



2023 Green, Social & Sustainable Bond Report

Sustainability at Banca Mediolanum means to develop a sound business for the long term and is an integral part of the Bank's values and culture, which aims to generate added value for all stakeholders. This approach to the responsible management of the company is reflected in the way it operates, in the attention to the centrality of the customer, in the way Banca Mediolanum supports its employees, respects the environment, and contributes to the development of the community where it belongs.

The Bank is committed to implementing a business model that contributes to sustainable development: in addition to promoting the implementation of the 2030 Agenda, Mediolanum has joined the UN Global Compact to encourage a healthy, sustainable, and inclusive world economy through ten fundamental principles (Sustainable Development Goals) relating to human rights, working conditions, the environment and the fight against corruption.

Moreover, in 2022 Banca Mediolanum joined the PRB - Principles for Responsible Banking - with the aim of strengthening the role of sustainability in all its operations, concentrating especially on projects related to responsible finance and social inclusion.

The respect and commitment of the Bank are expressed in the effective management of sustainability issues. For this purpose, Banca Mediolanum has established the Sustainability Office responsible for developing all internal and external activities and initiatives that are paving the way towards a more sustainable future.

In 2020, a stakeholder management process was launched and continued in 2021 and 2022. This process allowed the Group to adopt a systematic and proactive approach to the updating of the materiality analysis and strategic planning in the medium term. The following material topics were identified for 2022:



In addition, Banca Mediolanum has revised its materiality analysis process using an "Impact Materiality" approach, with the objective of identifying the impact, both positive and negative, concrete or potential, of the activities of the company could have on its stakeholders. The results of this analysis are represented graphically through a Cartesian diagram defined "materiality matrix".

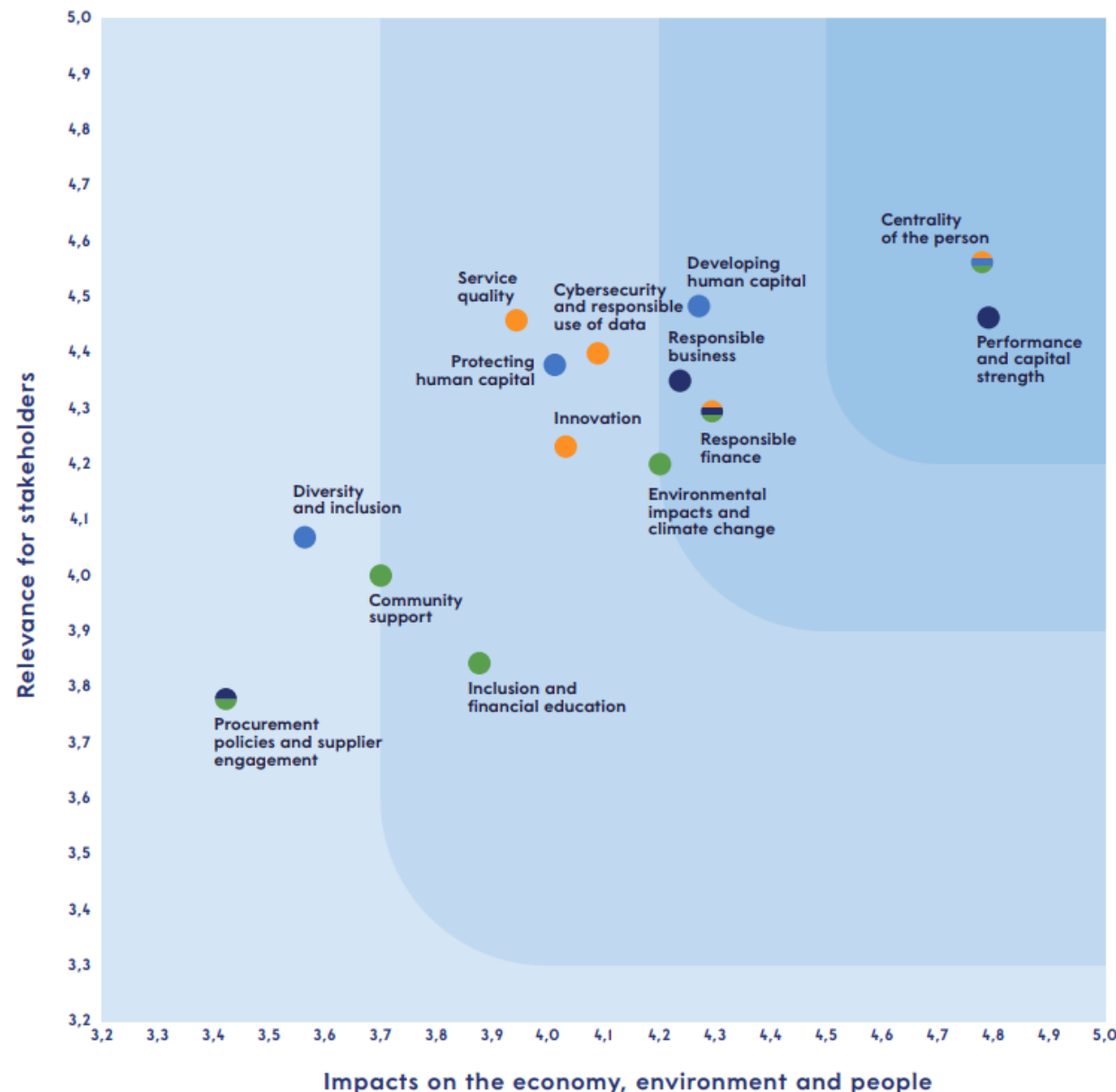
The materiality matrix is being applied in business activities through the sustainability programme launched in 2019, with the aim of involving the company in the progress towards greater sustainability.

The programme includes projects with a strategic, tactical and operational impact, based on the material issues identified during the analysis. The projects already underway to strengthen the Mediolanum Group's approach have been confirmed and new initiatives have been launched to address the latest priorities.

Several material issues were addressed through initiatives during 2022, including corporate and financial responsibility, community support, direct environmental impacts and climate change, procurement policies and supplier assessment, with the intention of further strengthening the management approach of Banca Mediolanum.

The programme is supported by external communication activities to share news with stakeholders, particularly regarding new products and services, and by internal communication activities to raise awareness among the internal community (employees and Family Bankers).

This is how Banca Mediolanum views sustainability: as a concrete commitment permeating all our actions. Starting from our strategy, based on a 360-degree economic responsibility: towards customers, employees, the environment, and the whole community.



Banca Mediolanum 'Green, Social and Sustainability Bond Framework' has been established according to the 'Green Bond Principles 2021' and 'Social Bond Principles 2021' as well as the 'Sustainability Bond Guidelines 2021', which are overseen by the International Capital Market Association (ICMA). This Framework represents a sustainable financing tool that ensures transparency on the use of proceeds and promotes the integrity of the sustainable bond market.

Mediolanum Green, Social and Sustainability Bond Framework encompasses three different types of sustainable bonds, namely:

- Green bonds** – any type of bond instrument where the proceeds will be exclusively applied to finance or re-finance projects with clear environmental benefits according to ICMA 'Green Bond Principles';
- Social Bonds** – Social Bonds are aligned with the ICMA 'Social Bond Principles' and finance projects that directly aim to address or mitigate a specific social issue and/or seek to achieve positive social outcomes, especially but not exclusively for a target population;
- Sustainability Bonds** – any type of bond instrument that combines both Green and Social Projects.

Green, Social or Sustainability Bonds can be issued as different debt instruments, including public or private placements, senior preferred, senior non-preferred and subordinated bonds in various formats and currencies.

Mediolanum aims to actively monitor the ESG debt market and commits to periodically reviewing this Framework to ensure alignment with best market practices and other voluntary standards.

Mediolanum Green, Social and Sustainability Bond Framework is presented through the following key pillars:

1. Use of Proceeds

An amount equivalent to the net proceeds raised from the Green, Social and Sustainability Bonds issued under this Framework is dedicated to financing and/or refinancing, in whole or in part, new and/or existing loans, projects and investments ("Eligible Assets") belonging to the following categories:

Green:

- Green buildings
- Clean transportation
- Energy efficiency

Social:

- Employment generation & SME financing
- Support to the Third Sector
- Affordable housing.

The proportion of the proceeds used for refinancing will be provided in the allocation reports of the bonds. Mediolanum is also committed to refinancing assets considering a look-back period less than three years.

Exclusion criteria – Financing related to the following activities are excluded from eligibility: Fossil-Fuel energy, Nuclear energy, Gambling, Tobacco, Alcohol, Animal abuse, Weapons.

2. Process for Project Evaluation and Selection

Banca Mediolanum ensures that all Eligible Assets selected are compliant with official national and international environmental and social standards as well as local regulation on a best effort basis.

The Bank has established a supervisory body, the 'GSS Bond Framework Commission' has been established, with members from all relevant Company departments. The Commission is called at least once a year with the purpose of:

- monitoring and reviewing the Eligible Assets pool
- reviewing and validating new assets/financing to be included in the categories of Eligible green and social Assets as well as inclusion of new potential categories
- Assessing the impacts stemming from the activities included in the categories of Eligible green and social Assets
- monitoring, on an on-going basis, market trends related to Green, Social and Sustainability Bond best practices in terms of disclosure, reporting, and harmonization
- reviewing and approving the allocation report

The process for evaluation and selection of the eligible green and social assets is as follows:

- each relevant product department will evaluate from their inception whether an asset complies with Eligibility Criteria
- the GSS Bond Framework Commission will perform a second analysis to approve the assets meet the relevant Eligibility Criteria
- the final decision on the allocation of the bond proceeds to the designated assets to the Bonds is taken by the GSS Bond Framework Commission.

The Commission also examines twice a year the pool of assets already allocated to verify their continued compliance and absence of significant controversy.

3. Management of the Proceeds

The 'Green, Social and Sustainability Bond Framework' defines that the proceeds raised through Green, Social and Sustainability Bond transactions are managed on an aggregated basis (i.e. portfolio approach).

Banca Mediolanum commits to reach full allocation within three years since the Bond issuance. The Bank will monitor and track the net proceeds through its internal accounting system, as well as ensures that the amount of Eligible Assets will always exceeds or will at least equal the sum of the net proceeds of outstanding Green, Social and Sustainability Bonds.

Pending the allocation or reallocation, as the case may be, of the net proceeds to Eligible Assets, Mediolanum will invest the balance of the net proceeds - at its own discretion and in compliance with its liquidity policy as well as the Exclusion Criteria reported above - in cash or other liquid marketable instruments.

4. Reporting

In accordance with the recommendation of ICMA 'Green Bond Principles 2021', 'Social Bond Principles 2021', 'Sustainability Bond Guidelines 2021', and the 'Harmonized Framework for Impact Reporting', Mediolanum will publish, on an annual basis and until full allocation, the allocation report of the proceeds raised through the bonds issued under the Framework, along with an impact report of the assets financed by those bonds. The report, approved by the GSS Bond Framework Commission, will include quantitative and qualitative impact metrics.

5. External Review

Mediolanum has engaged ISS ESG to conduct a Second Party Opinion aiming at confirming the alignment of this Framework with the latest ICMA guidelines. The document, available on Mediolanum website, confirms the full alignment as far as the use of proceeds, the project evaluation, the management of the proceeds and reporting are concerned.

Furthermore, Mediolanum appointed an independent external auditor to perform a limited assurance of the Green, Social and Sustainability Bonds reporting activity.

Banca Mediolanum Mortgage Book financing green buildings in Italy equals to **862.10 million** as at September 30, 2023.

Green Asset
Portfolio

€ 862.10 mn

Nr.
Mutui

5,271

Average
Tenor

23.7 years

In order to be labeled green, the financed buildings have been evaluated following the 'substantial contribution to climate change mitigation', as defined by the EU Taxonomy¹, namely:

Buildings built before 2021

Class A Energy Performance Certificate (EPC)

Buildings have at least an Energy Performance Certificate (EPC)/Attestato di Prestazione Energetica (APE) class A

Top 15% of Primary Energy Demand (PED)

Buildings are within the top 15 % of the national/regional building stock expressed as operational Primary Energy Demand (PED)

After 2021

Nearly Zero-Energy Building (NZEB) -10%

The Primary Energy Demand (PED) is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements

There is an Energy Performance Certificate for all buildings taken into account.

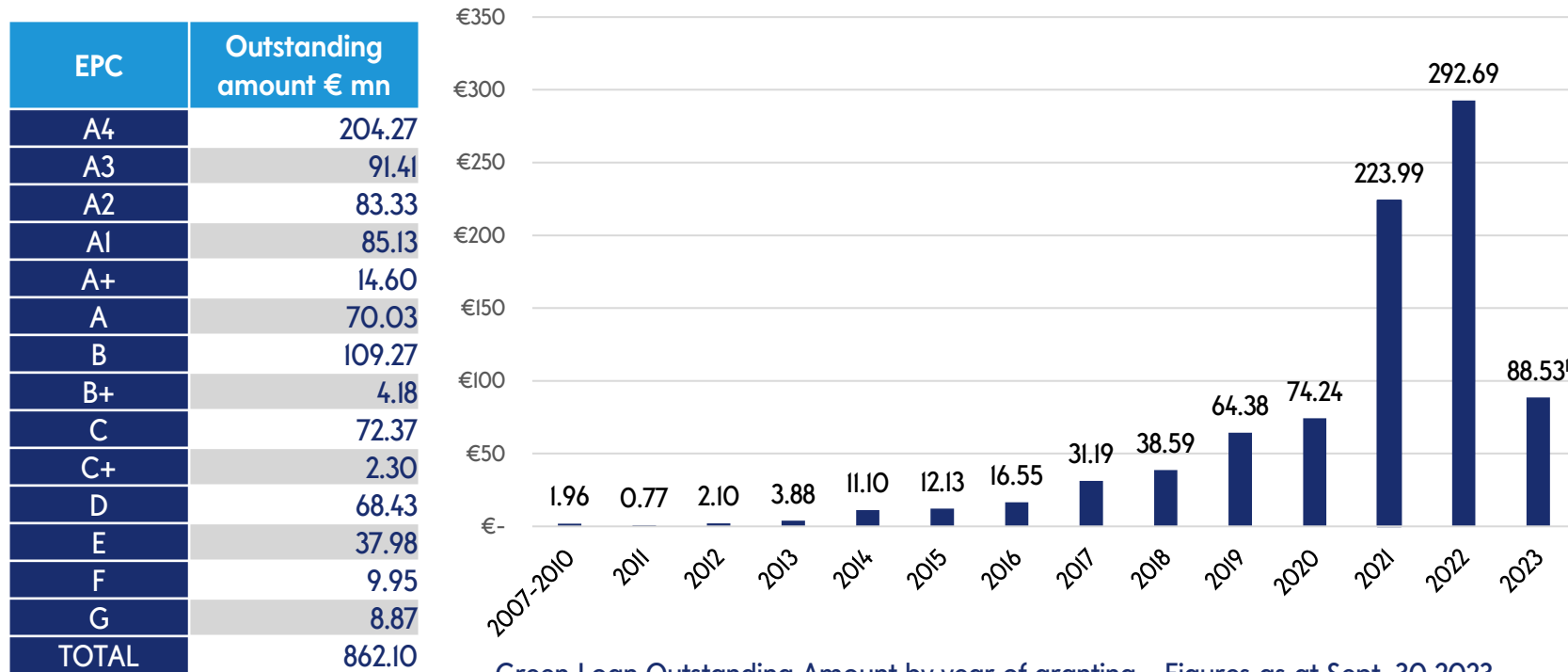
The Criteria used take into account the regulatory updates since the publication of the Green, Social and Sustainability Framework of 2022 and are therefore even more stringent with respect to this document².

During 2023, Banca Mediolanum consulted CRIF³ for the analysis and certification of its mortgage portfolio and the production of a Technical Report and an Impact Report with the aim of aligning with the best market practices.

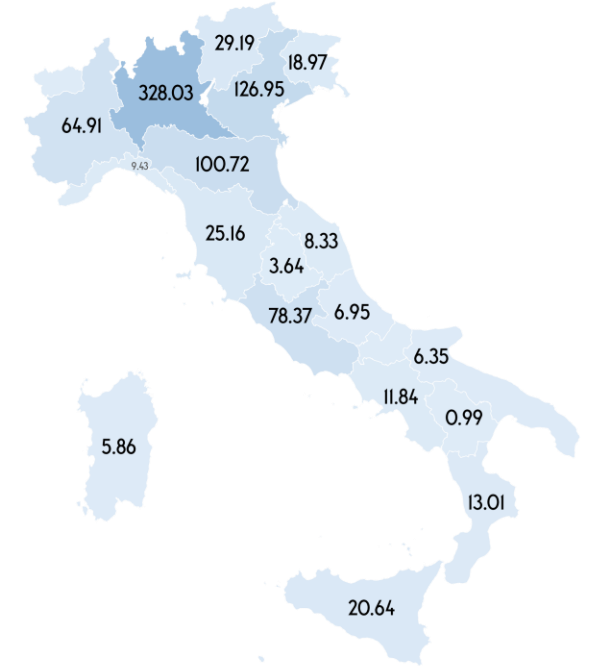
1. EU Taxonomy – [Regulation \(EU\) 2020/852](#) & [Commission Delegated Regulation \(EU\) 2021/2139](#)
2. See [GSS Bond Framework](#) – Section 3.b
3. CRIF is a global company specializing in credit bureau and business information, outsourcing and processing services, and credit solutions. Established in 1988 in Bologna (Italy), CRIF has an international presence, operating over four continents.

8 Green Loan Portfolio

Eligibility Criteria	Nr. Mortgages	Outstanding Amount – € mn	Average Tenor – years
CLASS A EPC	2,575	460.95	23.6
TOP 15% PED	2,290	312.50	23.2
NZEB -10%	406	88.65	27.6
TOTAL	5,271	862.10	23.7



Green Loan Outstanding Amount by year of granting - Figures as at Sept. 30 2023



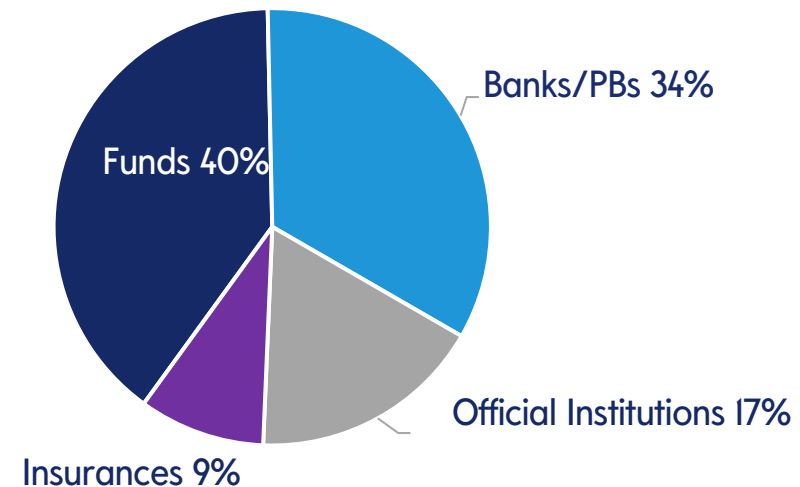
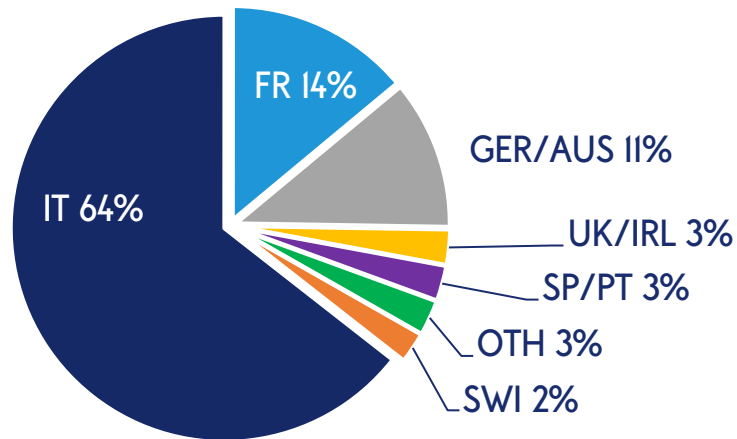
Geographic Distribution of Green Assets as at Sept. 30 2023

1. An EPC recovery exercise is currently underway through a review of the real estate purchase documents for each mortgage. As a last step, this activity involves the energy consumption data entry into the ITC systems of the Bank where not yet present. As a result of this activity, the stock of green mortgages could increase in the future prior of the granting of any new mortgage.

Banca Mediolanum issued its inaugural bond for € 300 million on November 22, 2022, issued through the € 1 billion EMTN programme approved by the Bank, receiving a BBB rating, equal to the Company's rating from both Standard & Poor and Fitch.

Issue Year	ISIN	Asset class	Volume	Issue Date	Maturity Date	Tenor	Rating
2022	XS2545425980	Senior Preferred	€ 300 mn	22-nov-2022	22-jan-2027	4NC3	BBB

Mediolanum Bond achieved great success on the primary market with a book 2.7x higher than the available amount. The book was allocated rapidly among major institutional investors, with over 100 high-quality and geographically well-diversified financial institutions participating. 60% of the bond was allocated to ESG funds and financial institution with a Green commitment.



GSS Bond Proceeds

300 € mn

Overall Green Portfolio – Outstanding amount

862.10 € mn

Eligible Green Portfolio as defined in the GSS Bond Framework¹ – Outstanding amount

679.45 € mn

Proceeds allocated to Green Loans

100%

1. Only Green Loans granted from January 2020 to date are considered.

The use of proceeds has been and will be used exclusively for residential mortgages for the purchase, or the purchase and renovation of energy efficient properties (so-called 'green') in Italy, also since the business model of Banca Mediolanum focuses on providing solutions to the financial needs of households.

For the purposes of allocating the amount raised, as indicated in the Green, Social & Sustainability Bond Framework, the mortgage portfolio as at September 30, 2023 was examined and isolated:

- loans granted from November 22, 2022, the issue date of the first Green Bond, to 30 September 2023
- loans granted in the previous 3 years, namely the three years January 1, 2020 - November 21, 2022.
- Banca Mediolanum has prudently also decided to consider only the outstanding debt amount and not the amount originally issued as eligible and allowable in order to ensure the constant full allocation of the entire amount of proceeds over the life of the bond.

Eligibility Criteria		Nr. Mortgages	Outstanding Amount € mn	Average Tenor in years
Granted Jan. 2020-Nov. 2022		3,186	538.76	25.2
Buildings built before 2021	EPC A	1,563	290.12	25.2
	Top 15% PED	1,401	201.10	24.8
Buildings built after 2021	NZEB -10%	222	47.55	28.0
Granted since Nov. 22, 2022		778	140.69	25.9
Buildings built before 2021	EPC A	269	53.04	25.9
	Top 15% PED	326	46.70	25.2
Buildings built after 2021	NZEB -10%	183	40.95	27.2
Total		3,964	679.45	25.4

Green Portfolio – Outstanding amount

862.10 € mn

Avoided Emissions

10,942 t CO₂ eq/year

Positive Carbon Impact

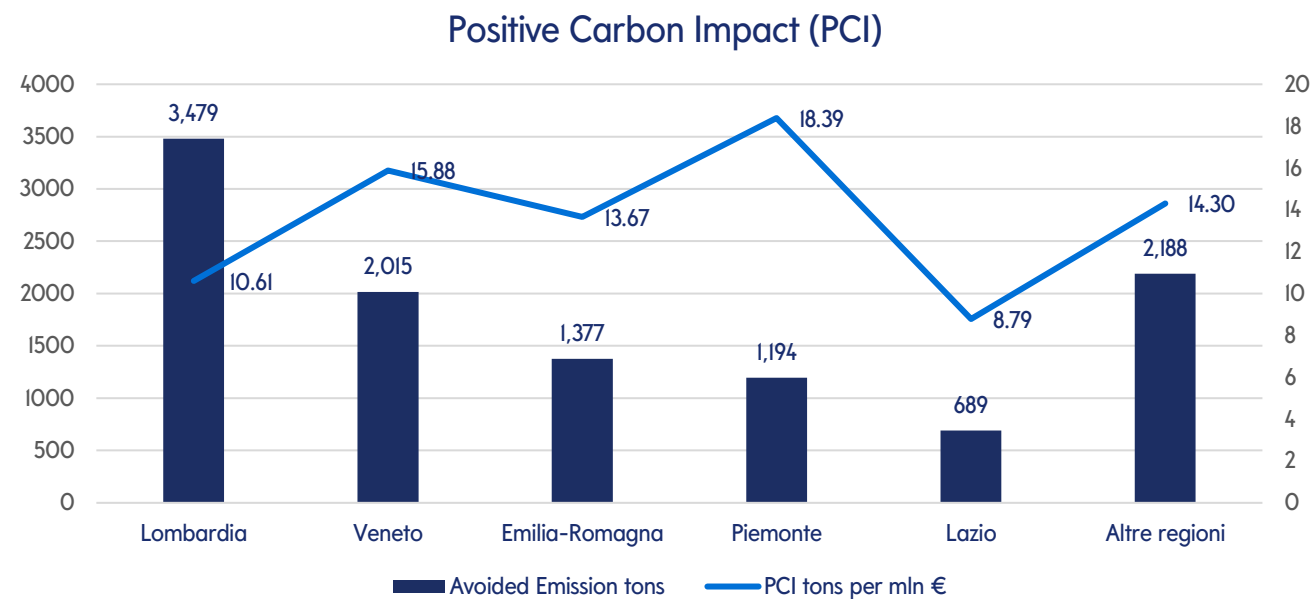
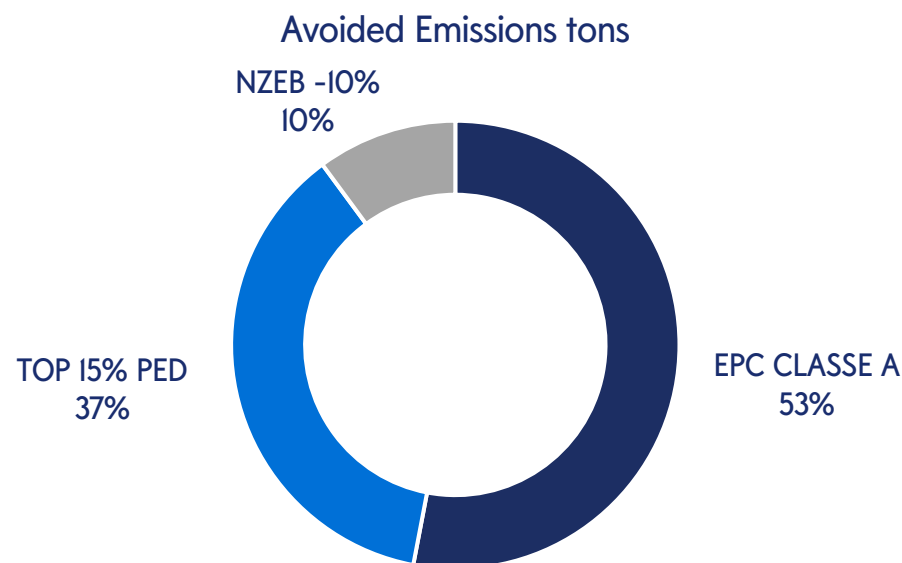
12.69 t CO₂ eq per € mn/year

Energy Saving

55,771 MWh

Square meters

666,485 m²



Methodological Approach

Mediolanum's Impact Reporting is based on the Positive Carbon Impact methodology employed by CRIF. In this regard, the estimate of avoided CO₂ emissions stemming from Mediolanum's green buildings portfolio relies on four pillars:

- Calculation of buildings' related greenhouse gas (GHG) emissions
- Identification of a national benchmark
- Calculation of portfolio positive impact
- Reporting measures

The calculation of GHG emissions related to Green Buildings has been carried out through the following two approaches:

1. The CO₂ emissions are available through a valid Energy Performance Certificate (EPC). In Italy, EPCs provide this information in a standard format, and estimated CO₂ emissions result from an automatic computation by professional software in line with existing national legislation on energy efficiency and the characteristics of the assets as provided by the real estate valuer. This approach is implemented for the larger share of the Portfolio

2. The CO₂ emissions are estimated by assigning a benchmark value based on the national distribution specific to the energy class of the property

The methodology to measure financed emissions for residential properties mortgages is in line with PCAF standard.

Green Portfolio – Outstanding amount

300 € mn

Avoided Emissions

3,808 t CO₂ eq/year

Positive Carbon Impact

12.69 t CO₂ eq per € mn/year

Energy Saving

19,407 MWh

Square meters

231,928 m²

Example of green building financing:

In 2022, this customer took out a residential mortgage of € 253,000 to buy a property in Busto Arsizio (VA). The property has all the technological systems necessary for the intended use (electrical, water, sewerage, elevator, photovoltaic, heat pump and mechanical ventilation system, equipped with central heating system with underfloor panels. Thus, this property is Class A3 (EPC level), with an estimated annual energy consumption of 40.97 kWh/m² (EPgl) and annual CO₂ of 9.10 kg/m².



16 To learn more about Banca Mediolanum

SUSTAINABILITY

<https://www.bancamediolanum.it/corporate/sostenibilita>

INVESTOR RELATIONS

<https://www.bancamediolanum.it/corporate/investors>

GREEN, SOCIAL AND SUSTAINABILITY FRAMEWORK

<https://www.bancamediolanum.it/static-assets/documents/sostenibilita/BondFramework.pdf>

CONTACTS

Alessandra Lanzone
alessandra.lanzone@mediolanum.it

Luca Pugliese
luca.pugliese@mediolanum.it

Lisa Maxon
lisa.maxon@mediolanum.it



BANCA MEDIOLANUM SPA

**INDEPENDENT REPORT ON THE LIMITED ASSURANCE
ENGAGEMENT OF THE 2023 GREEN, SOCIAL &
SUSTAINABLE BOND REPORT DRAFTED IN COMPLIANCE
WITH THE “GREEN, SOCIAL AND SUSTAINABILITY BOND
FRAMEWORK” OF JULY 2022**

AS OF 30 SEPTEMBER 2023



Independent auditor’s report on the 2023 Green, Social & Sustainable Bond Report

To the Board of Directors of Banca Mediolanum SpA

We have undertaken a limited assurance engagement in respect of the accompanying 2023 Green, Social & Sustainable Bond Report of Banca Mediolanum SpA (the “Company”) for the period between the Bond issue and the 30th of September 2023, approved by the GSS Bond Framework Commission and drafted in compliance with the “Green, Social and Sustainability Bond Framework” (hereinafter “Framework”) adopted by Banca Mediolanum SpA in July 2022, with reference to:

- the application of the eligibility criteria to the projects financed and to the projects refinanced through the Bond as described in the Framework and the definitive list of projects financed or refinanced;
- the allocation of the funds obtained through the Bond to the projects financed by them and the attribution to the Bond of the capital invested in the financed or refinanced projects;
- the verification that the response to the eligibility criteria have been determined in compliance with the relevant calculation methodology, as defined in the Framework (EPC, PED and NZEB).

The Limited Assurance undertaken does not include the information reported in the Impact Report and the case study.

Responsibilities of the Company for the Progress Report

Banca Mediolanum SpA is responsible for the preparation, contents and presentation of the Green, Social & Sustainable Bond Report, prepared in accordance with the provisions of the Framework, where the eligibility criteria of the projects, the allocation of the funds obtained, the sustainability indicators.

Banca Mediolanum SpA is also responsible for such internal control as it determines is necessary to enable the preparation of a Report that does not contain significant errors due to fraud or unintentional behavior or events.

Finally, Banca Mediolanum SpA is responsible for the definition, implementation and maintenance of the systems through which the information necessary for preparing the Report is obtained.



Auditor's independence and quality control

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

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

Auditor's responsibilities

Our responsibility is to express a limited assurance conclusion on the compliance of the Report with the Framework. We conducted our engagement in accordance with International Standard on Assurance Engagements ISAE 3000 Revised - Assurance Engagements other than Audits or Reviews of Historical Information ("ISAE 3000 Revised") issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the Report is free from material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the Report were based on our professional judgment and included interviews with company personnel responsible for preparing the information presented in the Report, as well as document analysis, recalculations and other procedures aimed at acquiring evidence deemed useful.

In particular, we performed the following procedures supported by interviews and limited documentation checks:

1. meetings with the staff of the various structures of Banca Mediolanum SpA that were involved in the preparation of the Report, in order to understand the characteristics of the projects financed and the projects refinanced by the Bond and to evaluate the reasonableness of the process and internal management procedures of data and information;
2. the sample verification of the application of the eligibility criteria to the projects financed and to the projects refinanced through the Bond as described in the Framework;
3. the sample verification of the traceability in the allocation of the funds obtained through the Bond to the projects financed or refinanced by them and the attributability of the capital in the projects themselves to the Bond;
4. the verification of the process of collection, aggregation, processing and transmission of data relating to the suitability criteria for the sustainability indicators included in the Report and their verification through sample tests. In particular on energy class, Primary Energy Demand (PED) and Nearly-zero emission buildings (NZEB).



Limited Assurance Conclusions

Based on the work carried out and the evidence acquired, no elements have come to our attention that would lead us to believe that the Green, Social & Sustainable Bond Report of Banca Mediolanum SpA relating to the financial year ended 30 September 2023 was not drawn up, in all the significant aspects, in compliance with the provisions of the Framework with reference to:

- the application of the eligibility criteria to the projects financed and to the projects refinanced through the Bonds as described in the Framework and the definitive list of the projects financed or refinanced;
- the allocation of the funds obtained through the Bonds to the projects financed by them and the attribution to the Bonds of the capital invested in the financed or refinanced projects;
- verification that the sustainability indicators and suitability criteria have been determined in compliance with the relevant calculation methodology, as defined in the Framework.

Our limited review does not extend to the information contained within the Impact Report and case study.

Restriction on distribution and use

Without modifying our conclusions, we draw attention to the "Green, Social and Sustainability Bond Framework" where the eligibility criteria for projects, allocation of funds obtained and sustainability indicators are described. The Report was drawn up for the purposes illustrated in the first paragraph. Accordingly, the Report may not be suitable for other purposes. This report has been prepared exclusively for the purposes indicated in the first paragraph and, therefore, we do not assume any responsibility towards third parties other than Banca Mediolanum SpA.

Milan, 6 December 2023

PricewaterhouseCoopers Business Services Srl

Signed by

Paolo Bersani
(Partner)

This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the 2023 Green, Social & Sustainable Bond Report English translation.

This document (or "Report") on Banca Mediolanum's Green Bond ISIN XS2545425980 issue is prepared in accordance with the Green Bond Principles 2021', the 'Social Bond Principles 2021', and the 'Sustainability Bond Guidelines 2021', supervised by the International Capital Market Association (ICMA).

The Report is for informational purposes only and should not be considered a reliable indicator of future performance.

All data contained in the Report, as well as assessments, forecasts, projections or any forward-looking statements and any past data and any other information are provided for illustrative purposes only. Banca Mediolanum is in no way responsible for the possible inaccuracy or incompleteness of the information contained therein.

The Report is not subject to prior approval by any supervisory authority and its contents:

- must not be interpreted in any way as a legal opinion or as the basis of an agreement or commitment;
- in no way constitutes a recommendation, financial advice, invitation or offer by Banca Mediolanum S.p.A. to subscribe to or purchase any financial instrument, security or investment product.
- Banca Mediolanum S.p.A. as well as its representatives, directors, officers, employees, disclaim any liability for any loss, consequence or other prejudice resulting from any use of this Report.
- No information contained in the Report may be reproduced, published or disseminated, even partially.