# ESG Product Catalogue

March 2024

MEDIOBANCA

# Contents

# 1. Introduction

Growth and sustainability are two of the distinguishing features of the Mediobanca Group ("Mediobanca"). Mediobanca's development strategy is based on the conviction that ethics and profits must go hand in hand, as in the long term there cannot be economic growth without social and environmental progress as well. Responsible, proper and transparent conduct enhances and protects reputation, credibility and consensus over time, creating value for all stakeholders.

The Inspiring Principles and Group Policies set out below are the cornerstones of Mediobanca's ESG (Environmental, Social and Governance) Catalogue[1] of products which it intends to offer to its clients and investors.

## 1.1 Inspiring principles

Since 2018 the Group has officially been a participant in the **United Nations' Global Compact**: an initiative based on voluntary adherence to ten principles which promote sustainability values. It also aims to contribute to promoting the Sustainable Developments Goals (SDGs) that feature in the United Nations' 2030 Agenda.

In July 2021 the Group adhered to the **Principles for Responsible Banking**, launched in 2019 by the United Nations with the aim of incentivizing the banking system objectives for sustainable growth and to measure the impact of their own activities on individuals and the planet.

In November 2021 Mediobanca adhered to the Net-Zero Banking Alliance, committing itself to play an active role in the green transition by aligning its lending and investment portfolios with net-zero emissions by 2050, in line with the targets set by the Paris Climate Agreement.

Mediobanca SGR, RAM Active Investment and Polus Capital Management are also all signatories to the **Principles for Responsible Investment** set up by the United Nations to promote a sustainable and responsible approach to investment and active ownership by institutional investors.

In line with these commitments, the Group has included qualitative and quantitative ESG targets in its new **Strategic Plan 2023-26 "One Brand-One Culture"**[2] and the performance evaluation and remuneration policies adopted for senior management.

1. The ESG product catalogue provides a list of the products with ESG characteristics offered or being studied by the Group, but does not replace the individual Group Legal Entities' product catalogues.
2. For further details on the ESG targets included in the Strategic Plan, see the Consolidated Non-Financial Statement for FY 2022-23, in particular Section 9, Future objectives.

## 1.2 Group policies

The Group has adopted a **Group Sustainability Policy**[3] with the objective of governing its own direct impacts, in five main priority areas: measures to tackle bribery and corruption; human rights; financial health and inclusion; diversity, equity and inclusion; and climate change and the environment.

The **ESG Policy**[4] has the purpose of governing the Group's indirect social and environmental impacts, outlining the reference principles involved, plus the negative and positive screening criteria applicable to the activities of lending, investing own funds, and providing investment advice to clients.

- **Negative screening**, through use of exclusion criteria, to identify parties involved in specific activities and/or in the production and/or sale of goods with particular technical characteristics;
- **Positive screening** based on criteria to identify parties that are valued positively and/or assets with positive characteristics from an ESG standpoint.

In addition to the general principles applicable to all types of business, the Group has also structured positive and negative screening criteria according to the various areas of activity. In particular, with reference to financing and certain direct proprietary investments, specific policies have been developed on biodiversity and excluded materials, plus sectors considered to be sensitive in ESG terms, namely: defence and arms, forestry and use of forested areas, production of agricultural goods, mining, the production, sale and consumption of energy, and infrastructure and transport. Furthermore, in accordance with the Strategic Plan objectives to address climate change issues, a series of restrictions has been introduced on operators impacting adversely on the climate.

3. https://www.mediobanca.com/static/upload_new/pol/politicasostenibilita-_24-en.pdf.
4. https://www.mediobanca.com/static/upload_new/pol/politica-esg_eng_23.pdf.

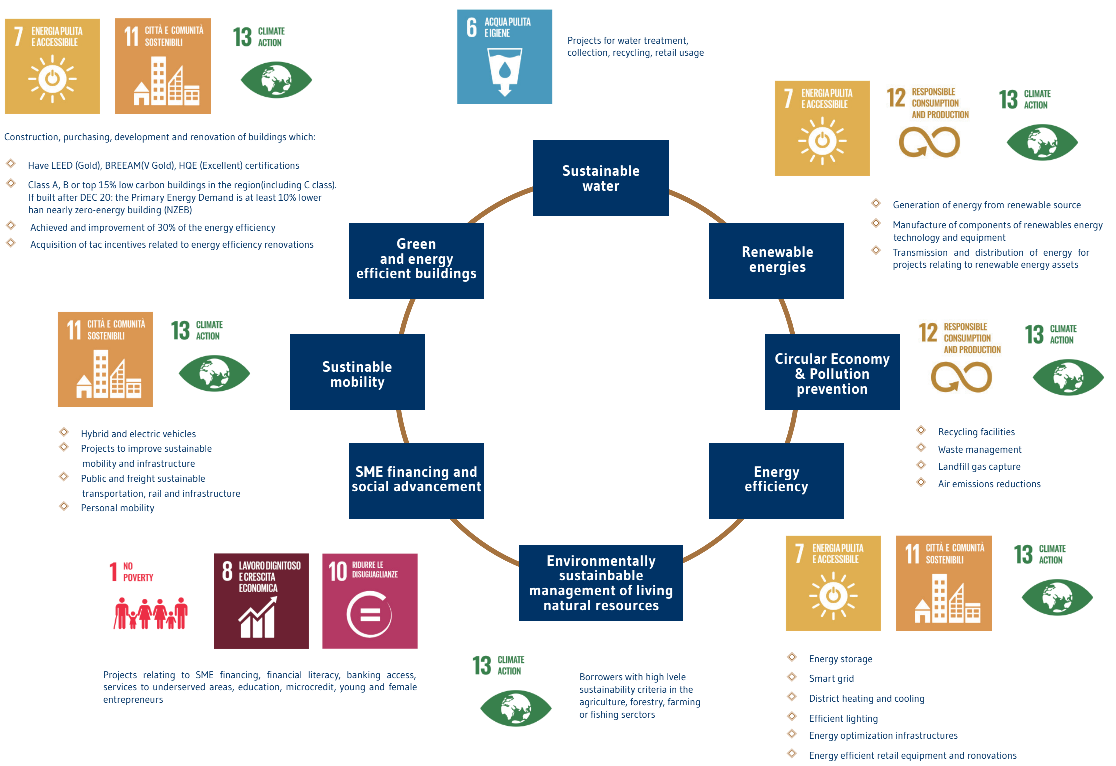
# 2. Mediobanca Green and Sustainable Bond Framework

The Green, Social and Sustainability Bond Framework, updated in 2022, sets out the rules and procedures for identifying projects and initiatives that can be financed/refinanced with the proceeds of bonds issued under the framework.

Mediobanca's Framework is aligned with the ICMA's Green Bond Principles, Social Bond Principles and the Sustainability Bond Guidelines issued by the ICMA (International Capital Market Association).

Mediobanca, which is aligned with best market practices, will pursue alignment - to the extent feasable - with the Technical Screening Criteria of the EU Taxonomy Delegated Act and any future relevant updates as applicable from time to time.

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



# 3. Lending activity

### Mediobanca

- **Green financing**: financing used by corporates exclusively to finance or refinance, new and/or existing green activities/projects;
- **Social financing**: loans to businesses whose proceeds are used to deal with emergency situations;
- **Finanziamenti ESG/sustainability-linked**: lending products that incorporate bonus/malus pricing mechanisms linked to the trends of certain ESG KPIs.

### Mediobanca Premier

- **Green and energy efficient buildings loans**: financing – including retail mortgages – or refinancing for construction, purchasing, development and renovation of buildings which comply with stringent criteria based on best practices;[5]

### SelmaBipiemme Leasing

- **Sustainable mobility solutions**: leases, related inter alia to: hybrid and electric vehicles, personal mobility devices (zero emissions or combination of zero emissions and physical activity);
- **Leasing operations**: deals concluded by companies in order to make investments that grant access to the "**Transition 5.0**" tax credits provided for by Italian Decree law no. 19 of 2 March 2024, regarding "Further urgent provisions for the implementation of the National Recovery and Resilience Plan (NRRP)";
- **Instrumental leasing transactions** concluded with SMEs which benefit from state contributions to support green/digital investments (**Sabatini Green, Sabatini 4.0**);
- **Leasing transactions involving green investments** made by corporate customers with the support of SACE guarantees (**SACE Green**);

5. Such criteria include, without limitation:
   - Buildings with environmental standard certifications, such as LEED (Gold or above), BREEAM (Very Good or above), HQE (Excellent or above) or equivalent comparable international certitications.
   - 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).
   - 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).
   - Renovation projects with an improvement in terms of energy efficiency of at least 30% in terms of PED.
   - 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 "Urgent measures on health, support for labour and the economy, and social policies in relation to the Covid-19 emergency".

- **Leasing transactions** involving green investments made by companies to implement photovoltaic systems for producing electricity from renewable sources;
- **Real estate leasing transactions** involving energy efficient buildings that meet strict criteria based on best practices[5].

**MBFacta**

- **Factoring** solutions on **tax receivables** related to investments in energy efficiency renovations and improvements introduced by Italian or other EU governments.
- **Supply chain finance** solutions are currently being analysed, the pricing of which factors in the suppliers' ESG rating obtained from an external provider (i.e. in which the pricing is more favourable if the ESG rating is positive).

**Compass**

- **Sustainable mobility solutions**: consumer financing related inter alia to: hybrid and electric vehicles, personal mobility devices (zero emissions or combination of zero emissions and physical activity);
- **Finance to improve energy efficiency of buildings**: consumer credit solutions to finance renovation work to improve energy requirements/consumption ratios, due to improvements made by private individuals to their own homes;
- **Social financing**: loans used to improve social issues and/or seek to achieve positive outcomes for vulnerable brackets of the population.

# 4. Corporate & Investment Banking

## Mediobanca

### *Debt Capital Markets*

- **Green Bonds**: debt instruments whose proceeds are used to finance and refinance green projects/ activities;
- **Social Bonds**: debt instruments whose proceeds are used to finance and refinance projects to improve social issues and/or seek to achieve positive outcomes especially for a target population (e.g. the poor, vulnerable, unemployed, uneducated, unbanked, etc.);
- **Sustainability Bonds**: debt instruments whose proceeds are used to finance and refinance projects intended to pursue environmental and/or social objectives;
- **Sustainability-Linked Bonds**: debt instruments which incorporate step-up pricing mechanisms if certain ESG KPIs are not met.

### *Markets – Sales & Trading*

- The Markets Division is working on the launch of ESG products to meet the demand from investors. Products offered would include **bonds** with an ESG label assigned by third-party providers that have verified the use of the proceeds, and **investment instruments** linked to equity and credit underlying assets selected with ESG filters.
- The Markets Division has also provided liquidity in ESG-related transactions, ranging from proprietary participation in the **ESG swap market**, to its recent involvement in **carbon trading**, to warehouse financing of **ESG securitizations**.

### *Corporate Finance Advisory*

- The **Energy Team** assists clients, providing advisory services to corporates in connection with M&A deals with a view inter alia to pursuing a sustainable business model and so supporting the energy transition.

# 5. Asset and Wealth Management Products

In line with market standards and its own strategic direction, the Group continues its progress in distributing sustainable products. With regard to Asset and Wealth Management activities:

**Mediobanca**

- **MiFID investment advisory**: Mediobanca Private Banking proposes various types of financial instruments complying with ESG parameters in the selection and management of its portfolios. This selection includes a **thematic list** and investment universe, as well as RAM Active Investment funds, as described in this document. In particular, the thematic list consists of sustainable investments in both equities and bonds, by selecting third-party funds on the basis of adaptation to SFDR Articles 8 and 9, the use of negative and/or positive screening, and qualitative and quantitative analysis of the results of the investment process.
- **Discretionary Asset Management**: the Bank offers the **Global ESG Thematic** (formerly Global Impact) discretionary asset management contract, with investment management activities delegated to Mediobanca SGR. The investment profile is configured as compliant SFDR Article 8. The profile seeks to invest in equity financial instruments, focusing on innovative sectors/themes such as technological innovation, sustainable mobility, and clean energy. The profile adopts an active management style and can deviate from the reference benchmark in relation to the opportunities offered by the market. The portfolio is managed on the basis of fundamental financial analyses that integrate ESG criteria, in addition to the traditional metrics.

**Mediobanca Premier**

- **MiFID investment Advisory**: within the offering of financial instruments on which investment advice is provided, Mediobanca identifies a selection of sustainable funds, which, in addition to good positioning relative to peers obtained through traditional qualitative and quantitative metrics, are also compliant with SFDR Articles 8 and 9. Mediobanca Premier also works on an ongoing basis with the Group's asset managers to make open-end investment funds (including with delegated management) and closed-end investment funds compliant with SFDR Articles 8 and 9 available.
- Periodic focuses, detailed studies and training on ESG issues also continue, which also involve courses for colleagues who perform fund analysis and selection activities to obtain EPFA ESG Advisor certification.

**Mediobanca SGR** offers eleven funds compliant with SFDR Article 8:

- **Mediobanca Social Philanthropy (formerly Mediobanca Social Impact)**: this is a balanced bond fund that offers subscribers the possibility to devolve part of the fund's assets to a selected charity. It invests primarily in bond financial instruments and in bond-like UCITS, in a medium-long term perspective, taking into account sustainable finance criteria, i.e. Environmental, Social and Governance, as well as traditional financial ones;

- **Mediobanca ESG European Equity** is a European equity fund that aims to increase the value of the capital invested over time, taking into account ESG criteria, as well as traditional financial criteria. The fund invests mainly in equity instruments listed on the regulated markets of European countries or issued by European companies and listed on other regulated markets;

- **Mediobanca ESG US Equity** is an American equity fund that aims to increase the value of the capital invested over time, taking ESG criteria into account, as well as traditional financial criteria. The fund invests primarily in equity instruments listed on US regulated markets or issued by US companies listed on other regulated markets;

- **Mediobanca Global Thematic Multimanager 100 ESG** is an ESG thematic equity fund of funds that aims to increase the value of the invested capital, implementing active management aimed at seizing market opportunities in a medium-/long-term perspective. The fund aims to identify structural trends (demographic, environmental, technological innovation, sustainable mobility, energy efficiency, etc.) capable of generating an increase in long-term value, by combining the search for thematic investments at global level with the criteria of traditional financial analysis and sustainable finance;

- **Mediobanca Nordea World Climate Engagement** is a fund that invests primarily in global equities. The management team focuses on companies that intend to align their business models with the Paris Agreement and that appear to offer superior growth prospects and investment characteristics. Shareholder activism and engagement play a key role in attempting to influence the behaviour of companies and promoting and accelerating the necessary transition;

- **Mediobanca ESG Credit Opportunities 2026**: this is a target maturity bond fund that aims, over a period of 3.5 years from the end of the placement period, to distribute an annual coupon and optimize the yield by taking into account ESG as well as traditional financial criteria in the selection of bond investments;

- **Mediobanca ESG Credit Opportunities 2027**: this is a target maturity bond fund that aims, over a period of 4.5 years from the end of the placement period, to distribute an annual coupon and optimize the yield by taking into account ESG as well as traditional financial criteria in the selection of bond investments;

- **Mediobanca ESG Credit Opportunities 2029**: this is a target maturity bond fund that aims, over a period of 5.5 years from the end of the placement period, to distribute an annual coupon and optimize the yield by taking into account ESG as well as traditional financial criteria in the selection of bond investments;

- **Mediobanca Morgan Stanley Step In Global Balanced ESG Allocation**: this is a multi-asset type fund of funds specializing in investments in UCITS segments. ESG criteria are integrated into the fund's management, along with financial analysis, investing primarily in SFDR Article 8 and Article 9 funds;

- **Mediobanca Fidelity World Fund**: a global equity fund. In addition to financial valuations, the fund manager also takes account of negative screening principles and of ESG ratings issued by Fidelity or by other external ratings agencies, and through the investment management process, aims to ensure that the investee companies adopted good governance practice;

- **Mediobanca Pictet New Consumer Trends**: this fund invests primarily in shares of companies listed on the principal stock markets worldwide. In addition to the instruments' financial valuations, the fund portfolio is managed based on analysis that includes Environmental, Social and Governance criteria. The process is based on a combination of negative and positive screening, selecting companies that contribute to generating a positive environmental or social impact.

**CMB Monaco**

- **Investment Advisory**: the Bank, through the Distribution Team, proposes various types of financial instruments complying with ESG criteria in the selection and management of its portfolios. This selection includes the **thematic list** and investment universe produced by the Mediobanca SGR Advisory unit, CMG Monaco solutions, and RAM Active Investment funds, all mentioned in this document. ESG themes are analysed through quarterly investment themes ("Long-Term Investment Trend") with investment rationales and product ideas. As regards the private markets segment, in 2023 a specific investment campaign was launched with the name of BlackRock Future Generations Private Equity Opportunities ELTIF Fund, the five investment themes of which are: Climate, Resources, Education, Wellness and Financial Inclusion.
- **CMB Global Lux *Dette Emergente*** (classes in EUR and USD): a SFDR Article 8 sub-fund that invests 100% of its own capital in the Berman Emerging Market Debt Blend Fund as master fund (Article 8 SFDR) managed by Neuberger Berman. The master fund invests in government and corporate bonds of emerging market issuers denominated in the principal currencies (EUR, USD, pounds sterling, Swiss francs) or in local currency.

**CMG Monaco** proposes:

- **CMG Monaco Eco+** (classes in EUR and USD): this is a themed environmental fund that invests in international equities of developed countries. They invest specifically in the following areas: optimization of resources, renewable energy and biological agriculture. Management is based on conviction positioning, with a preponderant pro-cyclical component, focused on certain niches of the industrial sector, and heterogeneous from the point of view of stock market capitalization;
- **Monaco Green Bond Euro**: launched in January 2023, it offers investors an opportunity to participate in the green and social transition by investing in Green Bonds, Social Bonds and Sustainability Bonds, all financial instruments which allow projects with a positive impact on the environment and the community to be financed. The Fund's investment objective is to provide a return comparable to that of the ICE BofA Euro Corporate Green, Social & Sustainability Index;
- **Monaction Emerging Markets**: this is a fund which invests up to 100% of its capital in Emerging Markets Equities as master fund (SFDR Article 8), managed by RAM Active Investment, whose main objective is the selection of shares from emerging or developing countries;
- **Monaction ESG Europe**: this is a European equity fund incorporated under Monégasque law, which has recently been renamed to reflect the development in its management philosophy, with enhanced ESG management criteria; management of the fund is delegated to Mediobanca SGR in exactly the same way as for the Mediobanca ESG European Equity fund which qualifies as an SFDR Article 8 Fund;
- **CMG Monaco Discretionary Asset Management**: CMG Monaco offers CMB Monaco clients the opportunity to invest in discretionary asset management portfolios based on a best-in-class positive screening ESG methodology. The investment profile, although not explicitly configured as compliant with SFDR Article 8 because of its pertinence to the legal environment of the Principality of Monaco, aims to create a main exposure in equity and bond financial instruments, focusing on companies

and states demonstrating exemplary ESG ratings. The profile adopts an active management style. The portfolio is managed on the basis of fundamental financial analyses that integrate ESG ratings obtained from services providers applied in a proprietary process, in addition to the traditional metrics;

- **Discretionary Mandates**: managed via funds (Gestion Par Fonds – GPF) offered to clients, these entail a selection methodology based on ESG. Accordingly, all UCITS funds in the GPF Mandates must be SFDR Article 8 or 9 funds, while the non-UCITS funds must have Morningstar sustainability ratings of 3 "Globes" or higher.

**RAM Active Investments (o RAM AI)** offers ten funds compliant with SFDR Article 8 or 9:

- **RAM Stable Climate Global Equities** (SFDR Article 9) aims to achieve capital appreciation in the medium to long term via a diversified and sustainable portfolio, and has as its main objective to focus on the various aspects of the energy transition and the reduction of carbon emissions, thus contributing to global climate stabilization;
- **RAM European Equities** (SFDR Article 8) incorporates ESG criteria, with a minimum of 75% of the net assets of the fund invested, directly or indirectly through derivative instruments, in shares in companies that have their registered office, or carry out most of their business, or as a holding company hold significant stakes in companies that have their registered offices, in a Member State of the European Union, Norway, Iceland, United Kingdom or Switzerland;
- **RAM Global Equity Income** (SFDR Article 8) takes ESG criteria into account, which will provide a high return over the long term, with at least two-thirds of the net assets of the sub-fund invested in shares in companies that have their registered offices in developed countries as defined by MSCI or FTSE;
- **RAM Emerging Markets Equities** (SFDR Article 8) incorporates ESG criteria, with at least two-thirds of the net assets of the sub-fund invested in the shares of companies that have their registered offices or that carry out most the majority of their business or that are listed in an emerging or developing country in: Latin America, Asia (excluding Japan), Eastern Europe, Middle East or Africa;
- **RAM Market Neutral European Equity** (SFDR Article 8) incorporates ESG criteria and aims to seek capital growth in the medium to long term via a long/short equity portfolio, with at least 75% of the net assets of the sub-fund invested, without sector limitations, directly or indirectly through derivative instruments, in shares in companies that have registered offices, that carry out most of their business, or, as a holding company, hold significant stakes in companies that have their registered offices, in a Member State of the European Union;
- **RAM Market Neutral Global Equity** (SFDR Article 8) incorporates ESG criteria and aims to seek capital growth in the medium to long term via a diversified long/short equity portfolio, while partially or fully limiting exposure to the directional risk of the equity markets through the use of hedging strategies;
- **RAM Global Bond Total Return** (SFDR Article 8) incorporates ESG criteria and aims to seek a positive absolute return in the medium to long term by offering exposure to debt securities of all kinds, money market instruments and currencies, in all geographic areas. Sub-investment grade exposure is limited to 30% of the NAV;
- **RAM Flexible Fund** (SFDR Article 8) aim to seek medium-term capital growth via a diversified, conservative portfolio invested in several asset classes while also incorporating Environmental, Social and Governance criteria. The portfolio is actively managed without reference to a benchmark;
- **RAM NextGen TMF 2028** (an SFDR Article 8 fund) has a target maturity of six years and invests in megatrends, i.e. structural long-term trends, and in Next Generation issues, using a multi-asset and

multi-strategy approach, combining thematic equity, green bonds, liquid alternative investments and hedging strategies with focus on ESG issues.

- **RAM Global Multi-Asset** (Article 8 SFDR): this fund aims to achieve growth in capital over the medium and long term through a diversified investment strategy, including by adopting ESG criteria. The fund is based primarily on high-alpha strategies that generate systematic and tactical fixed-income actions, and divides its activities into four secondary strategies: outright, stock market neutral, outright fixed-income, and risk reduction. The portfolio is managed actively with no reference to benchmarks.

**Polus Capital Management Limited (o Polus)**

Polus offers the **Polus Special Situations Fund (PSSF)**, which qualifies as an SFDR Article 8 fund by virtue of its commitment in relation to ESG integration, ESG engagement and ESG reporting.

Furthermore, the investment process for the whole platform takes account of the sustainability assessments made in accordance with its **ESG Policy** which includes top-down negative screening criteria, excluding companies operating in certain sectors, such as tobacco production and unsustainable palm oil, combined with a fundamental bottom-up approach assessing investments against asset class-specific ESG strategy criteria.

Polus is also committed to **actively promoting** positive change at the companies in which it has a high level of influence and/or control.

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