



MEDIOBANCA

GROUP SUSTAINABILITY POLICY



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1. Introduction

The Mediobanca Group is convinced that fair, transparent and responsible conduct increases and protects its reputation, credibility and consensus over time, all of which are prerequisites to deliver sustainable growth for the business with a view to creating and protecting value for all its own stakeholders.

The Sustainability Policy contributes to the strengthening and implementation of the values of ethics, integrity and responsibility as a form of respect towards people, the environment and society as a whole.

At a Board meeting held on 14 June 2017, the Directors of Mediobanca mandated the Chief Executive Officer to take charge of activities regarding sustainability and the actions to be implemented and monitored, including the institution of a Managerial Committee with business and staff units represented on it.

The Group Sustainability unit reports to the Chief Executive Officer, supporting him in all issues relating to social responsibility and ensuring the Group is positioned correctly on these issues in its various areas of operation.

To define its commitment in this area, the Board has responsibility for approving the Sustainability Policy at Group level, sub-divided into five areas held to be priorities: measures to tackle bribery and corruption, Human Rights, diversity and equal opportunities, environmental issues and responsible investing.

The Policy is based on the primary declarations and regulations issued with respect to the above areas, with the commitment to constantly improve the Group's conduct to ensure that sustainability is an integral part of the strategy and operation of its business.

The Policy applies to the Group as a whole, in all countries in which it operates and in accordance with: the Code of Ethics, the Code of Conduct, the Organizational Model instituted pursuant to Italian Legislative Decree 231/01, and all other policies, guidelines, procedures, directives and provisions related to the areas covered by the Policy, defined at Group and local level.

The Sustainability Policy was approved by the Board of Directors on 3 August 2017; and will be adopted by all the Group companies.



2. Corporate Social Responsibility: Main Areas

2.1. Measures to tackle bribery and corruption

The Mediobanca Group is committed to conducting its business in accordance with the highest ethical standards, and does not tolerate any form of corruption, whether active or passive. The Group operates in compliance with all applicable laws and regulations on this matter.

To ensure compliance with the regulations, the Group prepares its own internal regulations, procedures and controls, drawing inter alia on the regulations in force in the various countries in which it operates; arranges regular training; and carries out checks and audit activities.

The Group acquires and maintains commercial relations solely on the basis of its own offering of services and the specific needs of its clients. It does not engage in any form of conduct which is or could appear to be intended to obtain and/or offer improper advantages.

In this connection, the Group refuses any form of benefit, gift, or value item which could improperly and/or unduly influence the conduct and independence of judgement of the parties involved. The approach it adopts is intended to prevent instances of corruption occurring in the structuring and execution of transactions or commercial agreements.

Coverage of corruption risk is enhanced through the processes of reviewing and selecting suppliers and collaborators, including advisors and interns. With this in mind, it is forbidden for employees to:

- ◆ offer or promise, including indirectly, cash or other value items with the purpose of obtaining an improper or unjust advantage;
- ◆ accept cash or other value items in breach of an employee's own duties versus the Bank or its clients;
- ◆ offer, promise or make, directly or indirectly, payments or compensation, in any form, to induce, facilitate or reward a decision, the performance of an official act or otherwise contrary to the official duties of a public officer or person appointed to perform a public service. The foregoing includes facilitation payments, i.e. payments made with the intention of speeding up an administrative process but without influencing its result.

The Group, by virtue of the close attention it pays to ethical conduct and the integrity of its own operations, is committed to promoting behaviour which is antithetical to corruption, acknowledging the high value which such an approach has for all its own stakeholders and the market in which it operates.

2.2. Human Rights

The Group believes that respect of Human Rights is a fundamental prerequisite to its own sustainability. For this reason it seeks to protect and promote such rights in the conduct of its business, and in particular in the way in which it manages its relations with clients, suppliers and commercial partners, as well as in its relations with its own collaborators.

The Group identifies and assesses the risks related to the protection of internationally recognized Human Rights, in particular in connection with scenarios, situations and operations with the potential for being affected by conflicts or breaches. To this end it seeks to develop relations of trust and mutual satisfaction with its clients, suppliers and commercial partners, and avoids engaging in relations with parties implicated in unlawful activities which could lead to potential breaches of abuses of Human Rights.



The objective of protecting Human Rights is pursued in a variety of ways, including through action to raise awareness of the different issues.

Respect for each collaborator's personality and dignity is fundamental in order to develop a working environment which is based on mutual trust and loyalty, in accordance with all legal obligations in force in every geography and area in which the Group operates.

The Group guarantees respect for diversity and non-discrimination at every stage of each collaborator's working experience; it also safeguards the right and freedom of association and collective bargaining; it guarantees high standards of protection of health and safety in the workplace, seeking to raise awareness of risks and promoting responsible behaviour, including via information and training activities. Protection of workers' health and wellness is achieved by adopting specific programmes of prevention and protection, thereby ensuring that all levels of the company take responsibility for this area.

The Group rejects forced labour and child labour and any form of harassment, whether physical, verbal, sexual or psychological, abuse, threatening or intimidatory behaviour in the workplace, guaranteeing working conditions which are respectful and favourable in the countries in which it operates.

2.3. Diversity and equal opportunity

Valorization of a company's staff is a vital prerequisite in order to tackle the challenges posed by markets. In this scenario, diversity of gender and thought is considered to be an advantage to be leveraged, as a source of cultural and professional enrichment.

Collaboration with people who have different training, experiences and social and cultural capital allows opportunities to be leveraged in optimal fashion in a scenario of ongoing transformation.

The Group believes in the importance of valorizing different perspectives and experiences through promoting an inclusive culture which does not tolerate any form of discrimination. It seeks to foster a working environment in which diversity and personal and cultural perspectives are respected and considered to be key factors of success.

The Group is therefore committed to preventing every form of discrimination, from the selection process right up to the determination of remuneration, from professional development opportunities to the end of the employment relationship.

It guarantees that all its collaborators are treated without distinction, exclusion, restriction or preference, whether direct or indirect, based on their: age, gender, sexual orientation, civil status, religion, language, ethnic or national origins, physical or mental disabilities, state of pregnancy, maternity or paternity (including as a result of adoption), personal convictions, political opinions, and/or trade union affiliation or activities.

As far as regards diversity policies for the governing, management and control bodies, the Mediobanca Group makes provision in its Articles of Association for members of the Board of Directors to be reserved to the least represented gender, to the number provided by law, and for all Directors to possess the required personal and professional qualifications to hold office, which in the latter case means to undergo a specific training and professional preparation programme as laid down in specific guidance issued by the Board of Directors. As far as the Statutory Audit Committee is concerned, lists submitting three or more candidates for appointment are required to comply with the gender balance at least in the number provided by law.



2.4. Environmental Issues

The Mediobanca Group is sensitive to the need to protect the environment as the primary resource of human well-being, and its decisions are geared towards ensuring compatibility between economic initiative and environmental requirements in accordance with the regulations and codes of conduct in force.

The Group acknowledges its impact on the environment, direct and indirect, and seeks to promote sustainable business through its own initiatives intended to limit impact related to its business.

The Mediobanca Group identifies and assesses the risks linked to impact on the environment due to the functioning of its offices, and undertakes to limit such impact by:

- ◆ ongoing monitoring and improvement of environmental efficiency, with reference in particular to the consumption of resources;
- ◆ developing initiatives to improve energy management, including by sourcing energy from renewable sources and through the use of innovative, lower-impact technologies and solutions;
- ◆ rationalization of use of resources (e.g. paper and water);
- ◆ improvement in waste management by using sustainable disposal methods where possible;
- ◆ maintenance of properties and equipment so as to progressively improve environmental performances;
- ◆ prior assessment of the environmental impact of the new processes, new systems/equipment, and structural and organizational changes.

The Mediobanca Group is also aware of the indirect impact of its own operations, i.e. as a result of its lending or investment activities. From this standpoint it seeks to perfect its processes and conduct to ensure that the environmental impact deriving from them is reduced.

2.5. Responsible Investing

Responsible investment policies and good corporate practices help to build confidence on the part of investors and markets as well as to strengthen the Bank's reputation.

Ensuring that environmental, social and governance criteria (ESG) are suitably integrated into the investment and lending processes is a key factor in pursuing the creation of value in social and environmental as well as earnings and financial terms.

The commitment entered into via the Policy represents the starting point for a defining a process whereby assessment of not only financial but also environmental and social factors underpins investment and lending decisions.

The Group adopts an approach which is aimed at identifying, assessing, preventing and reducing potential risks deriving from investments and loans to counterparties involved in serious events which impact negatively on the environment, human rights and workers' rights, bribery and corruption and terrorism. Investment activities potentially not in line with the principles outlined in the most recognized international standards are also excluded.

In this scenario, the Group undertakes not to invest in or lend to counterparties or activities considered to be a serious risk to either the environment or society.