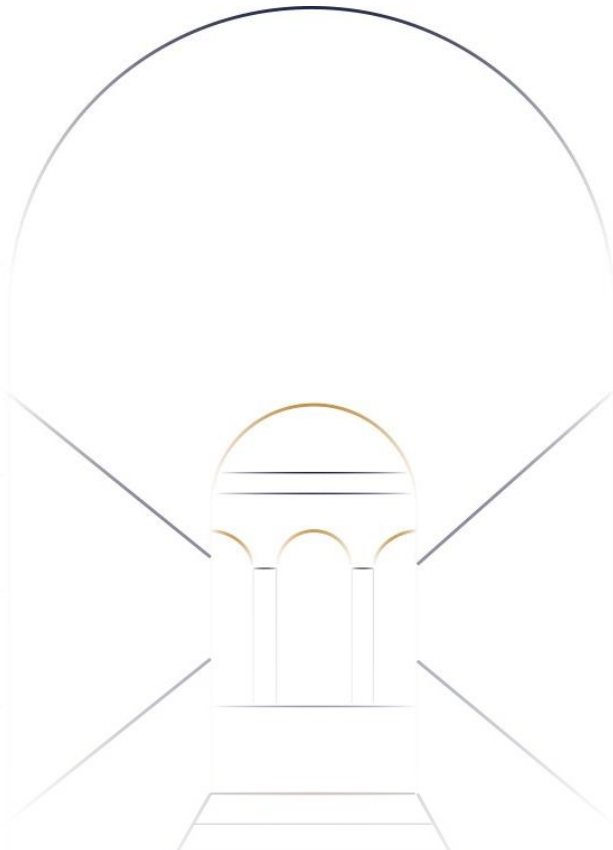


MEDIOBANCA GROUP SUSTAINABILITY PROFILE

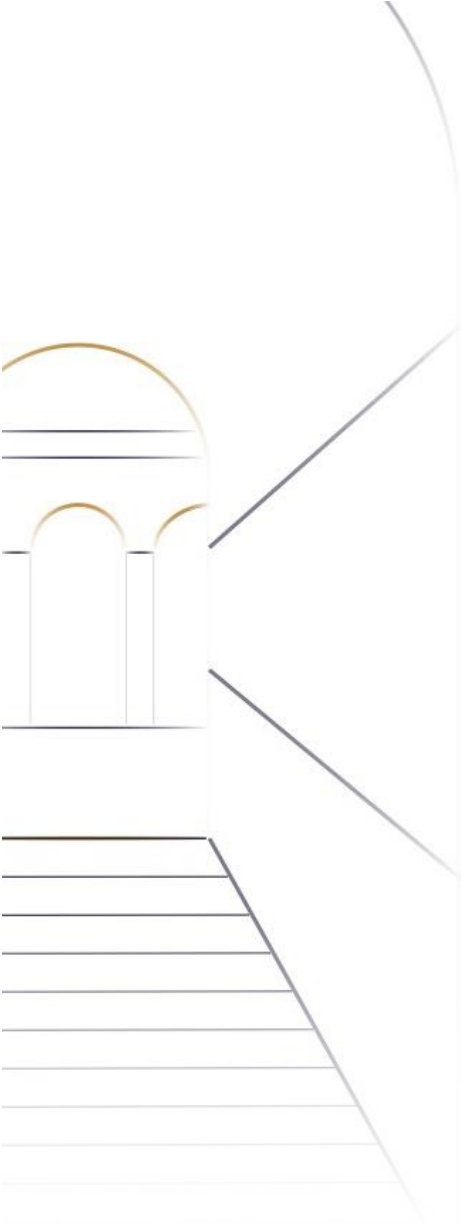
February 2024



Agenda

1. Sustainability within the Group
2. Sustainability governance
3. Non-financial disclosure
4. ESG targets in the 2023-26 Strategic Plan
5. E - Environment & climate change
6. S - Social
7. G - Governance



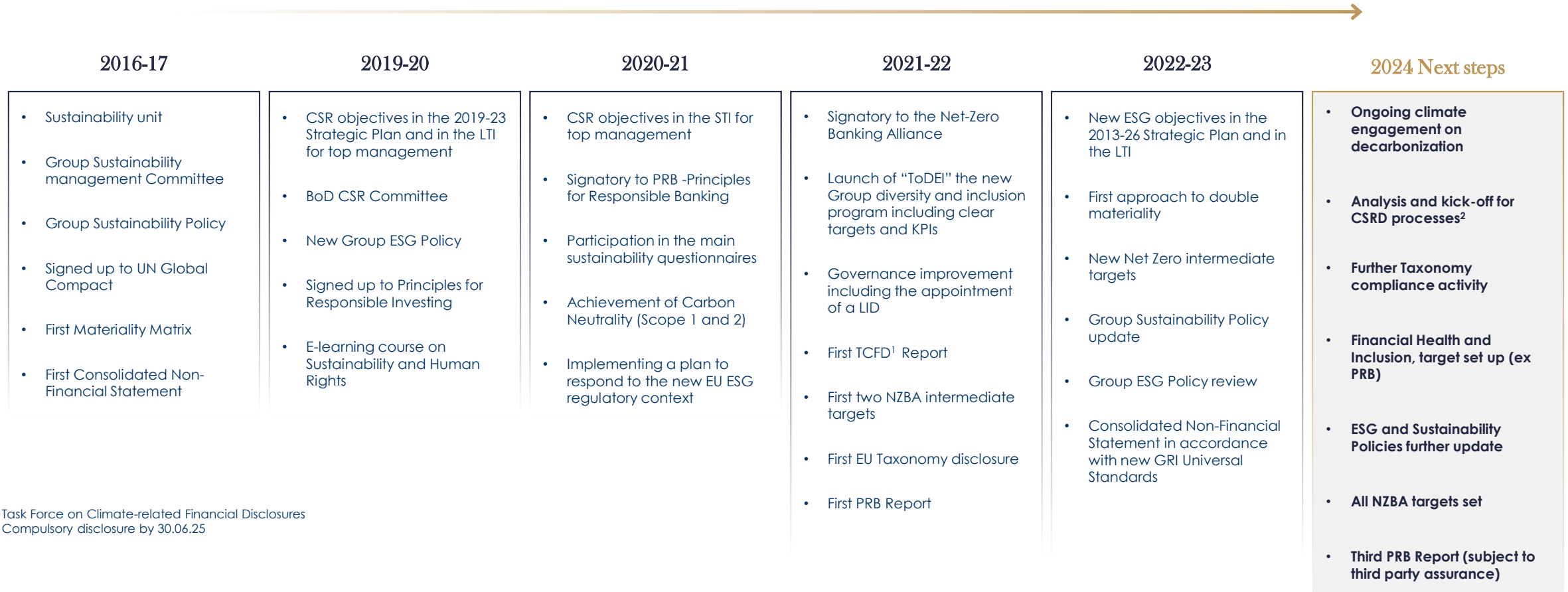


1. Sustainability within the Group



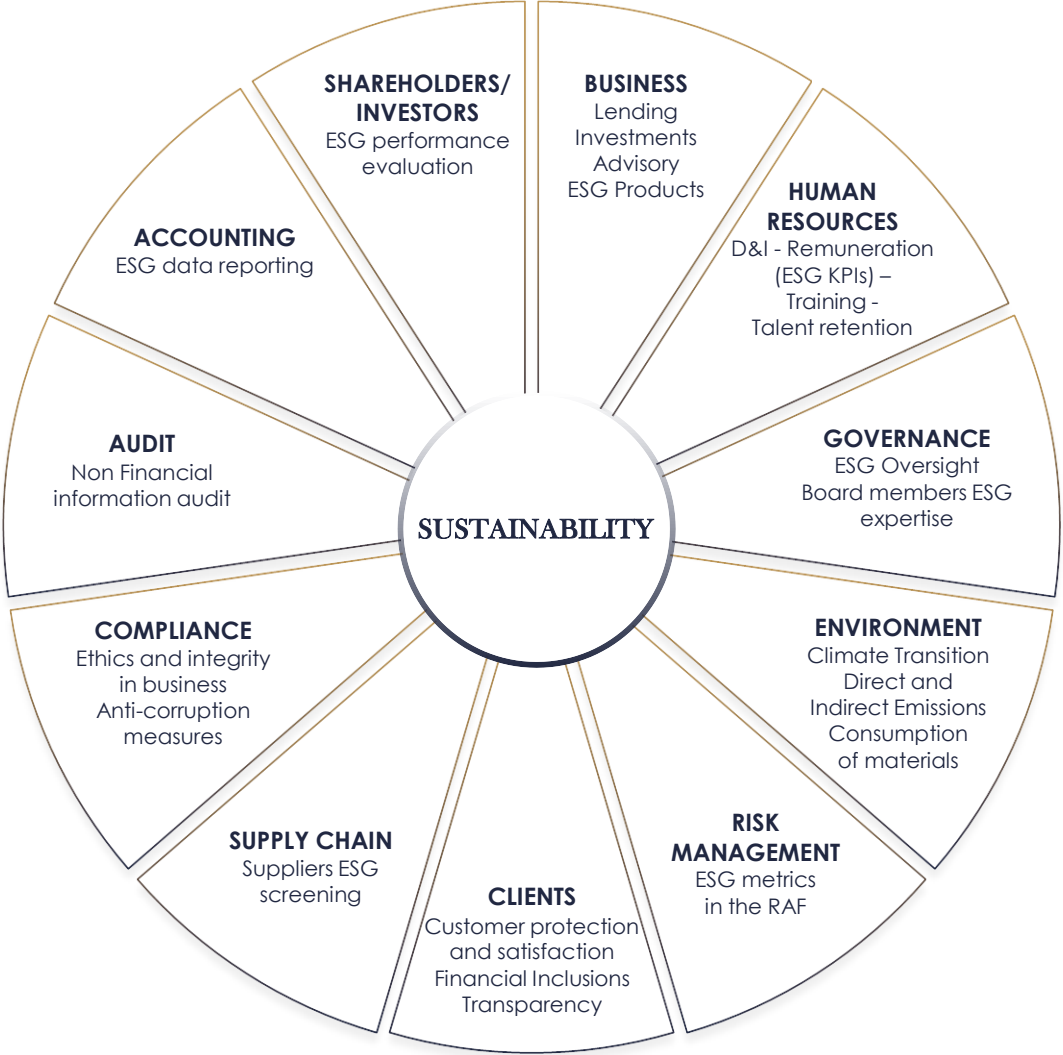
Group Sustainability: from compliance to strategy

INTEGRATING SUSTAINABILITY INTO CORPORATE STRATEGY



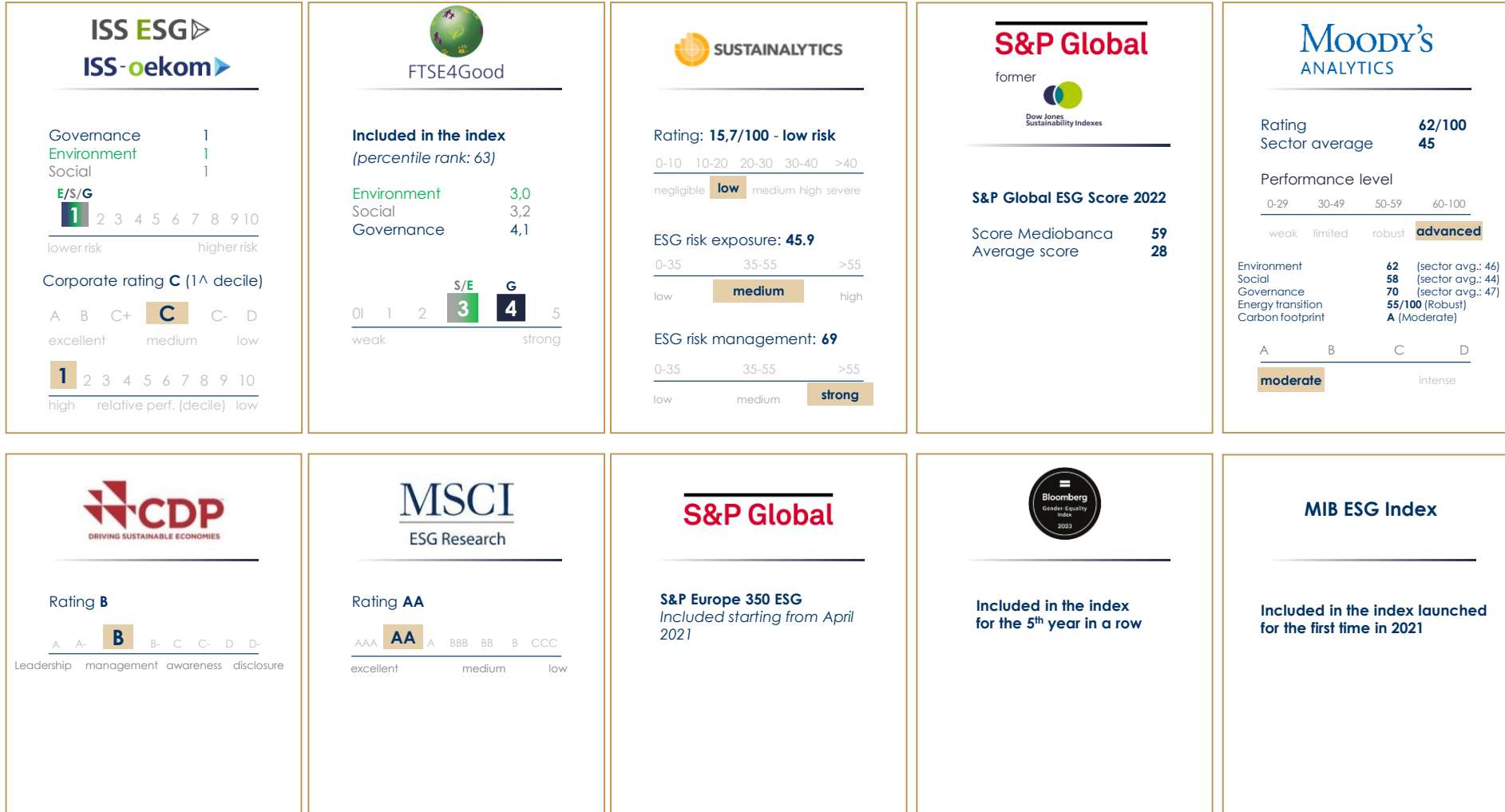
1) Task Force on Climate-related Financial Disclosures
 2) Compulsory disclosure by 30.06.25

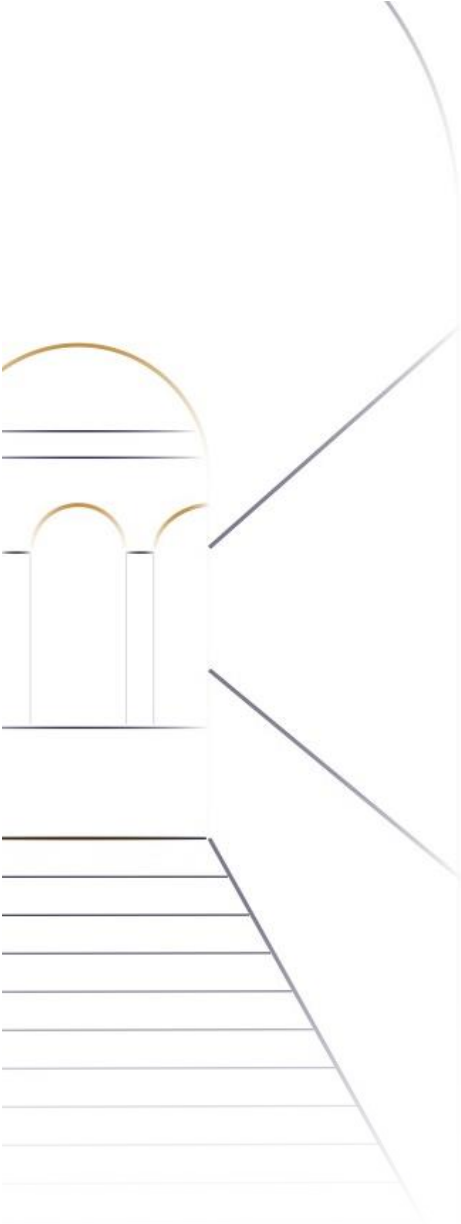
Sustainability embedded across the whole Group organization



ESG ratings and indexes

Mediobanca is included in several ethical indexes, and participate in various sustainability questionnaires





2.

Sustainability Governance



Board of Directors and Committees

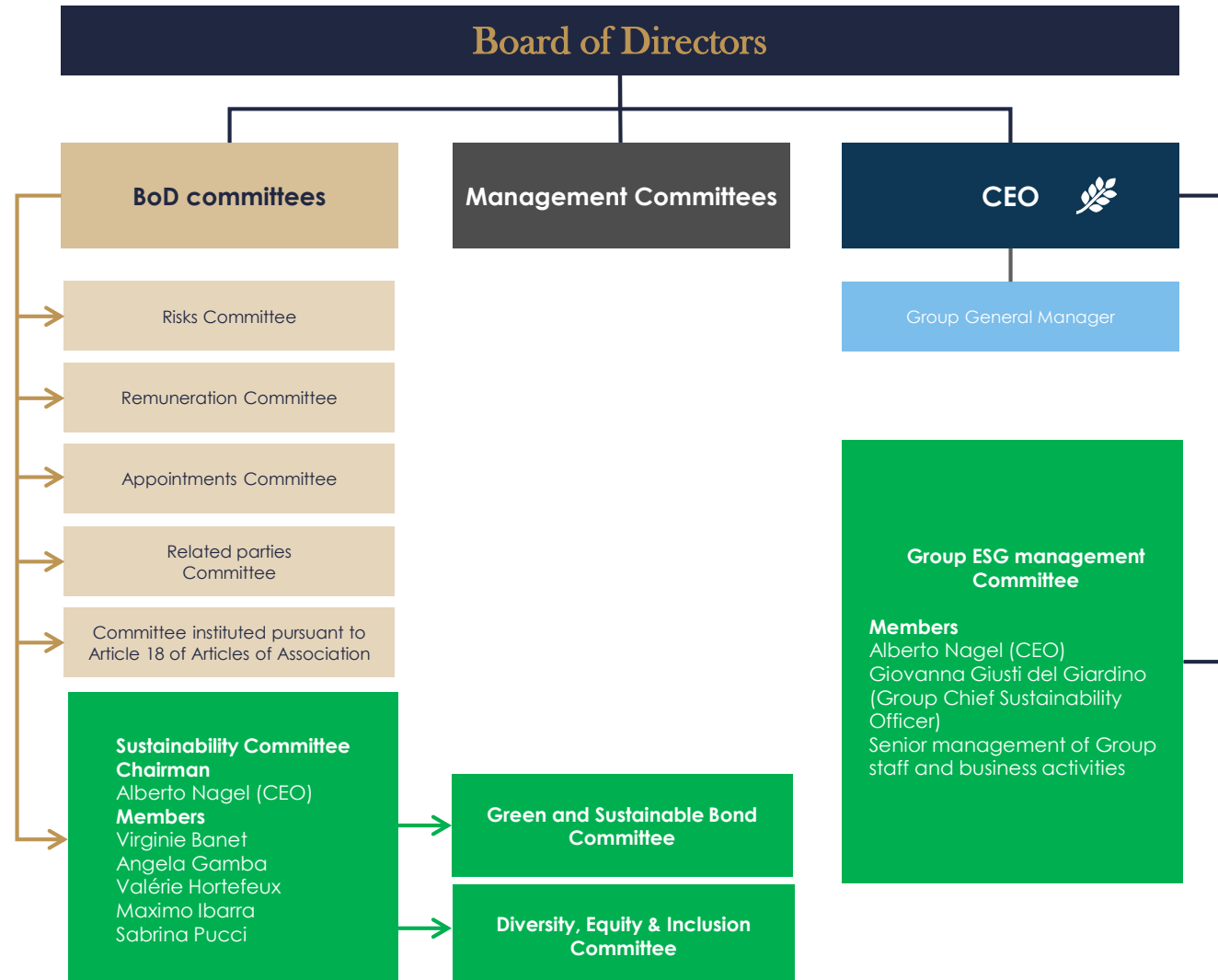
CEO in charge of sustainability

Sustainability Committee (including the CEO and 5 independent BoD members): has responsibility for prior analysis of sustainability issues to be submitted to the BoD

Group ESG Management Committee: remains responsible for defining policies and implement practices within the Group

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



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



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 listed 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.

Set of Policies related to sustainability issues at group level

We want to build a responsible business that integrates sustainability principles into all business activities
Policies and objectives, the governance system, and engagement with stakeholders form the basis of our commitment



The Group Sustainability Policy, in line with the principal international standards and declarations, is sub-divided into five areas held to be priorities with the objective of driving improvement in the Group's conduct and direct impact

Bribery & corruption

We are committed to conducting our business in accordance with the highest ethical standards and we do not tolerate any form of corruption

Human rights

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

Financial health and inclusion

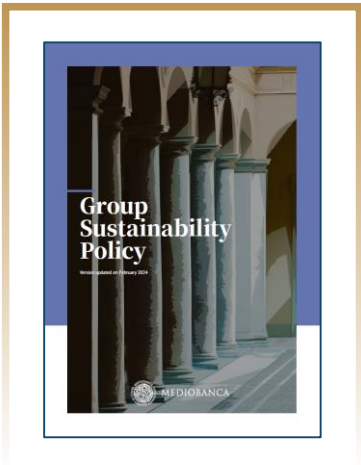
We pursue a business model that is respectful of the financial health of our clients, and we promote the inclusion of the more vulnerable classes of society

Diversity, equity & inclusion

We promote diversity as a value that forms the basis of personal growth and cultural and professional enrichment

Environment & Climate Change

We are sensitive to the need to protect the environment, and climate change, as the primary resource of human well-being



The Policy, which defines the guidelines for integration of ESG criteria in lending, investment and advisory activities, is based on a combination of:

- **Positive screening** based on precise inclusion criteria to identify companies that are committed to ESG issues
- **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

The Group has also structured these criteria different for the various areas of activity, and set out specific sector guidelines

Biodiversity

Do not finance and invest in activities that are performed in protected areas or areas of high biodiversity value

Excluded materials

Do not support the production, process, and/or sale of goods such as tropical timbers, palm oil and endangered species

Defence & arms

Set out exclusion policies regarding controversial weapons such as biological weapons, chemical weapons, and cluster bombs

Forestry

Set out policies regarding unacceptable activities such as those performed in protected areas, uncertified timber exploitation, and illegal deforestation

Agriculture, farming and fishing

Policies regarding the activities such as deep-sea trawling, excessive use of pesticides and fertilizers, and poor water management

Mining

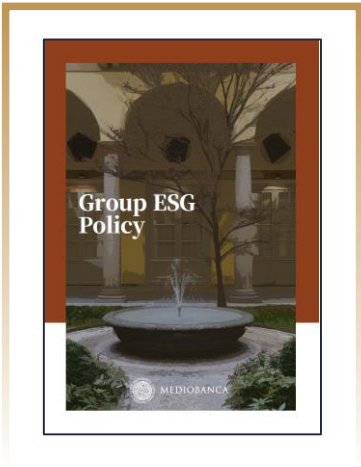
Policies regarding the mining, processing, and sale of resources such as coal, asbestos, diamonds and minerals

Energy

Policies regarding coal-fired plants, oil & gas exploration, and nuclear fuel. 10% revenue threshold for companies in coal and non-conventional oil & gas

Infrastructure & transport

Do not finance projects located in areas of high biological or social value and counterparties adopting unsustainable practices



A further step forward was taken in connection with the 2023-2026 Strategic Plan, which provides for the exit from tobacco (2026) and coal (2030) at a global level

Mediobanca Group Diversity, Equity and Inclusion Code

The Mediobanca Group Diversity, Equity and Inclusion Code 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

The Group's strategy takes into **account different dimensions of diversity** with a specific focus on the differences of gender, generations and skills

Elements of application

- **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**

KPI

- 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

- The Mediobanca Group commits to prevent any behaviour, abuse, harassment or threat
- Specific internal complaint modalities are indicated, including whistleblowing

Governance

- Diversity and Inclusion Manager
- Diversity, Equity and Inclusion Committee





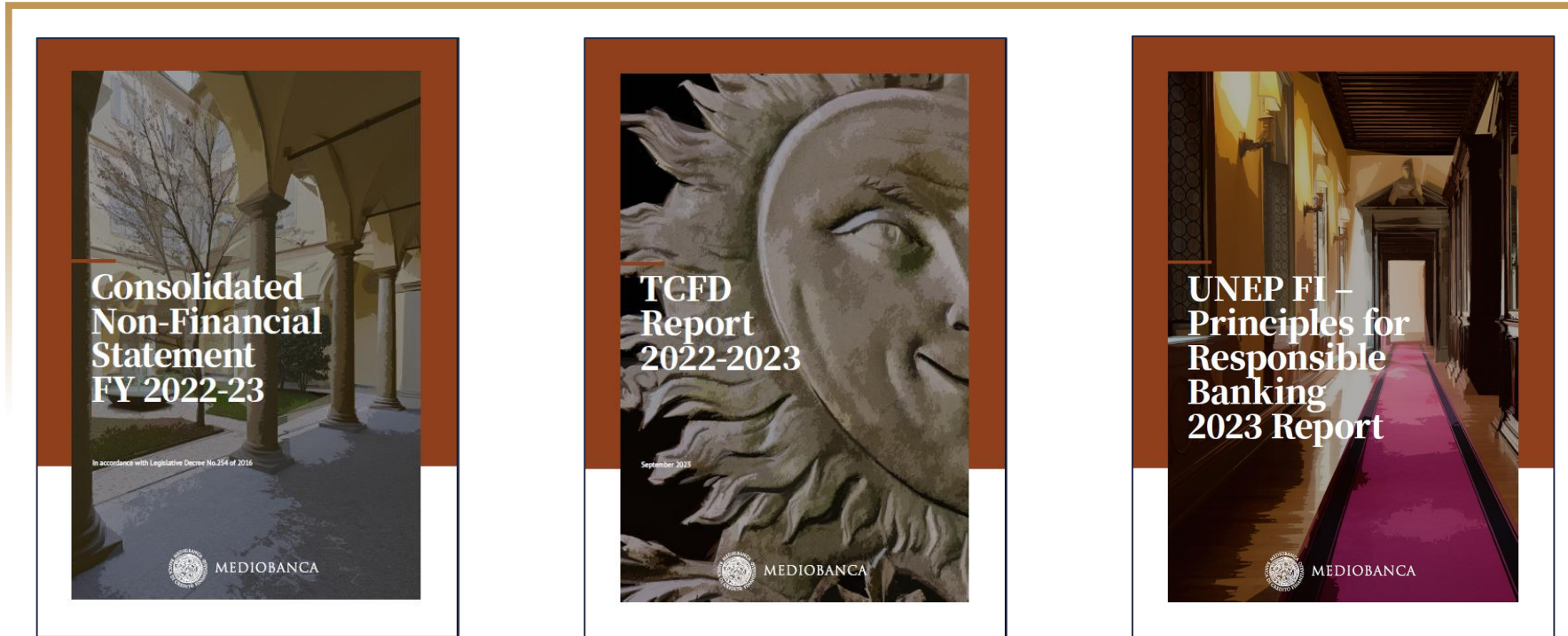
3.

Non-Financial Disclosure



Group annual reports

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

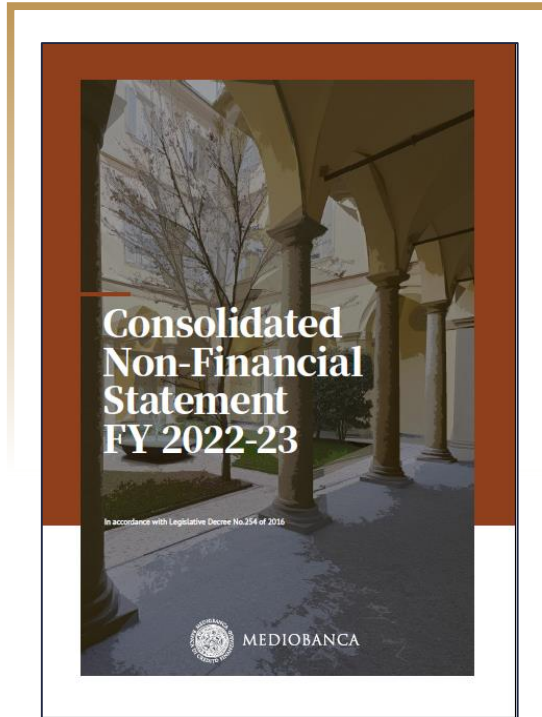


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https://www.mediobanca.com/static/upload_new/tcf/tcf report_2023.pdf

https://www.mediobanca.com/static/upload_new/prb/prb_report_2023.pdf





- The Consolidated Non-Financial Statement contains information on topics related to the **environment, social issues, staff, respect for human rights** and **the fight to tackle bribery and corruption**. Such information helps the reader to understand the activities performed by the Group, its performance, results and the impact produced by it
- The CNFS, which has been published annually by the Mediobanca Group since FY 2017-18, is compiled in accordance with the provisions of **Italian Legislative Decree 254/2016** and the GRI – Global Reporting Initiative framework which, as from this year entails the mandatory adoption of the new **GRI Universal Standards** based on the “**in accordance**” option
- The new GRI introduces a revised concept of **materiality** in order to focus attention on the most relevant external impacts that can be generated by an organization
- Material issues are defined as issues that have the most significant impacts in economic, environmental and social terms (the latter including with reference to human rights)
- The CNFS is subject to **limited assurance** by E&Y
- As from FY 2021-22, the CNFS has also included the **Taxonomy** reporting required by Regulation (EU) No. 852/2020

Mediobanca has confirmed its commitment to transparently disclose information on its environmental impact through the Task Force on Climate Related Financial Disclosures – TCFD Report



Governance

- New disclosure of various initiatives to disseminate climate awareness within the Group
- Overview of how climate KPIs are integrated into the compensation incentive plan

Strategy

- Overview of the climate-related objectives contained in the new strategic plan

Risk management

- Climate risk materiality map developed
- Risk assessment methodologies and results with reference to the different risk classes
- Stress test methodologies and Risk Appetite Framework – RAF, including additional climate risks related KRIs

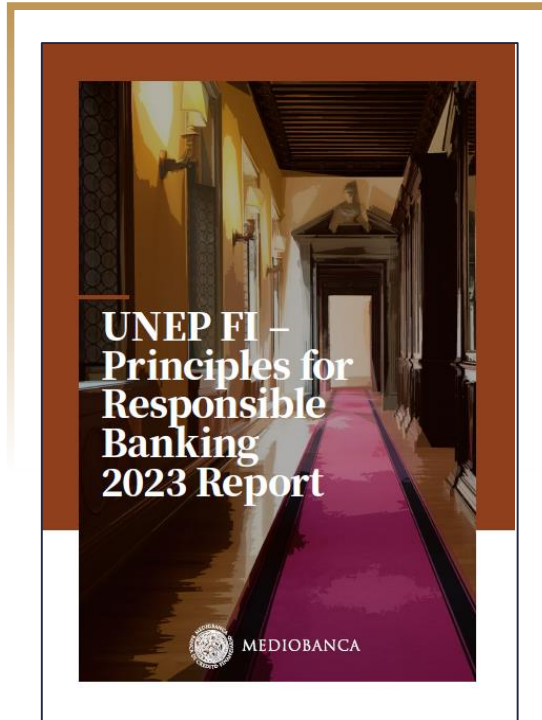
Metrics and target

- Carbon footprint of the portfolio
- Results of the analyses carried out to align the Group lending and investing portfolio with the targets set by the NZBA
- Net-Zero targets: extension of the portfolio perimeter considered for the analysis of power and automotive and additional sectoral targets (cement and aviation)

Principles for Responsible Banking – PRB Report

By signing the Principles for Responsible Banking – PRB in May 2021, Mediobanca committed to aligning its business model with the United Nations Sustainable Development Goals within four years of adhering

- Update on Bank's alignment to the six Principles in which the protocol is articulated (alignment; impact; clients & customers; stakeholders; governance & target setting; transparency & accountability)
- Response to 2022 self assessment in which Mediobanca identified Climate Change as first priority area of impact and provides visibility on the activities and initiatives performed in FY 2022-23



Identification of the areas on which the Group may have a positive and/or negative impact

- **Methodology and scope:** expansion of the spectrum of activities analyzed covering over 50% of the Group's revenues
- **Availability, accessibility, affordability, quality of resources and services:** main area of impact of retail businesses and among the principal areas of positive impact for the CIB business

Identification of the second impact area

- **Financial Health and Inclusion:** has been selected as second priority impact area, being the one on which the topics (relevant across all business areas) connected to "Availability, accessibility, affordability, quality of resources and services" are attributable

Portfolio emissions and portfolio decarbonisation targets

- The materiality analysis has confirmed the relevance of climate issues, especially as a potential source of negative impacts on the CIB side
- The 2023 Report provides details on the following progress: broadened scope of the disclosure on portfolio emission; new sectoral targets; business and portfolio objectives included in the 2023-2026 Strategic Plan



4. ESG targets in the 2023-26 Strategic Plan



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**

DIVERSITY & INCLUSION

- **>30%** female members among **top managers**
- **>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**

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 weighting³

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 **two sustainability bond** issues

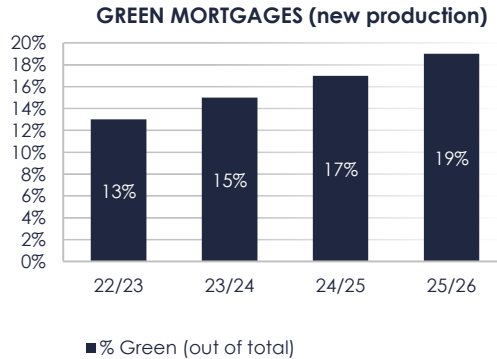
1) No exposure to coal mining and agriculture. Four sector targets published by September 2023 (Automotive and Power already published; Cement and Aviation will be added). The remaining NZBA sectors will be disclosed by September 2024
 2) In CIB lending (excluding Specialty Finance) and proprietary investment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

Structured ESG offerings across all divisions

ESG OFFERING

Wealth Management

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



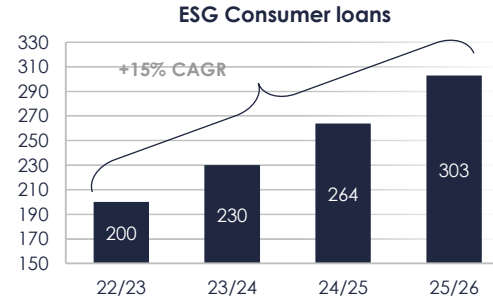
ESG CULTURE

ESG Expertise

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

Consumer Finance

- **15% CAGR ESG loans**

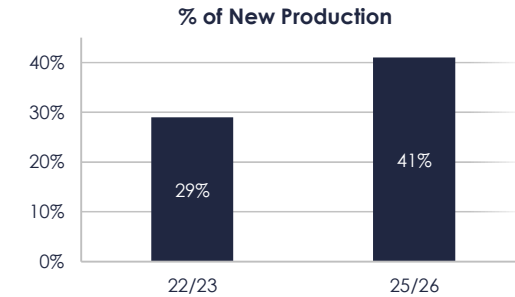


Customer financial health

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

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

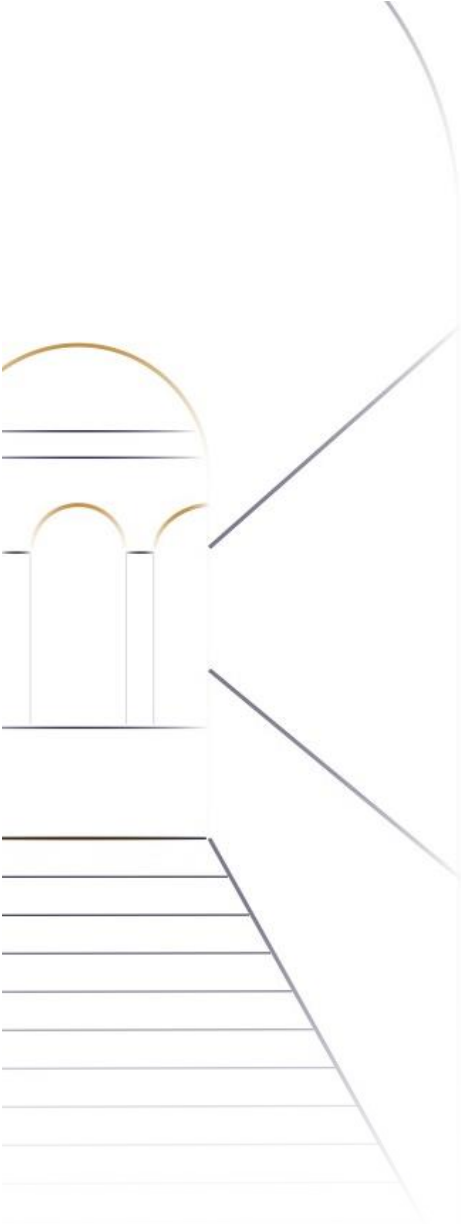


Transition engagement

- **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) Cumulative figures over the 1 July 2023- 30 June 2026 period



5.

E - Environment & Climate Change

Strong commitment towards environment and climate change

The Group, aware of the impact deriving from its activities, intends to manage the risks and rise to the challenges deriving from changes in the environmental scenario that could impact on the development of its business, promoting initiatives intended to limit the impacts generated

To improve environmental performance three areas have been identified

Reduction of direct impact

- Energy savings
- Using electricity 100% from renewable sources
- Maintaining carbon neutrality for own emissions (Scope 1 and Scope 2)
- Promoting sustainable mobility

Supporting the energy transition

- Offering clients solutions, products and advisory services to support them in the climate transition

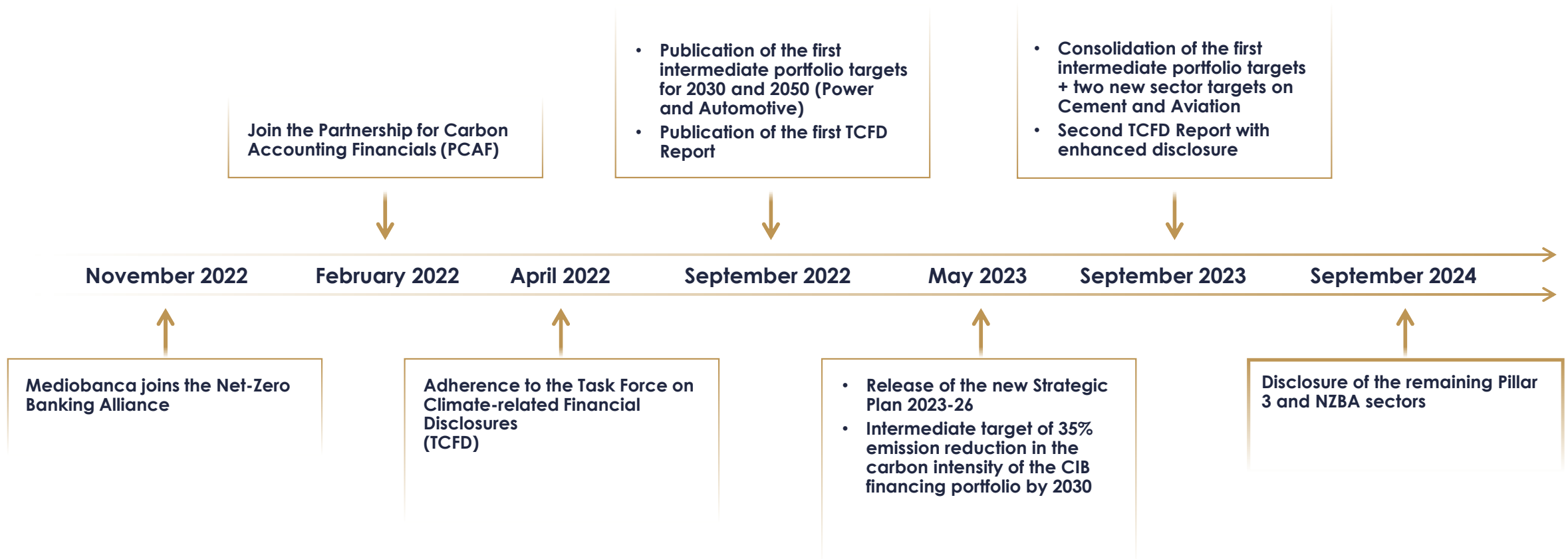


Reduction of indirect impact

- Climate and environmental factors increasingly integrated into risk management, lending and investment processes
- Achievement of carbon neutrality by 2050, with an interim target of a 35% reduction in financed emissions intensity for the CIB loan book by 2030
- Supplier selection processes based also on ESG criteria

Net-Zero Banking Membership

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



The financial system has assumed an increasingly central role in this decarbonization process, through its ability to direct capital towards investments considered to be sustainable.

- The Group **voluntary joined the Net-Zero Banking Alliance** (NZBA) with the aim of aligning its business activities with the goals of the **Paris Agreement**
- By June 2024 Mediobanca must be compliant with the Pillar III (Basel Framework)¹ which requires institutions to report qualitative and quantitative information on ESG risks, with a specific focus on **decarbonization targets of their portfolio**
- Both activities require **to set intermediate and long-term targets**, despite some differences such as: asset classes scope of work (all book investments loans for Pillar III), sector coverage (e.g. aluminium and commercial and residential real estate in NZBA only), reporting frequency

REGULATORY EXPECTATIONS OVERVIEW

Transition Planning

- **Materiality assessment:** identification of the sectors most subject to Transition Risk, and most relevant in terms of portfolio exposure
- **Strategic Target and Risk appetite:** target setting and monitoring (e.g. by KPI identification)
- **Client Engagement:** dialogue with counterparties and definition of specific actions (e.g. to reduce exposures)
- **Transition Plan:** portfolio strategy and product offering focused on controlling sectors/customers with a high emission profile

Product Offering

- **Products** (e.g. green bonds, green loans, sustainability linked loans)
- **Advisory services** (es. structured client dialogue, green mobility, real estate efficiency advice)

Target Setting

- **Setting of quantitative targets and deadlines**, aimed at ensuring that portfolio structure will be developed in line with long-term objectives.
- Use of **ad hoc methodologies** to measure own financed emissions and the **prospective alignment of the portfolios** along transition paths based on the performance of **defined scenarios**

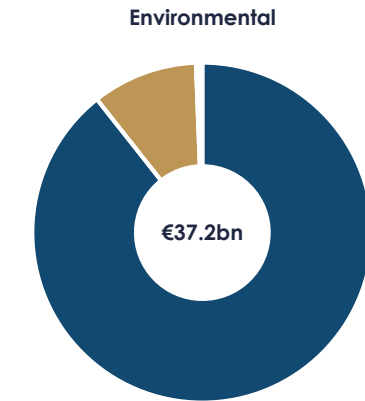
INVESTMENT AND LENDING PORTFOLIO HEATMAP

- ESG Risk of the **wholesale banking lending** (committed exposure) and **investment** portfolio (~37bn as at 30/06/23) regularly assessed through an **ESG heatmap**
- This proprietary methodology initially identifies the portion of the portfolio which is **potentially subject to ESG risk** (including climate related risk) on the basis of the macro/sub economic sector¹
- The **heatmap is then recalibrated** incorporating single name assessment of the counterparties in portfolio, to quantify the riskiness level of a given sector according to the active exposures
- As of 30 June 2023, MB portfolio shows a **very limited (0.3%)** portion of the portfolio is **exposed to high environmental risk**, 89% is subject to low/neglectable risk and the rest is subject to medium environmental risk

CLIMATE RISK IN THE RISK APPETITE FRAMEWORK

Mediobanca has identified some metrics to promote responsible business activities, maintaining a low profile in terms of exposure to climate risk:

- The ESG Heatmap is used to identify the **maximum acceptable level of exposure to counterparties with high environmental risk** among Risk Appetite triggers applicable to the proprietary wholesale banking lending and investing portfolio
- A specific monitoring metrics on the financed emission intensity of the proprietary wholesale banking lending portfolio has been included in the RAF to start measuring the related transition risk
- CheBanca! has introduced a physical risk trigger and a transition risk monitoring KPI related to mortgage portfolio (respectively capping and monitoring the share of total mortgages granted in the quarter secured by properties in high and extremely high- risk areas and having energy class A or B)
- Conduct and compliance risk related to client's portfolio exposure to SFDR products is also monitored (% of AUM/AUA with low sustainability rating to issuer with violation of UNGC/OECD principles)



■ Low Risk 89% ■ Medium Risk 10% ■ Negligible Risk 0,3% ■ High Risk 0,3%

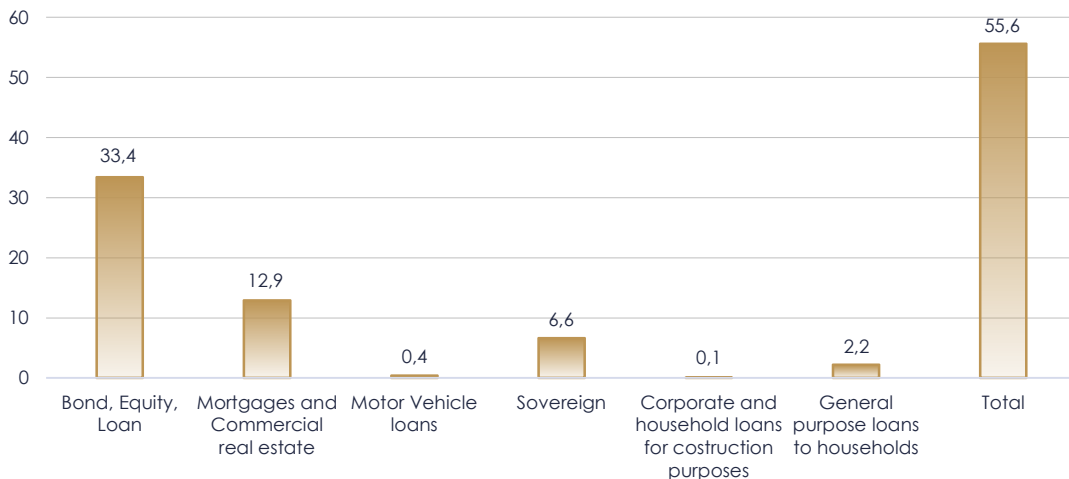
Investment and loans portfolio: heatmap after re-calibration

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.

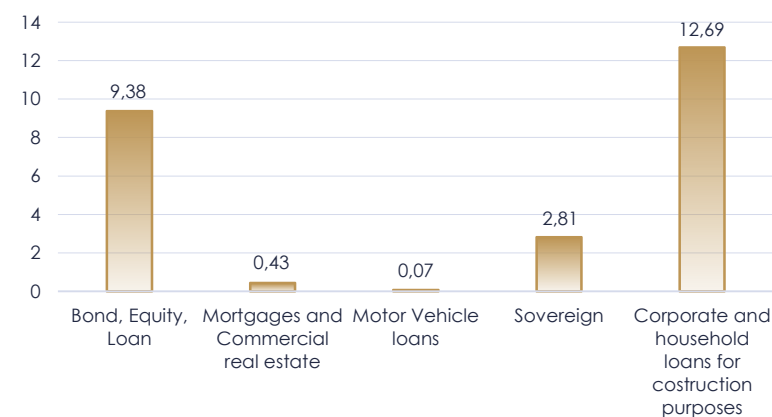
Financed Emissions

With respect to the previous FY, reporting of financed emissions has been extended to the whole Group on-balance banking book exposure (€55.6bn at 31 De. 2022), considering Corporates (loans and investments) and for the first time Households and Sovereign¹

Group on-balance banking book exposure € bn (31/12/22)



Group portfolio emissions MtCO_{2e} (31/12/22)



Corporates and Sovereign represent respectively approx. 74% and 22% of the emissions, with only the other 4% relating to mortgages and motor vehicles.

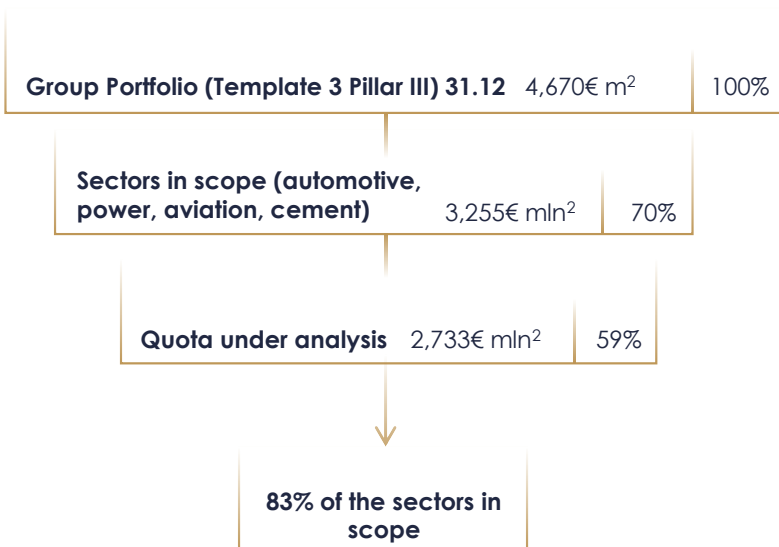
Emissions related to the Group Corporate portfolio (bond, equity and loan) as at 30 June 2023 have been quantified: while the stock² slightly increased versus the 31/12/22 exposure (from €33.44bn to €33.54bn), the total absolute emissions declined from 9.4 to 8.4 MtCO_{2eq} (-10.6%)

- 1) The scope of the analysis was enlarged from last year's PCAF categories "Listed equity and corporate bonds" and "Business loans and unlisted equity", to also comprehend "Commercial real estate", "Mortgages", "Motor vehicle loans" and "Sovereign Debt", for which PCAF methodology was only published in December 2022.
- 2) In terms of Gross Carrying amount.



Portfolio Coverage

During FY 2022-23 we have progressed in our portfolio alignment exercise, refining the methodology, enlarging the scope to include the entire Group, and continuing to cover additional carbon intensive sectors as identified by Pillar III¹ and NZBA



Sector	Automotive	Power	Aviation	Cement	Other non-covered Sectors
% of volumes (out of total portfolio)	35%	24%	8%	3%	30%

The Group plans to cover the remaining Pillar III and NZBA sectors (agriculture, aluminium, coal mining, commercial and residential real estate, iron and steel, oil and gas, and shipping) in 2024. In some of the above sectors the Group currently has no or negligible exposure

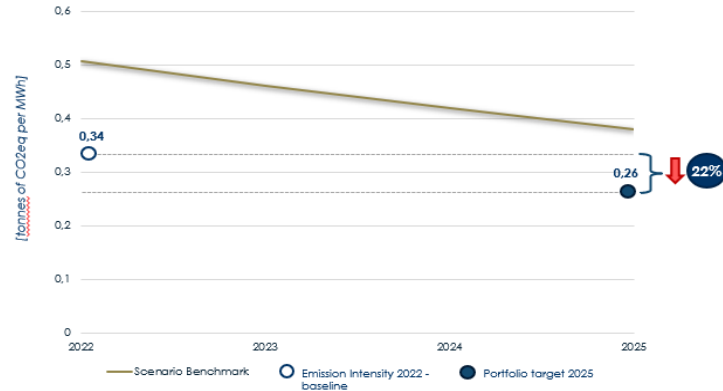
Sector	Exposure (€m)	SDA method	GEVA method	Total coverage
Automotive	1,616	37.4%	42.1%	79.5%
Power	1,141	28.5%	63.7%	92.2%
Aviation	358	10.2%	62.3%	72.5%
Cement	141	48.5%	49.2%	97.6%
Total	3,255			

Corresponding to 59% of the total volumes of the MB Group portfolio reported by Pillar II (€2,733m)

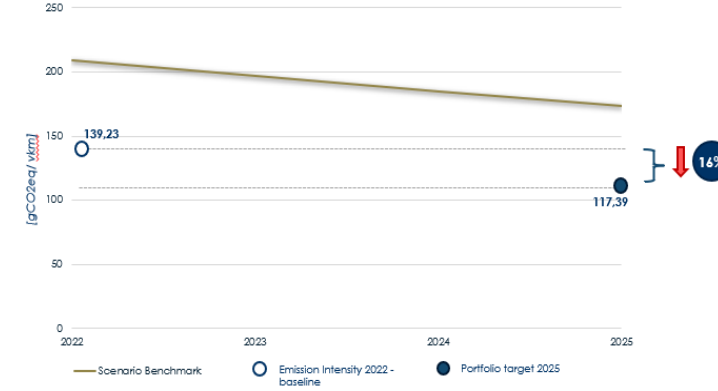
1) Only operations associated with sectoral codes subject to Pillar III reporting were considered, according to Annex EBA.
2) Values used for Finrep reporting.

Net Zero targets – Sectoral Decarbonization Approach (SDA)¹

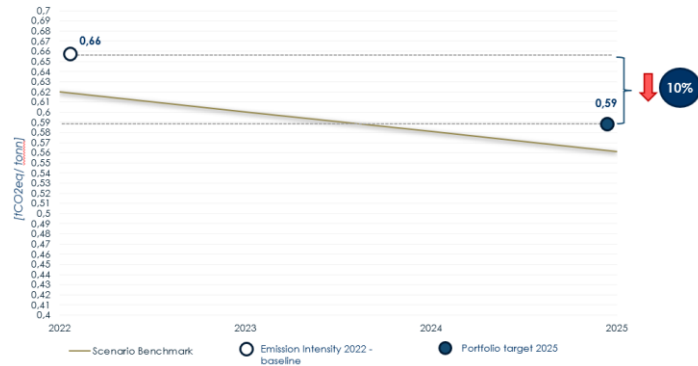
POWER				
Target Metric	Baseline (2022)	2025 target	Intermediate target (2030)	% Reduction 2022-2030
tCO ₂ eq/MWh	0.34	0.26	0.16	53%



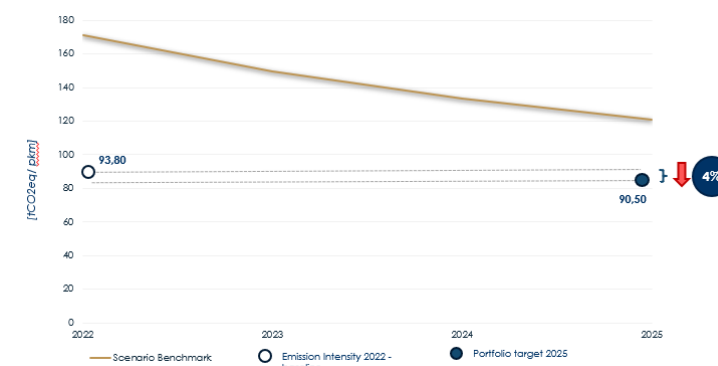
AUTOMOTIVE				
Target Metric	Baseline (2022)	2025 target	Intermediate target (2030)	% Reduction 2022-2030
gCO ₂ eq/vkm	139.23	117.39	85.44	39%



CEMENT				
Target Metric	Baseline (2022)	2025 target	Intermediate target (2030)	% Reduction 2022-2030
tCO ₂ eq/ ton	0.66	0.59	0.50	25%



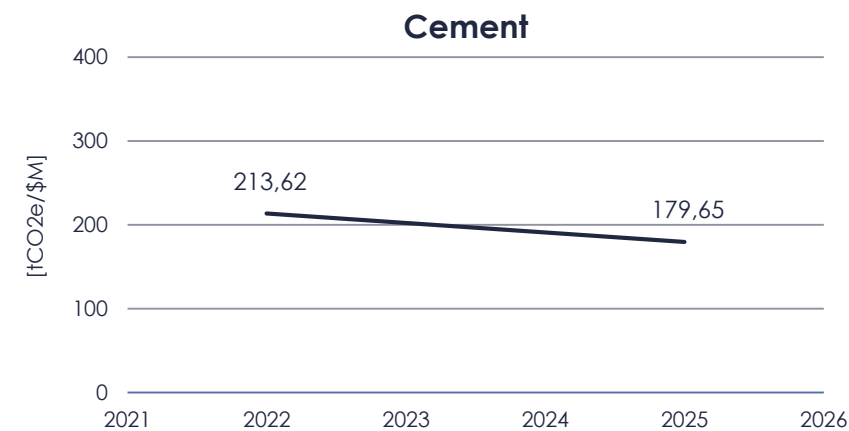
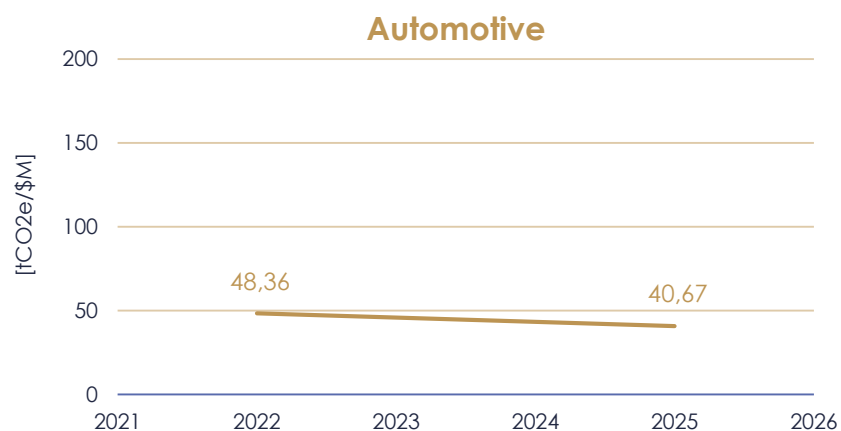
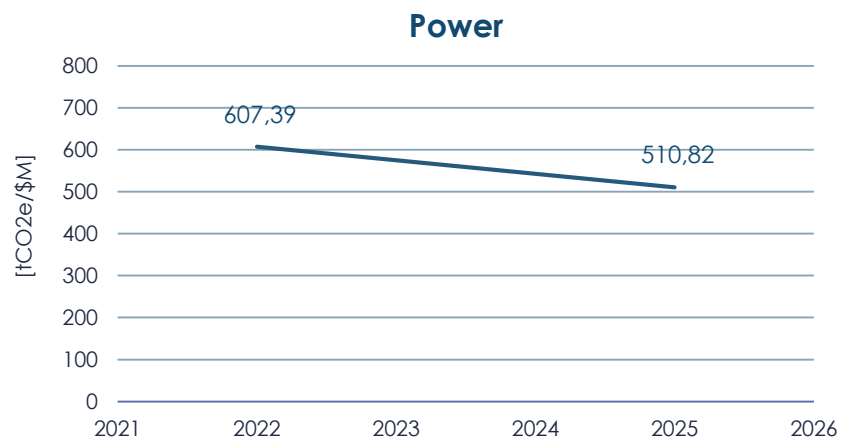
AVIATION				
Target Metric	Baseline (2022)	2025 target	Intermediate target (2030)	% Reduction 2022-2030
tCO ₂ eq/pkm	93.80	90.50	84.0	10%



1) The Sectoral Decarbonization Approach (SDA) is a Science Based Targets (SBTi) methodology, that offers a science-based approach to measuring and setting carbon-intensity targets based on global efforts to reduce emissions. By using specific metrics tailored to each sector, the SDA captures the varying rates at which different sectors and economic activities transition towards decarbonization in alignment with the Paris Agreement. As far as emission scopes concerns, this methodology only considers the most relevant portion of emissions generated by the counterparty depending on the sector to which it belongs.

Net Zero targets - GHG gas emissions per unit of value added (GEVA) approach¹

Below the trend estimated using the GEVA method. In particular, in line with the methodology taken into consideration, a constant **annual 5.3% reduction** from 2022 to 2030 was applied to the counterparties (not suitable to SDA method) in the Mediobanca portfolio. The GEVA method foresees, for all four sectors, an **overall reduction rate of GHG emissions (Scope 1 + Scope 2) equal to 42.4% by 2030**



1) The method was developed based on available standards and benchmarks for setting economic intensity targets starting from recognized scenario benchmarks. In particular, when calculating the economic intensity of emissions, the available standards and regulations require the EVIC or Revenues of counterparties to be used as the denominator. Mediobanca opted for the use of revenues since, in accordance with the TEG. Furthermore, the use of this denominator is required by SBTi, which prefers the use of revenue as it is more consistent with the definition of GDP (used in the scenario benchmark). The output of applying this methodology is therefore a reduction in emissions relative to the company's financial performance (e.g., one ton of CO2e per unit of revenue). Regarding emission scopes, the Group chose to include the Scope 1 and 2 emissions for this methodology.

The Mediobanca Group is committed to limiting the impact on the environment generated by its operations, through:

- Ongoing monitoring and improvement of environmental efficiency, with reference in particular to the consumption of resources, including electricity, paper and water
- Developing initiatives to improve energy management, such as procuring energy from renewable sources and through the use of innovative, lower-impact technologies and solutions
- Improving its waste management
- Prior assessment of the environmental impact of the new processes, new systems/equipment, and structural and organizational changes
- Mobility management initiatives to reduce emissions due to commuting

PAPER 99.8%

Of the A4 office paper used is FSC-certified (100% in Italy)

100%

Energy from renewable sources

75%

Hybrid cars of the Group's float in Italy

68 MWh

Reduction in electricity consumptions thanks to the Replacement of light fittings with LED lightbulbs

Direct and indirect emissions (2022-23)



2,885 tonnn CO₂

Scope 1 emissions

43 tonnn CO₂

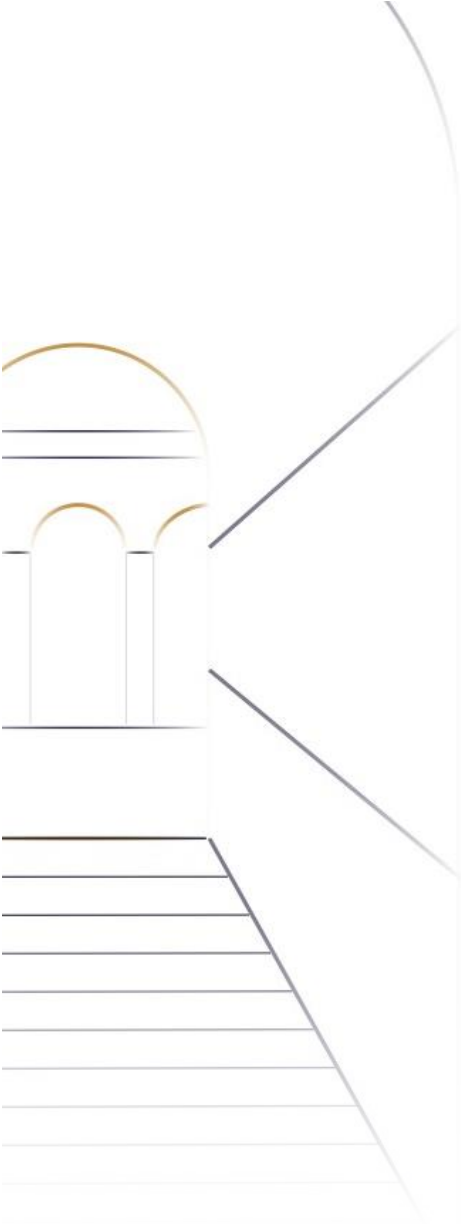
Scope 2 emissions (market based)

3,451 tonnn CO₂

Scope 3 emissions

2,928 tons of CO₂eq

Scope 1 and 2 emissions neutralized for FY 2022-2023)



6.

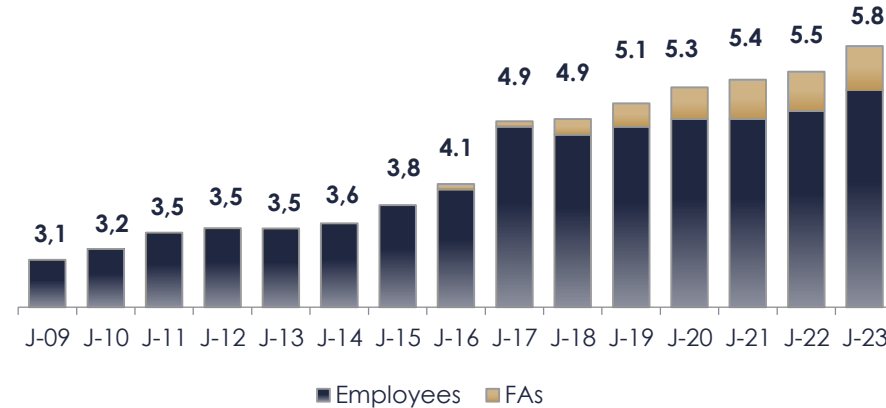
S- Social



Group staff stably growing with no involvement in restructuring/downsizing

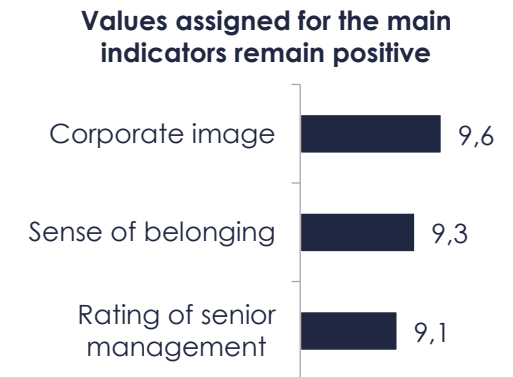
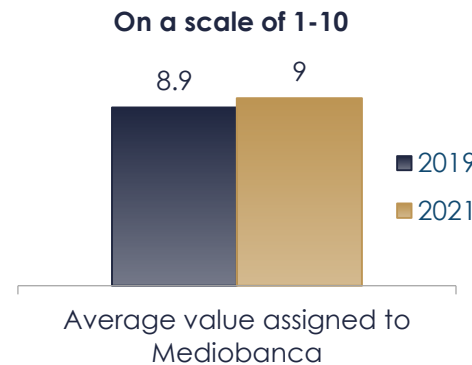
Group headcount stably growing, now up to 5k people, due to the following factors:

- 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 branches shrinkage with no need for restructuring
- Managing, attracting, developing and retaining talent is at the heart of MB-s HR strategy
















Strong employee satisfaction: 85% of MB's workforce are satisfied (up 2pp vs previous survey)

- **Routine staff engagement analysis** (survey + focus groups) to gauge employee satisfaction levels. Results inform HR priorities and strategies
- First survey carried out in 2017, with follow-up in 2019. A new survey was conducted in 2021 and since then **once every two years**
- **HR Transformation 4.0:** a long-term strategic project to facilitate communication and dialogue and increase HR operating efficiencies



Diversity, Equity and Inclusion

- **The toDEI project**, launched by the CEO, is a further step towards achieving sustainable growth
- While **gender diversity** is only one expression of diversity, it was identified as a key priority area at Mediobanca
- **Ambitious diversity KPIs** have therefore been set for the first time and have been included in the 23-26 BP targets
- Recent adoption of the **Diversity, Equity and Inclusion Code**, which sets out our approach in terms of objectives, strategies and practices

OBJECTIVE	KPIs	As of 30/06/2023	To be	
			End of industrial Plan (2026-27)	End of industrial Plan (2030-31)
Consolidate female representation in top management and executive positions	% of female members of Mediobanca Key Function Holders	 20%	 >30%	 >40%
	% of female "executives"	 18.7%	 >20%	 ~35%
Established gender recruiting inflows	% of female on total hiring	 ~40%	 >50%	 ~50%
Ensure balanced and fair advancement & remuneration processes	Advancement rate	 14.8%  12.7%	 Parity	 Parity

Training in unconscious bias was launched in July 2023 with above 75% attendance rate

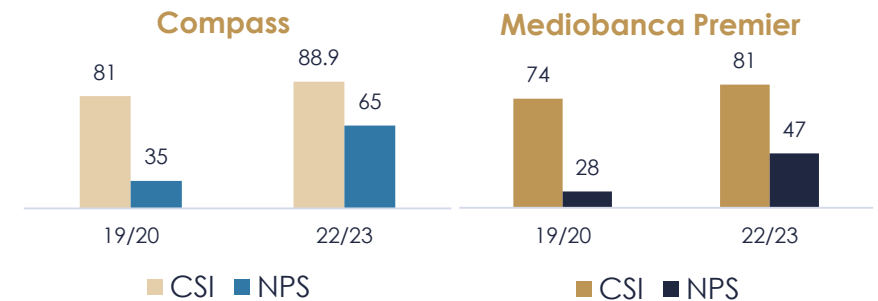
Managers trained as **DE&I ambassadors** ► ~500

Employees participating in **Group DE&I Community** ► ~ 220

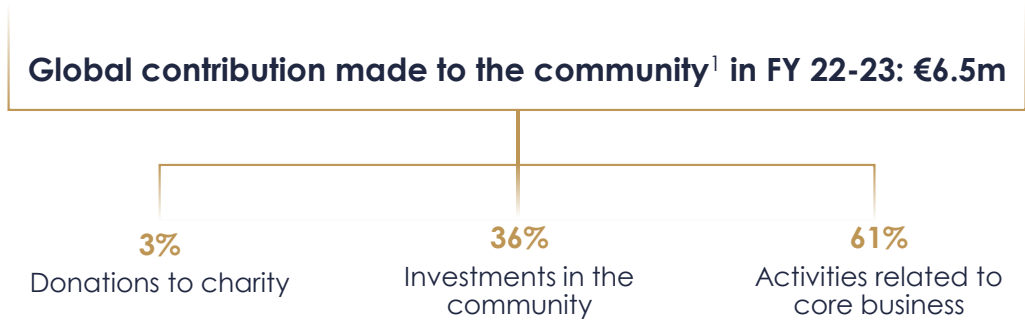
The Group assigns the highest importance to managing and maintaining satisfactory relations with its clients through maintaining constant contact with them, in order to be able to adapt the product offering swiftly to any changes in their needs and expectations and thanks to high-level advisory services and a full range of credit products ranging from the simplest and most traditional forms of credit to the most sophisticated solutions available on financial markets.



MAIN PROGRAMMES	DESCRIPTION
Acceleration of innovation in CIB	Innovation plan to bolster the business's competitiveness through data valorization, AI-based automation and cutting-edge platforms
Digitally-guided CF	Enhancement of digital offering with new channels (e.g. BNPL), new products (e.g. instant lending), and expansion in international markets
Data valorization platform	Consolidation of the Group's data management platform to improve business development, encourage cross-selling and integration of ESG factors, as well as meet regulatory requirements using real-time analysis and AI



Information Security Awareness programme
Specific **awareness communications** on the **main cyber threats**, and **guidelines for the use of digital channels**



The Group has identified three areas of action in the selection of projects to be developed

ENVIRONMENT AND LOCAL

The Group recognizes the importance of protecting the environment as a primary resource for the well-being of current and future generations



CULTURE, RESEARCH AND INNOVATION

The Mediobanca Group's commitment to culture and research demonstrates an awareness of its corporate social responsibility in civil and social areas as well as financial areas, and that its mission is not solely for economic purposes

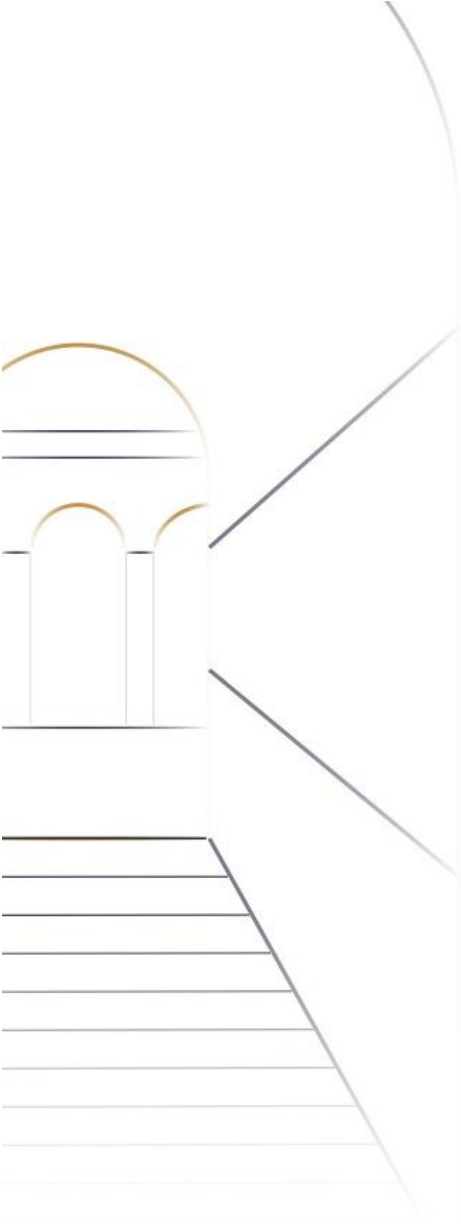


SOCIAL INCLUSION

The Mediobanca Group is convinced that an inclusive society should be based on mutual respect and solidarity, ensuring equal opportunities and a decent lifestyle for all



¹⁾ The calculation has been made using management data, which are in part estimates, whereas the type of analysis is based on the London Benchmarking Group (LBG) guidelines, which represent the gold standard at world level for classifying voluntary contributions by firms to the community.



7. G- Governance



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:** @80%
- **Continuity in BoD composition** to steward the 2023-26 Strategic Plan
- **Balanced combination of expertise**, including strengthened international experience and profiles in areas other than legal and economic
- **Good gender diversity** (women @47%)



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



AGM 28 October 2023

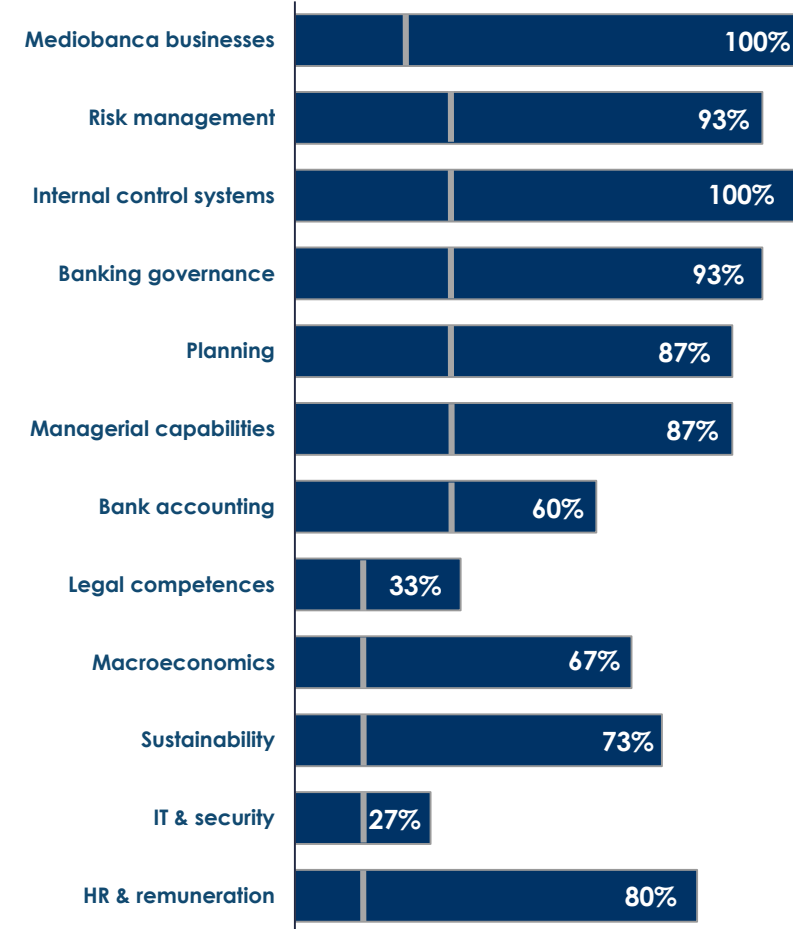
- **The new BoD, responsible for delivering the “One Brand - One Culture” strategic plan, was appointed by shareholders at the AGM held on the 28th of October 2023**
- The term of office of the BoD will expire with the approval of the financial statements for FY 2025-26
- A **New Long-Term Incentive Plan** has been 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

BoD comprised of diverse skills and strong experience

Board members

<p>Renato Pagliaro Chair</p> <p>Established Board leader with track record of strategic delivery and oversight.</p> <p>1957 / Italian / 2007 ● A</p>	<p>Alberto Nagel CEO</p> <p>Strategic leader, responsible for strong performance and growth.</p> <p>1965 / Italian / 2007 ● S #</p>	<p>Francesco Saverio Vinci GM-Executive</p> <p>Experienced Group manager, with experience holding key functions in various departments.</p> <p>1962 / Italian / 2007 ●</p>
<p>Angela Gamba Lead Independent Director</p> <p>Experience in corporate finance, equity investments and financial management. Experience in listed companies.</p> <p>1970 / Italian / 2017 ● S A #</p>	<p>Vittorio Pignatti Morano Deputy Chair Independent NED</p> <p>Accomplished private equity and investment banking professional.</p> <p>1957 / Italian / 2018 ● R Re #</p>	<p>Sabrina Pucci new Deputy Chair Independent NED</p> <p>Business administration professor and expert in insurance sector with strong experience in listed companies.</p> <p>1967 / Italian / 2023 ● Re A S</p>
<p>Mana Abedi new Independent NED</p> <p>Wealth and investment banking professional with knowledge of risk, compliance and change management.</p> <p>1968 / Iranian / 2023 ● Re</p>	<p>Virginie Banet Independent NED</p> <p>Financial markets expert, with indepth expertise in M&A, sustainability and listed companies governance.</p> <p>1966 / French / 2020 ● P S</p>	<p>Laura Cioli Independent NED</p> <p>Experience as senior executive in Media, Financial Services, and Energy companies.</p> <p>1963 / Italian / 2020 ● R A</p>
<p>Marco Giorgino new Independent NED</p> <p>Finance and risk management professor with considerable board experience listed companies.</p> <p>1969 / Italian / 2023 ● R #</p>	<p>Valérie Hortefeux Independent NED</p> <p>Experienced private banker with a background in marketing and communications.</p> <p>1967 / French / 2017 ● A S</p>	<p>Maximo Ibarra Independent NED</p> <p>Top Telco executive with broad experience in digitalization, marketing and customer centricity.</p> <p>1968 / Colombian / 2018 ● Re S</p>
<p>Sandro Panizza new Independent NED</p> <p>Strong financial services professional with experience in wealth management and insurance.</p> <p>1958 / Italian / 2023 ● R P #</p>	<p>Laura Penna new Independent NED</p> <p>Strong banking professional with experience in impact finance, strategy and innovation.</p> <p>1965 / Italian / 2023 ● R P</p>	<p>Angel Vilà Boix new Independent NED</p> <p>Accomplished executive with a track record of holding CFO, COO and Chief Strategy Officer roles.</p> <p>1964 / Spanish / 2023 ● P Re</p>

MB Board skills matrix



An individualized skills matrix is available here

www.mediobanca.com/static/upload_new/med/0001/mediobanca-post-agm-presentation_en_4.pdf

% minimum target established in the Report on the qualitative and quantitative Composition of the BoD 2023

Committees

A Appointments P Related Parties S Sustainability Re Remuneration R Risks #C ommittee Chair

● List 1: Taken from the list submitted by the BoD

● List 2: Taken from the list submitted by Delfin

● List 3: Taken from the list submitted by a group of institutional investors (Assogestioni)



FY24 CEO Scorecard - MB Group growth and ESG

Financial KPIs	WEIGHT	KPI TARGET 75% FIXED SALARY	Δ KPI out perf. 90% fixed salary
Gross RORWA adj. Banking activities <i>Optimization of return on RWAs allocated to banking activities</i>	30%	Vs. Budget	7% target
Cost of risk Focus on cost of risk	20%	Vs. Budget	6% target
Banking Revenues Focus on revenues from banking businesses (WM, CF, CIB and Treasury/HF)	20%	Vs. Budget	2% target
Total Fees Focus on capital-light revenues	20%	Vs. Budget	2% target
Financial ESG targets	10%	Vs. Budget	
- % of loans with ESG characteristics of new Corporate (CIB) production	2.5%		29% target
- ESG loans to retail customers (Consumer - WM Premier)	2.5%		14% target
- Art. 8 and Art. 9 products (Funds and ETF) in the WM Premier customer portfolio	2.5%		3% target
- Art. 8 and Art. 9 products (Funds and ETF) in the MB private customer portfolio	2.5%		5% target
Our People		non-financial BoD evaluation - 5% / + 7.5%	
Our Community		non-financial BoD evaluation - 5% / + 7.5%	

CEO - Non-Financial ESG Targets 2023/2024

Our People

Focus on ESG initiatives related to diversity and inclusion, skills development, engagement

- ToDEI: post survey 23 and Gender Certification projects
- Engagement survey - Move Beyond 23-24 (% involvement higher and overall satisfaction not lower than 2021 data)
- Mediobanca Academy
- TeamUP4 Good 2024 (participants target +10%)

Our Community

Focus on ESG initiatives related to social responsibility of the Group

- Project «Insieme» (#children/schools)
- Financial Education – Program «Conta sul Futuro» (#students/schools/teachers)
- Social volunteering Group employees (>400 employees and 1,500 hours)
- Initiative «Refugees Women (UNHCR)»

Assessment of Achievement

Not achieved
Partially achieved
Achieved
Overachieved

Not achieved
Partially achieved
Achieved
Overachieved



LTI ESG indicators 2023–2026

Provision has been made for two quantified and measurable ESG objectives to be included among the KPIs for the scorecards forming part of the new 2023-26 Long Term Incentive Plan, in which the objectives have a total weight of 20% (10% each)

- Climate Change: % reduction in the portfolio's carbon intensity (portfolio decarbonization)
- Diversity & Inclusion: % of women in management positions at Group level

		Assessment criteria				
		KPI	Weight	Threshold KPIs	KPIs	% fixed salary - annual basis - Plan horizon for CEO
20% - ESG KPIs	Climate Risk Related	% reduction in portfolio carbon intensity (portfolio decarbonization) ¹	10%	Max and/or >	>-22%	100%
				BTW Target and Max	-18% / -22%	85% - 100% linear interpolation
				Plan Target	-18%	85%
				BTM Min and Target	- 16% / -18%	65% - 85% linear interpolation
				Below Minimum	<-16%	0
	D&I (toDEI) Human Capital	% women executives at Group level	10%	Max and/or >	> 23%	100%
				BTW Target and Max	20%-23%	85% - 100% linear interpolation
				Plan target	20%	85%
				BTM Min and Target	19% - 20%	65% - 85% linear interpolation
				Below Minimum	< 19%	0

Equivalent ESG indicators about Climate Change and D&I are included among those that will entitle staff to have their shares matched as part of the Employee Share Ownership and Coinvestment Scheme in force over the 2023-26 Strategic Plan horizon

¹⁾ Climate emissions intensity (tCO2eq./€mil.) Purpose 1-2-3 of loans granted by the CIB division (excluding Specialty Finance) to non-financial counterparties.

Contact Details

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