



Responsible Banking Progress Statement for PRB Signatories



Summary template

Banca Mediolanum 2024

Principle 1: Alignment	Principle 2: Impact & Target Setting	Principle 3: Clients & Customers
<p>Banca Mediolanum integrates sustainability as a key element of its strategy, with the aim of creating value for its stakeholders – including customers, family bankers and employees – through responsible and long-term management. This commitment is included in the 2024-2026 Strategic Plan, of which the Sustainability Plan is an integral part. The Bank recognises sustainability as a guiding principle for its operations, reflecting it in its corporate culture, customer relations, governance and business decisions.</p> <p>The Bank's commitment is also reflected in its adherence to, or alignment with, the main international and national sustainability frameworks. In particular:</p> <ul style="list-style-type: none"> • United Nations Sustainable Development Goals (SDGs): the Bank has identified specific goals on which it may have a direct impact, incorporating them into its strategies. • United Nations Global Compact (UNGC): adherence to the principles of corporate responsibility in the areas of human rights, labour, the environment and anti-corruption. • Fundamental Conventions of the International Labour Organization (ILO): for the protection of workers' rights. 	<p>In 2024, Banca Mediolanum updated its 2023 impact analysis using the Context and Identification Modules made available by UNEP FI. The impact analysis covers 29.43% of Banca Mediolanum's business, corresponding to the Retail Banking (or Consumer) area. The priority impact areas identified by Banca Mediolanum pertain to the area of "Health and financial inclusion", with reference to the following areas:</p> <ul style="list-style-type: none"> • "Finance", meaning the accessibility of the population to the use of financial services. This area is the first area in order of priority, as the Bank can generate a positive impact in terms of access to the financial system for the population and a potential negative impact in terms of risk of over-indebtedness; • "Equality and justice", which refers to the ability of the population to live free from discrimination of any kind and to access justice in a fair manner. This area is the second area in order of priority, as the Bank can generate a positive impact in terms of financial inclusion of vulnerable targets (e.g. low income) or young people (e.g. age). <p>The SMART TARGETS defined by Banca Mediolanum, including in the context of the 2024-2026 Sustainability Plan, are as follows:</p>	<p>Banca Mediolanum works responsibly with its customers to encourage sustainable practices and facilitate access to financial services that promote a positive impact. The Bank's approach is based on the offering of sustainable products and services, integrating sustainability into internal policies and decision-making processes and ongoing engagement with customers to facilitate the transition to more responsible models.</p> <p>Banca Mediolanum puts customer involvement at the heart of its strategy for building solid, long-term relationships. Through a continuous and structured dialogue, the Bank collects useful feedback to adapt and improve its offering, responding in a targeted manner to the specific needs of users.</p> <p>Banca Mediolanum has also strengthened its ESG framework with specific policies and tools to integrate sustainability into corporate decisions. The main initiatives include:</p> <ul style="list-style-type: none"> • The Product Sustainability Policy, which ensures the assessment of ESG factors in the processes of developing and offering financial products. • The ESG assessment system, developed in collaboration with the Catholic University of the Sacred Heart, which analyses the level of sustainability of each banking product. • Integration of ESG criteria into risk management, to prevent potential negative impacts related to the Bank's financial transactions.

Principle 1: Alignment	Principle 2: Impact & Target Setting	Principle 3: Clients & Customers
<p>In 2024, Banca Mediolanum updated its Sustainability Policy (approved by the Board of Directors on 12 December 2024), with the aim of generating value for all stakeholders by promoting responsible management, customer centricity, support for employees, respect for the environment and community development. The Policy defines the strategic guidelines and sets out the principles for managing impacts, risks and opportunities (Legislative Decree No. 125/2024), promotes a culture of sustainability, facilitates non-financial reporting and strengthens stakeholder engagement.</p> <p>To monitor progress in the area of sustainability, the Bank makes use of ESG assessments provided by international rating agencies and publishes their results in the Consolidated Sustainability Statement annually.</p>	<ul style="list-style-type: none"> • “Finance” area: % of digitised loans (out of total loans): €650 million in the three-year period 2024-2026, bringing the weight of digitised loans to 32% of the total disbursed (baseline 26%). • “Equality and Justice” area: volume of “social credit”: €10 million in the three-year period 2024-2026. <p>Please see the “Supplement template” section below for further information on Principle 2 “Impact & Target Setting”.</p>	<p>To address the needs of financial inclusion and environmental sustainability, the Bank has developed a portfolio of products featuring integrated ESG characteristics, including but not limited to those aimed at young people (e.g. Mutuo Mediolanum Young), at the most vulnerable or most disadvantaged social categories (e.g. a Memorandum of Understanding to facilitate the repayment of loans by women victims of gender-based violence and at the environment (e.g. Mutuo Mediolanum Eco+/ Bioedilizia+). For further details, please see the relevant sections in the Mediolanum Group’s 2024 Consolidated Sustainability Statement.</p> <p>In 2024, the Bank also published the second Allocation & Impact Report relating to the €300 million Green Senior Preferred Bond, intended to finance mortgages for properties with high energy efficiency. The objective was exceeded, with a portfolio of eligible green properties of €751.7 million as at 30/09/2024.</p>
<p>Consolidated Sustainability Statement for the year ended 31 December 2024 included in the Mediolanum Group’s Report on Operations:</p> <ul style="list-style-type: none"> ○ SBM-1: Strategy, business model and value chain 	<p>Consolidated Sustainability Statement for the year ended 31 December 2024:</p> <ul style="list-style-type: none"> ○ BP-1: General basis for preparation of sustainability statements ○ SBM-1: Strategy, business model and value chain ○ SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model ○ IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities ○ MDR-A: Actions and resources in relation to material sustainability matters ○ MDR-M: Metrics in relation to material sustainability matters ○ E1.IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities. ○ E1-3: Actions and resources in relation to climate change policies ○ E1-4: Targets related to climate change mitigation and adaptation 	<p>Consolidated Sustainability Statement for the year ended 31 December 2024:</p> <ul style="list-style-type: none"> ○ SBM-1: Strategy, business model and value chain ○ IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities ○ E1-1: Transition plan for climate change mitigation ○ E1-3: Actions and resources in relation to climate change policies ○ S4-1: Policies related to consumers and end-users ○ S4-2: Processes for engaging with consumers and end-users about impacts

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	<ul style="list-style-type: none"> PRB Report, Principle 2, Supplement Template 	

<p>Principle 4: Stakeholders</p> <p>Banca Mediolanum recognises the importance of constant dialogue with its stakeholders in order to effectively implement the Principles for Responsible Banking (PRBs) and address sustainability matters in a targeted manner. The Bank's approach is based on mapping, engagement and active collaboration with the main players in the financial and social sector.</p> <p>Mapping and stakeholder engagement</p> <p>In accordance with Standard AA 1000 on stakeholder engagement, the Bank has identified and prioritised the following groups of stakeholders:</p> <ul style="list-style-type: none"> • Customers – to understand needs and improve accessibility to sustainable financial services. • Family Bankers – to strengthen the culture of sustainability and improve ESG advice. • Employees – to get them involved in and informed about company life and to collect information to improve internal business processes. • Shareholders and the financial community – to align ESG objectives with market expectations. • Media and trade associations – to disseminate information and create awareness on environmental and social matters. • Institutions and regulators – to support a regulatory environment conducive to sustainable finance. • Suppliers and community – to ensure a responsible value chain and contribute to local socio-economic development. 	<p>Principle 5: Governance & Culture</p> <p>Banca Mediolanum has structured a sustainability governance system to also ensure the implementation of the Principles for Responsible Banking (PRBs) and integrate ESG factors into strategic and operational management. The Sustainability Policy defines the strategy and objectives with which the company intends to operate in order to generate added value for the stakeholders with which it deals, defining the roles and duties of the various corporate bodies in this regard.</p> <p>Culture of sustainability and training</p> <ul style="list-style-type: none"> • Training programmes on sustainability and sustainable finance for employees and Family Bankers, aimed at strengthening ESG skills. • ESG certifications (EFPAs) periodically obtained by Family Bankers. • The Diversity and Inclusion Policy, with the creation of a Diversity Manager and initiatives to promote gender equality and equal pay. <p>Alignment with ESG objectives and monitoring</p> <ul style="list-style-type: none"> • The integration of sustainability criteria into incentive systems ensures that company performance is aligned with sustainability objectives. • The integration of ESG criteria into corporate decisions is supported by the use of specific indicators to measure progress as part of the corporate sustainability plan. 	<p>Principle 6: Transparency & Accountability</p> <p>In 2024 Banca Mediolanum published the first Consolidated Sustainability Statement, prepared pursuant to the CSRD Directive and in reference to ESRS (European Sustainability Reporting Standards). The Statement provides a detailed picture of the Bank's ESG performance, covering environmental, social and governance impacts.</p> <p>References to the main sustainability reports</p> <p>In addition to this document, further information on the Bank's ESG strategy is available in the following reports:</p> <ul style="list-style-type: none"> • The Allocation & Impact Report, on the issue of the Green Preferred Bond. • Periodic reports on the obligations of the EU Taxonomy and Pillar III Regulation, with a focus on environmental, social and climate-related risks and impacts. <p>Assurance and external audits</p> <ul style="list-style-type: none"> • As of 2017, the Consolidated Non-Financial Statement (now the Consolidated Sustainability Statement) is subject to external audit to ensure reliability and transparency. • Currently, no specific assurance has been conducted on this PRB Report. <p>Banca Mediolanum confirms its commitment to ensuring transparency in reporting ESG performance, gradually integrating new monitoring and verification tools.</p>
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Principle 4: Stakeholders	Principle 5: Governance & Culture	Principle 6: Transparency & Accountability
<p>Double materiality assessment</p> <p>In 2024, Banca Mediolanum implemented the double materiality process pursuant to the CSRD Directive and the ESRS reporting standards of EFRAG. The results of stakeholder engagement are the starting point for identifying the material topics of the double materiality process. Banca Mediolanum actively participates in initiatives and partnerships to promote sustainable finance and promote alignment with the PRBs. The main initiatives include:</p> <ul style="list-style-type: none"> • Adherence to the United Nations Global Compact (UNGC) to promote the principles of social and environmental responsibility. • Collaboration with financial institutions and industry associations to support regulations that encourage the transition to a low-carbon economy. • Partnerships with micro-credit institutions to broaden financial inclusion and support the most vulnerable sections of the population. <p>The Bank is committed to further enhancing its dialogue with stakeholders to ensure better alignment between its corporate strategy and ESG objectives, by strengthening its role as a responsible player in the financial sector.</p>		
<p>Consolidated Sustainability Statement for the year ended 31 December 2024:</p> <ul style="list-style-type: none"> ○ SBM-2: Interests and views of stakeholders 	<p>Consolidated Sustainability Statement for the year ended 31 December 2024:</p> <ul style="list-style-type: none"> ○ GOV-1: The role of the administrative, management and supervisory bodies ○ GOV-3: Integration of sustainability-related performance in incentive schemes ○ GOV-4: Statement on due diligence ○ GOV-5: Risk management and internal controls over sustainability reporting ○ E1.IRO-1: Description of the processes to identify 	<p>Consolidated Sustainability Statement for the year ended 31 December 2024:</p> <ul style="list-style-type: none"> ○ Audit report

Principle 4: Stakeholders	Principle 5: Governance & Culture	Principle 6: Transparency & Accountability
	and assess material impacts, risks and opportunities	

Supplements template

Banca Mediolanum 2024

Principle 2: Impact & Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Impact Analysis

Show how your bank has identified, prioritized and measured the most significant impacts associated with its portfolio (both positive and negative). Determine the priority areas for target-setting. Include details regarding: Scope, Portfolio Composition, Context, and Performance Measurement.

The impact analysis should include assessment of the relevance of the four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector](#), as part of its initial or ongoing impact analysis.

Links & references

Portfolio scope and composition

The **activities of Banca Mediolanum**, the Parent Company of the Mediolanum Group that adheres to the Principles for Responsible Banking (PRBs), in terms of retail and corporate products (or institutional products):

- **Retail Banking:** represents 95% of the total Banking products and activities in terms of pre-tax brokerage margins;
- **Corporate Banking:** represents 5% of total Banking activities and products in terms of pre-tax brokerage margins.

Therefore, the analysis was conducted focusing on the composition of the “**Retail Banking**” portfolio, **as it is the most material**.

The **Retail Banking portfolio** in terms of total loans and funding granted (“Outstanding loans”) at **31/12/2024** consists respectively of **current accounts and savings and credit products** as indicated below.

Type of product/service	%
Current accounts and savings	100.00%
Current accounts with payment services (cheques, debit cards)	85.61%
Current accounts without payment services	0.28%
Savings accounts	14.11%

Type of product/service	%
Credit and targeted products	100.00%
Credit	91.13%
Credit cards	16.06%
Consumer loans	2.28%
Securities-backed loans / Lombard loans / Structured loans	6.04%
Home loans/mortgages	64.07%
Other specialised loans	2.68%
Targeted products	8.87%
Targeted products - low income populations	0.02%
Targeted products - young people	7.78%
Targeted products - other vulnerable groups	1.06%

In addition, it should be noted that the analysis was carried out, as well as in terms of the “Proportion of the portfolio associated with current accounts and savings and credit products”, the “Share of the portfolio associated with the number of customers broken down by level of income, gender and age”.

Context analysis

Banca Mediolanum updated its context analysis for 2024 through the UNEP FI Context Tool, in order to define the main priorities and needs in Italy. In order to better understand Italy’s main challenges, Banca Mediolanum also took into account the impact areas of the missions present in the National Recovery and Resilience Plan (NRRP), which forms part of the Next Generation EU (NGEU) programme of the European Union, the Report on Italy and the Sustainable Development Goals (SDGs) for 2024 of the Italian Alliance for Sustainable Development (ASviS) and the 2024 SDGs Report of the National Institute of Statistics (ISTAT).

The examination of the Italian context revealed a focus on different types of matters, both environmental and socio-economic: the first category includes matters such as climate stability and the approach to the circular economy (with particular reference to resource intensity). Socio-economic issues include infrastructure matters, access to and quality of services and resources (in particular, health facilities, the property market, water and food).

Impact analysis

In order to assess the impacts, both positive and negative, deriving from Banca Mediolanum’s activity, an assessment was performed through the UNEP FI Impact Analysis Consumer Identification Module.

The following are the areas where Banca Mediolanum can generate the most material **positive impacts**:

- Availability, accessibility, economy, quality of resources and services;
- Financial health;
- Equality and justice;
- Socio-economic convergence.

However, concerning the **negative impacts**, the most material area is:

- Availability, accessibility, convenience, quality of resources and services.

The priority impact areas identified by Banca Mediolanum pertain to the area of “**Health and financial inclusion**”, with reference to the following areas:

- **“Finance”**, meaning the accessibility of the population to the use of financial services. This area is the first area in order of priority, as the Bank can generate a positive impact in terms of access to the financial system for the population and a potential negative impact in terms of risk of over-indebtedness;
- **“Equality and justice”**, which refers to the ability of the population to live free from discrimination of any kind and to access justice in a fair manner. This area is the second area in order of priority, as the Bank can generate a positive impact in terms of financial inclusion of vulnerable targets (e.g. low income) or young people (e.g. age).

In 2024, in particular, with the entry into force of the CSRD Directive, Mediolanum Group carried out a double materiality assessment that took into account the findings of the analyses conducted for PRB purposes.

It should be noted that the impact analysis carried out may constitute a starting point for the identification and adoption of further objectives by the Bank.

Targets, Target Implementation, and Action Plans/Transition plans

Show that your bank has set and published a minimum of two SMART targets which address at least two different areas of most significant impact that your bank identified in its impact analysis. Once targets are set, explain the actions taken and progress made. Include details regarding: Alignment, Baselines, Targets, Target Implementation & Monitoring (and KPIs), Action Plans/ Transition plans and Milestones.

Banks are encouraged to disclose information regarding actions they are taking in four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector \(2024\)](#).

Links & references

For the purposes of defining the SMART TARGETS with respect to the two priority impact areas identified through portfolio composition analysis and using the tools provided by UNEP FI, Banca Mediolanum identified the main priority impact areas as:

- **The “Finance” topic**, within the **“Availability, accessibility, convenience, quality of resources and services”** area, i.e. the accessibility for the population of the use of financial services;
- **The “Income” topic**, within the **“Equality & Justice”** area, i.e. the ability of the population to live free from discrimination of any kind and to access justice in a fair manner.

These two priority impact areas can be grouped under the heading **“Financial health and inclusion”**.

Making use of the possible **“Financial Health & Inclusions Indicators”** Banca Mediolanum has defined the following SMART TARGETS, also in accordance with the context of the 2024-2026 Sustainability Plan.

The SMART TARGETS defined are:

“Finance” area:

- **% of digitised loans (out of total loans): €650 million in the three-year period 2024-2026, bringing the weight of digitised loans to 32% of the total granted (baseline 26%).**

At 31/12/2024, **€182,013,261 million** had been granted, equal to **24.60%** of digitised loans as a percentage of total loans granted.

“Equality and justice” area:

- **Volume of “social credit” granted: €10 million in the three-year period 2024-2026.**

“Social credit” refers to “emergency loans” and “credit for third-sector entities”. In particular:

1. Banca Mediolanum’s rescue loans promote financial inclusion and combat usury, providing credit to households excluded from traditional channels for lack of adequate guarantees or negative reports. The objective of the sustainability plan is to expand conventions with new anti-usury foundations and to increase the caps on existing conventions.
2. Facilitate access to credit for third-sector entities through funding dedicated to sustainable and socially relevant projects.
3. The Mediolanum Special Care Loan, under special conditions, is intended for persons who are not self-sufficient (Law 104/92) to cover service costs, care and special equipment.

As of 31/12/2024, **€3.05 million** had been granted.