



2024 Green, Social & Sustainable Bond Report

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 1,395.83 million as at September 30, 2024.

Green Asset
Portfolio

€ 1,395.83 mn

Nr.
Mutui

9,280

Average
Tenor

22.4 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.

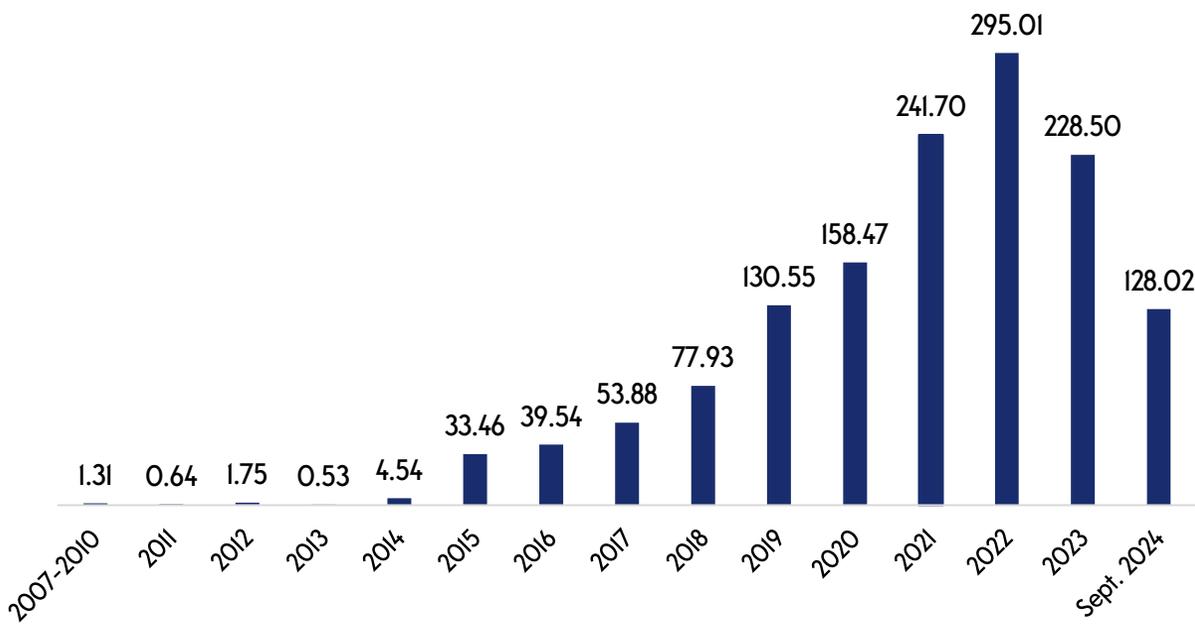
During 2024, Banca Mediolanum consulted CRIF² for the analysis and certification of its mortgage portfolio and the production of an [Impact Report](#) with the aim of aligning with the best market practices.

1. EU Taxonomy – [Regulation \(EU\) 2020/852](#) & [Commission Delegated Regulation \(EU\) 2021/2139](#)
2. 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.

Eligibility Criteria	Nr. Mortgages	Outstanding Amount – € mn	Average Tenor – years
CLASS A EPC	3,995	641.26	22.2
TOP 15% PED	3,979	500.70	21.6
NZEB -10%	1,306	253.86	25.4
TOTAL	9,280	1,395.83	22.4

EPC	Outstanding amount € mn
A	890.76
B	149.44
C	121.19
D	121.94
E	69.11
F	23.26
G	19.61
TOTAL	1,395.83

EPC	Outstanding amount € mn
Lombardia	383.74
Veneto	320.80
Lazio	175.23
Emilia-Romagna	109.54
Piemonte	75.12
Toscana	58.22
Sicilia	45.95
Trentino-Alto Adige	38.88
Calabria	31.14
Campania	25.58
Friuli-Venezia Giulia	22.66
Marche	20.75
Puglia	18.99
Abruzzo	18.80
Liguria	17.12
Sardegna	14.61
Umbria	9.09
Molise	4.03
Valle d'Aosta	2.84
Basilicata	2.75
Totale	1,395.83



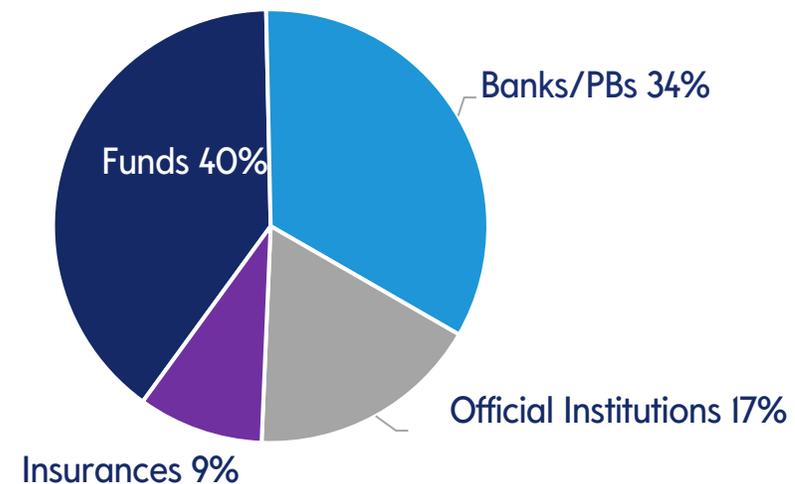
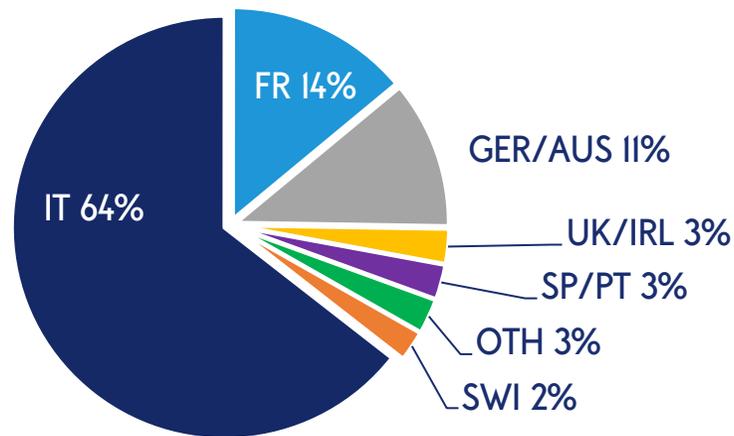
Green Loan Outstanding Amount by year of granting - Figures as at Sept. 30 2024

Geographic Distribution of Green Assets as at Sept. 30 2024

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	Call Date	Tenor	Rating
2022	XS2545425980	Senior Preferred	€ 300 mn	22-nov-2022	22-jan-2027	22-jan-2026	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

1,395.83 € mn

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

751.70 € mn

Proceeds allocated to Green Loans

100%

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

Green Portfolio – Outstanding amount

1,395.83 € mn

Avoided Emissions

18,040 t CO₂ eq/year

Positive Carbon Impact

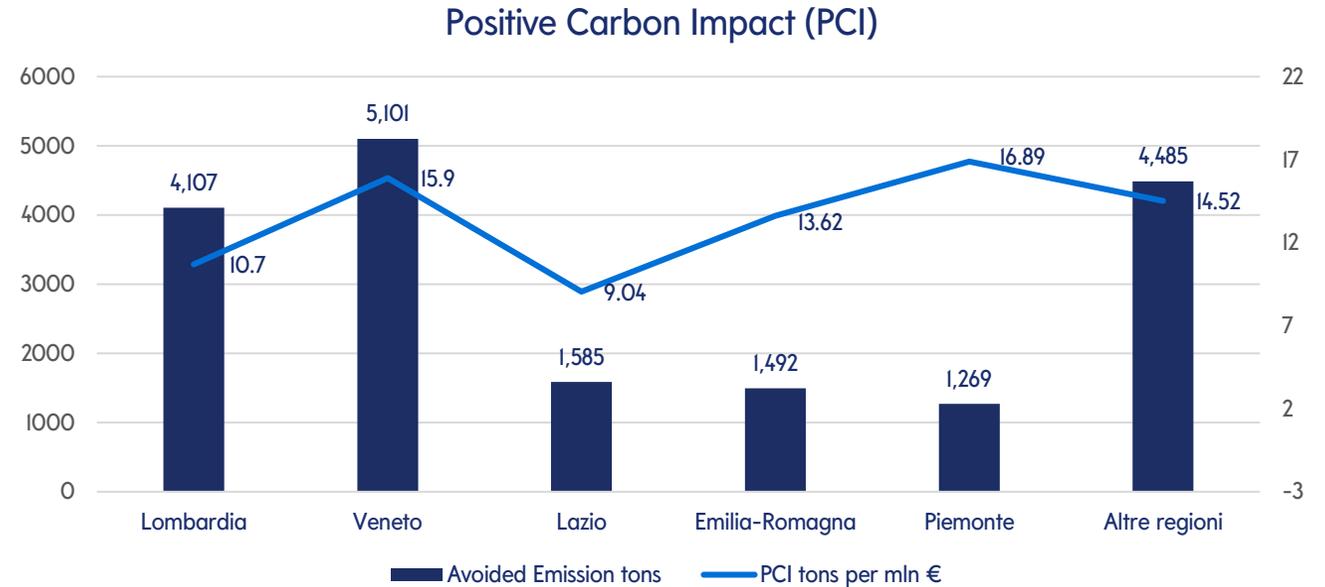
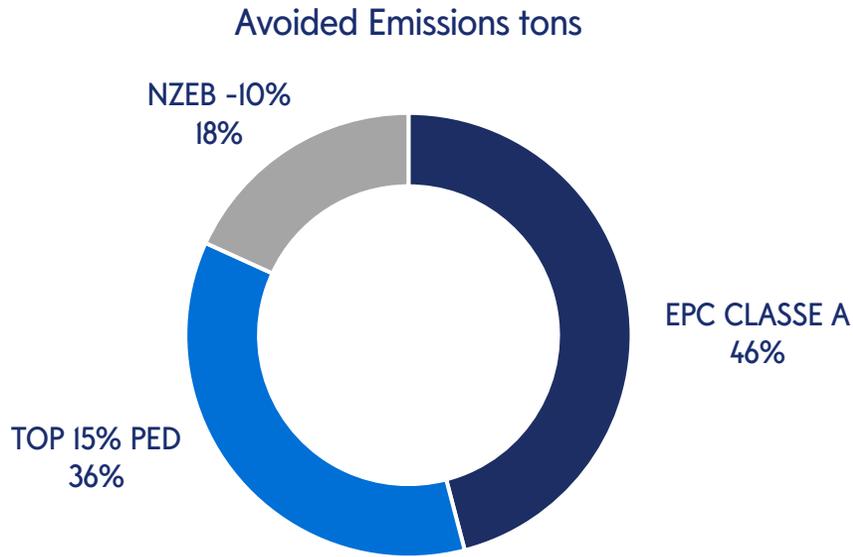
12.92 t CO₂ eq per € mn/year

Energy Saving

93,276 MWh

Square meters

1,188,537 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

3,877 t CO₂ eq/year

Positive Carbon Impact

12.92 t CO₂ eq per € mn/year

Energy Saving

20,047 MWh

Square meters

255,447 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.



14 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>

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**INDEPENDENT AUDITORS' REPORT ON THE 2024 GREEN, SOCIAL & SUSTAINABLE BOND REPORT
PREPARED IN ACCORDANCE WITH THE "GREEN, SOCIAL AND SUSTAINABILITY BOND FRAMEWORK" OF JULY 2022**

BANCA MEDIOLANUM SPA

30 SEPTEMBER 2024



INDEPENDENT AUDITORS' REPORT ON THE 2024 GREEN, SOCIAL & SUSTAINABLE BOND REPORT

To the Board of Directors of Banca Mediolanum SpA

We were engaged to perform a limited assurance engagement on the 2024 Green, Social & Sustainable Bond Report of Banca Mediolanum SpA as of 30 September 2024 (the "Report"), prepared for the purposes provided by the Company's Green, Social and Sustainability Bond Framework (the "Framework"), with reference to:

- the application of the eligibility criteria to projects financed and refinanced through the Bond as described in the Framework and the list of projects financed or refinanced.
- the allocation of funds raised through the Bond to finance and refinance projects and the attributability to the Bond of the resources invested in the financed or refinanced projects.
- the verification that the sustainability key performance indicators ("KPIs") have been determined in compliance with the relevant calculation methodology, as defined in the Framework.

Responsibility of the Company's directors

The directors are responsible for the preparation, content and presentation of the Green, Social & Sustainable Bond Report, in accordance with the criteria provided by the company's Framework, where the eligibility criteria of the projects, the allocation of proceeds and the sustainability KPIs are described.

The directors are also responsible for such internal controls as they determine is necessary to enable the preparation of a report that is free from material misstatement, whether due to fraud or error.

The directors are also responsible for defining, implementing and maintaining systems through which the information necessary for the preparation of the Report are obtained.



Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies International Standard on Quality Management 1 (ISQM Italia 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent auditors' responsibility

Our responsibility is to express, on the basis of the procedures performed, a conclusion about the compliance of the Report with the requirements of the Framework. We conducted our work in accordance with the provisions of the standard "International Standard on Assurance Engagements ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 Revised"), issued by International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This standard requires that we plan and perform our procedures to obtain limited assurance whether the Bond is free from material misstatement. Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures we performed were based on our professional judgement and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the Report, inspection of documents, recalculation and other procedures in order to obtain evidence considered appropriate.

In particular, we have performed the following procedures:

1. held meetings with the staff of Banca Mediolanum SpA that have been involved in the preparation of the Report, in order to understand the characteristics of the projects financed and of the projects refinanced through the Bond and to evaluate the reasonableness of the process and of the internal procedures related to data management.
2. analyzed the application of eligibility criteria of the projects financed and refinanced through the Bond as described in the Framework.
3. on a sample basis, we traced the allocation of resources obtained through the Bond to the projects financed or refinanced and the attribution to the Bond of the capital in the specific projects.
4. on a sample basis, we verified the collection, aggregation, processing of data relating to the sustainability KPIs included in the Report.



Limited assurance conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Green, Social & Sustainable Bond Report of Banca Mediolanum SpA as of 30 September 2024 is not prepared, in all material respects, in accordance with the criteria provided by the Framework, with reference to:

- the application of the eligibility criteria to projects financed and refinanced through the Bond as described in the Framework and the final list of projects financed or refinanced.
- the allocation of funds raised through the Bond to finance and refinance projects and the attributability to the Bond of the resources invested in the financed or refinanced projects.
- the verification that the sustainability KPIs have been determined in compliance with the relevant calculation methodology, as defined in the Framework.

Basis of preparation and limitation of liability

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 KPIs are described. The Report has been prepared for the purposes illustrated in the first paragraph. Consequently, 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 assume no liability towards third parties other than Banca Mediolanum SpA.

PricewaterhouseCoopers Business Services Srl


Francesco Ferrara
(Partner)

Firmato digitalmente
da: Francesco Ferrara
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Milan, December 2024

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.

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