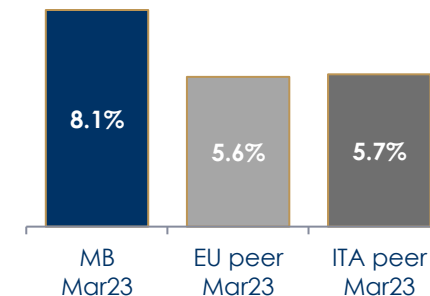
SREP 2023 requirements¹ (%)



MREL (%)



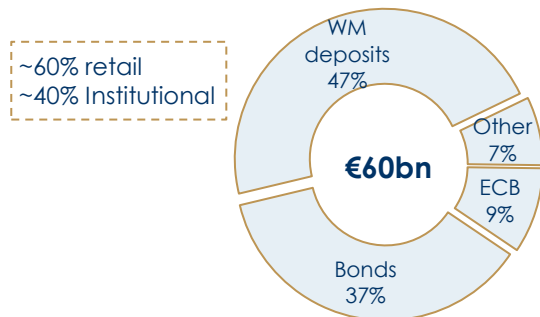
Leverage ratio³ (%)



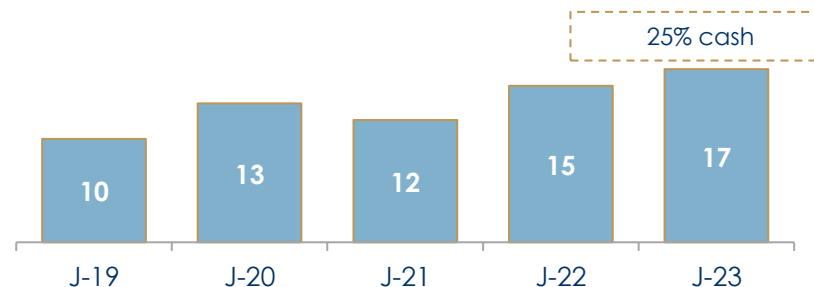
MB ratios² and buffers (June23)

Diversified funding and high liquidity

Funding stock (J-23)



Counterbalancing capacity⁴ (€bn)



1) Requirements do not include the Countercyclical Buffer of 0.07% as at 31/03/23
 2) CET1 fully loaded pro-forma including permanent benefit from Danish Compromise
 3) Source: EBA Risk Dashboard – Data as of Mar23, phased-in
 4) Unencumbered eligible assets, post haircuts

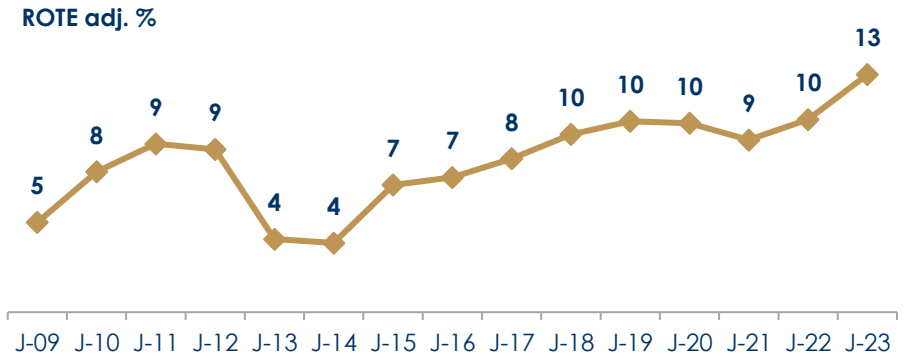
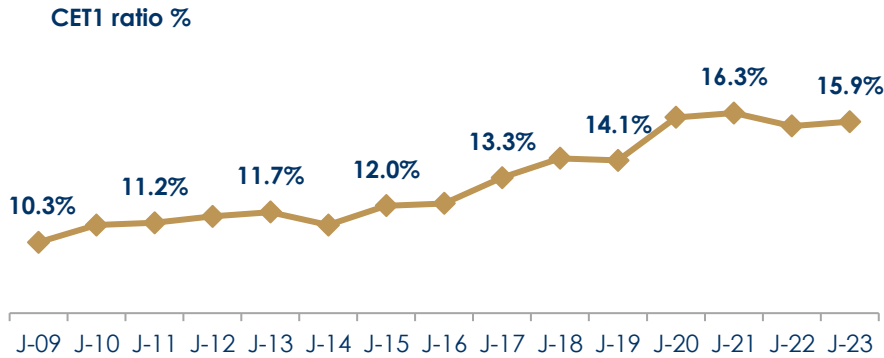


HIGH RESILIENCE & STAKEHOLDERS REMUNERATION IN LAST DECADE

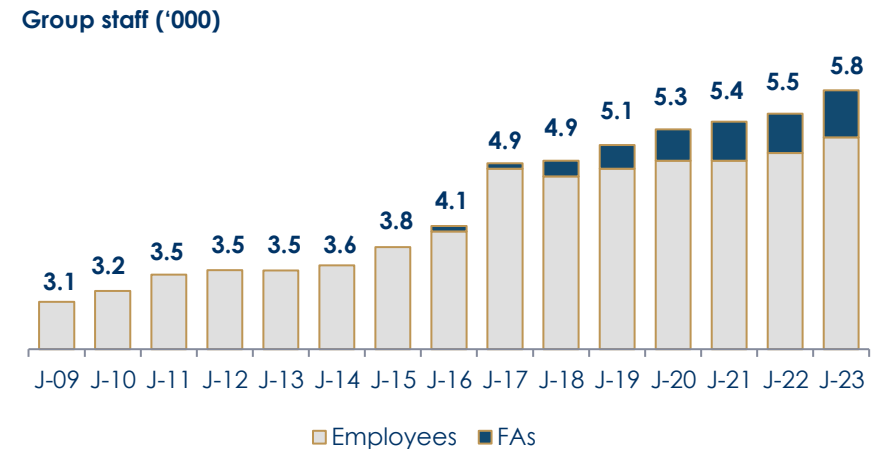
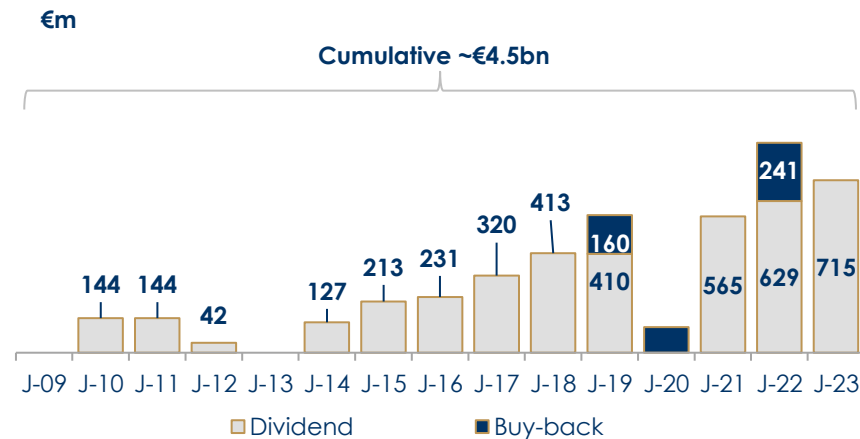
Mediobanca - KPI

Annex 2

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



... has enabled MB to return >€4bn to shareholders, while investing constantly in people



FY22 TCFD AT A GLANCE

Annex 3



FY22 TCFD AT A GLANCE

- ◆ **The first TCFD Report** is structured into four pillars - **Governance, Strategy, Risk Management, Metrics and Targets** – and provides a comprehensive overview of the Group's approach to climate risk and opportunities.
- ◆ It includes:
 - ◆ **Information on implementation of new metrics in the Group's Risk Appetite Framework (RAF), focusing on environmental and climate-related risks (both transition and physical risks):**
 - ◆ **Transition risk:** MB has developed an ESG Heat Map at sector level to cover the proprietary lending & investment CIB division book. A maximum acceptable level of exposure to counterparties with high climate-related regulatory, technology, and market risks has been identified, and constitutes a Risk Appetite trigger;
 - ◆ **Physical risk:** potential damage caused by floods, landslides and seismic events to buildings, reducing the value of properties used as collateral for loans. Here CheBanca! has developed a methodology to classify Italian municipalities. A metric has been included in the RAF to monitor the value of mortgage loans secured by real estate located in municipalities classified as Very High and High physical risk.
 - ◆ **Quantification of emissions generated by the Mediobanca portfolio** (CIB lending and investment)
 - ◆ **Portfolio alignment exercise**, covering CIB lending portfolio, evaluation of the Group's financing activities performance with respect to global climate mitigation goals
 - ◆ **Targets:** setting climate portfolio targets consistent with the 1.5°C climate ambition, as requested by the Net-Zero Banking Alliance (NZBA) and in line with the Group's strategies and policies.
 - ◆ **First set of NZBA interim emission reduction targets for 2030 identified in relation to CIB lending exposure in the Automotive and Power sectors.**

TRANSITION RISK

FY22 TCFD at a glance

Annex 3

Perimeter

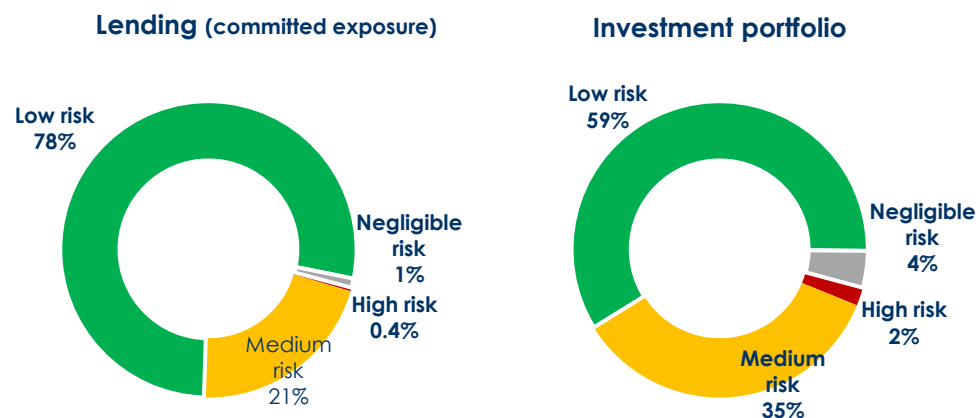
- ◆ Wholesale banking proprietary lending (committed exposure) and investment portfolio (~39bn as at 30/06/22).

Methodology

- ◆ MB has created an ESG Heatmap (sector based¹) to identify potential risk regarding ESG factors (including both Climate Transition risk and Climate Physical risk): 4 different levels identified by colours (red, yellow, green, white) indicate the «potential risk» of each macro/sub economic sector.
- ◆ Recalibration process: as a second step, the Heatmap has been integrated with the characteristics of the individual counterparties (“Single name analysis”) using:
 - ◆ qualitative questionnaires, provided to individual counterparties, to define an internal ESG score specific for the single counterparty,
 - ◆ external info provider, if the questionnaire has not yet been submitted.
- ◆ 78% of the total lending exposure (91% considering only the exposure towards Corporates) is evaluated through the questionnaire, 4% is evaluated using the information from an external info provider while the remaining is evaluated using the Heatmap average score of the sector of each counterparty

Outcome

- ◆ According to the ESG Heatmap assessment, recalibrated with single name analysis MB portfolio shows:
 - ◆ a very limited exposure to high transitional risk,
 - ◆ 4/5 of the lending portfolio and 3/5 of the investment portfolio show a low exposure to transition risk.



1. Sectorial mapping according to different levels of ESG riskiness has been made using external international standards (United Nations Environment Programme Finance Initiative - UNEP FI, Principles for Sustainable Insurance - PSI) to select ESG factors that impact on each economic sector concerned and gather information about the related level of impact. Specifically, it has been adopted the "Impact Map" reported into the "Portfolio Impact Analysis Tool" of UNEP FI which identifies how companies from different economic sectors impact, positively or negatively, different ESG areas, integrated with some of the themes proposed by PSI in "Managing environmental, social and governance risks in non-life insurance business".



PORTFOLIO EMISSIONS

FY22 TCFD at a glance

Annex 3

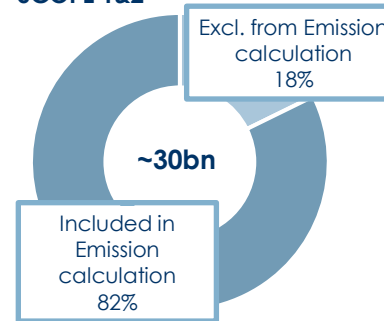
Perimeter

- ◆ **Wholesale banking loans and proprietary investments** (bonds and equities, trading book and off-balance being out of scope) exposure amounted to **~30 billion €** as of 31/12/2021 (reference date chosen according the PCAF requirements)

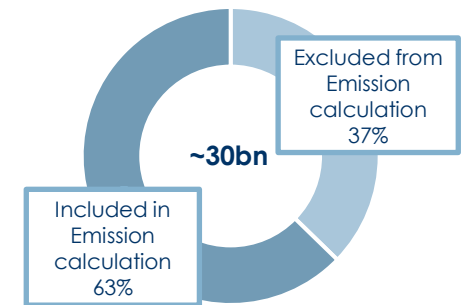
Methodology

- ◆ *PCAF (Partnership for Carbon Accounting Financials)* methodology is currently not available for ~17% of this exposure (mainly sovereign bonds). Another 1% excluded due to existing data gaps.
- ◆ **Scope 1** and **Scope 2** emissions were computed on **82%** of the total perimeter
- ◆ **Scope 3** emissions were computed on a subset of the 82% above, i.e. on **63%** of the ~30 billion € exposure (data for the remaining portion were not available)

SCOPE 1&2

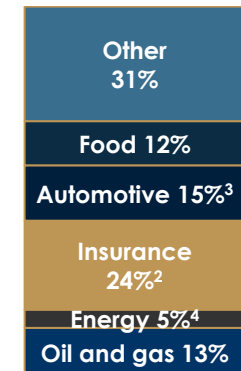
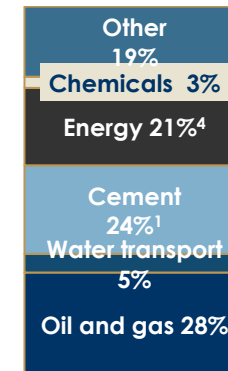


SCOPE 3



Outcome

Total emissions [Million tCO ₂ eq]	Scope 1	Scope 2	Scope 3
8,5	2,3	0,2	6,0
Emission intensity [tCO ₂ eq/Million € invested/borrowed]	Scope 1	Scope 2	Scope 3
	94,8	10,1	318,9



Scope 1 & 2

Scope 3

1. Manufacture of other non-metallic mineral products (mainly cement manufacture)
2. Insurance, reinsurance and pension funding
3. Manufacture of motor vehicles, trailers and semi-trailers
4. Electricity, gas, steam and air conditioning supply

PORTFOLIO ALIGNMENT & TARGETS

FY22 TCFD at a glance

Annex 3

Sector

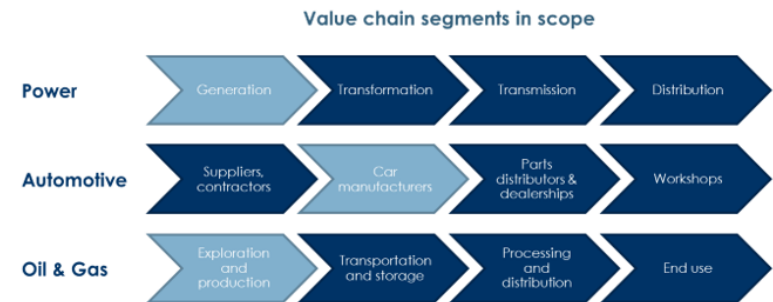
- ◆ **NZBA requirement** - targets on “carbon-intensive” sectors within 3Y from the commitment: agriculture, aluminum, cement, coal, commercial and residential real estate, iron and steel, oil and gas, power generation and transport. **MB has no lending exposure in coal, air transport and agriculture and very low one in steel, shipping and cement.**
- ◆ To perform the analyses, MB selected the Paris Agreement Capital Transition Assessment (PACTA¹) tool developed by the 2 Degrees Investing Initiative ('2DII'), complemented with Asset Resolution's – an external data provider which cooperates with 2DII – data.
- ◆ According to MB's portfolio and to the availability of methodologies, **the pilot portfolio alignment exercise was conducted on power, automotive and oil&gas sectors. Targets were set on power and automotive sectors.**

Perimeter

- ◆ **Wholesale Banking loan book** as at Dec.21 had a **drawn exposure of 17.6bn** (> 90% of total Corporate exposure).
- ◆ The methodology covers only carbon intensive sectors (**1.9bn**) in scope and covered by Asset Resolution data set.
- ◆ **The results of the pilot portfolio alignment exercise have been shown on power, automotive and oil&gas sectors being the most significant sectors** (1.6bn).
- ◆ The analyses relate to the segment of the sector value chain which is **in scope** according to PACTA methodology (in light blue in the chart aside), representing 50%,57% and 75% of the amounts related to power/automotive/oil and gas.

Scenario

- ◆ For both Portfolio Alignment and Target Setting, portfolio baseline and prospective performances have been compared with those required to be aligned to the International Energy Agency's Net Zero by 2050 scenario.
- ◆ This scenario follows the NZBA criteria and is aligned with limiting the rise in global temperatures to 1.5°C by the end of the century, with a 50% probability.



1. PACTA is an internationally recognized methodology which allows financial institutions to measure the alignment of their portfolio against a set of climate scenarios, which imply several levels of ambition measured in relation to the increase in global average temperature. PACTA's main objective is to promote the alignment of financial markets and the real economy with a Paris Agreement compatible world. PACTA methodology itself only focuses on specific sectors, those considered to be the most CO₂-intensive. In particular, as of today: oil and gas, coal, power, automotive, cement, aviation and steel, a subset of the sectors requested by the NZBA.

METRICS & METHODS

Portfolio Alignment

- ◆ **The analyses focused on technology and production-based metrics**, providing a straightforward way of monitoring counterparties' progress against climate targets.
- ◆ **For the automotive and power sector, MB calculated the Technology Mix (current and prospective) of the counterparties in its portfolio.** Such metric represents the weight (in percentage terms) of the different types of output/generation technologies (e.g. ICE, BEV or renewables, nuclear, gas) used by the counterparties.
- ◆ **For the oil&gas sector, the analysis efforts focused on the estimation of the prospective production trend (in terms of growth or decrease in production volumes) within this sector and for a given production technology.**
- ◆ The analyses were performed using PACTA tool and methodologies, which require **a corporate lending portfolio to align at the same rate of change as prescribed by the climate scenario. The difference between the portfolio projected performance and the aligned pathway (set under PACTA methodology) can be used as approximation of the portfolio current degree of alignment with the climate scenario.**

Net Zero Targets

- ◆ **NZBA requires to set, within 3Y years from the commitment, portfolio targets on: agriculture, aluminium, cement, coal, commercial and residential real estate, iron and steel, oil and gas, power generation and transport. For this first year targets will be set in the Power and Automotive sectors.** Next year the decarbonization plan in relation to the first two sectors will be provided and additional sector targets will be set.
- ◆ **The NZBA requires setting portfolio targets in terms of absolute GHG emissions or sector-specific emission intensity**, although it allows to support the targets with technology-based approaches, as per Asset Resolution's data.
- ◆ Regarding oil & gas, given the standing and centrality of the sector in the context of decarbonization, the Group has already started monitoring portfolio alignment. A target will be set, in line with NZBA timing requirements, as soon as computation methods have been finalized to include a comprehensive scope of impact.

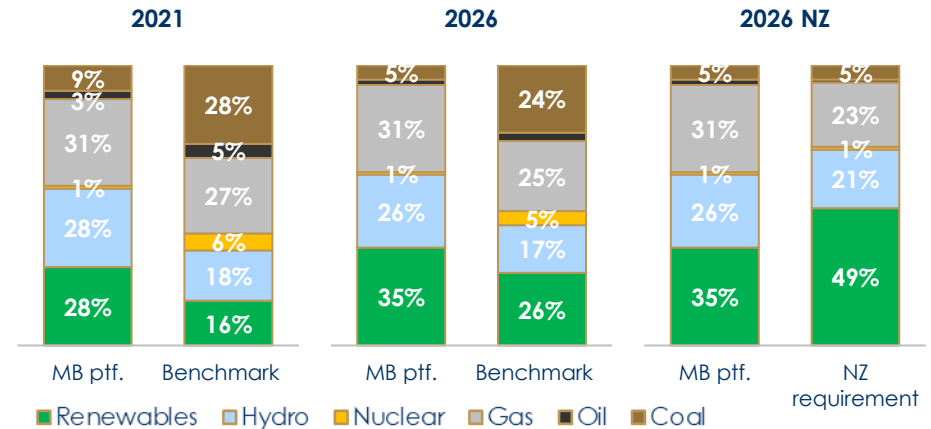
PORTFOLIO ALIGNMENT

FY22 TCFD at a glance

Annex 3

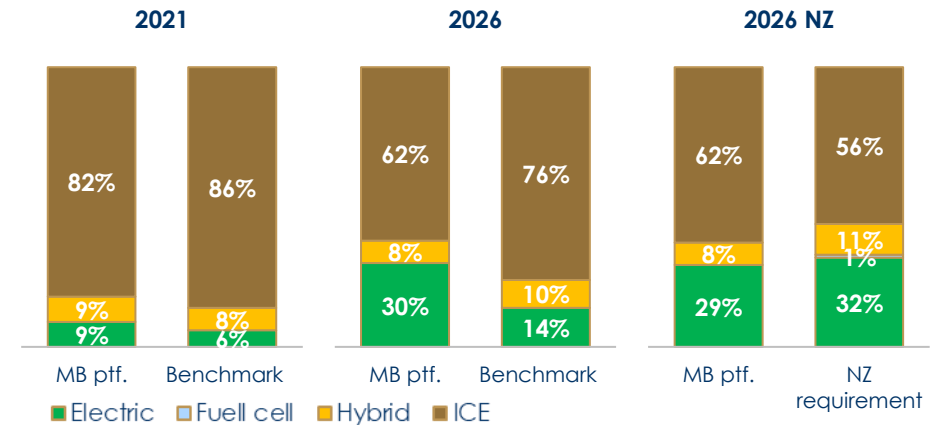
Power

- ◆ MB portfolio overall performs better than Asset Resolution benchmark both in year 2021 and 2026 ("green" production technologies is higher in both cases).
- ◆ The 2026 portfolio is not totally aligned with the requirements of the Net Zero scenario: part of the productive capacity should shift from "gas" to "renewables".



Automotive

- ◆ Mediobanca portfolio overall performs better than Asset Resolution benchmark both in year 2021 and 2026.
- ◆ The results are still not perfectly aligned with the technology mix required by Net Zero scenario in the year 2026 (more "hybrid" vs less "ICE" required).



Oil and Gas

- ◆ The analyses, conducted separately for the two different Oil and Gas technologies, show that MB's counterparties have a prospective production trend closer to the scenario targets than the one estimated for the counterparties used as benchmark. The results for gas technology, in particular, are largely in line with the Net Zero scenario requirements.



NET ZERO TARGETS

FY22 TCFD at a glance

Annex 3

Targets metrics

Power sector: ton. of CO2 eq. per 1 MWh produced by the counterparty. The considered GHG emissions correspond to **counterparties' Scope 1 emissions related to power generation activities.**

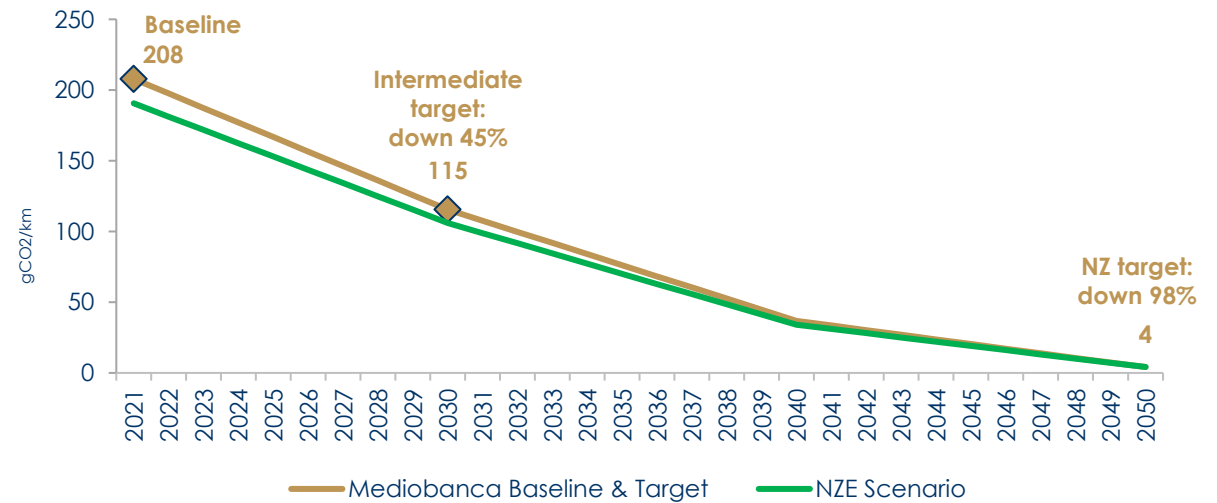
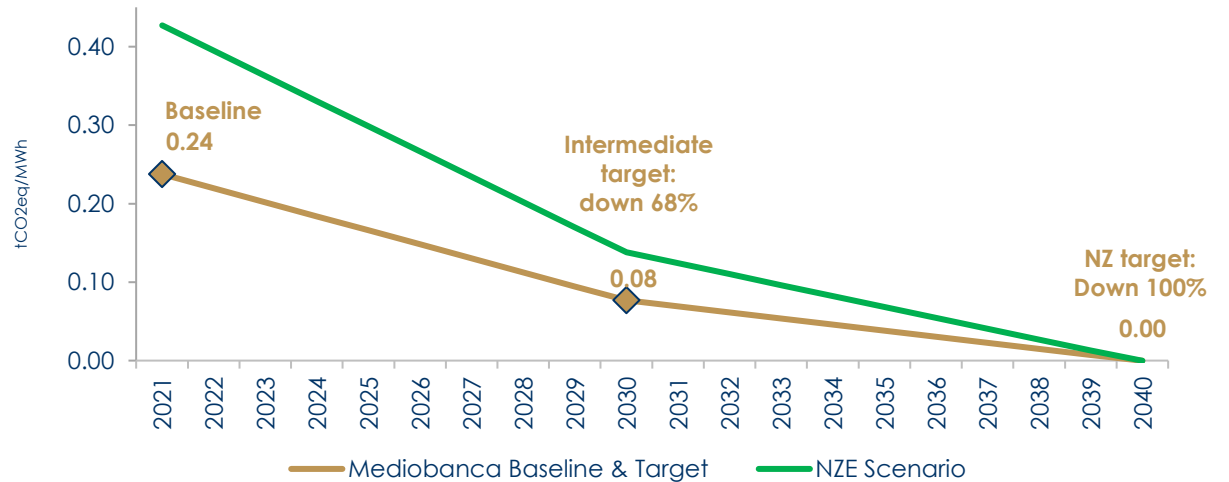
Automotive sector: average gr. of CO2 per km traveled by the produced vehicle. For the counterparties in scope, the considered emissions are related to **Scope 3 (Use of Sold Products).**

Power

Baseline (2021): 0,24
Int. target (2030): 0,08
NZ target (2040): 0

Automotive

Baseline (2021): 208
Int. target (2030): 115
NZ target (2050): 4



PROCESS FOR THE SUBMISSION OF THE LIST OF CANDIDATES PROPOSED BY THE OUTGOING BOARD OF DIRECTORS

Annex 4



STAKEHOLDERS INVOLVED IN THE PROCESS



Appointments Committee

- ◆ Consists of five members, four of whom are independent
- ◆ Committee chaired by an independent Director, with recent and solid industry experience
- ◆ Supports the Board of Directors in the various phases of the process



Lead Independent Director (LID)

- ◆ The Lead Independent Director serves as the point of contact within the Board in order to co-ordinate the independent Directors' requests and contributions, assists the Appointments Committee in co-ordinating the entire process and monitoring its transparency and objectivity



External Advisor (A)

- ◆ Selected from among specialized companies of primary standing, External Advisor supports the Appointments Committee and the Board of Directors in preparing the self-assessment and drawing up the report on the optimal qualitative and quantitative composition of the Board of Directors
- ◆ When selecting an External Advisor, the Board of Directors takes into account not only their expertise, but also their ability to remain neutral and objective throughout the entire process



External Advisor (B)

- ◆ Selected from among specialized companies of primary standing, External Advisor B supports the Appointments Committee and the Board of Directors in the search for possible candidates
- ◆ When selecting an External Advisor, the Board of Directors takes into account not only their expertise, but also their ability to remain neutral and objective throughout the entire process



Board of Directors

- ◆ Approves the process proposed by the Appointments Committee, and handles publication
- ◆ Approves and publishes the report on the optimal qualitative and quantitative composition of the Board of Directors
- ◆ Selects possible candidates suitable for the role of Director proposed by the Appointments Committee
- ◆ Performs the suitability checks ahead of submitting the list
- ◆ Approves and publishes the list

STEPS IN THE PROCESS

1

Appointment of External Advisor (A)

- ◆ The **Appointments Committee** proposes the external advisor for the self-assessment process and for defining the optimal qualitative and quantitative composition of the Board of Directors.
- ◆ The **Board of Directors** appoints External Advisor (A).

2

Publication of process

- ◆ The **Appointments Committee**, in coordination with the **Lead Independent Director**, proposes the process for submission of the list of candidates for the position of Director selected by the outgoing Board of Directors.
- ◆ The **Board of Directors** approves the process and publishes it.

3

Self-assessment and report on optimal qualitative and quantitative BoD composition

- ◆ **External Advisor (A)** contributes to the preparation of the self-assessment questionnaire, and supports the stakeholders involved in compiling it. The Advisor also prepares a report on the results of the self-assessment exercise, and contributes to the preparation of the report on the optimal Board qualitative and quantitative composition.
- ◆ The **Appointments Committee**, together with the **Lead Independent Director**, share the self-assessment questionnaire, review the results of it, propose any remediation actions required in order to arrive at a more effective solution, and submit the draft qualitative and quantitative report to the Board of Directors for approval.
- ◆ The **Board of Directors** approves the self-assessment questionnaire and the self-assessment report, and gives its opinion on the remediation actions proposed by the Appointments Committee. The Board of Directors also approves and publishes the report on the optimal qualitative and quantitative composition proposed by the Appointments Committee together with the Lead Independent Director, based on the results of the self-assessment process, the regulatory guidance, and best practices within the sector.

STEPS IN THE PROCESS

4 Appointment of External Advisor (B)

- ◆ The **Appointments Committee** proposes the External Advisor for the selection of the candidates.
- ◆ The **Board of Directors** appoints the External Advisor (B).

5 Determining the number and profile of new Directors

- ◆ The **Appointments Committee**, together with the **Lead Independent Director**, carry out an estimate of the needs in terms of the new Directors and their profiles, in the light of the self-assessment process and after ascertaining which existing Directors, if any, are not intending to seek reappointment.
- ◆ The **Board of Directors** agrees on the proposed profile of the new Board of Directors.

6 Identification of potential candidates

- ◆ **External Advisor (B)** proposes a long list of potential candidates based on the profiles identified.
- ◆ The **Appointments Committee**, together with the **Lead Independent Director**, with the support of the External Advisor (B), determine the first short list of candidates.
- ◆ The **Board of Directors** examines the new candidates' profiles.

7 Candidate interviews

- ◆ **External Advisor (B)** contacts the possible candidates, ascertains whether or not they are interested, and collects the documentation required in order to assess their eligibility for nomination against pre-determined requirements.
- ◆ The **Appointments Committee**, together with the **Lead Independent Director**, interview the candidates, and identify the final short list of candidates to be proposed to the Board of Directors.

8 Approval of list of candidates

- ◆ The **Appointments Committee**, together with the **Lead Independent Director**, propose the final short list of candidates, having checked that they meet the pre-determined requirements, and review the draft report by the Board of Directors for the shareholders to be gathered at the Annual General Meeting ("AGM").
- ◆ The **Board of Directors** approves the report to be shared with shareholders for the appointment of Directors and the list of candidates at the AGM, subject to prior assessment of the suitability requirements.

TIMELINE

