

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green, Social and Sustainability Bond Framework

Mediobanca
27 April 2022

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">• Green, social and sustainability bonds
Relevant standards	<ul style="list-style-type: none">• Green Bond Principles (GBP, June 2021), Social Bond Principles (SBP, June 2021) and Sustainability Bond Guidelines (SBG, June 2021), as administered by the International Capital Market Association (ICMA)
Scope of verification	<ul style="list-style-type: none">• Mediobanca Green, Social and Sustainability Bond Framework (as of 11.03.2022)• Mediobanca selection criteria (as of 11.03.2022)
Lifecycle	<ul style="list-style-type: none">• Pre-issuance verification
Validity	<ul style="list-style-type: none">• As long as there is no material change made to the framework

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SCOPE OF WORK

Mediobanca Banca di Credito Finanziario (the issuer or Mediobanca) commissioned ISS ESG to assist with its green, social and sustainability bonds by assessing three core elements to determine the sustainability quality of the instrument:

1. Green, social and sustainability bonds link to Mediobanca’s sustainability strategy – drawing on the issuer’s overall sustainability profile and issuance-specific use of proceeds’ categories.
2. Mediobanca’s Green, Social and Sustainability Bond Framework (11.03.2022 version) – benchmarked against ICMA’s GBP, SBP and SBG.
3. The selection criteria – whether the projects contribute positively to the UN Sustainable Development Goals (SDGs) and perform against ISS ESG’s issue-specific key performance indicators (KPIs) (see annex 1).

MEDIOBANCA BUSINESS OVERVIEW

The Mediobanca Group is a specialised financial group offering wealth management, consumer banking, principal investing and corporate and investment banking services. The Italian bank has branches and offices in Milan, Paris, New York, Madrid and London.

The Group’s sustainability strategy is focused on sustainable growth over time, valorising human capital, sensitivity to social issues and reducing its direct and indirect impact on the environment.



ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
<p>Part 1:</p> <p>Green, social and sustainability bonds link to issuer's sustainability strategy</p>	<p>According to the ISS ESG Corporate Rating published on 17.02.2022, the issuer shows a high sustainability performance against the industry peer group on key ESG issues faced by the commercial banks and capital markets sector. The issuer ranks 39th out of 300 companies within its sector.</p> <p>The use of proceeds financed with the green, social and sustainability bonds are consistent with the issuer's sustainability strategy and material ESG topics for the issuer's industry. The rationale for issuing green, social and sustainability bonds is clearly described by the issuer.</p>	<p>Consistent with issuer's sustainability strategy</p>
<p>Part 2:</p> <p>Alignment with GBP, SBP, SBG</p>	<p>The issuer has defined a formal concept for its green, social and sustainability bonds regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with ICMA's GBP, SBP and SBG.</p>	<p>Aligned</p>
<p>Part 3:</p> <p>Sustainability quality of the selection criteria</p>	<p>The overall sustainability quality of the selection criteria in terms of sustainability benefits, risk avoidance and minimisation are good based upon the ISS ESG assessment. The green, social and sustainability bonds will (re-)finance eligible asset categories which include: renewable energy, energy efficiency, district heating and cooling, sustainable mobility, green buildings, circular economy, pollution and prevention control, environmentally sustainable management of living natural resources, agricultural goods, livestock farming, fishing, sustainable water, SME financing and social and economic advancement.</p> <p>The use of proceeds' categories have a significant contribution to SDGs 1 No Poverty, 4 Quality Education, 5 Gender Equality, 6 Clean Water, 7 Affordable and Clean Energy, 8 Decent Work and Economic Growth, 10 Reduced Inequalities, 11 Sustainable Cities, 12 Responsible Consumption and Production, 13 Climate Action, 14 Life Below Water and 15 Life on Land.</p> <p>The use of proceeds' categories have a limited contribution on SDGs 1 No Poverty, 3 Good Health and Well-Being, 4 Quality Education, 7 Affordable and Clean Energy, 13 Climate Action and 15 Life on Land.</p> <p>The use of proceeds' categories have no net impact on SDGs 7 Affordable and Clean Energy, 10 Reduced Inequalities, and a limited obstruction on SDGs 2 Zero Hunger, 3 Good Health and Well-Being, 13 Climate Action, 14 Life Below Water and 15 Life on Land.</p> <p>The environmental and social risks associated with those use of proceeds categories have been partially managed.</p>	<p>Positive</p>

ISS ESG SPO ASSESSMENT

PART I: GREEN, SOCIAL AND SUSTAINABILITY BONDS LINK TO MEDIOBANCA'S SUSTAINABILITY STRATEGY

A. ASSESSMENT OF MEDIOBANCA'S ESG PERFORMANCE

The ISS ESG Corporate Rating provides material and forward-looking environmental, social and governance (ESG) data and performance assessments.

COMPANY	INDUSTRY	DECILE RANK	TRANSPARENCY LEVEL
MEDIOBANCA	COMMERCIAL BANKS & CAPITAL MARKETS	2	VERY HIGH

This means that the company currently shows a high sustainability performance against peers on key ESG issues faced by the commercial banks and capital markets' industry, as it obtains a decile rank relative to its industry group of 2, given that a decile rank of 1 indicates highest relative ESG performance out of 10.

ESG performance

As of 17.02.2022, this rating places Mediobanca 39th out of 300 companies rated by ISS ESG in the commercial banks and capital markets' industry.

Key challenges faced by companies in this industry in terms of sustainability management are displayed in the chart on the right, as well as the issuer's performance against those key challenges in comparison to the average industry peers' performance.

Key Issue Performance



Sustainability opportunities

Mediobanca, together with its subsidiaries, provides various banking products and services in Italy and internationally. It operates through five segments: Corporate & Investment Banking, Consumer Banking, Wealth Management Principal Investing, and Holding Functions. The provision of financial services with social and environmental benefits constitutes the main opportunities for financial companies in order to contribute to the solution of global sustainability challenges. Mediobanca

¹ ISS ESG's evaluation is based on Mediobanca's Green, Social and Sustainability Bond Framework (March 2022 version) and on its ISS ESG Corporate Rating from 17.02.2022 applicable at the SPO delivery date.

underwrites green bonds linked to climate change, air quality, water purification quality and waste material recovery, as well as social bonds. Through its subsidiaries, it also offers several SRI funds.

The company's retail entities offer some inclusive financial services, including a basic bank account subject to moderate terms and conditions. However, those products only constitute a small share of Mediobanca's overall business volume.

Sustainability risks

For the financial sector, the main sustainability challenges are located in lending and investment banking as well as in the asset management businesses. Mediobanca has adopted a group policy on responsible lending and investing which outlines principles for considering ESG risks in lending and investment decisions and for excluding certain controversial practices, such as involvement in human rights' violations or production of weapons. Customer-related risks are managed only to some extent. Although there is a responsible policy on responsible marketing, there is no evidence of comprehensive procedures for the treatment of over-indebted clients. The company has implemented some measures to ensure equal opportunities, work-life balance and employee health and safety, including mental health issues. Since April 2018, Mediobanca has been a signatory to the UN Global Compact.

The company's code of conduct accounts for all relevant topics, including corruption, antitrust violations and insider trading in varying degrees of detail. Mediobanca provides training on anti-bribery issues and carries out anti-bribery risk assessments and audits. It also offers confidential whistleblowing channels for its employees.

Governance opinion

Regarding Mediobanca's governance structure, while the chair of the board is not independent (as at February 5, 2021), the majority of the board members are independent. Largely independent board committees for audit, remuneration and nomination matters have been set up. Disclosure of executives' compensation is available, including data on fixed-term, variable and long-term components.

Mediobanca has set up a CSR committee to advise the board of directors on sustainability issues, which is comprised of more than half of independent members. Relevant ESG performance objectives are included in the top management's variable remuneration. The company's code of conduct accounts for all relevant topics, including corruption, antitrust violations and insider trading in varying degrees of detail. Mediobanca provides training on anti-bribery issues and carries out anti-bribery risk assessments and audits. It also offers confidential whistleblowing channels for its employees.

Sustainability impact of products and services portfolio

Using a proprietary methodology, ISS ESG assessed the contribution of Mediobanca's current products and services' portfolio to the UN SDGs. This analysis is limited to the evaluation of final product characteristics and does not include practices along the company's production process.

ISS ESG determined that, based on the information provided by the company, its overall business model has no net impact (contribution and/or obstruction) to the UN SDGs.

Breaches of international norms and ESG controversies

As of 17.02.2022, the company is not facing any severe controversy.

B. CONSISTENCY OF GREEN, SOCIAL AND SUSTAINABILITY BONDS WITH MEDIOBANCA'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the issuer

Mediobanca is committed to sustainability as an integral part of its business strategy and operations. The bank has adopted a group sustainability policy, divided into five priority areas which address measures regarding:

- bribery and corruption
- human rights
- diversity and equal opportunities
- environmental issues
- responsible investing

Among its quantitative goals are to support the energy transition by for example issuing ESG bonds for a value of €500 million; increasing company hybrid cars to 90%; evaluating 100% of new investments by the group's asset management companies by also using ESG criteria; investing €700 million in small and medium Italian companies; increasing ESG qualified products in client portfolios by 30%; and investing €4 million per year in social and environmental projects.

Rationale for issuance

Mediobanca's development strategy is based on the conviction that ethics and profits can and must go hand in hand, as in the long term there cannot be economic growth without social and environmental progress as well. The bank's determination in pursuing ESG targets is further demonstrated by the application of its Green, Social and Sustainability Bond Framework, which sets out rules and procedures to identify eligible projects and initiatives.

Its internal policies set out how ESG principles are pillars in defining the way in which the bank operates and are a key factor in consolidating and enhancing confidence among the community of investors. The Group offers its clients an increasing number of sustainable investment products, integrating financial analysis with ESG criteria.

In July 2021, the Board of Directors of Mediobanca approved a new ESG policy which defines the guidelines to integrate ESG criteria in how the bank operates. It applies to lending activities, investments of own funds and advisory services offered to clients.

Contribution of use of proceeds' categories to sustainability objectives and priorities

ISS ESG mapped the use of proceeds categories financed with the green, social and sustainability bonds with the sustainability objectives defined by the issuer, and with the key ESG industry challenges as defined in the ISS ESG Corporate Rating methodology for the commercial banks and capital markets' sector. Key ESG industry challenges are key issues that are highly relevant for a respective industry to tackle when it comes to sustainability, e.g. climate change and energy efficiency

in the buildings sector. From this mapping, ISS ESG derived a level of contribution to the strategy of each use of proceeds' category.

USE OF PROCEEDS CATEGORY	SUSTAINABILITY OBJECTIVES FOR THE ISSUER	KEY ESG INDUSTRY CHALLENGES	CONTRIBUTION
Renewable Energy	✓	✓	Contribution to a material objective
Energy Efficiency	✓	✓	Contribution to a material objective
Sustainable Mobility	✓	✓	Contribution to a material objective
Green Buildings	✓	✓	Contribution to a material objective
Circular Economy	✓	✓	Contribution to a material objective
Pollution Prevention and Control	✓	✓	Contribution to a material objective
Sustainable Management of Living Natural Resources	---	✓	No contribution to the objectives, but link with material ESG topics
Sustainable Water and Wastewater Management	---	✓	No contribution to the objectives, but link with material ESG topics
SME Financing and Socioeconomic Advancement	✓	✓	Contribution to a material objective

Opinion: ISS ESG finds that the use of proceeds financed with the bonds are consistent with the issuer's sustainability strategy and material ESG topics for the issuer's industry. The rationale for issuing green, social and sustainability bonds is clearly described by the issuer.

PART II: ALIGNMENT WITH GBP, SBP AND SBG

1. Use of Proceeds

FROM ISSUER'S FRAMEWORK

Mediobanca is committed to adhering to the highest environmental and sustainable standards. Mediobanca's internal policies clearly set out how ESG principles are pillars in defining the way in which the Bank operates and are a key factor in consolidating and enhancing confidence among the community of investors.

Mediobanca's determination in pursuing ESG targets is further demonstrated by the application of the Green, Social and Sustainability Bond Framework which sets out rules and procedures to identify eligible projects and initiatives.

Mediobanca's Green, Social and Sustainability Bond Framework is aligned with the ICMA's Green Bond Principles (2021), Social Bond Principles (2021) and Sustainability Bond Guidelines (2021). Mediobanca is committed to being constantly aligned with best market practices, aiming at full transparency and quality of Green, Social and Sustainability bonds issued. Where currently feasible and on a best-effort basis Mediobanca will pursue alignment with the Technical Screening Criteria of the EU Taxonomy Delegated Act and any future relevant update as applicable from time to time, including any other regulatory update or new standard proposed by European authorities.

An amount equivalent to the net proceeds from the Green, Social and Sustainability bonds issued under the Framework serves to finance and/or refinance Green, Social and Sustainability Assets belonging to the following eligible categories:

ELIGIBLE CATEGORY	SELECTION CRITERIA
<p>Renewable Energy: Projects related to the generation of energy, including connection to the grid and transportation, from the following renewable sources</p>	<p>Solar Power and Concentrated Solar Power (CSP) - Facilities producing electricity using solar photovoltaic (PV) technology or concentrated solar power (CSP) technology</p> <p>Wind Power - Facilities producing electricity from on-shore and off-shore wind power</p> <p>Hydropower - Facilities producing electricity from hydro power where the power density of the electricity generation facility is above 5 W/m² or the life-cycle GHG emissions from the generation of electricity from hydropower are lower than 100g CO₂e/kWh</p> <p>Geothermal Energy - Facilities producing electricity from geothermal energy where life-cycle GHG emissions are lower than 100g CO₂e/kWh</p> <p>Bioenergy - Facilities producing electricity exclusively from biomass, biogas or bioliquids and operating above 80% of GHG emissions reduction in relation to the relative fossil fuel comparator</p> <p>Manufacturing of renewable energy technology components and equipment</p>
<p>Energy Efficiency: Financing projects and infrastructure or the</p>	<p>Storage of electricity - Facilities that store electricity and return it at a later time in the form of electricity</p>

<p>purchase of equipment featuring improved efficiency in energy usage</p>	<p>Energy efficient retail equipment - Selection via the application of the Italian government tax deduction scheme initially introduced by Italian Law no. 449 of Dec 1997²</p> <p>Energy optimisation infrastructures and manufacturing of other low-carbon technologies - Smart grid, smart meters, efficient lighting (LED), district heating and cooling and technologies featuring substantial life-cycle GHG emission savings compared to the best performing alternative on the market</p>
<p>Sustainable Mobility: Financing projects related to the manufacture of low carbon technologies for transport and operation of personal mobility devices and cycle logistics</p>	<p>Hybrid and Electric Vehicles - Until 31 December 2025, only vehicle with tailpipe emissions lower than 50gCO₂/km are eligible</p> <p>Personal Mobility Devices - Personal mobility or transport devices where the propulsion comes from the physical activity of the user, from a zero emissions motor, or a mix of the two</p> <p>Projects to improve sustainable mobility and related infrastructure - Infrastructure dedicated to personal mobility or cycle logistics: pavements, bike lanes and pedestrian zones, electrical charging</p> <p>Public and freight sustainable transportation, rail transport and related infrastructure - Transportation vehicles, trains and wagons with zero direct tailpipe CO₂ emission</p> <p>Water transport - Infrastructure enabling low carbon water transport (meeting EU Taxonomy criteria) and required for zero direct (tailpipe) CO₂ emissions water transport (electricity charging, hydrogen-based refuelling)</p>
<p>Green Building: Financing – including retail mortgages – or refinancing for construction, purchasing, development and renovation of residential and commercial buildings</p>	<p>Buildings with environmental standard certifications, such as LEED (Gold or above), BREEAM (Very Good or above), HQE (Excellent or above) or equivalent comparable international certifications</p> <p>For buildings built before 31 December 2020: compliance with energy efficiency class A or B; or belonging to the top 15% low carbon buildings in the region (including building with energy efficiency class C)</p> <p>For buildings built after 31 December 2020: the Primary Energy Demand (PED) is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB)</p> <p>Renovation projects with an improvement in terms of energy efficiency of at least 30% in terms of PED</p> <p>Acquisition of tax incentives related to investments in energy efficiency renovations and improvements introduced by Italian or other EU governments. For example, measures related to Italian law decree 2020/34 (decreto rilancio) “Misure urgenti in materia di salute, sostegno al lavoro e all’economia, nonché di politiche sociali connesse all’emergenza epidemiologica da COVID-19”³</p>
<p>Circular Economy: Projects contributing to the development of a circular economy</p>	<p>Recycling facilities - Recycling plants, development of technologies for full product recycling, substitution with recycled materials, material recovery, reuse maximisation and waste reduction</p>

² Legislative references include Art.16-bis T.U.I.R. (Dpr 917/86) (Renovations), law n. 296 of 27 Dec 2006 related to Energy Efficiency and European Directive 2010/31UE transposition via Italian Legislative Decree no. 63, of 4 June 2013.

³ <https://www.gazzettaufficiale.it/eli/id/2020/07/18/20G00095/sg>

<p>Pollution Prevention and control: Projects contributing to waste management processes</p>	<p>Waste management projects - Waste prevention and reduction. Projects related to separate collection and transport of non-hazardous waste segregated at source and intended for preparation for reuse or recycling operations</p> <p>Landfill gas capture - Projects for gas capture and utilisation in permanently closed landfills, where the landfill has not been opened after 8 July 2020 and methane emissions are controlled</p> <p>Air emissions reductions - Projects related to direct capture of CO2</p>
<p>Environmentally sustainable management of living natural resources: Loans to borrowers with high level sustainability criteria in the forestry sector</p>	<p>Environmentally sustainable forestry - Projects related to development and protection of living natural resources, land use, biodiversity and deforestation. Activities must not negatively impact world heritage sites designated by UNESCO, protected areas such as the High Conservation Value Areas, Alliance for Zero Extinction sites, Ramsar wetlands sites, areas included in IUCN Categories I-IV, rainforests or primary tropical moist forests with high conservation value or natural habitats at risk</p> <p>Certificates needed related to the sustainable management of natural resources: FSC (Forest Stewardship Council certification) or PEFC (Programme for the Endorsement of Forest Certification) or equivalent certificates</p>
<p>Sustainable water: Projects dedicated to and aimed at improving water treatment, collection and distribution, centralised or for retail usage</p>	<p>Water treatment, water collection and supply/distribution systems - Projects characterised by improved efficiency in terms of energy consumption (the net average energy consumption for abstraction and treatment equals to or is lower than 0.5 kWh per cubic meter water supply)</p> <p>Centralised wastewater treatment system - Financed project are in substitution of systems more GHG emissions intensive</p> <p>Efficient retail usage water equipment - Selection via the application of the Italian government tax deduction scheme initially introduced by Italian Law no. 449 of December 1997 (and more recent initiatives by Italian Legislative Decree no. 63, of 4 June 2013)</p>
<p>SME financing and social and economic advancement: Projects dedicated to support employment, reduce social exclusion and inequalities</p>	<p>SME financing - Where SMEs are defined according to the definition of the EU Commission(SME definition europa.eu), are located in disadvantaged areas as defined by unemployment rate or GDP per capita (vs national average) or affected by natural/public health disasters</p> <p>Access to education and financial literacy - Financial support to access education (student loans); financial support to professional training organisations; training and education infrastructures (primary, secondary schools and universities); and financing training programmes fostering financial education</p> <p>Banking access and services to underserved or disadvantaged areas - Projects aimed at providing Mediobanca banking services to population targets not currently reached or who have been experiencing a gap in terms of access to the banking system</p> <p>Microcredit, young entrepreneurs, female entrepreneurs - Loans to borrowers with no access to credit, young entrepreneurs, women entrepreneurs; loans to vulnerable borrowers as result of natural or health disasters</p>

Green, Social and Sustainability assets will include but are not limited to:

- Corporate loans and infrastructure projects
- Mortgages
- Consumer credit loans
- Leasing and factoring financing

and other eligible assets which will be originated by any Mediobanca Group's entity.

The list of eligible categories may be extended, with new ones added to this Framework, subject to external review. Mediobanca will review the validity of the Framework annually, considering the development and progress made in all the areas tackled by environmental and sustainable best practices and upcoming regulations. The Framework update will also be consistent with Mediobanca's lending strategy and internal policies with respect to its ESG goals.

Excluded categories and limitations

Any kind of investments connected to:

- Mining: particular attention is paid to issues such as destruction of the environment and biodiversity; contamination of water, soil, and air; child and forced labour; cultural legacy; risk of corruption and political risk;
- Nuclear power: Mediobanca checks that the counterparty complies with the standards set by the International Agency for Atomic Energy (IAEA);
- Defence and weapons: Mediobanca operates only in countries which comply with the principal international arms treaties and conventions; it does not grant loans to companies which manufacture, perform maintenance on or sell controversial or non-conventional weapons; and
- Coal mining and fossil fuel: Mediobanca does not participate in financing to groups which derive more than 20% of their revenues from coal and from the exploration, production, transport or sale of oil and gas from unconventional sources (e.g. shale oil and gas, tar sands and oil and gas resources located in the Arctic region).

These exclusions may be reviewed in relation to possible changes in the Group's environmental and sustainable goals in the future, and financing decisions under the Framework will be adapted in accordance with the development of the EU Taxonomy.⁴

Opinion: ISS ESG considers the use of proceeds description provided by Mediobanca's Green, Social and Sustainability Bond Framework as aligned with the GBP, SBP and SBG. Environmental and social benefits are described and quantified. The issuer defines an exclusion list in line with best market practices. Some of the use of proceeds' categories are aligned with the EU Taxonomy Delegated Act Technical Screening Criteria for substantial contribution to climate change mitigation⁵, reflecting best market practices.

⁴ For further details, please refer to the Group's ESG policy and its further updates.

⁵ https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf

2. Process for Project Evaluation and Selection

FROM ISSUER'S FRAMEWORK

The eligibility of Green, Social and Sustainability assets will be evaluated by the following governance process:

Green, Social and Sustainability Bond Committee (GSSBC):

The GSSBC is an internal panel consisting of members of the top management, the Group Treasury, the ESG team, the Corporate and Investment Banking division and all relevant legal entities that contribute to the origination of Green, Social and Sustainability assets.

The GSSBC will approve and validate the pool of Green, Social and Sustainability assets and will have powers to exclude assets as well.

The GSSBC will also be responsible for:

- Monitoring the Green, Social and Sustainability assets' pool
- Updating and maintaining the Framework
- Validating the annual reporting for investors
- Reviewing any external independent auditor report

The GSSBC will meet on an annual basis.

Selection activity:

While final inclusion and selection is the sole responsibility of the GSSBC, the originating unit (or entity) performing the lending activity will initially assess the compliance of any project with the eligibility criteria, in particular:

- Corporate loans and infrastructure projects are currently originated by Mediobanca S.p.A.
- Mortgages are currently originated by CheBanca!, Mediobanca Private Banking and CMB Monaco
- Consumer credit is currently originated by Compass Banca S.p.A
- Leasing and factoring financing are currently originated by SelmaBipiemme Leasing S.p.A. and MBFacta S.p.A.

The selection activity complements the existing standard investment process.

Any other legal entity of the Mediobanca Group will provide relevant information and perform initial selection activity on any other asset originated and potentially eligible according to the Framework.

In terms of risk management, eligible categories are managed according to Mediobanca's procedures and policies. Mediobanca has put in place several initiatives aimed at complying

progressively to the *Guide on climate-related and environmental risks*⁶ published by the European Central Bank in November 2020 which also includes the identification and management of ESG risks. The ongoing effort to implement the guide aims at incorporating ESG risks as drivers of existing categories of risk in the context of Mediobanca's business strategy, governance and risk management frameworks.

Opinion: ISS ESG considers the process for project evaluation and selection provided by Mediobanca's Green, Social and Sustainability Bond Framework as aligned with the GBP, SBP and SBG. Moreover, the issuer discloses in a transparent and defined way the responsibilities of the stakeholders in the selection process.

3. Management of Proceeds

FROM ISSUER'S FRAMEWORK

Mediobanca is committed to maintaining a pool of Green, Social and Sustainability assets and increasing it over time, in line with its environmental and sustainable targets.

The net proceeds of the Green, Social and Sustainability bonds will be used to finance and refinance existing Green, Social and Sustainability assets and new future projects. Net proceeds will be allocated to Green, Social and Sustainability assets on a portfolio basis, and the aggregate amount of the pool will be monitored and tracked via internal information systems over time.

The future development of the pool and its financing will fully be integrated into Mediobanca's funding strategy. Net proceeds, or part of them, as the case may be, may be swapped into the currency in which Green, Social and Sustainability assets are denominated.

Mediobanca will make every effort to allocate all the proceeds to Green, Social and Sustainability assets, so that the pool size matches or exceeds the proceeds of outstanding Green, Social and Sustainability bonds' issuances. If a project ceases to be eligible for inclusion in the Green, Social and Sustainability assets' pool, it will be removed and replaced in a timely manner with other eligible assets according to eligibility criteria set out in the Green, Social and Sustainability Bond Framework.

Temporarily unused proceeds, if not yet allocated or reallocated to Green, Social and Sustainability assets, will be held in the form of cash, cash-equivalent investment instruments or other liquid marketable instruments. The Green, Social and Sustainability Bond Framework eligibility and exclusion criteria will be adopted consistently at all times.

Opinion: ISS ESG finds that the management of proceeds proposed by Mediobanca's Green, Social and Sustainability Bond Framework is well aligned with ICMA's GBP, SBP and SBG. The issuer clearly outlines how it will handle temporarily unallocated proceeds.

⁶ European Central Bank, November 2020, Guide on climate-related and environmental risks, <https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.202011finalguideonclimate-relatedandenvironmentalrisks~58213f6564.en.pdf>

4. Reporting

FROM ISSUER'S FRAMEWORK

Until any outstanding Green, Social and Sustainability bond has matured, Mediobanca will publish an annual report on:

- a) the total amount of net proceeds allocated to the pool of Green, Social and Sustainability assets;
- b) allocation of net proceeds to each eligible category;
- c) outstanding amount of Green, Social and Sustainability bonds issued;
- d) balance of unallocated proceeds; and
- e) environmental and sustainable impact reporting via aggregated metrics, such as (on a best effort basis):
 - expected annual renewable energy generation (MWh per year)
 - installed renewable energy capacity (MW)
 - reduction in energy use (MWh per year)
 - GHG saving
 - number of items

For eligible categories, where relevant impact metrics are different from those described above, Mediobanca will adhere to best market practices to propose adequate alternatives.

Opinion: ISS ESG finds that the reporting proposed by Mediobanca's Green, Social and Sustainability Bond Framework is aligned with the GBP, SBP and SBG.

External review

FROM ISSUER'S FRAMEWORK

Second party opinion

To ensure the transparency and soundness of the Framework, Mediobanca has obtained independent verification from a second party opinion provider which will assess and assist on sustainability profiles, performance and coherence with ICMA's GBP (2021), SBP (2021) and SBG (2021).

External assurance

Mediobanca will appoint an external auditor which will carry out an independent review of the use of proceeds associated with the eligible categories, adherence to the selection process of Green, Social and Sustainability assets and reporting metrics.

PART III: SUSTAINABILITY QUALITY OF THE ISSUANCE











A. CONTRIBUTION OF THE GREEN, SOCIAL AND SUSTAINABILITY BONDS TO THE UN SDGs

Based on the assessment of the sustainability quality of the green, social and sustainability bonds' selection criteria and using a proprietary methodology, ISS ESG assessed the contribution of Mediobanca's green, social and sustainability bonds to the UN SDGs.














This assessment is displayed on 5-point scale (see annex 2 for methodology):

Significant Obstruction	Limited Obstruction	No Net Impact	Limited Contribution	Significant Contribution
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Each of the green, social and sustainability bonds' use of proceeds' category has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Renewable Energy Solar Power Facilities producing electricity using solar photovoltaic (PV) technology or concentrated solar power (CSP) technology	Significant Contribution	 
Wind Facilities producing electricity from on-shore and off-shore wind power	Significant Contribution	 
Hydropower⁷ Facilities producing electricity from hydro power where the power density of the electricity generation facility is above 5 W/m2 or the life-cycle GHG emissions from the generation of electricity from hydropower are lower than 100g CO2e/kWh	Significant Contribution	 
Hydropower Facilities producing medium to large-scale hydro power (+10 to 1000MW)	Limited Contribution	 
Hydropower Facilities producing very large-scale hydro power (+1000 MW)	Limited Contribution	 

⁷ This assessment differs from the ISS ESG SDG Solutions Assessment (SDGA) proprietary methodology designed to assess the impact of an Issuer's product and service portfolio on the SDGs. For the projects to be financed under Use of Proceeds categories that are based on with the Technical Screening Criteria defined by the EU Taxonomy Technical Annex, a significant contribution to climate change mitigation is attested. Compliance of assets with EU taxonomy is not evaluated under the SPO.













	Limited Obstruction	
Geothermal energy Facilities producing electricity from geothermal energy where life-cycle GHG emissions are lower than 100g CO2e/kWh	Significant Contribution	 
Certified bioenergy Facilities producing electricity exclusively from biomass, biogas or bioliquids and operating above 80% of GHG emissions-reduction in relation to the relative fossil fuel comparator	Limited Contribution	 
Manufacturing of renewable energy technology components and equipment⁸	Significant Contribution	 
Energy Efficiency Storage of electricity⁹ (excluding thermal energy) Facilities that store electricity and return it at a later time in the form of electricity	Significant Contribution	 
Energy efficient retail equipment¹⁰ Selection via the application of the Italian government tax deduction scheme initially introduced by Italian Law no. 449 of Dec 1997 ¹¹ .	Significant Contribution	 
Energy optimisation infrastructure and manufacturing of other low-carbon technologies Smart grid components and technologies featuring substantial life-cycle GHG emission savings compared to the best performing alternative on the market	Limited Contribution	 

⁸ This assessment differs from the ISS ESG SDG Solutions Assessment (SDGA) proprietary methodology designed to assess the impact of an Issuer's product and service portfolio on the SDGs. For the projects to be financed under Use of Proceeds categories that are based on with the Technical Screening Criteria defined by the EU Taxonomy Technical Annex, a significant contribution to climate change mitigation is attested. Compliance of assets with EU taxonomy is not evaluated under the SPO.

⁹ This assessment differs from the ISS ESG SDG Solutions Assessment (SDGA) proprietary methodology designed to assess the impact of an Issuer's product and service portfolio on the SDGs. For the projects to be financed under Use of Proceeds categories that are based on with the Technical Screening Criteria defined by the EU Taxonomy Technical Annex, a significant contribution to climate change mitigation is attested. Compliance of assets with EU taxonomy is not evaluated under the SPO.

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¹¹ Legislative references include Art.16-bis T.U.I.R. (Dpr 917/86) (Renovations), law n. 296 of 27 Dec 2006 related to Energy Efficiency and European Directive 2010/31UE transposition via Italian Legislative Decree no. 63, of 4 June 2013.

Smart grid projects and technologies featuring substantial life-cycle GHG emission savings compared to the best performing alternative on the market	Significant Contribution	 
Smart meters	No Net Impact	
Efficient lighting (LED)	Limited Contribution	 
District heating and cooling ¹²	Limited Contribution	
	Significant Contribution	
Sustainable Mobility Hybrid and electric vehicles of categories M1 and N1¹³ Until 31 December 2025, only vehicle with tailpipe emissions lower than 50g CO2/km are eligible	Limited Contribution	
	Significant Contribution	
Hybrid and electric vehicles All remaining cases and categories that do not fit within the above.	Limited Contribution	 
Personal mobility devices¹⁴ Personal mobility or transport devices where the propulsion comes from the physical activity of the user, from a zero emissions motor, or a mix of the two	Limited Contribution	 

¹² This assessment differs from the ISS ESG SDG Solutions Assessment (SDGA) proprietary methodology designed to assess the impact of an Issuer's product and service portfolio on the SDGs. For the projects to be financed under Use of Proceeds categories that are based on with the Technical Screening Criteria defined by the EU Taxonomy Technical Annex, a significant contribution to climate change mitigation is attested. Compliance of assets with EU taxonomy is not evaluated under the SPO.

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	Significant Contribution	
Projects to improve sustainable mobility and related infrastructure¹⁵ Infrastructure dedicated to personal mobility or cycle logistics: pavements, bike lanes and pedestrian zones, electrical charging	Limited Contribution	
	Significant Contribution	
Public and freight sustainable transportation, rail transport and related infrastructure¹⁶ Transportation vehicles, trains and wagons with zero direct tailpipe CO2 emissions	Limited Contribution	
	Significant Contribution	
	No Net Impact	
Water transport¹⁷ Infrastructure enabling low-carbon water transport and required for zero direct (tailpipe) CO2 emission water transport (electricity charging, hydrogen-based refueling)	Limited Contribution	
	Significant Contribution	
Green Buildings Buildings with environmental standard certifications, such as LEED (Gold or above), BREEAM (Very Good or above), HQE (Excellent or above) or equivalent comparable international certifications	Significant Contribution	

¹⁵ This assessment differs from the ISS ESG SDG Solutions Assessment (SDGA) proprietary methodology designed to assess the impact of an Issuer's product and service portfolio on the SDGs. For the projects to be financed under Use of Proceeds categories that are based on with the Technical Screening Criteria defined by the EU Taxonomy Technical Annex, a significant contribution to climate change mitigation is attested. Compliance of assets with EU taxonomy is not evaluated under the SPO.

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<p>Regarding buildings built before 31 December 2020: compliance with Energy Performance Certificate (EPC) class A or B</p>	<p>Limited Contribution</p>	
<p>Regarding new buildings built after 31 December 2020:¹⁸ the Primary Energy Demand (PED) is at least 10% lower than the threshold set for the nearly zero-energy building (NZEB)</p>	<p>Significant Contribution</p>	
<p>Renovation projects with an improvement of energy efficiency of at least 30% in terms of PED</p>	<p>Limited Contribution</p>	
	<p>Significant Contribution</p>	
<p>Insulation materials for buildings Acquisition of tax incentives related to investments in energy efficiency renovations and improvements introduced by Italian or other EU governments.¹⁹</p>	<p>Limited Contribution</p>	 
<p>Cooling/heating systems with an A energy efficiency performance, which could be linked to renewable or non-renewable sources Acquisition of tax incentives related to investments in energy efficiency renovations and improvements introduced by Italian or other EU governments.²⁰</p>	<p>Limited Contribution</p>	 
	<p>No Net Impact</p>	
<p>Circular Economy Recycling facilities Recycling plants, development of technologies for full product recycling, substitution with recycled materials, material recovery, reuse maximisation and waste reduction</p>	<p>Significant Contribution</p>	
<p>Pollution and Prevention Control</p>	<p>Significant Contribution</p>	

¹⁸ This assessment differs from the ISS ESG SDG Solutions Assessment (SDGA) proprietary methodology designed to assess the impact of an Issuer's product and service portfolio on the SDGs. For the projects to be financed under Use of Proceeds categories that are based on with the Technical Screening Criteria defined by the EU Taxonomy Technical Annex, a significant contribution to climate change mitigation is attested. Compliance of assets with EU taxonomy is not evaluated under the SPO.



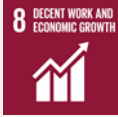






¹⁹ For example, measures related to Italian law decree 2020/34 (decreto rilancio) "Misure urgenti in materia di salute, sostegno al lavoro e all'economia, nonché di politiche sociali connesse all'emergenza epidemiologica da COVID-19".

²⁰ For example, measures related to Italian law decree 2020/34 (decreto rilancio) "Misure urgenti in materia di salute, sostegno al lavoro e all'economia, nonché di politiche sociali connesse all'emergenza epidemiologica da COVID-19".


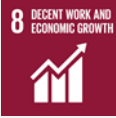
<p>Waste management projects²¹ Waste prevention and reduction Projects related to separate collection and transport of non-hazardous waste segregated at source and intended for preparation for reuse or recycling operations</p>	<p>Significant Contribution</p>	
<p>Landfill gas capture Projects for gas capture and utilisation in permanently closed landfills, where the landfill has not been opened after 8 July 2020 and methane emissions are controlled</p>	<p>Limited Contribution</p>	 
<p>Air emissions reductions Projects related to direct capture of CO2</p>	<p>Significant Contribution</p>	
	<p>No Net Impact</p>	
<p>Forestry and use of forestry areas Certificates needed relate to the sustainable management of natural resources: FSC (Forest Stewardship Council certification) or PEFC (Programme for the Endorsement of Forest Certification) or equivalent certificates</p>	<p>Limited Contribution</p>	
<p>Sustainable Water Water treatment, water collection and supply/distribution systems²² Projects characterised by improved efficiency in terms of energy consumption (the net average energy consumption for abstraction and treatment equals to or is lower than 0.5 kWh per cubic meter water supply)</p>	<p>Limited Contribution</p>	
	<p>Significant Contribution</p>	 
<p>Centralised wastewater treatment systems Financed projects are in substitution of systems more GHG emissions intensive.</p>	<p>Significant Contribution</p>	 

²¹ This assessment differs from the ISS ESG SDG Solutions Assessment (SDGA) proprietary methodology designed to assess the impact of an Issuer's product and service portfolio on the SDGs. For the projects to be financed under Use of Proceeds categories that are based on with the Technical Screening Criteria defined by the EU Taxonomy Technical Annex, a significant contribution to climate change mitigation is attested. Compliance of assets with EU taxonomy is not evaluated under the SPO.

²² This assessment differs from the ISS ESG SDG Solutions Assessment (SDGA) proprietary methodology designed to assess the impact of an Issuer's product and service portfolio on the SDGs. For the projects to be financed under Use of Proceeds categories that are based on with the Technical Screening Criteria defined by the EU Taxonomy Technical Annex, a significant contribution to climate change mitigation is attested. Compliance of assets with EU taxonomy is not evaluated under the SPO.

<p>Efficient retail usage water equipment Selection via the application of the Italian government tax deduction scheme initially introduced by Italian Law no. 449 of December 1997 (and more recent initiatives by Italian Legislative Decree no. 63, of 4 June 2013)</p>	<p>Limited Contribution</p>	
<p>SME financing and social and economic advancement SME financing²³ Where SMEs are defined according to the definition of the EU Commission(SME definition europa.eu) and are located in disadvantaged areas as defined by unemployment rate or GDP per capita (vs national average) or affected by natural/public health disasters</p>	<p>Limited Contribution</p>	
	<p>Significant Contribution</p>	
<p>Access to education and financial literacy Financial support to access education (student loans)</p>	<p>Limited Contribution</p>	
<p>Financing of educational programmes Training and education infrastructures (primary, secondary schools and universities); financing training programmes fostering financial education; financial support to professional training organisations</p>	<p>Significant Contribution</p>	
<p>Banking access and services to underserved or disadvantaged areas Projects aimed at providing Mediobanca Group's banking services to target populations not currently reached or who have been experiencing a gap in terms of access to the banking system</p>	<p>No Net Impact</p>	
<p>Microcredit Loans to borrowers with no access to credit</p>	<p>Significant Contribution</p>	 
<p>Loans to vulnerable borrowers as result of natural or health disasters</p>	<p>Limited Contribution</p>	
<p>Young entrepreneurs</p>	<p>No Net Impact</p>	

²³ This project category is assessed as having a significant contribution to SDG 8, beyond the SDGA proprietary methodology.

Women entrepreneurs ²⁴ (women who are business sponsors or owners)	Significant Contribution	 
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²⁴ This project category is assessed as having a significant contribution to SDG 8, beyond the SDGA proprietary methodology.

B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE SELECTION CRITERIA

Eligible green categories

The table below presents the findings of an ISS ESG assessment of the eligible green categories against ISS ESG KPIs. Eligible green and social assets will be located within the European Union.

ASSESSMENT AGAINST ISS ESG KPI
Overall
Biodiversity
<p>In the areas of forestry, mining, infrastructure and energy, the issuer does not invest in projects or grant loans which are principally²⁵ having a negative impact on:</p> <ul style="list-style-type: none"> ✓ a) UNESCO World Heritage sites and b) protected biodiversity areas such as High Conservation Value Areas, Alliance for Zero Extinction sites, Ramsar wetlands sites and IUCN Category I-IV areas.
Community Dialogue
<ul style="list-style-type: none"> ✓ The issuer carries out specific assessments of companies with turnover of over €30m and loans and direct investments of over €2.5m. It assesses a project's community relations to understand potential reputational and/or litigation risks linked to it. Using this information, the bank makes decisions regarding the approval of loans and direct investments.
Energy Efficiency
<ul style="list-style-type: none"> ○ The issuer conducts ad hoc analysis in the loan origination phase regarding energy efficiency improvements and high energy efficiency standards but has no general ESG policy on energy efficiency.
Waste Management/Recycling/Hazardous Waste
<ul style="list-style-type: none"> ○ The issuer conducts ad hoc analysis in the loan origination phase regarding end-of-life commissioning and recycling. ✓ The issuer says it follows the European Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS Directive) in its investments.
Renewable Energy (solar, wind, geothermal, hydropower, biogas and biomass)
Environmental aspects of construction and operation
<ul style="list-style-type: none"> ✓ No information is available on whether cogeneration technology for biomass waste to energy plants will be applied. ✓ The issuer will provide for high environmental standards regarding takeback and recycling of solar modules at end-of-life stage (e.g. in line with WEEE requirements).

²⁵ The above restrictions refer to project finance transactions and loans granted to counterparties that use at least 50% of the amount to finance the following activities: a) forestry: forestry management, production of timber, sawmills, production and sale of wood pulp; b) mining: companies owning, exploring and developing mineral resources; c) energy and d) infrastructure. Protected areas include for forestry rainforests or primary tropical moist forests with high conservation value or natural habitats at risk.

Green Buildings

Site selection

- The issuer conducts ad hoc analysis in the loan origination phase regarding the site selection of green buildings and whether they are located within a maximum of 1km from one or more modalities of public transport but no general policy exists.

Water use minimisation in buildings

- The issuer conducts ad hoc analysis in the loan origination phase regarding water consumption measures in buildings but no general ESG policy exists. The buildings are all located in Europe and the issuer confirms that they are legally compliant with the relevant national regulations.

Construction standard

- The issuer conducts ad hoc analysis in the loan origination phase regarding sustainable Procurement of building materials (e.g. recycled materials, third-party certification of wood-based materials). The buildings are all located in Europe and the issuer confirms that they are legally compliant with the relevant national regulations.

Water conservation, quality, treatment and impacts

- Based on ad hoc analysis, the Group does not finance projects for which it has evidence of failure to adopt a water management plan in order to reduce the use of water and monitor their impact on the availability of water for other users, in particular in areas subject to water scarcity.²⁶
- There is no information available on whether high standards regarding water quality will be ensured. But the group does not finance desalination plants for which it has evidence (based on ad hoc analysis) of failure to adopt adequate measures to mitigate the removal of the brine and/or the extraction of the sea salt.
- In the areas of agriculture, energy and infrastructure, the issuer does not finance projects for which it has evidence (based on ad hoc analysis) of failure to manage the waste produced by them in order to keep water pollution to a minimum.²⁷

Sustainable forestry

Certification

- ✓ The issuer does not finance activities which are principally²⁸ intended to support initiatives and exploit tropical timbers lacking necessary certifications, including FSC (Forest Stewardship Council certification) or PEFC (Programme for the Endorsement of Forest Certification) which guarantee

²⁶ The policy applies to fishing among others and does not apply to producers or distributors of agricultural machinery, pesticides and fertilizers; manufacturers of processed foods and drinks (secondary or additionally processed products, pre-packaged food); food and drink retailers (including fish, seafood and other freshwater products); producers or traders of palm oil derivatives and sellers of ingredients that contain palm oil.

²⁷ The policy applies to fishing among others and does not apply to producers or distributors of agricultural machinery, pesticides and fertilizers; manufacturers of processed foods and drinks (secondary or additionally processed products, pre-packaged food); food and drink retailers (including fish, seafood and other freshwater products); producers or traders of palm oil derivatives and sellers of ingredients that contain palm oil.

²⁸ i.e. at least 50%.

compliance with correct forestry management principles.²⁹ It also does not finance illegal deforestation activity.

Eligible Social Categories

The table below presents the findings of an ISS ESG assessment of the Eligible Social categories against ISS ESG KPIs.

ASSESSMENT AGAINST ISS ESG KPI

Overall

Inclusion

- No policies are available which promote non-discriminatory access referencing fairly priced and/or subsidised participation for socially disadvantaged groups.

Labour, Health and Safety

- ✓ For companies with turnover of over €30m and loans and direct investments of over €2.5m, the issuer carries out specific assessments regarding management of issues such as labour, health and safety. Using this information, the bank makes decisions regarding the approval of loans and direct investments. It also excludes companies convicted for crimes in connection with the health and safety of their staff from their investments.
- ✓ The assets are all located in EU countries where high labour and health and safety standards are in place (e.g. ILO core conventions).

SME Financing and employment generation

Exclusion of controversial activities

- ✓ The issuer excludes investments connected to:
 - **Mining:** asbestos mining; new thermal coal mining sites or expansion of existing ones, Mountain Top Removal (MTR) in the Appalachian mountains; conflict minerals in areas of armed conflict; involvement of child or forced labour; a lack of health and safety management plans or plans for mine reclamation; activities where waste produce is thrown into rivers or low tide waters; diamond mining from war zones or which have not been certified in conformity with the Kimberley Process; companies deriving more than 20% of their revenues from coal mining.
 - **Energy and nuclear power:** dams which do not comply with the World Bank's policies on dam safety; coal-fired power stations; unconventional oil and gas resource exploration and production sites; pipelines which transport a significant volume of unconventional oil and gas; liquefied natural gas exportation terminals supplied with significant volumes of unconventional gas; lacking authorisation from the government or from the civil nuclear energy sector supervisory bodies against a regulatory framework that provides for the safety of workers; lacking a plan for developing long-term solutions for managing high and intermediate level

²⁹ The policy applies to companies whose main businesses involve areas such as forest management; production of timber (planting and felling trees); sawmills; production and sale of wood pulp. The policy does not apply to manufacturers of paper that do not produce pulp, paper distributors and retailers.

nuclear waste and for decommissioning nuclear power plants; for which the host country does not have adequate governance for its nuclear industry; more than 20% of company revenues deriving from exploration, production, transport or sale of oil and gas from unconventional sources (e.g. shale oil and gas, tar sands, and oil and gas resources located in the Arctic region), or management of pipelines or pipeline terminals that transport a significant volume of unconventional oil and gas.

- **Defence and weapons:** operations in countries which do not comply with the principal international arms control treaties and conventions; and does not grant loans to companies which manufacture, perform maintenance on or sell controversial weapons.

These exclusions may be reviewed in relation to possible changes in the Group's environmental and sustainable goals in the future, and financing decisions under the framework will be adapted in accordance with the development of the EU Taxonomy.³⁰

³⁰ For further details, please refer to the Group's ESG Policy and updates.

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2. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
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ANNEX 1: Methodology

ISS ESG Green and Social KPIs

The ISS ESG Green Bond and Social Bond KPIs serve as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of Mediobanca’s green, social and sustainability bonds.

It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets, and which can also be used for reporting. If a majority of assets fulfil the requirement of an indicator, this indicator is then assessed positively. Those indicators may be tailor-made to capture the context-specific environmental and social risks.

Environmental and social risks assessment methodology

ISS ESG evaluates whether the assets included in the asset pool match the eligible project category and criteria listed in the Green and Social Bond KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment “no or limited information is available” either indicates that no information was made available to ISS ESG or that the information provided did not fulfil the requirements of the ISS ESG Green and Social Bond KPIs.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by Mediobanca (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the issuer.

Assessment of the contribution and association to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method, ISS ESG identifies the extent to which Mediobanca’s Green, social and sustainability bonds contribute to related SDGs.

ANNEX 2: ISS ESG Corporate Rating Methodology

The following pages contain methodology description of the ISS ESG Corporate Rating.

Methodology - Overview

The ESG Corporate Rating methodology was originally developed by Institutional Shareholder Services Germany (formerly oekom research) and has been consistently updated for more than 25 years.

ESG Corporate Rating - The ESG Corporate Rating universe, which is currently expanding from more than 8,000 corporate issuers to a targeted 10,000 issuers in 2020, covers important national and international indices as well as additional companies from sectors with direct links to sustainability and the most important bond issuers that are not publicly listed companies.

The assessment of a company's social & governance and environmental performance is based on approximately 100 environmental, social and governance indicators per sector, selected from a pool of 800+ proprietary indicators. All indicators are evaluated independently based on clearly defined performance expectations and the results are aggregated, taking into account each indicator's and each topic's materiality-oriented weight, to yield an overall score (rating). If no relevant or up-to-date company information with regard to a certain indicator is available, and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the indicator is assessed with a D-.

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company as well as information from reputable independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

Analyst Opinion - Qualitative summary and explanation of the central rating results in three dimensions:

- (1) Opportunities - assessment of the quality and the current and future share of sales of a company's products and services, which positively or negatively contribute to the management of principal sustainability challenges.
- (2) Risks - summary assessment of how proactively and successfully the company addresses specific sustainability challenges found in its business activity and value chain, thus reducing its individual risks, in particular regarding its sector's key issues.
- (3) Governance - overview of the company's governance structures and measures as well as of the quality and efficacy of policies regarding its ethical business conduct.

Norm-Based Research - Severity Indicator - The assessment of companies' sustainability performance in the ESG Corporate Rating is informed by a systematic and comprehensive evaluation of companies' ability to prevent and mitigate ESG controversies. ISS ESG conducts research and analysis on corporate involvement in verified or alleged failures to respect recognized standards for responsible business conduct through Norm-Based Research.

Norm-Based Research is based on authoritative standards for responsible business conduct such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights and the Sustainable Development Goals.

As a stress-test of corporate disclosure, Norm-Based Research assesses the following:

- Companies' ability to address grievances and remediate negative impacts
- Degree of verification of allegations and claims
- Severity of impact on people and the environment, and systematic or systemic nature of malpractices

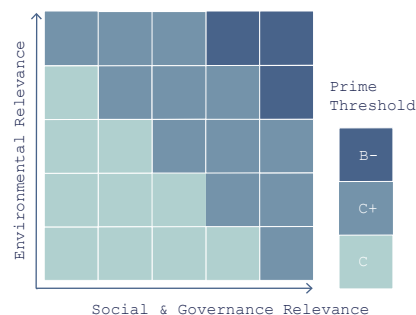
Severity of impact is categorized as Potential, Moderate, Severe, Very severe. This informs the ESG Corporate Rating.

Decile Rank - The Decile Rank indicates in which decile (tenth part of total) the individual Corporate Rating ranks within its industry from 1 (best – company's rating is in the first decile within its industry) to 10 (lowest – company's rating is in the tenth decile within its industry). The Decile Rank is determined based on the underlying numerical score of the rating. If the total number of companies within an industry cannot be evenly divided by ten, the surplus company ratings are distributed from the top (1 decile) to the bottom. If there are Corporate Ratings with identical absolute scores that span a division in decile ranks, all ratings with an equal decile score are classified in the higher decile, resulting in a smaller number of Corporate Ratings in the decile below.

Distribution of Ratings - Overview of the distribution of the ratings of all companies from the respective industry that are included in the ESG Corporate Rating universe (company portrayed in this report: dark blue).

Industry Classification - The social and environmental impacts of industries differ. Therefore, based on its relevance, each industry analysed is classified in a Sustainability Matrix.

Depending on this classification, the two dimensions of the ESG Corporate Rating, the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the ISS ESG Prime Status (Prime threshold) are defined (absolute best-in-class approach).



Industry Leaders - List (in alphabetical order) of the top three companies in an industry from the ESG Corporate Rating universe at the time of generation of this report.

Key Issue Performance - Overview of the company's performance with regard to the key social and environmental issues in the industry, compared to the industry average.

Performance Score - The ESG Performance Score allows for cross-industry comparisons using a standardized best-in-class threshold that is valid across all industries. It is the numerical representation of the alphabetic ratings (D- to A+) on a scale of 0 to 100 with 50 representing the prime threshold. All companies with values greater than 50 are Prime, while companies with values less than 50 are Not Prime. As a result, intervals are of varying size depending on the original industry-specific prime thresholds.

Rating History - Development of the company's rating over time and comparison to the average rating in the industry.

Rating Scale - Companies are rated on a twelve-point scale from A+ to D-:

A+: the company shows excellent performance.

D-: the company shows poor performance (or fails to demonstrate any commitment to appropriately address the topic).

Overview of the range of scores achieved in the industry (light blue) and indication of the grade of the company evaluated in this report (dark blue).

Sources of Information - A selection of sources used for this report is illustrated in the annex.

Status & Prime Threshold - Companies are categorized as Prime if they achieve/exceed the sustainability performance requirements (Prime threshold) defined by ISS ESG for a specific industry (absolute best-in-class approach) in the ESG Corporate Rating. Prime companies are sustainability leaders in their industry and are better positioned to cope with material ESG challenges and risks, as well as to seize opportunities, than their Not Prime peers. The financial materiality of the Prime Status has been confirmed by performance studies, showing a continuous outperformance of the Prime portfolio when compared to conventional indices over more than 14 years.

Transparency Level - The Transparency Level indicates the company's materiality-adjusted disclosure level regarding the environmental and social performance indicators defined in the ESG Corporate Rating. It takes into consideration whether the company has disclosed relevant information regarding a specific indicator, either in its public ESG disclosures or as part of the rating feedback process, as well as the indicator's materiality reflected in its absolute weight in the rating. The calculated percentage is classified in five transparency levels following the scale below.

0% - < 20%: very low

20% - < 40%: low

40% - < 60%: medium

60% - < 80%: high

80% - 100%: very high

For example, if a company discloses information for indicators with a cumulated absolute weight in the rating of 23 percent, then its Transparency Level is "low". A company's failure to disclose, or lack of transparency, will impact a company's ESG performance rating negatively.

ANNEX 3: Quality management processes

SCOPE

Mediobanca commissioned ISS ESG to compile an SPO for green, social and sustainability bonds. The Second Party Opinion process includes verifying whether the Green, Social and Sustainability Bond Framework aligns with the GBP, SBP and SBG and to assess the sustainability credentials of its green, social and sustainability bonds, as well as the issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA GBP, SBP, SBG
- ISS ESG key performance indicators relevant for use of proceeds categories selected by the issuer

ISSUER'S RESPONSIBILITY

Mediobanca's responsibility was to provide information and documentation on:

- Framework
- Asset pool / eligibility criteria
- Documentation of ESG risks management at the asset level

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

ISS ESG has conducted this independent Second Party Opinion of the green, social and sustainability bonds to be issued by Mediobanca based on ISS ESG methodology and in line with the ICMA GBP, SBP and SBG.

The engagement with Mediobanca took place from February to April 2022.

ISS ESG'S BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For more information on SPO services, please contact: SPOsales@isscorporatesolutions.com

For more information on this specific green, social and sustainability bonds' SPO, please contact: SPOOperations@iss-esg.com

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