MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

Consolidated Non-Financial Statement

GRI 2-1 GRI 2-2

Banca Monte dei Paschi di Siena S.p.A. (hereinafter "BMPS" or "Banca MPS"), with registered office at Piazza Salimbeni 3, Siena, is a listed joint-stock company, tax code and registration number in the Arezzo-Siena Company Register 00884060526, MPS VAT Group-VAT number 01483500524. It is the Parent Company of the Montepaschi Group, Bank code 1030.6-Group Code 1030.6, registered with the Banca d'Italia Register under no. 5274, member of the Italian Interbank Deposit Protection Fund and of the National Guarantee Fund.

Banca Monte dei Paschi di Siena S.p.A. is a bank with shares listed on the Euronext Milan regulated market organised and managed by Borsa Italiana S.p.A.. **The BMPS share is part of the FTSE MIB.**

The Bank carries out its banking activities through various forms of funding and credit management in Italy and abroad. It can perform all transactions and banking and financial services permitted by the applicable regulations, establish and manage complementary pension funds, and carry out any other transaction instrumental for, or in any case, connected to the achievement of the company purpose.

The reporting scope of the 2023 Consolidated Non-Financial Statement of the Montepaschi Group (hereinafter the "Group") includes the Parent Company and the other Group companies: Wise Dialog Bank S.p.A. (Banca Widiba) and Monte Paschi Fiduciaria S.p.A.. Please refer to the Methodological Note (chapter 4.1 of this document) for details on the reporting scope.

MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

Contents

Guide to reading the report

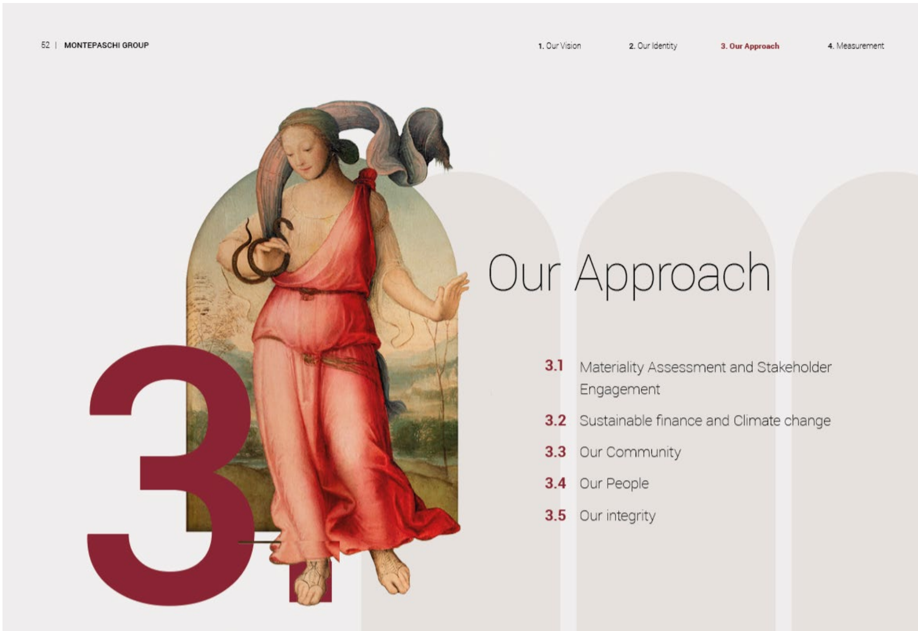
The following report includes the non-financial disclosure of the Monte Paschi Group, providing a detailed overview of the activities, policies, social and environmental impacts and governance aspects relating to FY 2023. Below please find guidance on how to read the report.

1

COVER PAGES
The report has:

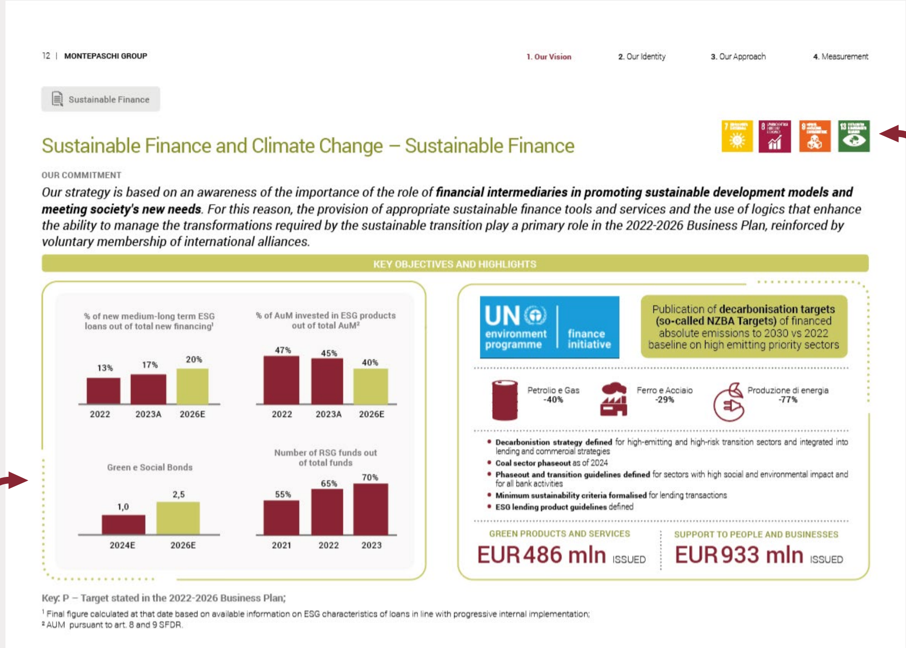
4 chapters:
1. Our Vision
2. Our Identity
3. Our Approach
4. Measurement

Each of these is introduced by a page showing the number and name of the chapter, the table of contents included in the pages that follow and, top right, a bar to help in navigating around the document.



List of chapters

Table of contents for the chapter in question


12 | MONTEPASCHI GROUP 1. Our Vision 2. Our Identity 3. Our Approach 4. Measurement

Sustainable Finance

Sustainable Finance and Climate Change – Sustainable Finance

OUR COMMITMENT

*Our strategy is based on an awareness of the importance of the role of **financial intermediaries in promoting sustainable development models and meeting society's new needs**. For this reason, the provision of appropriate sustainable finance tools and services and the use of logics that enhance the ability to manage the transformations required by the sustainable transition play a primary role in the 2022-2026 Business Plan, reinforced by voluntary membership of international alliances.*

KEY OBJECTIVES AND HIGHLIGHTS

- **Decarbonistion strategy defined** for high-emitting and high-risk transition sectors and integrated into lending and commercial strategies
- **Coal sector phaseout** as of 2024
- **Phaseout and transition guidelines defined** for sectors with high social and environmental impact and for all bank activities
- **Minimum sustainability criteria formalised** for lending transactions
- **ESG lending product guidelines** defined

GREEN PRODUCTS AND SERVICES EUR 486 mln ISSUED

SUPPORT TO PEOPLE AND BUSINESSES EUR 933 mln ISSUED

Key: P – Target stated in the 2022-2026 Business Plan;

[1] Final figure calculated at that date based on available information on ESG characteristics of loans in line with progressive internal implementation;
[2] AUM pursuant to art. 8 and 9 SFDR.

Link to the relevant SDG material topic

Main results and objectives of the material topic

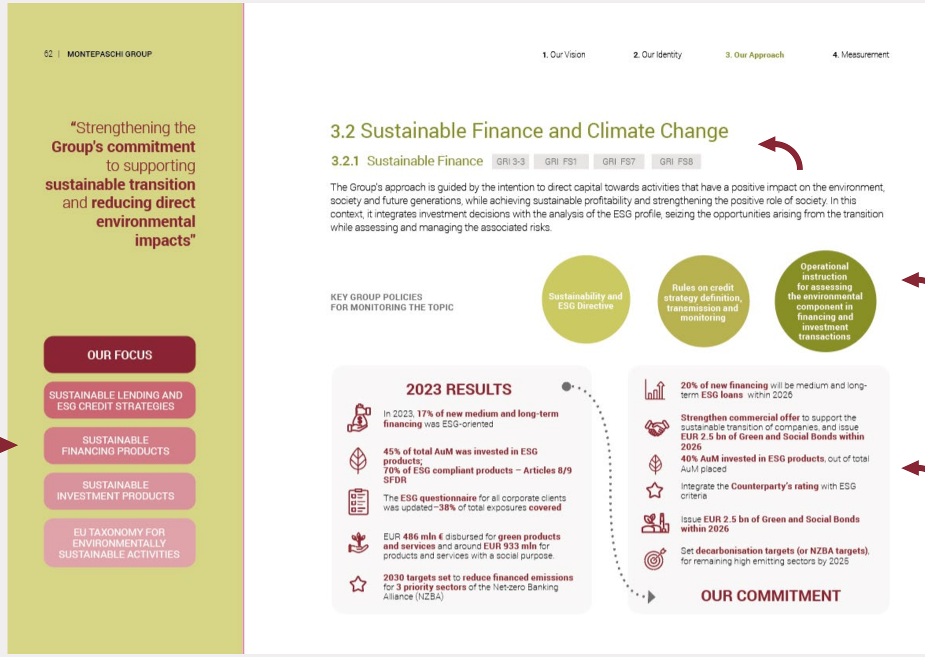
2

EXECUTIVE SUMMARY

Chapter 1 presents the executive summary, which outlines the key points of the Group's ESG strategy and commitments contributing to sustainable development. The executive summary also has a page for each material topic, indicating the most significant objectives and highlights.

3

DATASHEET FOR THE TOPIC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"Strengthening the **Group's commitment** to supporting **sustainable transition** and **reducing direct environmental impacts**"

OUR FOCUS

SUSTAINABLE LENDING AND ESG CREDIT STRATEGIES

SUSTAINABLE FINANCING PRODUCTS

SUSTAINABLE INVESTMENT PRODUCTS

EU TAXONOMY FOR ENVIRONMENTALLY SUSTAINABLE ACTIVITIES

3.2 Sustainable Finance and Climate Change

3.2.1 Sustainable Finance GRI 3-3 GRI FS1 GRI FS7 GRI FS8

The Group's approach is guided by the intention to direct capital towards activities that have a positive impact on the environment, society and future generations, while achieving sustainable profitability and strengthening the positive role of society. In this context, it integrates investment decisions with the analysis of the ESG profile, seizing the opportunities arising from the transition while assessing and managing the associated risks.

KEY GROUP POLICIES FOR MONITORING THE TOPIC

2023 RESULTS

- In 2023, **17% of new medium and long-term financing** was ESG-oriented
- **45% of total AuM was invested in ESG products; 70% of ESG compliant products – Articles 8/9 SFDR**
- The **ESG questionnaire** for all corporate clients was updated – **38%** of total exposures **covered**
- EUR **486 mln €** disbursed for **green products and services** and around **EUR 933 mln** for products and services with a social purpose.
- **2030 targets set** to **reduce financed emissions** for **3 priority sectors** of the Net-zero Banking Alliance (NZBA)

- **20% of new financing** will be medium and long-term **ESG loans** within 2026
- **Strengthen commercial offer** to support the sustainable transition of companies, and issue **EUR 2.5 bn of Green and Social Bonds within 2026**
- **40% AuM invested in ESG products**, out of total AuM placed
- Integrate the **Counterparty's rating** with ESG criteria
- Issue **EUR 2.5 bn of Green and Social Bonds within 2026**
- Set **decarbonisation targets (or NZBA targets)**, for remaining high emitting sectors by 2026

OUR COMMITMENT

GRI indicators reported in the paragraph

Titles of paragraphs covered in the material topic

Our vision

1.1 Letter to stakeholders

GRI 2-22

We are committed to renewing our longstanding dedication to sustainable development and directing investments towards creating a social, environmental and governance framework that generates tangible long-term value for all stakeholders.

The ongoing global transformation is characterised by an increasingly interconnected world, supported by technological innovation and oriented towards sustainable growth, where environmental and social awareness guides decisions and actions towards a more equitable future.

This new context calls for a holistic perspective, a long-term vision and a growing commitment to addressing new challenges in order to achieve development that "meets the needs of the present without compromising the ability of future generations to meet their own needs" (source: Our Common Future - Brundtland Report).

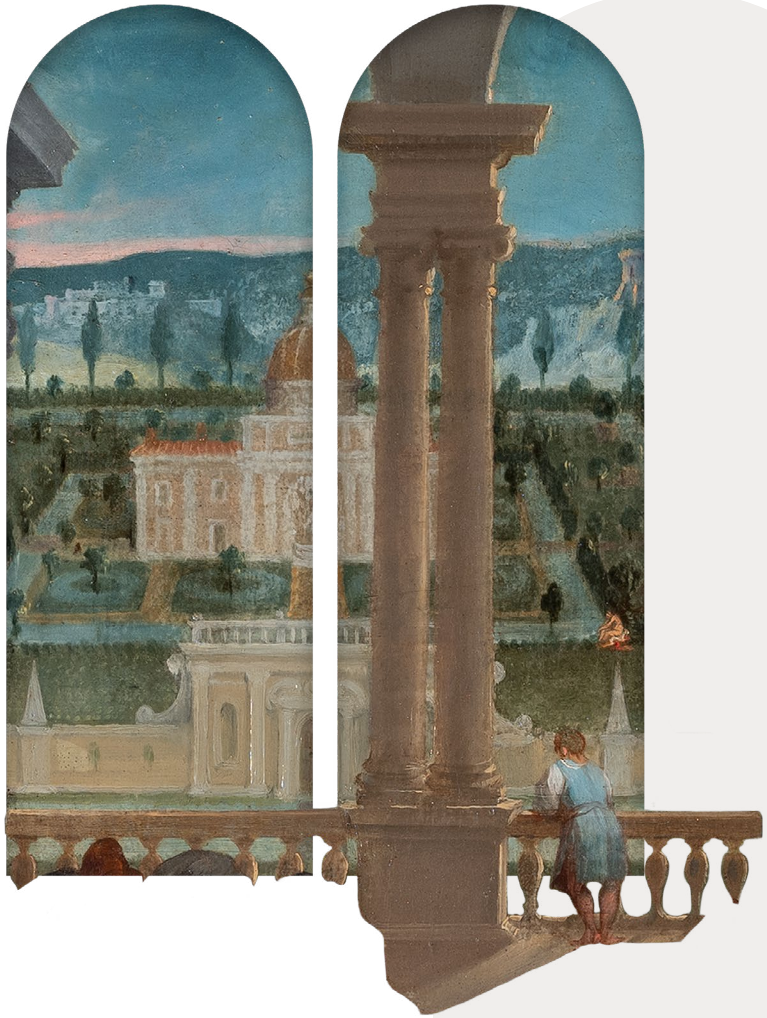
The Montepaschi Group, aware of its role and strengthened by achieved economic results that confirm its ability to generate solid profitability and create value for all stakeholders, has vigorously pursued integrating ESG factors into its corporate strategy, business model and processes over the past year. This effort is also aimed at supporting the transition of its customers and territories towards a more environmentally and socially sustainable development model.

We want to seize the opportunities offered by the transition to more sustainable practices, focusing on climate change, consolidating our positive social role, contributing to the development of our customers, the environment and society, while also managing the risks involved.

The well-being of our customers and territories remains our guiding star.
During 2023, the Group strengthened its commitment to decarbonise its portfolio, in line with the EU Green Deal and the commitments made by joining the Principles for Responsible Banking and the Net Zero Banking Alliance.

Specifically, in August 2023, in line with the NZBA agenda, interim emission reduction targets were set for the three most emission-intensive sectors, together with their decarbonisation strategy, with the aim of achieving net zero emissions by 2050.

Additionally, we intend to support businesses and households along the transition path by developing a broader range of sustainable finance offerings and formalising guidelines on ESG products.



The **well-being** of our **customers** and **territories** remains **our guiding star**.

Examples of our commitment to supporting sustainable economic growth and addressing climate change include:

- *continued support for the primary sector, particularly the agri-food chain, through a network of specialised centres across the country, as well as advisory services and solutions inspired by the European Green Deal, with disbursements of around EUR 0.8 billion;*
- *a gradual increase in new disbursements towards ESG initiatives to 17% of total new disbursements (exceeding the 10% target set for 2024), also in favour of companies that can benefit from the opportunities offered by the PNRR;*
- *consolidation of the proportion of AUM invested in ESG products to 46% of the total (exceeding the 30% target by 2024) and an increase in the commercial offering of ESG-compliant investment products, currently at 70%;*
- *internal initiatives aimed at raising awareness and reducing environmental impact, achieving a 71% reduction in direct emissions compared to 2017, a 33% reduction in electricity consumption, and continuing to use 100% renewable energy.*

To achieve these goals, we have further enhanced our corporate governance by introducing ESG objectives into variable remuneration and performance reviews for all employees. Significant progress has also been made in the area of Diversity and Inclusion:

- *Gender equality certification and adoption of Gender Equality policies and rules on preventing and countering gender-based harassment in the workplace;*
- *A Board of Directors with 50% women and 37% of management positions held by women, with the aim of increasing this latter figure to 40% by 2026.*

The path taken and actions implemented by the Montepaschi Group to promote sustainable business models have also led to a significant improvement in the ratings received from ESG rating agencies.

We recognise that achieving significant change, especially over long and uncertain periods, depends first and foremost on decisions made in the present and a growing commitment to transparent reporting. We hope that this report provides you with a full and complete description of our approach and the journey we have taken so far – and which we will continue with great determination.

Pleasant reading,

Chairperson

Chief Executive Officer

1.2 Executive Summary: The Group's strategy and results

Renewing our longstanding commitment to sustainable development and directing investments towards creating a social, environmental and governance framework that generates tangible long-term value for all stakeholders have always char

The Group views sustainable success as an important guiding principle and is committed to taking long-term sustainability and the interests of its stakeholders into account when defining the Group's strategic objectives, monitoring their implementation and adjusting organisational structures, risk management and remuneration policies, while at the same time pursuing commercial profitability.

The MPS Group is aware of the increasingly active and decisive role of the banking system in directing capital towards projects and businesses that promote environmental and social sustainability, and is driven by the desire to consolidate the positive role it plays, with a view to continuously transforming and evolving to meet the broader global challenges.

To this end, a structured process involving all Corporate Functions has been put in place to progressively integrate ESG aspects into well-defined strategies, credit and commercial policies, and related tools and procedures, ensuring their effective implementation and integration into the related risk management and monitoring of environmental and social impacts.

The achievement of the strategic objectives in the area of ESG (Environmental, Social, Governance) and the structured integration path, covering the four areas of the ESG framework - Strategy & Governance, Business Model, Risk & Regulation, and Reporting & Communication - is entrusted to the Sustainability Plan and its Implementation Programme to ensure an integrated vision and strategic coherence.

The ESG Plan and Programme, with its own project and hierarchical structure, is divided into eight distinct project areas, involving some seventy resources from across the Corporate Functions. Regular updates are provided to the ESG Committee and the Board of Directors.

During 2023, the Group implemented the actions already identified and continues to focus on developing further actions that are already at an advanced stage of implementation. Key achievements in 2023, detailed in this report, include:

- Defining and introducing clear actions to support transition and decarbonisation, translating into well-defined credit and commercial guideines;
- Setting decarbonisation targets for the loan portfolio (known as NZBA targets) for high emitting priority sectors;
- Expanding the commercial offering of financing products and services, as well as processes to support and consolidate support for transition;
- Further structuring the range of financing products and services for the primary sector that is crucial at national level and reflects the Group's strong local roots and proximity to communities;
- Integrating the **Mifid Questionnaire**, published in October, with questions on customers' preferences on ESG issues related to their investments, and expanding the commercial offering of ESG-compliant investment products;
- **Remuneration policies** that incorporate an ESG assessment KPI within the short-term variable incentive system;
- **Gender equality certification** in December and introducing **policies and rules on preventing and countering gender-based harassment in the workplace.**

Group ESG Framework

ESG Programme Project Areas

SPONSOR
CFO/CRO

STEERING COMMITTEE

ESG PROGRAMME

PMO

STRATEGY & GOVERNANCE

ESG GOVERNANCE
- Definition of NZBA goals
- Definition of exclusion policies

HR ESG
- Introduction of ESG cirtiera in Variable Remuneration and in the Talent & Performance Management system
- Diversity & Inclusion
- Training on ESG culture and career guidance programmes

DATA GOVERNANCE
- Creation of a specific ESG data environment to support project developments and related activities

BUSINESS MODEL

GREEN, SOCIAL & SUSTAINABILITY BOND
- Issuing and placement of a Green, Social & Sustainability Bond

POLICIES AND COMMERCIAL PRODUCTS
- Entry of specific ESG financing solutions for companies and individuals in the product catalogue

ESG – DISTRIBUTION MODEL
- Compliance with the transposition of European legislation on sustainability reporting in the financial services sector

SUSTAINABLE LENDING
- Integration of ESG factors and logics into credit strategies, processes and standards

RISK & REGULATION

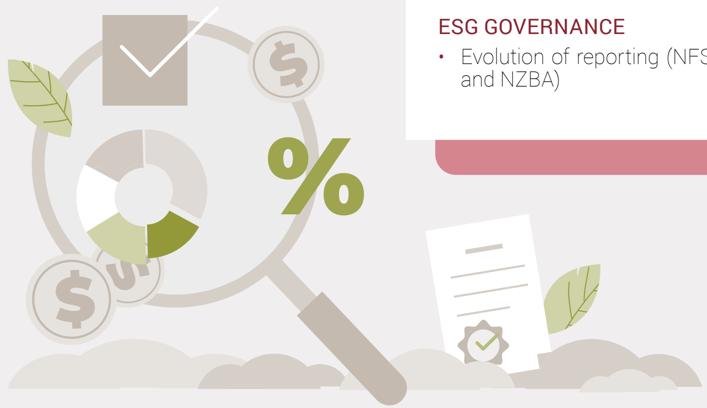
ESG RISK ACTION
- Identification and measurement of climate-related and environmental risk factors and gradual integration into the Group's Risk Management Framework;

REPORTING & COMMUNICATION

ESG RISK ACTION
- Disclosure Pillar 3 ESG

ESG – DISTRIBUTION MODEL
- Adjustments regarding transparency towards Customers on investment products (SFDR)

ESG GOVERNANCE
- Evolution of reporting (NFS, PRB and NZBA)



8 PROJECTS

29 MODULES

70 RESOURCES INVOLVED

Our commitment to support sustainable development and ecological transition, summarised in the strategic goals of the Business Plan, will guide our activities.

These commitments and goals for each ESG pillar and for each material topic were identified through impact materiality assessment and are described in the document. A summary of the main activities, the results achieved in 2023 and the contribution to the SDGs (Sustainable Development Goals) is provided below.

OUR COMMITMENT	OUR KEY OBJECTIVES FOR 2022-2026	REPORTING
SUSTAINABLE FINANCE AND CLIMATE CHANGE Strengthen the Group's commitment to supporting sustainable transition and reducing direct environmental impacts	• **NZBA targets on high emitting sectors** • **EUR 2.5** billion in **Green and Social Bonds (of which EUR 1 billion by 2024)** • **20% new medium-long term ESG loans** out of total new lending • **40%** of **AuM** invested in ESG products	SUSTAINABLE FINANCE
	• 60% **reduction of Scope 1 emissions** (vs. 2017) • Maintain 100% **electricity from renewable sources** • >90% Adoption of **digital signature** and >70% Digitalised communications	DIRECT ENVIRONMENTAL IMPACT
OUR COMMUNITY Make a positive impact by ensuring opportunities for digital development and sustainable growth for all customers, territories and communities.	• Acceleration of **PNRR-related programmes** and programmes targeted at households and SMEs • Improve **Customer experience and support services** • Invest in digital and **increase digitalisation** to improve commercial product offering • Nationwide roll-out of the **MPS Orienta** programme	CUSTOMERS RELATIONS AND DIGITALISATION CULTURE AND COMMUNITY
OUR PEOPLE Protect and develop the potential of human capital in an inclusive environment	• **Incorporate ESG** into the performance review process for all employees • Promote ESG culture with **ESG training and awareness programmes** for all employees • **40% women in management positions** • Formalise **Anti-harassment policy and Gender Equality Certification** UNI/PdR 125:2022	PROTECTION AND DEVELOPMENT OF HUMAN RESOURCES DIVERSITY & INCLUSION
OUR INTEGRITY Promote governance that fosters customer and stakeholder relationships based on accountability and transparency	• Achieve objectives related to voluntary membership of **PRB and NZBA** • Full **integration of ESG criteria into strategic, management and risk management processes** • **Develop monitoring of ESG KPIs** with the creation of dedicated dashboards • Include ESG KPIs in Variable Remuneration	GROUP SUSTAINABILITY GOVERNANCE RESPONSIBLE SUPPLY CHAIN MANAGEMENT
	• **>18% CET1 Ratio Fully Loaded** as of 2024 • **EUR 705 mln pre-tax net profit** in 2024 and **EUR 909 mln pre-tax profit** in 2026 • Commercial revenues of ~ EUR **424 mln within 2024 and** ~EUR **612 mln within 2026**	SOLIDITY AND ECONOMIC PERFORMANCE AND BUSINESS INTEGRITY

Sustainable Finance

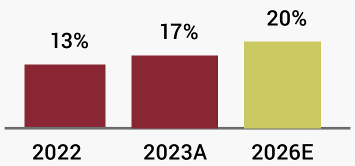
Sustainable Finance and Climate Change – Sustainable Finance

OUR COMMITMENT

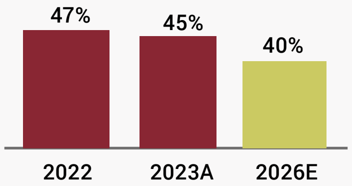
Our strategy is based on an awareness of the importance of the role of ***financial intermediaries in promoting sustainable development models and meeting society's new needs****. For this reason, the provision of appropriate sustainable finance tools and services and the use of logics that enhance the ability to manage the transformations required by the sustainable transition play a primary role in the 2022-2026 Business Plan, reinforced by voluntary membership of international alliances.*

KEY OBJECTIVES AND HIGHLIGHTS

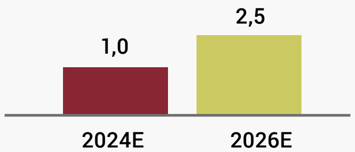
% of new medium-long term ESG loans out of total new financing[1]



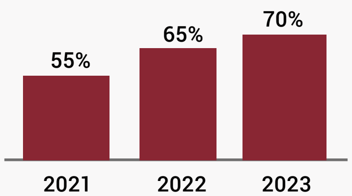
% of AuM invested in ESG products out of total AuM[2]



Green e Social Bonds



Number of RSG funds out of total funds



UN environment programme | finance initiative

Publication of **decarbonisation targets (so-called NZBA Targets)** of financed absolute emissions to 2030 vs 2022 baseline on high emitting priority sectors

Oil & Gas -40%

Iron & Steel -29%

Power Generation -77%

- **Decarbonistion strategy defined** for high-emitting and high-risk transition sectors and integrated into lending and commercial strategies
- **Coal sector phaseout** as of 2024
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- **Minimum sustainability criteria formalised** for lending transactions
- **ESG lending product guidelines** defined

GREEN PRODUCTS AND SERVICES

EUR 486 mln ISSUED

SUPPORT TO PEOPLE AND BUSINESSES

EUR 933 mln ISSUED

Key: P – Target stated in the 2022-2026 Business Plan;

[1] Final figure calculated at that date based on available information on ESG characteristics of loans in line with progressive internal implementation;

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Direct environmental impact

Sustainable Finance and Climate Change – Direct Environmental Impact

OUR COMMITMENT

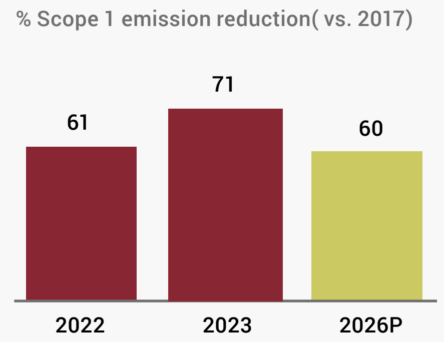
*Reducing direct environmental impact by **minimising Scope 1 emissions** and sourcing **100% of our electricity from renewable sources** are some of the **environmental goals of our Plan**, which is increasingly focused on **digitising processes** and **combating climate change**.*

KEY OBJECTIVES AND HIGHLIGHTS

ISO 14001 (Environmental Management System) certified for over 20 years

Since 2012, **100% of the Group's electricity** has come from **renewable sources** (scope 2 market- based 0 t.CO2e)

In 2023, the Group utilised **100% recycled paper for internal use** and **82% environmentally friendly paper for external use** with an overall **49% reduction in paper usage** vs. 2017



- **40%** reduction in **natural gas consumption vs 2017**
- **60%** reduction in **heating oil** and car fleet **consumption vs 2017**
- carbon offset initiatives

Scope 2
LOCATION BASED
(-44% VS 2017)

- **33% reduction in electricity consumption vs. 2017** thanks to energy efficiency projects.
Following initiatives joined:
M'Illumino di Meno
International Energy Saving Day

Key: P – Target stated in the 2022-2026 Business Plan

Digitalisation and IT security

Relations with Customers and strong link to the local area

Our Community – Customer Relations and Digitalisation

OUR COMMITMENT

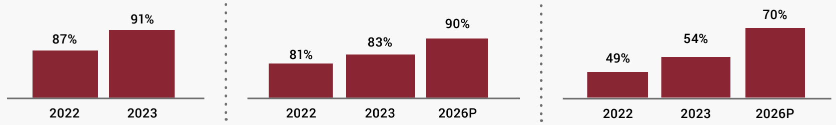
Our business model puts **customers** *and local* **SMEs at the centre**. *We seek to respond to the challenges that* **digitalisation** *and* **IT security pose** *for our network through continuous innovation and by listening to our customers: this is the only way to identify new opportunities at an early stage and to meet the new needs of* **the community**.

KEY OBJECTIVES AND HIGHLIGHTS

DIGITAL BANKING TRANSACTIONS[3]

CUSTOMERS WITH DIGITAL SIGNATURE

DIGITALISED COMMUNICATIONS FOR CUSTOMERS



Three-year Logical Security Plan with 30 projects defined based on the guidelines of the **NIST Cybersecurity framework**[4]:

IDENTIFY | PROTECT | DETECT | RESPOND | RECOVER

BANCAWIDIBA

Strengthening the quality of customer relationships

4.8/5%
(VS 4/5 IN 2022) RATING FOR ONLINE PRODUCTS AND SERVICES

93.5/100
NET SATISFACTION SCORE 2023

56
NET PROMOTER SCORE VS. SECTOR AVERAGE OF 30

"MPS Banca Verde AgriDOP" to provide tailored advice to companies operating in the "Dop Economy" sector

15 Agrifood centres across the country helping customers in the Agriculture sector to upgrade, improve energy efficiency and modernise machinery

EUR 777 mln in new disbursements to the agri-food sector in 2023 on top of EUR 700 mln in 2022

Key: P – Target stated in the 2022-2026 Business Plan;

[3] % Nr. of digital banking transactions/total customer transactions with Digital Banking enabled;
[4] NIST Cybersecurity Framework– guidelines provided by the National Institute Statistic & Technology to improve information security and cybersecurity risk management.

Culture and Community

Our Community – Culture and Community

OUR COMMITMENT

Art, culture and the community that benefits from them *are all aspects that our Group has valued since its inception. In fact, through an ongoing dialogue with the community and local territories, the MPS Group seeks to share its* ***artistic heritage, knowledge and financial support*** *to contribute to informed choices.*

PRINCIPALI OBIETTIVI E HIGHLIGHTS

FINANCIAL EDUCATION

INITIATIVES FOR RELATIONSHIP MANAGERS

100 meetings/webinars

"Flash Mercati"; Digital B2B

INITIATIVES FOR CUSTOMERS AND MEETINGS IN THE BRANCH NETWORK

Private customer events

WIDIBA customer events

SOCIAL CHANNELS

Rubrica #MpsEdu
#OttobreEduFin

PARTNERSHIPS AND COLLABORATIONS
UNIVERSITÀ CATTOLICA DEL SACRO CUORE

PROFESSIONAL DEVELOPMENT

MPS ORIENTA

56 INTERNSHIPS

Collaborations with over 30 Universities and schools for graduates and undergraduates
Collaboration with Unitelma for Group employees

MPS SCUOLA/LAVORO

7 SCHOOLS IN 7 REGIONS

157 STUDENTS INVOLVED FOR 8,635 PROJECT HOURS

BRANCH NETWORK EVENTS

MONTE DEI PASCHI DI SIENA BANCA DAL 1472

«Open Bank» DURING THE PALIO HORSERACES

PARTNERSHIP FOR Wine&Siena

SUPPORTING THE Literature Festival

THE SIENA 4TH CONFERENCE ON THE FUTURE OF EUROPE

OVER 80 PARTECIPAZIONI IN CONFERENCES/WORKSHOPS/LECTURES

ARTISTIC HERITAGE

EXHIBITION OF 1 PAINTING "SIENA" BY DEPERO «OPEN BANK» PROJECT

6 LOANS of 17 ARTWORKS to museums and foundations e fondazioni

13 RESTORATIONS of artworks
19 archive consultations

Support for **cultural initiatives,** by leveraging the expertise of the branch network

Protection of human resources

Human resource development

Our People – Development and Protection of Human Resources

OUR COMMITMENT

*As a Group, we firmly believe that **developing, valuing and protecting our people** are essential elements in **supporting the economic and sustainable growth of our business**. Promoting work-life balance, improving employee welfare and implementing structured training programmes are an inseparable part of our DNA.*

KEY OBJECTIVES AND HIGHLIGHTS

16,552 employees
AT THE END OF 2023

Launch of **language learning programme and digital library** for employees and family members

Inclusion of **ESG** component into the **performance appraisal process for all employees**

FITPRIME Wellbeing Programme

1. THERAPY
Mental and emotional well-being

2. SMART
Free online training

3. Nutrition
Nutrition care

THE MPS TRAINING AND DEVELOPMENT PROGRAMMES

MPS ACADEMY | **MPS SVILUPPA**

5 TRAINING COURSES AND WORKSHOPS
on specific ESG issues

2 SUSTAINABILITY AWARENESS INITIATIVES
+
23 NEW COACHING COURSES
to support management development, in addition to the **68** courses activated in 2022

2,000
PEOPLE INVOLVED IN RETRAINING
to support internal mobility and employee development

4
MAJOR PROJECTS
major projects dedicated to professional development

Diversity & Inclusion

Our People – Diversity & Inclusion

OUR COMMITMENT

The diversity of our Group *is our wealth: we believe that it is only through the free expression of differences, the enhancement of the characteristics of each colleague, and inclusiveness that we can achieve continuous* ***improvement in our working environment and in the mental and physical well-being of our collaborators****.*

KEY OBJECTIVES AND HIGHLIGHTS

UNI/PDR 125:2022 GENDER EQUALITY CERTIFICATION

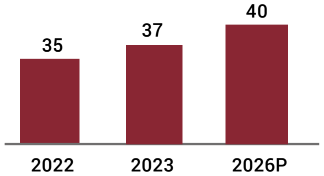
Formalisation of the **Gender Equality Management System** which defines objectives and actions with specific indicators.

Introduction of the **Gender Equality Policy** and Rules to **prevent and counter gender-based harassment** in the workplace

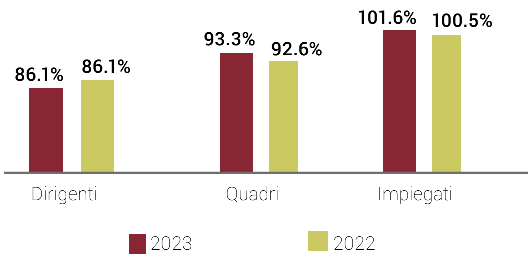
Definition of a **D&I Organisation Function**

ESG Session of the Committee **approves and monitors the Gender Equality Action Plan**

% of women in roles of responsibility



% Pay Gap



PARTICIPATION IN THE ABI

PARTICIPATION IN THE ABI WOMEN'S CHARTER WORKING GROUP AND PARTICIPATION IN THE D&I IN FINANCE PROJECT

PARTNERSHIP WITH Valore D

ATTIVITÀ DI D&I

- **Plural Management** Project (344 mangers involved)
- Women Leadership **Programme (509 female managers** involved since 2021)
- Courses: **«Unconscious bias»**, «Countering harassment»
- **Intranet section dedicated to D&I**
- **New-hire training on D&I**
- **Inclusion week**
- **Disability Lab** meetings

Key: P – Target stated in the 2022-2026 Business Plan;
*** Pay Gap: Ratio of women's pay to men' s pay**

Sustainability Governance

Our Integrity – Sustainability Governance

OUR COMMITMENT

Integrated and effective sustainability governance ensures that ESG strategy is consistent, measurable and aligned with long-term shared value creation, while promoting transparency, accountability and the progressive integration of ESG principles into the company's decision-making processes.

KEY OBJECTIVES AND HIGHLIGHTS

ESG strategy integrated into the 22/26 Business Plan, and most of the initiatives from the **8 project areas of the ESG programme** have been implemented across the **five pillars of the ESG framework** that the Group intends to develop.

- Strategy
- Governance
- Business Model
- Risk & Regulation
- Reporting & Comunication

Updating of the ESG Programme with **new project** strands focusing on the:

- implementation of the **CSRD**
- **diversification of ESG commercial offerings and services** in line with **NZBA targets and the Taxonomy**
- **integration of non-climate risks** into the **Risk Management Framework**
- tracking of **regulatory developments** in this area

- **Extended application of ESG KPIs** to determine **variable renumeration**
- Holistic Group **sustainability strategy and management policy integrated with phaseout and transition guidelines for all Group activities**
- Explicit reference to sustainability directly in the **Bank's By-Laws**
- Definition of **lending strategies and commercial approaches differentiated by sector** (environmental and social and impact) and **exposure to climate risks**
- Integration of **ESG strategies into commercial planning**
- Ongoing **direct dialogue with the Board and external stakeholders** on issues regarding **Sustainability, ESG risks and ESG lending strategies**
- Overall improvement in ESG ratings

Solidity and economic performance

Integrity in business conduct and the fight against corruption

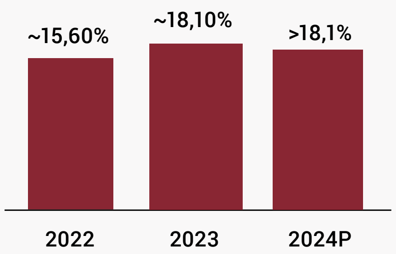
Our Integrity – Financial Performance and Integrity of Business Conduct

OUR COMMITMENT

*The **financial soundness of our business** and **the corporate integrity** that underpins our processes are two closely related aspects on which the Group places a strong focus: **they are necessary** to promote the stability of our employees and the financial-economic system, to enhance the confidence of our customers and to ensure a safe environment for our employees.*

KEY OBJECTIVES AND HIGHLIGHTS

Solid Capitalisation:
>18% Fully loaded CET1 Ratio



EUR 1.25 billion
Economic value distributed to collaborators and employees

EUR 2.05 billion
Net profit:

..thanks to solid operating performance:
+93.2%

.. and reduced legal risks:
Net releases of
- 466 mln in 4Q23

Ongoing training on anti-corruption, whistleblowing and the 231 Management Model

99% of employees
have received specific anti-corruption training:

Board Induction for the BoDs of the Parent Company and Subsidiaries on the Administrative Liability of Companies and the Structure of the 231 Models

Development of an internal audit ESG framework aimed at:

- implementing a structured and cross-cutting approach to ESG controls across the entire Internal Audit Function;
- promoting the dissemination of ESG culture and support auditors in ESG audit activities and the identification of controls to be performed

Key: P - Target stated in the 2022-2026 Business Plan

Responsible supply chain management

Our Integrity – Responsible Supply Chain Management

OUR COMMITMENT

Crediamo che collaborare con fornitori che rispettano criteri ambientali e sociali sia fondamentale per ridurre l'impatto in questi ambiti: come clienti cerchiamo perciò di porre particolare enfasi sui criteri ESG, integrandoli nei nostri processi di qualifica e selezione.

KEY OBJECTIVES AND HIGHLIGHTS

GRI 308-1 e 414-1

100% of new suppliers have been assessed for compliance with:

- **environmental and social criteria**;
- **pre-defined requirements in terms of economic soundness, competitiveness and quality**;
- the **Group's anti-corruption policies and procedures** formally referenced in **Contracts and General Purchasing Conditions**;
- **the minimum sustainability criteria** established by the Group, in accordance with the **Code of Ethics** and the relevant international, European and national **agreements** to which the Group adheres.

Our suppliers hold these certifications:

ISO 9001:2015	ISO 14001:2015	ISO 45001:2018	SA 8000
70%	32%	26%	10%

As part of the **European Green Deal**, further initiatives have been identified to ensure transparent and comprehensive reporting on the entire value chain, **in line with the CSRD**.

Universal Declaration of **Human Rights of the United Nations (OIL)**

Global Compact and **Principles for Responsible Banking**

1.3 MPS Group's contribution to the Agenda 2030

The Group used the SDG Compass, the tool developed by UN Global Compact, GRI and the World Business Council for Sustainable Development, to examne the contribution it could make to achieving the Sustainable Development Goals. The SDGs identified were associated with the material topics of the MPS Group and its stakeholders, and 13 Sustainable Development Goals were selected. The Group considers its contribution to achieving these goals as a priority commitment.

SDGs	MATERIAL TOPICS	MPS GROUP'S MAIN INITIATIVES
 *Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all*	**Culture and Community** **Development of human resources**	**Sustainable products with social value (Target 1.4)** During 2023, the MPS Group continued to develop target Customers through specific products designed to bring groups closer to the world of finance and help economic recovery in certain areas. For example, support continued for companies located in national territories considered disadvantaged, to increase their productivity and competitiveness, thanks to an agreement between the Bank and the European Investment Fund. **Accessibility of financial services (Target 1.4)** The Group plays a major role in guaranteeing the accessibility of financial services to all segments of the population: 100% of ATMs are accessible to people with functional limitations and various forms of disability. Furthermore, the Group uses assistive technologies on the market to make sites and apps readable through Screen Reader and rotor integrated into smartphones.
 *Ensure healthy lives and promote well-being for all at all ages*	**Customer relations and strong link to the local area** **Protection of human resources**	**Partnership with AXA (Target 3.8)** The initiative associated with the partnership with AXA to meet the needs arising during the pandemic, was extended throughout 2022 until May 2023. A free Health Card was donated to all customers with at least one active policy, while a number of specific services related to the Covid-19 pandemic were set up for all customers with a 360 Assistance guarantee. **Occupational health and safety (Target 3.d)** Information and training activities on occupational health and safety are of particular importance to the Group; for this reason, a significant number of training activities were carried out on this topic in 2023, with training and refresher courses in e-learning mode administered to all resources and training or refresher courses for over 3,500 emergency workers.

SDGs	MATERIAL TOPICS	MPS GROUP'S MAIN INITIATIVES
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	**Culture and Community**	**Financial education (Target 4.4)** The Group has continued its commitment to financial education through events and projects: starting from October (financial education month). With the sixth edition of #OttobreEduFin, various activities were carried out to promote financial, insurance and social security culture. Through 24 events organized by financial advisors throughout Italy, the Group took the opportunity to strengthen customer awareness by addressing issues such as the inclusion of women in the world of work, corporate welfare and asset management. At the same time, the #MpsEdu initiative, which constitutes a sort of "financial dictionary", has continued to find space on social media, informing the less experienced on the meaning of words and concepts such as "Price Cap" and "Grid Parity".
	Development of human resources	**Development of human resources (Target 4.3) and education on sustainability topics (Target 4.7)** ESG training in 2023 was characterized by the integration, on the MPS Academy platform, of dynamic and personalized training courses depending on the roles and "skill gap analysis", accompanied by an awareness initiative on the topic which involved 16,000 people through the provision of a specific Learning Card, and by courses on finance and sustainable investments.
Achieve gender equality and empower all women and girls	**Diversity & Inclusion**	**Diversity (Target 5.5)** In 2023 the Group obtained the Certification of Gender Equality based on the UNI/PdR 125:2022 Reference Practice, and the new "Policy on gender equality" and the "Rules on preventing and combating harassment" were published. gender in the workplace". The roles of responsibility held by women in 2023 stood at 37% (increasing by 1.1% compared to 2022) in line with the objective of 40% to be reached by 2026. In addition to strengthening partnerships with Valore D and ABI (Women's Charter) in order to create paths and moments of inclusion, a series of initiatives dedicated to D&I were carried out in 2023: • The course to combat harassment, aimed at all staff, was used by 12,609 people; • The Plural Management Project continued (344 participants in 2023); • The Women Leadership Program continued (511 participating managers), evolving into the Growth Together laboratory;); • During the Disability Lab meetings, topics such as "the words" of disability, "working with" and prejudices about disability were discussed; • Inclusion Week took place in March: virtual classrooms involving all Group employees on a voluntary basis. At the end, a Guide dedicated to inclusive language was published for internal use.
Ensure access to affordable, reliable, sustainable and modern energy	**Sustainable finance**	**Sustainable products with environmental purposes (Target 7.2)** During 2023, a series of products were provided aimed at supporting green and sustainable transformation projects for businesses and individuals. These include the offer of mortgages for the purchase of residential properties certified in energy class A and B (€56 million disbursed in ecobonuses and €176 million in Sustainability Linked Loans).
	Direct environmental impact	**Use of electricity from renewable sources (Target 7.2) and energy efficiency (Target 7.3)** Since 2012, 100% of the Group's electricity comes from renewable sources. Furthermore, compared to 2017, Scope 1 and 2 emissions have been reduced by approximately 70% and 33% respectively.

SDGs	MATERIAL TOPICS	MPS GROUP'S MAIN INITIATIVES
8 DECENT WORK AND ECONOMIC GROWTH *Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*	**Relations with Customers and strong link to the local area** **Culture and Community** **Protection of human resources** **Performance and equity soundness**	**NRRP-related initiatives (Target 8.3), with agri-food sector and tourism (Target 8.9)** As part of its relationship with customers and the local area and in response to changes in the external context, the MPS Group has taken steps to support the recovery of local economies in keeping with the provisions of the National Recovery and Resilience Plan (NRRP). The Group pays particular attention to certain sectors (e.g. agrifood and tourism), in order to boost national recovery following the Covid-19 pandemic and the Ukrainian conflict. The Group pays particular attention to sectors, such as agri-food and tourism, with its network of specialized Agrifood centers distributed throughout Italy and financing reserved for the tourism sector. **Promotion of youth employment (Target 8.6)** The initiatives of the MPS Orienta program are dedicated to professional orientation, the development of transversal skills, the support of young people in their job seeking and, in general, relationships with schools and universities. During 2023, these initiatives continued, involving both high school and university students, and the "MPS Ti Orienta" project was also launched, which offers a free career orientation service for children of employees, children of customers and adult customers. **Protection of human resources (Targets 8.5 and 8.8)** Managing collaborators responsibly and ensuring they have adequate remuneration policies is essential for the MPS Group in order to safeguard the health and guarantee excellent physical and mental well-being of workers. In 2023, the digital approach as a way of working was consolidated and the listening initiatives for managers and executives, as well as the CEO himself, were strengthened.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE *Build resilient infrastructure, promote sustainable industrialisation and foster innovation*	**Sustainable finance** **Customer relations and strong link to the local area**	**Initiatives to foster sustainable and inclusive industrialisation (Target 9.2) and infrastructure modernisation (Target 9.4)** Promoting sustainable and inclusive business development models and contributing to the development of a low-emission economy are some of the main goals included in the MPS Group's 2022-2026 Business Plan. During 2023, the administration of the ESG questionnaire continued, which allows the profile and level of sustainability of customers to be identified and assessed, thus allowing a better assessment of the customer's credit and ESG risk. Furthermore, during 2023, a range of products with environmental purposes were disbursed, specializing in the Sustainability Linked Loans, mortgages, including financing for green projects, aimed at reducing the environmental impact, the renewal of the instrument SACE Green New Deal guarantee, dedicated to projects aimed at starting a sustainable transformation, the Sustainability Linked Loans and the so-called "Building Bonuses", which promote subsidized interventions regarding energy efficiency. **Relations with small manufacturers (Target 9.3)** Among the initiatives promoted by the Group and in line with the provisions of the NRRP, of prominent interest are those aimed at supporting SMEs in their path of economic growth and digital innovation. These initiatives include: • Support for the agri-food sector, through 15 Agrifood Centres and loans managed through 'Chain Contracts', bringing the value disbursed to the sector to EUR 777 million.

SDGs	MATERIAL TOPICS	MPS GROUP'S MAIN INITIATIVES
10 REDUCED INEQUALITIES *Reduce inequality within and among countries*	**Diversity & Inclusion**	**Promoting inclusion (Target 10.2) and reducing Gender Pay Gap (Target 10.4)** The Group is committed to promoting awareness of the fact that a more inclusive company can bring benefits to the quality of the service it provides, to the corporate climate and the wellbeing of its employees, also and especially through ongoing dialogue aimed at improving inclusiveness. Furthermore, in compliance with the provisions of the PNRR, in 2023 the Group obtained the Certification for Gender Equality. Regarding the reduction of the Gender Pay Gap, a portion of the Bank's resources has been allocated to mitigating this disparity.
11 SUSTAINABLE CITIES AND COMMUNITIES *Make cities and human settlements inclusive, safe, flexible and sustainable*	**Culture and Community**	**Culture of the local area (Target 11.4)** In 2023, the MPS Group continued its longstanding commitment towards communities and local areas. In addition, in-person initiatives were resumed to shorten social distance with its stakeholders. The main initiatives include: • The 'Banca Aperta' initiative, which was suspended during Covid-19 and has now been resumed, seeking to share the artistic and architectural heritage of the Bank's historic Headquarters, with community; • Support for the 2023's edition of Wine&Siena event, part of a number of initiatives aimed at the agrifood sector and supply chain; • Support for Festivaletteratura, in partnership with the BAM Foundation of Mantua and support for "the Siena Fourth Conference On The Future Of The Europe" event.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION *Ensure sustainable consumption and production patterns*	**Direct environmental impact**	**Impact reduction and waste management (Target 12.2 and 12.5)** The Group uses 100% energy from renewable sources and strives to continually improve the energy efficiency of its premises, thereby reducing its direct environmental impact, and to use electricity from renewable sources. With regard to waste management, the Group collects and disposes of the waste it produces (paper, cardboard, toner and hazardous materials) and in some cases recovers and reuses materials (regenerated toner). In 2003, Banca MPS decided to adopt a specifically certified Environmental Management System compliant with UNI EN ISO 14001 standard.
	Responsible supply chain management	**Qualification of suppliers according to ESG criteria (Target 12.6)** The MPS Group undertakes to implement supply chain management practices aimed at achieving social and environmental sustainability principles, through the development of relationships with suppliers based on the respect for human and labour rights. In 2023, 100% of new suppliers (114) were assessed according to environmental and social criteria.

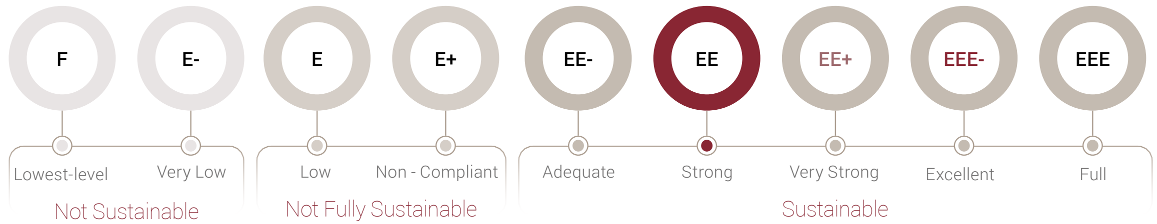
SDGs	MATERIAL TOPICS	MPS GROUP'S MAIN INITIATIVES
13 CLIMATE ACTION *Take urgent action to combat climate change and its impacts*	**Sustainable Finance**	**Commitment to the environment (Targets 13.1 and 13.2)** The Monte dei Paschi Group joined the Net-Zero Banking Alliance (NZBA) at the start of 2022, the initiative promoted by the United Nations that aims to accelerate the global sustainable transition of the real economy to achieving the net-zero emissions goal by 2050. Membership of the initiative is embedded in the Group's tradition of contributing to environmental sustainability and as already mentioned, the intermediate objectives for the reduction of emissions financed in the most emission-intensive sectors of the Bank's portfolio were published in August 2023.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS *Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels*	**Integrity in business conduct and the fight against corruption** **Responsible supply chain management**	**Management of the banking business according to principles of ethics and integrity (Target 16.5)** The MPS Group's organisation model and structure envisage that all corporate structures are responsible for basing their conduct on ethics and risk culture principles and promoting a corporate culture based on ethics, accountability and legality, in compliance with the Code of Ethics, with Principles for Responsible Banking and Global Compact United Nations principles. With regard to regulatory compliance and the fight against corruption, the Group implements all activities required to maintain high standards of Governance, Integrity & Compliance. Specifically, in 2023, the Group updated its prevention model pursuant to Legislative Decree 231/01 and continued to deliver 231 training courses that were permanently accessible through the intranet to all company staff. In addition, the Group has shared the principles on which the Code of Ethics is based with all stakeholders (including suppliers).
17 PARTNERSHIPS FOR THE GOALS *Strengthen the means of implementation and revitalise the global partnership for sustainable development*	**All**	**PARTNERSHIPS FOR THE GOALS (Target 17.14)** The Group has joined the following national and international associations and programmes for the purpose of fostering the integration of Sustainability in all areas of the Bank's business and creating long-term value for all stakeholders. ***UN GLOBAL COMPACT*** Building on shared values, the Group has supported the UN Global Compact since 2002 and is committed to its 10 principles to promote sustainable growth in the interest of all stakeholders. ***UNEP FINANCE INITIATIVE*** The United Nations Environment Programme promotes a sustainable global economy, respectful of human rights, labour rights, environmental protection and the fight against corruption.

SDGs	MATERIAL TOPICS	MPS GROUP'S MAIN INITIATIVES
 *Strengthen the means of implementation and revitalise the global partnership for sustainable development*	**All**	**PRINCIPLES FOR RESPONSIBLE BANKING - UNEP FI** Banca Monte dei Paschi di Siena has adopted the Principles for Responsible Banking of the UNEP United Nation Environment Programme's Finance Initiative, since 2019. The programme promotes the development of a sustainable banking sector by aligning it with the UN 2030 Agenda and the 2015 Paris Climate Agreement goals. It encourages the integration of Sustainability into all areas of banks' business areas seeking to create long-term value for all stakeholders. **NET-ZERO BANKING ALLIANCE** UNEP-FI initiative to reduce CO2 emissions. The Net-Zero Banking Alliance is the global alliance for banks on climate issues and promotes the achievement of net-zero emissions by 2050. Banca MPS joined the Alliance in January 2022. **VALORE D** The Group has been a member of Valore D since 2015, the first business association in Italy committed to promoting gender balance and an inclusive culture in organisations and in Italy. In 2017, it signed the Female Employment Manifesto, a 9-point programme aimed at enhancing female talent in companies. **WOMEN IN BANKING CHARTER** The Group has adhered to the "Women in Banking: enhancing gender diversity" Charter promoted by ABI, to promote inclusion and equal opportunities..

1.4 Sustainability Rating and Indexes

The **Parent Company's Sustainability Function** plays a key role in driving the integration of sustainability into the company's strategy and processes, monitoring the results achieved and actively participating in the development of further measures to communicate and strengthen the company's ESG profile. With the support of the other Corporate Functions, it also promotes a constructive and transparent dialogue with the ESG rating agencies, providing essential information for understanding and communicating the Group's sustainability strategy, the results of which are shown in the 2023 ESG scores reported below.

STANDARD ETHICS



- **In 2023, the short-term outlook was upgraded** from stable **to positive and the EE rating**, which was upgraded from EE- in 2022, **was confirmed**.

ISS ESG RATING

- **In 2023, the C- rating was confirmed**, with scores **above the industry average** for the adoption of measures to ensure **responsible product placement, working conditions and employee safety**.

MOODY'S VIGEO BRIS

- **Upgraded to "Robust" in 2023** with excellent ratings in **corporate governance, business conduct and risk management**.

SUSTAINALYTICS

Severe	Higt	Medium Risk	Low	Negligible
40+	30-40	20-30	10-20	0-10

- **Upgraded to «Medium» in 2023**, recognising a **solid and robust management of ESG risk**.

S&P GLOBAL 2023

- **In 2023**, BMPS scored **slightly above** the industry average in the **Environmental, Social and Governance categories**.

1.5 Participation in national and international programmes and associations

GRI 2-28

The MPS Group has strengthened its commitment to promoting sustainable development, transitioning to a zero-emissions economy, and reducing gender inequality through voluntary participation in international and national initiatives that are aligned with its strategic ESG objectives.

Sustainable Development

UN global compact

Building on shared values, the Group has supported the UN Global Compact since 2002 and is committed to its 10 principles to promote sustainable growth in the interest of all stakeholders.

***Principles for Responsible Banking* UNEP FI**

In 2019, Banca Monte dei Paschi di Siena adopted the Principles for Responsible Banking of the UNEP Finance Initiative. The programme promotes the development of a sustainable banking sector by aligning it with the goals of the UN 2030 Agenda and the 2015 Paris Climate Agreement. It encourages the integration of sustainability into all areas of the bank's business, with the aim of creating long-term value for all stakeholders.

Tackling Climate Change

Net-Zero Banking Alliance

UNEP-FI initiative to reduce CO_2 emissions. The Net-Zero Banking Alliance is the global banking alliance on climate change, committed to achieving net-zero emissions by 2050. Banca Monte dei Paschi joined the Alliance in January 2022.

Gender Equality

Valore D

Since 2015, the Group has been a member of *Valore D*, the first business association in Italy committed to promoting gender balance and an inclusive culture in organisations and in Italy. In 2017, it signed the Female Employment Manifesto, a nine-point programme aimed at enhancing female talent in companies.

Women in Banking Charter

The Group has signed the "Women in Banking: Enhancing Gender Diversity" Charter promoted by ABI to encourage inclusion and equal opportunities.

2. Our identity

2.1 Group overview

GRI 2-1 GRI 2-6

Read about the history of the Montepaschi Group here

Banca Monte dei Paschi di Siena is considered the oldest bank in the world still in operation, first founded in Siena in 1472. The history of this bank has **strong ties with the region, its residents and the surrounding areas.**

The Group operates throughout **Italy** and in **other countries**, integrating traditional service **supply models** with an innovative system of **digital services** and **self-service options**

The Montepaschi Banking Group is led by its Parent Company, Banca **Monte dei Paschi di Siena** S.p.A., listed on the Euronext stock exchange organised and managed by Borsa Italiana S.p.A., with registered office at Piazza Salimbeni 3, Siena, and activities focused on **traditional retail & commercial banking services carried out mainly in Italy.**

The Group is also active in business areas such as **leasing**, **factoring**, **business finance** and **investment banking**, previously managed by its own specialised companies (the former subsidiaries MPS Leasing & Factoring and MPS Capital Services Banca per le Imprese) merged by incorporation in April and May 2023, respectively. The **insurance-pension sector** is covered by a strategic partnership with **AXA** while asset management activities are based on the offer of investment products of independent third parties.

As at 31 December 2023, in accordance with communications received by the Bank pursuant to regulations in force and based on other available information, including that published on CONSOB's website, the entities that directly and/or indirectly hold ordinary shares representing more than 3% of the Issuer's share capital and cannot qualify as exemptions as envisaged in art. 119-bis of the Issuers' Regulation are as follows:

- **MEF: 39.232% (see 2023 Report on Corporate Governance)**.

The Group combines traditional services offered through its network of branches and specialised centres with an innovative self-service and digital services system enhanced by the skills of the Widiba financial advisor network.

Read the 2023 Report on Corporate Governance here

Foreign banking operations[5] are focused on supporting the internationalisation processes of corporate clients in all major foreign financial markets.

In addition to the above, i.e. the presence within the Group of a digital bank (Banca Widiba) and a financial intermediary pursuant to art. 106 of the Consolidated Law on Banking for fiduciary services (MP Fiduciaria S.p.A.), there are companies operating in the agricultural sector, both wine growing and agrifood, a real estate component used for agritourism and hospitality (MPS Tenimenti Poggio Bonelli e Chigi Saracini Società Agricola S.p.A.) as well as custody and deposit services for third parties (Magazzini Generali).

Intragroup transactions primarily regard the financial support from the Parent Company to other companies, for the most part in the form of deposits and outsourced services relative to the auxiliary activities provided by the Parent Company (administrative services and property administration).

The description of the main transactions carried out by the Parent Company with its subsidiaries and associates is provided in Part H of the Notes to the Separate Financial Statements of the Parent Company.

Company	Activities	
MONTE DEI PASCHI DI SIENA BANCA DAL 1472	Banca Monte dei Paschi di Siena (BMPS) operates in different segments of banking and finance, from traditional banking including leasing and factoring products, to special credit, asset management, bancassurance and investment banking. The Bank exercises direction, coordination and control over the Group's companies, as part of the more general guidelines defined by the Board of Directors in compliance with Bank of Italy instructions in the interest of the Banking Group's stability.	Visit the website
MPS FIDUCIARIA GRUPPOMONTEPASCHI	Monte Paschi Fiduciaria offers its services to individuals and companies that wish to use a fiduciary mandate to leverage utmost confidentiality in relation to their interests and business. In addition, Monte Paschi Fiduciaria can also take on the role of Trust Company for the administration of assets as trustee or guardian (or protector).	Visit the website
BANCAWIDIBA	Banca Widiba (WIse-DIalog-BAnking) is the Group bank that integrates a self-service offer with the expertise of MPS's network of financial advisors.	Visit the website
MONTE PASCHI BANQUE Maison mère fondée à Sienne en 1472 GRUPPOMONTEPASCHI	Monte Paschi Banque SA is the Group bank that supports commercial trade and investments by Italian companies abroad.	Visit the website

Intragroup transactions primarily regard **financial support** from the **Parent Company** to other companies, **structured finance**, **outsourced services** provided by the Parent Company relating to auxiliary activities.

[5] For Monte Paschi Banque S.A., in 2018 the Parent Company resolved to launch the orderly winding-down process by drafting a plan in compliance with indications contained in Commitment no. 14 "Disposal of participations and businesses", i.e., (i) progressive and orderly deleveraging of the current loan portfolio and residual activities and (ii) acceptance of deposits only from existing customers, excluding any new business development activities and entry into new markets.
The aforementioned Commitment was essentially confirmed as part of the new Commitments associated with the 2022-2026 Business Plan, announced on 3 October 2022. The performance of the subsidiary in 2023 is substantially in line with the provisions of the Commitment.

2.2 Governance Model and Organisational Structure

GRI 2-9 GRI 2-10 GRI 2-11 GRI 2-12 GRI 2-13 GRI 2-14 GRI 2-15 GRI 2-17 GRI 2-18 GRI 2-19 GRI 2-20 GRI 2-21 GRI 405-1

Governance Model

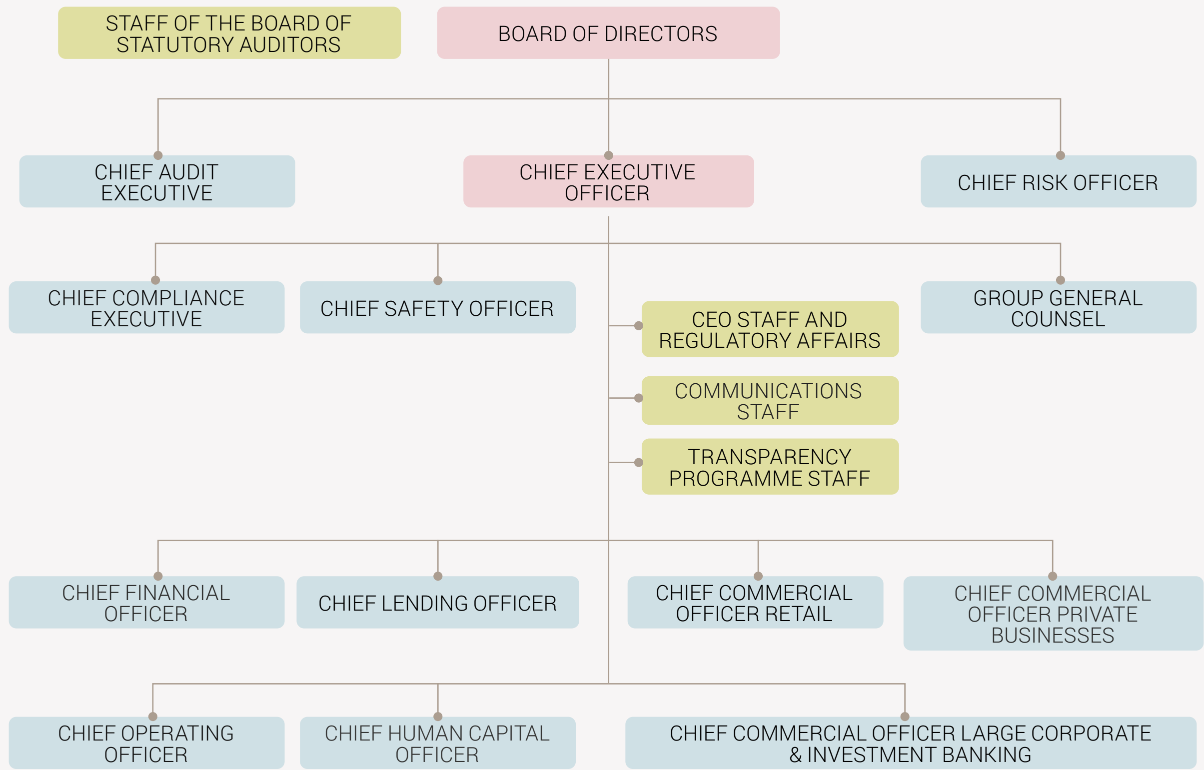
Through its management and control activities, Banca Monte dei Paschi di Siena, as the Parent Company of the Montepaschi Group, exercises direction, governance and control over the Group Companies in accordance with the guidelines established by the Board of Directors and in the interests of the Group's stability.

The governance system adopted by the Montepaschi Group aims to ensure a clear distinction of roles and responsibilities, a clear balance of powers, effective monitoring of corporate risks and controls, and the promotion of corporate social responsibility and sustainability. In addition to the applicable legal and regulatory frameworks, the corporate governance system adheres to the Corporate Governance Code approved by the Corporate Governance Committee (hereinafter also referred to as the "Code").

The administration and control system of Banca MPS consists of the Board of Directors, the Board of Statutory Auditors, the Shareholders' Meeting, the Chief Executive Officer (who currently also holds the position of General Manager) and four internal Board Committees:

- *Appointments Committee*
- *Remuneration Committee*
- *Risk and Sustainability Committee*
- *Related-Party Transactions Committee*

ORGANISATIONAL CHART OF THE PARENT COMPANY'S HEAD OFFICE AS AT 31 DECEMBER 2023



The statutory audit of accounts is entrusted to **an external firm of Auditors.**

In April 2023, the merger by absorption of MPS Leasing & Factoring S.p.A. was completed, resulting in the Bank's organisational adjustment with the creation of 2 structures for the operational management of leasing and factoring products under the Chief Commercial Officer for Corporates and Private Clients and 1 structure for the management of leasing and factoring loans under the Chief Lending Officer.

In May 2023, the merger by absorption of MPS Capital Services S.p.A. was also completed, resulting in a further organisational adjustment of the Bank, including the creation of 3 structures for the management of Corporate Finance and Investment Banking, Trading in Derivative Products and Management of Hedging Products under the Chief Commercial Officer for Large Corporate & Investment Banking and the creation of 1 structure for the management of Structured Credit and Large Corporate under the Chief Lending Officer.

In August 2023, the Data Governance Function was repositioned under the direct reporting line of the Chief Financial Officer.

GRI 2-9 GRI 2-12

The composition, appointment process, functioning and powers of the Board of Directors and other corporate bodies are described in the **"Report on corporate governance and the shareholding structure",** which is published annually and can be accessed using the following QR Code.

MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

Shareholders' Meeting

The Shareholders' Meeting appoints and dismisses the members of the Board of Directors and the Board of Statutory Auditors, determines their remuneration and responsibilities, appoints the independent auditors, approves the financial statements, the allocation of profits, the remuneration and incentive policy, certain extraordinary transactions, capital increases and amendments to the By-Laws (without prejudice to the powers of the Board of Directors to amend the By-Laws in accordance with regulatory provisions and to approve mergers in the cases provided for in Articles 2505 and 2505–bis of the Civil Code).

Board of Directors

GRI 2-9 GRI 2-10 GRI 2-11 GRI 2-17 GRI 405-1

The Board of Directors in office as at 31 December 2023, consisting of **14 members**[6], was appointed by the Shareholders' Meeting of 20 April 2023 and will remain in office until the Shareholders' Meeting approving the financial statements for the year ending 31 December 2025.
All current members of the Board are **non-executive directors**, with the exception of the CEO, and meet the eligibility requirements and criteria set out in the applicable regulations. In accordance with Article 15 of the By-Laws, the presence of **twelve independent directors out of fourteen, i.e. 85% of the Board**, ensures effective supervision of management and the appropriate establishment of committees within the Board. The Board of Directors is elected using the list voting system (see Article 15 of the By-Laws and Corporate Governance Report) and in turn appoints the members of the internal Board committees. Each committee appoints its own Chairperson from among its independent members. The lists of candidates for election to the Board of Directors are submitted by the shareholders.

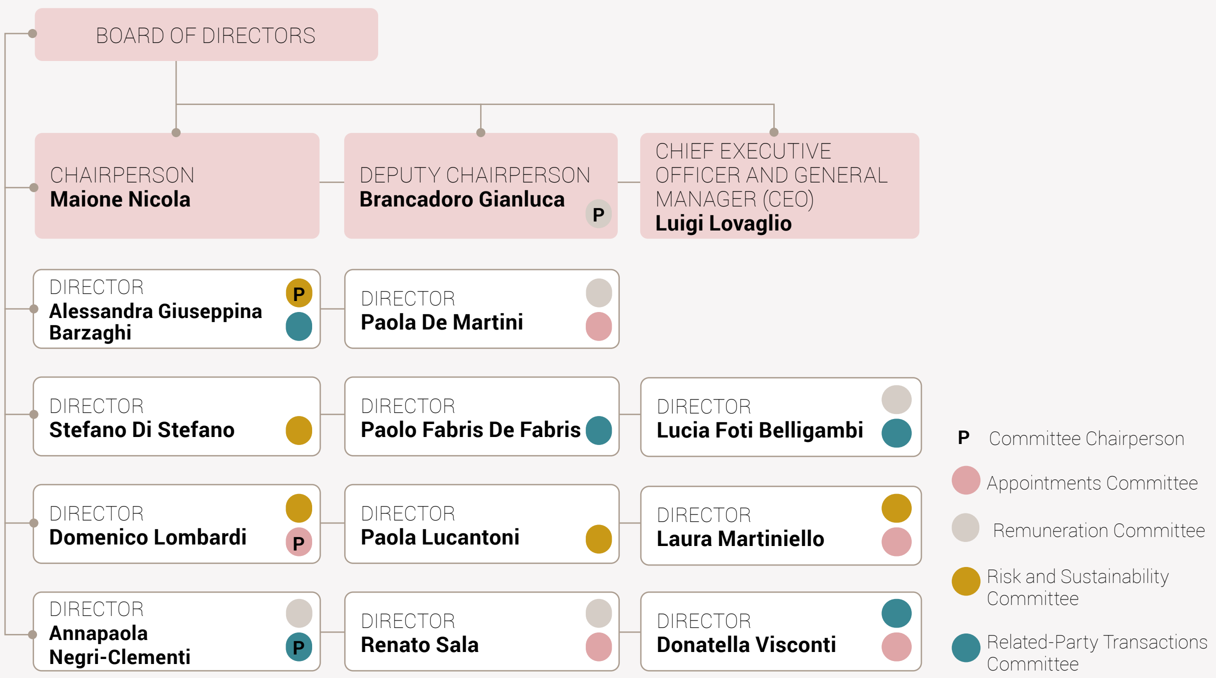
The collective composition of the Board of Directors shows **a broad differentiation in terms of education, skills and professional experience of its members**, in line with the guidelines for an optimal qualitative-quantitative composition defined by the Board of Directors in office at the time of the appointment of the new Board of Directors by the Shareholders' Meeting of in April 2023.

In order to further enhance the Board's expertise in sustainable development, a **Board induction session** on "Sustainability" was held on 13 July 2023.

[6] The Board of Directors of BMPS, appointed by the Shareholders' Meeting of 20 April 2023, was originally composed of 15 members; on 13 November 2023, the Director Prof. Marco Giorgino resigned from his position, bringing the current number of board members to 14.

Here you can find the profiles and curricula vitae of the members of the **Board of Directors.**

MEMBERS AS AT 31.12.2023



BOARD COMMITTEES

BOARD OF DIRECTORS	On renewal of the entire Board of Directors, or on co-opting following the early termination of office of directors, the Board initiates the procedures necessary to preventively identify its qualitative and quantitative composition considered optimal, identifying and justifying, with the support of the Appointments Committee, the theoretical candidate profile deemed best suited to the identified objectives.
CHAIRPERSON OF BOARD OF DIRECTORS	• Responsible for the operation of the corporate governance system and acts as contact for the internal control bodies and internal committees; • Promotes internal dialogue and ensures that the powers are balanced, in line with the duties attributed by the Civil Code and the By-Laws.
APPOINTMENTS COMMITTEE	Performs the functions set out in the Corporate Governance Code, the Supervisory Provisions issued by the Bank of Italy, and the Bank's By-Laws. More specifically, the Committee supports the Board of Directors in the following processes: • appointment of directors, proposing candidates for the office of director in the event of co-opting; • self-assessment of corporate bodies; • checking of requirements of corporate officers and suitability criteria for company representatives ; • definition of succession plans; • appointment of the Chief Executive Officer
REMUNERATION COMMITEE	• Performs the functions set out in the Corporate Governance Code and the Supervisory Provisions issued by the Bank of Italy, as well as in the Bank's By-Laws. In particular, the Committee has the task of making proposals on staff remuneration and on the staff remuneration and incentive systems which, based on the Bank's By-Laws and the legislation in force pro tempore, are decided by the Board of Directors; • Has the power to formulate guidelines and recommendations on the compensation of personnel whose remuneration and incentive systems are decided by the Board of Directors; • Periodically assesses the criteria for the remuneration of managers with strategic responsibilities, monitoring their application; • Monitors the effective application of the remuneration policy.
RISK AND SUSTAINABILITY COMMITTEE	Performs the functions set out in the Corporate Governance Code, in supervisory regulations and in the provisions of laws, regulations, the By-Laws and corporate governance rules in force. In particular, the Committee performs the duties provided for by regulations in force, with functions of support to the body with strategic supervision powers (e.g. the Board of Directors) in issues involving governance and management of risks and the internal control system, sustainability, and for the approval of periodic financial and non-financial reports.
RELATED-PARTY TRANSACTIONS COMMITTEE	Performs support functions as regards transactions with related parties and associated parties.

Diversity in the Corporate Boards

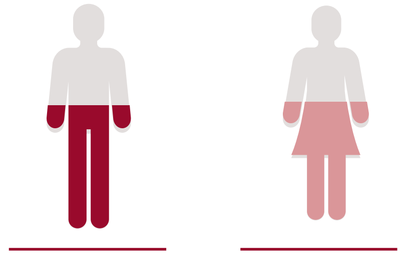
As at 31 December 2023, the Group has achieved a gender-balanced representation in its Board of Directors in accordance with the primary and supervisory regulations.
As at 31 December 2023, the Board of Statutory Auditors had **3 active members (2 men and 1 woman)**, aged between 36 and 72 years, with an average age of 58 years and only one Auditor under the age of 50.

With regard to the composition of th e Board of Directors, the internal committees and the Board of Statutory Auditors in terms of gender diversity, age and managerial and professional skills, it should be noted that BMPS, as a listed bank, complies with the specific provisions of the relevant regulatory disciplines and regulations, as well as the principles and recommendations contained in the Corporate Governance Code, to which the Bank adheres. Finally, Banca MPS's By-Laws contain specific provisions on gender diversity (Articles 15 and 25), which emphasise compliance with current regulations both at the appointment stage and throughout the term of office.

In practice, the application of the diversity criteria adopted to determine the optimal composition of the corporate boards ensures:

- **gender balance**, meeting the required level or representation as stipulated by regulations;
- diversification in terms of **directors' age**, from a minimum of 47 years to a maximum of 70 years, with an average age of 59 years and only one Director under the age of 50, and in terms of the **length of time** in office (one Director in their third term, four in their second term and nine newly appointed Directors);
- compliance with the **requirements and fit and proper criteria for fulfilling their roles** (educational background, professional experience, independence of judgement, time commitment), which are periodically assessed both for individual members and in the context of the overall Board structure. The assessment aims to achieve the best possible composition of the Board, taking into account the company's situation and objectives, including strategic ones. The qualitative and quantitative criteria for the ideal composition of the Board of Directors are communicated to shareholders in advance of the renewal of the corporate boards

[7] The Board of Statutory Auditors, consisting of 3 Standing Auditors and 2 Alternate Auditors, was appointed by the Shareholders' Meeting of 20 April 2023. On 2 May 2023, Mrs Piera Vitali, Alternate Auditor of BMPS, resigned from office. Subsequently, on 15 May 2023, following the resignation of the Standing Auditor, Dr. Roberto Serrentino, the only Alternate Auditor, Dr. Pierpaolo Cotone, took over as Standing Auditor of the Board of Statutory Auditors until the first Shareholders' Meeting which, pursuant to Article 2401 of the Civil Code, is required to provide for the necessary integration of the Board of Statutory Auditors, in accordance with the applicable legal provisions and the By-Laws, respecting the principle of necessary representation of minorities and the principle of gender balance required by the applicable regulations.
[8] E.g. the TUF (Consolidated Finance Act), Supervisory Provisions on Corporate Governance, Ministerial Decree 169/2020.
[9] These aspects, which are an integral part of a diversity-focused governance framework in line with best practices, were taken into account during the renewal of the corporate boards at the Shareholders' Meeting of 20 April 2023, which appointed the current Board of Directors and the Board of Statutory Auditors.

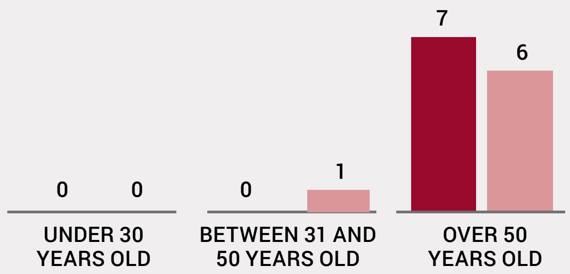


GENDER DIVERSITY IN THE BOD

50% MEN

50% WOMEN

BOARD COMPOSITION BY GENDER AND AGE



GRI 2-15 GRI 2-18

The management of conflicts of interest and the **Board's evaluation methods** are described in the MPS Group's Report on Corporate Governance, which available on the website.

GRI 2-29

The **dialogue with shareholders and investors** is described in detail in the Shareholder and Investor Dialogue Policy, which is available on the website.

2.2.1 Remuneration policies

GRI 2-19 GRI 2-20 GRI 2-21

The Group's remuneration policies, in full compliance with the risk management policies, aim to **involve and support Management and employees in achieving the business objectives**, taking into consideration non-economic factors based on environmental, social and governance principles.

It is therefore essential to develop and implement remuneration policies and practices that meet the principles of **fairness, transparency, sustainability and gender neutrality**.

Governance and the process for determining remuneration

GRI 2-19 GRI 2-20

The implementation of **employee remuneration policies**, approved annually by the Shareholders' Meeting, is the responsibility of the **Board of Directors** (with the option to sub-delegate specific matters to the Chief Executive Officer in accordance with the By-Laws and regulations in force), with the support of the Remuneration Committee. The Risk and Sustainability Committee ensures that the Group's remuneration and incentive systems are consistent with the Risk Appetite Framework (RAF).

The **Bank's Corporate Control Functions** (Compliance, Risk Management and Internal Audit) ensure that the remuneration policies comply with regulatory requirements and the commitments undertaken with stakeholders, with particular regard to correct management of customer relations.

Details of the
Group Remuneration Policy

[10] For groups, the Shareholders' Meeting responsible for deciding on the proposal to set a limit of more than 1:1, is that of the bank in which the personnel concerned actually works. The Parent Company may only vote in favour of the proposed limit increase submitted to the Shareholders' Meeting of a Group bank if the Group remuneration policy (approved by the Shareholders' Meeting of the Parent Company) allows Group banks to raise this limit or if the Shareholders' Meeting of the Parent Company has in any event voted in favour of such action.

Ordinary Shareholders' Meeting

Art. 13 of the By-Laws assigns the following power to the Ordinary Shareholders' Meeting:

- determine the fees for directors and statutory auditors;
- approve the remuneration and incentive policies and the plans based on financial instruments in favour of board directors, employees and other business partners - not bound by employment contracts - with the Bank;
- approve the calculation criteria for remuneration to be agreed in the event of early termination of employment, or early termination of office (including the limits set for such remuneration in terms of annual fixed remuneration and the maximum amount resulting from application of the criteria).

Only if envisaged in the By-Laws, the Supervisory Provisions also assign power to the Shareholders' Meeting, when approving the Group's remuneration and incentive policies, to decide on any changes to the limit of 1:1 (and at most 2:1) between the variable and fixed remuneration components[10].

Board of Directors

The Board of Directors (Circular 285 and articles 17 and 26 of the By-Laws) is responsible for drafting the remuneration and incentive policies, submitting them to the Shareholders' Meeting and implementing them once approved by the Shareholders' Meeting, first and foremost as regards:

a) the remuneration of directors holding special offices (including the Chief Executive Officer and directors who are members of board committees envisaged in the By-Laws), and the General Manager (after consulting the Board of Statutory Auditors);

b) the measures relating to the legal and economic status of the Deputy General Managers, the Managers of the internal, compliance, risk control and anti-money laundering functions, as well as the Financial Reporting Officer pursuant to art. 154-bis, Italian Legislative Decree no. 58 of 24 February 1998, and the Chief Financial Officer, if different from the latter;

c) the rules concerning the legal and economic status of personnel, including base salary and allowances, which like all other rules must be approved in accordance with law.

The framework of the responsibilities of the Board of Directors in this regard, taking into account the indications of Circular 285 (37th Update - First Part, Title IV, Chapter 2, Section II, Roles and responsibilities of the shareholders' meeting and corporate bodies), also envisages that the Board:

- defines the remuneration and incentive systems for at least the following: Executive Directors; General Managers; Co-General Managers, Deputy General Managers and similar; Managers of the main business lines, corporate functions or geographic areas; those reporting directly to the bodies with strategic supervision, management and control functions; Managers and higher-level personnel of the corporate control functions. In particular, it ensures that these systems are consistent with the overall decisions of the Bank in terms of risk assumption, strategies, long-term objectives, corporate governance structure and internal controls.
- Furthermore, it ensures that the remuneration and incentive systems are suitable to guarantee compliance with legal, regulatory and statutory provisions as well as any codes of ethics or conduct, promoting the adoption of compliant behaviour.

Remuneration Committee

The Remuneration Committee, is responsible - also with the support of the Risk Management function, which sees the Chief Risk Manager involved as necessary in Remuneration Committee meetings - for expressing an independent opinion on remuneration policies and practices and for submitting proposals to the Board of Directors regarding remuneration of the figures whose remuneration structure, according to the By-Laws, is decided solely by the Board of Directors.
The Remuneration Committee, pursuant to the current provisions of law and the By-Laws, also carries out the following activities:

- periodically assesses the criteria adopted for the remuneration of key management personnel, supervising their application and making general recommendations on the matter to the Board of Directors (By-Laws, art. 17, paragraph 4, letter a);
- directly supervises the correct application of rules on the remuneration of the managers of corporate control functions, in close cooperation with the body with control functions (Circular 285, 37th Update - First Part, Title IV, Chapter 2, Section II, Roles and responsibilities of the shareholders' meeting and corporate bodies);
- arranges preparation of the documentation to be submitted to the strategic supervisory body for related decisions (Circular 285, 37th Update - First Part, Title IV, Chapter 2, Section II, Roles and responsibilities of the shareholders' meeting and corporate bodies).

These work alongside the Human Resources Function, support the corporate bodies in planning remuneration policies and are involved in their implementation to ensure consistency with the Bank's risk appetite.

The 2023 remuneration policies were **approved by the Shareholders' Meeting of 20 April 2023** (at which 69.24% of the share capital was represented), with vote in favour by 98.949865% of eligible voting shares for section I and by 99.877942% of eligible voting shares for section II.
In determining remuneration, in a gender-neutral manner and in addition to the position weighting and relative benchmarking, the Bank takes into consideration the following aspects: skills and commitment, location of service and relative cost of living, level of formal education, job market scarcity of personnel to fill specialised positions, nature of the employment contract, duration of professional experience and professional certifications.

In compliance with supervisory provisions, the **remuneration structures for Group senior managers and personnel** may consist of a **fixed** and a **variable component**. Fixed remuneration, which is the main component of the economic value distributed to employees, is aligned to provisions of the National Collective Labour Agreement for the sector and to company bargaining agreements in force at the time. These remuneration structures may in some cases be supplemented according to the organisational position held, in compliance with the Bank's By-Laws and the Corporate Governance Code.

Remuneration levels are constantly controlled with respect to the market through position weighting and the collaboration of external advisors. This method also helps to ensure a gender-neutral remuneration policy. For the definition of certain specific technical aspects of the 2023 remuneration policies, the Bank made use of an external consulting firm.

Where requirements are met, the fixed component may be **supplemented by a variable incentive component**, the conditions of which are established in advance for each personnel sub-category, in compliance with related provisions, in order to discourage conduct oriented towards excessive risk-taking. As regards the variable remuneration, for the sake of complete disclosure note that, **for 2023, after a number of years, variable incentive systems have been introduced**[11] that will be finalised and disbursed after approval of the 2023 Financial Statements. In planning the 2023 incentive systems, the Group envisaged ESG objectives to determine the variable remuneration, as better described in the remuneration report published on the institutional website.

For 2023, the scorecard for the Chief Executive Officer and General Manager includes economic and financial objectives (80%), risk management objectives (10%) and the achievement of ESG objectives (10%).

The ESG priorities defined for 2023 are closely related to objectives of the Sustainability Plan approved by the Board of Directors on 7 February 2023. In detail, the ESG KPI consists of the following indicators:

- % Reduction of scope 1 emissions vs 2017;
- Gender equality pre-certification;
- % New ESG loans/total new loans;
- % Stock ESG AUM/Stock AUM;
- Definition of NET ZERO objectives on three sub-sectors among those recommended by the NZBA.

Likewise, the short-term variable incentive system ("2023 Incentive System") for remaining Identified Staff, including Key Management Personnel, contains ESG KPIs.

[11] To supplement the remuneration package that until 2022 was based only on fixed remuneration, the 2023 remuneration and incentive policies introduced a company bonus - defined through a special trade union agreement that also envisages disbursement in the form of welfare - and an incentive system, both subject to the achievement of Group objectives.

Remuneration of Directors and Statutory Auditors

GRI 2-19 GRI 2-20 GRI 2-21

The Ordinary Shareholders' Meeting **appointed the Board of Directors and the Board of Statutory Auditors** and **approved their gross annual remuneration**, to the extent due *pro tempore*, for the mandate for the years 2023-2024-2025 for the positions of Director, Chairman of the Board of Directors, Standing Auditor and Chairman of the Board of Statutory Auditors of the Bank.

For the 2023-2025 mandate, the remuneration of Directors without delegated powers envisages a **gross fixed annual component**, with the option, for the Board of Directors, to approve additional gross fixed annual remuneration for the members of internal board committees and/or remuneration for special offices[12].

At its meeting of 14 June 2023, the Board of Directors, having consulted the Board of Statutory Auditors, approved the gross annual remuneration of Directors for their participation in internal Board committees (Risk and Sustainability Committee, Related Party Transactions Committee, Appointments Committee and Remuneration Committee).

With reference to **non-executive directors** and **members of the Board of Statutory Auditors**, the principle of no connection with the economic results achieved by the Group and that no incentive plans of any nature are to be assigned to them, as previously approved by the Shareholders' Meeting, was reconfirmed.

There is no predetermined severance pay for Directors in the event of termination of office.

In a similar manner to provisions in force for employees, an insurance policy was envisaged for members of the Bank's Board of Directors and Board of Statutory Auditors against work-related injuries and as health cover.

Members of the Board of Directors and the Board of Statutory Auditors of the Bank and the subsidiaries are also beneficiaries of a "Directors & Officers Liability" (D&O) insurance policy, which covers the third-party liability[13] of directors, statutory auditors and executive managers arising from unlawful acts they might commit in the course of their duties.

The D&O policy was taken out for the first time at Group level, effective from 1 May 2019 and with maximum cover of EUR 100 mln, in implementation of the Shareholders' Meeting resolution of 11 April 2019 and subsequently renewed each year within the limits envisaged in that resolution. The renewal was approved with effect from 1 May 2023.

The remuneration of the Chief Executive Officer and General Manager of MPS includes a fixed component and a variable component[14] payable annually on verification that the pre-assigned long-term objectives have been reached. The Chief Executive Officer and General Manager are therefore "2023 Incentive System" recipients in compliance with regulatory provisions, investors' guidelines and the interests of stakeholders in general. In planning the 2023 incentive systems, the Group envisaged ESG objectives to determine the variable remuneration[15], linked to strategic objectives of the 2022-2026 Business Plan, the achievement of which is integrated into the Sustainability Plan initiatives approved by the Board of Directors on 7 February 2023.

The **Bank's Company Control Functions ensure** that the remuneration policies comply with **regulatory requirements** and the **commitments** undertaken with **stakeholders**.

[12] Pursuant to art. 2389, paragraph 3 of the Italian Civil Code
[13] Excluding wilful misconduct
[14] Any variable component of remuneration "accrued", considering the limits on remuneration payable linked to the salary cap and permitted exceptions, may only be disbursed after disposal of the "public participation", subject to further deferrals and holding periods.
[15] For details, see Chapter 5.5.3, 2023 Report on remuneration policy and compensation paid.

In 2023, the **ratio of the higher total annual remuneration (TAR) to the average total remuneration for remaining personnel** was **9.1**.

In 2023, the **ratio of the higher total annual remuneration (TAR)**[16] **to the average total remuneration for remaining personnel** was **9.6**.

The ratio between the respective percentage growths is zero as the total annual remuneration of an individual[17] receiving the maximum remuneration remains unchanged.

Personnel remuneration and incentives

In determining remuneration, in a gender-neutral manner and in addition to the position weighting and relative benchmarking, the Bank takes into consideration the following aspects: skills and commitment, location of service and relative cost of living, level of formal education, job market scarcity of personnel to fill specialised positions, nature of the employment contract, duration of professional experience and professional certifications[18].

In compliance with supervisory provisions, the **remuneration structures for Group senior managers and personnel** may consist of a **fixed** and a **variable component**.
The **fixed remuneration**[19], which is the main component of economic value paid to employees, is aligned with provisions of the National Collective Labour Agreement for the sector and to company bargaining agreements in force at the time, integrated with company benefits[20] which, depending on the type, can be provided to employees in general or target specific professional figures.

These remuneration structures for Group personnel may in some cases be supplemented[21] according to the position held in the organisation, in compliance with the Bank's By-Laws and the Corporate Governance Code. Remuneration levels are constantly controlled with respect to the market through position weighting and the collaboration of external advisors. This method also helps to ensure a gender-neutral remuneration policy.

Where requirements are met, the fixed component may be **supplemented by a variable incentive component**[22], the conditions of which are established in advance for each personnel sub-category, in compliance with related provisions, in order to discourage conduct oriented towards excessive risk-taking. For any variable component, the malus and clawback correction mechanisms can be applied in the event of compliance breaches[23].

As regards the variable remuneration, for the sake of complete disclosure note that, **for 2023, after a number of years, variable incentive systems have been introduced**[24] that will be finalised and disbursed after approval of the 2023 Financial Statements.

With regard to compensation for early termination of the employment contract[25], the By-Laws state that the Ordinary Shareholders' Meeting, in addition to establishing remuneration for the bodies it appoints, approves the criteria for the determination of compensation to be agreed in the event of early termination of employment or termination of office, including limits to such compensation in relation to number of years of fixed remuneration and the maximum amount deriving from their application. Any additional severance due is quantified and disbursed by the Bank in compliance with the regulatory framework in force at the time, in any event always in compliance with and in pursuit of the company's best interests and relating to the variable portion of remuneration.

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[16] In addition to amounts included in the Gross Annual Remuneration (GAR), the TAR also includes indemnities associated with the employee's role/position and with service/stability/non-compete agreements in the employment contract. All elements in addition to the GAR and included in the TAR can be cancelled if the conditions underlying their assignment should change.
[17] The office of the individual receiving the highest remuneration is that of the Chief Executive Officer.
[18] Information provided also pursuant to the "EBA Guidelines" (specifically, paragraph 27).
[19] The fixed remuneration is stable and irrevocable (i.e. it cannot be unilaterally reduced by the Bank, outside the cases envisaged by law), and is determined and paid within predefined ranges on the basis of pre-established and verifiable criteria - such as levels of professional experience and responsibility - which do not create risk-taking incentives and do not depend on the Bank's performance. For details, see Chapter 5.3, 2023 Report on remuneration policy and compensation paid.
[20] For details, see Chapter 5.3.1, 2023 Report on remuneration policy and compensation paid.
[21] For details, see Chapter 5.3, 2023 Report on remuneration policy and compensation paid.
[22] For details, see Chapter 5.4.2, 2023 Report on remuneration policy and compensation paid.
[23] For details, see Chapter 6.2, 2023 Report on remuneration policy and compensation paid.
[24] To supplement the remuneration package that until 2022 was based only on fixed remuneration, the 2023 remuneration and incentive policies introduced a company bonus - defined through a special trade union agreement that also envisages disbursement in the form of welfare - and an incentive system, both subject to the achievement of Group objectives.
[25] For details, see Chapter 5.6, 2023 Report on remuneration policy and compensation paid.

2.3 Governance of Sustainability and ESG risks

GRI 2-12 GRI 2-13 GRI 2-14

As outlined in the "Group Directive on Sustainability and ESG" of 28 June 2022, the responsibilities in this area are distributed among the Bank's various bodies and functions based on four lines of action (strategy, actions and policies, risk factor management, monitoring and reporting) with a view to pursuing its business model in compliance with the Code of Ethics, external regulations, Italian and international guidance, standards and initiatives voluntarily adopted by the Group in relation to Sustainability and ESG.

All Corporate Functions of the Group promote the integration of ESG (Environmental, Social and Governance) aspects into the processes, procedures and IT systems, implementing the initiatives relating to their areas of responsibility, as defined in the Sustainability Plan, all to pursue the defined Sustainability strategy, monitoring its development and reporting on the results achieved. At the same time, they seek to adequately manage the ESG risks associated with their activities, e.g., reputational risks, greenwashing and unfair practices, implementing mitigation actions and appropriate monitoring.

The 2022-2026 Business Plan defines the strategic ESG objectives to be pursued by the Group in order to reach a distinctive market position, support the development of sustainability development models and the transition to a low-carbon economy.

In 2022, the Sustainability Plan was prepared, identifying all the ESG initiatives, related deliverables, deadlines, ownership and monitoring methods, focusing in particular on actions to be taken during 2023 and 2024.

The role of the Board of Directors in supervising sustainability topics

In 2023, the Board of Directors' agenda included 21 items for discussion and approval of sustainability-related topics.

	BODY	RESPONSIBILITIES
SUPERVISION	Board of Directors	**Strategic Supervisory Function that integrates Sustainability into the Business Plan**, the internal control and risk management system and remuneration policies. Guarantees application of the Group Directive on Sustainability and ESG and that the Group risk management framework includes the monitoring of ESG risk factors, integrating these into all processes. Approves: Sustainability and ESG Plan, Directives, strategies and policies, as well as direction and coordination policies on non-financial information, materiality analysis and the Non-Financial Statement (NFS), and the adoption of Italian and supranational Sustainability-related initiatives.
	Risk and Sustainability Committee	**Supports the Board of Directors in monitoring Sustainability-related topics** associated with the business model and stakeholder dynamics, with investigative, proactive and advisory functions in assessments and decisions relating to Sustainability, monitoring the Group's ESG position. Contributes to the definition of strategic guidelines and governance policies for ESG risks, with particular reference to the effects of climate and environmental risks on the business model and on the business strategy, and supports the Board of Directors in ensuring that the Group's entire risk management framework includes ESG risk factor monitoring.

DIRECTION AND COORDINATION

BODY	RESPONSIBILITIES
Chief Executive Officer	**Submits the following to the Board of Directors for approval:** Sustainability Plan, strategies and policies, direction and coordination policies on non-financial information, materiality analysis, the Non-Financial Statement (NFS), Group Directive on Sustainability and ESG and the adoption of Italian and supranational Sustainability-related initiatives.**Arranges execution of Board of Directors' decisions and ensures the achievement of objectives** defined in the Sustainability strategies, with the aid of the ESG Section of the Steering Committee and the Chief Financial Officer.
Steering Committee	**Through the specific ESG Section, supports the CEO** in ensuring transversal strategic guidelines by coordinating activities and solving critical issues detected in the implementation and monitoring of the strategic framework.
Chief Financial Officer - Sustainability and ESG Manager	The **Chief Financial Officer**, in their capacity as **Sustainability and ESG Manager**, and **the Sustainability and ESG Staff** reporting to the CFO, formulate ESG strategy proposals, collecting and integrating contributions from all the corporate functions. Ensures the implementation of Group ESG initiatives, assessing their positioning against Italian and international best practices. Promotes dissemination of the ESG culture and proposes initiatives. Coordinates the non-financial statement and reporting activities arising from the adoption of sustainability-related principles and standards.
Permanent Working Group on Sustainability	**Promotes dialogue with the corporate structures** and gathers elements useful in reporting on the policies implemented and results achieved, also for the purpose of drafting the NFS, preparing the contributions of all Group functions and supporting the implementation of initiatives.

CONTROL

BODY	RESPONSIBILITIES
Chief Compliance Executive	In line with ECB, EBA and ESMA guidance on ESG risks, **advises the Board of Directors on measures to be adopted for Group compliance with external Italian and European regulations.** Supports the Corporate functions in monitoring ESG factors in activities and services provided by the Bank, as well as the measurement/assessment of their impact on business processes and procedures, assessing the impact of Sustainability-related changes in the legal and regulatory context on Group activities and on the reference framework with regard to compliance. In line with ECB, EBA and ESMA guidance on ESG risks, advises the Board of Directors on measures to be adopted for Group compliance with external Italian and European regulations. Supports the Corporate functions in monitoring ESG factors in activities and services provided by the Bank, as well as the measurement/assessment of their impact on business processes and procedures, assessing the impact of Sustainability-related changes in the legal and regulatory context on Group activities and on the reference framework with regard to compliance.
Chief Audit Executive	**Assesses the adequacy of internal control systems and monitoring** in place to manage Sustainability topics and ESG risk factors.
Chief Risk Officer	Ensures the **integration of ESG risk factors into the risk management framework**, definition of methods for measuring the impact of ESG risk, **focusing in particular on climate and environmental risks**, and definition of the Group's risk appetite (RAS and RAF). Independently assesses and monitors risks related to climate factors, where necessary requesting mitigation actions in addition to those identified by the Business Functions. Also manages the reporting and relations with supervisory authorities on topics associated with climate and environmental risk management.

In the light of regulatory and planning developments, requests from the regulator and in order to fully seize opportunities offered by the transition and by Italian and EU plans relating to the transition and to continue integration, with a view to ongoing and structured transformation, of ESG principles into the business strategies and processes, the Sustainability Plan is periodically updated and supplemented with new/enhanced initiatives approved and monitored by the Corporate Bodies.

The resulting Sustainability Plan contains **project activities** as covered in the **ESG Programme**, provided they are of significant complexity due to the presence of strong interdependence and the need to carry out IT actions, and non-project activities directly managed by the owner functions. The ESG Programme, which in a transversal and structured manner coordinates and steers the initiatives identified, given their strong interdependence, to achieve the strategic objectives defined in the Business Plan, has its own hierarchical, planning and monitoring structure with shared CFO and CRO sponsorship, a Programme Manager and a Project Management Officer (PMO). As with other initiatives relating to the Business Plan, this Plan is covered in reporting activities to the Board of Directors, Risk and Sustainability Committee and Steering Committee. Specific monitoring reports on the macro objectives of the Business Plan and the main milestones are managed and prepared by the Parent Company's Sustainability Function.

Specifically, the "ESG Programme" is divided into **eight separate project strands, each with a project manager**, that cover the five pillars of the ESG Framework to be developed by the Group (Strategy, Governance, Business Model, Risks & Regulations and Reporting & Communication). Periodic progress status reports on these initiatives are submitted to the Steering Committee and to the specific ESG Section Steering Committee.

The Steering Committee of the ESG Programme is composed of first-level functions of the Bank and supervises the Programme's performance monitoring, management and resolution of interfunctional critical issues and makes decisions on any need for escalation to the Chief Executive Officer. The ESG Section Steering Committee instead manages and steers material critical issues reported by the Steering Committee with a view to finalising Programme initiatives by the planned deadlines and methods, and proposes updates to the Programme.

The responsibilities associated with Diversity & Inclusion topics are integrated into the responsibilities of the ESG Section Steering Committee and CHCO through the creation of a special team, further confirming the importance of a holistic approach to Sustainability principles in the business activities and strategy.

All **Corporate Functions of the Group** implement the **initiatives** relating to their areas of responsibility, as defined in the Sustainability Plan, and promote the integration of **ESG aspects into the processes**, **procedures** and **IT systems**, all to pursue the defined Sustainability strategies and **report on the results** achieved.

2.4 Risk management and monitoring

The Montepaschi Group places **utmost attention** on **identifying, monitoring, measuring, controlling and mitigating risks**. Risk governance policies are defined in line with the Group's business model, strategic objectives and with external regulatory and legal requirements.

Policies relating to the assumption, management, coverage, monitoring and control of risks are defined by the Parent Company Board of Directors, which periodically defines and approves strategic risk management guidelines and quantitatively expresses the Group's overall risk appetite, in line with the annual budget and multi-year projections.

In particular, the Board of Directors defines and approves:

The ***Risk Appetite Framework*** (RAF) for the entire Group, the objective of which is to ensure ongoing consistency between the actual risk profile of the Group and the risk appetite decided ex-ante by the Board of Directors, taking into account any tolerances and within the maximum limits permitted;

The **Group Risk Appetite Statement** (RAS) is a key element in defining the Group's risk strategy, identifying risk objectives and specifying the indicators).

In reference to climate and environmental risks, governance of the Group risk appetite requires identification in the Risk Appetite Statement (RAS) of a set of Key Risk Indicators (KRIs) with calibration of objectives and limits coordinated with the Risk Strategy/Policy and Budget approved by the Board of Directors. These KRIs are periodically monitored (Risk Appetite Monitoring) to promptly detect signs of any critical issues for which escalation procedures could be triggered and the necessary remedial actions taken.

The Risk Appetite Monitoring is based on:

- an ad hoc reporting system based on metrics consistent with the KRIs approved for the RAS;
- a system for continuous monitoring of the operating limits assigned to the Legal Entities/Business Units, consistent with the RAS KRIs;
- communication/escalation/authorisation procedures applied if RAS limits or operating limits are exceeded, involving different levels of responsibility and Corporate Bodies.

The Montepaschi Group places **utmost attention** on **identifying**, **monitoring**, **measuring**, **controlling and mitigating** risks.

The risk governance system adopted by the Group is characterised by a **clear-cut distinction of roles and responsibilities of the different functions at first, second and third levels of control**.

- the CEO/General Manager is responsible for ensuring compliance with risk policies and procedures;
- the Director in charge of the internal control and risk management system, appointed in compliance with the Corporate Governance Code for listed companies, is responsible for creating and maintaining an effective system of internal control and risk management.

The **Risk and Sustainability Committee** makes a distinctive contribution **to the definition of strategic guidelines and risk governance policies**, so that the main risks relating to the Group are correctly identified and adequately measured, managed and monitored.

It is responsible for the adequacy assessment of the:

- Risk Appetite Framework, contributing to definition of the risk appetite and risk tolerance;
- internal control and risk management systems against the adopted risk profile;
- the action plan prepared by the Corporate Control Functions.

The **Chief Risk Officer (CRO) Division performs activities related to Risk Control**, **Anti-Money Laundering and counter-terrorist financing (AML)** and **Internal Validation Functions.** With regard to RAS, the Risk Control Function is specifically assigned the task of conducting the quarterly monitoring of indicators, drawing up a periodic report for the Board of Directors and activating the escalation processes if limits are exceeded.

This Division is therefore responsible for:

- guaranteeing the overall operations of the risk management system;
- participating in the definition and control of the Risk Appetite Framework (RAF), as well as ensuring that significant transactions are consistent with the RAF;
- verifying capital adequacy based on the ICAAP and liquidity adequacy based on the ILAAP;
- monitoring the Recovery Plan indicators;
- ensuring the necessary reporting flows to the Group's Top Management and Governance bodies;
- guaranteeing proper and adequate control activities for the Group Companies that have outsourced the corresponding corporate function;
- operating the anti-money laundering function as envisaged by supervisory regulations and the internal validation of risk management models.

In particular, the risk control function in the Chief Risk Officer Division is assigned to a single Risk Management organisational unit with 6 second-level units (Risk Integration and Reporting, Credit Risks, Ratings, Operational Risks, Market Risks and Wealth Risk Management, Liquidity and ALM Risks).

The Board of Directors appoints/terminates the Parent Company's Chief Risk Officer at the proposal of the Risk and Sustainability Committee, with the assistance of the Appointments Committee and after consulting the Board of Statutory Auditors. The remuneration of the Parent Company's Chief Risk Officer is determined and approved by the Board of Directors at the proposal of the Remuneration Committee, obtaining the opinion of the Risk and Sustainability Committee.

The risk management system adopted by the Group increases the **Group's risk culture** and **fully instils accountability in all relevant Business Units** with regard to achievement of the risk appetite objectives, as required by regulations and recommended by best practices.

Risk culture

Regarding the **promotion of risk culture** within the Group, the CRO Division, together with the CHCO Division and other Control functions of the Bank (Audit, Compliance and Anti-Money Laundering) has developed a **training course on "Risk Culture"** consisting of **e-learning sessions** that illustrate typical Bank operations that could generate specific risks. The purpose is to disseminate an adequate risk culture among all Bank personnel. In 2023 in particular, topics such as the **Bank's integrated approach to sustainability** were covered. The course was attended by over **14,000 employees**. Training was also provided in e-learning mode by staff responsible for direct management of the main banking risks in order to inform all other personnel on topics such as Sustainability and Anti-Money Laundering transformation processes, which attracted more than **250 participants** from the Group's control functions.

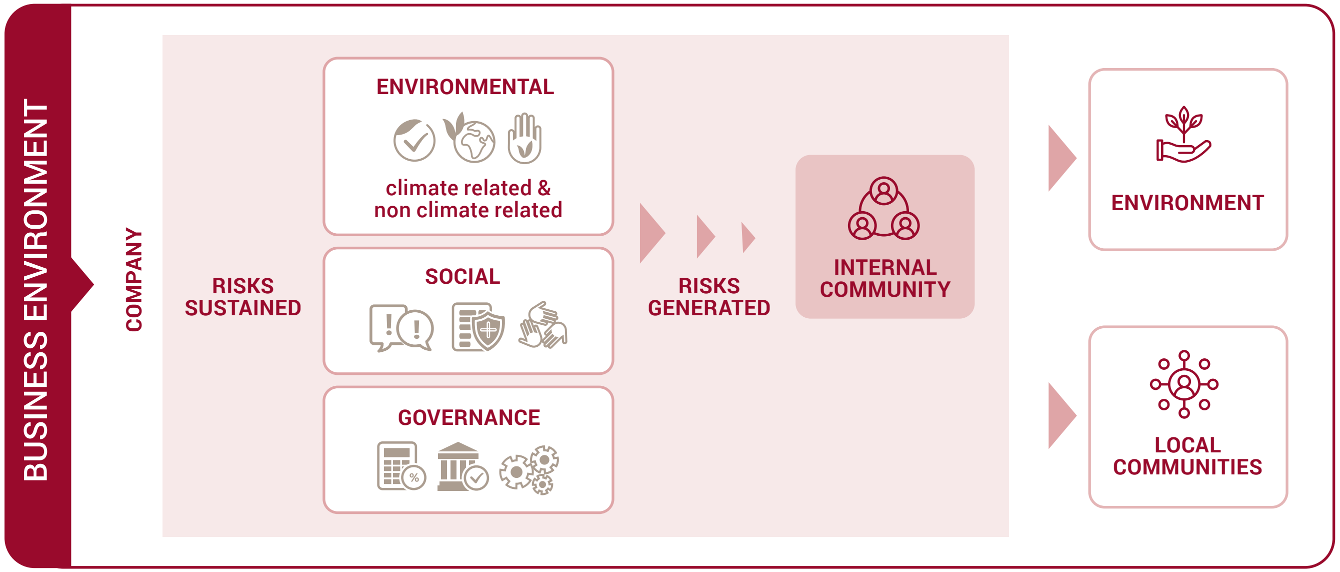
2.4.1 ESG risk factor management

GRI 2-25

The ESG topics considered material by the Group in line with the adopted "impact materiality" approach **were included in the set of "material topics"** and, in the light of recent developments in these topics and their integration into the business strategy and processes, the related risk analysis was also extended and developed.

Risk analysis on ESG topics is performed by analysing multiple transmission channels, based on the risks that could materialise, and are identified and monitored according to the impacts they could generate, as *transversal drivers* and with different materiality levels, on traditional financial risks (credit, operational, market and liquidity) already known and processed in the Group risk management framework.

For each material topic (or ESG topic), involving the Bank's business model in terms of the activities carried out and related value chain, steering its value proposition and related development strategies, the main current or potential positive and negative impacts generated, also consistent with the Impact Materiality, and the main vulnerabilities to which the Group could be exposed, based on failure to achieve the defined objectives, adequate management of these topics and negative repercussions on the reference ecosystem and on the general community with which the financial institution interacts (risks generated) and any negative repercussions on the Bank's business (risks sustained), are identified.



For each "material topic" the "Our Approach" section provides a description of the approach adopted by the Group to generate a positive impact in terms of sustainable development and the fight against climate change, the main policies adopted and the outcomes of related risk analyses.
With reference to risk analysis, the potential vulnerabilities, nature of the risk (generated/sustained; financial and non-financial), internal and external impact, any traditional risk areas impacted and the management and/or mitigation controls implemented are described, in addition to the main actions taken and results achieved during 2023.

Based on the transmission mechanisms for the ESG risk factors, information is given on the **potential financial impact**, i.e. immediately "translatable" into a potential loss, expected or unexpected, or a non-financial risk, i.e. those with no immediate financial risks but which could become so, with impacts that could prove highly significant (e.g. reputational, business and strategic risk). For climate-related risks, indications based on the physical risk and transition risk transmission channel are also provided.

With reference to the **Environmental component**, in line with the six environmental objectives identified in the EU Taxonomy (Regulation (EU) 852/2020), the Group breaks down the risk factors into climate-related, i.e., those associated with climate change and related mitigation and adaptation objectives, and non-climate-related, i.e. associated with the other four EU Taxonomy objectives (use of water and marine resources; circular economy; processing, reduction and recycling of waste and pollution control; protection of ecosystem biodiversity). The "non-climate-related" risks, i.e. "nature-related", are those deriving from the deterioration of nature, including its biodiversity, and the loss of resulting ecosystem-related services (physical risks),

or misalignment of economic players with actions to protect, restore and/or reduce negative impacts on nature (transition risks). Geographic and sector-specific analysis was carried out at the end of 2023 to identify these risks, deriving mainly from credit exposures, and define their materiality. A plan was been launched for 2024 to gradually include non-climate-related environmental risks into the Risk Management Framework.

With reference to **climate change-related risks** or ***climate-related risks*** (**C&E**), in line with regulatory developments and emerging good practices, the Group focuses in particular on the identification and integration process, as at present this is the environmental risk component attracting most stakeholder and market attention due to the tangible impacts on climate change already seen in the social and economic environment.

For C&E risks, adopting the Guidelines expressed by the ECB in November 2020 (Guide on climate-related and environmental risks: Supervisory expectations relating to risk management and disclosure), please refer to the Sustainable Finance and Climate Change section where a dedicated table also provides a transmission channel-based indication of the physical risk and transition risk illustrated in the table.

The risk analysis approach adopted, which in 2023 also specifically integrated medium and long term views, supported by quantitative information, **led to identifying the risks of C&E accidents affecting the areas of Credit and Operational Risks as material** (including in a broad sense also the reputational risks), in continuity with what had already emerged from analyses carried out in 2022.

Credit risks, based on the risk exposure that can be assumed on the basis of the analysis of possible transmission channels, also proved to be "very high" (*transition risk*) and "high" (*physical risk*) materially, depending on the potential exposure associated with each C&E risk factor.

For other ESG risk factors, **the potential risks mostly arise from "direct" impacts on operational risks and "indirect" impacts on reputational risks**, largely managed generically as such prior to their specific identification as ESG.

With reference to operational risks, the likelihood of incurring losses due to penalties or disputes associated with labour law or environmental matters, these are potential risks always contemplated in management and mitigation actions, albeit not specifically "classified" as ESG risks.

Another risk transmission mechanism in terms of Social

With regard to climate **change-related risks** or climate risks (C&E), **the Group** focuses in particular on the **identification and integration process**.

aspects is "indirect" in relation to the Bank's **reputation**, due to the damage to image resulting from any controversial conduct adopted against internal and external communities with respect to the corporate scope.

Please refer to the Section "Our Approach - Sustainable Finance and Climate Change" for a description of the management of climate risks identified as material. Below is a description of the approach adopted to managing reputational risk associated with ESG factors, this also identified as material.

Management of reputational risk linked to ESG factors

The reputational risk management framework is integrated into the Group Risk Appetite Framework, with quarterly monitoring of specific indicators which help "measure" the strength of relations with the main stakeholders (customers, employees, communities and media, regulators, shareholders/ investors). Escalation mechanisms are also envisaged if the predefined limits are exceeded.

The reputational risk management framework is based on Sustainability, on a widespread culture of risk, on monitoring reputation and the primary risks that could affect it. The framework also integrates the development of organisational and communication controls to mitigate reputational risk.

Given the pervasive and transversal nature of reputational risk, every corporate function - to the extent of its responsibilities - is involved in protecting the corporate image and reputation, for the purpose of **identifying reputational risks and related organisational safeguards**.

The framework envisages a preliminary reputational risk assessment related to the launch of new products, commercial initiatives and any unilateral measures, and verification of the ineligibility of businesses to receive loans if they do not comply with the social, ethics and environmental objectives of the Code of Ethics. Periodic
monitoring of the level of Customer satisfaction in the services provided is also envisaged.

The **reputational risk** management framework is based on **Sustainability**, on a **widespread culture of risk**, on **monitoring reputation** and the **primary risks** that could affect it.

Then there are specific processes to handle internal and external communication, as well as structured authorisation processes certifying the quality and accuracy of external information according to its nature and relevance.

If a reputational crisis arises, **an escalation process is triggered to limit its impact and quickly manage the messages** to be externally and internally released to all stakeholders.

Again with regard to reputational repercussions, the Group monitors the primary risks (credit, operational, investment product, market, legal, strategic and compliance risks) and plays an active role in developing a widespread risk culture within the organisation through the delivery of specific training courses to employees on the main banking risks.

The related reputational risk indicator, subject to RAS monitoring, includes a component that takes into account the impacts on reputation linked to ESG factors. This component considers the external perception of the MPS Group's attention to ESG topics, as shown in the sustainability ratings of the Group expressed by independent agencies, the exposure volume to sectors exposed to transition risk and associated with controversial activities and the weight - in customer portfolios - of investments in financial instruments considered non-sustainable by the Bank.

Banca Monte dei Paschi di Siena is considered the oldest bank in the world still in operation, founded in Siena in 1472.

The **history** of this bank has strong ties with the **region**, its **residents** and the **surrounding areas**.

3

Our Approach

The MPS Group was founded in 1472 for sustainable purposes and over time it has maintained a sustainable vocation, adapting to the evolution of the external context and the current prospective challenges in terms of sustainability. **In recent years, with the growing awareness** shared globally that **ESG issues** have become an essential aspect for the creation of long term value, it has defined and undertaken a **structured path of integrating sustainability** into its business model and decision-making processes and in the strategy. The salient points are reported below.

1472

Monte dei Paschi di Siena was founded as 'Monte Pio' at the behest of the Magistracies of the Republic of Siena and was specifically established **to help the poorer classes of the population** at a difficult time for the local economy and to combat usury

1481

First work of art commissioned by the Bank, the 'Madonna della Misericordia', symbolising the Bank's humanitarian purposes

1850

Introduction of first pension and of survivor's pension

1915

First public recruitment **competitions**

1918

First female staff hired

1930

Creation of **Summer camps for employees' children**

1950

Creation of **Cassa di Mutua Assistenza** to supplement employee welfare policies

1968

Free company health centre in Siena

2001

Establishment of **MPS BancaVerde as a centre of excellence in the green sector**, promoting sustainable economic development and fostering quality agriculture and agro-industry

Social and Environmental Report - First publication with voluntary disclosure on social and environmental initiatives promoted by the Group

2002

Commitment to the *Global Compact* – The *Global Compact* was promoted in 2000 by the United Nations and was created to encourage companies from around the world to adopt sustainable policies and make the results of their actions public

Publication of the first **Environmental Policy**

2003

First **UNI EN ISO 14001** certification (MPS CS since 2002)

2006

Foundation of **Microcredito di Solidarietà** in which the Bank holds a share (40%)

2008

Publication of the **Code of Ethics** and the **Occupational Health and Safety Policy**. First **OHSAS 18001 certification**

2012

100% use of energy from renewable sources for consumption

2017

Consolidated Non-Financial Statement – first publication pursuant to Legislative Decree 254/2016

2019

First signatories of the ***Principles for Responsible Banking* (PRB)** that promote the alignment of financial institutions with sustainability principles

2020

- The BoD renames the Internal Risk Committee as the **Risk and Sustainability** Committee, assigning specific sustainability functions.
- Publication of the **first ESG rating** of Standard Ethics
- Defined smart targets on reduction of direct impacts and diversity.

2021

Review and strengthening of **Sustainability Governance** carrying the **Function Sustainability among responsibility of the CFO**, the creation of the dedicated structure to the integration of Sustainability in the Group's strategy "Sustainability and ESG", the creation of the ESG Management Committee

2022

- The Bank joins the **Net-Zero Banking Alliance** promoted by the United Nations
- Publication of **the Sustainability Guidelines and the Policy on Dialogue with Shareholders and Investors, available on the Bank's website**
- **ESG goals entered in the Group Business Plan and start of the ESG Programme**

2023

- Definition of **decarbonisation** objectives of the portfolio in the area of membership in the **Net Zero Banking Alliance**.
- Obtained **Gender Equality Certification**
- Integrated **ESG** objectives **in Variable Remuneration**

3.1 Materiality assessment and Stakeholder engagement

GRI 2-29 GRI 3-1 GRI 3-2 GRI 3-3

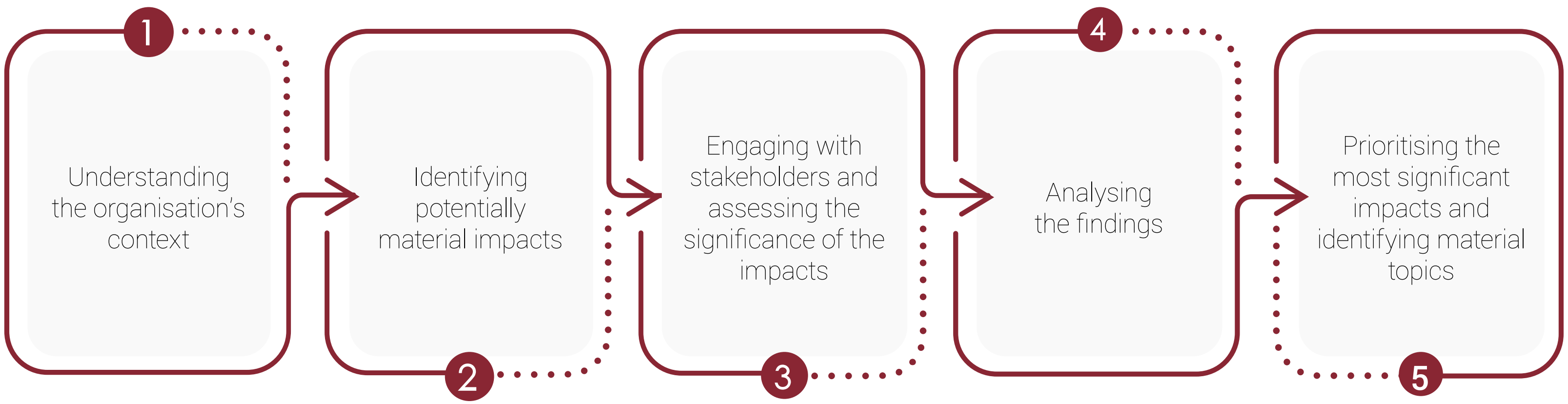
The materiality assessment process, which aims to identify and prioritise issues that are relevant to the Group's strategy and that must be reported in the Non-Financial Statement, has become increasingly important in recent years because of its ability to influence the Group's strategic decisions. As a result, the methodology has evolved. In 2022, the Impact Materiality methodology was introduced, replacing the previous "single materiality" approach, and in 2023, the first considerations from a double materiality perspective were introduced and will be further developed in 2024 in line with the latest regulatory and internal developments.

The Materiality Assessment process adopted by companies in the first years of application of Legislative Decree 254/2016 was structured according to a **"single materiality"** approach, which, in line with standards and market achievements, involved determining the relevance of topics – identified on the basis of strategic information – both for the company, with the involvement of management, and for stakeholders, with the involvement of key internal and external stakeholders.

In 2021, the Global Reporting Initiative published a new Standard (Standard 3 - Material Topics) that redefined the materiality process and introduced the **concept of Impact Materiality, which was then adopted starting** with the 2022 Non-Financial Statement.

As a result, the Montepaschi Group updated its Materiality Assessment process according to the impact materiality approach, in line with the changes envisaged by the 2021 GRI Standards, which require an assessment of the **positive and negative, actual and potential impacts that the company generates through its operations and business relationships on society, the economy and the surrounding environment.**

In 2023, the MPS Group therefore revised **the methodology of the materiality analysis process**, which is divided into four steps, as described in the following paragraphs:



Understanding the context

In view of the new requirements of the GRI standard, the MPS Group has updated the material issues identified in the previous year, taking into account:

- The Group's strategy as defined in the 2022-2026 Business Plan and its objectives;
- Analysis of the material topics assessed by analysts, investors and rating agencies, as well as feedback received through direct interviews and questionnaires (unsolicited) from the main ESG rating agencies;
- Contextual elements related to the mapping of environmental, social and economic needs in Italy, identified through an assessment in accordance with the Principles for Responsible Banking guidelines, Italy's position in achieving the Sustainable Development Goals (SDGs) and EU recommendations to Member States on actions to be implemented to achieve the 2030 Agenda;
- International, European and national regulations (Taxonomy, Efrag Standards, New CSRD, Reg. 2019/2088, ECB Guidelines on Environmental and Climate Risk Management, etc.).
- Internal regulations on sustainability issues (Sustainability and ESG Directive, Environmental Policy, Inclusion Plan and Rules, etc.)
- Benchmark analysis of material topics reported in 2021 by the main players in the Italian and foreign banking sector.

Identifying potentially material impacts

From an evolutionary perspective, the Group has identified its actual and potential impacts on the economy, environment and people, including human rights, across the organisation's activities and business relationships, in accordance with GRI standards. The identification of potentially relevant, actual or potential impacts, whether negative or positive, short term or long term, intentional or unintentional, reversible or irreversible, is crucial for the Group's sustainability management, as it provides a basis for setting objectives and reviewing processes, and enables the Bank to manage the challenges and opportunities that emerge. This process involved contextual analysis, including an assessment of market trends, economic dynamics, regulatory issues and stakeholder expectations, as well as an evaluation of the nature of the Bank's activities, the type of customers it serves, and their respective expectations and needs.

Engaging with stakeholders and assessing the significance of the impacts

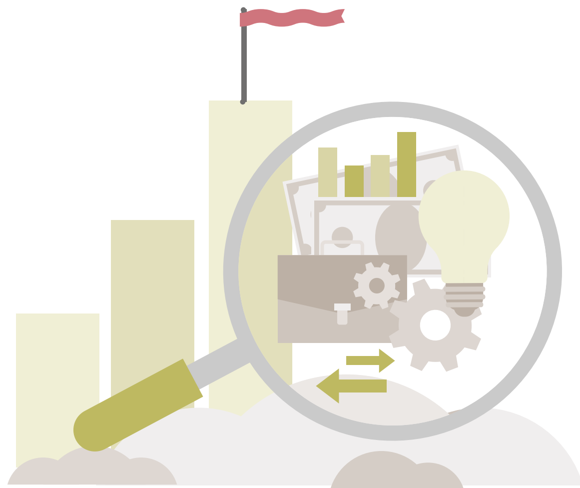
GRI 2-29

Stakeholder engagement is a critical element of the impact relevance analysis, covering both positive and negative, current and potential impacts related to the Group's operations and value chain. This engagement was conducted using a methodology that included one-on-one interviews and focus groups with key stakeholders/opinion leaders experienced in Sustainability issues.

Stakeholder engagement through this approach has enabled a deeper understanding of industry trends, expectations regarding social, environmental and governance issues, and the assessment of significant impacts related to the Group's activities, by gathering stakeholders' perceptions of Sustainability-related risks and opportunities for financial institutions and for the MPS Group in a flexible and tailored manner.

The identification of priority stakeholder categories for the MPS Group, i.e. stakeholders whose interests could be or are positively or negatively affected by the Bank's activities, was based on the following drivers:

- The characteristics of the business, the business context and the sustainability strategy/initiatives in place;
- Key global sustainability trends and developments.



Compared to previous years, there is an **increasing focus on ESG issues and how they should be addressed** by the banking sector, including by representatives of the financial community, business partners and regulators, who have therefore been included in the list of key stakeholders.

At the end of the stakeholder engagement process, it was possible to:

- define a **materiality impact score** associated with each topic, thereby enabling them to be prioritised;
- **review *impact-oriented* statements** associated with material topics;
- **identify the most significant impacts (positive and/or negative)** on the economy, environment and/or society, as well as on the specific context of the organisation, using an assessment tool aligned with key reference frameworks.

Furthermore, thanks to the insights gained during the engagement activities, it was deemed appropriate to add the topic of "Performance and Financial Solidity", given the Group's focus and commitment to achieving sustainable profitability and a solid and resilient balance sheet, one of the strategic pillars underlying the 2022-2026 Industrial Plan.

It was also decided to merge the topics "Quality of Customer Relations" and "Support for People and Local Areas" into a single topic, "Customer Relations and Local Footprint", given the interdependence of the impacts generated by these two topics.

INVOLVEMENT OF EXPERT STAKEHOLDERS

INTERNAL

TOP MANAGEMENT

EMPLOYEES

EXTERNAL

ACADEMIC WORLD

FINANCIAL COMMUNITY

INDUSTRY AND CUSTOMER REPRESENTATION ASSOCIATIONS

21 interviews

CONDUCTED

ENGAGEMENT METHODS

ONE-TO-ONE INTERVIEWS AND FOCUS GROUPS

that gave the opportunity to deeply focus on industry trends and ESG expectations, assess the significant impacts related to the Group's activities and collect stakeholders' perceptions on the sustainability risks and opportunities for banks and the MPS Group.

The focus of the interviews shifted, asking:

- to assess the **impact of the topic**
- to assess **monitoring of the topic** by the Group (*only top management and employees*)

Analysing the findings, prioritising the most significant impacts and identifying material issues

GRI 3-2

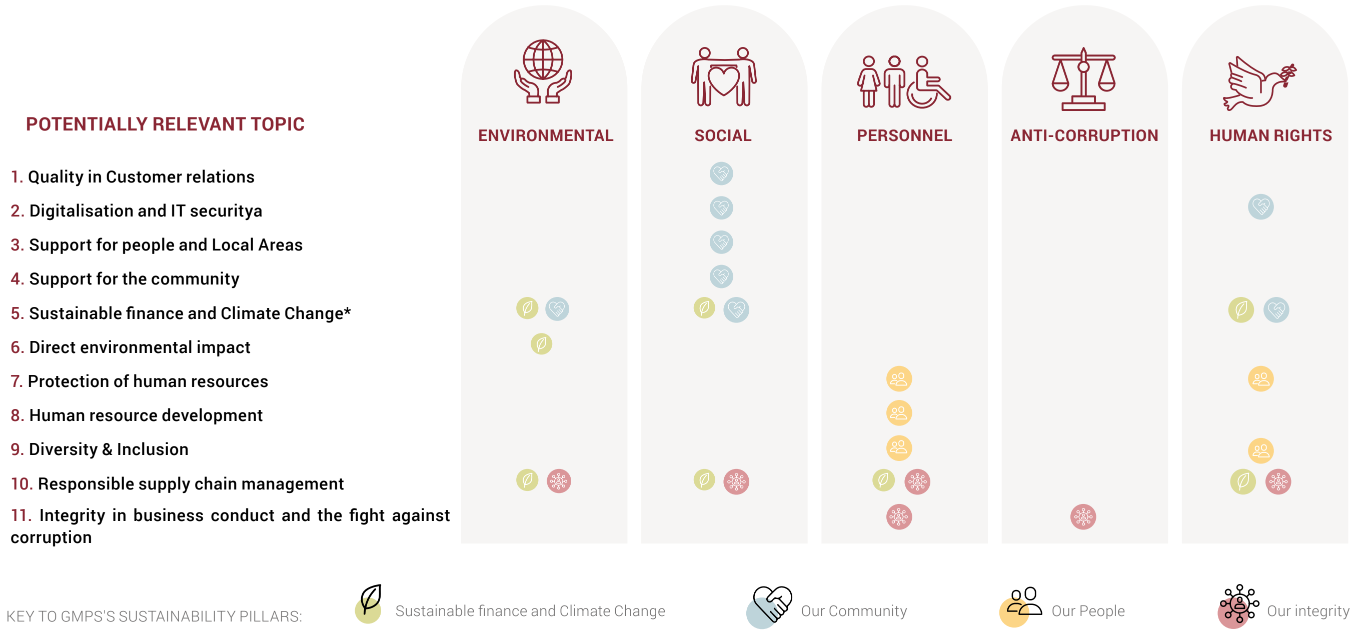
The **final Materiality Impact score** is based on the weighted average of the impact ratings provided by the top managers involved and other external and internal and external stakeholders, together with the severity assessment of each impact performed by the Sustainability Function.

Based on the analysis of qualitative and quantitative evidence from the stakeholder engagement process, the requirements of reporting standards to promote comparability and transparency of information, and the commitments made in the Principles for Responsible Banking (PRB), it was decided to set the

materiality threshold for non-financial reporting to include all topics with a medium/high/very high impact assessment, i.e. **a score above 3, as shown below**.

RANKING	MATERIAL TOPICS	AVERAGE SCORE
#1	Sustainable finance and climate change	4.4
#2	Integrity in business conduct and the fight against corruption	4.3
#2	Development of human resources	4.3
#2	Protection of human resources	4.3
#5	Digitalisation and IT security	4.2
#6	Economic performance and solidity	4.0
#6	Customer Relations and Local Footprint	4.0
#6	Diversity & Inclusion	4.0
#9	Responsbile supply chain management	3.6
#10	Culture and Community	3.5
#11	Direct environmental impact	3.3

These topics have been linked to the **four pillars of the Group's Sustainability as described in the internal Sustainability and ESG Directive** (Sustainable Finance and Climate Change, Our Community, Our People, Our Integrity). Below are the potentially material topics for each pillar and scope of Legislative Decree 254/2016:



Below are also the **main impacts** (positive and negative, actual and potential) **on people, the environment and the economy** (external impacts) that the Group has in carrying out its activities and business relationships, as identified through the materiality analysis for each material topic, which in turn relate to the Group's four ESG pillars, which are described in detail in this section.

SUSTAINABLE FINANCE AND CLIMATE CHANGE		
MATERIAL TOPICS	MAIN POSITIVE AND NEGATIVE, CURRENT AND POTENTIAL IMPACTS GENERATED	
Sustainable finance and climate change	+	Supporting the promotion of sustainable development models through the systematic integration of environmental, social and governance (ESG) criteria into investment and financing policies and the offer of dedicated products
	−	Potential impact on access to credit for companies or sectors with low ESG performance due to new green credit/investment strategies
Direct environmental impact	+	Reduced environmental impacts through awareness-raising activities for customers and employees on the use of resources (e.g. printing of contractual documents)
	−	Reduced environmental impacts through awareness-raising activities for customers and employees on the use of resources (e.g. printing of contractual documents (Scope 1 and 2)

OUR COMMUNITY		
MATERIAL TOPICS	MAIN POSITIVE AND NEGATIVE, CURRENT AND POTENTIAL IMPACTS GENERATED	
Digitalisation and IT security	+	Strengthening cyber security through training, governance management and the introduction of new tools to monitor and prevent incidents
	−	Potential negative impact of IT security incidents on new channels
Customer Relations and Local Footprint	+	Improve customer relationships through a widespread local distribution network capable of helping customers meet their needs
	−	Potential negative impact of branch network reorganisation
Culture and Community	+	Supporting community financial education through training and awareness-raising initiatives (e.g.: #MpsEdu, MpsOrienta)
	−	Failure to contribute to the social and cultural development of the Community

OUR PEOPLE		
MATERIAL TOPICS		MAIN POSITIVE AND NEGATIVE, CURRENT AND POTENTIAL IMPACTS GENERATED
Development of human resources	+	Contributing to the professional development of staff through specific training, upskilling and reskilling
	−	Possible negative impact on employee satisfaction due to ineffective performance appraisal systems and inefficient definition of career development plans
Protection of human resources	+	Supporting employees through the provision of welfare programmes, health coverage, special agreements, solidarity programmes
	−	Potential negative impact on people's well-being as a result of reorganisation activities included in the Group'sBusiness Plan
Diversity & Inclusion	+	Improving the gender gap through programmes focused on gender equality and women's empowerment (e.g. Women Leadership Programme)
	−	Failure to support the creation of an inclusive environment and widening of the wealth gap due to discriminatory remuneration policies

OUR INTEGRITY		
MATERIAL TOPICS		MAIN POSITIVE AND NEGATIVE, CURRENT AND POTENTIAL IMPACTS GENERATED
Integrity in business conduct and fight against corruption	+ −	Increase/loss of stakeholder confidence as a result of the Group's fair and transparent financial behaviour
Economic performance and solidity	+	Distribution of economic value to stakeholders (suppliers, employees and contractors, shareholders, public administration, community)
	−	Loss of confidence by stakeholders and the financial system due to economic/financial performance not meeting expectations
Responsible supply chain management	+	Raising awareness of suppliers on sustainability issues and improvement of ESG performance through specific checks and periodic control activities
	−	Failure to support sustainable development and protection of the planet in the event of ineffective management of supplier selection, evaluation and monitoring processes according to ESG criteria.

The Group regularly identifies and assesses both actual and potential impacts through its day-to-day activities and through its engagement and dialogue with stakeholders. This approach enables the active identification and management of existing impacts and the timely identification of new ones. For 2023, within an essentially stable macroeconomic and business environment, and in light of the ongoing assessment of the impacts related to its activities, the Group has reaffirmed its commitment to analysing the impacts resulting from the materiality assessment carried out in 2022. This decision is in line with the guidelines of the GRI Reporting Standards, which provide for the reassessment of material issues during the reporting period in the event of significant changes in the company's strategy, activities and business relationships, or in the external context, as described in the methodology above.

In this respect, it should be noted that the above analysis was carried out in accordance with the principles of impact materiality, in line with the innovations introduced by Standard 3 - Material Topics published in 2021 by the Global Reporting Initiative (GRI). This standard requires an assessment of the positive and negative, actual and potential impacts that the company has on society, the economy and the environment through its activities and business relationships.

In accordance with the requirements of the above-mentioned Standard 3, the MPS Group has identified potentially relevant issues and their respective impacts in 2022 and confirmed them for 2023, taking into account: (i) the Group's strategy and objectives defined in the 2022-2026 Business Plan; (ii) analyses of material topics and assessments by analysts, investors and rating agencies, as well as feedback received through interviews and unsolicited questionnaires from the main ESG rating agencies; (iii) contextual elements related to the mapping of Italy's environmental, social and economic needs identified through assessments in line with the Principles for Responsible Banking and Italy's position in achieving the Sustainable Development Goals, as well as EU recommendations to Member States on actions to be implemented to achieve the 2030 Agenda; (iv) international, European and national regulations (taxonomy, EFRAG standards, new CSRD, Regulation 2019/2088, ECB guidelines on environmental and climate risk management, etc.); (v) internal regulations on sustainability issues; (vi) benchmark analysis of material topics reported in 2021 by the main players in the Italian and international banking sector.

Below are details of the actions and results achieved for each material topic.

"Strengthening the **Group's commitment** to supporting **sustainable transition** and **reducing direct environmental impacts**."

OUR FOCUS

- SUSTAINABLE LENDING AND ESG CREDIT STRATEGIES
- SUSTAINABLE FINANCING PRODUCTS
- SUSTAINABLE INVESTMENT PRODUCTS
- EU TAXONOMY FOR ENVIRONMENTALLY SUSTAINABLE ACTIVITIES

3.2 Sustainable Finance and Climate Change

3.2.1 Sustainable Finance

GRI 3-3 GRI FS1 GRI FS7 GRI FS8

The Group's approach is guided by the intention to direct capital towards activities that have a positive impact on the environment, society and future generations, while achieving sustainable profitability and strengthening the positive role of society. In this context, it integrates investment decisions with the analysis of the ESG profile, seizing the opportunities arising from the transition while assessing and managing the associated risks.

KEY GROUP POLICIES FOR MONITORING THE TOPIC

- Sustainability and ESG Directive
- Rules on credit strategy definition, transmission and monitoring
- Operational instruction for assessing the environmental component in financing and investment transactions

2023 RESULTS

- In 2023, **17% of new medium and long-term financing** was ESG-oriented
- **45% of total AuM was invested in ESG products; 70% of ESG compliant products – Articles 8/9 SFDR**
- The **ESG questionnaire** for all corporate clients was updated**–38%** of total exposures **covered**
- EUR **486 mln €** disbursed for **green products and services** and around **EUR 933 mln** for products and services with a social purpose.
- **2030 targets set** to **reduce financed emissions** for **3 priority sectors** of the Net-zero Banking Alliance (NZBA)

OUR COMMITMENT

- **20% of new financing** will be medium and long-term **ESG loans** within 2026
- **Strengthen commercial offer** to support the sustainable transition of companies, and issue **EUR 2.5 bn of Green and Social Bonds within 2026**
- **40% AuM invested in ESG products**, out of total AuM placed
- Integrate the **Counterparty's rating** with ESG criteria
- Issue **EUR 2.5 bn of Green and Social Bonds within 2026**
- Set **decarbonisation targets (or NZBA targets)**, for remaining high emitting sectors by 2025

The following table describes the main risks associated with the material topic of Sustainable Finance and the Group's approach to managing them, taking into account internal company processes.

MAIN RISKS ASSOCIATED WITH "SUSTAINABLE FINANCE"						
Main topics	Potential vulnerabilities	Nature of risks involved			Stakeholder impacted	Main management and mitigation safeguards
Properly undertaking the role of stimulating the ecological transition for Customers (*Climate Change Mitigation* & Adaptation)	> business model that does not support transition > the products and services offered do not support transition or the mitigation of climate risks > greenwashing (products and services that are only apparently ESG-targeted)	Incurred	Financial	Core (Credit, operational, liquidity, market) and Reputational risks	Bank	> Launch of a Group ESG Sustainability Plan, linking the commercial offer and credit functions and the control functions. > Investment products and services offered to Customers by analysing and checking the adequacy of the proposed transactions with respect to the Customers' ESG profile (in accordance with ESMA / Consob instructions) > Development of products and services for financing real estate energy efficiency works (e.g. "Building Bonus" structured offer), green activities and projects or geared towards the environmental sustainability of production activities and the development of renewable energies > Financing the sustainable transition of Client business customers through dedicated credit strategies and standards based on the Customer's current and prospective ESG profile, and on their business plans oriented towards transition and carbon footprint reduction.
Responsible use of water and marine resources	> damage to assets/capital equipment and caused by non-compliance with environmental goals > difficulties in the counterparties' business activity due to the transition policies implemented to achieve each environmental sustainability goal	Incurred	Potentially Financial	To be assessed on Core risks depending on: - possible physical impacts on Customers' assets and activities (physical risk channel) - changes in environmental laws and taxonomy regulation (transition risk channel)	Bank	
Circular economy, waste treatment, reduction and recycling		Incurred	Potentially Financial		Bank	
Pollution prevention and control		Incurred	Potentially Financial		Bank	
Protection of ecosystem biodiversity		Incurred	Potentially Financial		Bank	
All the above issues	> Damage to the company's environmental reputation	Incurred	Potentially Financial	Indirect and reputational	Bank	

For details on the main impacts generated, see the chapter "Materiality Analysis and Stakeholder Engagement"

In 2023, the Group has defined the **decarbonization targets** for three high-performance sectors Emission intensity

In order to fully integrate the principles of sustainability in its three dimensions - environmental, social and governance - into its strategy, business model and corporate policies, the Monte dei Paschi di Siena Group has defined, in its **Sustainability and ESG Directive**, its areas of ESG commitment and the organisational model adopted to achieve them, taking into account the interests of all stakeholders.

In defining its areas of commitment, the Group has taken on board the global objectives set by European and international bodies to protect the planet, society and the interests of future generations and all stakeholders, and has voluntarily joined international Sustainability initiatives to reinforce these commitments. The Group is committed to integration from a transformational perspective and, in line with current and future sustainability challenges, is regularly updating this Directive to take account of internal developments and to formalise the strategic guidelines to be followed throughout the Group.

The main updates made in 2023 are as follows:

ESG AND DECARBONSIATION STRATEGY	CREDIT STRATEGIES AND PROCESSES	COMMERCIAL STRATEGIES AND PROCESSES	ESG FUNDING
Definition of differentiated strategic actions and credit and commercial guidelines that are consistent with the results of the materiality risk assessment and the Bank's overall strategy. Introduction of exclusion criteria and/or specific due diligence for some of the sectors with high environmental and social impact.	The Group defines credit policies, i.e. the directions and guidelines for lending in support of a sustainable transition in terms of environmental, social and governance aspects, differentiated by sector and type of impact, and integrates ESG factors into credit standards and processes.	The Group integrates sustainability factors, risks and preferences into its priority processes for client profiling, product offerings, suitability assessment and portfolio reporting. In line with regulatory developments, it is progressively implementing the offering of investment and insurance products with ESG characteristics, with the aim of generating positive environmental, social and governance impacts for the benefit of all its clients and society as a whole.	The Group issues financial instruments in the form of Green, Social, and Sustainability-Linked Bonds, with the aim of raising capital to invest in projects that are in line with its ESG strategy, have a positive impact on the environment (Green Bonds), or combine both aspects (Sustainability Bonds).

Decarbonisation strategy and definition of Net Zero Banking Alliance targets

By joining the UN's Principles for Responsible Banking (PRB) and Net-Zero Banking Alliance (NZBA) initiatives, the Group has reinforced its commitment, confirmed in the 2022-26 Industrial Plan, to align its strategy with sustainable development goals and accelerate the transition to net-zero emissions by 2050. In particular, by defining objectives and specific actions in line with the management and mitigation of ESG risks related to its own activities and the global transition path, the Group aims to manage its activities in a way that increases positive impacts and reduces negative impacts on people and the environment. In 2023, the Group outlined its decarbonisation strategy and transition support by identifying sectors with high business and social impact, setting decarbonisation targets and strategic actions in line with the results of the materiality risk assessment, and defining differentiated credit and commercial policies, including the characteristics of ESG financing product offerings and ESG funding. These actions have been approved by the highest corporate bodies, while the strategies have been formalised in the Group's ESG Policy and integrated into the annual credit policy and commercial planning processes. Sectors with a high environmental impact have been divided into high emitting sectors, or NZBA sectors, and priority climate and environmental sectors.

The first step in defining the decarbonisation strategy was to set decarbonisation targets or NZBA targets for high emitting sectors.

Definition of decarbonisation targets

The Net Zero Banking Alliance (NZBA) represents a significant commitment by the banking sector to environmental sustainability. Based on voluntary commitments, it requires its members to progressively set decarbonisation targets for their portfolios, with reference to high emitting sectors, in order to contribute to limiting global warming to 1.5°C above pre-industrial levels, in line with the goals of the Paris Agreement.

In setting these targets, banks must:

- Prioritise sectors with higher financed emission intensities in their portfolios
- Align with no/low overshoot 1.5°C transition pathways, as determined by credible climate scenarios based on scientific data.

The Montepaschi Group joined the NZBA in January 2022 and in August 2023, in line with its commitments, published its **absolute CO_2 emission redution** targets for 2030 for the three high emitting priority sectors: Oil & Gas, Power Generation and Iron & Steel, which accounted for approximately **30% of financing** and **60% of financed emissions** from the identified high emitting sectors in line with the NZBA guidelines.

The Group will set targets for the remaining high emitting sectors by January 2025.

The following table provides detailed metrics, baselines and targets for 2030 for each sector.

SECTOR AND SCOPE	METRICS	BASELINE 31.12.22	TARGET (2030)
Oil & Gas (scope 1,2,3)	Mgl tCO_2e	656	391 (-40%)
Power Generation (scope 1,2)	Mgl tCO_2e	196	45 (-77%)
Iron & Steel (scope 1,2)	Mgl tCO_2e	1,067	762 (-29%)

The approach used to define the objectives was carried out according to the following **stages of assessment**[26]:

1. Scope of analysis and baseline definition: High emitting sectors, known as Net Zero Banking Alliance (NZBA) sectors, were identified based on the European Commission's statistical classification of economic activities, commonly referred to as the NACE code. The mapping of NACE codes for each NZBA sector was carried out with the aim of ensuring the broadest possible coverage of total financed emissions and higher emitting sectors. NACE codes for economic activities along the value chain, including those related to upstream and downstream activities, were also assigned to each NZBA sector.

To establish the baseline at that time, financed GHG emissions were calculated for each counterparty falling within the economic activities of the NZBA sectors using the PCAF methodology. This calculation used data on financing values, company financial values and emissions as at 31 December 2022. The PCAF asset classes included in the analysis were limited to business loans.

[26] This note outlines the methodology adopted by Banca MPS to define and achieve the objectives of the Net Zero Banking Alliance (NZBA), emphasising the commitment to make a significant contribution to the transition to a net-zero economy.

2. Measurement metrics: Based on the available data, the metric of absolute financed emissions was chosen as it allows a direct measurement of the level of emissions associated with the portfolio in relation to the goal of achieving net zero emissions by 2050. Scope 1, 2, 3 emissions data from counterparties are of two types: accurate, where the counterparty publishes its emissions data in public corporate documents; estimated, where the counterparty does not calculate and publish its emissions data. Estimation of the emissions profile is carried out in accordance with best market practices. Details on the estimation of each scope category are provided in the explanatory notes to this document. This metric has been used to prioritise sectors for target setting, in addition to an assessment of intensity per revenue.

3. Climate scenarios and target setting: The 2030 interim decarbonisation targets are based on the latest Net Zero 2050 scenario published by the *Network for Greening the Financial system* (NGFS) in June 2022. The Net Zero 2050 scenario was developed in collaboration with an academic consortium including the *Potsdam Institute for Climate Impact Research, the International Institute for Applied Systems Analysis*, the *Center for Global Sustainability* at the University of Maryland, the *Climate Analytics*, the *Swiss Federal Institute of Technology Zurich* and the *National Institute for Economic and Social Research*. It is a scenario that envisions an Ordered Transition pathway with net zero CO emissions by around 2050, a necessary condition to limit global warming to 1.5°C above pre-industrial levels, and requires an ambitious transition across all sectors of the economy. The ordered scenarios assume that climate policies are introduced early and become progressively stricter, where both physical and transition risks are relatively contained. In particular, these scenarios suggest that significant investment flows should be directed towards clean energy and land-use change, so that by 2050 renewables could provide about 70% of global primary energy demand. If these changes take place in an orderly manner, the scenarios suggest that this could lead to some increase in global GDP and a reduction in unemployment compared to previous trends. The scenario adopted and published by the NGFS in June 2022 also incorporates countries' commitments to achieve net-zero emissions and has been enriched with an expanded set of macroeconomic variables and further granularity at country and sector level. The target definition was made by projecting the baseline emissions profile, taking into account the NGFS Net Zero 2050 scenario, in order to highlight the emissions gaps and thus the percentage reduction in absolute financed emissions compared to the 2022 baseline.

4. Portfolio alignement: Comparative reports between projected emissions trajectories and climate targets were prepared to highlight emissions gaps and define decarbonisation strategies and subsequent credit and commercial strategies to be pursued. Decarbonisation targets for the first three high emitting sectors were approved by the top corporate bodies on 4 August 2023 and submitted to UNEP. In line with the NZBA guidelines, the Group reserves the right to review and reassess the targets at least every five years to ensure consistency with the latest science. Details of the targets are set out below.

Oil & Gas Sector

The **Oil & Gas sector**, along with coal, is the **foundation of global energy production** and a **major source of greenhouse gas emissions**. The scope of companies within this sector ranges from extraction to the sale of derivatives, including refining and transportation.

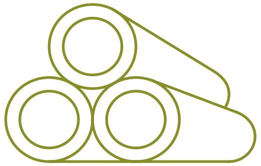
MAIN PROJECT CHOICES	
Sectoral scope	The scope of analysis includes companies operating in the sectors as follows: • Upstream: B06 - B09 • Core: C19 - C20 • Downstream: D35 - 6.
Emissions used	Scope 1, 2, 3
Methodology used	PCAF
PCAF Asset Class	Business Loans and unlisted equity
PCAF Data Quality*	Score 2
Metric	Financed emissions
Data sources	Financial data – internal Emissions – external provider
Type of financial data used	Corporate loan book –Gross carrying amount exposure
Scenario used	NGFS NET ZERO 2050
Data coverage	Information on emissions at t-0 covers **83%** of **counterparties** and ***97.5%*** of the **Gross Carrying Amount** of the **Oil & Gas sector.**
Concentration index	The first 20 counterparties account for about 72% of the sector's emissions.
Financed emissions baseline 31.12.2022	657 mgl tCO2e
Loans recorded in the balance sheet (GCA)	522 Mln/€

* score 1 = very high data quality; score 5 = very low data quality

Financed emissions were calculated using the PCAF methodology, which uses counterparty financial data, company value and balance sheet credit exposure to calculate the attribution factor.

Using this methodology, the 2022 baseline for total financed emissions (Scope 1 + Scope 2 + Scope 3) for the oil and gas sector was estimated at **657 thousand tonnes of CO2e**.

The estimated baseline was simulated using the NGFS NZ scenario, which predicts a **40% reduction in financed emissions for the Oil and Gas sector** by 2030. After analysing the composition of its portfolio, the Group considered the target to be applicable to the companies present.



Iron and Steel sector

Iron and steel production are structurally high emitting sectors. Currently, 75% of the energy used in steel production comes from coal, and a simple switch to other fossil fuels would result in only marginal emissions savings. Significant decarbonisation depends heavily on technological advances in production processes.

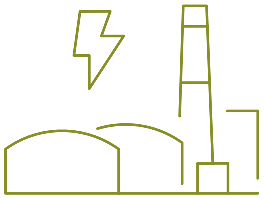
MAIN PROJECT CHOICES	
Sectoral scope	The scope of analysis includes companies operating in the sectors as follows: • Upstream: G46 • Core: C24 • Downstream: C25
Emissions used	Scope 1, 2
Methodology used	PCAF
PCAF Asset Class	Business Loans and unlisted equity
PCAF Data Quality*	Score 2
Metric	Financed emissions
Data sources	Financial data – internal Emissions – external provider
Type of financial data used	Corporate loan book –Gross carrying amount exposure
Scenario used	NGFS NZE
Data coverage	Information on emissions at t-0 (data from external provider) covers **79%** of **counterparties** and **96%** of **Gross Carrying Amount** of the Iron & Steel sector.
Concentration index	The first 20 counterparties account for about 44% of the sector's emissions.
Financed emissions baseline 31.12.2022	1,091 mgl tCO2e
Loans recorded in the balance sheet (GCA)	2,237 Mln/€

* score 1 = very high data quality; score 5 = very low data quality

Financed emissions were calculated using the PCAF methodology, which uses counterparty financial data, company value and balance sheet credit exposure to calculate the attribution factor.

Using this methodology, the 2022 baseline for total financed emissions (Scope 1 + Scope 2) for the Iron and Steel sector was estimated at **1.1 million tonnes of CO_2e.**

The estimated baseline was simulated using the NGFS NZ scenario, which predicts a **29% reduction in financed emissions for the Iron and Steel sector** by 2030. After analysing the composition of its portfolio, the Group considered the target to be applicable to the companies present.



Power Generation sector

The Power Generation sector has a high transition risk, but it is also the sector with the greatest potential for switching to renewables. As a result, it will increasingly undergo significant restructuring in order to follow the Net-Zero pathway.

Financed emissions were calculated using the PCAF methodology, which uses counterparty financial data, company value and balance sheet credit exposure to calculate the attribution factor.

Using this methodology, the 2022 baseline for total financed emissions (Scope 1 + Scope 2) for the Power Generation sector was estimated at **197 thousand tonnes of CO2e**. The estimated baseline was simulated using the NGFS NZ scenario, which predicts a **77% reduction in financed emissions for the Power Generation sector** by 2030.

After analysing the composition of its portfolio, the Group considered the target to be applicable to the companies present.

MAIN PROJECT CHOICES	
Sectoral scope	The scope of analysis includes companies operating in the sectors as follows: Upstream: C33 Core: D35 Downstream: F43
Emissions used	Scope 1, 2
Methodology used	PCAF
PCAF Asset Class	Business Loans and unlisted equity
PCAF Data Quality*	Score 2
Metric	Financed emissions
Data sources	Financial data – internal Emissions – external provider
Type of financial data used	Corporate loan book –Gross carrying amount exposure
Scenario used	NGFS NZE
Data coverage	Information on emissions at t-0 (mainly external providers) covers **72%** of **counterparties** and **92%** of **Gross Carrying Amount of the Power Generation** sector.
Concentration index	The first 20 counterparties account for about 68% of the sector's emissions.
Financed emissions baseline 31.12.2022	197 mgl tCO2e
Loans recorded in the balance sheet (GCA)	967.6 Mln/€

* score 1 = very high data quality; score 5 = very low data quality

In 2023, **ESG criteria** are been **integrated into the credit strategies** and have been introduced Operational tools aimed at assessing the **ESG profile of companies** and Supporting Managers in the identification of aligned solutions to the real needs of the Customers.

Definition of transition and phase-out guidelines

In addition to the progressive definition of decarbonisation targets, the Group has established:

- phase-out criteria and/or specific due diligence for the following sectors with
- **high environmental impact**, namely "Coal mining", "Power generation, marketing and distribution" and "Oil & Gas";
- **high social impact**, namely "Tobacco production and cultivation", "Production and trade of armaments" and "Activities related to the development and promotion of Gambling";

In particular, the phase-out will apply to companies and project financing in the following sectors:

- **Coal mining**
- **Power generation**, marketing and distribution, where companies have plans to build new coal-fired power plants, where coal-fired energy production is > 30% and where there are no transition plans in place to achieve 40% renewable energy production by 2030;
- **Oil and gas extraction**, if companies plan to develop and expand unconventional oil and gas exploration and production sites (fracking, oil sands, etc.) or if they derive >20% of their revenues from activities related to the extraction and transportation of unconventional oil and gas, and if they plan to research and/or develop **new oil fields and related infrastructure**;
- Production and trade of **armaments**, involved in activities covered by Law no. 185/90.

Sustainable credit and ESG credit strategies of the Group

GRI FS1 GRI FS7 GRI FS8

The Group has a dual aim:

- pursue the decarbonisation of its credit portfolio and its customers, in line with commitments undertaken with the NZBA, and gradual alignment with European Taxonomy guidelines measured by the Green Asset Ratio (GAR) and Banking Book Taxonomy Alignment Ratio (BTAR);
- finance counterparties and projects whose activities contribute to generating benefits/positive impacts for society and, in this context, limiting loans to counterparties whose operations do not, for example, guarantee the protection of human rights and workers' rights and/or are in "controversial sectors" with a strong social impact.

In 2023, the ESG criteria were integrated into the credit strategies with the aim of steering loans to companies, and operating tools were introduced to assess the ESG profile of companies and support managers in identifying solutions aligned with real customer needs.

In addition, **General Screening Criteria** applying to all counterparties and projects were included in the lending processes and standards with a view to meeting minimum sustainability criteria, identified as essential by the Group and expressed in more general terms in the Code of Ethics, in line with related international, European and Italian agreements (ILO).

In this respect, the MPS Group is therefore committed to not disbursing loans to counterparties and projects if, at assessment stage, elements should emerge that confirm a negative impact on:

- World Heritage sites (UNESCO)
- Ramsar-classified wetlands
- Protected areas or sensitive areas for the conservation of biodiversity (IUCN Area Categories I-VI)

The Group is also committed to not financing companies or projects when, at assessment stage, any evidence emerges of legal proceedings involving:

- Violation of human rights and of health and safety regulations;
- Violation of fundamental rights at work and of regulations on child labour and forced labour;
- Fraud in financial and non-financial reporting, money laundering, corruption or terrorist financing.

The **Montepaschi Group** has always believed in the importance of its role of **supporting** and **promoting** the **economic and social development** of its **Customers** and the **communities** in which it operates.

STRATEGIES AND PROCESSES TO SUPPORT SUSTAINABLE LENDING	OBJECTIVES PURSUED
ESG lending strategies The lending strategies are updated and revised with new ESG logic to promptly take Customer sustainability into account. An ESG outlook is defined (see details box) at individual Customer level, which takes into account a sector-specific and a client-specific transition risk component through the completion of a new ESG questionnaire.	• To be able to assist businesses and Customers committed to investing in sustainable transition through more favourable lending conditions; • To systematically increase steering of the credit portfolio to loans with better ESG performance and focusing on climate risk in order to limit ESG risks; • To support Customers in the change to a forward-looking approach, helping to increase their resilience and awareness of the context in which they operates.
Definition of lending standards and processes The ESG questionnaire targeting all business customers in 2023 was further supplemented and updated. New questions were added and other existing questions were refined to make the assessment more accurate based on the business sector and on the size of the counterparty. The new questionnaire was also fully integrated into the Bank's operating systems and offers the display of extensive information, including in relation to climate risk. As a new lending standard, the ESG questionnaire is an integral part of the information gathering process for the credit rating assessment and definition of the lending strategy to be developed with the customer. Certain drivers linked to environmental transition strategies (and ESG in general) are now envisaged in the positioning stress tests in the business plan so as to define the medium-term financial sustainability of the transaction in a more integrated manner.	• The ESG questionnaire allows accurate gathering of information relating to the ESG profile of individual Customers. In addition to enhancing the Bank's information assets, this information represents an increasingly important component of the lending assessment process and will continue to assist in ESG profiling definition and management of the Customer risk profile; • The new dashboard on the Bank's operating system allows completion of the questionnaire, necessary for ESG profiling of the customer and for integrated visualisation of the sector transition risk and physical risk of the counterparty; • The integration of ESG assumptions into the business plan helps to integrate the transition concept into the analysis and factorise the sustainable (and environmental) path adopted by businesses.
Building energy performance certification To support the fight against climate change and projects linked to the purchase of high energy efficiency properties and property redevelopment, the structured acquisition of **building energy performance assessments was added to the mix of specific products.**	• For retail mortgages, an Energy Performance Certification (EPC) has been integrated into the property valuation by an appointed valuer, which indicates the energy class of the property used as guarantee; • For the real estate companies, a more itemised assessment of the assets mortgaged has been prepared, envisaging the assignment of a rating of assets underlying the transactions based on the sector risk that can be associated with the properties and the energy performance certification. The combination of these two elements allows a more detailed sector specification of the risk underlying the internal decision-making process (Low Risk/Proactive Management), identifying strategic clusters with purposes similar to those described for the more generic business strategies (see table below); • In 2024, as part of the valuation of properties as collateral, in addition to EPC information, developments will be implemented that will also provide information on the physical risk of the collateral property so as to have a more complete picture of the overall climate risk of the property.

LOW RISK	Energy Performance Certification		
Good Score	A - C	Unavailable	D - G
Positive	Ordinary Growth	Ordinary Growth	Balanced Growth
Neutral	Ordinary Growth	Balanced Growth	Balanced Growth
Negative	Balanced Growth	Balanced Growth	Balanced Growth

PROACTIVE MANAGEMENT	Energy Performance Certification		
Good Score	A - C	Unavailable	D - G
Positive	Balanced Growth	Balanced Growth	Selective management
Neutral	Balanced Growth	Selective management	Selective management
Negative	Selective management	Selective management	Selective management

The **customer's ESG profile** summary score with the **ESG outlook of the Group's lending strategies** allow definition of the management approach to the **credit relationship** and the **type of loan** that can be granted.

ESG outlook

In 2023, when defining its lending strategies, the Group developed an accurate **assessment element referred to as "ESG outlook"**. This element identifies the customer's ESG profile (summary score) by integrating their sector-specific transition risk and individual ESG positioning identified through completion of the ESG questionnaire.

Transition risk, defined using an internal approach, identifies the loss that a company could incur directly or indirectly in order to adapt to a more environmentally sustainable, low emission economy. Based on the risk, every business sector is classified according to 5 classes:

VERY HIGH	HIGH	MEDIUM	LOW/NEGLIGIBLE	GREEN

This information is supplemented with single name information about the customer, obtained through the questionnaire composed of questions that cover the three ESG dimensions of sustainability.

The outcome of the questionnaire, together with the assessment of transition risk exposure of the company allows a summary score to be assigned of the company's ESG outlook, divided into the **following classes**:

Green	Customers with a Medium-Low transition risk ATECO business code and a very good sustainability profile
Neutral	Customers with a Medium transition risk ATECO business code and a sustainability profile with room for ESG improvement
Negative	Customers with a Medium-High transition risk ATECO business code and a weak sustainability profile

If the counterparty has not completed the questionnaire, only the associated transition risk is taken into account. The Customer's ESG profile summary score with the ESG outlook of the Group's lending strategies allow definition of the management approach to the credit relationship and the type of loan that can be granted.

The ESG profiling is also a support tool for management of the associated risks:

- The **environmental risk profiling** conducted with integration of the sector and single name aspects, which offer a more accurate estimate of the risk level of the counterparty. The sector-specific environmental score is integrated with the single name E profile of the counterparty, which based on information gathered takes into account the related environmental performance. The measurement tool adopted aims to analyse the emissions of each counterparty and, if unavailable, is based on analysis of their drivers, such as energy consumption, type of energy used, waste management, certifications held, etc.

- The **social risk assessment** is performed by assessing the related items and is being fine-tuned based on the Group's willingness and commitment to play a proactive role in its local communities, promoting the development of business models based on inclusion, protection and development of human resources, employment protection, welfare of human resources, promotion of community support initiatives, enhancement of artistic and cultural heritage, financial education and career guidance.

In 2024, lending standards and processes will be further refined and developed, and will fully factorise the objectives of the top 3 Net Zero targets with a high environmental impact and the main identifiers for those with a high social impact.

Training on sustainable finance

In 2023, specialised ESG training focused on the CHCO Division - with a view to optimisation and cross-cutting nature of the content - since it has now been integrated into the credit processes. The training covered:

- **Skills Gap Analysis** in the Credit field, which included specific issues on ESG risks and related online courses for those with shortcomings in this respect;

- the **MPS Academy Platform** - the company's permanent training school - which involved:
  - around 180 Credit Division staff (GM and Regional Divisions) in two workshops with operational insights on ESG topics and
  - around 770 CLO Division staff (GM and Regional Divisions) with two Learning Cards on operational ESG topics.

Out of a total of approximately 18,000 specialised training hours for CLO Division staff (around 770) provided in 2023, **training dedicated to sustainable finance accounted for 810 hours**.

In 2024, with the aim of fully supporting the Bank's network and central structure staff, new training initiatives will be launched to provide the necessary tools for understanding and managing the new framework of strategies, ESG lending standards and related lending processes.

EUR 176 mln in Sustainability-Linked loans

WITH BENCHMARKS LINKED TO ESG VALUES

EUR 1.1 mln in loans

TO SUPPORT ENERGY UPGRADING WORKS ON EXISTING RESIDENTIAL PROPERTIES.

EUR 75.1 mln in loans

TO GREEN PROJECTS AIMED AT REDUCING ENVIRONMENTAL IMPACT AND ACCOMPANYING CUSTOMERS TOWARDS THE ECOLOGICAL TRANSITION.

Sustainable financing products

In being an active player and driver in the transformation of the reference economic and social context, the Group has contributed to the development and promotion of its products with environmental characteristics and generally linked to sustainability.

In the Sustainability Directive, now pending approval, the Group's sales and distribution mix is defined to include different types of ESG products, i.e. loans, financing and credit facilities that can be granted to businesses and individuals committed to adopting sustainable practices.

There are three types of ESG product, differentiated by objective, requirements and reporting method:

- **Sustainability Linked Loan**: any form of financial product that incentivises the customer's achievement of ambitious, predefined sustainability performance objectives;
- **Green/social Loan**: any loan designed exclusively to finance or refinance all or part of new and/or existing green projects or social projects;
- **Taxonomy Aligned Loan:** a special type of Green Loan aligned with the principles and technical standards established in the European Taxonomy.

The design of these products complies with the main reference guidelines: the 'Sustainable Lending Glossary' of the Loan Market Association (LMA) and the EU Taxonomy.

In 2023, the total loans with ESG characteristics disbursed by the MPS Group totalled around **EUR 1.4 bn**, of which **around EUR 486 mln with environmental objectives and EUR 933 mln with social objectives.**

With environmental objectives:

GRI FS8

PROJECT FINANCE AND STRUCTURED FINANCING

Through the Large Corporate & Investment Banking Division, the Group promotes and supports green projects to reduce environmental impact and accompany Customers towards the **ecological transition**. A total of **EUR 75.1 mln** was disbursed in 2023 for projects linked to:

WIND
EUR 6.8 mln

PHOTOVOLTAIC
EUR 0.1 mln

BIOMASS
EUR 3.1 mln

WATER
EUR 24.5 mln

GREEN REAL ESTATE
EUR 40.6 mln

SACE GREEN NEW DEAL

In 2023 the partnership agreement with SACE was renewed in relation to the **SACE Green New Deal** guarantee, with the aim of **incentivising projects to reduce environmental impact** and of launching an **ecological transition** through **loans backed by SACE guarantees** for around 80% of the total disbursed.

SUSTAINABILITY LINKED LOANS

To enhance the ESG initiatives, in 2023 the Large Corporate & Investment Banking Division disbursed 7 *Sustainability-Linked loans* for a total of **EUR 176 mln**, with contractually established benchmarks linked to ESG values.

ECOBONUS

In 2023, the Bank managed the purchase of tax credits accrued on subsidised energy improvement works relating to 2021, 2022 and 2023 expenditure, both Private and Business. Using **leading technical and tax advisors** located throughout Italy, the Bank confirmed the availability of a specialised support service for customers, responding to their main questions and requests for clarification on regulatory matters.

Arrangements were formalised in 2023 that envisaged a **credit pool for businesses based in areas hardest hit by seismic events**, to support companies in relation to property asset renovations and safety works, always with a focus on social and economic sustainability.

Specifically, memoranda of understanding were signed with the Extraordinary Commissioner for 2016 Seismic Reconstruction to establish a credit pool of EUR 200 mln, and with the Municipality of L'Aquila for EUR 35 mln.

MORTGAGES TO PURCHASE GREEN HOMES

A product was launched in 2023 for purchases of high energy efficiency properties to assist Customers in the purchase of first and second homes in energy classes A or B.

MPS RESTART (EUR 1.11 mln disbursed in 2023)

The Loan is designed to support renovation works for the energy upgrading of existing residential buildings to obtain Energy Certification for the property.
In particular, it finances:
- works on the shell, i.e. outer walls and windows acting as boundaries between the heated part of the building and the exterior;
- overall energy upgrading works on the building.

EMILIA-ROMAGNA MULTIPURPOSE FUND (EUR 1.63 mln disbursed in 2023)

Through Regional Executive Orders 791/2016 and 1537/2016, the Emilia-Romagna region established a revolving multipurpose regional Subsidised Finance Fund with private participation - the MULTIPURPOSE FUND - using 2014/2020 POR ERDF funding. The Fund has two segments:
- STARTER Segment: "Competitiveness and appeal of the production system";
- ENERGY Segment: "Promoting the low-carbon economy in communities and the production system".

For the ENERGY Segment, the Fund finances works aligned with the investment priority of promoting energy efficiency and the use of renewable energy in businesses. For example, works that can be financed include those to reduce energy consumption and produce energy from renewable sources, prioritising self-consumption, and for high-performance cogeneration plants pursuant to Directive 2012/27/EU of the European Parliament and of the Council. The Fund makes 70% of resources available to applicant businesses and the Bank 30% for the purpose of co-financing with the characteristics indicated above.

ENERGY LEASING (EUR 10.3 mln disbursed in 2023)

Solution dedicated to businesses for the production of energy from renewable sources, whether for sale or purely for self-consumption. This is a transaction for business use and/or property investment, structured to finance individual plant/equipment and, where appropriate, the system's installation location.

GREEN VEHICLE LEASING (EUR 3.61 mln disbursed in 2023)

Solution for businesses and professionals for the purchase of cars and commercial or industrial vehicles for goods or people transport.

CLEAN ENERGY LOANS (EUR 500,000 disbursed in 2023)

Montepaschi Energia Pulita targets the financing of systems with access to the all-inclusive tariff.

Consequently, the works that can be financed include installation of the following system types, in any event with a capacity not exceeding 1 MW, for the production of renewable energy other than photovoltaic:

1. wind farms and ocean-powered systems;
2. hydroelectric plants;
3. biomass plants using organic products and sub-products or waste as specified in art. 8, paragraph 4 of the Ministerial Decree dated 6 July 2012 mentioned previously;
4. biogas plants;
5. geothermal power plants.

TEMPORARY CRISIS FRAMEWORK 90% (EUR 14.8 mln disbursed in 2023)

The product aims to support liquidity needs directly or indirectly associated with serious economic disruption caused by Russia's aggression against Ukraine, sanctions imposed by the EU and its international partners, and likewise the countermeasures adopted by the Russian Federation (e.g., commodity and production component price hikes, higher energy costs).

In particular, the loan is in a category covered by the Italian Law Decree of 17 May 2022, "Urgent measures on national energy policy, business productivity and attracting investments, and on social and economic crisis policies", converted to Italian Law no. 91 of 15 July 2022, and on measures established by the European Commission in its Communication of 24 March 2022, subsequently amended on 20 July 2022, on State Aid, the "Temporary Crisis and Transition Framework for State Aid measures to support the economy following the aggression against Ukraine by Russia".

Among the main aspects introduced, art. 16 of Italian Decree Law 50/2022 envisaging raising the guarantee given by the Guarantee Fund for SMEs to 90% for the financing of projects to improve efficiency or diversify production or energy consumption.

The financing is therefore backed by direct guarantee from the Guarantee Fund for SMEs (managed by MCC) or Confidi, or other guarantee fund, with reinsurance and counterguarantee from the Guarantee Fund for SMEs.

This product was launched through a specific marketing initiative.

AGRICULTURAL QUALITY (EUR 110,000 disbursed in 2023)

The product provides farmers and agricultural businesses with the funds necessary to generate quality in the agri-food sector.

The investment projects that can be financed are those linked to quality, essentially concerning:

- environmental safety and crop enhancement, with particular regard to organic conversion;
- livestock rearing specialisation with a view to protecting native breeds without recourse to genetic engineering;
- product quality certification;

The following costs can be financed and subsidised:

- transformation of production cycles and rearing methods from traditional to organic;
- installation of systems for the standardisation and treatment of breeding farm waste, to adapt production waste, in order to obtain environmental certification and achieve compliance with health and hygiene regulations in force;
- purchase of pedigree breeding livestock to improve production in qualitative and quantitative terms, in compliance with traditional selection methods and excluding cloning and genetic engineering;
- adoption of control systems relating to agricultural and food product traceability;
- adoption of production and promotion measures for geographic indication and protected origin products, and award of the related product quality certification (e.g., PDO or PGI certification).

DISTRICT AND SUPPLY CHAIN AGREEMENTS AND FRI TURISMO FUND

During 2023 the Bank launched the products "CDP Financing - MIPAAF Tenders IV and V" (now MASAF) and "CDP Financing - Tourism Tender". Both products were released after the Bank's signing of the related agreements with the Italian ministries concerned and with Cassa Depositi e Prestiti.

The **CDP Financing – MIPAAF Tenders IV and V** is for companies managing "District Agreements" and "Supply Chain Agreements", in line with the purposes of Tenders launched by MASAF. It seeks to improve global and sustainability performances of farms (particularly through a reduction in production costs), health and hygiene conditions and animal well-being, infrastructure associated with access to farmland and to improve land revitalisation and structure, energy and water supply and savings.
The aim of the MASAF Tenders IV and V is therefore to support a global investment "programme" of the District or Supply Chain involving a series of individual "projects" proposed by beneficiary members with the objective of facilitating the redistribution of income among individual participants.

The **CDP Financing - Tourism Tender** was launched after the Bank's signing of the Agreement governing lending arrangements as part of incentives for businesses operating in tourism funded from the "Revolving Fund for business support and research investments pursuant to art. 1, paragraph 354, Italian Law no. 311 of 30 December 2004, as amended", pursuant to the Italian Ministry of Tourism Decree of 28 December 2021 (FRI Decree). This financing therefore targets tourism industry companies which, in particular, carry out works for energy upgrading, anti-seismic upgrading, removal of access-limiting barriers and building renovation works.

GR8 ISMEA

In 2023, the Bank released a product update to allow the disbursement of loans for the installation of **renewable energy production plants** backed by ISMEA direct guarantees issued pursuant to Section 2.1 of the Temporary Crisis and Transition Framework referred to in the European Commission Communication of 9 March 2023.
These loans are granted to **micro, small and medium enterprises** in the agriculture and fishing industries, as well as to agricultural cooperatives and consortia entered in the Companies' Register prior to 1 January 2022.

Of social value:

GRI FS7

CONSAP MORTGAGES

Consap Mortgages are **medium/long-term mortgages** for **purchases and renovations, also with energy efficiency improvement**, of properties for use as primary residence, granted for up to 100% of the property value.

They particularly target Customers in the categories envisaged in the Regulation (First Home Fund), i.e. for:

- Young couples, at least one of whom is not over age 35;
- Single parent families with minor children;
- Tenants in accommodation owned by independent low-income housing associations;
- Young people under age 35 with non-standard employment contracts.

In 2023, the range of Consap mortgages offered, in relation to interest rate trends, was supplemented with the TF version for those in the priority beneficiary category with an ISEE (equivalent economic position indicator) of below EUR 40,000 (art. 64, paragraph 3, Italian Law Decree 73/2021) and applying for a mortgage with LTV ratio greater than 80%.

E.BI.TEMP. CONSUMER CREDIT

The E.BI.TEMP. Tuttofare Loan is a **subsidised personal loan for workers, backed by the Ente Bilaterale Nazionale per il Lavoro Temporaneo (E.Bi.Temp., Italian Bilateral Organisation for Temporary Work)**.

EUR 5.34 mln in loans

DISBURSED TO NEW BUSINESS ACTIVITIES IN REGIONS OF SOUTHERN ITALY, AREAS HIT BY EARTHQUAKES IN CENTRAL ITALY AND THE SMALLER ISLANDS, AND THE MARINE, LAGOON AND LAKE AREAS OF CENTRAL AND NORTHERN ITALY

EUR 1.9 mln in loans

TO PREVENT AND COMBAT USURY

EUR 30.66 mln personal loans

WITH BENEFICIAL TERMS FOR CUSTOMERS AFFECTED BY NATURAL DISASTERS

The loan that is interest-free for the end Customer (100% of the interest is paid by the Organisation) for "Private" customers resident in Italy, to meet consumer credit or personal needs. It envisages loan amounts in the range EUR 500 to EUR 5,000, with a repayment plan duration of between 6 and 42 months. The full amount of the loans disbursed is guaranteed by E.BI.TEMP. through a surety.

In 2023, E.BI.TEMP. Tuttofare Loans were disbursed for a total of around EUR 4 mln.

ANTI-USURY

To **prevent and combat usury**, the Bank has established **specific financing** with pilot agreements in place with Fondazione Toscana per la prevenzione dell'usura Onlus and Adiconsum. A total of around **EUR 1.9 mln was disbursed in 2023**.

RESTO AL SUD

The Group has released products dedicated to businesses with registered office in the southern regions of Italy. In particular:

- ***MPS Resto al Sud*** is a targeted incentive to **facilitate new business activities in regions of Southern Italy, areas hit by earthquakes in Central Italy** and the **smaller islands, and the marine, lagoon and lake areas of Central and Northern Italy**. It is promoted by the Italian Ministry for Territorial Cohesion and the South and the operator is Invitalia. This incentive covers up to 100% of costs, with a maximum loan amount of EUR 50,000 per applicant. **EUR 5.34 mln** was disbursed in 2023.

NATURAL DISASTERS AND SEISMIC EVENTS

Banca MPS has established a series of **CDP-funded subsidised loans to support those affected by natural disasters**.

These loans are particularly useful for damage suffered by private wealth and economic and production activities eligible for the grant.

Three credit pools were set up in 2023 for Personal Loans disbursed by MPS to households suffering damage in the natural disasters that hit Ischia in January 2023, Emilia-Romagna in May 2023 and Emilia-Romagna, Veneto, Friuli-Venezia Giulia and Tuscany in November 2023. The Bank envisaged beneficial terms on MPS Personal Loans disbursed to customers affected. A total of EUR 30.66 mln was disbursed in 2023.

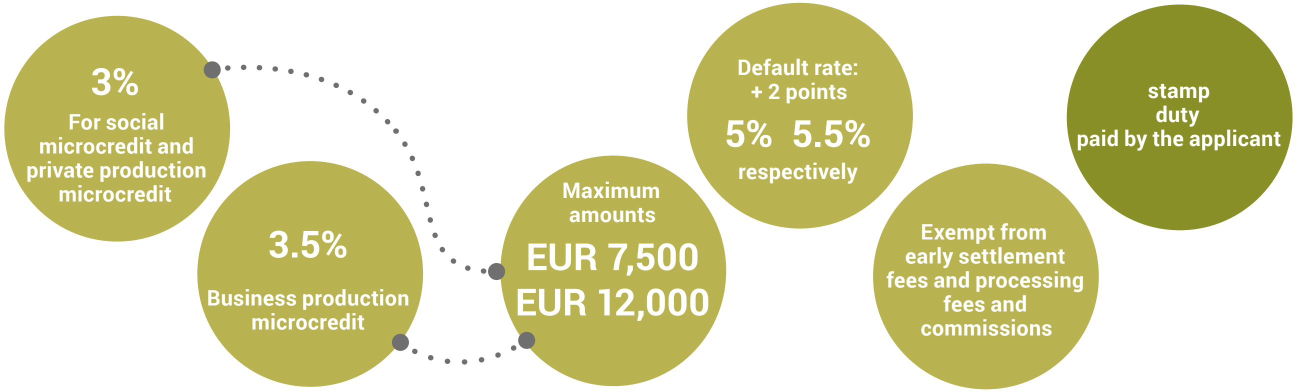
In addition, two ad hoc subsidised loans are still in place, established by BMPS for parties hit by the seismic events in **Emilia-Romagna in 2012** and **Central Italy in 2016**. The loans are dedicated to those severely affected by the events, especially as regards property, production plants and public and private services.

Lastly, during the year and again in relation to natural disasters in May (Emilia-Romagna) and November (Emilia-Romagna, Veneto, Friuli-Venezia Giulia and Tuscany), BMPS established a series of subsidised loans for businesses resident and/or based in the areas affected and which suffered damage.

MICROCREDIT

Thanks to its farsighted intuition on ethics finance, in 2006[27] Banca MPS made a decisive equity investment in **Microcredito di Solidarietà S.p.A.**,[28] together with other players (for example, the Municipality and Provincial Administrations of Siena and the Diocese of Siena and Montepulciano) to meet the financial needs of individuals and households experiencing difficulty in accessing ordinary bank credit channels and so help them overcome temporary financial hardship or start a new business. The Company disburses from its own funds, deriving from the initial injection from shareholders and subsequent contributions of shareholders without repayment obligations. On the basis of this subscription, Microcredito di Solidarietà disburses both **social microcredit and production microcredit for training and microenterprises**.

The auxiliary assistance and monitoring services are the responsibility of the internal structures dealing with social microcredit and with production microcredit for private customers (training, VAT, self-employed, future start-ups). For microenterprises, they are performed by the internal structures and/or by approved third parties, as the microenterprise prefers. The rates applied to the loans are as follows:



The number of loans disbursed in 2023 is essentially in line with the 2022 figure (154 vs. 158), whilst the volume of loans recorded a **slight increase** compared to the previous year, with a total of EUR 568,600 disbursed in 2023 (compared to EUR 568,690 in 2022).

[27] When it was established, the Company was registered in the general list of financial intermediaries pursuant to art. 106 of the Consolidated Law on Banking.
[28] Microcredito di Solidarietà S.p.A. is not within the NFS reporting scope (see 4.1 Methodological Note)

LOANS DISBURSED IN 2023

EIF initiative - EUR 270.2 mln

Short, medium and long term financing with unlimited credit pool, available in unsecured format, to support companies located in areas of Italy considered disadvantaged, with the aim of increasing productivity and competition, available after the signing of an agreement between the Bank and the European Investment Fund.

PrestiSenior - EUR 0.43 mln

Medium and long term financing reserved for natural persons aged over 60 (governed by Italian Law no. 44 of 2 April 2015 and Decree no. 226 of 22 December 2015).

Valore Sport - EUR 40,000

Financing for amateur sports associations/clubs.

Young students - EUR 90,000

Loan to support young university (or post-graduate) students aged between 18 and 40 who intend to invest in their cultural education.

MPS FIDUCIARIA

Following on from the achievements of past years in relation to trust services for the protection of vulnerable people, Monte Paschi Fiduciaria (MP Fiduciaria) promoted the signing of various memoranda of understanding on "banking, insurance and trust services" between the Bank and associations operating in Tuscany, particularly the Siena area, to benefit **families with members suffering from severe disabilities**. The memorandum essentially refers to a commercial offer with subsidised terms of a series of products/services considered useful to disabled persons and their families. For example: current account conditions, TPL, personal loans to purchase electromedical devices, property purchase or renovation mortgages, trusts and fiduciary services.

Again with regard to disabilities, MP Fiduciaria has:

- provided specific training to users interested in trusts as a means of protection of disabled persons;
- participated as escrow agent in major green loan transactions executed by the Bank, guaranteeing the correct execution of agreements and then appropriate use of the funds disbursed; participated through customary technical forms of mandates and trusts to add stability to the corporate governance of numerous companies, Bank customers, especially at the time of generational and ownership handovers.

MORTGAGE RENEGOTIATION

In order to mitigate the impact of rising interest rates on instalment amounts, art. 1, paragraph 32, Italian Budget Law no. 197 of 28 December 2022 envisages the option, as a support measure, of transforming floating rate mortgages to fixed rate, benefiting Retail customers that meet certain requirements. Among the requirements are: an original mortgage amount not exceeding EUR 200,000.00 and an ISEE not exceeding EUR 35,000 (raised to EUR 40,000 by the Bank after adoption of the ABI Initiative to cover the increase in instalments of floating rate mortgages).
For customers with floating rate mortgages who fail to meet the requirements envisaged in the Law, in 2023 the Bank managed additional renegotiations of economic terms, at the customer's request, thereby extending the range of beneficiaries beyond the scope defined in the Budget Law.

Summary details of transactions of this nature carried out in 2023 are provided below, broken down by type:

Type of measure	No. of mortgages	Residual debt
Renegotiations per Italian Law 197/22	21,388	2,186,145,902.00
Other renegotiations from floating rate to fixed rate	9,071	1,051,307,742.00
Total	30,459	3,237,453,644.00

ADOPTION OF PROTOCOLS, PRODUCTS AND CREDIT POOLS

Banca MPS has adopted the ABI Memorandum of Understanding for the mitigation, greater ease of understanding and acceptance cost comparability of electronic payment instruments, signed on 27 July 2023 by ABI, APSP, CNA, Confartigianato, Confcommercio, Confesercenti and FIPE, the largest trade associations representing merchants.

In May 2023, the Bank and the Italian Ministry of Agriculture, Food Sovereignty and Forestry (MASAF) signed a memorandum of understanding on making a **credit pool of EUR 1 bn**, expiring 31 December 2026, available to Italian farms and agri-food businesses to support investments for the **promotion and development of Italian production chains** and **food districts**, and investments to assist with generational handover in agriculture, business networks, digitalisation and e-commerce, thereby promoting sector growth.

In 2023, support for People and communities continued with other existing credit lines, for particular customer targets and/or specific purposes.

Sustainable investment products

GRI FS7 GRI FS8

The Bank has developed the **"ESG Project - Impacts on the Distribution Model"** to implement initiatives compliant with the new regulations on marketing ESG products.[29]

This project, launched in 2022 with release of works in August 2022 and continued in 2023, **met the major regulatory deadline** of 4 October with regard in particular to

- **review of the MiFID Questionnaire** for gathering "sustainability preferences" of Customers in accordance with ESMA Guidelines and guaranteeing greater consistency between the products offered and the overall needs of customers. In particular, the MiFID Questionnaire introduced three new questions to intercept Customer preferences in relation to:

  1. products that invest in environmentally sustainable or taxonomy-aligned activities (per art. 2(7)(a) MiFID II Delegated Regulation);
  2. products that invest in sustainable activities pursuant to art. 2(17) SFDR (per art. 2(7)(b) MiFID II Delegated Regulation);
  3. products that consider principal adverse impacts or PAI (per art. 2(7)(c) MiFID II Delegated Regulation).

- development of the portfolio adequacy assessment of Customers according to preferences expressed in the questionnaire ("ESG criteria" become one of the "adequacy drivers");

- **updating of the adequacy criteria** in the **Advisory Proposal** produced front end.

- Introduction of the **new financial investment product classification** that allows the mapping of products offered into:

  i. products/services that invest in environmentally sustainable or taxonomy-aligned activities (per art. 2(7)(a) MiFID II Delegated Regulation),

  ii. products that invest in sustainable activities pursuant to art. 2(17) SFDR (per art. 2(7)(b) MiFID Delegated Regulation) and

  iii. products that consider principal adverse impacts or "PAI" (per art. 2(7)(c) MiFID II Delegated Regulation)

To guarantee compliance with the new controls required by the regulation on ESG needs for the distribution of financial investment products, in September 2023 the advisory and sales operating systems were upgraded.

[29] With reference to introduction of the SFDR (Regulation (EU) 2019/2088), as integrated by Regulation (EU) 2022/1288 and Delegated Regulation (EU) 2021/1253 which introduced targeted amendments to MiFID II (Delegated Regulation (EU) 2017/565)

Download Delegated Regulation (EU) 2021/1253 here

In being an **active player** and **driver** in the **transformation of the reference economic** and **social** context, the Group has contributed to the **development and promotion** of its **products** with **environmental characteristics** and generally **linked to sustainability**.

The Bank's commercial offer is constantly updated and expanded with products that have characteristics consistent with new regulatory definitions:

THE MPS OFFER OF SUSTAINABLE INVESTMENT FINANCIAL INSTRUMENTS	
Insurance-based investment products	Three **Internal Insurance Funds (IIFs)** remain among the products offered, respectively ESG Sustainable Solution, ESG C Sustainable Solution and ESG Sustainable Strategy. With regard to external funds, among the **Unit-Linked and Multi-line Investment Policies**, the attention on segments focused on ESG topics remains strong. To date, the following are present and ESG-classified according to the Bank's internal rules: • **105 External ESG Funds** for the various Unit-Linked Policies of AXA MPS Financial, out of a total of 130 external funds available; • **33 External ESG Funds** for the various Multi-line Policies of AXA MPS Vita, out of a total of 40 external funds available.
UCITS (Undertakings for Collective Investment in Transferable Securities) placed directly	The release of **new segments with a specific focus on ESG aspects** continued, also through the placement of window funds. For example, 2023 saw the release of the following funds: "PicPac Valore Globale 2028", "PICPac ESaloGo Azionario Globale 2028" and "PicPac Bilanciato Megatrend People 2028". Anima SGR also expanded its range of Art. 9 open-ended funds with the market launch of the "Net Zero Azionario Internazionale" Fund. The offer of open-ended funds confirms a strong positioning with around **2,561 segments classified as art. 8 and 222 as art. 9**, amounting to around **65% of the funds available for direct placement**.

THE MPS OFFER OF SUSTAINABLE INVESTMENT FINANCIAL INSTRUMENTS	
Wealth Management	In its decision-making processes relating to Wealth Management investments, Banca MPS defined a specific strategy to **integrate and monitor sustainability risks in order to offer investment solutions** for Customers stating a preference for environmental, social and governance factors. In relation to the decision-making process for Wealth Management portfolio building, Banca MPS envisages a **counterparty analysis activity in relation to sustainability risk and compliance with reference regulations**. In this respect, Banca MPS has analysed the level of compliance and implementation of sustainability-related topics by the asset managers whose products can be included in the portfolios. In addition, note the launch planned in 2024 of new wealth management lines with SFDR Art. 8 classification that promote sustainability characteristics. This offers a more explicit integration of environmental and/or social considerations into investment management. With a view to adequacy in terms of sustainability risks, Banca MPS classifies each wealth management line on a quarterly basis on a scale from 1 (minimum risk) to 5 (high risk) for environmental (E-score), social (S) and governance (G) factors, as well as the global sustainability risk (ESG-score). As at 31 December 2023, the ESG score covered 98.9% of Wealth Management volumes (in EUR), equal to 93.4% of the total number of lines placed. Specifically, 98.9% of the volumes break down as: - 94.5% of volumes with a score of 2 (75% of lines under management) - 4.4% of volumes with a score of 3 (18.4% of lines under management).
ESG and Zero Hunger	**Banca Widiba**'s commitment to supporting environmental, social and governance responsibilities continued again in 2023. In particular, the ESD drive was consolidated in terms of funding: out of around 3,060 products (approx. 75% of products available with ESG risk rating), over EUR 35 mln has been collected in net YTD funding. In addition, the **management lines** launched in October 2022 with Art. 8 classification in the GP System Portfolio catalogue (Zero Hunger 30, Zero Hunger 50 and Zero Hunger 70), which invest in **innovative global listed companies that promote a more fair and sustainable food system**, have recorded EUR 514k in funding.

The EU Taxonomy of environmentally sustainable activities

The European Taxonomy, as defined by **Regulation (EU) 852/2020**[30] (EU Taxonomy Regulation) and related Delegated Acts, is a **classification system of economic activities considered environmentally sustainable** from a climate and environmental viewpoint. It defines and establishes specific technical screening criteria for determining conditions under which an economic activity qualifies as contributing substantially to achieving the sustainable objectives.

The aim of this **classification instrument** is to create a common language for companies and investors and to mobilise capital flows into sustainable investments by **supporting** the orientation of public and private strategies towards the **achievement of the EU environmental objectives**[31]**,** starting from climate change mitigation and adaptation, i.e., the first two of the six environmental objectives considered by the EU Taxonomy. Specific technical screening criteria of economic activities[32] have been defined for these objectives and detailed in the Climate Delegated Act.

Article 8 of the EU Taxonomy Regulation introduced, from **1 January 2022**, a disclosure obligation for companies and financial market participants that are subject to non-financial reporting obligations in accordance with the provisions of Directive 2014/95/EU[33] (NFRD), implemented in Italy by Legislative Decree No. 254 of 30 December 2016, on how and to what extent their business activities are associated with environmentally sustainable economic activities.
Details of the methodology and indicators to be used for reporting required under the Taxonomy Regulation are explained in Commission Delegated Regulation (EU) 2021/2178.

[30] Regulation (EU) 852/2020: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R0852
[31] The six environmental objectives of the Taxonomy: climate change mitigation, climate change adaptation, sustainable use and protection of water resources, transition to a circular economy, pollution prevention and reduction, protection of biodiversity.
[32] Annexes I and II of Commission Delegated Regulation (EU) 2021/2139 (Climate Delegated Act)
[33] Directive 2014/95/EU: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0095&from=EN

EU Taxonomy: the **MPS Group** conducted an analysis based on the prudential scope of consolidation, considering the gross book value of the balance sheet assets as at 31/12/2023.

On 13 June 2023 the European Commission approved the EU Taxonomy Environmental Delegated Act 2023/3851, covering the remaining four environmental objectives of the EU Taxonomy defined in Regulation (EU) 2020/85. The Commission also approved, in principle, the amendments to two existing delegated acts[34]. The Environmental Taxonomy Delegated Act defines the technical screening criteria for economic activities that make a significant contribution to one or more of the four environmental objectives remaining uncovered in the previous regulatory phase and envisaged in the EU Taxonomy Regulation. These objectives include the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the restoration of biodiversity and ecosystems.

In addition, the amendments to the Climate Delegated Act envisage expansion of the economic activities that contribute to climate change mitigation and adaptation, including manufacturing and transport industries, as well as updates to the technical screening criteria for existing individual economic activities. From 2024, businesses must only report Taxonomy eligibility for new economic activities introduced.

As required by Delegated Regulation 2021/2178, the MPS Group conducted an analysis based on the **prudential scope of consolidation**,[35] considering the gross book value of the balance sheet assets as at 31 December 2023.[36]

In preparing this disclosure, the MPS Group used the templates provided by the EU Regulation[37] and detailed data from the gross book values in the Supervisory Reports to report on exposures to central administrations, central banks, supranational issuers and derivatives, as well as exposures corresponding to the trading book and interbank loans.

For reporting on AuM exposures, the market value as at 31 December 2023 was used as the stock AUM value and the gross purchases in 2023 as the value of flows. With reference to exposures to guarantees, the nominal value as at 31 December 2023 was used as the stock guarantees value and new disbursements in 2023 as the value of flows. With reference to Gas and Nuclear exposures, the gross carrying amount as at 31 December 2023 was used.

The identification of undertakings required to publish non-financial disclosures is based on:

- the Consob list of undertakings required to prepare a Non-Financial Statement for the exposures to financial and non-financial undertakings with registered office in Italy;
- all non-financial undertakings at EU level and all exposures to counterparties (financial and non-financial undertakings) operating outside the EU were considered not to have reporting obligations.

[34] The Taxonomy Disclosures Delegated Act (Commission Delegated Regulation (EU) 2021/2178 specifying content and presentation, and the Taxonomy Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139) establishing the technical screening criteria for climate-related environmental objectives
[35] In compliance with Title II, Chapter 2, Section 2 of Regulation (EU) 575/2013
[36] Note that off-balance sheet assets are excluded.
[37] https://finance.ec.europa.eu/system/files/2021-12/sustainable-finance-taxonomy-eligibility-reporting-voluntary-information_en.pdf

With regard to Delegated Regulation (EU) 2023/2486, the Group provides a voluntary disclosure as, in the absence of publicly available information, a method was implemented based on the following proxies:

- identification of eligible exposures: to identify eligible activities in accordance with provisions of the Delegated Act, the exposures were classified on the basis of the core business sector of the counterparty;
- exposures to undertakings required to publish non-financial disclosures: the exposures were identified by considering the Consob list of undertakings with reporting obligations;
- the exposures in scope refer solely to Italian undertakings;

In addition, pursuant to Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022, from 1 January 2023 to 31 December 2023, financial undertakings are required to disclose their exposures to eligible and non-eligible economic activities in the nuclear energy and fossil gas sectors. From 1 January 2024, they are also required to report exposures to aligned economic activities in the nuclear energy and fossil gas sectors.

The completed templates in relation to the FY 2023 disclosure are provided below, with details of the percentage compared to total balance sheet assets in exposures to:

- Taxonomy-eligible activities and Taxonomy-non-eligible activities for all objectives;
- Taxonomy-aligned and Taxonomy-non-aligned activities for the first two objectives;
- central administrations, central banks and supranational issuers;
- derivatives;
- companies not subject to the NFRD;
- trading book and interbank loans.

In particular, in keeping with the indicator for disclosures from 2023 onwards for Credit Institutions (Green Asset Ratio - GAR), the following assets were considered in order to assess the eligibility and alignment of exposures:

- debt securities and equity instruments;
- loans and advances to businesses;
- project finance;
- enforced real estate guarantees;
- loans and advances to individuals for property purchases or renovations;[38]

and exposures to central governments, central banks, supranational issuers, companies not subject to the NFRD, derivatives, trading book and interbank loans on demand were excluded.

Note that, with reference to loans and advances, for debt securities and equity instruments of non-financial undertakings, the eligibility and alignment percentage was calculated by weighting the gross book value of the exposure by:

- the annual percentage of eligible/aligned **turnover** stated by the undertaking;
- the YoY percentage of eligible/aligned **capex** stated by the undertaking.

The percentage of eligible/aligned assets for exposures to financial undertakings was instead calculated by weighting the exposure by the YoY percentage of eligible/aligned assets stated by the undertakings in question.

For the templates containing alignment and eligibility data, please refer to the section "Measurement - Sustainability Indicators".

[38] Exposures related to consumer credit for the purchase of motor vehicles are not included in this report.

"Consolidate **the Group's commitment** to supporting **sustainable transition** and to **reducing direct environmental impacts**."

OUR FOCUS

REDUCTION OF EMISSIONS AND ENERGY EFFICIENCY IMPROVEMENT

MATERIALS USED AND WASTE GENERATED

CLIMATE CHANGE-RELATED RISK MANAGEMENT

3.2.2 Direct environmental impact

GRI 3-3 GRI 301-1 GRI 302-1 GRI 302-3 GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4 GRI 306-1 GRI 306-2 GRI 306-3

Our Approach

The reduced environmental footprint and likewise the efficient use of natural resources, with a view to continuous improvement, are commitments that have characterised the MPS Group for some years and which guide the everyday actions of its employees and partners, with the aim of achieving zero emissions by 2050. One of the main levers adopted to achieve this objective is the dissemination of environmental awareness within the Group.

THE MAIN GROUP POLICIES ON THE TOPIC

- Code of Ethics
- Group Environmental Policy
- Environmental Management System Banca MPS
- UNEP Objectives and Business Plan 2022-26

2023 RESULTS

71% reduction in direct (Scope 1) emissions (compared to 2017) through the reduced consumption of natural gas and fuel by 40% and 60%, respectively

Again in 2023, **100%** of electricity used is from **renewable energy sources** (in use since 2012)

33% reduction in electricity consumption vs. 2017 as a result of energy efficiency improvement initiatives.

OUR COMMITMENT

Scope 1 emissions generated by the Group by the end of 2026 (compared to 2017 figures)

The commitment to **continue using energy from renewable sources** for the electricity supply

Reduction in the use of paper primarily linked to dematerialisation and digitalisation initiatives

The commitment **to use 87% of paper with a reduced environmental impact** (ecological/recycled)

The following table provides a description of the main Group risks associated with the material topic "Direct environmental impacts" and the main controls adopted by the Group for their management and mitigation.

<table>
<tr><th colspan="7">MAIN RISKS ASSOCIATED WITH THE TOPIC "DIRECT ENVIRONMENTAL IMPACTS"</th></tr>
<tr><th>Main topics</th><th>Potential vulnerabilities</th><th colspan="3">Nature of associated risks</th><th>Stakeholders affected</th><th>Main management and mitigation controls</th></tr>
<tr><td>*Climate Change Mitigation* & Adaptation</td><td>> own emissions
> non-sustainable mobility
> penalties for non-compliance with environmental regulations</td><td>Generated</td><td>Financial</td><td>Direct and operational</td><td>Environment / Bank</td><td rowspan="6">> efficient use of energy (own production plant emissions, employee mobility, use of renewable energies). The target of a 60% reduction in CO2 emissions by 2026 vs. 2017, by reducing consumption and switching to renewable sources, and adopting carbon offset initiatives through purchases of carbon credits

> Business Continuity Plan and actions adopted to prevent and manage physical damage to the Bank's facilities

> Group environmental policy, prevention of environmental offences, adoption of the ISO 14001 Business Management System

> corporate policy on waste treatment, recycle/reuse, paperless bank

> periodic analysis of Home-Work Commuting Plans (HMCPs) for MPS offices with more than 100 employees</td></tr>
<tr><td>Responsible use of water and marine resources</td><td>> penalties for non-compliance with environmental regulations</td><td>Generated</td><td>Financial</td><td>Direct and operational</td><td>Environment / Bank</td></tr>
<tr><td>Circular economy, waste treatment, reduction and recycling</td><td>> environmental damage events
> penalties for non-compliance with environmental regulations</td><td>Generated</td><td>Financial</td><td>Direct and operational</td><td>Environment / Bank</td></tr>
<tr><td>Pollution prevention and control</td><td>> environmental damage events
> non-sustainable mobility
> penalties for non-compliance with environmental regulations</td><td>Generated</td><td>Financial</td><td>Direct and operational</td><td>Environment / Bank</td></tr>
<tr><td>Protection of ecosystem biodiversity</td><td>> environmental damage events
> non-sustainable mobility
> penalties for non-compliance with environmental regulations</td><td>Generated</td><td>Financial</td><td>Direct and operational</td><td>Environment / Bank</td></tr>
<tr><td>All the above topics</td><td>> damage to the corporate environmental reputation</td><td>Sustained</td><td>Non-financial</td><td>Indirect and reputational</td><td>Bank</td></tr>
</table>

For details of the main impacts generated, see the chapter "Materiality Analysis and Stakeholder Engagement".

Read the Environmental Policy of the MPS Group here

The management of **direct environmental impacts** linked to energy, natural gas, fuel and paper consumption and to the generation of waste, is a **key feature** of the **Group's environmental protection commitment**.

To optimise the management of activities with a potentially significant environmental impact, and in line with the Code of Ethics, in 2002 the Group adopted an Environmental Policy. From 2003, the Bank also adopted an Environmental Management System (EMS) in compliance with the international ISO 14001 standard model, periodically certified.

Specifically, on 24 January 2023 the audit was successfully completed for retention of the environmental management system certification. The next audit for renewal of the certification will be completed by the end of April 2024. The corporate Environmental Management System aims to guarantee compliance with environmental obligations and pursue the mission stated in the Group's Environmental Policy.

The Policy contents are verified as the need arises or at least once a year, during the Management Review, and updated if necessary. Any new version of the document is submitted to the Board of Directors for approval and brought to the attention of all personnel and of third parties via the Bank's internal and external channels (e.g., Intranet portal, institutional website, disclosures, etc.).

Given its system-based nature, the Model interconnects with other Group processes on environmental management aspects, direct and indirect, and consequently the related responsibilities of the specialised functions involved.

As regards direct environmental impacts, the functions involved and their roles are:

- **Real estate**, with particular reference to the processes of management and monitoring of the waste disposal service, management and monitoring of local cleaning services, property maintenance management, large real estate project and special project development, Energy Management;
- **Logistics and Ancillary Services/Corporate mobility management** to identify sustainable initiatives for business travel;
- **Human Resources/Professional Training Planning and Management** to promote courses to raise awareness of environmental protection issues.

As regards indirect environmental impacts, the functions involved and their roles are:

- **Accounts Payable/Supplier management**, as part of the macro-process "Group Suppliers Register management";
- **Ordinary Credit Management/Lending and credit review**, particularly to assess "environmental credit risk" and to develop and market financial products and services to support the dissemination of renewable energies and environmental protection;
- **Logistics and Ancillary Services/Corporate mobility management/Mobility management control** for the control of indirect environmental aspects.

As regards the **key managers** in the BMPS EMS, the Head of the Chief Safety Officer Division is appointed as Top Management Representative, supervising System maintenance and improvement, while the EMS Manager (i.e., responsible for planning and implementing agreed necessary actions in the Environmental Management System) is the Prevention, Protection and Environment Manager.

As BMPS is ISO 14001 certified, the risk mapping and opportunities associated with environmental aspects and impacts are periodically updated. This then leads to planning any improvement activities and assessing their impact.

The other Group companies are also required to apply the model defined by the Parent Company, identifying corporate responsibilities according to the roles envisaged by law and implementing the subsequent processes.

In terms of its internal operations, the Group undertakes to:

- Minimise greenhouse gas emissions and waste generation
- Use energy from renewable sources
- Purchase services and products necessary for its business, focusing on environmental impact

Reduction of emissions and energy efficiency improvement

GRI 302-1 GRI 302-3 GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4

The Group pursues the objective of reducing direct environmental impacts through initiatives targeting the **efficient** and **socially responsible** use of energy. In this context, **structural monitoring** initiatives on energy consumption and environmental parameters have been implemented with the aim of reducing overall consumption and, at the same time, also allow savings in operating expenses, which have reduced consistently in recent years as **purchasing strategies** have been adopted that are based on *dynamic portfolio management logic.*
The Group pursues the objective of **reducing its own emissions**, particularly Scope 1 emissions, by 60% compared to 2017 levels, through additional heat and energy efficiency initiatives and the purchase of carbon offset credits to offset emissions from the use of natural gas. The carbon offset activities are linked to the predefined objective of maintaining commitments undertaken on signing the Principles for Responsible Banking (PRB), which call for achieving the 60% threshold by 2025 of offsetting emissions arising from the use of natural gas.

Furthermore, in the 2022-26 Business Plan the Group set the additional target of reducing Scope 2 and 3 emissions linked to its structures through energy efficiency improvement initiatives and initiatives to reduce paper usage, strengthening the dematerialisation and digitalisation initiatives. The Group also intends to constantly pursue the 100% use of energy from renewable sources.
The energy policy is governed by an **Energy Manager, with expertise in Energy Management** and certified according to UNI-CEI 11339 standard. The current organisation model ensures compliance with relevant regulatory obligations and adopts the processes defined by best international practices.

MAIN ENERGY EFFICIENCY IMPROVEMENT ACTIVITIES
Works to improve the energy efficiency of technical systems at 20 Bank premises including branches and Regional Divisions
Considerable decline, around **40% compared to 2022**, in the consumption of heating oil. 2023 reconfirmed the strong downward trend in consumption of this commodity, due to the use of more sustainable technologies
Implementation completed of the **integrated management platform for the Group's main energy utilities** which, through greater involvement of all employees, aims to undertake initiatives to achieve the energy savings objectives

23,400 GJ energy consumption saved in 2022

THE ENERGY SAVING LED TO A R**EDUCTION IN GHG EMISSIONS** FOR A VALUE OF

1,731.84 tCO_2 eq.

During 2023, the **energy network management platform** (PER) was consolidated, bringing additional electricity savings through extension of the real-time monitoring programme of energy consumption and environmental parameters, already installed in over 1,200 branches and with extension planned to all Group branches. Through Artificial Intelligence and machine learning systems, the platform monitors the correlation of environmental parameters with the operating set-points of the air-conditioning systems and predictive maintenance of the Heating, Ventilation and Air Conditioning (HVAC) systems.

The use of the model described above, certified by Tor Vergata University of Rome, allowed a reduction in project-related consumption of **23,400 Gj (6,500 MWh) to be recorded for 2022, compared to the 2019 baseline.**

Measurement & Verification (M&V) Plan

The **Measurement & Verification (M&V) Plan** was drafted in line with the International Performance Measurement and Verification Protocol, the main international protocol for verifying the results of energy efficiency, water efficiency and renewable source projects. The M&V Plan is **a scientific and repeatable method used for measuring the energy efficiency of an action by normalising consumption.** The Plan constructs the baseline for comparison using engineering calculations that lead to ordinary adjustments (e.g., due to changes in climate conditions, etc.) and extraordinary adjustments (e.g., due to changes in operating hours, technological equipment, number of employees, etc.).

This reduction led to a decrease of 1,713.84 tCO2 in the quantity of emissions, while 2023 indicators confirm the trend of reduced energy consumption from the 2019 reference baseline. In fact, even though 2023 was Italy's second hottest year ever, according to available data, and very close to the record average temperatures of 2022, the Group reduced its electricity consumption by a further 8%.

2023 also saw the continuation of actions to limit energy consumption through accurate monitoring of climate conditions using field instruments, then taking action to adjust air conditioning systems accordingly. This was in line with the energy saving indications in the "National plan to reduce natural gas consumption", pursuant to Italian Decree no. 383 of 6 October 2022, even if no longer valid.

The Group adopted two dedicated energy saving initiatives in 2023: on 16 February the national "M'illumino di meno" initiative and on 18 February the International Energy Saving Day. On these two occasions, most of the illuminated signage was turned off and night lighting was minimised in the registered office at Piazza Salimbeni 3, Siena.

The Group follows and keenly watches developments in the Renewable Energy Communities (RECs) pending consolidation of the regulatory framework. The RECs are associations between energy producers and consumers, which aim to satisfy energy needs through self-consumption of electricity produced locally from renewable sources.

The MPS Group continues to pursue **constant improvement of its energy efficiency** in reference to all activities with material environmental impact, achieving a significant reduction in overall energy consumption and therefore in direct emissions.

The total energy consumed within the organisation (electricity, gas and diesel) for 2023 was **482,442 Gj**, a 9.4% decrease compared to total consumption for 2022 and 18% compared to 2021. 95% of the total energy consumption was consumed within the organisation and the remaining 5% refers to the car fleet. In 2023, 72% of total energy consumption referred to electricity consumption, equal to **349,138 Gj** and down slightly compared to 2022 (-7.5%).

Again in 2023, the Group also offset emissions from the use of 2 mln SCM of natural gas, equal to over 60% of total natural gas consumption, through the purchase of VER Credits for participation in the Vishnuprayag Hydro-electric Project (VHEP) by Jaiprakash Power Ventures Ltd. The VHEP has constructed a hydroelectric power plant to provide renewable source energy to the Indian power grid.

The Indian grid operates with a mix of hydroelectric, nuclear and fossil fuel power plants. Construction of this system has allowed a reduction in anthropogenic greenhouse gas (GHG) emissions that would have been generated to supply energy to the grid using fossil fuels (over 70% of energy in India's northern electricity grid is obtained from fossil fuels).

The verification standard adopted for the project is VCS (Verified Carbon Standard) by Verra, a global leader, that supports measurable climate action and sustainable development outcomes by driving large-scale investment in activities that reduce emissions, improve livelihoods and protect nature.

ENERGY IN THE MONTEPASCHI GROUP

100%
ENERGY FROM RENEWABLE SOURCES

Advanced design
OF ELECTRICAL AND HEATING SYSTEMS*

Monitoring of consumption
AND ENVIRONMENTAL PARAMETERS IN OVER 1,200 BRANCHES**

Consumption analysis
USING AN ADVANCED PROCESSING MODEL***

Consequently, in 2023 the emissions reported were as follows:

- Scope 1, **4,206.9** $tCO_2eq.$ (-71% vs 2017)
- Scope 2 (market based), **0** $tCO_2eq.$
- Scope 2 (location based), **26,055.9** $tCO_2eq.$ (-44% vs 2017)
- Scope 3[39], linked to the purchase of goods and services and to business travel for **1,825.1** tCO2 eq. (-75% vs 2017) and to financing **19,675,908** tCO2 eq.

* using equipment and components with performance, efficiency and yield requirements at maximum levels for the market

**the initial monitoring project is currently being updated and envisages correlation of the environmental parameters with the operating set-points of the air-conditioning systems through Artificial Intelligence and machine learning systems

***that measures the effectiveness of initiatives to contain energy consumption by normalising consumption net of seasonal weather trends and other external factors

[39] Scope 3 includes indirect emissions: linked to goods and services purchased, such as natural gas not offset, heating oil, company cars (for business use and 70% personal and business use), emissions associated with business travel (STR cars, privately owned cars, train, air), A3 and A4 paper (paper made from virgin material and recycled material) for 1,861.01 tCO2 eq.; linked to the loan portfolio for 19,675,908 tCO2 eq.

The MPS Group **coordinates the waste management and cleaning services** for its work environments, always with a view to **limiting environmental impacts**.

Materials used and waste generated

GRI 301-1 GRI 306-1 GRI 306-2 GRI 306-3

With a view to reducing environmental impact, the Montepaschi Group governs and **coordinates the waste management and cleaning services** of its working environments, through a specific function of the Parent Company.

In conducting its business activities, the Bank generates various types of waste, the most important of which are paper and toner. For all offices and branches, **regular collection and related management of the waste** is arranged, up to and including disposal. The Group **separates, collects and disposes of the waste it produces** (paper, cardboard, toner, bulky materials and special waste).

Regenerated materials are preferred for toner use. Disposal is arranged through qualified operators, entered in special registers as required by regulations in force, which transport the products classed as waste to authorised treatment plants and landfills. The activities described above are always accompanied by forms that are later filed in central archives and the originals are kept for at least 3 years by the properties that generated the waste.

Special databases were created from January 2022, with details of the waste recycled or sent for disposal, with a view to having an ongoing summary of waste collected. The input data are collected quarterly by the Maintenance Governance Function and, where necessary, integrated with any related activities carried out by other companies.

As regards cleaning, a framework agreement was prepared for the appointed companies which, throughout Italy, envisages the commitment to use Ecolabel products for the office cleaning service, to separate waste and to maintain ISO 14001 certification standards.

MATERIALS USED BY THE GROUP

569,495 kg
PAPER FOR INTERNAL USE
(98% recycled paper)

771,429 kg
PAPER FOR EXTERNAL USE
(81% ecological paper)

15,250 kg
ORIGINAL TONER OR CARTRIDGES

Mobility Management

As part of its Mobility Management obligations, the MPS Group has for many years appointed a **Corporate Mobility Manager**: the corporate role dedicated to the governance of mobility demand and the promotion of sustainable mobility in work-home commuting for employees.

The **Home-Work Commuting Plans** are reconfirmed as the main tools for managing sustainable mobility strategies: again in 2023, these documents were updated in the cities where regulations in force impose obligations.
The analysis activities were conducted in 14 offices in 8 cities for a total of over **3,800 employees involved**.

During the year, the employee listening activity regarding home-work commuting was undertaken through a dedicated questionnaire which recorded an important response redemption (average responding: 68%).
This activity offered a precise overview of commuting habits in addition to measuring impacts generated by people to travel to their offices in terms of pollutant gases, particularly CO_2 emissions.

The Home-Work Commuting Plans envisage prompt improvement initiatives to strengthen the external and internal networks, as well as communication and awareness-raising activities on sustainable mobility topics.

One of the main internal communication tools, in place for several years, is the Mobility Management section of the corporate Intranet, where news of the main corporate initiatives on this topic are published regularly, in addition to information on sustainable mobility initiatives in the 8 cities involved.

HIGHLIGHTS OF THE HOME-WORK COMMUTING QUESTIONNAIRE*

- 14 OFFICES INVOLVED IN 8 CITIES (SIENA, FLORENCE, ROME, MILAN, PADUA, MANTUA, LECCE AND NAPLES)
- 3,821: QUESTIONNAIRE RECIPIENTS
- 68%: THE AVERAGE RESPONSE REDEMPTION
- 71%: USE OF PRIVATE CARS AND SCOOTERS
- 61% USE OF PRIVATE CARS
- 2%: CAR POOLING USERS
- 10%: THOSE TRAVELLING TO THE OFFICE ON FOOT OR BY BICYCLE
- 17%: LOCAL PUBLIC TRANSPORT USERS
- 14.8 KM: AVERAGE HOME-WORK COMMUTING DISTANCE (ONE WAY)
- EURO6: THE MAIN EMISSIONS CLASS FOR THE CARS USED (43%)

* AVERAGE VALUE CALCULATED ON THE TOTAL QUESTIONNAIRE RESPONSES.

The **MPS Group** has implemented an accurate **identification process** to **verify materiality** and **significance of C&E risks** prior to definition of its Risk Appetite Statement.

3.2.3 Climate change-related risk management

In consideration of the increasing importance played by ESG risk factors in regulations, government policies and stakeholder awareness, and also following specific initiatives promoted by the ECB, in particular on Climate-related and Environmental Risks - C&E Risks (see "Guidelines on Climate-related and Environmental Risks" November 2020, and ECB Climate Stress Test carried out in 2022), the Montepaschi Group is pursuing the "**ESG Risk Action**" Project, as part of the multifunctional ESG Programme, a multi-year programme of activities that began in 2021 relating to the identification and measurement of climate-related and environmental risk factors, and gradual integration into the traditional risks and the Risk Management Framework.

Climate change, the issue commanding the greatest attention and interest due to its strong impact on the planet and on society, is responsible for permanent effects on climate conditions (higher average temperatures, rising sea levels, etc.) which in turn give rise to extreme natural events (floods, landslides, storms, drought, etc.). These events can trigger **considerable economic, environmental and social costs with resulting significant impact on the real economy and the financial sector**. In this context, banks have to play a key role, not only in the transition to low-carbon and more circular economies by redirecting their loan and investment portfolios towards sustainable activities, but also in taking into account the risks that these phenomena could generate on their assets.

Consequently, this is a major challenge that poses both opportunities and risks. These risks need to be contained and monitored as part of safe and prudent risk management, by integrating environmental and climate-related risk factors in a structured manner into the framework of traditional risk management and by enhancing transparency and long-term vision.

Climate and Environmental risks (C&E) break down into two main types, transition risks and physical risks, which differ based on their origin and transmission methods which could generate financial impacts for the Bank.

The **Montepaschi Group** is pursuing the "ESG Risk Action" Project, as part of the multifunctional ESG Programme, a **multi-year programme of activities** relating to the **identification** and **measurement** of **climate-related and environmental risk factors**, and gradual **integration into the traditional risks and the Risk Management Framework**.

- **Physical Risk** refers to the financial impact of climate change, including extreme events (acute: e.g., floods, landslides, storms, drought, etc.) and gradual changes in the climate as well as environmental degradation (chronic: rising sea levels, desertification, air, water and soil pollution, water stress, etc.). This risk can arise, for example, in material damage to collateral properties (e.g., impairment of the guarantee) or to the production facilities of borrower companies causing a decline in credit quality or even insolvency due to impacts on the value of guarantees or on business productivity or, indirectly, events such as the interruption of production chains.

- **Transition Risk** refers to the financial loss an entity may incur, directly or indirectly, as a result of the process of adjustment to a more environmentally sustainable low carbon economy. Academics and the international community now largely agree that the frequency and severity of acute and chronic events manifesting climate change can be halted or even reversed through policies to reduce greenhouse gas (GHG) emissions. Firstly, and then through additional actions to mitigate the impacts of anthropogenic activities on the environment. Undertaking a transition in line with emerging guidance will imply implementation costs for economic entities (from individuals to enterprises) that can affect profitability and ultimately the survival of production activities, when their distance from the required environmental sustainability level is very long. Sudden accelerations or unexpected changes in the necessary transition path required of economic operators qualify as transition risk, i.e. the unexpected component of effort necessary to comply with policy demands, which will be greater for entities that, due to the nature of their activities or specific conditions, must undertake more extensive investments in order to transform their conduct or production processes. This situation could arise, for example, on the relatively sudden adoption of stricter climate and environmental policies, or technological progress that introduces new production processes to comply with new requirements, rendering old processes obsolete or unsustainable or, lastly, changing loyalties and market preferences with respect to ecological transition topics.

The approach implemented resulted for the Montepaschi Group in the **identification of C&E risks** and **incidents** in the areas of **Credit and Operational Risks as material**.

For **financial intermediaries**, direct physical and transition risk, i.e. deriving from exposure of their own production assets (e.g. registered offices, premises used as offices, etc.) and their transition path (e.g. investments to reduce emissions caused by their business operations, such as heating/cooling of work environments, employee mobility, etc.) tend to be marginal compared to the **indirect risks, i.e. those affecting customers and all their business counterparties in general** (financing, investment, brokerage or advisory services).

All intermediaries are therefore required to analyse the materiality and significance of such risks so as to support the transitions of the customers and at the same time maintain the sustainability of their own business models for all stakeholders (shareholders, investors, customers, employees, reference community).

The MPS Group has implemented an **accurate identification process to verify materiality and significance of C&E risks** prior to definition of its Risk Appetite Statement, specifically examining climate-related risk factors from the perspective of transmission channel analysis, according to which these risks are material when they impact traditional financial risks (credit, operational, market and liquidity), already known and treated in the Group risk management framework.

The approach implemented in 2023 extended the materiality analysis from the single horizon used thus far (actual/short-term) to medium and long term horizons, resulting for the Montepaschi Group in the identification of C&E risk incidents in the areas of Credit and Operational Risks as material (also broadly extending to reputational risks), in continuity with the findings from the first analyses carried out in 2022 over a short-term horizon.

C&E risks relating to credit risks are, in addition to materiality levels that are "very high" (transition risk) and "high" (physical risk), based on potential economic impact (credit impairment) that could give rise to adverse climate scenarios.

C&E risks relating to credit risks are, in addition to **materiality levels that are "very high" (transition risk) and "high" (physical risk)**, based on potential economic impact (credit impairment) that could give rise to adverse climate scenarios.

The C&E risks associated with credit risk are, as they are material and highly significant, subject to exposure monitoring as RAS KRIs (at the end of 2023 for the components of private physical risk and transition risk for non-financial companies).

The transmission to other "core" risks (market, liquidity and certain operational risks) of the C&E risk factors analysed was based on what-if analysis, respectively stressing:

- for **liquidity risk**, the liquidity buffers consisting of deposits made by retail customers and non-financial companies, depending on the occurrence of physical risk events concentrated in very short periods of time and on geographical areas of impact (entire province for flood risk, individual municipality for landslide risk); deposit run-offs have been assumed both in a situation of crash (withdrawal of 100% of the deposits in the affected area) and based on similar events actually occurring (e.g. flood in the Marche region in September 2022, in Emilia-Romagna in May 2023 and in the province of Prato in November 2023, in addition to the landslide affecting municipalities on the island of Ischia in November 2022).

- for **market risk**, the market value of non-financial corporate portfolios (bonds and equity) and risk exposure to non-collateralised counterparties originating from derivative positions;

- for **operational risks,** business continuity based on a number of scenario drivers, such as customer hardship (based on deposit pools), employee hardship (based on the number of non-operating employees in the scenario), operational hardship (based on the number of branches closed), economic damage (based on the loss of profitability for the Bank at risk within the scenario), and physical damage (based on loss of value of owned properties).

These risks emerged as immaterial from quarterly verifications performed, based on indicators and thresholds suited to capturing changes in the structure of positions and activities affected, which could give rise to a stronger significance of each risk factor in the future, in this case resulting in their full risk measurement and monitoring of the related operating limits.

The following tables, from the opening of individual transition risk and physical risk sections, summarise the identification, materiality and significance analyses performed.

TRANSITION RISKS - DIRECT						
Risk factor	Transmission channels	Traditional risks involved	Potential impacts	Materiality for GMPS	Materiality for GMPS	Management controls/ Mitigation
Changes to environmental regulations and environmental standards adopted by the Group	- Additional and unexpected costs for adaptation and compliance - Penalties for non-compliance	Business risk Operational risk	Economic effects of higher costs and operating losses due to penalties	No	Low	Monitoring of regulatory developments with prompt adaptation to new requirements

TRANSITION RISKS - INDIRECT						
Risk factor	Transmission channels	Traditional risks involved	Potential impacts	Materiality for GMPS	Materiality for GMPS	Management controls/ Mitigation
Transition policies that impose acceleration, interruption, sudden changes in the sustainability paths of business Customers	Unexpected additional transition costs for a borrower with effects on solvency	Credit risk	Decline in credit quality Credit impairment losses in adverse transition scenarios	Yes in the Short, Medium and Long Terms	High	-**Measurement of existing exposures** through RAS KRIs and other risk indicators. -**Operating limits** placed on exposures - Definition of impact models and integration of stress test programmes - Continued integration of commercial lending processes based on C&E risk profiles of single name Customers (where possible) or sector-specific classifications
Transition policies (on energy efficiency) that impose actions and/or reduce the value of property assets	Low energy efficiency of mortgaged properties (residential and commercial) affecting the value of guarantees	Credit risk	Loss of collateral value due to credit impairment losses in adverse transition scenarios	Yes in the Short, Medium and Long Terms	High	

TRANSITION RISKS - INDIRECT						
Risk factor	Transmission channels	Traditional risks involved	Potential impacts	Materiality for GMPS	Materiality for GMPS	Management controls/ Mitigation
High transition risk or trading books of Customers include financial instruments of issuers in environmentally controversial sectors	Substantial ESG inadequacy of existing portfolios Ineffective ESG adequacy verification of new portfolios Trading books of Customers include financial instruments of issuers in environmentally controversial sectors or with high transition risk Impairment of Customer portfolios associated with the transition risk of issuers	Reputational risk	Loss of market shares and profitability for investment services Losses due to complaints and disputes	Yes, not applicable over the analysis horizon but always considered material	Medium	- ESG component in reputational risk indicators monitored in the RAS, - Integration of ESG variables into the investment services advisory process by obtaining preferences from Customers, - Investment product mapping based on ESG variables and verification that portfolios align with preferences.
High transition risk or trading books include financial instruments of issuers in environmentally controversial sectors	Impairment of own portfolios associated with the transition risk of issuers	Market risk and counterparty credit risk	Economic losses due to losses on financial instruments	No, only measured over the Short Term due to portfolio characteristics	Low	- Periodic materiality verification based on the extent of the portfolio potentially exposed to risk (e.g. instruments and issuer type). As at 31 December 2023, the verification returned a result of "immaterial".
High transition risk or financial instruments of issuers in environmentally controversial sectors are used as liquidity buffers	Reduced capacity to cover unexpected liquidity needs	Liquidity risk	Liquidity pressure with effect on operations Economic losses due to higher costs for obtaining liquidity	No, measured over Short, Medium and Long Terms	Medium-Low	- Periodic materiality verification based on the extent of liquidity reserves potentially exposed to a decrease in value due to transition risk. As at 31 December 2023, the verification returned a result of "immaterial".

For risks proving to have at least "medium" materiality and significance, indicators were defined for the exposure of credit portfolios to environmental/climate factors, to be included in the Group Risk Appetite Framework as Key Risk Indicators (KRIs) and used in ICAAP and ILAAP assessments (2023 and 2024).

With regard to the appetite level of these indicators, a relative tolerance range is determined using the adverse scenario impact analyses carried out in the institutional and internal climate stress test programmes. A risk exposure operating limit is defined in this range, which is attributed to the sales and distribution structures of reference for the activity affected, **with a view to containing the risk and to steering business towards a path to reducing and mitigating the risk**, through coordinated commercial and lending initiatives.

If the ESG risk limits are exceeded, as for any other risk managed, an escalation process is triggered that requires the corporate bodies to define tactical or strategic responses, suitable to returning the situation to within established limits or at least not increase the exposure monitored and controlled.

For the RAS 2024 exercise, since the end of 2023 four climate risk KRIs have been defined in relation to credit risks, two for transition risk (on credit exposures to counterparties that are "non-financial undertakings" and to private customers) and two for physical risk (on the exposure component in mortgages to individuals and credit exposures to businesses). Operating limits were set for these KRIs.

The C&E risk incidents in lending, as mentioned previously, are by far the most significant and the following paragraph offers insights into the methods used to handle them at present in relation to RAS monitoring and for risk management purposes.

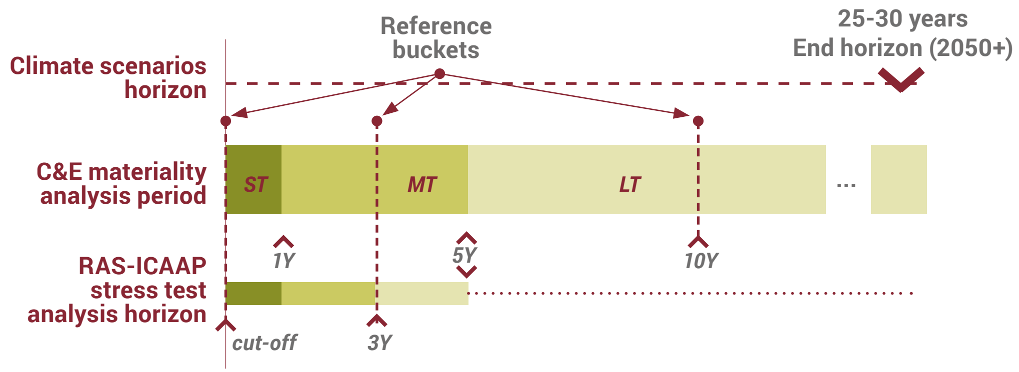
The materiality analyses were extended over medium and long term horizons, whilst the approach already used for the single initial assessment introduced in 2022 is now considered a short-term assessment. The ST-MT-LT horizons were defined by taking into account the usual planning horizons (RAS, Budget) and the particular extent of scenarios normally used to analyse forward-looking developments for transition and physical risks, associated with climate change and related mitigation.

The resulting definition of horizons is as illustrated in the chart below.

The **short-term** horizon spans from now over 1 year, and as its reference bucket uses the analysis cut-off date (time 0); the **medium-term** horizon is from 1 to 5 years from the analysis cut-off date and has an average reference bucket of 3 years; lastly, the **long-term** horizon extends beyond 5 years and has a reference bucket of 10 years from the cut-off date.

The horizons thus defined are used for the materiality analyses, based on risk map projections for transition and physical risk (and respective scores), obtained by applying downward trends emerging from sector-specific or scientific studies to the current maps (short-term).

In this way, the **medium and long term materiality is based on** averagely **adverse scenarios** of physical risk and transition risk conditions (for physical risk, the developments relate to a more advanced "current policies" or "hot house world" scenario, and for transition risk to the "Net Zero 2050" scenario).



The **C&E risk** and incidents in **lending** are by far **the most significant**, also in the wake of results of the first **ECB Climate Stress Test** in which **the MPS Group participated** in the first half of 2022.

TRANSITION RISK - BUSINESSES

Transition Risk refers to the financial loss a company may incur, directly or indirectly, as a result of a process of transition to a low carbon economy.

In 2023, the MPS Group integrated materiality analysis and exposure to C&E transition risks into the segment of non-financial business counterparties by adding, alongside the existing transition risk indicator that expresses the distance to reach full environmental sustainability, a new indicator that takes into account specific production aspects relating to the reduction of greenhouse gas (GHG) emissions, defined as the Transition Exposure Coefficient or TEC CCM (Climate Change Mitigation) and inspired by the similar coefficient from the Battiston Alessi et al study ("Two sides of the same coin: Green Taxonomy alignment versus transition risk in financial portfolios" of 2021 and later studies).

For continuity with the measures introduced in the 2022 NFS, note the recognition at the end of 2023 of transition risk determined on the basis of the extent of alignment with the transition path based on sector-specific assessment, used as the KRI throughout 2023 to monitor RAS exposure.

As at 31 December 2023, the level of the transition risk exposure indicator was 27% (indicator to be maximised), on a range of loans to non-financial companies (cash and unsecured) amounting to approximately **EUR 40.8 bn**[40], remaining essentially stable throughout 2023.

As mentioned previously, the new transition risk indicator, TEC CCM, focuses on the risk factors specifically related to reducing GHG emissions and therefore to the energy transition. It can be considered the percentage exposure to transition risk.

To calculate the TEC CCM, BMPS combines elements assessed at the level of a company's business sector with customer-specific elements collected through a questionnaire administered to business customers.

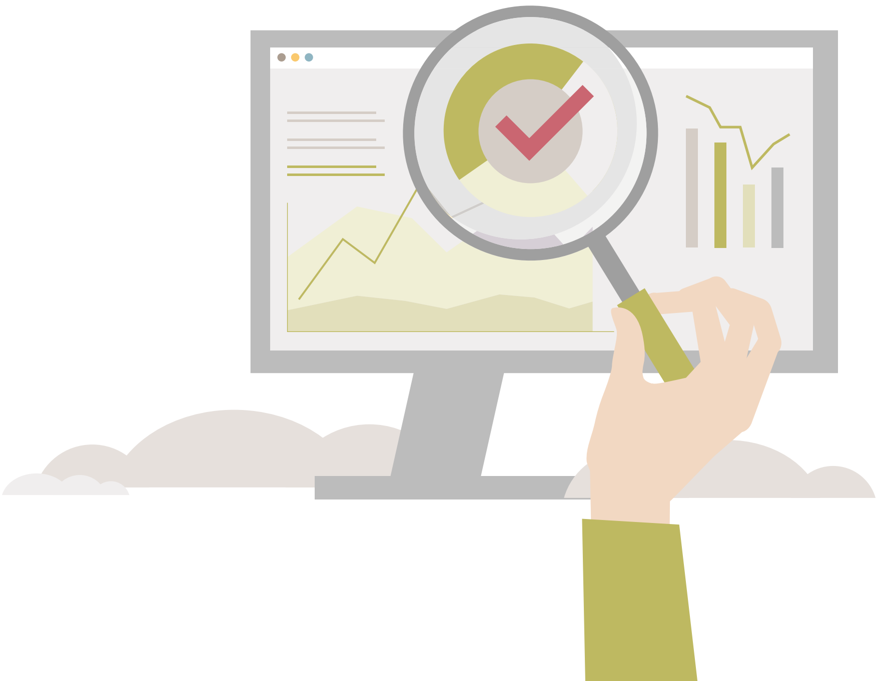
The TEC CCM is also clustered into five qualitative ranges in order to classify the positions of a given scope into transition risk classes: Very High, High, Medium, Low and Very Low.

As at 31 December, the Group's overall level of exposure to transition risk, included as a KRI in the RAS 2024, was 43.5%. **GHG emission intensity**, given the urgency of the emission reduction targets imposed by international agreements (Kyoto, Paris, etc.), is a **key characteristic of the sustainability already achieved by an economic activity** or, conversely, of the extent of the transition process yet to be undertaken by a counterparty engaged in such an activity.

---

[40] Scope of counterparties with a defined ATECO business code. Total scope EUR 41.3 bn.

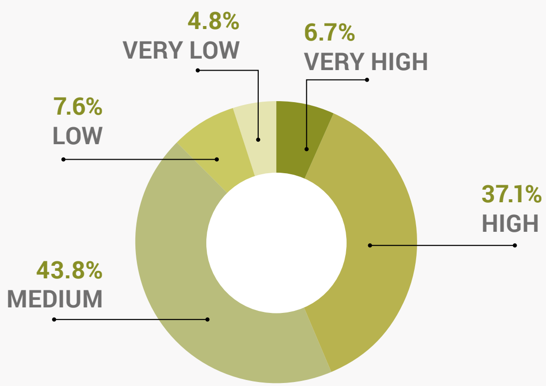
Transition Risk Level	Credit GCA	Transition Risk exposure CCM	medium TEC
0 - zero TEC	5,424	0	0%
1 - Very Low 1	1,738	203	12%
2 - Low	2,725	629	23%
3 - Medium 1	15,730	6,400	41%
4 - High	13,312	8,716	65%
5 - Very High	2,401	2,041	85%
Grand Total	**41,331**	**17,987**	**43.5%**



Transition risk analyses are therefore mainly focused on the financing of activities that contribute significantly to climate change through GHG emissions.

GMPS LOANS TO NON-FINANCIAL COMPANIES

Transition risk
Loans by TEC CCM class: 31/12/23
(compared to the total with non-zero TEC, equal to EUR 35.9 bn)



GHG emission intensity, given the urgency of the emission reduction targets imposed by international agreements (Kyoto, Paris, etc.), **is** a **key characteristic of the sustainability** already achieved by an economic activity.

GHG emissions published directly by counterparties in their respective NFS or Sustainability Reports are very rare, as the obligation only refers to large corporates. **Scope 3 emissions** in particular, i.e. indirect, caused by an economic activity upstream or downstream of the entity's own production chain, are declared by only a small proportion of non-financial counterparties.

Since the end of 2022, GMPS has conducted an analysis of "financed GHG emissions", integrating the data (actual if present or, if not, estimated using the infoprovider's proprietary models) provided at company level by a specialised external provider with financial statements/debt data of individual companies whose information is inferred by the aggregate results of the Climate Stress Test 2022.

The total coverage of financed GHG emissions[41] for the scope considered was 81.3%.[42] The figures calculated on NFS data (almost always only Scope 1 and 2) refer to a total of 9.7% of exposures[43], whilst other emissions figures were estimated as described above and in the notes.

[41] The financed component of absolute commissions for a company is calculated using the: total balance sheet assets figures if net capital is positive, or total liabilities for companies with negative capital. In the absence of such balance sheet figures, the cash borrowings figure recorded in the Central Credit Register, if entered, is used.

[42] Calculated on the "cash drawdown" exposure to "financial counterparties" of around EUR 34.7 bn.

[43] As per previous note.

With reference to receivables from non-financial companies (on a total reference scope of approximately EUR 41.3 bn in cash and unsecured loans, source: Risk Management operating figures), the following charts show the breakdown of loans by sector type.

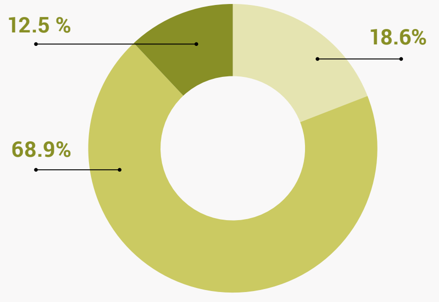
For **exposures to sectors with high GHG emissions intensity**, equal to 18.6% (around EUR 7.71 bn) of the total portfolio, the corresponding financed GHG emissions in sectors with high GHG emissions intensity are shown (in line with the top ten NACE/ATECO business code groupings proving to have the highest GHG emissions according to the ECB Climate Stress Test 2022 - as system average).

The "Other climate-relevant sectors" are those indicated as sectors which "highly contribute to climate change" in the EBA ITS 2022/01 for preparation of the Pillar 3 ESG Disclosure. Lastly, the remaining percentage of loans in the scope considered is recorded as "other non-climate-relevant sectors".

36.5% of total financed emissions in the scope analysed refer for 18.6% (around EUR 7.71 bn) to total exposures to sectors with high GHG emissions intensity and 61.5% of the emissions refer to other non-climate-relevant sectors. The two components coincide with loans to sectors that "highly contribute to climate change", according to the EBA ITS for Pillar3 – ESG (87.5% volume) to which approximately 98% of the financed emissions therefore refer.

GMPS LOANS TO NON-FINANCIAL COMPANIES

Loans to sectors with high GHG emissions intensity
Data as at 31 December 2023



EMISSIONS AND CREDIT EXPOSURES TO NON-FINANCIAL COMPANIES

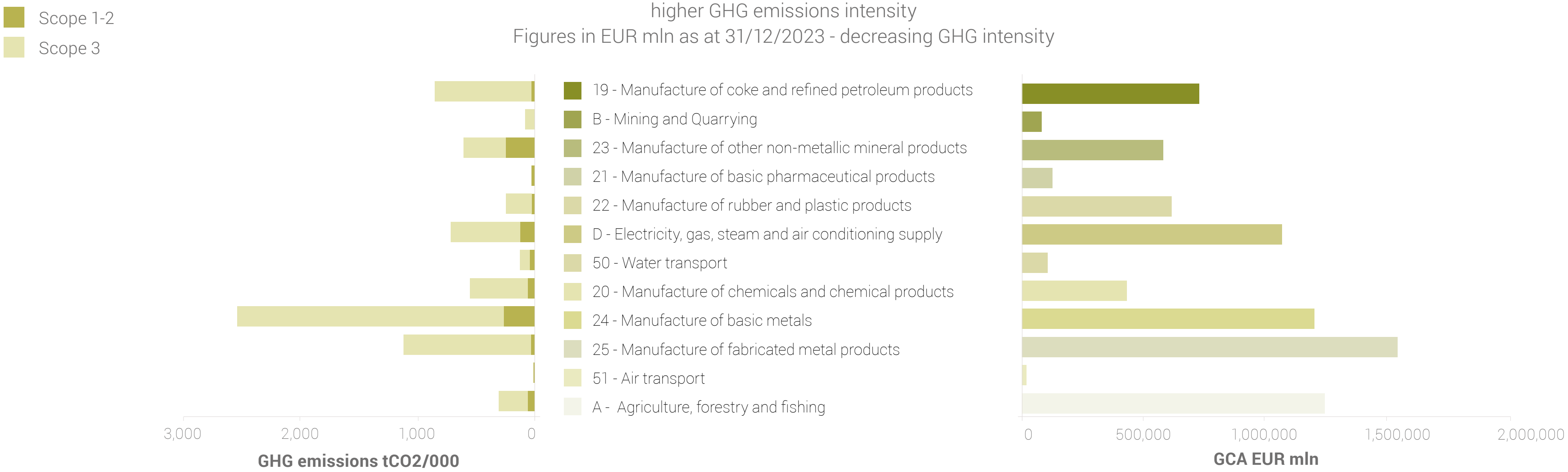
(CO2 eq. /000 tons, EUR mln as at 31/12/2023)

	FINANCED EMISSIONS			CREDIT EXPOSURE	
	Scope 1-2-3		*of which Scope 3*		
	CO_2eq./000 tons	% of total	CO_2eq./000 tons	€ mln	% of total
High intensity CST Sectors*	7,184	36.5%	6,278	7,707	18.6%
Highly contrib. Other	12,094	61.5%	11,078	28,467	68.9%
Highly contribute Total	**19,278**	**98.0%**	**17,356**	**36,173**	**87.5%**
Other sectors "not relevant"	398	2.0%	363	5,157	12.5%
Total Non-Fin. *Corporate*	**19,676**		**17,719**	**41,331**	

* CST Sectors - EBA Climate Stress Test Sectors

(←) FINANCED GHG EMISSIONS AND CREDIT EXPOSURE TO ECONOMIC SECTORS (→)

higher GHG emissions intensity
Figures in EUR mln as at 31/12/2023 - decreasing GHG intensity



For **private customers**, the **use** of **energy performance labels** (APE in Italy, EPC in Europe) for **properties** as the most significant **indicator** of **emissions** and more generally of the **attitude towards the issue of climate change mitigation** appears to be increasingly important.

TRANSITION RISK - PRIVATE

For **private customers, energy performance labels** (APE in Italy, EPC in Europe) are the most significant indicator of emissions generated for heating/cooling of properties, and therefore of the property's transition capacity towards a reduced impact on climate change. This capacity can give rise to a depreciation in value of the mortgaged property, due to the energy efficiency improvement costs necessary to make the property sustainable in terms of GHG emissions, consequently affecting the guarantee on the corresponding mortgage.

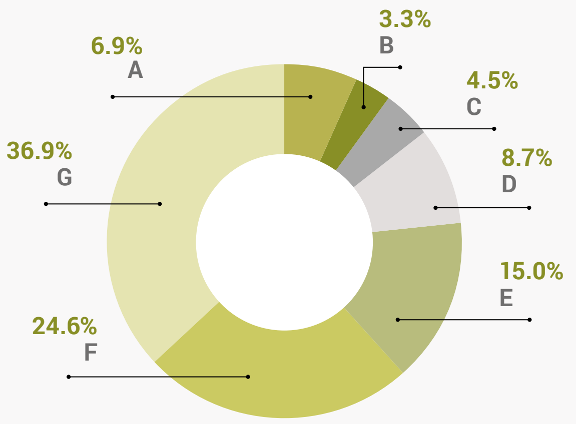
The energy performance levels of residential mortgage properties, and related information on consumption and GHG emissions, were monitored during 2023 in relation to new mortgage underwriting flows. In 2023, the digitalisation process of energy labels directly at the time of signing of the mortgage was also enhanced and made compulsory, and data remediation activity was carried out to recover the labels for existing mortgages.

As at 31 December 2023, with regard to approximately EUR 30.3 bn of residential mortgage positions, 42.5% of the volume was covered by energy labels; this coverage ratio is constantly monitored and a specific KPI will be set for this for the coming year. At the same date, the mortgages covered by the energy label was broken down by APE levels according to the table and graph below.

Values in EUR mln

MONTEPASCHI GROUP		
"APE" labelling level	Balance of positions	%
A	889.41	2.9%
B	426.49	1.4%
C	585.40	1.9%
D	1,118.15	3.7%
E	1,934.38	6.4%
F	3,167.56	10.5%
G	4,756.06	15.7%
Total mortgages covered by APE labels	12,877.45	42.5%
APE label not recorded	17,409.39	57.5%
Overall total	**30,286.84**	**100.0%**

GMPS RETAIL MORTGAGES
Actual APE label distribution (mortgages covered)
Loans by APE labelling level of mortgaged properties: 31/12/2023



PHYSICAL RISK

Physical risk, in relation to Environmental risks (particularly climate-related) is triggered by the damaging **impact of natural events associated with failure to protect the environment.** For climate-related risks with an impact on core risks (financial and non-financial), the MPS Group has mapped these risks and verified materiality. The results are summarised in the following table.

Table: Materiality analysis of physical risk

PHYSICAL RISKS - DIRECT						
Risk factor	Transmission channels	Traditional risks involved	Potential impacts	Materiality for GMPS	Materiality for GMPS	Management controls/ Mitigation
Acute climate-related physical risk events	Damage to owned assets Interruption of operations	Operational risk (business continuity)	Losses for damage to owned property and related restoration Economic losses linked to interruption of operations	No	Medium-Low	- Periodic materiality verification based on aggregates impacted in a scenario of interruption of operations due to physical risk. - Enhancements dedicated to C&E risks (where necessary) in business continuity plans and mitigation actions for physical damage to structures
Chronic climate-related physical risk, such as changes in climate conditions or greater frequency of weather events	Higher costs for heating/cooling of premises in use Decrease in productivity due to changes in climate conditions	Operational risk Business risk	Impacts on profitability of higher operating expenses and/or reduced productivity	No	Low	- Energy efficiency improvement action on heating/ cooling systems and procedures in properties in use - Increased use of energy from renewable sources, review of energy procurement policies - Car pooling policies, awareness-raising initiatives, environmental education

The **percentage exposure** considered to be **high risk** or **very high risk** for at least one of the **climate-related risk factors considered** (landslide and flood) constitutes a **Key Risk Indicator** subject to **periodic monitoring** for **RAS** purposes.

PHYSICAL RISKS - INDIRECT						
Risk factor	Transmission channels	Traditional risks involved	Potential impacts	Materiality for GMPS	Materiality for GMPS	Management controls/ Mitigation
Acute climate-related physical risk events	Damage to assets of credit counterparties used as mortgage guarantees (residential and commercial)	Credit risk	Loss of collateral value due to credit impairment losses in adverse acute physical risk scenarios	Yes	Medium-High	-**Measurement of existing exposures** through RAS KRIs and other risk indicators. -**Operating limits** placed on exposures -**In progress**: definition of impact models and integration of stress test programmes -**In progress**: integration of commercial lending processes based on C&E risk profiles of single name Customers (where possible) or sector-specific classifications
Acute and chronic climate-related physical risk events	Damage to operating assets and production plants of business customers (acute physical risk) Impacts of climate change on production activities (chronic)	Credit risk	Decline in credit quality - credit impairment losses in adverse acute physical risk scenarios	Yes	Medium-High	
Acute climate-related physical risk events	Damage to property assets (acute physical risk) that triggers claims for reimbursement of deposits	Liquidity risk	Impact on operating liquidity Economic losses due to higher costs forms of liquidity alternative to deposits	No	Low	- Periodic materiality verification based on deposits potentially subject to volume reductions due to physical risk. As at 31 December 2023, the verification returned a result of "immaterial".
Acute and chronic climate-related physical risk events	Damage to operating assets and production plants of issuers with an impact on the value and profitability of those issuers	Market risk	Economic losses due to losses on financial instruments	No	Low	- As at 31 December 2023, the verification returned a result of "immaterial" as no models or studies on the transmission of physical risk to the market value of financial instruments were found that could be readily applied to the specific context (Italy for the MPS Group)

PHYSICAL RISK - PRIVATE

For **private physical risk**, the analysis targets **properties used as guarantees for residential mortgages, based on guarantee location**.

The credit exposure in scope was mapped by geolocating the property (accurately, or to a residual extent at municipality level), thereby linking the appropriate mapping area for applicable risk factors. For RAS KRI monitoring, in 2023 the specific factors analysed were **flood, landslide**[44] (risks commonly considered climate-related) and seismic (the latter as environmental and not climate change-related). The RAS KRI 2024 will see migration to the use of accurately geolocated risk data (by census cell or grid depending on the type of risk factor) for factors already covered (landslide, flood, seismic) and for other factors covered by specialised infoproviders applying to properties, such as **fire risk, wind, etc.**

In line with RAS reporting throughout 2023, the following diagrams illustrate the exposure to flood, landslide and seismic risk factors for the portfolio of mortgages to Private customers, based on data as at 31 December 2023.

[44] The risk indicators included in the 2023 analysis for flood and landslide are based on public ISPRA data. For earthquake, Civil Protection Department data were used. The criterion adopted for classification of the retail credit portfolio for flood and landslide risks consists in considering exposure to each factor of the properties (and related loans) located in municipalities with a percentage for the area of a P3-P4 risk level for landslides and P3 for floods above a certain threshold. Based on the impact of the area at risk on the total, classification is also in risk bands from "zero" to "very high".

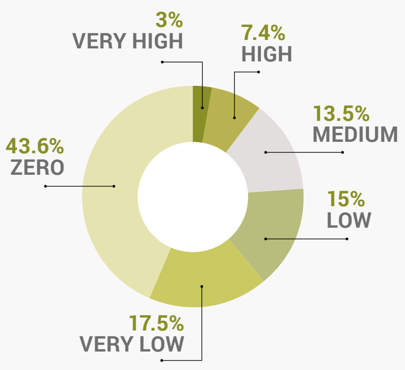
The Group scope of analysis (BMPS and Banca WIDIBA) comprises around EUR 30.3 bn in mortgages guaranteed by collateral property to private counterparties. The percentage exposure considered to be high risk or very high risk for at least one of the climate-related risk factors considered (landslide and flood) constitutes a Key Risk Indicator monitored for RAS purposes throughout 2023.

The physical risk model for mortgages guaranteed by residential properties has developed since the end of 2022 with the **integration of additional information on acute physical risk** (and chronic risk factors only for coastal areas), for each individual collateral property, based on accurate location (census cell) or, if unavailable due to lack of information, based on the reference municipality.

In particular, **wind and fire** were integrated into the physical risk factors considered potentially significant for properties and therefore subject to short, medium and long term materiality analysis. The diagrams below illustrate the percentages of retail residential mortgages by risk levels associated with such phenomena.

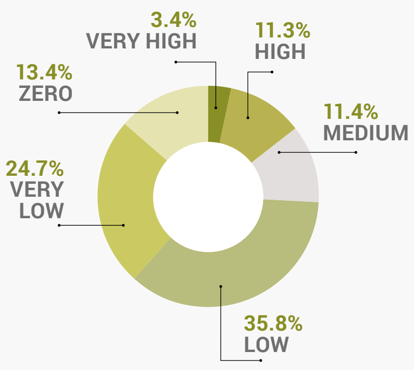
GMPS RETAIL MORTGAGES

Landslide risk
Loans by risk class of properties mortgaged: 31/12/2023



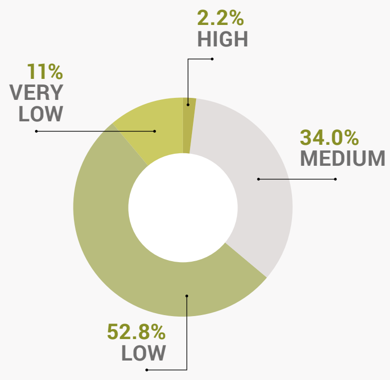
GMPS RETAIL MORTGAGES

Flood risk
Loans by risk class of properties mortgaged: 31/12/2023



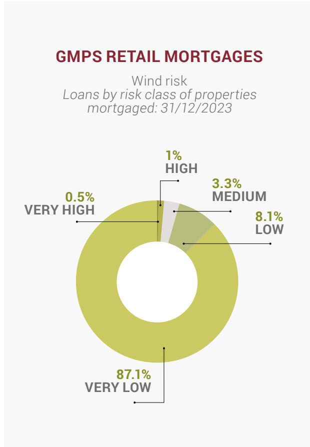
GMPS RETAIL MORTGAGES

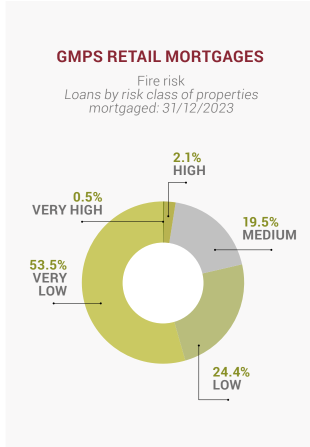
Seismic risk
Loans by risk class of properties mortgaged: 31/12/2023



The physical risk information acquired from a specialised external provider covers a series of acute and chronic risk factors, for which the boxes below provide the main details in terms of breakdown of BMPS loans by province, where exposed to high risk of the type in question.

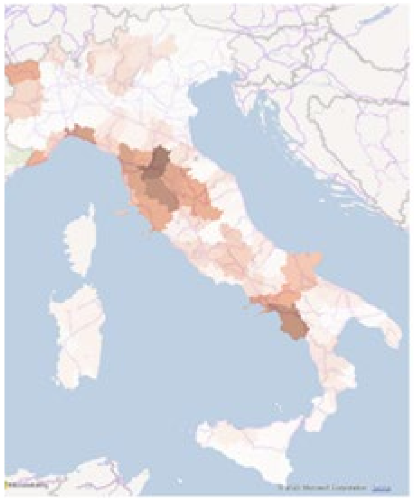
The physical risks map, constructed on the basis of individual risk factor scores acquired from a specialised infoprovider, illustrate the current risk exposure of an asset (operating asset, guarantee, etc.) in a certain location. Based on this current risk level, considered valid in the Short Term (ST, 0-1 year horizon), the Risk Management Function carried out internal Medium Term (MT, 1-5 year horizon) and Long Term (LT, >5 year horizon)



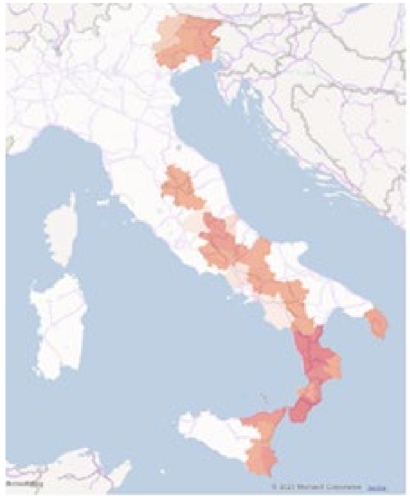


Acute physical risk and seismic risk - Residential Mortgages *- breakdown by geographic area of MPS exposure to mortgages guaranteed by property (flood, landslide, seismic, extreme weather, extreme waves and fire).*

Residential Mortgages: Acute FLOOD Risk



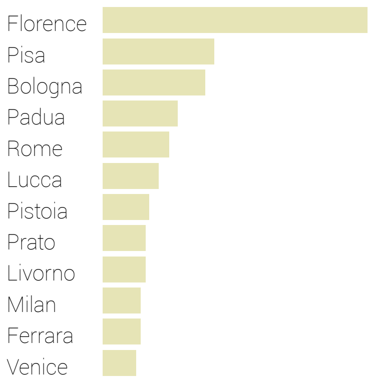
Residential Mortgages: Acute LANDSLIDE Risk



Residential Mortgages: Seismic/Tsunami Risk projections applying downward trends to climate risk factors associated with scenarios without climate change mitigation ("hot house world" or "current policy" scenarios) deriving from studies available from climate study centres such as IPCC, ThinkHazard, Encore, Copernicus, etc.

This resulted in physical risk scores for the medium and long terms, useful in assessing downward trends in conditions due to phenomena specifically associated with climate change, such as precipitation extremes and pluvial flood events (floods due to failure to quickly absorb large rainfall quantities)

FLOOD RISK

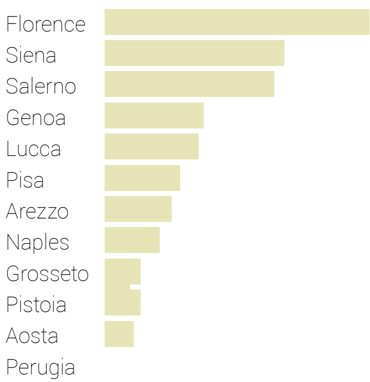


Residential Mortgages: Acute Extreme Waves Risk

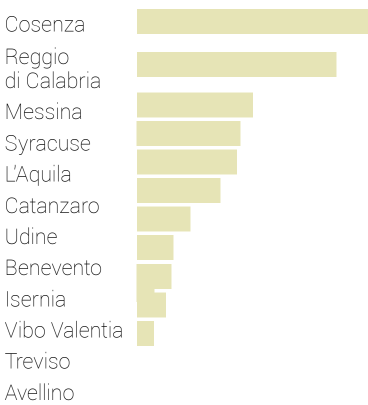
Residential Mortgages: Acute Extreme Weather/Wind Risk

Residential Mortgages: Acute Wildfire Risk

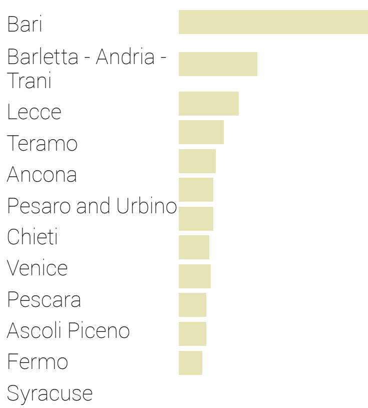
LANDSLIDE RISK



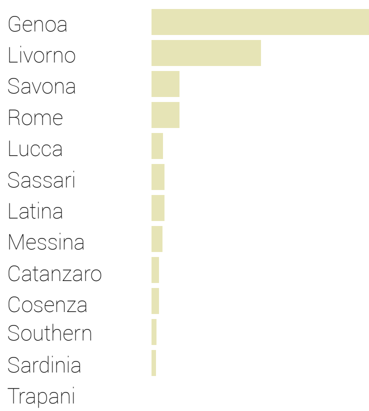
SEISMIC RISK



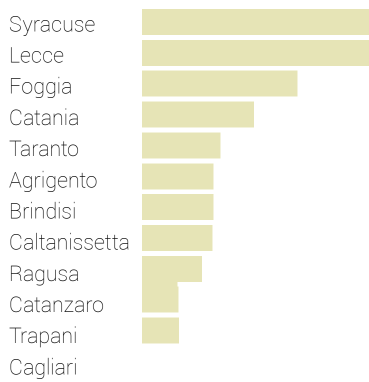
EXTREME WAVE RISK



EXTREME WIND RISK

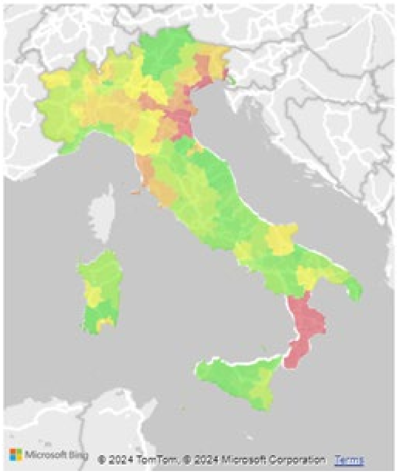


FIRE RISK

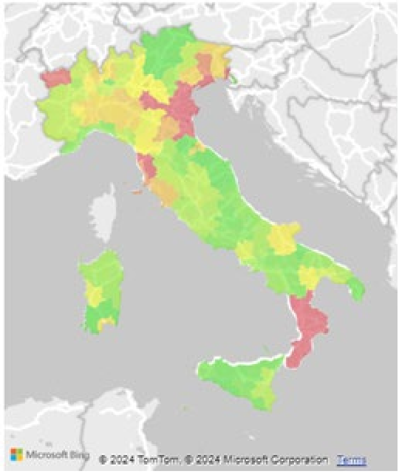


Below is an illustration of the acute risk factors in projections over the medium and long term horizons described for flood, landslide, fire and wind.

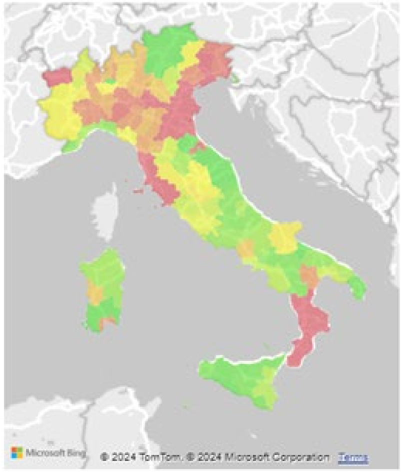
Flood short term



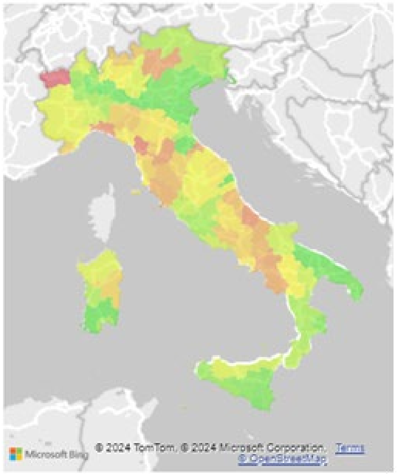
Flood medium term



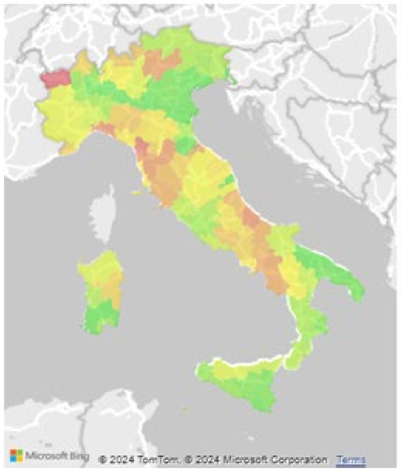
Flood long term



Landslide Short Term



Landslide Medium Term



Landslide Long Term

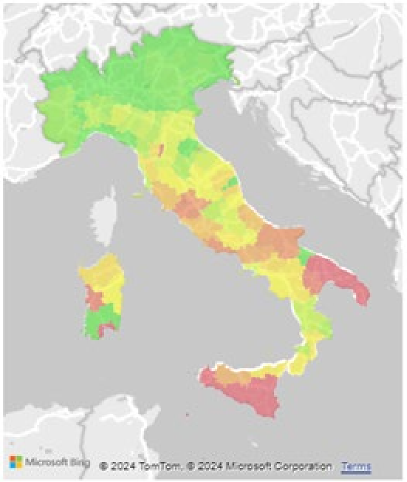
Wind Short Term

Wind Medium Term

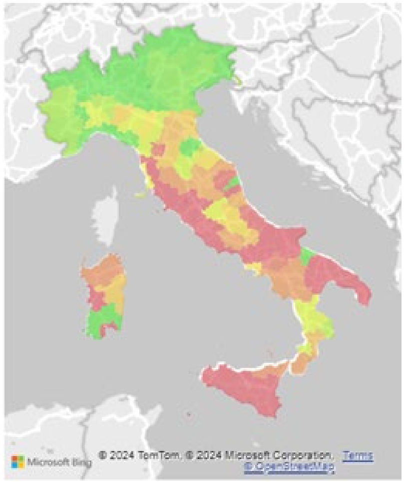
Wind Long Term

Wildfire Short Term

Wildfire Medium Term



Wildfire Long Term



PHYSICAL RISK - COMPANIES

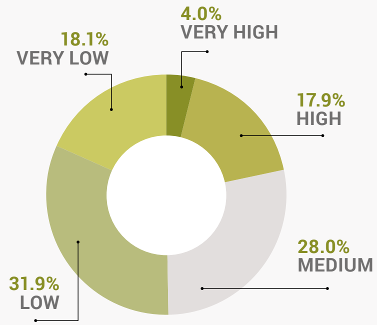
As regards physical risk with an impact on credit risk, in relation to companies, the impact transmission channel consists in the damage that **acute physical risk events** (landslide, flood, rainfall, weather, extreme wind and fire) can cause to business production assets, potentially with extended interruption to activities and capable of compromising normal business operations of the company, with resulting loss of profitability or even closure and bankruptcy. Even a more gradual change in climate and environmental conditions in which a company operates can affect future profitability and therefore its solvency. This is a case of chronic physical risk which is currently analysed, with respect to counterparties in scope, in two main groups - "chronic coastal risk" (sea levels, coastal erosion) and "chronic heat and soil risk" (or HS, which includes aridity, heat and soil erosion).

As at 31 December 2023, 21.9% of loans to non-financial companies (approximately EUR 41.3 bn as total volume of cash and unsecured credit drawdowns) were exposed to **"high" or "very high"** physical risk. The charts below show the breakdown of these loans by risk level for the main risk factors monitored.

The range of risk factors covered still includes the main significant phenomena for production companies (in addition to landslide, flood and seismic risk, already used on the basis of public ISPRA and Civil Protection Department data according to the municipal area, and now calculated more accurately for large corporates), and now also includes fire, wind, ice, extreme waves and heatwave risks, integrated by BMPS into its representation of acute risks; soil erosion, aridity and heat (days per year with temperatures above 32°C) constitute the heat & soil sub-category of chronic risk; and risks of rising sea levels and coastal erosion represent the "coastal" sub-category of chronic risk, both consequently relating to the category of chronic risk.

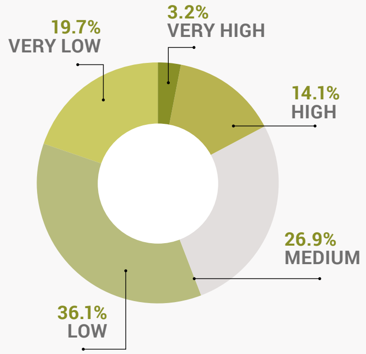
GMPS LOANS TO NON-FINANCIAL COMPANIES

Physical Risk
Loans by risk class: 31/12/2023



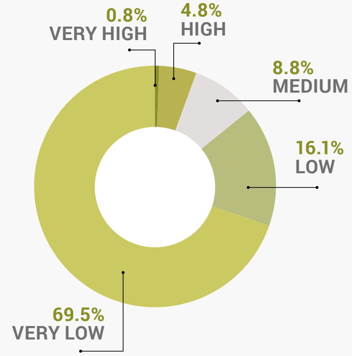
GMPS LOANS TO NON-FINANCIAL COMPANIES

Physical risk - Acute
Loans by risk class: 31/12/2023



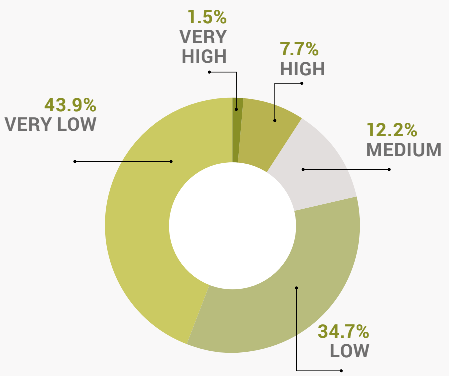
GMPS LOANS TO NON-FINANCIAL COMPANIES

Physical risk - Chronic
Loans by risk class: 31/12/2023



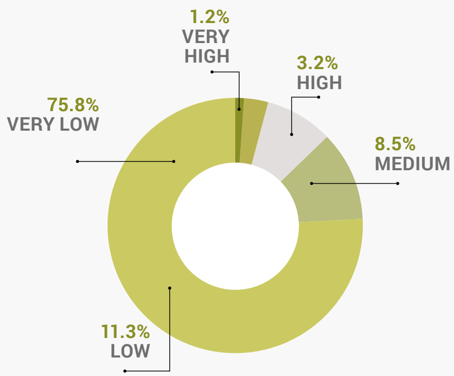
MAIN PHYSICAL RISKS - ACUTE
GMPS LOANS TO NON-FINANCIAL COMPANIES

Flood risk
Loans by risk class: 31/12/2023



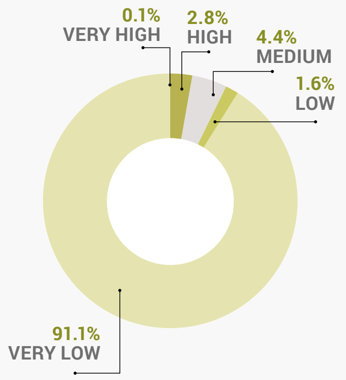
MAIN PHYSICAL RISKS - ACUTE
GMPS LOANS TO NON-FINANCIAL COMPANIES

Landslide risk
Loans by risk class: 31/12/2023



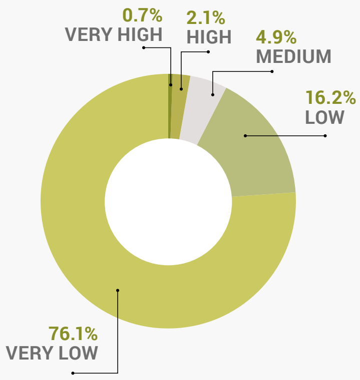
MAIN PHYSICAL RISKS - CHRONIC
GMPS LOANS TO NON-FINANCIAL COMPANIES

H&S risk
Loans by risk class: 31/12/2023



MAIN PHYSICAL RISKS - CHRONIC
GMPS LOANS TO NON-FINANCIAL COMPANIES

Coastal risk
Loans by risk class: 31/12/2023



SEISMIC RISK

Though not among the factors considered linked to anthropogenic environmental risks (or even risks associated with climate change), the scope of non-financial companies is nevertheless monitored for seismic risk and associated tsunamic risk.

As at 31 December 2023, the percentage of loans to non-financial companies exposed to "High" seismic risk was 1.8% of the total (EUR 41.3 bn). In the charts below, the exposure is illustrated by seismic risk levels (in turn broken down into earthquake risk and tsunami risk).

The information on physical risk, acquired from a specialised external provider, for large corporates (with turnover of EUR 20 mln or more and credit exposure to the MPS Group of EUR 250k or more) now offers a determination of physical risk based on the location of individual production plants.

These are aggregated, for activity or number of employees parameters, by weighting the risk levels of production units into a single summary risk indicator at corporate level.

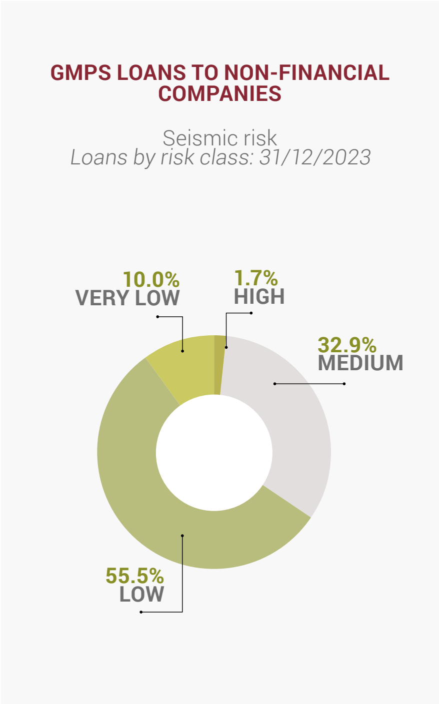
For small companies, physical risk is determined according to the location of their registered office, which in this case qualifies as a close approximation of the location of the company's core business activities.

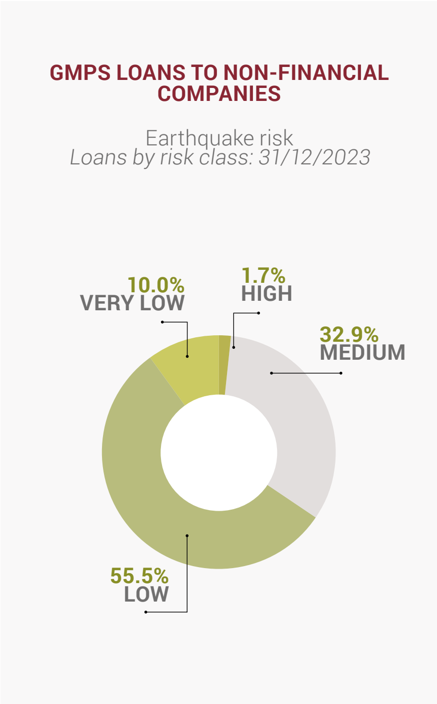
The accurate **geographic mapping** of **operating assets** and **economic activities** exposed to **physical risk** will allow **completion** of the **Environmental profile** of **corporate counterparties** and offer **integrated solutions** of **products** and **services** that strengthen **resilience** to the **effects** of **climate change**.

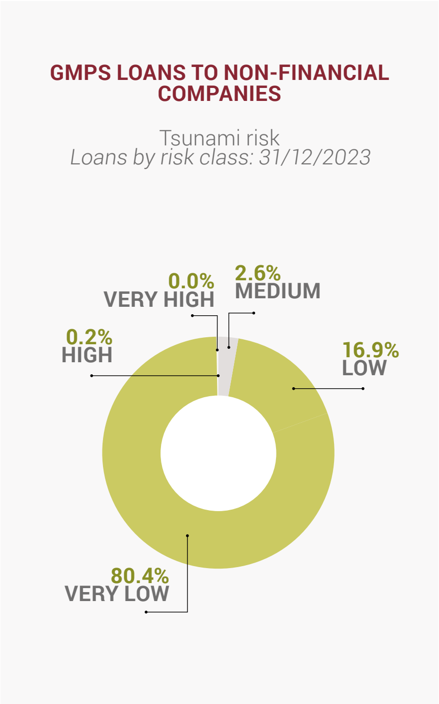
The accurate geographic mapping of operating assets and economic activities exposed to physical risk will, in compliance with Sustainability Plan objectives and in combination with other information obtained directly from customers, increasingly allow completion of the Environmental profile of corporate counterparties in order to offer integrated solutions of products and services that strengthen resilience to the effects of climate change, pursuing the objective of the Climate Change Adaptation (CCA) Taxonomy.

The charts below **illustrate the main risks based on geographic location** (recorded in correspondence with exposed economic activities), in which the brighter colours indicate the combination of greater credit exposures and greater exposure to acute and/or chronic physical risk.

The figures are aggregated by location province for display purposes. The colour scales are calibrated to show the distribution of each risk.

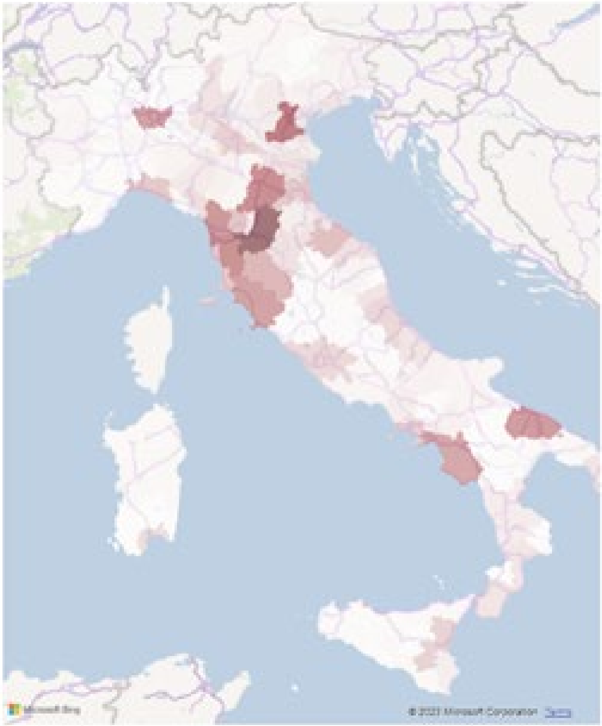






Acute physical risk and seismic risk - Corporate *- Geographic distribution of credit exposure with breakdown by risk factor (flood, landslide, seismic, extreme weather, extreme wave and fire).*

Corporate - ACUTE PHYSICAL Risk



Corporate - ACUTE FLOOD Risk

Corporate - ACUTE Landslide Risk

Corporate - SEISMIC Risk

Corporate - ACUTE Extreme Wind/Weather Risk

Corporate - ACUTE Extreme Waves Risk

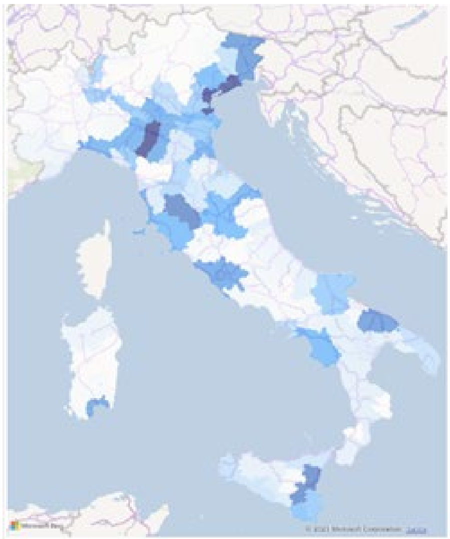
Corporate - WILDFIRE Risk

The **damage function** therefore also refers to the **impact on solidity** and on **credit risk** associated with the individual company. The heatmap below shows the distribution by Italian region of loans exposed to each acute, chronic (climate-related) and seismic risk factor.

Chronic risk analysis for corporate customers requires particular attention, for each counterparty, to cross-referencing geolocated risk data and economic activity characteristics, which alone can be more or less exposed to physical risk (acute, but especially chronic) based on the intensity of capital or the workforce used which characterise the "damage function" and consequently also the impact on solidity and on the credit risk associated with the individual company.

Chronic physical risk - Corporate *- Geographic distribution of exposure and details of the most significant risk factors (aridity, heat, coastal erosion, rising sea levels).*

Corporate - CHRONIC PHYSICAL Risk



Corporate - CHRONIC ARIDITY

Corporate - CHRONIC HEAT OCCURRENCE

Corporate - CHRONIC COASTAL EROSION RISK

Corporate - CHRONIC SEA LEVEL

DEVELOPMENT OF CLIMATE-RELATED PHYSICAL RISK AND MATERIALITY IN THE MEDIUM AND LONG TERM

As for Retail customers, for Corporate physical risk the current physical risk mapping was completed, considered valid now and in the short term (1Y time horizon from the analysis date), over horizons defined for the forward-looking materiality of risks (Medium Term or MT 1-5 years with reference point at 3 years from the cut-off date) and Long Term or LT: >5 years, with reference bucket of 10 years from the cut-off date).

Based on the medium and long term maps, the materiality of the risk can be assessed and the expected exposure measured, based on expected developments in climate conditions in a scenario "without mitigation" of the effects of climate change. For an idea of the development of acute physical risk, please refer to the section on Private physical risk.

"Generate a **positive impact**, guaranteeing opportunities for **digital development** and **sustainable growth** to all **Customers**, **areas** and **communities**."

OUR FOCUS

- QUALITY OF RELATIONS WITH CUSTOMERS
- ACCESSIBILITY IN THE MONTEPASCHI GROUP
- ACTIVITIES ASSOCIATED WITH THE NRRP AND AGRI-FOOD CENTRES
- CONSUMER CREDIT AND PARTNERSHIP WITH AXA

3.3 Our Community

3.3.1 Relations with Customers and connections with communities

GRI 3-3 GRI 417-2 GRI 417-3 GRI FS14

Our Approach

Meeting Customer needs is a fundamental condition for the Bank in conducting its business activities and an inescapable requirement in maintaining and improving a relationship of trust with Customers. For this reason, the Bank is strongly focused on **maintaining transparent, continuous and non-discriminatory communications**. The Group operates through an organisational structure divided into business areas, guaranteeing a comprehensive, quality service, with consolidated listening and a strong degree of accessibility. In addition, through the **Agri-food Centres**, the Bank confirms its leading position in financing agri-food sector projects associated with the NRRP.

THE MAIN GROUP POLICIES ON THE TOPIC

- Directive on Sustainability and ESG
- Group Policy on Commercial Policies
- Rules on Inclusion

2023 RESULTS

Project finance in support of investments in the agri-food sector for EUR 863

Consolidation of the quality of relations with Customers, through constantly improving processes and services

OUR COMMITMENT

Development of an **advanced financing offer** for households and promotion of the offer for SMEs

Enhancement of **wealth management and protection** through the potential of Banca Widiba

The table below provides a description of the main risks for the Group related to material topics in this chapter, and the approach adopted to manage them, in consideration of the internal business processes.

MAIN RISKS ASSOCIATED WITH "RELATIONS WITH CUSTOMERS AND CONNECTIONS WITH COMMUNITIES"						
Main topics	Potential vulnerabilities	Nature of associated risks			Stakeholders affected	Main management and mitigation controls
> focus on Customer needs > commercial practices and communications in the supply of products/ services > social repercussions on the reference community	> loss of market share and competitiveness > economic losses and damage to corporate image > complaints and disputes > fines and sanctions	Generated	Financial and non-financial	Direct and operational Direct and business-related	Local community	> media monitoring > reputational risk assessment prior to the launch of new projects and products > monitoring disputes with customers > monitoring of customer portfolios to ensure consistency between the customer's risk profile and the risk characteristics of the products and portfolios > analysing security and control measures for the protection of personal data in implementation of the GDPR and Data Protection Authority measures > extraordinary support action for households and businesses based on government measures and resulting from specific initiatives of the Bank (e.g., for customers finding it difficult to pay mortgage instalments; for the Russia-Ukraine crisis: financing products adapted to the new MCC/SACE guarantees eligible for the temporary aid measures authorised by the European Commission, respectively the Temporary Framework and the Temporary Crisis Framework). > enhance the offer of protection solutions dedicated to corporate health and welfare > structured offer for customers interested in making use of "Building Bonuses" > financial inclusion solutions that enhance the commercial offer with products for the economically weaker sections of the population (e.g., Basic Current Account, Pension Account, ISEE Account, etc.), also through Microcredito di Solidarietà. > subsidised fees and commissions on insurance products dedicated to specific disadvantaged categories (e.g. customers with severe disabilities) > subsidised fees and commissions on insurance products (Multi-line Policies) for specific categories of customers (Contracting Party/Policyholder) with severe disabilities as indicated in Italian Law 104/92.
		Sustained	Non-financial	Indirect and reputational	Indirect and reputational	

MAIN RISKS ASSOCIATED WITH "RELATIONS WITH CUSTOMERS AND CONNECTIONS WITH COMMUNITIES"						
Main topics	Potential vulnerabilities	Nature of associated risks			Stakeholders affected	Main management and mitigation controls
Customer characteristics or conduct compliant with the Group's Social and Governance principles in the reference communities	> organisational structures, internal relations with counterparties that are non-compliant or controversial (Customer Governance profile) > negative impacts of Customer activities on society or on the reference communities (Customer Social profile) > damage to corporate image	Sustained	Potentially financial and non-financial	Direct operational and indirect reputational	Bank	> The Group adopts suitable controls to combat money laundering and the financing of terrorism (AML & CFT) > define "social" and "governance" Customer profiles through specific questionnaires, independent analysis and certifications, third-party scores and ratings > offer products with conditions (pricing) and other characteristics (purpose, covenants) linked to compliance with social principles or objectives in relations with society, reference communities and stakeholders > Development start-up of Sustainability-Linked Loans (SLL) and new Green Loan solutions to support companies in the transition process.

For details of the main impacts generated, see the chapter "Materiality Analysis and Stakeholder Engagement"

Distribution channels and Customer base

The Group operates with a view to **developing and rationalising its distribution network**, by combining regional coverage with the strengthening of innovative channels.

Traditional domestic branches are flanked by specialised business centres, which handle relational follow-up and the specific management of particular customer segments (e.g. Small and Medium Enterprises, Private, etc.) and by **566 Financial Advisors** (552 as at 31 December 2022) who operate through offices open to the public and distributed throughout the country.

At the end of 2023, the **Italy Network** had **1,362 branches** recorded by the supervisory authority, a figure unchanged compared to 31 December 2022.
The Group also makes use of **127 Specialised Centres** (127 also as at 31 December 2022), of which 73 dedicated to Businesses, 48 to Private customers and 6 to the Family Office.

The Group's **ATM** network comprises a total of **2,542 machines** (-27 compared to 31 December 2022), of which 2,017 coinciding with traditional branches (1,611 of these are located on premises with an independent entrance also accessible outside of branch hours) and 525 installed in public places with high operational potential, of which 82 in institutions/companies.

There are 1,326 ATM machines with "cash in" functions (of which 919 located in the Self Area, 398 in branches, 1 in institutions/companies and 8 installed in public places).

The Group has an **International Network geographically distributed** in major financial and economic markets and

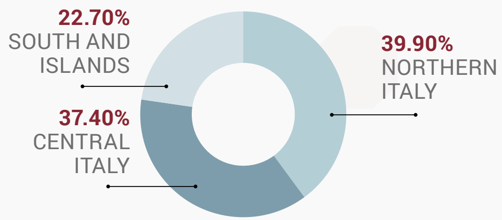
MONTEPASCHI GROUP - ITALY SALES & DISTRIBUTION NETWORK AS AT 31 DECEMBER 2023

Region	Domestic Branches (*)	Incl.	Specialised Centres (**)					Financial Advisory Offices	Incl.
			Companies	Family Office	Private	Total	Incl.		
Emilia-Romagna	87	6.4%	5		6	11	8.7%	8	7.3%
Friuli-Venezia Giulia	35	2.6%	3		1	4	3.1%	3	2.8%
Liguria	17	1.2%	1		1	2	1.6%	4	3.7%
Lombardy	189	13.9%	10	1	7	18	14.2%	10	9.2%
Piedmont	33	2.4%	2		1	3	2.4%	2	1.8%
Trentino Alto Adige	2	0.1%						1	0.9%
Valle d'Aosta	2	0.1%							
Veneto	179	13.1%	13	1	6	20	15.7%	5	4.6%
Northern Italy	544	39.9%	34	2	22	58	45.7%	33	30.3%
Abruzzo	27	2.0%	2		1	3	2.4%	3	2.8%
Lazio	113	8.3%	5	2	3	10	7.9%	11	10.1%
Marche	35	2.6%	4		1	5	3.9%	4	3.7%
Molise	4	0.3%						1	0.9%
Tuscany	297	21.8%	11	1	8	20	15.7%	8	7.3%
Umbria	33	2.4%	2		2	4	3.1%	4	3.7%
Central Italy	509	37.4%	24	3	15	42	33.1%	31	28.4%
Basilicata	10	0.7%						2	1.8%
Calabria	37	2.7%	1			1	0.8%	2	1.8%
Campania	77	5.7%	4	1	3	8	6.3%	17	15.6%
Apulia	81	5.9%	6		4	10	7.9%	15	13.8%
Sardinia	10	0.7%	1		1	2	1.6%	2	1.8%
Sicily	94	6.9%	3		3	6	4.7%	7	6.4%
South and Islands	309	22.7%	15	1	11	27	21.3%	45	41.3%
Total	1,362	100.0%	73	6	48	127	100.0%	109	100.0%

(*) Reports to the supervisory authority Bank of Italy relating to Banca MPS
(**) of which 7 reports to the supervisory authority Bank of Italy as a centre not coinciding with a branch.

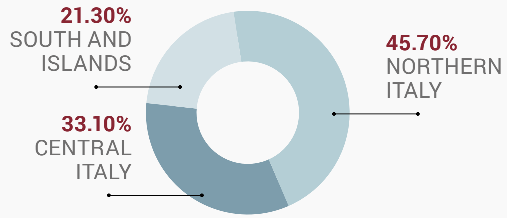
DOMESTIC BRANCHES

Reports to the supervisory authority Bank of Italy relating to Banca MPS

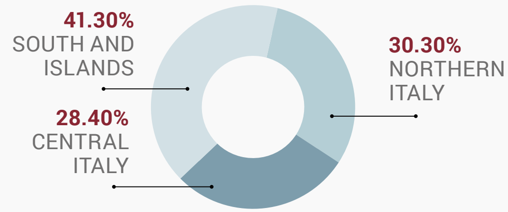


SPECIALISED CENTRES

of which 7 reports to the supervisory authority Bank of Italy as a centre not coinciding with a branch.



FINANCIAL ADVISORY OFFICES



Montepaschi Group - Italy Sales & Distribution Network as at 31 December 2023

566 FINANCIAL ADVISORS

1,362 ITALY NETWORK BRANCHES

127 SPECIALISED CENTRES

2,542 ATMS

in several high growth emerging countries with significant trading relations with Italy. The International Network is currently structured as follows:

- **1 operational branch** in Shanghai;
- **8 representative offices** in target areas of Europe, North Africa, India and China;
- **1 foreign bank**, i.e., Monte Paschi Banque S.A., operating in France, for which in 2018 the Parent Company resolved to launch an orderly winding-down process.

1,472,001
ACTIVE USERS OF INTERNET BANKING SERVICES

3.6 mln
CUSTOMERS

OF WHICH

3.3 mln
MANAGED BY THE SALES & DISTRIBUTION NETWORK;

0.2 mln
MANAGED EXCLUSIVELY BY WIDIBA

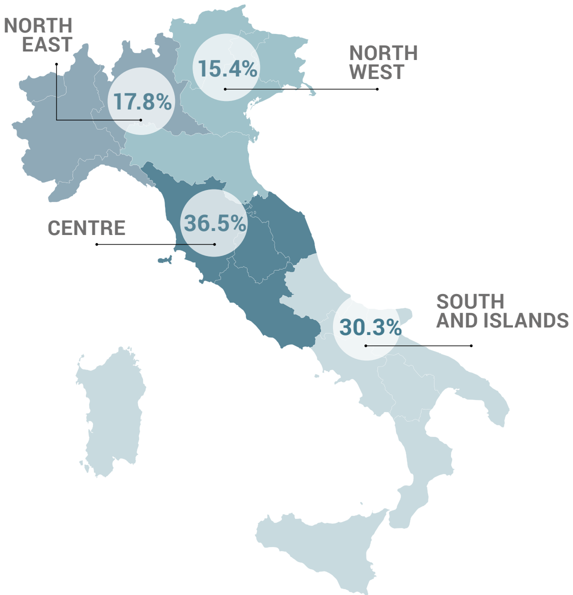
In addition to its physical presence across the country, the Parent Company offers banking services to Customers through electronic channels with internet banking products for Retail and Corporate customers. As at 31 December 2023, there were 1,472,001 active users (+76,392 compared to 31 December 2022). Internet banking services for Retail customers and Corporate customers have 1,338,129 users and 133,872 users, respectively.
With regard to Treasury services, the Group has had UNI EN ISO 9001 Certification since 2017.
As at 31 December 2023, the Group[45] had around 3.6 mln customers, essentially in line with 31 December 2022.

Customers as at 31 December 2023 are broken down as follows:

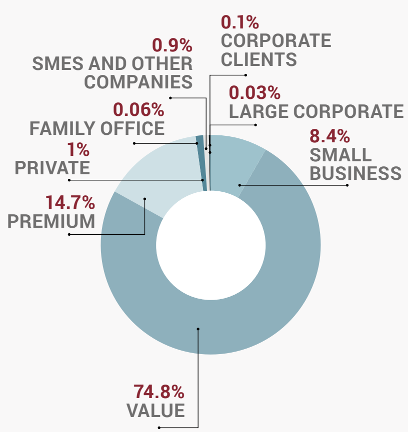
- About 3.3 mln (essentially stable with 31 December 2022) are managed by the Sales and Distribution Network of the Parent Company Banca Monte dei Paschi;
- About 0.2 mln (essentially stable compared to 31 December 2022) are managed exclusively by Widiba, the Group's online bank.

At the end of 2023, the Retention and Acquisition[46] indicators stood at **94.3%** and **4.0%**, respectively, essentially stable compared to 2022.

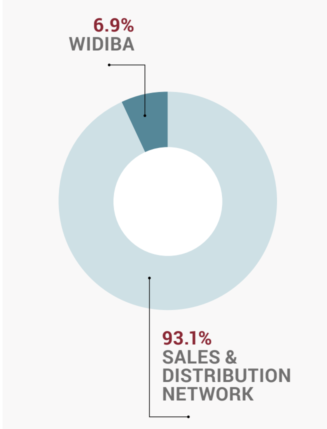
BREAKDOWN BY GEOGRAPHIC AREA OF THE SALES & DISTRIBUTION NETWORK



SALES & DISTRIBUTION NETWORK
Breakdown by type



CUSTOMER BREAKDOWN



[45] The sum of the total MPS and Widiba Network, excluding customers of the other Group companies.
[46] The indicators refer only to the Parent Company and have been cleared of the effect of the migration of customers to Widiba.

The quality of relations with Customers at BMPS and Banca Widiba

GRI 417-2 GRI 417-3

The relationship of trust between the Bank and its customers is based on the quality of their relations. The Bank therefore has set up a Customer listening system to improve multi-channel Customer Engagement for commercial purposes, which in recent years has systematically conducted customer satisfaction surveys. In this respect and in continuity with previous years, the Net Promoter Score (NPS) approach is used to measure the level of satisfaction with a view to customer centricity, therefore allowing closer listening to what customers have to say and quickly identify caring and retention actions.

The data collected, in full compliance with privacy regulations in force, is used to guarantee ongoing improvement of products, services, processes, channels and any related information systems. The process described above is governed by a dedicated regulatory document (D1948 - Listening to Customers) which is under continuous development.

In this process, we identify various bottom up activities (a process triggered by proactive customer input) and top down activities (a process triggered by bank-organised surveys) as follows:

- **Bottom up**: purchase of current account, AXA insurance products or a bank loan or mortgage;
- **Top Down:** policies linked to loans or debit cards or an in-branch appointment.

Survey type		2023	
		Questionnaires completed	**NPS**
Bottom Up	*Top Down*		
AXA - Lifetime		38	18.4
AXA - Drive protected		208	37.5
AXA - Private Life TPL		48	0.0
AXA - Active Welfare		96	17.7
Credit card renewal		9,675	41.6
In-branch current account purchase - Private		668	50.0
In-branch current account purchase - SB		6	50.0
Purchase of MPS Personal Loan		100	52.0
Purchase of MPS Mortgage		86	38.4
Digital Banking		734	8.7
	Policies linked to loans	597	

With reference to the "Digital Banking" survey, a further NPS analysis was conducted based on the operating system of the devices used by responders, from which it emerged that: to expand the listening channels, give initial support to reports submitted by customers and anticipate any relational critical issues, the monitoring already active in relation to recording and management Customer complaints received verbally was enhanced in 2023 with monitoring of the recording and management of cases submitted in writing.
Customers "used to using" remote channels for current account transactions arranged **91% of the main transaction instructions** (e.g. bill payments, Form F24 payments, bank transfers, etc.) through the ***Digital Banking* service**, dedicated to natural persons, and the ***aziendaonline PasKey*** dedicated to corporate customers, up by 87% compared to the previous year.

The Bank has continued to guarantee disclosure on the measures adopted for Covid-19, such as the option to suspend mortgage payments, by constantly updating its website and sending specific information to customers. No cases were recorded in 2023 of non-compliance of product information and labelling and/or self-governance codes in marketing communications.

The NPS broken down by operating system of the device used for interaction shows relatively similar levels of satisfaction. However, note that the number responding via Android or Mac/iOS is low and does not offer statistics as reliable as those of Windows users, much higher in number.

SOME FIGURES ON CUSTOMER EXPERIENCE IN 2023:

4.8/5
RATING
Assessment of online products and services

93.5/100
NET SATISFACTION SCORE
Score equal to the difference between positive (4/5) and negative (1/2/3) scores

APP RATING
4.7/5 IOS
4.1/5 ANDROID

Also in 2023, a survey targeting all Banca Widiba Customers was launched to measure certain key indicators of the customer experience.

34 points
IN THE 2023 NET PROMOTER SCORE (SECTOR AVERAGE: 30)
First customer experience indicator

80%
IN THE 2023 CUSTOMER SATISFACTION INDICATOR
Level of individual Customer satisfaction with a view to improving the product/service offered

4,160 - 2.6% NEGATIVE FEEDBACK
158,618 - 97.4% POSITIVE FEEDBACK
Quantity of feedback received in 2023 by rating function included on transaction result screens in the Reserved Area

Customer Experience for Banca Widiba

For Banca Widiba, customer experience has always been an element that differentiates it from the market, both in the banking platform and for the services offered.
For this reason, the Bank involves its customers in a structured and transparent decision-making process on a daily basis: using a rating system, customers can rate products and services with a score from 1 to 5 and make a comment or suggestion.

Again in 2023, Banca Widiba confirmed its commitment and focus on delivering a model that offers an effective, user-friendly banking experience, responsive to the most common sensitivities and behavioural patterns and accessible from different platforms. Positioned in this context are projects to further develop the App, using the latest interaction formats, such as chat boxes and video calls, with the aim of anticipating future trends that translate customers requests into everyday language.

Focus on the process

- Customers who give a score between 1 and 2 are included in a telephone campaign to understand the reason for their dissatisfaction;
- Valid suggestions are examined and, after technological updating, they are turned into improvements or new features for the Customer;
- The rating system can be regarded as a user test that runs continually: the information gathered is an asset that strengthens Customer relationship management (CRM) through a structured process.

Accessibility in the Montepaschi Group

GRI FS14

2023 saw the continued commitment of Banca MPS to the issues of accessibility and user-friendliness of all channels available to customers and employees. Targeting a mixed user audience, the strongest focus is on the planning and development of self-banking services, adapting to Guidelines on the accessibility of IT tools.

In this respect, the Bank uses assistive technologies available on the market to make sites and Apps readable through Screen Readers and integrated rotation on smartphones (e.g., voiceovers) and completes periodic assessments to identify any technical and UX problems. Cyclical testing also continued, as did the web and app content adaptation to WCAG 2.1 from the World Wide Web Consortium (W3C) on digital channels dedicated to retail customers (Digital Banking) in accordance with perception, user-friendliness, ease of understanding and robustness principles.

The Bank has also adopted an organisational procedure to set rolling feedback cycles, with the aim of guaranteeing maximum accessibility, user-friendliness and user experience in the self-banking services.
For the specific technical and functional requirements of Digital Banking, translated into development processes and methods for new functions and review of existing services, the Bank continues to partner with the UICI (Italian Union of the Blind and Partially Sighted) and INVAT (Italian National Institute for the Assessment of Aids and Technologies) with the goal of complete accessibility and user-friendliness of its Internet Banking information and operations from desktops, mobiles and apps. For the development and implementation of Digital Branch, the platform used by the Network for everyday operations, with a view to accessibility and user-friendliness, blind and partially sighted colleagues made a valued contribution.
Since 2021, 100% of ATMs have been accessible also to persons with restricted functions and different types of disability: the equipment, including new installations and replacements, are positioned in such a way as to allow lateral access for wheelchairs and a series of accessory facilities have been implemented, such as widened access paths, lights to indicate the area of interaction with the machine and braille keyboards to offer maximum service accessibility.

Banca Widiba has always had the goal of making the banking experience natural and intuitive. Inclusiveness is a value, and Widiba works to ensure that all people have the same access to our services. According to Banca Widiba, the most effective way to continue improving services is to listen to what Customers have to say through analyses, studies and tests on the digital platforms, also with support from users, to improve the entire ecosystem for everyone.

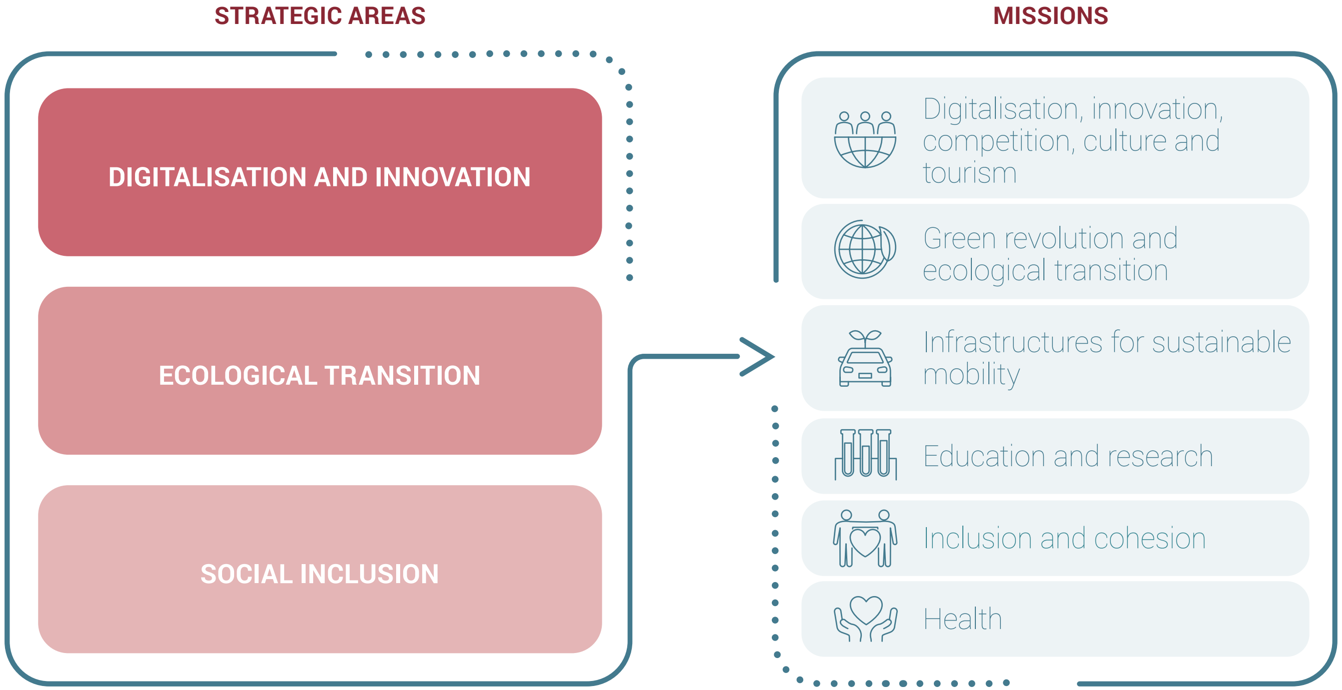
From the outset, Banca Widiba has characterised its online presence with fully responsive website adaptability, i.e. it can be used from every device (desktop, tablet and smartphone). Since 2019, Banca Widiba has also been present on Google Home, Google's smart speaker that allows Customers to experience the Bank using their own voice to verify certain information relating to their current account, through simple voice commands. Lastly, the PDFs downloadable from the site are designed for ease of use. One of the daily challenges is to ensure that all Customers can use the platforms. Our objective is to achieve the accessibility requirements set by the UNI CEI EN 301549 standard (Appendix A) and, in this regard, continuous maintenance of the platforms is carried out and we arrange constant updates.

In 2022 and 2023, Banca Widiba, together with the MPS Group, set up an ad hoc working group to plan the necessary projects to increase accessibility. In particular, activities were carried out on the public site to improve the level of compliance which, to date, has been assessed by an independent third party partner as 82.5%. As regards accessibility, a number of changes were made to the Widiba app in 2023 to allow voiceover for certain information relating to transaction instructions. These add-ons were implemented after receiving customer feedback. Lastly, a number of new projects such as onboard (AOL) and the new Trading platform were made ready for activities linked to improving accessibility, in accordance with perception, user-friendliness, ease of understanding and robustness principles.

The Group plays an **active role** in relation to the **local area in which it operates**, through **meeting** and **dialogue initiatives** with **Customers** and the **communities**.

Activities related to the National Recovery and Resilience Plan (NRRP)

In line with the process of defining a sustainable and inclusive development model, the Group plays an **active role in relation to the local area in which it operates**, through **meeting** and **dialogue initiatives with Customers and the communities**.
The features of the areas in which it operates, with strong roots and extensive network, active listening to Customer needs and innovative drive are key elements in the Monte di Paschi di Siena approach, characterising its day-to-day operations.
2023 posed numerous challenges in the global, national and especially local contexts. These were the driver of Group company decisions, and likewise support initiatives for the communities and Customers, allowing a prompt response by the Group to global crises (e.g., the emergency arising from the conflict in Ukraine) or local crises and/or natural disasters (e.g. the floods in Emilia-Romagna and Tuscany), and regulatory changes in relation to sustainable development, to name but a few. The National Recovery and Resilience Plan (NRRP) reforms and projects are developed in three strategic directions, agreed at European level and divided into 6 missions.



Banca MPS is called upon to play a crucial role in **incorporating ESG criteria into its investment and financing policies**, in keeping with its traditional role of supporting and enhancing the local areas and economies, as required by the NRRP.

The MPS Group and support for Agri-food

Since it was established, the MPS Group has remained close to the communities in which it operates, areas with a strong agri-food component, an industry that characterises Italy.

In this context, Banca Monte dei Paschi di Siena set the objective of specialising its products and services to support the **sustainability** of the **community** and **businesses**, with made-to-measure financial services and constant strategic support, through a network of specialised centres in Italy's main agri-food districts.

In 2023, the Group set the objective of specialising its products and services to support the sustainability of the community and businesses, with made-to-measure financial services and constant strategic support, through a network of specialised centres in Italy's main agri-food districts.

To this end, **MPS BANCAVERDE AgriDOP** was launched, a project designed to support businesses in the ecological transition to the development of dedicated products and services, specifically targeting companies operating in the "PDO Economy", a long-term strategy to support production chains and Protection Consortia for the promotion of PDO or PGI products and organic or environmental certifications (e.g., ecological transition, start-up of the European Green Deal programme for the achievement of an efficient and sustainable circular economy, and technological innovation).

15 Agri-food Centres

THROUGHOUT ITALY

EUR 863 MLN

TOTAL FINANCING DISBURSED TO THE AGRI-FOOD SECTOR IN 2023

The network, designed to support and work alongside agricultural business owners (and likewise craftsmen, traders and tourism operators in the agri-food supply chain) in choosing financing, has **15 Agri-food Centres** located throughout Italy in the strongest agricultural areas, specialised advisors and a distinctive product mix (from financing to protection policies).

In addition to taking a series of specific actions to support target companies by activating and developing ad hoc initiatives and campaigns, the Centres play a proactive and advisory role in identifying and analysing the subsidy measures available in the area of competence, favouring the development of projects that have a positive impact on business development. Support from sector experts and solutions to guide companies towards a development process characterised by innovation, digitalisation and sustainability, which are central elements of the NRRP, are also offered.

In order to achieve the objective of accompanying businesses towards a green approach and technological innovation, the Bank has paid close attention to the entire range of EU funds managed directly (NRRP) and indirectly (Regional Rural Development Plans) in order to promote subsidies. Among the initiatives to facilitate access to credit and to the services are the **28 collaboration agreements** with external counterparties operating in the agri-food sector, intended to intensify relations with national and local bodies and partners. In particular, 7 new agreements were signed in 2023 whilst another 10 are pending renewal.

In addition, the Bank adopted agreements signed by the Ministry of Agriculture, Food and Forestry Policies (MIPAAF) and CDP on **project financing to support investments in the agri-food sector**. In particular, the Ministry signed agreements governing relations with authorities for the implementation and management of subsidised finance[47].

Through these agreements, special Tenders (IV and V) were launched for "**Supply Chain Agreements**", which through public and private financial support are expected to promote reorganisation processes in relations between operators in the Agri-food chain and Agri-energy chain. The **total financing disbursed in 2023** by the Agri-food segment was **EUR 863 mln** (+24% on 2022).

[47]Italian Ministerial Decree no. 1192 of 8 January 2016 followed by Ministerial Decree no. 8254 of 3 August 2016, then Ministerial Decree no. 0673777 of 22 December 2021

SPECIAL AGREEMENTS SIGNED WITH A NUMBER OF LEADING ITALIAN WINE PROTECTION CONSORTIA

WITH FORMALISATION OF

20 REVOLVING PLEDGE TRANSACTIONS ON WINE

FOR A TOTAL OF

EUR 28 mln

"Nuova Sabatini" Operating Assets

A SUBSIDY DEDICATED TO INVESTMENT PROGRAMMES TO PURCHASE OR OBTAIN LEASES ON NEWLY MANUFACTURED OPERATING ASSETS FOR USE IN PRODUCTION

Banca MPS has intensified its commercial approach in relation to supply chain agreements, with structured commercial action and participation in co-financing initiatives that then allow it to operate alongside businesses in the sector and related supply chains with a special focus on environmental sustainability.

The Bank has also continued to implement support activities for businesses with PDO/PGI products. Banca MPS offers **solutions to finance stocks of agri-food products**, in the form of traditional pledges on mass-market products (particularly to support the Grana Padano PDO and Parmigiano Reggiano PDO supply chains) and in the form of revolving non-possessory pledges introduced on conversion of the "Cura Italia" Decree into law.

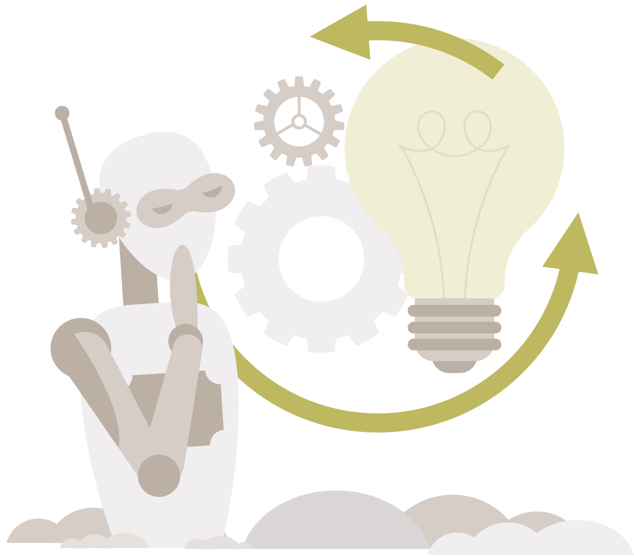
As regards the revolving non-possessory pledge on wine, since 2020 Banca MPS has been signatory to **specific agreements with some of the leading Protection Consortia for Italian wines**[48]: as at 31 December 2023, 20 revolving pledge transactions on wine had been formalised for a total appraised value of around **EUR 28 mln**. The experience gained in the last year on this topic has meant that proposal of the tool could effectively be extended to SMEs, thereby strengthening the support role for communities and for Made in Italy products, also through partnerships with the Protection Consortia with which new agreements or renewals have been signed.

[48] Chianti Classico Wine Consortium, Brunello di Montalcino Wine Consortium, Vino Nobile di Montepulciano Wine Consortium, Vernaccia di San Gimignano Consortium, Barolo Barbaresco Alba Langhe e Dogliani Protection Consortium and the Franciacorta Protection Consortium

The Operating Assets measure

The **"Nuova Sabatini" Operating Assets** measure is the subsidy made available by the Ministry for Business and Made in Italy with the aim of increasing competitiveness of the Italian production system.

The subsidy supports the implementation by micro, small and medium enterprises of investment programmes to purchase or obtain leases on operating assets, newly manufactured and for use in production, pursuant to art. 2, paragraph 4, Italian Law Decree 69/2013, as amended (machinery, equipment, plant, operating assets for use in production and hardware, as well as software and digital technologies, etc.).



The new Green grant was introduced from 1 January 2023, designed **to support low environmental impact investment in programmes to improve the environmental sustainability of products and production processes**.

The structure of this subsidy is as follows:

- the Bank grants SMEs a bank loan or finance lease, with recourse as appropriate to specific funds made available by Cassa Depositi e Prestiti S.p.A. as part of the ABI-CDP-MIMIT Agreement (the Operating Assets Fund).
  - The loan must be for an amount between **EUR 20,000** and **EUR 4,000,000** with a **maximum 5-year term**, and can be backed by the "SME Guarantee Fund" for **up to 80%** of the total amount of the loan
- agreed by the MIMIT as an operating grant commensurate with the interest on the loan. This grant is equal to the total interest calculated, as normal, on a 5-year loan for an amount corresponding to the investment, at an annual interest rate of:
  1. 2.75% for ordinary investments;
  2. 3.575% for 4.0 investments;
  3. 3.575% for green investments.

OTHER NRRP-RELATED INITIATIVES PROMOTED BY THE GROUP	
Tourism	Products dedicated to Customers in the Tourism industry with goals of structural renovations, cultural asset protection, parkland expansion and increasing competitiveness of companies in the sector. The Guarantee Fund for SMEs pursuant to Italian Law 662/96 established a "Special Tourism Section" (in operation until 31 August 2023), dedicated to Tourism/Hospitality companies with the aim of supporting investments, also in real estate, for energy upgrading and digital innovation. For implementation of the "**Fondo Rotativo Imprese (FRI) [Business Revolving Fund] for business support and development investments**", direct contributions are granted for expenditure on energy upgrading, environmental sustainability and digital innovation in combination with co-financing, for which the requirements, criteria, conditions and procedures for granting and disbursement were defined in an agreement between the Ministry of Tourism, ABI and CDP, which the Bank adopted in September 2022. Then in November 2022 the Bank released a specific financing product.
Retail trade	For Customers in the retail industry that suffered negative effects from the Covid emergency and for which a non-refundable grant was envisaged to relaunch their business activities.
Subsidies	For borrower and non-borrower Customers eligible for subsidies (Sustainable Mobility, Artistic Ceramics support fund, Textiles and Fashion Bonus), to seize opportunities arising from the NRRP.

The Group's catalogue of products and services includes two subsidised loans for businesses:

- **Finance leases from Cassa Depositi e Prestiti (CDP) funds:** loans to promote a greater inflow of medium/long-term resources to companies, also through lease brokerage**;**

- **Supply Chain Finance**: dedicated to guaranteeing customers optimised management of credit and liquidity along the entire production chain, with particular focus on the agri-food sector.

Consumer credit and partnership with AXA

Personal loans can be disbursed, based on the customer profile. The loan can be granted to customers holding an account with the Bank for at least 1 year.

Partnership with AXA

There were two social contributions in 2023:

- **monthly premium payments**, from 12 June 2023, **for all AXA-MPS Formula Benessere and Mia Protezione insurance policies**. Previously, premiums could be split only for total amounts exceeding EUR 180. This action was taken with a view to meeting the needs of everyone, including those in economic difficulty;
- **AXA-MPS awareness-raising campaign** on risks to women and the importance of protection, with creation of a support video played on the branch monitors.

With regard to non-performing loans (NPL), the increase in interest rates and the inflationary context generated a rise in defaults - and therefore in the NPLs - on mortgages, particularly those with floating rates. At Group level, the stock of non-performing loans nevertheless remained steady at around EUR 3.5 bn at the end of 2023, due to destocking action.

Identifying solutions with the customer that allow debt repayment to continue is a priority objective of the bank. There are numerous initiatives in this respect, including at ABI level, to meet the increase in floating-rate mortgage instalments.

Ordinary Personal Loan Fabbrica MPS

Fixed-rate personal loan for "Private" Customers resident in Italy, to meet consumer credit or personal needs.

Targeting all categories of workers and pensioners with documented income and aged between 18 and 75 at the end of the repayment plan, this ordinary personal loan envisages a net disbursement of between EUR 1,500 and EUR 60,000 with a repayment plan of 18 to 120 months.

3.3.2 Digitalisation and IT security

GRI 3-3 GRI 418-1

Our Approach

Operating in a context in constant transformation, the Group **continues its digitalisation of interaction** with customers, expanding the range of products, services and channels offered, ensuring best possible access to the banking services and products for less digitalised stakeholder categories and improving the customer experience.

At the same time, the Group strongly believes that **minimising the risks intrinsic to the services offered**, implementing and adopting the **best IT security standards** by developing effective tools to protect the technological structure could be essential in continuing to provide a quality, trusted service.

2023 RESULTS

- 83% of Customers using the **digital signature**
- 54% use of **digital communications channels with Customers**
- Initiatives supporting the **dissemination** of digital channels
- 770 Rating BitSight Security Rating (scale 250-900)

OUR COMMITMENT

- **EUR 230 mln investments in digitalisation** for the period 2022-2026
- Full implementation of Banca Widiba as **best-in-class digital channel** with advisory services proposal
- Preparation of a **mapping and monitoring IT infrastructure** in lending and investment banking for ESG solutions
- Enhancement of document digitalisation and control functions
- EUR 14.8 mln planned in the three-year period 2022-24 to enhance security monitoring

THE MAIN GROUP POLICIES

- Group Directive on Logical Security Governance
- Group Directive on Incident Management
- Group Directive on Governance and definition of the ICT strategy
- 2022-2024 Logical Security Plan

OUR FOCUS

- THE DIGITALISATION OF THE MPS GROUP
- IT SECURITY
- CUSTOMER PRIVACY

The table below provides a description of the main risks for the Group related to material topics in this chapter, and the approach adopted to manage them, in consideration of the internal business processes.

MAIN RISKS ASSOCIATED WITH THE TOPIC "DIGITALISATION AND IT SECURITY"						
Main topics	Potential vulnerabilities	Nature of associated risks			Stakeholders affected	Main management and mitigation controls
 > customer expectations regarding the digitalisation of banking and financial services > direct contact with customers > privacy and security of the IT systems used to provide digitalised products/services	> disintermediation in favour of new digital players (open banking) and resulting loss of market share > loss of customers less attracted to digitalisation > complaints and disputes > IT malfunctions, data losses or leaks > fines and sanctions	Generated	Financial and non-financial	Direct and operational Direct and business-related	Local community Internal community	> improving customer experience by investing in new digital technologies and offering sustainable products and services in the interest and for the well-being of Customers > promoting the digitalisation of payments and e-commerce by encouraging the process, especially for micro-merchants; > implementing inclusive solutions, with special focus on use and access for customers with visual impairments and limited digital literacy > intercepting and combating cyber attacks through specific prevention and protection systems, which allow digital services to be used in a secure manner or through cyber crime insurance cover > implementing security measures on digital payments envisaged in the PSD2 > awareness-raising campaigns for customers on the dangers of certain viral phenomena such as spamming and phishing, and how to defend themselves
		Sustained	Non-financial	Indirect and reputational	Bank	

For details of the main impacts generated, see the chapter "Materiality Analysis and Stakeholder Engagement"

Digitalisation of the MPS Group

During the pandemic, customers became used to remote channels for banking operations. So in 2023 the Bank focused on improving the user experience for its online services and on promoting the use of Digital Signatures to allow the extension of full paperless processes.

Through the Group Directive on ICT Governance and Strategy Definition, the MPS Group defined an **IT strategy** aimed at operational excellence, i.e., constant improvement of the stability, performance, quality and level of satisfaction of the services provided to the Group's Customers and employees.

This strategy aims to achieve a **competitive advantage based on the use of enabling technologies** for a distinctive services and on anticipating Customer needs to create a bank-Customer relationship model centred on the ability to reach the bank at any time and from any device.

The Group responded to the need for change in its business activities **by innovating and digitalising its infrastructure, application** and **organisational system**, with a significantly greater use of the "Smart" model for the development of project activities.

In 2023, with a view to improving the customer experience, raising the standards of availability, stability and performance of the IT system, **investments continued in improving and developing new applications dedicated to Customers and Employees**.

For ***Digital Banking***, a new authentication method was released which improves the user experience, making access and transaction authorisation from the App faster and guaranteeing the highest levels of security. At the same time, the transition to this method allows the Bank to achieve economic benefits: the use of mobile token technology, rather than sending OTPs (One Time Passwords) via text message, results in considerable cost savings for the Bank.

The Network was involved in dissemination of the channels and digital tools through campaigns promoting use of the Remote Digital Signature as the key tool, together with the Advance Digital Signature, process digitalisation and the interaction between the different channels (Branch - Internet Banking).

In 2022, **investments** continued in **improving** and **developing** new **applications dedicated** to **Customers** and **Employees**.

The **Digital Branch operating platform** was extended to all Group employees and enhanced with processes digitally restyled to make them more intuitive and efficient, and the monitoring model for constant control of all the main operating pillars of the Group ("Change the bank" and "Run the bank") was further updated and strengthened) with two specific committees for the presentation and discussion of results.

DIGITALISATION INITIATIVES	INITIATIVE OBJECTIVES
Remote Collaboration: expansion of the scope of documents and contracts prepared in branch and signable through Digital Banking.	• Further reduce the use of paper • Raise awareness of and expand the opportunities made available by BMPS
Mobile Tokens: new authentication method introduced to improve the user experience and provide economic benefits for the Bank	• Reduce costs for the Bank • Simplify authentication for the Customer • Improve security standards
Extend the scope of documents receivable and viewable through **DocumentiOnLine (DOL)**	• Improve efficiency of communications with the Customer • Actualise economic and environmental benefits from the production and mailing of documents • Reduce delivery errors
Commercial initiatives and campaigns for the Network and **Customers** in relation to **providing remote banking and financial services**	• Raise awareness among Customers and employees • Increase the penetration and use of online services • Reduce physical production of documents
Implement **anti-fraud systems on electronic payment systems** and promote **information campaigns** on various channels to alert Customers to the methods most used by fraudsters	• Reduce fraud perpetrated via phishing in the use of electronic payment systems (e.g. credit transfers, card top-ups) • Raise Customer awareness of what they can do to protect themselves against fraud attempts
Complete the **extension of the "Easy Merchant" platform**, already in operation for agreements with new Customers, to management for existing Customers	• Promote merchant digitalisation action • Further reduce the use of paper

IT security

GRI 418-1

IT security supporting innovation in terms of the digitalisation of customer relations channels is one of the **central pillars of the IT system** in guaranteeing **resilience**, sturdiness and **responsiveness** - characteristics that the IT system needs to address attacks designed to jeopardise its correct operation and performance. The development of business and operating models, use of new technologies, developments in reference regulations and growing attention from the Supervisory Authority increasingly require Banks to **implement and continuously strengthen defence systems** in order to protect information assets and their customers, operating in a regulated context that increasingly recognises the need to define guidelines and standards to prevent and manage cyber risk, considering emerging risks from an integrated perspective, with a strong focus on efficiency, personnel skills and technology[49].

Through the **Information Security Function**, the Bank constantly monitors IT security and participates in the assessment of IT risk, seeking to adopt all precautions necessary to minimise the risks intrinsic to the services provided.

[49] The Bank adapts to the requirements of the 40th update to Bankit Circular 285/13, which implements EBA/GL/2019/04 Guidelines on ICT and Security Risk Management, defining a standard framework of measures for managing risks associated with the use of information and communication technologies (ICT) and security measures that must be adopted by banks.

The function is divided into 4 areas:

- A **governance** structure that defines security strategies at Group level, steers, supervises and coordinates technological development initiatives of logical security measures, supervises the security strategies and combating external fraud, and manages issues related to business continuity (BCM);
- A structure dedicated to implementation/development of **security platforms** (change) and **managing their operating maintenance** (run), in addition to **monitoring security** of the corporate IT system (applications, infrastructures, etc.).
- A structure dedicated to the **detection and the preventive and reactive management of security events and incidents** that uses the SOC (Security Operations Centre) and the CSIRT (Computer Security Incident Response Team). This structure also has a team dedicated to detection and oversight of the mitigation of technology and application vulnerabilities;
- A structure that provides digital identity support to users.

The guidelines on the development of IT security are formalised in an **internal regulatory framework**, inspired by ISO 27001 principles and providing guidance, methods and management standards to all Group companies. In particular, the framework is based on the following regulatory documents:

- Group Directive on Logical Security Governance;
- Group Directive on Incident Management;
- Documents of rules on Logical Security (e.g. information classification, IT vulnerabilities, safe use of IT tools, etc.);
- Process documents relating to the function's main operating areas (e.g., incident management, logical access, security configurations, etc.).

The **2022-2024 Logical Security Plan** was updated in 2023 (approved by the Board of Directors in 2022), with the aim of updating **cybersecurity planning** to match external developments in this area and new regulatory requirements (e.g., 40th update of Bank of Italy Circular 285, new DORA European regulation).

The aim of the plan is to maintain a programmatic overview of projects in progress to increase the Bank's security position, at the same time ensuring consistency with the strategic guidelines defined by the Group.

The plan envisages around 30 initiatives classified into five NIST framework domains:

The main action areas include:

MAIN PROJECT AREAS PURSUED IN THE 2022-2024 THREE-YEAR PLAN
Extension of the Data Loss Prevention solution to critical resources to mitigate the risk of accidental loss or theft of data/information.
Implementation of a technological solution to **identify and classify unstructured data** (e.g. Word, Excel) used by the Group.
Strengthening of the security assessment framework for services/solutions outsourced to external providers.
Definition of digital operating resilience strategies and framework, including recommendations of the European DORA regulation.
Implementation of technological measures for the encryption of data and information held on MPS Group critical databases.
Development of technological controls (e.g., SIEM, anti-fraud platform) and **organisational controls** (e.g., CSIRT) for the prevention and monitoring of security events.
Execution of periodic Cyber Awareness campaigns (training clips, phishing campaigns, table top exercises, etc.).
Development of the Business Continuity Plan, with particular reference to **managing cyber attack scenarios**.

The plan forms part of the new ICT Strategic Plan approved by the Board of Directors in January 2024.

The Bank has a consolidated IAM (Identity Asset Management) system with strong multi-factor authentication solutions and credentials management that uses enabling and assignment groups by role, in order to comply with the "need to know" and "segregation of duties" principles. In addition, specific controls are in place to protect confidential data, such as encryption systems, data masking in non-production environments, and DLP (data loss prevention) solutions.

As regards training and awareness, the Bank adopted a training plan on cybersecurity issues some time ago that targets all corporate levels. 6 online courses were provided in 2023 to all Bank employees with an **average attendance rate of around 90%**. The cybersecurity training was also included among the training courses for new managers and Swift operators. Periodic phishing simulation exercises are also planned as multimedia format add-ons to the traditional training.

The entire pool of applications regularly undergoes security checks carried out through assessments by specialised external companies and additional checks on specific infrastructural areas based on a plan defined annually. Also in 2023, a simulated attack using "red teaming" was held, in addition to the "Cyber Resilience Stress Test" to be held at ECB level for the first time in Q1 2024 in which the Bank is a participant.

Information security

At data protection level, the related policy applies to the Bank's website, those of the subsidiaries and to the operating processes involving the personal data of employees, customers and suppliers.

The text of the privacy policy, available on the institutional website www.mps.it, specifically refers to the data of website users and is accompanied by privacy disclaimers relating to specific aspects such as cookies and office security.

With regard to the exercise of data subjects' rights recognised under regulations in force (Regulation (EU) 2016/679 - the GDPR; Italian Legislative Decree 196/2003 as amended, and announcements by European and Italian legislators), information is provided through disclosures prepared by the Bank indicating, among other things, the methods for exercising such rights (e.g., access to personal data, requests to erase, rectify, etc.)
In the event of a data breach or related incidents, specific internal processes are in place, as contemplated in reference regulations, to:

- implement action to mitigate the causes that risk generating similar events;
- adopt measures envisaged in reference regulations (e.g. notifying the Data Protection Authority). In addition to the Response Plans in place to manage cyber incidents and attacks, suitable proactive measures are adopted to prevent them.

As regards the responsibility for data protection and security, the Boards of Directors of the Parent Company and Group companies receive periodic reports, also included in the compulsory reporting methods (Reports, Dashboards, etc.) of the Control Functions. As well as receiving the results of control activities carried out by the Compliance Control Function, the Data Protection Officer Staff receive specific information flows from each Division of the Bank in relation to fulfilling its assigned privacy obligations. At least annually, the Audit Function carries out the internal audit on banking data management in compliance with the provisions of Data Protection Authority Measure no. 192/2011.

The Control and Audit Functions also carry out inspections to verify the extent and compliance of data protection programmes used by the Bank's suppliers and commercial partners. Lastly, data protection is also ensured in contractual arrangements or cooperation agreements with third parties by envisaging specific clauses and the identification of privacy roles accepted by each party.

"Generate a **positive impact**, guaranteeing opportunities for **digital development** and **sustainable growth** to all **Customers**, **areas** and **communities**."

OUR FOCUS

FINANCIAL EDUCATION

PROFESSIONAL DEVELOPMENT AND EVENTS DEDICATED TO CAREER GUIDANCE

SPONSORSHIPS AND COMMUNITY EVENTS

ART AND CULTURE FOR THE GROUP

3.3.3 Culture and the community

GRI 3-3 GRI FS16

Our Approach

Promoting banking and Italian artistic heritage, developing awareness of the issues associated with financial education and supporting the social needs of the weaker categories, with particular attention to young people and women, form part of the way in which **the Bank supports its local community** and seeks to support in its own social and environmental development.

THE MAIN GROUP POLICIES

- Management of artistic heritage
- Management of Sponsorships and Fundraising
- Group Directive on Human Resource Selection

2023 RESULTS

- **6 loans involving 17 artworks** granted to museums and foundations
- Among the various initiatives, "**Banca Aperta**" **made its return** in 2023.
- **56 paid internships and 157 students** involved in the Scuola-Lavoro initiative, 210 participants in the **Career Day**
- **1 partnership and external collaboration** in relation to Financial Education
- Numerous Financial Education initiatives for **Customers** and **Managers**

OUR COMMITMENT

MPS Orienta:
creation of educational and development activities for external targets, through a programme dedicated to career guidance, supporting young people in job seeking and, in general, relations with schools and universities

The table below provides a description of the main risks for the Group related to material topics in this chapter, and the approach adopted to manage them, in consideration of the internal business processes.

MAIN RISKS ASSOCIATED WITH THE TOPIC "CULTURE AND THE COMMUNITY"

Main topics	Potential vulnerabilities	Nature of associated risks			Stakeholders affected	Main management and mitigation controls
> provide impartial support in development of the reference community operations, promoting the topics of sustainable growth, digitalisation and financial culture	> specific initiatives to define accessibility and ease of use for the reference community > participation in initiatives that prove to be controversial as regards their purpose, extent and/or the players involved	Generated	Non-financial	Direct	Local community	> participation in cultural initiatives > sponsorships and community events > career guidance initiatives and innovative laboratories for young people
		Sustained	Non-financial	Indirect and reputational	Bank	

For details of the main impacts generated, see the chapter "Materiality Analysis and Stakeholder Engagement"

The MPS Group plays an active role in the **development and promotion of its local communities**, with a focus on aspects such as the **promotion of art and culture**, promotion of **specific features of the community** with ad hoc events and the **promotion of financial education** for all.

The **Communications Function** and **Human Resources Function**, as well as the Sales & Distribution Function, actively plan the events, activities and initiatives indicated below, and monitor these aspects that the Bank considers fundamental in its external relations.

The MPS Group plays an active role in the **development and promotion of its local communities**, with a focus on aspects such as the **promotion of art and culture**, promotion of **specific features of the community** with ad hoc events and the **promotion of financial education** for all.

The ***Advisory Team*** activities have seen an increased **presence** with the **Private and Retail networks** in order to provide **operating advice** and **support** for better interfacing with **customers**.

Financial education

GRI FS16

Financial education levels in Italy are still low. Today, more than ever, **Customers need to be supported by an economic and financial planning process** that focuses on their real needs and those of their families, starting precisely from awareness.

2023 was characterised by a volatile performance for the financial markets which, thanks to a decisive recovery in the last two months, closed the year with a positive balance.
In fact, with geopolitical risks for now remaining in the background, macro data better than forecast, continuing disinflation and expectations for the start of a cycle of cuts by the main central banks, have led to a restored risk appetite.

In this context, the ***Advisory Team*** activities have seen an increased presence with the **Private and Retail networks** in order to provide operating advice and support for better interfacing with customers.

In fact, it was necessary to accompany traditional training courses with initiatives able to consolidate the skills needed to satisfy demand associated with the reference context.
On a day-to-day level, the Advisory Team continued to create daily update videos on market developments, that can be used by the network via the Intranet, and the creation of written material such as publication of the monthly newsletter for the private and retail segments and the introduction of a weekly update.

INITIATIVES FOR THE ENTIRE GROUP	
Financial education column	From October onwards (financial education month) different activities have been carried out to promote financial, insurance and pension culture. The Bank seized the opportunity to talk about financial education to increase awareness of the topic and make colleagues proactive in its dissemination. The communications plan includes: an article and a screensaver to launch the initiative "October is financial education month. Let's talk about it!"; 4 articles (1 per week) on the topics most searched for in Google according to the Edufin Committee (savings, investments, pensions and economic independence for women); publication of clips created for social media channels as part of a dedicated column on this topic.

"Flash Mercati" webinar

Specifically, the traditional **weekly webinar "Flash Mercati"** dedicated to the Private and Retail networks continued, **resulting in around 100 meetings/ webinars in total throughout the year**.

In addition to these meetings were dedicated events, organised in digital or in-person formats at the request of the network, in relation to specific market or product-related topics.

For the Business network, 45-minute Focus webinars were held monthly under the title "Markets and operating inputs on specialised services (Liquidity Management and Coverage)".

INITIATIVES FOR PRIVATE AND FAMILY OFFICE MANAGERS	
Digital B2B	A cycle of interactive webinars **provided by specialists** on specific topics such as financial markets performance, targeting: - Wealth management specialists, 26 highly specialised staff; during the year, 14 webinars of 30 minutes each were held, for a total of 7 hours per staff member; - all Private and Family Office Network staff for a total of 10 webinars of 30 minutes each.
Educationals held throughout Italy	During the year a total of **20 sessions** were held of around **60 minutes each**, involving the entire Private and Family Office Network in in-depth study of salient issues in the economic and financial context.

INITIATIVES FOR CUSTOMERS	
Private Customers – Banca MPS	**Events for Private Customers** were held in 2023, organised with external partners and with a market and scenario focus: a total of **20 initiatives** were carried out involving **759 participants**. In order to reduce paper consumption, the materials and accreditations for these initiatives were in digital format.
Banca Widiba Customers	**59 educational events** with **existing and prospective customers** on topics such as economic resources, succession planning, generational handover, sustainability, inclusive finance, household budgeting, etc.
MpsEdu	The #MpsEdu column is a financial education initiative posted on the Facebook and Instagram pages of Banca MPS. MpsEdu was conceived as a "financial dictionary" at the start of 2018 and was initially presented in static format on Instagram only. It was revised in 2020 with a video format and is now also available on Facebook. Around 100 videos have been published in this period. The current dynamic format lasts about one minute and focuses on a different topic each time. The aim is to educate on the economy and finance in a clear, instant manner, and to capture attention and interest in financial and economic issues such as credit, investments, savings and pensions. The column targets an audience that is not expert in economic matters but interested in learning more about them in plain words and new concepts.
#OttobreEduFin – Banca Widiba	Of note among the 59 Banca Widiba Customer Events was the **sixth edition of #OttobreEdufin** promoted by the financial education planning and coordination committee. Through **24 events** created by the financial advisors throughout Italy, different issues were discussed, such as women's inclusion in the jobs market, corporate welfare plans as a tool for personal and business growth, wealth management and pensions.

Partnerships and collaborations

In the two-year period 2022-2023, Banca Widiba continued the **national research project "Donne e Denaro: una sfida per l'inclusione"** [Women and Money: a challenge for inclusion] in collaboration with the **Department of Psychology of "Università Cattolica del Sacro Cuore" of Milan**. The aim of this multi-method survey was linked to identifying and analysing factors that still today hinder active and knowledgeable involvement of women in wealth management and their entry into the world of financial advisory services. Specifically, the study was carried out in two stages: the 2022 survey "***Women and Money: a challenge to inclusion***" **analysed women's attitudes and behaviour to money management**, with the aim of planning new actions and firm initiatives based on scientific evidence, designed to bridge existing gaps and foster increasing inclusion of women in the financial environment. The starting point of the survey was analysis of the literature, followed by qualitative and quantitative research, from two experimental studies and two Laboratories of the Future.

The second phase of the research entitled "***Donne e Denaro: la consulenza finanziaria. Analisi e opportunità di una professione contemporanea oltre gli stereotipi di genere***" [Women and Money: financial advice. Analysis and opportunities of a contemporary profession beyond gender stereotypes], was developed in 2023 with the aim of investigating the perceptions and beliefs related to the figure of the financial advisor, the working conditions of those who carry it out and, finally, at identifying some strategies to improve the perception of this profession by women. The results were presented at an open press event, during which a number of professionals from different sectors were involved to give a talk on topics such as economic independence, women's access to the jobs market and the importance of suitable and effective communication that promotes greater inclusion.

The results of the project can be downloaded here

Professional development and career guidance events

In 2023, the Group implemented the **MPS Orienta** and **MPS Scuola** Lavoro programmes focusing on career guidance, the development of soft skills, financial education and, in general, **relations with schools and universities**.

The programmes aim to promote employer branding, strengthen the link between education and the world of work, support the country's economic and social development, contribute to sustainable growth strategies and strengthen relations with customers and the area in which the Group operates. A pilot edition was also launched. in the South-East Regional Retail Divisions of the **MPS Ti Orienta** project, offering a free career guidance service managed directly by the Selection Function of the CHCO Division available on request to the children of employees, children of customers and adult customers.

With regard to **career guidance activities, development of soft skills and financial education** in secondary schools, during the 2022-2023 school year, the "**MPS Scuola-Lavoro**" project involved **7 schools in 7 different Italian regions** located in problem and/or disadvantaged areas. Around **157** students were involved for a total of **8,635 hours of the project** (**55 hours per student**).

They took part in training and orientation webinars and were then engaged in teamwork for the creation of a banking service for young people. A final event was the award for the most convincing project.

Also in 2023, other **financial education and career guidance meetings** were arranged through a co-teaching project held at the University of Siena (30 participants) and two "MPS meets Centro Bonsignori" training days (59 participants in total).

MPS ORIENTA PROGRAMME INITIATIVES ACTIVE FOR 2023	
Arrangements and framework agreements	The Group has entered into **arrangements and framework agreements** with over 30 universities, post-graduate schools and specialisation schools throughout the country. These arrangements allow young graduates or undergraduates to carry out curricular and non-curricular internships in specialist functions consistent with their studies.
Internships in the Group	In 2023, the Group set up **56 internships in specialised structures (36 new and 20 extensions)**, with an average duration of **6 months**, some of which resulting in permanent recruitment.
Arrangements for employees and their family members	An arrangement targeting **Group employees and their family members** is in place with the online **La Sapienza University (Unitelma)** for subsidised enrolment in online graduate and post-graduate courses. Since the start of the arrangement in 2020, **39 enrolments in undergraduate courses and 175 enrolments in level I and II post-graduate courses have been recorded.**

INDICATORS FOR MPS ORIENTA AND MPS SCUOLA-LAVORO	2023	2022	2021
MPS Orienta - Internships (initiated)	56	84	80
MPS Scuola-Lavoro – Schools involved	7	6	6
MPS Scuola-Lavoro – Students involved	157	300	140
Career Day – Participants	210	200	200
MPS Ti Orienta - Applications-Attendees	62-20		

Lastly, as every year, the company took part in **Career Days** organised by the University of Siena, which were attended by around 210 students.

7
SCHOOLS FROM 5 DIFFERENT REGIONS INVOLVED

157
STUDENTS INVOLVED

8,635
PROJECT HOURS

Banca MPS has for some time been committed to **consolidating** its **relations with the local areas and communities** through **events** and **sponsorships**.

Sponsorships and events in local areas

Banca MPS continues its relationship with local areas and communities through **events and sponsorships**, which are regarded as levers of communication, contact and branding with the aim of strengthening reputation and related accreditation. With a view to dialogue and interaction with the various types of stakeholder (media relations, captive and prospective customers, associations, organisations and institutions), in 2023 the Bank planned a number of in-person events and sponsorship initiatives.

The activities related to events and sponsorships are formally set out in corporate regulation D00953, which is available for direct and transparent consultation by all Bank employees and functions concerned.[50]

[50] Regarding the procedures for formalising sponsorships and drafting the relevant contracts, the Bank requires the counterparty/sponsor to sign a specific document relating to Italian Legislative Decree no. 231 of 2001 on the administrative liability of entities.

COMMUNITY INITIATIVES	
Initiatives for the agri-food sector	In 2023, in line with the Bank's strategic guidelines, major attention was given to **initiatives concerning the agri-food sector and the enhancement of supply chains and businesses**. In this context, the partnership for organisation of the **Wine & Siena** event was confirmed, the support for which since the very first edition shows the commitment to supporting agri-food excellence with a view to innovation and sustainable transition. At the same time, the Bank supported visibility and affirmation campaigns of a number of Tuscan Wine Protection Consortia.
BAM Foundation	Action in support of educational, social, artistic and institutional networking initiatives was confirmed through the BAM Foundation, considered tools for incisive action in favour of the reference communities. These projects included support for the 27th edition of **Festivaletteratura** and the traditional **Christmas Concert**, both held in Mantua.
The Siena Fourth Conference of the Future of Europe	In June 2023, at **The Siena Fourth Conference of the Future of Europe** event held at the Certosa di Pontignano in Siena, the Bank's commitment was strengthened in relation to increasing community awareness of sustainability topics. At this event, which involved intellectuals, political decision-makers, journalists and international institutions, the Bank took part in the discussion of the pros and cons of sustainable finance.
"Banca Aperta" events	The **"Banca Aperta" initiative returned** in 2023. During this event, the artistic and architectural heritage of the Bank's historic headquarters were open to the public with guided visits on 2 July and on 16 August, i.e. when the ordinary Palio races are run.

Art and culture for the MPS Group

In 2023, MPS Group community support was consolidated also through **cultural initiatives**, which have always played a central role in BMPS policy, since they have a significant impact on the brand and strengthen the Group's reputation. Relations with the **local Fine Arts Trusts for various types of material** (artistic and archive-library) are constant and uninterrupted. In fact, the Bank is committed to preserving and protecting its heritage; it conducts periodic maintenance and restoration work which is shared and agreed with the local Fine Arts Trusts, with support from highly experienced and expert professionals. The Bank is also a standing member of **ABI's Cultural Relations Work Group**, tasked with identifying cultural strategies common to all banking institutions.

Visit the page "MPS treasures" to see the collation

Promotions

As part of the "Banca Aperta" initiative, an impressive futurist painting by **Fortunato Depero** was on display at the monumental staircase designed by Pierluigi Spadolini at the historic headquarters of Rocca Salimbeni in Siena.

Consultation of archive materials

There were a total of 19 **consultations of archive materials**, in addition to 8 by internal staff for external needs.

Works restoration and maintenance

The restoration and maintenance of artworks involved **6 paintings, 7 works on paper and 4 antique frames**. The restorers were chosen from the List of Professional Restorers of Cultural Heritage pursuant to art. 182, Italian Legislative Decree 42/2004, depending on the kind of asset being restored.

Artwork loans

There were **6 loans with 17 artworks loaned out**. In particular:

- **'Il meglio maestro d'Italia'. Perugino nel suo tempo,** 4 March-11 June 2023, at the Galleria Nazionale dell'Umbria, Perugia
- **Dario Neri and Mario Luzi. Il paesaggio stato d'animo**, 6 May-5 November 2023, at the San Carlo Borromeo Conservatory, Pienza
- **Silvano Campeggi. Le immagini della Festa**, 19 June-5 September 2023, at Palazzo Sansedoni, Siena
- **San Francesco. Der Heilige aus Assisi**, 8 October 2023-7 January 2024, at the Diözesanmuseum Freising, Freising
- **Luce e colore nella pittura di Francesco Guardi (Venice, 1712-1793)**, 27 November 2023-31 January 2024, at Palazzo Sansedoni, Siena
- **Dario Neri and Mario Luzi. Il paesaggio stato d'animo**, 2 December 2023-4 February 2024, at the Magazzini del Sale, Siena

"**Protect** and **develop** the potential of **human capital** in an **inclusive environment**."

OUR FOCUS

MPS ACADEMY AND ESG AWARENESS PROGRAMMES

THE "MPS SVILUPPA" PROGRAMME AND RESKILLING

THE PERFORMANCE APPRAISAL PROCESS FOR EMPLOYEES

3.4 Our People

3.4.1 Personnel development

GRI 3-3 GRI 404-1 GRI 404-2 GRI 404-3

Our Approach

Enhancing employee skills and thereby contributing to their professional development is a strategic topic for the MPS Group. For this reason, organisational models to develop and stimulate growth are promoted, the objectives, internal ESG knowledge and culture are shared, and employees' skills are enhanced, also through ad hoc growth paths, in line with market needs and sustainable development. **Monitoring of the training needs of personnel** to avoid misalignment between skills possessed and those necessary to guarantee quality of service to Customers is a particular focus for the Group.

THE MAIN GROUP POLICIES ON THE TOPIC

- Group Directive on Human Resource Management
- Code of Ethics
- Rules on inclusion
- Reskilling and Change Management plans

2023 RESULTS

- **Over 13,000 hours of training provided** on ESG topics for specialist roles, individually targeted initiatives, **awareness-raising initiatives** and risk culture dissemination
- Development of the **MPS Academy Training platform** - 3D Approach
- **23 new coaching options**
- **Over 99% of employees** received a performance appraisal during the year (fully digital)

OUR COMMITMENT

- **Made-to-measure training on ESG topics**: integration of ESG topics into the Skills Gap Analysis for the main Topics in the training Framework and related training made to measure based on the gaps identified
- **Certification courses** for Private roles
- Integration of ESG elements into the **Performance & Talent Management** appraisal system

The table below provides a description of the main risks for the Group related to material topics in this chapter, and the approach adopted to manage them, in consideration of the internal business processes.

MAIN RISKS ASSOCIATED WITH THE TOPIC "HUMAN RESOURCE DEVELOPMENT"

Main topics	Potential vulnerabilities	Nature of associated risks			Stakeholders affected	Main management and mitigation controls
 > maintenance and growth in level and extent of internal skills in a context of profound change > ability to attract and retain talent and key figures	> difficulty in ensuring the operational continuity of certain activities following reorganisation, outsourcing or staff reductions > dissatisfaction, decline in working climate and motivation > disputes > difficulty in adequately covering specific roles > high turnover, net exit of key personnel	Sustained	Financial and non-financial	Direct and operational Indirect and reputational	Bank	> managing risks preventively through preliminary impact analyses, procedures for discussions with trade unions > managerial continuity plans > training activity based on the taxonomy of business risks and processes > delivering "tailor-made" training on the basis of role risk rating and the results of the annual individual skill gaps carried out by all employees > active listening/regular and structure internal climate detection through issue-based questionnaires and other forms of contact > specific reskilling programmes for personnel affected by professional mobility, with training calibrated to the characteristics of positions to be covered and skills already possessed > risk-adjusted performance indicators in personnel remuneration and incentive policies > training campaigns on risk culture through targeted initiatives on specific risks disseminated to all personnel > internal selection to enhance existing professionalism, onboarding and listening activities dedicated to new recruits

For details of the main impacts generated, see the chapter "Materiality Analysis and Stakeholder Engagement"

For the MPS Group, **personnel enhancement** is a process that follows the working life of the individual within the organisation from the time of selection and in all the professional development phases that follow, creating professional opportunities and training for individuals in line with their aspirations and needs.

The training model aims to respond proactively and dynamically to the new cognitive challenges posed by the markets and by continuous developments in the banking system, business processes and the impacts generated and sustained by the Bank.

This new **3D Approach** training model is multi-dimensional, with activities broken down into three dimensions:

The Bank's processes, to assess their coverage or steer their planning;

The business risks identified, to assess risk mitigation;

The areas or standardisation criteria into which the initiatives are grouped.

The **training model** aims to **respond** proactively and dynamically to the **new cognitive challenges** posed by the markets and by continuous developments in the banking system, **business processes** and the **impacts generated and sustained by the Bank**.

One of the cornerstones of the training model is the **annual planning process**, thoroughly revised compared to the past. This process is based on the collaboration of various company functions involved in different capacities and on a structured methodology for prioritising trained initiatives, requiring that the results of the training plan are presented to the Board of Directors.

With a view to fostering a risk culture, a process was defined that, from the planning stage, associates each training activity with one or more business processes and risks: this model, in fact, guarantees made-to-measure programming in areas that MPS Academy has classified as **high risk** (Credit, Anti-money laundering and Financial Crime, Customer Protection and Transparency, Data Governance, Data Protection, Italian Legislative Decree 231/2001 and Cyber Security). The model is based on two annual activities: the Risk Assessment exercise that defines the risk exposure of each corporate role and the Skills Gap Analysis that determines the training needs of each employee.

Based on consolidated information assets in these first few years of operation of the "3D Approach" training model, in 2023 the MPS Academy decided to integrate a synthetic indicator on the level of "People Risk Awareness" in the sales & distribution network into the Risk Appetite Framework, with a view to providing a robust reporting process to the corporate bodies on governance-related issues of risk culture in the company.

MPS Academy has adopted a tool to calculate the Level of People Risk Awareness indicator in the company, allowing the definition of a quantitative and qualitative value of this level based on a set of quality-quantity indicators and the recalculation every four months of the indicator's value in relation to outcomes of the Risk Assessment and Skills Gap Analysis conducted on the various high-risk areas (Credit, AML and Financial Crime, Customer Protection) and valid for the Sales & Distribution Network.

The **use of financing** from the Joint Sector Funds makes it possible to bear training costs and use specialised professional skills that improve the quality of the courses and lead to continuous innovation.

The **delivery channels** for traditional training are still used but increasingly integrated with solutions that use IT and digital tools, similar to individuals' experience in everyday life.

MPS places great importance on the **responsibility given to individual employees**, who are advised to keep their professional skills up to date, in line with the programmes, criteria, schedules and procedures identified by the Bank.

"MPS Academy" and ESG awareness programmes

The training activities are planned and organised in the **MPS Academy**, the company's **permanent training school** which has accompanied the evolution of organisation models and supported individuals along their professional development paths since 2012. Banca MPS designs, plans, monitors and finances its training activities within the MPS Academy.

MPS GROUP TRAINING IN NUMBERS

>700,000
HOURS OF TRAINING PROVIDED*

44
AVERAGE HOURS OF TRAINING PER EMPLOYEE

4
TRAINING COURSES ON ESG TOPICS

16,000
INDIVIDUALS INVOLVED IN THE ISSUE OF A LEARNING CARD

10,500
INDIVIDUALS ENROLLED IN MADE-TO-MEASURE ESG TRAINING COURSES

The training is characterised by two approaches:

- **"Push" training**, providing skills for the corporate role and diversified according to the role held;
- **"Pull" training**, maximising opportunities and used to integrate certain specific topics, chosen by the employees

2023 was characterised by **development of the new training platform** with the integration of analysis tools ("Skills gap analysis" questionnaires) that consolidate the application of the **3D Approach** training framework adopted by MPS Academy.

These tools, combined with dynamic training courses, allow for "tailor-made" training programmes, i.e. customisation of enrolments in the courses by role with the same total duration and enable digital compilation, avoiding the transit of paper documents between the persons involved.

In 2023, the main projects were implemented with the aim of increasing the skills level and professionalism of personnel, as also required by European and Italian regulations, disseminating risk culture, guaranteeing support for corporate role turnover and promoting self-development and continuous upskilling.

ESG training

As sustainability is becoming a competition driver, MPS Academy has promoted a **series of initiatives on this topic** to facilitate the dissemination of ESG principles:

- Made-to-measure training on ESG topics associated with the **skills gap analysis** in the **Credit and AML/CFT area**. **Two online courses** were released in which **over 10,500 individuals** enrolled for a total of **over 3,600 hours of training** provided.
- Two online workshops on **operational in-depth analysis** involved around 175 individuals in the credit supply chain.
- Course on **Certification for Private roles** for 19 individuals in collaboration with leading institutes. The course was organised by AIPB, the Italian Private Bankers Association, which engaged university researchers on this topic and other academic experts to act as tutors.
- A **course for Auditors** on topics relating to ESG Risk Management.
- **Awareness-raising on the topic** through issue of a **Learning Card** that involved 16,000 individuals.
- Course on **"Finance and sustainability. Advisory process on sustainable investments"** and the course "**Risks and returns in the world of sustainable investments**", forming part of the MiFID 2023 certification and involving over 9,800 individuals.
- Participation in workshops and seminars organised by leading Institutes (ABI, CETIF, KPMG, AIIA, ISPER, AICOM, etc.) for 114 individuals for a total of over 650 hours provided.

MAIN PROJECTS IMPLEMENTED	
Training and development course envisaged by the Consob Intermediaries' Regulation	In application of MiFID 2, this course involved **around 10,000 individuals** (30 hours of training per capita); Private Managers, Premium Managers and Value line officers were also trained in synchronous mode, with actions - of different durations and depth - designed to work on commercial tools to effectively analyse customer needs and commercial planning.
Multimedia training on Risk Culture	In continuity with previous years, training was **offered to all personnel** through a number of courses held monthly on topics concerning different risk areas: from sustainability to ESG operational, anti-money laundering and privacy risks.
Professional skills training courses	Final certification envisaged and provided to Auditors and Specialists from the Compliance Function.
Risk-based training on anti-money laundering, credit, cybersecurity & data risk	Risk assessment to determine the main risks to which the various roles are exposed, and skills gap analysis to assess gaps in training (over 11,000 people for the Anti-Money Laundering area and 4,300 for the Credit area) with online training, virtual classroom training and operational coaching (online training for around 11,000 people on anti-money laundering and 4,300 on credit, webinar training for 1,200 people on anti-money laundering and 1,000 people on credit, operational coaching for 100 people on anti-money laundering and 90 people on credit). The Cyber Security & Data Risk Skills Gap Analysis exercise was held, on Cybersecurity, Data Governance, Data Protection and Administrative Liability of Entities pursuant to Italian Legislative Decree 231/01, which involved personnel from the Central Structures (over 3,900) and a 91% completion rate. Made-to-measure training will follow based on the gaps identified.
Info-training plan and awareness raising on IT security	In accordance with the Plan and in continuity with training launched in previous years, **courses for all personnel** were provided on the main threats, **Crisis Management and Business Continuity**. The focus on these courses is illustrated in the chapter "Digitalisation and IT Security". Internal communications in the 2023 course continued to raise awareness on the issue with periodic focuses in the dedicated section of the Intranet and with ad hoc communications in the event of widespread attacks. The Plan envisaged specialist post-skills assessment training for personnel in the Corporate Control Functions on monitoring compliance risks (13 individuals), IT roles associated with obtaining or updating certifications, e.g., AIIA courses for Internal Auditors (36 participants), cyber courses for SWIFT operators for CSP compliance (SWIFT Customer Security Programme) and compliance with security requirements envisaged in International Standards (60 individuals), courses provided by external certification bodies (e.g., ISACA) in some cases envisaging the issue of international attestations (43 individuals). For the initiatives involving the Bank's key and strategic roles, a Board Induction event was held for all Directors, Auditors and Members of the Board of Statutory Auditors on the topic of Cybersecurity: "IT security".

MAIN PROJECTS IMPLEMENTED	
POG (Product Oversight Governance) Certification courses	In line with previous years, for personnel in the Product functions holding **specialised control roles** (Audit, Compliance, AML), refresher courses on POG Certification were launched (initial test and 2h webinar) for those who qualified in the 2021 course (110 individuals) and courses for new recruits to the role (initial test, 2h webinar and final certification test) for 170 individuals. All the course arrangements, including materials and tests, were organised in partnership with a Technical Scientific Committee of university professors, Bank Chiefs and Deloitte Risk Advisor partners.
Managerial training	Three different managerial training courses were launched, respectively dedicated to new managers, to learn the basic team management skills, to existing managers in their roles for at least 3 years, such as skills refresher training and leadership strengthening, and to managers involved in reskilling processes.
Induction training for the main network roles	Training courses dedicated to learning the technical and operating skills indispensable to those taking on a new role.
Training course for new level 2 and 3 managers in the Central structures	Course dedicated to new managers in level 2 and 3 roles of responsibility in the Central structures (100 individuals).
"Objective: Manager" - classroom training for managers	Classroom training dedicated to consolidating the management role, standardisation of commercial action: planning and tools, risks and controls.
"Being advisor"	Classroom training dedicated to standardising commercial action: planning and tools, risks and controls for Premium managers.
"Transparency" training programme	The 2023 Skills Gap Analysis indicated 60.3% correct responses, a constant improvement in the three-year period.
Training to support the merger of MPS CS and MPS L&F	Training courses were arranged for staff from the former MPS CS and MPS L&F on processes and procedures, and specific training for the staff of Bank functions that had been assigned new duties and procedures.
Accompaniment in the Bank's digitalisation processes	**Training and communication initiatives were prepared to support the main applications and processes** (Consumer Finance, Elise platform, Modular PEF for electronic lending, Mortgages Workflow, etc.).

Internal communications and ESG

Environmental sustainability and social fairness are current topics that call for an internal awareness raising course, and are therefore increasingly at the heart of MPS Group communications. The main activities in 2023 included:

- internal communications plan dedicated to energy saving (three screensavers and an Intranet article);
- internal communications plan dedicated to the Group Directive on Sustainability and ESG (three screensavers and an Intranet article);
- internal communications plan dedicated to the "We support wonderful little ideas" initiative, set up to incentivise a moment of generational handover on sustainability and inclusion between employees and their children, grandchildren, younger family members (two screensavers, three articles, three targeted e-mails);
- communications plan dedicated to year-round diversity, fairness and inclusion with Intranet articles, screensaver, a dedicated Intranet section, publication of a guide to inclusive language and the planning of internal events with employee participation. Among the topics discussed are: parenting, economic freedom, gender equality and violence, inclusion and respect.

The "MPS Sviluppa" programme

GRI 404-2

Banca MPS's people development programme (MPS Sviluppa) is designed to **meet different corporate needs** in terms of professional requirements and responds to the aim of increasing the skills, professional capabilities, motivation and engagement of individuals.

The programme is guided by the principles of equal opportunities and accessibility of training and development

Reskilling

To satisfy skills requirements dictated by the organisational transformation in progress and by internal professional mobility as a result of early retirements with recourse to the solidarity fund, the ***"Reskilling"*** process was consolidated and re-proposed through specific campaigns dedicated to the network and central structures, involving around **2,000 individuals**. This structured and scalable process aims to actively manage reskilling for new roles, through enhancement of the skills and experience possessed by the people involved and the definition of personalised training courses. The approach is effective, prompt and efficient, providing all the tools necessary for fast induction.

Each course is modelled according to the **target role** in terms of skills, experience and training already received by the resources, and can envisage three training methods.

- **basic technical training** (structured using a training clips logic);
- **on-the-job coaching**, which allows the acquisition of practical role know-how;
- **advanced multimedia courses** to develop transversal soft skills.

activities, consistent with the provisions of the Code of Ethics and the document "Rules on Inclusion" issued in July 2022.

In 2023, the engagement and enhancement initiatives for existing personnel were consolidated and further developed to accompany objectives of the new 2022-2026 Business Plan of the Group, "A Clear and Simple Commercial Bank", through development opportunities for employees based on transparency, participation and inclusion.

In this respect, on 7 August 2023 an agreement on Professional Development was signed with the trade unions. This agreement established that the company's professional development model is structured in a planning process for the coverage of corporate roles, in a balanced relationship based on the evolution of professional profiles, continuous increase in professionalism and improvement of the skills acquired, with the aim of constantly developing and retaining internal expertise.

In addition to the reskilling programmes already mentioned, designed to safeguard internal skills of personnel, to manage the early retirement plans with voluntary adoption by interested parties, the Bank makes use of the credit sector Solidarity Fund or early retirement schemes.

In particular, in relation to activation of the Solidarity Fund (from 1 December 2022), as per the trade union agreement, 2023 saw the recognition of income support action through an income supplement benchmarked to pay, in addition to continuation until retirement age of insurance and welfare cover and subsidies in force from time to time that the company would have paid on the basis of continued service.

Performance appraisal processes for employees

GRI 404-3

The performance appraisal is a useful tool for the Group **in providing guidance on training paths for individual professional improvement.** The aim of the performance appraisal process is, in effect, to get to know individuals better, promote dialogue with colleagues and steer their conduct and commitment, in order to support professional development and ensure effective coverage of positions.

The performance appraisal is a useful tool for the Group **in providing guidance on training paths for individual professional improvement**.

The aim of the performance **appraisal process** is to **get to know individuals** better, promote **dialogue with colleagues** and **steer** their **conduct** and **commitment**, in order to **support professional development** and **ensure** effective **coverage of positions**.

MAIN PROJECTS IMPLEMENTED	
Professional career paths	GEA (Growing Employees Accountability) professional development paths. At the end of October, in continuity with previous years, the new campaign was launched for the selection of participants in the **Branch Manager** career paths. Individuals are guided towards their new role through experience-based steps, targeted training/development activities and skills acquisition checkpoints. The agreement of 7 August 2023 also includes the implementation in 2024 of horizontal skills consolidation courses for Network and Central Structures.
Managerial continuity plans	Plans were defined to ensure succession in the event of loss of cover of the main positions of responsibility in the Network and Central Structures. This activity also identified a pool of resources to which managerial development action and soft skills training could be targeted.
Development of soft skills	Initiatives differentiated based on the role covered and associated specific professional challenges, through the use of tools such as: • **Digital Coaching**, envisaging a course/one-to-one discussion with a certified coach lasting several months; • **Assessments** involving specific clusters of the corporate population and representing an opportunity for reflection and diagnosis of the strengths and areas for improvement in relation to role challenges, specific business needs, strategic objectives and organisational culture; • the **GoodHabitz Soft Skills training** platform, which offers opportunities to enhance soft skills in our skills model in self-learning mode and as part of the main development processes; • The **soft skills training courses** that integrate behavioural self-diagnostics in interactive group webinars and online study, implemented as a pilot project in 2023 for the Small Business Coordinators cluster.
Collection and rationalisation of information assets	In 2023, **rationalisation of the information assets** continued in relation to the different development initiatives, with a view to enhancing people analytics tools using a data-driven approach to processes. In particular, the staff CV drafting process was digitalised in 2023 to support decision-making and management processes (e.g. assignment of responsibilities, external appointments, retention actions, etc.).

The MPS Group professional appraisal process is for all personnel and, again in 2023, envisaged an annual campaign to appraise 2022 performance and an interim appraisal campaign.
In order to best support achievement of the Business Plan objectives, a review of the appraisal system began in 2023 and will become fully operational in 2024 with the aim of increasing its effectiveness for all players involved.

While retaining elements of continuity with the previous system, the review will broaden the overall view of the person appraised, with integration into the appraisal factors of role-specific activities and conduct consistent with the Group's soft skills model arising from the Banca MPS Code of Ethics.

Particular attention was dedicated to the topics of focusing on people, inclusion and sustainability by envisaging appraisal of specific behaviour.
With a view to an increasingly comprehensive overview, the new performance appraisal process is even more integrated with the other HR processes (incentive system, promotion system, professional courses, soft skills development courses, etc.)

The process will also support the professional development of resources to be "enhanced" through horizontal or vertical development indications proposed by the line manager and confirmed by the management and business system.

Self-appraisals remain key moments, as does **line manager-employee** dialogue, to support and stimulate improvement and continuous growth of individuals.

In particular:

- in line with the objective of identifying and defining a development path, the self-appraisal is enhanced with an indication of professional expectations;
- In addition to individual self-development, professional development will be supported by tools and training recommendations based on activities and conduct reported by the manager in the year-end feedback.

The professional appraisal process of the MPS Group targets all personnel.

"**Protect** and **develop** the potential of **human capital** in an **inclusive environment**."

OUR FOCUS

MPS GROUP PEOPLE IN NUMBERS

LISTENING TO EMPLOYEES

WELFARE

OCCUPATIONAL HEALTH AND SAFETY

3.4.2 Personnel protection

GRI 2-7 GRI 2-8 GRI 2-30 GRI 3-3 GRI 401-1 GRI 401-2 GRI 401-3 GRI 402-1 GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-8 GRI 403-9 GRI 403-10

Our Approach

Responsible human resource management is essential for the MPS Group in safeguarding health and ensuring a high degree of psychological and physical well-being, in addition to guaranteeing adequate remuneration policies. The Group promotes a structured welfare system, work-life balance and constant maintenance of the workforce.

THE MAIN GROUP POLICIES ON THE TOPIC

- Group Directive on Human Resource Management
- Policy on health and safety

2023 RESULTS

- **Consolidation of the digital approach** as a working method
- **82** new recruits with an average age of 32.1 years
- **Sports access** programme and agreement for **enrolment in university courses**
  Foreign language study programme for employees and their family members
- Digital corporate library with e-book lending for employees and family members;

OUR COMMITMENT

- MPSolidale
- Corporate performance appraisal process consistent with ESG strategic guidelines
- **Improvement of corporate welfare** through a focus on employee needs
- **Full implementation of smart working**

The table below provides a description of the main risks for the Group related to material topics in this chapter, and the approach adopted to manage them, in consideration of the internal business processes.

MAIN RISKS ASSOCIATED WITH THE TOPIC "PROTECTION OF HUMAN RESOURCES"						
Main topics	Potential vulnerabilities	Nature of associated risks			Stakeholders affected	Main management and mitigation controls
Occupational health and safety, compliance with related regulations and requirements	> work-related injuries > increase in absences due to illness > disputes	Generated	Financial	Direct and operational	Employees and the Bank	> mapping of all possible hazards to workers' health and safety > planning of measures and actions to eliminate or reduce the risks detected
		Sustained	Non-financial	Indirect and reputational	Bank	

For details of the main impacts generated, see the chapter "Materiality Analysis and Stakeholder Engagement"

For the MPS Group, the **protection of workers** is fundamental in guaranteeing employee well-being and a peaceful and stimulating work environment.

The Directive that defines the organisational model (principles, responsibilities and activities) for the **Human Resource Management Process** is essentially a series of policies which, in compliance with law and national and corporate contracts, places people at the heart of the business and its strategy.

These Management processes are designed to **promote professional opportunities**, maximising business performance with the enhancement of internal professional skills, with particular attention to inclusion and diversity.

In line with the 2022-2026 Business Plan, 2023 was characterised by two main lines of action:

- The **business reorganisation**, a consequence of the mergers of MPS Leasing & Factoring and MPS Capital Services, in addition to consolidated incorporation of the Group Operating Consortium at the end of 2022. These organisational changes had repercussions on personnel in terms of work organisation and regional and professional mobility, for which the Bank opened discussions with the trade unions on local effects and on reskilling based on the target position and the skills required for each;
- **human resource reallocation** to rebalance the central and network staffing, supported by a suitable professional reskilling process.

For the MPS Group, the **protection of workers** is fundamental in guaranteeing **employee well-being** and a **peaceful** and **stimulating work environment**.

The **Group views its people** as the **greatest asset** for ensuring **high-quality Customer service**.

MPS Group people in numbers

GRI 2-7 GRI 2-8 GRI 2-30 GRI 401-1 GRI 402-1

The Group views its people as the greatest asset for ensuring high-quality Customer service. For this reason, workers' protection is critical to guaranteeing the Group's medium/long-term financial soundness. The Group has **16,552 employees**, almost all permanent and with full-time contracts. **100% of employees are covered by collective bargaining agreements**.

2023 saw a decrease of 275 in the workforce since the end of 2022. This decrease was the result of a balance between:

- 82 recruitments, 46 employed to strengthen the Sales and Distribution Network and 15 to increase the workforce of the Control Functions by adding young resources. In particular, 18 of the 82 new recruitments were to comply with commitments envisaged in the Italian Law on Compulsory Job Placement;
- 347 terminations, of which 39 were early retirements and recourse to the sector solidarity fund, as extensions to the measures enacted at the end of 2022[51];
- a negative balance of 10 resources due to other changes in the Group's consolidation scope, mainly attributable to personnel secondments outside the Group during the year.

[51] The agreement signed in 2022 on "Solidarity Fund for income support, employment, professional reconversion and reskilling of employees of credit companies" allowed workers to benefit from the Fund's services up to 7 years earlier than normal retirement age, ensuring steady income.

DECISIONS MADE BY MPS GROUP

Breakdown by contract type

16,552 EMPLOYEES

89% FULL-TIME

99.9% PERMANENT

11% PART-TIME

0.1% FIXED TERM

**data as at 31 December 2022*

THE IDENTIKIT OF MPS GROUP PERSONNEL

Breakdown by gender and age

8,868 WOMEN — **54%** +1% COMPARED TO 2022

7,684 MEN — **46%** -1% COMPARED TO 2022

157 (1%) EXECUTIVE MANAGERS

6,018 (36%) MIDDLE MANAGERS

10,377 (63%) OFFICE STAFF

252 (2%) <30 YEARS

8,600 (52%) 30-50 YEARS

7,700 (47%) >50 YEARS

In all cases of **restructuring, business reorganisation or other activities affecting personnel in terms of work organisation and regional and professional mobility, the Bank arranges specific disclosures, in compliance with provisions of the National Collective Labour Agreement, and/or discussions with trade unions to analyse the impact on staff.** It is only after the closure of negotiations, with different durations contractually predefined on the basis of the reorganisation (up **to 50 days**), that the Bank can implement the agreed measures.

The **new recruits** were identified through special market selection procedures, drawing from a group of candidates from a previous selection and through the provision of permanent contracts to interns already working in the company. There **were 82 new recruits** with an **average age of approximately 32.1** years, of which **43.9% women**, mostly originating from **Tuscany** and **Lombardy**. The 2023 recruits were allocated to the Bank's **Branch Network** and specialist structures of the General Management Division, particularly the control functions, and Group Companies.

When **filling vacant positions,** the Group adopts the principle of enhancement and development of internal professional skills, through application of HR management policies, at times using internal selection procedures. In cases internal coverage proves impossible, external selection procedures from the market are arranged.

The Group has a specific **Human Resource Selection directive that establishes principles and responsibilities.** The Group searches and selects personnel through specific, internally regulated processes and according to **criteria of objectivity, expertise and professionalism.** All applicants are guaranteed the same employment and career opportunities regardless of age, sexual orientation, religious belief, gender, ethnicity and different abilities, fostering a work environment free from discrimination. Level II bargaining also provides for the recruitment of family members of employees who die while in the company's service, if certain requirements are met. In 2023, 22 out of the 82 recruitments were reserved to this cluster. Since 2020, most recruiting and selection activities were carried out remotely, in accordance with the required standards.

On commencing employment, all new recruits receive information on the duties they are required to perform, regulatory elements governed by the National Collective Labour Agreement and specific disclosures (i.e., anti-money laundering, Legislative Decree 231/2001, Code of Ethics, prevention and safety, Corporate Governance Code, etc.). All positions are filled through **structured *onboarding* and training programmes, which vary** according to the role covered.

The Joint Committees, through which the Bank and Trade Unions discuss specific issues, play a fundamental role in level II bargaining. The Committees are made up of a company team and a trade union team, and are divided by area and topic to be discussed.

The joint committees met **12 times in 2023**, with particular regard to Commercial Policies Committee, Employee Welfare Committee, Joint Training Body and the Joint Committee on Equal Opportunities, to name but a few.

For the Group's Human Resources Division, **listening to people is an essential element** of the **relationship with employees** and is **carried out continually** and **systematically** by **applying different tools** and **channels**.

Listening to employees

For the Group's Human Resources Division, **listening to people** is an **essential element of the relationship with employees** and is carried out systematically by applying different internal tools and channels.

The positive experiences in readings of the internal climate in recent years were developed in **constant feedback mode** through focus groups and customer satisfaction questionnaires after events, interactive functions on the corporate intranet and newsletters (comments, likes and shares). Another interaction method was introduced from this year ("*did you find this article useful?*") to obtain colleagues' views on the usefulness and layout clarity of the aspects discussed.

All employees can use one or more of these methods to express their opinion on their working life in the Group, the applications released and the Bank's initiatives. The path to obtaining gender equality certification (a measure envisaged in the NRRP and approved by the EU) is the **"Survey on equal opportunities and harassment in the workplace"**, in which the entire population of the Bank participated in December.

In parallel, the practice of holding structured and systematic **meetings and one-to-one interviews** with employees by the Human Resource Managers continues, also carried out at the direct request of an employee. **For new recruits**, listening activities in the first few months of employment have also been implemented through anonymous questionnaires to capture the level of satisfaction of new colleagues and information on how the induction into the workplace was experienced and perceived.

With a view to continuous updating and sharing of the topics most important to the Bank, the **commitment of the Chief Executive Officer to colleagues** has continued.
In particular, during 2023 the CEO held **4 online meetings** with all colleagues to present the financial results and **2 in-person events** to share specific activities and projects (Reorganisation and Agri-food Project).
The C-levels have continued the meetings with colleagues of the respective Divisions to share and improve understanding of the strategic sales and distribution lines and the corporate objectives for the period.

A total of 31 online meetings were held. At each of these meetings, colleagues were able to submit questions or remarks, commented directly or after the event on the other communications channels.

Freedom of association for employees

At constitutional level, Italy protects the freedom of association (art. 18) and trade union membership (art. 39) and is a member of the International Labour Organization (ILO).

In line with constitutional principles and regulations in force, the Bank encourages **freedom of association for employees**, which it manifests in many ways.
Level II bargaining and, most recently, the agreement on the 2022-2026 Business Plan confirm the strategic value of **negotiation** and **active involvement of the Trade Unions**, forming the basis of positive participation in the corporate climate. To this end, the Company is committed to promoting information and consultation rights of the Trade Unions so that, each in their respective roles and as part of overall negotiation

of the Plan, the best solutions are constantly sought, in the common interest of laying the foundations for long-term sustainable growth of the Bank.

Ongoing discussion between the Parties, at central and peripheral level, has the shared objective of fostering extensive awareness and assessment of the repercussions on resources of reorganisations and seeking suitable convergences to limit the impacts and guarantee quality of working conditions in a context of innovation and change. In this context, the role of the Joint Committees becomes particularly important, in which the Bank and the Trade Unions discuss specific topics to identify solutions and promote initiatives for growth and overall enhancement.

Of particular importance among the bodies with worker participation is the **Cassa di Mutua Assistenza** health insurance fund, a body founded in 1950 with direct worker participation, which with the **Associazione di Mutua Assistenza** support association for Banca Monte dei Paschi di Siena S.p.A. personnel forms an integral part of the welfare policies benefiting employees and an institutional point of reference.

SCOPE	INITIATIVES
Income support	• Recruitment of family members of employees who died while in company service (or while making use of the solidarity fund); • Meal vouchers, allowances to help overcome specific hardships; • Subsidised financing, also through renegotiation campaigns; • Contribution to the "Cassa Mutua" health insurance for the integrated income plan of action.
Protection of health and well-being	• Programme to cover medical expenses (extended to family members), accident insurance and medical check-up permits; • Sports access programme for employees and family members. • Blood donation arrangement with Siena University Hospital Authority
Supplementary Pensions	• Corporate Pension Funds to which Group companies allocate 2.5% of remuneration extend membership options also to dependent family members; • Insurance cover (term life and permanent invalidity).
Culture and leisure time	• Agreement for enrolment in university courses; • Study leave for working students; • Offers platform reserved for colleagues and their family members; • Foreign language study programme for colleagues and their family members; • Digital company library with e-book lending for colleagues and family members; • Recreational, sports and cultural activities promoted by CRAL staff social organisations.

Welfare

PERSONAL WELL-BEING

GRI 401-2 GRI 403-6

The Group has always been committed to welfare policies, which generate **value for Individuals and help to improve the corporate climate**: every element of welfare is essential to support colleagues and their families in financial, social and work/life balance terms, and contributes to increasing satisfaction, well-being, loyalty and productivity.

Welfare plays a central role in Level II Bargaining. In 2023, its main arrangements continued to be a **point of reference** for all colleagues, thanks to ongoing dialogue with the Trade Unions. This model was also extended to personnel making recourse to the sector Solidarity Fund and for the entire period of such recourse.

Though within a framework of overall financial compatibility and sustainability, internal welfare has been supplemented over time with **assets and services that meet the changing needs of employees**, retired personnel and their families (currently over 50,000 thousand individuals). The **benefits are payable to all employees**, for all contract types, regardless of working hours (part-time or full-time).

Every element of **welfare in the Group is essential** to **support colleagues** and their **families** in **financial**, **social** and **work/life balance** terms, contributing to the **increase in satisfaction**, **well-being**, **loyalty** and **productivity**.

The MPS Pension Fund is confirmed as the point of reference in the **supplementary pension system**.

MPS Pension Funds

Since 2020, the MPS Pension Fund has confirmed its role as **point of reference for the supplementary pension system** in support of the Welfare System for the entire Montepaschi Group. **Membership may be extended to resources of other Group companies and to tax-dependent family members.** The MPS Pension Funds (Fondo Pensione MPS and Cassa di Previdenza MPS) play a significant role within the Group's reference scenario in terms of Socially Responsible Investment.

The allocation is **based on ESG criteria** and both Funds have, for some years, been signatories to the UNPRI Protocol (Principles for Responsible Investment).

As required by the provisions in force, the MPS Pension Funds have approved and published documents on their websites relating to disclosure of the commitment policy and **policies for the incorporation of sustainability risks** into the investment decision-making processes. The Funds also define the monitoring methods and ESG reporting plan, for each segment envisaging quantitative analysis of the sustainability factors implemented by specific indicators for each aspect: environmental, social and good governance.

As part of a procedure authorised by the pensions supervisory authority COVIP, in 2023 the Bank arranged transfer to the MPS Pension Fund of 9 pension forms indicated in the separate and consolidated financial statements.

Again in 2023, the Bank finalised the plan to merge MPS Capital Services and MPS Leasing & Factoring, with resulting merger of the positions of Members into other pension forms within the MPS Pension Fund and, at the same time, opening of an extraordinary window allowing a change in investment line.

In June 2023, the MPS Pension Funds created a specific section - "**Disclosure on Sustainability**" - on their respective websites, where the related documents envisaged by COVIP are published.

FAMILIES AND LEISURE TIME

GRI 401-2 GRI 401-3 GRI 403-6

At MPS, Work-Life Balance is crucial to guaranteeing that personnel are able to balance family commitments and work commitments. MPS is constantly committed to increasing flexible working tools with an advance approach to assist with the work-life balance of colleagues.

In addition to extended benefits such as insurance cover and study arrangements, a series of initiatives was planned targeting employees' families.

MPSolidale, an internal solidarity fund which again in 2023 was fuelled by donations of hours and days from colleagues or portions of remuneration from higher management levels, to allow colleagues time to deal with serious and verified personal and family needs, with priority given to childcare;

Parental support (leave, training) and guidance for parents and children (**Profession Parent Project**);

Programme specifically for employees and their families to promote access to **sports** and to support **psychological and physical well-being** through an online personal training platform with access to different services, such as nutritionists and a variety of lessons (yoga, cardio, etc.)

Foreign language study programme via an online platform, dedicated to colleagues and their family members;

Digital corporate library offering colleagues and family members the opportunity to borrow e-books.

In 2023, a total of **1,552 employees** made use of parental leave, of which 331 men and 1,221 women. The return to work rate after maternity/paternity leave was around 93%, and those still in service 12 months after the parental leave was around 98% (99% for women, 93% for men).

In November 2023, the Bank also signed a Memorandum of Understanding with the Siena Universities Hospital Authority (AOUS) and the associations AVIS for the Province of Siena, ANPAS for the Siena Area, Contrade Blood Donors Group and FRATRES for the Province of Siena.

As a result, Bank personnel working or living in Siena and its province had the opportunity to request extra tests in addition to the routine tests for blood donors. In relation to this Protocol, we then published an article on the Intranet to raise awareness and allowed AVIS to set up a stand at the San Miniato branch (the contact there informed us that ten new donors had participated).

Occupational health and safety

GRI 403-1 GRI 403-2

Occupational health and safety plays a fundamental role in personnel protection: the MPS Group is committed to complying with related regulations, adequately assessing all risks and planning and implementing prevention and protection measures necessary to minimise those risks.

In addition to the Parent Company, Magazzini Generali Fiduciari di Mantova has also implemented an **Occupational Health and Safety Management System** (OHSMS) certified by an independent third party pursuant to ISO 45001 Standard, to guarantee accurate monitoring of compliance with legal provisions as well as the prevention of potential offences in which the **Health and Safety Policy** is an integral part. The Policy contents are verified as the need arises or at least once a year, during the Management Review, and updated if necessary. Any new version of the document is submitted to the Board of Directors for approval and brought to the attention of all personnel and of third parties via the Bank's internal and external channels (e.g., Intranet portal, institutional website, disclosures, etc.).

Specifically, on 24 January 2023 BMPS successfully completed the audit for renewal of the environmental management system certification. The next audit to retain the certification will be completed by the end of April 2024. With regard to Magazzini Generali Fiduciari di Mantova, the last certification retention audit was successfully completed on 18 May 2023 and the next audit for renewal of the certification will be completed by the end of June 2024.

Communication and training on health and safety

GRI 403-5 GRI 403-6

The Company gives the highest priority to activities focusing on occupational health and safety information and training. They are considered essential to creating and disseminating appropriate awareness among workers of the importance of these topics, and to enhance the growth of a "**culture of safety**" in general. Occupational Health and Safety training was **particularly well-attended** in 2023. Distance learning was arranged where possible, whilst in-person training was provided to First Aid Officers and Defibrillator Support Officers.

Activities relating to education and training on occupational health and safety are essential to **increasing the "culture of safety"**.

For Banca MPS, this system is governed by the internal document **"Occupational health and safety monitoring"** which, together with the related Group Directive, describes the responsibilities assigned, the operating procedures, related records, as well as the audit and control rules. Both documents were updated during the year downstream of simplification of the corporate organisational structure. In addition, in early 2023 a review of the health and safety organisational model was carried out, the main changes regarding updating of the rules for identifying executive managers and Health and Safety Officers and improved definition of the latter's responsibilities.

In the Banca MPS OHSMS, the roles of responsibility appointed are:

- OHSMS Top Management, identified as the Employer (pursuant to Italian Legislative Decree 81/08), responsible for supervising system maintenance and improvement;
- Head of the OHSMS, identified as the Prevention and Protection Service Manager (pursuant to Italian Legislative Decree 81/08), tasked with systematically planning and implementing all actions necessary to ensure that the System requirements are established, applied and maintained in accordance with standard ISO 45001.

The certified companies define specific **improvement plans** to promote workers' safety. Each improvement programme is made up of activities implemented according to a precise schedule.

The detection of occupational health and safety risks is recorded and documented in the "**Risk Assessment Document - RAD**", a document periodically updated in relation to activities undertaken. The last update to the RAD by BMPS and every other Montepaschi Group company was 30 June 2023.

The following continued during 2023:

- **Ordinary obligation-related activities**, such as the activities of consulting Workers' Safety Representatives (WSRs), or Occupational Health and Safety Risk Assessment activities, the Periodic Meeting pursuant to Art. 35 of Italian Legislative Decree 81/08, training and education activities, Health Supervision, etc.;
- **Voluntary activities linked to planned action**, such as correct monitoring of the certified management systems and their implementation;
- **Extraordinary activities relating to emergency management**, e.g., natural disasters or health risks such as Covid-19, for which monitoring continues through the Corporate Safety Protocol, the latest version of which is limited to providing recommendations for cases proving positive for Covid-19 in compliance with the provisions of ministerial circulars.

Among the various activities carried out in 2023 were meetings with the Workers' Safety Representatives (WSRs) and corporate functions responsible for mitigation action defined downstream of the Work-Related Stress Risk Assessment (in-depth study stage) to monitor the aspects envisaged. In 2024, prior to updating of the risk assessment, the setup of a focus group was agreed with the WSRs to verify the effectiveness of measures identified in the "Action Plan for work-related stress mitigation" through a perception survey of a selected sample of workers.

OCCUPATIONAL HEALTH SERVICES

GRI 403-3 GRI 403-4

Banca MPS has organised a "Group Health Service" that **includes a Coordinator (GHSC) and a further 30 Company Doctors**, each in their general areas of expertise.

The GHSC, through the Health Service doctors, plans and carries out **medical check-ups for patients under health supervision and annual site visits to all the workplaces**, and has the task of defining guidelines on process standardisation, participating in risk assessments and participating in defining and providing education and training initiatives.

For 2023 specifically, 1,885 periodic check-ups were carried out, 136 check-ups on demand and 1,241 workplace visits. **Extraordinary health supervision** continued during the year, involving the assessment of particularly delicate situations of employees by the Company Doctor and arranging their protection. There are currently 26 Workers' Safety Representatives in office, representing all Montepaschi Group workers.

Numerous consultations were carried out in 2023 (pursuant to art. 50, Italian Legislative Decree 81/08) on the new Health and Safety model, the progress status of mitigation actions envisaged in the assessment plan for Work-Related Stress Risk and other topics, always in relation to health and safety.

In addition to these, periodic consultation meetings continued to be held in the Regional Divisions to examine the specific problems of individual local entities.
In November 2023, the periodic meeting pursuant to art. 35 of Italian Legislative Decree 81/08 was held regarding consultation on various health and safety topics, focusing mainly on:

- Risk Assessment Document, updated on 30 June 2023, pursuant to art. 17 paragraph 1.a) and art. 28;
- performance in terms of accidents, occupational diseases and health supervision; • decision-making criteria, technical characteristics and effectiveness of personal protection equipment;
- education and training programmes for executive managers, officers and workers on safety and protecting their health;

plus the main projects in progress.

On that occasion, the Workers' Safety Representatives were involved in the progress of the Health and Safety Management System and consulted when drafting the improvement programme.

"**Protect** and **develop** the potential of **human capital** in an **inclusive environment**."

OUR FOCUS

INITIATIVES TO PROMOTE INCLUSION

MONITORING DIVERSITY IN THE MPS GROUP

ANALYSIS OF THE GENDER PAY GAP

3.4.3 Diversity & Inclusion

GRI 3-3 GRI 405-1 GRI 405-2

Our Approach

The Group is committed to fostering a climate that **legitimises the expression of diversity**, **enhances individuals** and disseminates the awareness that a **more inclusive company can be of benefit to the quality of service offered and the corporate climate**, through discussion and constant improvement.

THE MAIN GROUP POLICIES ON THE TOPIC

- Group Directive on Human Resource Management
- Code of Ethics
- Rules on inclusion
- Reskilling and Change Management plans
- Group remuneration and incentive policies
- Rules on preventing and combating gender harassment in the workplace
- Policy on Gender Equality

2023 RESULTS

- Achieving the target of **37% of roles of responsibility held by women**
- Rules on **preventing and combating gender harassment** in the workplace
- Policy on **Gender Equality** and obtaining gender equality certification (UNI/PdR 125:2022)
- Definition of an **organisational function dedicated to D&I**
- Implementation of the **Gender Equality Management Systemand the Steering Committee**

OUR COMMITMENT

- Achieving the target of **40% of women in roles of responsibility** by the end of 2026
- **Anti-harassment policy**
- Obtaining **gender equality certification**

The table below provides a description of the main risks for the Group related to material topics in this chapter, and the approach adopted to manage them, in consideration of the internal business processes.

MAIN RISKS ASSOCIATED WITH THE TOPIC "DIVERSITY AND INCLUSION"

Main topics	Potential vulnerabilities	Nature of associated risks			Stakeholders affected	Main management and mitigation controls
> inclusive work environment, able to promote diversity > equal treatment of staff in relation to diversities in gender, age, mindset, religion, sexual orientation	> pay gaps > anomalous distribution of staff to roles/ responsibilities based on gender or other elements of diversity > disputes with employees > damage to corporate image	Generated	Financial	Direct and operational	Internal community and the Bank	> corporate strategy designed to enhance the value of all resources, drawing inspiration from the principles of transparency, fairness and inclusion throughout all company processes - from selection to career development, succession plans, access to training and remuneration policies that guarantee fair distribution between genders and any other element of diversity > increased support to guarantee adequate and inclusive development of staff with disabilities > monitoring of the Gender Equality Management System with a view to retaining UNI/PdR 125:2022 Certification > policy and processes to guarantee the bank's zero tolerance for violence and harassment in the workplace, through targeted regulatory action and training/ communications
		Sustained	Non-financial	Indirect and reputational	Bank	

For details of the main impacts generated, see the chapter "Materiality Analysis and Stakeholder Engagement"

Diversity, understood as plurality, and the inclusion of diversity in the Company, are essential priority values that make it possible to enhance and attract talent, promoting organisational well-being and productivity.

In response to the change, Banca MPS set up an **Equal Opportunities Committee quite some time ago**. This joint committee between the Company and Trade Unions has the task of agreeing on the female employment indicators at company level, as well as identifying appropriate empowerment policies. The Committee's activity was strengthened for the purpose of finding tangible solutions to enhancing the potential of People, each with their own diversities, regarded as factors for the Bank's cultural and social growth. Equally significant is the analysis conducted by the Corporate Observatory, a joint body set up to monitor interaction between personnel in the different operating entities with communications models that engage individuals at all levels. It also monitors relations to preserve individual personality and maintain high quality-of-life standards in the company. The Corporate Observatory is tasked with specifically monitoring situations potentially detrimental to the dignity of all workers.

In 2023, the evolution and strategic importance that D&I topics represent for the Group led to the definition of a specific organisational responsibility and the **creation of a dedicated corporate function.**

Diversity, understood as plurality, and the inclusion of diversity in the Company, are **essential priority values** that make it possible to **enhance and attract talent, promoting organisational well-being and productivity**.

Gender equality certification

In line with the 2022-2026 Business Plan, "*A clear and simple commercial bank*", the key result of 2023 is the pre-certification and obtaining the subsequent Gender Equality Certification based on the UNI/PdR 125:2022 Reference Practice. The current legal and regulatory context, in fact, recommends that companies adopt policies and management systems that envisage the measurement, reporting and assessment of gender-related data with the aim of closing existing gaps and developing a new model on equality that is integrated into the DNA of organisations and generates sustainable, permanent change.

Taking this context into consideration, the **Policy on Gender Equality** was published, available on the Group website: a document in which the Company informs all stakeholders of its commitments in terms of promoting diversity, inclusion, fairness and equality that the Company aims to pursue in all phases of the professional life of each person, organisational and operational aspects, internal and external communications and its relations with the community.

To verify the application of principles contained in this document, a **set of indicators** dedicated to gender equality and D&I was defined, subject to monthly monitoring. The indicators already covered in the disclosure, in addition to the percentage of roles of responsibility, refer to analysis of the developments in responsible positions and the breakdown by gender in the following areas: turnover analysis, salary reviews, grading, performance appraisal, candidates/selections from external recruitment procedures and training provided.

In order to ensure the monitoring of activities and areas relating to gender equality, in accordance with the **UNI Reference Practice PdR 125:2022**, a **Gender Equality Management System** was set up, with a specific focus on the communication plan, on the training plan, on the internal audit system and on the management of non-compliance.

To pursue continuous improvement in the areas of gender equality and inclusion, the System envisages the preparation, management and updating of a **Strategic Plan on gender equality**, defining objectives and decisive action to close the gaps identified from analysis of the dedicated indicators: the Plan is shared and approved by a special **Steering Committee** composed of members of Top Management.

Gender equality certification (Italian Law 162/2021)

The MPS Group has obtained Gender Equality Certification which, through accredited Bodies operating on the basis of the UNI/PdR 125:2022 Reference Practice, confirms compliance of the business organisation with the principles of gender equality.

The gender equality certification system is envisaged in the NRRP, as part of Mission 5 "Inclusion and Cohesion", and is governed by Italian Law 162/2021 and Italian Law 234/2021 with the aim of promoting greater inclusion of women in the jobs market, reducing the gender pay gap, increasing opportunities in business and protecting maternity.

In line with the Gender Equality Policy, with the aim of creating a work environment free from discrimination (including harassment, retaliation, vulgarity) and promoting transparent and inclusive conduct, the regulatory document "**Rules on preventing and combating gender harassment in the workplace**" was published. The document states "zero" tolerance towards violence and harassment in the workplace.

Monitoring diversity in the MPS Group

GRI 405-1

The attention to D&I is strengthened with the **enhancement of KPIs** in line with the document "Rules on Inclusion" and constant monitoring of existing KPIs such as **the percentage of responsible roles held by women**. This KPI was indicated as a **Smart target** for the two-year period 2021-2023, in line with commitments undertaken after joining the UNEP FI *Principles for Responsible Banking* and in line with the UNI/PdR 125:2022 Reference Practice relating to gender quality certification. The set objective of reaching coverage of **35% of women in responsible roles**[52] by the end of 2023 was already achieved at the end of 2022 (35.9%) and exceeded at the end of 2023, now standing at 37.0%. This indicator will continue to be one of the most monitored KPIs for achieving the objective set in the Business Plan, i.e. 40% in 2026.

The Gender Pay Gap

The Montepaschi Group has paid special attention to the issue of gender pay equality at all levels and, for this reason, has decided to report the standard relating to the **basic salary ratio**[53] between men and women, and likewise the **remuneration ratio**[54] between genders (see table in the appendix). The average basic salary of Group employees is EUR 50,258. The figure for women is EUR 46,561 and for men EUR 54,525. The gap in the average salaries for women and men, around EUR 8,000, is partly determined by the fact that most recourse to part-time work is by women (94.7% of part-time workers are women and they represent 10.6% of total Group employees).

Recalculating these values for FTE, to eliminate distortion caused by greater recourse to part-time work by female staff, the values obtained are EUR 51,502 as average total basic salary, EUR 48,626 for women and EUR 54,690 for men, indicating a gap of around EUR 6,000.

The ratio of average basic salary between women and men, calculated for FTE, is therefore 88.9%. This ratio was also broken down by category: executive managers 85.1%, middle managers 93.3% and office staff 101.0%.
The ratio of the average basic salary of women to men was 88.9% (88.6% in 2022, 90.8% in 2021 and 91.0% in 2020).

The average Group employee remuneration is EUR 50,730. The figure for women is EUR 46,846, whilst it is EUR 55,212 for men. The gap of around EUR 8,400 is partly determined, as for the average monthly salary, by the fact that the use of part-time options is almost exclusively by women. Recalculating these values for FTE, to eliminate distortion caused by greater recourse to part-time work by female staff, the values obtained are EUR 51,985 as average total basic salary, EUR 48,923 for women and EUR 55,379 for men, indicating a gap of around EUR 6,500.

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[52] The following are resources with positions of responsibility: in the General Management Division (BMPS and other Group companies), heads of structures up to sector level (Chief Executive Officer, General Manager, Deputy General Manager, Head of Division, Head of Level I, II and III Structures, Area, Service, Staff, Technical Secretariat, Office and Sector), Regional Sales & Distribution Divisions (Business and Private Regional Managers, Retail Regional Managers, Private Managers and Retail District Managers), Regional Credit Divisions (Business and Retail RCD Managers, and in the Network the Branch Managers and Heads of Specialised Centres (e.g., Business, Private, etc.).

[53] In the table on **basic salary** we have used the GAR, which in addition to basic salary also includes seniority pay increases, ad personal salary scale reviews and National Collective Labour Agreement and CIA forecasts, past and present. The GAR elements cannot be withdrawn at the discretion of the company, and are therefore considered part of the basic pay due to the employee. The figures are theoretical.

[54] In the table on **remuneration**, illustrated in the sense of recurring rather than deferred remuneration, we have used the TAR, which in addition to amounts covered by the GAR also include indemnities associated with the employees role/position and with length of service/ stability/non-compete arrangements in the employee's contract. All TAR elements in addition to the GAR can be cancelled if the conditions underlying their assignment should change.

The remuneration indicator for women compared to men, calculated for FTE, is therefore 88.3%. This ratio was also broken down by category: executive managers 86.1%, middle managers 92.8% and office staff 100.6%.

The ratio of average remuneration of women to men was 88.8% (87.8% in 2022, 90.5% in 2021 and 90.2% in 2020). In 2023 there was a realignment of women's pay.

In order to steer mitigation actions targeting gender balance and equal pay and consequently guarantee equal pay levels for equal work, experience and other objective elements envisaged in the EBA Guidelines (EQUAL PAY), the Bank has allocated a specific portion of its funds to this purpose.

Initiatives to promote inclusion

ABI Associazione Bancaria Italiana

In 2023, participation in **ABI's Women in Banking Charter Working Group** was confirmed, and membership as supporter bank in the D&I in Finance Project, designed to consolidate action undertaken in the banking and financial industry and by other entities in favour of **inclusion**, **fairness** and **promotion of diversity** to provide banks, insurance companies, institutions and other businesses with opportunities to study the correlation between the culture of diversity and accessibility and the strategic and business levers. As part of the D&I in Finance Project, two Bank personnel completed the Diversity Manager professional skills course.

Valore D

The **partnership with Valore D**, **consolidated further in 2023**, continued with participation in intercompany Mentoring programmes involving people from companies in different Industries; **training activities for** men and **women in managerial roles** at various levels (C-Level School, Middle Manager, Senior Manager); and the **Young Talent path**, for men and women in the early stages of their professional growth. The Bank also took part in the survey "**Beyond the generations - Experiences, work relations**": an initiative to map the generations present in the company, identify the values and needs of individuals and study relations between colleagues of different ages.

DEDICATED DIVERSITY & INCLUSION INITIATIVES

Plural Management Project	**Training continued in 2023 to raise awareness of respect for diversity and inclusion**, particularly in relation to gender and disability, and a focus on the Gender Equality Policy. A total of 2,432 managers have completed the course, including 344 in 2023.
Women Leadership Program	The ***Women Leadership Program*** also continued, having evolved into ***Growth Together***: a laboratory to support the managerial development of women in positions of responsibility, fostering self-awareness, knowing their own skills and setting firm objectives. Since its launch in 2021, the project has seen the participation of 509 women managers from all the business lines.
Top Management training	The active involvement of Top Management on D&I topics was accompanied by a dedicated educational focusing on gender equality, with input from Maria Cristina Bombelli, President of Wise Growth.
Disability Lab meetings	In 2020, BMPS took part in the **"Disability and Work" research project promoted by Fondazione Istud, Wise Growth and Valore D**. "Disability and Work". This is the first project of a growing network of companies called "Disability LAB" which, starting from the research results, encourages dialogue between companies to implement tangible action plans. The **Disability Lab meetings** that began in April 2021 continued in 2023. The following topics were discussed in particular: "Disability: let's start with the words", "Work and disability" and "Beyond the fears". Banca MPS actively participated, illustrating the "Inclusion Week" initiative at one of the planned meetings.
Unconscious Bias	The **Unconscious Bias** course was made available to the entire corporate population with the aim of learning about the phenomenon of bias and reflecting on how it can influence perception and opinions in our relations. Unconscious bias was added to the list of "courses necessary for access to the 2023 Incentive System".
Training on fighting harassment in the workplace	The focus on gender policies was strengthened with the creation and dissemination of the course on Fighting Harassment in the Workplace, organised in collaboration with Valore D. The online course targeting all personnel has so far been attended by 12,609 staff.
D&I page on the corporate intranet	Publication of an **intranet section** fully **dedicated to Diversity & Inclusion**, where opinions can be expressed and suggestions put forward, including reading recommendations, videos, newsletters and so on. The page is constantly updated with internal and external news and a "word of the month", which aims to clarify the meaning of certain terms that are commonly used but never 100% correctly.
D&I training for new recruits	The induction courses for new recruits include a special educational, taught in-house, dedicated to the topics of Diversity & Inclusion.
Inclusion Week	Virtual classroom events were held from Monday 6 March to Thursday 9 March involving all Group personnel, on a voluntary basis, to reflect on the proper use of words, overcome bias and promote the use of increasingly thoughtful, inclusive language. After these classroom events, a dedicate *Guide* was published for internal use, containing the results emerging from debate among the participants.
We support wonderful little ideas	An initiative dedicated to the family members of Group personnel, inspired by the topics of Inclusion and Sustainability. The participants put together a paper, based on three types of project: a design focusing on the environment (**E**nvironmental), a slogan dedicated to social topics (**S**ocial), and a document formulating advice that could be given at an imaginary UN conference with the Heads of State of the main member countries (**G**overnance). The entire corporate population then voted on the projects.
Open Jam	As part of the plans to strengthen the commitment to promoting diversity and the dissemination of an inclusive culture, Banca MPS participated in the "Open Jam 2023" initiative, promoted by The European House-Ambrosetti and centred on discussion between the generations present in Italian businesses, proposing this as an ongoing and valuable observation point on young people entering the jobs market.

"Foster **governance** designed to **promote relations with Customers** based on **responsibility** and **transparency** and promote **sustainable economic development**."

OUR FOCUS

ECONOMIC VALUE GENERATED AND DISTRIBUTED

REVENUE TRENDS

3.5 Our Integrity

3.5.1 Financial performance and soundness

GRI 3-3 GRI 201-1

Our Approach

The Group's financial performance and soundness are confirmed by **adequate capitalisation, performance and financial soundness** necessary to support the general stability of the financial system and **improve confidence** in it, in addition to supporting employment and **development of the social and economic fabric**, in full compliance with the regulatory restrictions of market rules.

THE MAIN GROUP POLICIES ON THE TOPIC

2022-2026 Business Plan "A clear and simple commercial bank"

2023 RESULTS

18.1% CET1 Ratio Fully Loaded for 2023

Net profit of **EUR 2,052 mln**

Growth in total revenues of 21.7% YoY

OUR COMMITMENT

>18% CET1 Ratio Fully Loaded by the end of 2024

EUR 705 mln earnings (before tax) by the end of 2024

EUR +424 mln in commercial revenues by the end of 2024

The table below provides a description of the main risks for the Group related to material topics in this chapter, and the approach adopted to manage them, in consideration of the internal business processes.

MAIN RISKS ASSOCIATED WITH THE TOPIC "FINANCIAL PERFORMANCE AND SOLIDITY"						
Main topics	Potential risk	Nature of associated risks			Stakeholders affected	Main management and mitigation controls
capacity to generate value on an ongoing basis and sufficient to support the business model and its future development maintain sufficient capital strength to be resilient to adverse scenarios in the business environment	> reduced capacity to sustain adverse scenarios due to external circumstances > reduced capacity to change/adapt the business model in line with changes in the reference context	Sustained	Non-financial	Direct and business-strategic Indirect and reputational	Bank	> medium/long-term strategic planning > stress test programmes (institutional and internal) to verify and, if necessary, adjust the Bank's resilience in adverse scenarios, with scenarios used in internal assessments (ICAAP and ILAAP) and for RAS purposes. > Risk Appetite Statement and Framework > the MPS Group prepares and constantly updates its Recovery Plan and Resolution Plan, in addition to adopting the Corporate Governance Code > the Sustainability Plan outlines the development of the business model in the current and forward-looking reference contexts, also with a focus on ESG topics.

For details of the main impacts generated, see the chapter "Materiality Analysis and Stakeholder Engagement"

During 2023, the major global economies were heavily involved in a process of normalisation, after two years of pandemic and the outbreak of the war in Ukraine, and in an overall framework in which central banks contributed to gradually reducing inflation, leveraging rates with a cycle of increases that seems to have plateaued.
This is the economic context that Banca Monte dei Paschi di Siena operated in, achieving important economic and financial results, strengthening its role as a commercial bank in Italy and generating sustainable profitability.

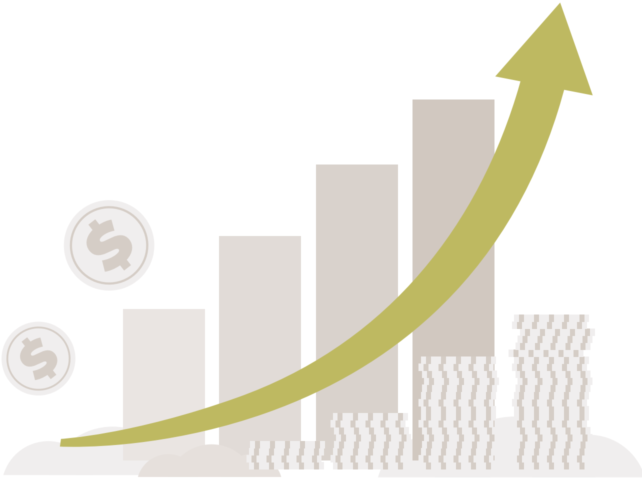
In particular, in the presentation of its year-end results, after 13 years the Bank was able to announce the return to distribution of a **dividend to its shareholders** of EUR 0.25 per share, for a total of EUR 315 mln.

The MPS Group closed 2023 with net profit of EUR 2,052 mln (compared to a EUR 178 mln loss in 2022).

NET PROFIT OF
EUR 2,052 mln

EUR 3,797 mln
TOTAL REVENUES
+21.7% COMPARED TO 2022

EUR 1,843 mln
OPERATING EXPENSES
CONFIRMING THE CONSTANT
DOWNWARD TREND (-12.6% YOY)



Revenues amounted to EUR 3,797 mln, **up 21.7%** compared to the previous year. This trend is attributable to the growth in Net Interest Income (EUR 2,292 mln, +49.3% YoY) which, as regards lending, benefits from the favourable interest rate scenario, in a context of careful monitoring of the cost of funding. The positive performance of Net Interest Income more than offset the lower contribution of Net Fee and Commission income (EUR 1,322 mln, -3.1% YoY) recorded above all on income from asset management, due to the changed market scenario, and other revenue components.

Operating expenses totalled EUR 1,843 mln, recording a strong decrease compared to 2022 (-12.6%), fully benefiting from the workforce downsizing at the end of 2022.

The Group's gross operating income in 2023 therefore stood at EUR 1,954 mln, almost double the previous year's figure.

The cost of customer credit in 2023 was EUR 440 mln (EUR 417 mln in 2022), corresponding to 57 basis points.
Net operating income stood at EUR 1,511 mln, more than double the EUR 594 mln recorded in 2022.

Also contributing to the Group result in the last quarter was the **release of provisions for risks and charges of EUR 466 mln** following a series of favourable outcomes of legal proceedings that reduced the total claim (possible or probable) against the Bank.

Another contribution to the result for the year came from the item Tax expense (recovery) on income from continuing operations, which in 2023 recorded a positive EUR 345 mln, mainly due to the DTA valuation.

As regards the **balance sheet aggregates**, at the end of 2023 direct funding volumes amounted to EUR 90.6 bn, up EUR 8.6 bn on the figure as at 31 December 2022, with funding essentially stable in relation to the current accounts component and up significantly for time deposits.

In terms of **indirect funding**, 2023 closed with a total of EUR 96.8 bn, an increase of EUR 4.4 bn, largely in the volume under administration given the renewed interest in government securities.

Loans to customers **increased by EUR 0.5 bn over the year to reach EUR 76.8 bn**. The higher number of repo transactions and the increase in other loans, also due to the growing internal component of consumer credit, more than offset the decline recorded in mortgages, penalised by slowing demand and the Group's selective approach.

With regard to asset quality, the Bank closed the year with total gross non-performing loans to customers of EUR 3.5 bn, up slightly on the end of 2022 (+EUR 0.2 bn). The Gross NPE Ratio was consequently 4.4% compared to 4.2% at the end of 2022, with a gross non-performing loans coverage ratio of 49.1%, up 1 p.p. on 2022, and bad loans coverage ratio of 68.1%, up 3 p.p. compared to the end of 2022.

The solid liquidity position is also confirmed, with LCR values above 160% and NSFR of 130%, calculating an increasingly reduced dependence on ECB liquidity.

As a result of the profits achieved throughout the year, despite an increase in RWA, the Bank closed 2023 with much stronger capital values: the Common Equity Tier 1 Ratio, in fact, rose to 18.1% (15.6% in 2022), with a broader buffer than the SREP requirement at 8.56% and the Total Capital Ratio increased to 21.6% (19.5% in 2022, compared to an SREP threshold of 13.27%). These capital levels already take into account the EUR 315 mln proposed dividend for shareholders. If dividends are also included, the Common Equity Tier 1 Ratio would be 18.8%.

EUR 3.54 bn
ECONOMIC VALUE GENERATED
AS AT 31 DECEMBER 2023

EUR 76.3 bn
LOANS TO CUSTOMERS
AS AT 31 DECEMBER 2023

The Bank closed 2023 with **much stronger capital values**.

Economic value generated and distributed

The economic value generated is calculated according to Italian Banking Association instructions and in line with international reference standards.

As at 31 December 2023, the economic value generated was around EUR 3.54 bn, the increase compared to the previous year's value of EUR 2.85 bn being mainly due to i) the higher net interest income driven primarily by the increased contribution of the commercial sector, which benefited, inter alia, from higher interest income on loans, generated by the increase in interest rates, only partially offset by the higher interests on collections, ii) the higher contribution of the portfolio of securities as a result of higher yields.

The economic value is represented by the Net profit (loss) from financial management - which therefore also takes into account impairment losses on loans and other financial assets - plus the share of realised gains and losses on equity investments and other net operating income. The total economic value generated expresses the value of wealth produced, which is for the most part distributed among the counterparties:

The **economic value generated** is calculated **according to ABI instructions** and **in line** with international **reference standards**.

employees and contract staff accounted for around **35% of the economic value generated**, totalling EUR 1.24 billion (EUR 2.37 billion in the previous year). The significant decrease is mainly due to the full-year benefits related to the 2022 redundancy/solidarity fund measures; this decrease was only partly offset by the higher charges related to the renewal of the National Collective Labour Agreement for bankers and the variable incentive component of remuneration, which was not planned for 2022. In addition to employee remuneration, the total also includes fees paid to the networks of financial advisors;

suppliers benefited from **approximately 19% of the economic value generated**, totalling EUR 0.67 bn paid for the purchase of goods and the provision of services (EUR 0.69 bn in the previous year);

The State, Bodies and Institutions recorded a total inflow of resources of EUR 0.29 bn, **approximately 8% of the economic value generated** and ascribable for around EUR 161.7 mln to indirect taxes and duties and around EUR 133.7 mln to taxes and charges related to the banking system, represented by contributions paid to resolution and guarantee funds.

The remaining amount, approximately EUR 1.3 billion, was retained by the group and mainly comprised deferred tax assets and liabilities, depreciation and amortisation, provisions for risks and charges and retained earnings.

Revenue trends

As at 31 December 2023, the Group achieved total revenues of EUR 3,797 mln, up by 21.7% compared to the previous year.

This trend is attributable to the growth in Net Interest Income which, as regards lending, benefits from the favourable interest rate scenario, in a context of careful monitoring of the cost of funding.
The positive performance of Net Interest Income more than offset the lower contribution of Net Fee and Commission income (recorded above all on income from asset management, due to the changed market scenario) and other revenue components.

The table below shows the trend in revenues for each operating segment identified in accordance with IFRS8.

EUR 3,088 mln

TOTAL REVENUES

+ 21.7% COMPARED TO 2022

SEGMENT REPORTING	**SALES & DISTRIBUTION SEGMENTS**								**CORPORATE CENTER**		**TOTAL MONTEPASCHI GROUP**	
Main business sectors	***Retail Banking***		**Wealth Management**		***Corporate Banking***		**Large Corp. & Investment Banking**					
(€ mln)	31/12/23	% Chg. Y/Y	31/12/23	% Chg. Y/Y	31/12/23	% Chg. Y/Y	31/12/23	% Chg. Y/Y	31/12/23	% Chg. Y/Y	**31/12/23**	% Chg. Y/Y
ECONOMIC AGGREGATES												
Net interest income	1,132.8	n.s.	54.9	n.s.	1,024.1	n.s.	127.8	-5.1%	(47.6)	n.s.	**2,292.1**	49.3%
Net fee and commission income, of which	755.9	-5.5%	109.8	-1.6%	490.9	0.9%	56.1	23.9%	(90.9)	14.9%	**1,321.9**	-3.1%
Fee and commission income	834.1	-4.7%	110.6	-1.7%	505.8	-0.8%	87.0	0.8%	14.9	n.s.	**1,552.5**	-2.4%
Fee and commission expense	(78.2)	4.3%	(0.8)	-8.1%	(14.9)	-36.1%	(30.8)	-24.8%	(105.8)	22.4%	**(230.6)**	1.7%
Other income from financial and insurance management	69.8	0.3%	17.0	-10.8%	23.9	-3.2%	50.3	n.s.	9.1	87.0%	**170.1**	-11.4%
Other operating income (expenses)	(7.7)	n.s.	(1.3)	n.s.	(4.6)	-5.9%	0.7	-24.3%	25.7	-18.7%	**12.8**	-53.5%
Total Revenues	1,950.8	55.2%	180.5	33.0%	1,534.2	53.7%	234.9	23.9%	(103.7)	n.s.	**3,796.8**	21.7%

* The income statement figures as at 31 December 2022 have been restated, compared to those published at the reporting date, not only due to the aforementioned retrospective application of accounting standards for insurance associates, but also to take into account the discontinued application of reclassifications on PPA and rental income.

"Foster **governance** designed to **promote relations with Customers** based on **responsibility** and **transparency** and promote **sustainable economic development**."

OUR FOCUS

THE 231 MODEL AND DISCLOSURE OF CRITICAL ISSUES

THE FIGHT AGAINST CORRUPTION AND MONEY LAUNDERING

INTERNAL AUDITING AND WHISTLEBLOWING

TAX TRANSPARENCY

ARM'S LENGTH

3.5.2 Integrity of business conduct and the fight against corruption

GRI 2-23 GRI 2-24 GRI 2-25 GRI 2-26 GRI 2-27 GRI 3-3 GRI 205-2 GRI 205-3 GRI 206-1 GRI 207-1 GRI 207-2 GRI 207-3 GRI 207-4

Our Approach

Legality and **business integrity** are **essential and inescapable elements** for the Montepaschi Group: ensuring that business conduct is in line with ethics principles and risk culture, responsibility and legality, compliant with the Code of Ethics, through the dissemination of models, codes and procedures that form the basis for everyday operations of the Group and aid the pursuit of strategic objectives with a view to sustainable success. The **dissemination of business ethics founded on a culture of integrity** facilitates reputational improvement and relations with stakeholders and Customers.

THE MAIN GROUP POLICIES ON THE TOPIC

- Group Directive on the management of regulatory obligations relating to Italian Legislative Decree 231 on administrative liability
- Code of Ethics
- Group Directive on the Management of Conflict of Interest in the provision of investment services
- Group Policy on Combating Money Laundering and Terrorist Financing
- Group Directive on the management of whistleblowing systems
- Policy on the internal control system
- Group Directive on Compliance Risk Management

2023 RESULTS

Ongoing training on anticorruption, whistleblowing and the 231 Models (**99% of employees have received specific training on the latter**)

Preparation of ESG Framework for Internal Audit

Constant **monitoring of business activities at risk of offences** and continuous maintenance of the 231 Models of Group companies and related monitoring procedures and controls

Decisive and clear **data-driven approach** to managing extraordinary legal action, particularly out-of-court action

OUR COMMITMENT

The table below provides a description of the main risks for the Group related to material topics in this chapter, and the approach adopted to manage them, in consideration of the internal business processes.

MAIN RISKS ASSOCIATED WITH THE TOPIC "INTEGRITY IN BUSINESS CONDUCT AND THE FIGHT AGAINST CORRUPTION"

Main topics	Potential risk	Nature of associated risks			Stakeholders affected	Main management and mitigation controls
compliance with external regulations, agreements, standards and codes of conduct	> fines and sanctions > damage to corporate image	Sustained	Non-financial	Direct and operational Indirect and reputational	Bank	> Code of Ethics > Adoption of an updated 231 Model with indication of monitoring procedures and controls to mitigate risks > Adoption of an anticorruption policy and whistleblowing reporting channels > Training on the 231 Model, Code of Ethics and Anticorruption provided to all Group employees.

For details of the main impacts generated, see the chapter "Materiality Analysis and Stakeholder Engagement"

Respect for human rights

The Group is committed to complying with the United Nations' Universal Declaration of Human Rights, promoting the protection of human rights, including the principles on child labour and forced labour, and conduct inspired by integrity and respect in line with the UN Global Compact principles and the UNEP Principles for Responsible Banking.
The Group also assesses organisations with which it has direct or indirect relations in terms of professionalism and reliability. It also monitors any implication of their involvement in unlawful activities, harmful to human rights and damaging to the health and safety of humans, nature and the environment. Lastly, the Group is committed to ensuring suitable working conditions and environments, in line with occupational health and safety regulations.

The Internal Control System

The Internal Control System adopted by the Group seeks to ensure that risks are identified, measured, managed and monitored so as to enable sound, proper business management in line with pre-established objectives. To do so, the Montepaschi Group adopts an **Internal Control System Policy** representing the reference framework for internal control systems and incorporates the principles and guidelines which must underpin the design, operation and development of a "complete and reliable" control system. This is a System of rules, functions, structures, resources, processes and procedures that work to ensure sound business management.

The Internal Control System therefore plays a **strategic role in the Group** and the culture of control holds a significant position in the scale of corporate values, involving the entire organisation in the development and the application of logical and systematic methods for identifying, measuring, communicating and managing risks.

First-level controls, aimed at ensuring the correct performance of transactions and monitoring by operating structures that are primarily responsible for the risk management process

Second-level controls, for correct implementation of the risk management process, compliance with operating limits assigned to the Corporate Functions and regulatory compliance

Third-level controls, performed by the Internal Audit Function, aimed at identifying violations of procedures and regulations as well as periodically assessing the adequacy, function and reliability of the Internal Control System, with a frequency established based on the nature and severity of the risks

TYPES OF CONTROL

The Group is committed to **combating corruption**, **promoting** the **protection of human rights** and adopting **conduct based on integrity and respect**.

Managing compliance in the Group

GRI 2-23 GRI 2-24

The Montepaschi Group's organisation model and structure envisage that all corporate structures are responsible for basing their conduct on **ethics and risk culture principles** and promoting a **corporate culture based on ethics, accountability and legality**, in compliance with the Code of Ethics.

Among its key principles, the Montepaschi Group Code of Ethics demands respect for human rights in all Group activities and in relations with its stakeholders.

In addition to Code of Ethics rules, the Group is committed to complying with internal regulations and procedures, external codes and arrangements, national and international, it has adopted (Corporate Governance Code, sector-specific Codes of Conduct, UN Global Compact, UN Universal Declaration of Human rights, UN Environment Programme, Principles for Responsible Banking - UNEP FI, etc.), contractual provisions and legal and regulatory obligations in force in every geographic context and area of business in which it operates.

The Group assesses organisations with which it has direct or indirect relations in terms of professionalism and reliability. It also monitors any implication of their involvement in unlawful activities, harmful to human rights and damaging to the health and safety of humans, nature and the environment.

In line with the adopted UN Global Compact principles and the UNEP Principles for Responsible Banking, the Group is committed to combating corruption, promoting the protection of human rights and adopting conduct based on integrity and respect.

CENTRALISED COMPLIANCE MODEL

Direct monitoring by the Compliance Function
of all regulatory areas in the scope of activities of the Parent Company and supervised Italian subsidiaries of the Group

Provision of services by the Compliance Function to the Group's Italian subsidiaries
relating to oversight of regulatory compliance, using methods and procedures aligned with Supervisory Authority provisions and based on the guidelines and principles established by the Parent Company for the Internal Control System and outsourcing of corporate control functions.

The culture of risk and legality is widespread and extended to all levels of the organisational structure. In this respect, the adoption of the **231 Model**, the new Group Code of Ethics, the **Anti-Corruption Policy and the whistleblowing system** are valid tools for raising awareness and preventing the crime of corruption and unlawful conduct in general. The coordination and standardisation of activities designed to combat corruption are ensured at Group level through the "**Centralised Compliance Model**".

The responsibilities of monitoring compliance risk in each regulatory area applicable to the Bank (and to the Group) are specifically identified in the Group's Rule Map, which aligns the taxonomies of all Group companies by dividing the laws and supervisory measures into "regulatory areas" and "regulatory scopes". The taxonomy covers all the external regulations with which the **Compliance Function** monitors compliance.

Excluded from the scope of Compliance Function responsibilities are regulatory areas for which compliance risk monitoring is ensured by another second-level Corporate Control Function. Also excluded is the compliance monitoring assigned to Control Functions established pursuant to legal regulations[55]. In relation to Risk Control, the scope of the Compliance Function extends to monitoring strategic regulations on compliance against internal and external regulations, through a dedicated exchange of information flows and suitable coordination mechanisms.

In this area, if the above functions carry out first level operating activities in corporate processes with impacts on Group compliance, with particular reference to customer relations, the Compliance Function can carry out the second level controls.

The organisation and management model.

GRI 2-23 GRI 2-24

For the Montepaschi Group, the culture of legality is a value disseminated internally. The adoption of the organisation, management and control model to identify activities at risk and the periodic assessment of mitigation controls (hereinafter also referred to as the "**231 Model**") are a valid awareness-raising tool to ensure that **fair and linear conduct is adopted to prevent the risk of offences being committed**[56].

The principles defined in the 231 Models of the Group companies aim to achieve **full awareness in any potential perpetrator** that they are committing an unlawful act that is strongly condemned by the Group companies and is in conflict with their interests and, through constant risk monitoring, allow each Group company **to prevent or promptly react to the commission** (or attempted commission) of the offence. The Group's 231 Models include specific regulatory, organisational and control measures aimed at preventing the risk of corruption. These models are prepared using the "231 risk self-assessment" method, which assesses the adequacy and effectiveness of the measures implemented to mitigate the risks and controls for all activities in which the risk of corruption may materialise.

Each Group company has its own **231 Supervisory Body**[57] (responsible for supervising the operation of and compliance with the Models), requiring periodic and event-specific information flows from company functions to the Group 231 SBs, and has introduced a disciplinary system suitable for inflicting penalties for non-compliance with measures detailed in the 231 Model and, lastly, defined Control Protocols drawn up for each corporate organisational structure.

Download the Group's 231 Model here
.

The Parent Company's 231 SB provides guidance on implementing and updating the Models of Montepaschi Group companies.

The current **231 Model**, approved by the Board of Directors on 16 June 2022, is pending review. The updating activity will be completed during 2024.

[55] 231 Supervisory Body and the Financial Reporting Officer, pursuant to Italian Legislative Decree 231/2001 and Italian Law 262/2005, respectively
[56] Contained in Italian Legislative Decree 231/2001, "Regulation on the administrative liability of legal entities, companies and associations, including those without legal personality"
[57] The Boards of Directors of each Group company make an annual allocation of funds to each 231 SB
of funds required to acquire the services and consulting needed to discharge its institutional duties.
The 231 SB has reporting obligations as defined in 231 Models pursuant to art. 6, paragraph 2, letter d) of Italian Legislative Decree 231/2001.

Download the company Code of Ethics

Among its key principles, the **Montepaschi Group Code of Ethics** demands **respect** for **human rights** in all **Group activities** and in **relations** with its **stakeholders**.

The Group Code of Ethics

The Montepaschi Group Code of Ethics sets out the **principles, guidelines and rules of conduct that the Group undertakes to follow in all its activities** and is an essential component of the general part of the 231 Models of the Group Companies.

Among its key principles, the Montepaschi Group Code of Ethics demands respect for human rights in all Group activities and in relations with its stakeholders.

The Code of Ethics defines **Montepaschi Group's *mission*** to create value for all significant stakeholders, envisaging a sustainable long-term development model, ensuring the growth of its Customers and local areas, contributing to a more equitable society, and offering growth and equal opportunities to its employees.

The Code of Ethics and all its amendments are submitted to the Board of Directors of the Parent Company, Banca Monte dei Paschi di Siena S.p.A., for approval. The Group companies receive and apply the Code.

Application of the Code is ensured through the **Internal Control System**, which is an essential element of the overall governance system of a company.

There are also:

- the **Control Functions** which, as a result of legal, regulatory, statutory or self-governance provisions, are assigned control duties;
- the **Internal Audit Function** which through audit and control activities verifies the regular performance of operations and the evolution of risks, in addition to assessing the completeness, adequacy, functionality and reliability of the organisational structure and of the other components of the Internal Control System.

Any non-compliance and conduct considered not in line with the provisions of the Code can also be detected by each corporate function, as part of control activities relating to their own spheres of responsibility. The related reports are also submitted to the Compliance Function and Internal Audit Function through the "Sisifo" formal communications transmission procedure. These are treated confidentially and analysed to verify their materiality, and arrange any necessary remedial and/or improvement actions.

The Compliance Function examines the reports for aspects under its responsibility, also informing the Internal Audit Function. Through its audit activities, the latter assesses and ascertains any conduct that could qualify as a violation of the Code, and presents the results to the relevant corporate bodies and the 231 Supervisory Body (hereinafter also the 231 SB).

An **online training course on the Group Code of Ethics in force** is available to employees.

As part of the updating of the Banca MPS 231 Model, in progress in 2023, the Group Code of Ethics is also being reviewed given that it is a key element of the general part of the 231 Model. The review activity will be completed during 2024.

Communication of critical issues

GRI 2-16

Based on their respective responsibilities, when carrying out their duties each Corporate Control Function is required to:

- periodically report to the Corporate Bodies on the results of audits conducted and/or promptly communicate any critical issues found. In particular, the Corporate Control Functions must submit an annual report to the Board of Directors illustrating the audits conducted, related findings, weaknesses detected and action identified to eliminate the shortcomings. For aspects under their responsibility, each Corporate Control Function reports on the completeness, adequacy, operations and reliability of the ICS;

- monitor the correct resolution of shortcomings and critical issues found by the structures responsible for the remedial action, periodically reporting on such activities to the Corporate Bodies (D. 793 - Internal Control System Policy).

The Compliance Function is responsible for defining and updating the overall Compliance Risk Management process and, in this respect, its assigned duties include the preparation of adequate and prompt information flows addressed to the Corporate Bodies, also on the basis of disclosures and annual statements received from the Prevention, Protection and Environment Function of BMPS and the BMPS Tax Compliance Function. (D. 1277 - Group Directive on Compliance Risk Management). Quantitative data on the critical issues found by the Compliance Function in 2023 are provided below. Together with the details of each issue, these are illustrated and reported each quarter to the Corporate Bodies (e.g., Quarterly Report to the Board of Directors, Compliance Dashboard).

PERIOD	OPENING STOCK	OPENED	CLOSED	CLOSING STOCK
Q1 2023	19	12	5	26
Q2 2023	26	3	10	19
Q3 2023	19	2	9	12
Q4 2023	12	6	9	9

Conflict of interest management

GRI 2-15

With prior opinion in favour from the Related Party Transactions Committee and the Board of Statutory Auditors, the Board of Directors approved:

- **the "Group Directive on the management of regulatory obligations concerning related parties, associated parties and obligations of banking representatives"**, which brings together into a single document the provisions applicable to the Group on conflict of interest management pursuant to Consob Regulation no. 17221/10 on Related Parties, Chapter 11, Third Part of Bank of Italy Circular no. 285/13, art. 136 of the Consolidated Law on Banking and art. 88 of Directive (EU) 2013/36;
- **the "Group Directive on managing regulatory obligations in conflicts of interest involving personnel"**, which defines the MPS Group policy for identifying and preventing or managing economic or non-economic conflicts of interest involving personnel, including members of the Board of Directors, which could affect the performance of their duties and responsibilities, adopting measures compliant with the provisions of Bank of Italy Circular no. 285/2013, the EBA Guidelines on Internal Governance for banks and investment firms (section 12), and also taking into consideration articles 2391 and 2629 of the Italian Civil Code, the provisions of articles 53 and 136, Italian Legislative Decree no. 385 of 1 September 1993 (Consolidated Law on Banking) and the regulations on related party transactions;

The Group pursues **the objective** of **full dissemination** of the **culture of anti-corruption**.

The **"Group Directive on the Management of Conflict of Interest in the provision of investment services"**, which defines the MPS Group policy for identifying and preventing or managing any conflict of interest in the provision of investment services, adopting measures compliant with the provisions of Directive (EU) 2014/65 of the European Parliament and of the Council ("MiFID II"), Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 (the "Delegated Regulation"), Italian Legislative Decree no. 58 of 28 February 1998, as amended ("Consolidated Law on Finance") and the Intermediaries' Regulation, adopted by Consob Resolution no. 20307 of 15 February 2018. The Board of Directors, Related Party Transactions Committee, General Manager and Board of Statutory Auditors receive reports concerning related party transactions as envisaged in the "Group Directive on the management of regulatory obligations concerning related parties, associated parties and obligations of banking representatives".

In relation to conflict of interest in the provision of investment services, top management[58] receives an annual report on the registration of investment activities that could give rise to conflict of interest. A case of conflict could be significant for both the regulations indicated.

The fight against corruption and money laundering

GRI 2-27 GRI 205-2 GRI 205-3

The Group is **committed to combating all forms of corruption** by adopting the principles promoted by the United Nations Global Compact Programme and the UNEP Principles for Responsible Banking, consistent with implementation of the rules of conduct set out in the Group's Code of Ethics.

To reinforce this principle, the Bank has issued a **code of conduct for all Montepaschi Group personnel** containing **guidelines for the prevention of acts of corruption**, which constitutes the reference framework for preventing corruption risks and strengthens the anti-corruption policy already outlined and implemented over time by the Group.

Prevention of corruption

The main safeguards on which prevention of corruption is based:

- zero tolerance of corrupt conduct or behaviour
- tracking of accounting transactions
- monitoring of events that could pose potential risk

[58] Art. 4.37 of MiFID II - "senior management": natural persons who exercise executive functions within an investment firm, a market operator, or a data reporting services provider and who are responsible and accountable to the management body for the day-to-day management of the entity, including for the implementation of the policies concerning the distribution of services and products to clients by the firm and its personnel.

The Group periodically identifies the **main areas that are "at risk of corruption"** and are associated with highly sensitive activities[59]. It establishes **structured processes** for them or integrates existing processes with detailed "anti-corruption" instructions. In addition to regulatory sanctions, any violation of anti-corruption provisions may lead to disciplinary action against the employee responsible, up to the most serious sanction of termination of employment.

Training on anti-corruption

- 2 online sessions on Anti-corruption: a training clip and a more structured course
- Specific Board Induction sessions on administrative liability of entities and the structure of Group 231 Models for the Boards of Directors of subsidiaries

In this respect, the Group pursues the objective of **full dissemination of the culture of anti-corruption**. It is therefore committed to undertaking risk self-assessments, periodically requiring that the Corporate Functions assess the probability of occurrence of risks and the effectiveness of related regulatory monitoring and controls, and a training and sensitisation plan for employees.

When mapping the risks of committing predicate offences for administrative liability of entities, the **following corruption risks** are assessed for each business process: Corruption in judicial acts; Corruption in an act contrary to official duties perpetrated by a public service officer; Corruption in an official act; Abuse of office; Bribery; Corruption in an act contrary to official duties; Embezzlement, Abuse of office, Incitement to give or promise benefits; Corruption and Bribery of members of European Community bodies and officials of the European Community and foreign countries; Bribery between individuals; Private bribery; Embezzlement; Unlawfully benefiting from the error of others.

In 2023, one instance of corruption by an employee was found, as part of criminal proceedings, and related measures were adopted.

In 2023, no significant cases of legal and regulatory non-compliance, without penalty of any kind or with a non-monetary penalty, were found, and there were no confirmed instances of corruption.

Relations with Public Administration

In its **relations with Public Administration**, which are particularly sensitive to the risk of corruption, the Montepaschi Group expressly prohibits the granting of political contributions or any disbursement in cash or in kind to support a particular political cause.

[59] These include: work assignments to suppliers; joint ventures, acquisition and sale of equity investments; gifts and entertainment; events and sponsorships; job offers; granting of credit; management of the purchasing cycle (expenditure); advisory services; transactions where the Bank acts as public service representative (subsidised loans); political contributions, donations, membership fees, non-profit; management of public services.

[60] Risk arising from the breach of legal, regulatory and self-governance provisions necessary for preventing use of the financial system for purposes of money laundering, terrorist financing or the financing of programmes for the development of weapons of mass destruction, as well as the risk of involvement in money laundering, terrorist financing or the financing of programmes for the development of weapons of mass destruction.

The 231 Model is provided to all members of the Board of Directors at the time of appointment, i.e. 14 members, or 100% of the Board. When updating the Organisational Model, the Board of Directors examined the regulatory document on Anti-corruption adopted by the MPS Group.

As part of the updating of the Banca MPS 231 Model, in progress in 2023, the regulatory document of the MPS Group on preventing corruption was also reviewed as it is a key element of the general part of the 231 Model. The activity will be completed during 2024.

Note that the conduct principles relating to anti-corruption are also indicated in the Code of Ethics and the Group Directive on administrative liability of entities, submitted to the Board of Directors for approval at the same time as the 231 Model.

In September 2023, a Board Induction session was held at which the training content on administrative liability of entities was presented to the Banca MPS Board of Directors, in which the corruption risks defined in the Banca MPS 231 Model are illustrated.

COMBATING MONEY LAUNDERING AND TERRORIST FINANCING

Another topic relating to legality on which the Bank focuses strongly is compliance with Italian and international regulations to **combat money laundering and terrorist financing**[60].

The activity of the **Complaints Function** must always be carried out with **maximum impartiality** and **neutrality** in **protecting the rights of stakeholders** and ultimately in **protecting the Bank's reputation**.

The **Anti-Money Laundering Function** is in charge of monitoring the risks in this area. At individual Company and Group level, responsibility is assigned to the **Chief Risk Officer Division**, which reports directly to the respective Boards of Directors. The Parent Company Anti-Money Laundering Function performs this function at central level also for the Italian subsidiaries of the Group.

The Board of Directors examines and approves the ***Anti-Money Laundering Policy*** and the **Annual Report** prepared by the Anti-Money Laundering Function, including the self-assessment of money laundering and terrorist financing risk and the action plan. Montepaschi Group monitoring of these risks is based mainly on the following activities:

- identifying applicable regulations, assessing the impact on processes and procedures, updating the internal regulatory framework;
- implementing suitable IT procedures for consistent risk management, due diligence, data and information storage, continuous monitoring of Customers and transactions, detection of potentially suspicious transactions and reporting to the Financial Intelligence Unit;
- assessing the adequacy of the risk management process and the suitability of the internal control system and procedures;
- providing anti-money laundering and anti-terrorism training to all employees.

Download the
Group Anti-Money Laundering Policy

Policy on financing political organisations

The Group Code of Ethics prohibits donations to movements or organisations whose purpose is purely political. Participation in promotional and marketing campaigns, in the framework of initiatives launched by political parties and trade unions, must comply with current laws and maximum transparency.

Group employees' participation, in a personal capacity, in political organisations must be outside working hours and with no connection to the function performed in the Company.

Complaints management

GRI 2-25

At present, disputes with customers can be classified as **complaints**, **mediation** requests pursuant to Italian Legislative Decree 28/2010, as amended, and assisted negotiations pursuant to Italian Legislative Decree 132/2014, as amended. In addition, if any complaint is denied or only partially settled or if no response is received by the established deadlines, customers can appeal to the Italian Banking and Financial Ombudsman (ABF), responsible for disputes relating to banking and financial products and services, and to the Securities and Financial Ombudsman (ACF) in relation to obligations of due diligence, fairness, information and transparency in the provision of investment services and collective asset management.

Operational monitoring of the entire complaints handling process, customers' appeals to the ABF or ACF and mediation is ensured by the **Complaints and Mediation Function**.

The **various steps in the complaints management procedure** are:

- receipt of the complaint, for which prompt submission to the Complaints Function is crucial, regardless of the receiving structure;
- registration of the complaint, completed with the aid of the Complaints Management application (GRB);
- investigation, which is carried out with support from the Branch/Centre of reference for the customer or supported by the functions responsible for the matter in question;
- decision-making, in compliance with independence aspects envisaged in internal regulations from time to time;
- accounting treatment and settlement of the complaint, if the outcome envisages outlay in favour of the Customer.

Accepted **complaint submission** methods are:

- delivery by hand to a Branch or Specialised Centre;
- ordinary or recorded delivery mail;
- online form available on the Bank's institutional website;
- e-mail and via the certified e-mail address of the Complaints Function.

In compliance with regulatory provisions, particularly art. 17 of the Joint Bank of Italy-Consob Regulation, the Bank of Italy Provisions on transparency of banking and financial transactions and services, and ISVAP Regulation no. 24/2008, the Bank has established the following **maximum response times**[61] to complaints submitted by customers:

- 60 calendar days from the date of receipt of complaints concerning banking and financial products and services and investment services;
- 45 calendar days from the date of receipt of complaints concerning insurance brokerage services;
- 30 calendar days for complaints concerning violations of the Code of Conduct for information systems managed by private consumer credit firms (CIS).
- 15 business days from the date of receipt for complaints concerning payment services.

The activity of the Complaints Function must always be carried out with **maximum impartiality and neutrality** in **protecting the rights of stakeholders** and ultimately in **protecting the Bank's reputation**.

If the management of complaints brings to light elements for attention or risk or areas for improvement for the Bank, the Complaints Function reports these aspects to the relevant Corporate Functions for the matter in question, informing the Compliance Function and Risk Function.

Appeals filed with the ABF and ACF are managed by the Complaints Function, assisted by the Banking Ombudsman, responsible for liaising with the Arbitration Board technical secretariats.

Customer appeals to the ABF/ACF cover the extent to which they remained fully or partly dissatisfied with the response to their complaint. The existence of a prior complaint is essential, otherwise the appeal will be pronounced inadmissible.

[61] Exceptions are disputes relating to potential violation of regulations concerning the "Code of Conduct for information systems management by private consumer credit firms, reliability and accuracy of payments", for which the maximum response time is 30 business days (which can be extended by a further two months in exceptional and justified cases) as envisaged in art. 12, paragraph 3, Regulation (EU) 2016/679 (GDPR).

The **Parent Company** has established a **centralised** and **independent Internal Audit Function** (IA).

In both cases, the procedure is triggered at the customer's initiative, submitting the appeal to the ABF/ACF on special forms. The chosen Ombudsman Secretariat then notifies the Bank. From receipt of this notification, the Bank has 30 days to provide the ABF with its counterarguments.

The Bank also has the option to submit a rejoinder within 15 days of receipt of any response from the appellant.

The decision, accompanied by related reasoning, is communicated to the Bank within 30 days of pronouncement. If the appeal is fully or partially successful, the intermediary is required to comply within 30 days of communication of the decision, complete with reasoning.

No involvement of stakeholders (i.e. customers submitting complaints or appeals) in the planning, review, operations and improvement of the procedure described above is envisaged. In addition, no tracking is envisaged of the effectiveness of the procedure for stakeholders: the filing of an ABF/ACF appeal or reiteration of a complaint per se constitutes a symptom of their dissatisfaction with the responses provided by the Bank. Likewise, acceptance of the complaint predictably qualifies as customer satisfaction.

Quantitative and qualitative monitoring of the activity undertaken by the Complaints and Mediation Function is envisaged, however, in terms of **handling times and effectiveness**. In particular, the focus concerns the number of complaints accepted/partially accepted/denied and the number of ombudsman decisions that are favourable/partly favourable/unfavourable.

Internal Audit and Whistleblowing

GRI 2-16 GRI 2-26

The Bank has an Internal Audit Function (IA), established pursuant to Bank of Italy Circular no. 285/2013, centralised with but independent from the Parent Company. The purpose of the **activities carried out by the Function** is to check the smooth running of operations, the development of risks and to assess the reliability of the organisational structure, the Internal Control System and the external regulatory framework, also with a view to
improving the efficiency of the organisation.

The activities, defined in the annual audit plan, are identified using a risk-based approach and form part of a broader three-year "**Audit Cycle**" subject to the Board of Directors' approval.

In 2023, given the growing awareness of and attention to sustainability topics, the Function implemented the new "ESG Framework", in a context
characterised by a rapidly developing and increasingly complex external regulatory corpus. This
framework allows:

- adoption of a structured control approach to sustainability, applying to the entire Internal Audit Function;
- support for Auditors in ESG-related audits and optimised identification of the controls to be carried out;
- guaranteed flexibility and adaptation over time to new regulatory aspects and Supervisory Authority

expectations;

- facilitated dissemination of the ESG culture within and outside the Internal Audit Function.

The framework, which encompasses the overall Audit Cycle - particularly the planning, execution and reporting phases, has two core components: the Checklist and the Maturity Model. The first provides Auditors with ESG checks to be conducted on the basis of the processes audited; the second steers the Auditor in defining the ESG maturity level of the processes audited.

The framework was the subject matter of a press article published in the magazine "Internal Auditor" (ed. 118 - July/September 2023), entitled "*This is how Banca MPS puts Internal Audit at the heart of the transition*".

With regard to whistleblowing, the Montepaschi Group has set up an **internal whistleblowing system** and defined a procedure for managing reports made by staff in relation to fraud, irregularities in business conduct or violations of regulations governing banking activities. Every employee is expected to actively cooperate in achieving high ethics standards, both directly - by performing their duties correctly - and indirectly - by reporting any violations of laws, regulations and procedures that could have a negative impact on the Group, its customers, employees and the community in general. At Group level, the ex-ante advisory activities and internal advisor activities, in reference to issues associated with corporate governance, conflict of interest and related parties, as well as advice and assistance on anti-corruption matters are ensured by the functions responsible.

Whistleblowing is a tool designed to **strengthen the monitoring of legality and transparency**. It helps to even more effectively control and prevent risks to which the Company could be exposed as a result of events and actions contrary to law, regulations and its Code of Ethics. In addition, it contributes in implementing the Group's social responsibility, fostering integrity and fairness.

Through the specific whistleblowing IT system or in verbal form, personnel can **report circumstances and conduct that are negligent, unlawful, irregular or unfair in relation to work activities** - which they suspect or have learned of during the course of their duties. The Bank protects the whistleblower in good faith against any retaliatory, discriminatory or in any event unfair conduct as a result of the report, which will not therefore constitute a barrier to continuation of the employment contract. The Group ensures confidentiality of the report and of the personal data of the whistleblower and any reported person. If the reported person holds the role of Internal Audit Manager or Whistleblowing System Manager or is from the Fraud Audit structure, the Board of Statutory Auditors receives reports directly through a specific channel inaccessible to the persons referred to above.

Auditor training

The 2023 training activities included:

- holding various professional training sessions, including a specialised course on ESG held by AIIA - Italian Internal Auditors Association tutors;
- activating programmes for obtaining AIIA "Basic diplomas for Internal Auditors" for 30 new recruits and reskilling plans based on individual skills matching analysis;
- participating in event-based education initiatives organised by the AIIA or corporate Training Function staff, also on sustainability topics;
- achieving individual international certifications on climate and sustainability risk management (SCR® GARP®)

Communications to personnel

The following were arranged in 2023:

- Training on the whistleblowing system for "New Officers" and "New Recruits";
- The annual report, made available to all personnel

In partnership with the Audit Function, MPS Academy launched the design of a new course due to be released in January 2024.

Personnel can use the **Whistleblowing platform** to **report** negligent, unlawful, irregular or **improper circumstances** and conduct relating to work activities.

The Group operates in compliance with the arm's length **and** fair competition principles.

Based on the organisational model adopted, the **Board of Statutory Auditors** undertakes the complex function of supervising the entire system and the Whistleblowing System Manager, identified from Internal Audit Function personnel, is responsible for ensuring that procedures are carried out correctly and for reporting to corporate bodies directly and without delay on any information reported that is significant and urgent.

The **Whistleblowing System Manager** submits a **final annual report** - on correct operation of the whistleblowing systems, reports received and any initiatives subsequently undertaken - to the Board of Statutory Auditors, Board of Directors, Risk and Sustainability Committee and the Director in charge of the internal control and risk management system. In particularly significant and urgent cases, the Whistleblowing System Manager arranges for the Board of Statutory Auditors and Chairman of the Board of Directors to be informed directly and without delay of the information reported.[62]

If reports are received concerning significant unlawful conduct pursuant to Italian Legislative Decree 231/2001, or violations of the 231/2001 Organisation, Management and Control Model, the Whistleblowing System Manager promptly informs the 231 Supervisory Body. In any event the Supervisory Body receives periodic reports on all reports submitted and the outcome of related investigations.

During the year, the Group focused on the issue of trust in reporting and listening tools, dedicating an internal communication plan and an awareness-raising course on the responsible use of whistleblowing. A screensaver and an anonymous survey have been produced to assess trust in the whistleblowing system, open to all Group personnel, and two Intranet articles, one of which responds to the main doubts arising from the results of the survey.

In 2023, Fraud Audit did not find any cases of corruption involving personnel, also in relation to whistleblowing. As at 31 December 2023 there were no investigations in progress relating to the specific issue of corruption.

In addition, in November 2023 the Group whistleblowing system manager and the head of the Compliance and Legal Audit Function participated - as speakers - in the webinar "Building a best in class whistleblowing hotline program: international and Italian case histories compared", organised by the AIIA (Italian Internal Auditors Association) and the Italy Chapter of the ACFE (Association of Certified Fraud Examiners).

Tax transparency

GRI 207-1 GRI 207-2 GRI 207-3 GRI 207-4

The Bank and the Group do not publish an official document on their tax strategy. Nevertheless, consistent with the values and principles expressed in its Code of Ethics, the MPS Group pays strong attention to tax compliance, based on mitigating the risk of unethical or unlawful conduct, and its relations

[62] The BMPS Chairman of the Board of Directors has received no management mandate from the Board, nor plays a specific role in drawing up corporate strategies; at the same time, they do not hold the position of Chief Executive Officer, nor are they the controlling shareholder of BMPS.

with competent authorities meet the criteria of integrity, transparency, fairness and cooperation.

Accurate tax management is controlled almost exclusively by specialised Parent Company structures (also acting as outsourcer for certain Group companies), dedicated to monitoring reference regulations, correct implementation of tax regulations in business activities and processes, as well as managing tax obligations, and by the Tax Compliance structure of the Parent Company, envisaged for banks in specific reference to tax compliance risk. In this context, the MPS Group operates in compliance with reference tax regulations in force in the various jurisdictions in which it operates, maintaining conduct that offers maximum cooperation and transparency with the related tax authorities.
In the Parent Company, the tax and tax compliance structures are part of the Chief Financial Officer (CFO) Division.

Tax risk management involves submitting applications for rulings to the Revenue Agency in order to identify the correct tax treatment to apply in cases of uncertainty. In disputes brought by the Tax Authority, where the outcome of a dispute appears to be particularly uncertain, it is common practice to avoid legal proceedings and reach a settlement agreement in the dispute through judicial dispute deflation measures envisaged in the tax regulations.

With regard to the Group's international presence, this has gradually reduced, also as a result of commitments undertaken as part of the 2017 Restructuring Plan. In line with these commitments, the Parent Company will close the Shanghai branch by the end of 2024. With reference to MP Banque, the Bank will need to continue the process of winding up its operations according to a specific timetable, by the end of which its total assets should be [75-85]% lower than its total assets as at 31 December 2017. In addition, MP Banque cannot undertake new business activities,
but only those necessary for the winding-up process.

As at 31 December 2021, the foreign branches still in operation were located in the following countries:
China (Shanghai branch) and France (Monte Paschi Banque S.A. and its subsidiaries).

The Group's foreign activities are subject to accurate and timely annual reporting to the Revenue Agency, through completion of the Country-by-Country Report (CbCR), laid down in article 1, paragraphs 145 and 146, Italian Law no. 208 of 28 December 2015. They are also subject to specific disclosure in the consolidated financial statements (see Notes to the consolidated financial statements - Public disclosure pursuant to article 89 - Country-by-country reporting - Directive 2013/36/EU - "CRD IV").

The protection of fair competition

The Group operates in compliance with the arm's length and fair competition principles. **Fair and honest competition**, in fact, is necessary in developing and maintaining Group companies' presence in the markets in which they operate, to guarantee formal and substantial compliance of related regulatory measures, to support the development, efficiency and sustainable growth of markets and to ensure stakeholder well-being.
The Group organises its activities in accordance with competition regulations, is committed to not undertaking initiatives that could violate the rules governing this regulatory area and abstains from recourse to unlawful or unfair conduct in order to achieve its economic objectives. It does not implement or accept arrangements or practices agreed between companies designed to restrict market competition.

The Group's operations on the market are based on the **quality and transparency of its products and services**, avoiding arrangements and other conduct that restricts competition, and abstains from conduct that is collusive, predatory and an abuse of a dominant position.

In 2023, a specific corporate antitrust regulation was published which describes the main reference regulations on antitrust matters and business activities at most risk of antitrust offences.

"Foster **governance** designed to **promote relations with Customers** based on **responsibility** and **transparency** and promote **sustainable economic development**."

OUR FOCUS

- SUPPLIER ASSESSMENT AND MONITORING
- DISCLOSURE ON ANTI-CORRUPTION PROCEDURES
- SHARING OF WORKPLACE SAFETY REGULATIONS
- ENVIRONMENTAL AND SOCIAL ASSESSMENT OF NEW SUPPLIERS

3.5.3 Responsible supply chain management

GRI 2-6 | GRI 3-3 | GRI 205-2 | GRI 308-1 | GRI 403-7 | GRI 414-1

Our Approach

The MPS Group is committed to implementing supply chain management that seeks to **pursue the social and environmental sustainability principles** through the development of relations with suppliers based on **respect for human rights** and **workers' rights**. Proactive supply chain management, in fact, is necessary to reduce negative social and environmental impacts that could arise from ineffective control over the supplier selection, assessment and monitoring processes based on ESG criteria.

THE MAIN GROUP POLICIES ON THE TOPIC

- Group Directive on expenditure management and supplier management
- Group Purchasing Policy
- 231 Model
- Group Directive on management of regulatory obligations on related parties, associated parties and obligations of banking representatives

2023 RESULTS

2,173 suppliers have received the disclosure on MPS Group anti-corruption policies and procedures

100% of **new suppliers** (114) were assessed using **environmental and social criteria**

OUR COMMITMENT

Gradually increase partnerships with **suppliers that have social and environmental certifications**, to reduce impact in these areas and in any event take into account the economic aspect of the supply of goods and services for the MPS Group

The table below provides a description of the main risks for the Group related to material topics in this chapter, and the approach adopted to manage them, in consideration of the internal business processes.

MAIN RISKS ASSOCIATED WITH "RESPONSIBLE SUPPLY CHAIN MANAGEMENT"

Main topics	Potential risk	Nature of associated risks			Stakeholders affected	Main management and mitigation controls
> supplier conduct compliant with applicable external regulations > supplier conduct compliant with Group ethics and ESG principles	> damage to reputation due to supplier conduct	Sustained	Non-financial	Indirect and reputational	Bank	> supplier selection using an assessment process that, in the pre-selection, award and supply contracting stage and through specific questions, explicitly assesses compliance with regulations on labour law, National Collective Labour Agreement application, payment of contributions (DURC) and possession of ESG certification. > during the tender assessment phase, acquisition of a 231 Compliance Statement (with reference to anti-corruption and anti-mafia regulations) with specific questions on certifications held.
	> damage due to disputes with suppliers	Sustained	Financial	Direct and operational		

For details of the main impacts generated, see the chapter "Materiality Analysis and Stakeholder Engagement"

In **relations with suppliers**, based on principles of equal opportunity and inclusion, **mutual loyalty, transparency, cooperation, fairness and integrity are ensured**, **avoiding** any **risk** of **conflict of interest** or **unlawful conduct**.

In the Monte Paschi di Siena Group, the **Group Procurement Function** is responsible for supplier governance and systematically oversees an area of activities that includes: Supplier Register management, tender preparation and awarding phases and the commercial contracting procedure.

The **231 Model of Group companies**, which generally oversees relations with partners, does not allow relations with suppliers unless they declare and guarantee that they know and will comply with Legislative Decree 231/2001. For specific product categories, where protecting workers' physical well-being and moral character is of key importance, the commitment focuses strongly on examining the supplier's economic and financial conditions and the level of protection for workers. To achieve this, investigative tools are used to check that authorisations and permits have been issued, prevention and safety measures have been adopted and specialised training has been provided. The individual suppliers are informed of the Group anti-corruption policies and procedures, covering **100% of suppliers** with which it has commercial relations.

In relations with suppliers, based on principles of equal opportunity and inclusion, **mutual loyalty, transparency, cooperation, fairness and integrity are ensured**, avoiding any risk of conflict of interest or unlawful conduct Suppliers are sensitised to providing their services in line with standards of conduct consistent with those indicated in the Group Code of Ethics. In particular, suppliers must ensure professionalism in the business activities contracted, respect the rights of their workers, invest in quality, and responsibly manage environmental and social impacts.

The various MPS Group suppliers provide numerous types of services, mainly in the macro-areas of advisory services (with Italian and foreign professional firms or individuals for appraisals, legal aspects, etc.), cleaning services, building works and IT services (support and maintenance, hardware and software supply). All the activities are governed by contracts signed with the suppliers (centralised at Parent Company level or directly managed by Cost Centres, based on the supply value), with varying durations also based on the type of supply, ranging from one spot contracts for single projects or long term.

SUPPLIER MACRO-CATEGORIES, WITH DIFFERENT ASSESSMENT METHODS

Italian businesses
joint-stock companies and partnerships entered in the Companies' Register, based in Italy and with an Italian VAT number

Professionals
Self-employed professionals and professional firms, based in Italy

Foreign businesses
Companies that do not have offices in Italy and no Italian VAT number

For the purpose of safeguarding health and safety, the environment and human rights, the operational approach to sustainability is based on **constant monitoring of commercial partners**, also for continuation of the business relationship. **Specific management and control tools** have been set up for this reason, in the knowledge that this will help safeguard or increase the reputation of the entire Montepaschi Group over time. With specific reference to the supply or procurement chain, the aim is to verify the reliability and quality of products and services purchased, seeking to achieve competitive rates in compliance with the principles of social and environmental sustainability. To achieve this, the relationships developed with suppliers are based on fairness and transparency, respect for human and workers' rights and the prevention of all forms of corruption and conflict of interest.

The quality requirements that suppliers are required to meet are primarily monitored and verified through the Group Suppliers Register by the Procurement Function.

The Companies are assessed through a **predefined qualification process**, based on analysis of potential capacity for meeting the requirements of financial soundness, competitiveness and quality, possession of leading certifications and adoption of a Code of Ethics. In addition, further specific certifications, especially environmental certifications, are an essential condition for the **award of particular contracts**.

In relations with third parties, the Group defines contractual conditions for the purpose of compliance with applicable anti-corruption regulations. In order to be entered in the suppliers register, Group suppliers are therefore required to confirm the absence of criminal convictions, including in relation to the commission of corruption-related offences.

Possession of the main certifications and a Code of Ethics/Conduct affects the objective score assigned by algorithm to the supplier at the time of entry in the Group Suppliers Register. ESG aspects have a 30% "weighting" on the total score: 25% for possession of certifications, 5% for possession of a Code of Ethics/Conduct.

The total score is then built into the general assessment of the supplier to be selected in the tender phase for the award of supplies and services, as envisaged in related corporate regulations ("Supplier Relations Management").

GRI 403-7

With regard to **occupational health and safety** aspects, more stringent supplier assessment and control factors in relation to contractualised services are determined by the Cost Centres, taking into account specific techniques for performing the activities. With reference to safety management rules, the Employer provides **compulsory instructions regarding the selection of contractors and/or suppliers** and **monitors compliance** with regulations on the protection of occupational health and safety.

There are no Ukrainian suppliers in the Suppliers Register. There is **one Russian provider** of telephony services and sundry outsourcing, recorded in 2021 for contract archiving, i.e. with "light" manual registration as the operations are below the minimum threshold for compulsory inclusion in the Register. No new Russian or Ukrainian suppliers were entered in the Suppliers Register in 2023.

SUPPLIER CERTIFICATIONS
(% of total)*

ISO 9001:2015	ISO 14001:2015	ISO 45001:2018	SA 8000
70%	**31%**	**26%**	**10%**

* The figures refer to 2023 and relate only to Italian businesses
**ISO 9001 - Quality management system; ISO 14001 - Environmental management system; ISO 45001 - Occupational health and safety management system; SA8000 - Working conditions management system. Among the suppliers present on the Platform, a further 10% do not have ISO 9001 certification but declare their compliance with its rules and principles

4. Measurement

4.1 Methodological note

GRI 2-2 GRI 2-3 GRI 2-4 GRI 2-5

For 2022, the **collection and verification process for qualitative and quantitative information was enhanced**, envisaging the completion of an "**Operating Protocol**"

The Consolidated Non-Financial Statement 2023 (NFS) of the Montepaschi Group (hereinafter also referred to as the "Group" or "MPS Group") was drafted **pursuant to articles 3 and 4 of Italian Legislative Decree 254/2016**. It provides non-financial information useful in understanding business performance, results, and the positive and negative impacts of the activities. The NFS is published annually and reports on topics deemed material, as described in the paragraph "Materiality analysis and stakeholder engagement".

GRI 2-3

The NFS refers to the **period from 1 January 2023 to 31 December 2023** (the previous version was the NFS 2022). For comparison purposes, it includes data from previous years, as required by Italian Legislative Decree 254/16, to enable a broader understanding of the Group's business performance. The NFS reporting period is the same as for the Consolidated Financial Statements. The publication deadline is 30 March 2024, in accordance with art. 154 of the Consolidated Law on Banking. Further information can be requested by writing to sostenibilita@mps.it or our registered office: Piazza Salimbeni 3, Siena.

The **Sustainability and ESG Function** collected the data and prepared the Non-Financial Statement, in all stages involving the relevant business structures of the MPS Group companies in the aforementioned scope. For 2023, the collection and verification process for qualitative and quantitative information was enhanced, envisaging the completion of an "Operating Protocol" in which representatives of the various company functions were required to provide details of the sources of qualitative and quantitative contributions submitted and the method used to ensure that contributions complied with reporting standard requirements. The forms used to collect quantitative data also had inbuilt automatic controls, where possible, to verify consistency of the data against that relating to previous years and other documents prepared by the Group.

The methodological reference used to define the information presented in the NFS 2023 of the MPS Group was the "**GRI Sustainability Reporting Standards**" issued by the organisation *Global Reporting Initiative (GRI)*, global leader in the development of sustainability reporting standards. The information was reported in compliance with the **GRI Standards 2021**, including the "Financial Services Sector Disclosure" defined by the GRI - Global Reporting Initiative. The Group took into account the reporting principles envisaged in the GRI Standards: completeness; sustainability context; balance; comparability; accuracy; timeliness; verifiability. The "Guidelines for banks on application of the GRI (Global Reporting Initiative) Standards on environmental matters", in the version dated 16 December 2023 published by ABI Lab, were also considered when preparing this document.

This document also takes into consideration the contents of **ESMA's *Public Statement*** of October 2023, reported in the November issue of the Consob Newsletter, which indicate those to be used as priority in non-financial statements, i.e. use of the templates in the Disclosures Delegated Act supplementing art. 8 of Regulation (EU) 2020/852 of 18 June 2020 (the EU Taxonomy), inclusion of detailed information on the objectives, actions and progress on climate-related issues (including the monitoring methods, assumptions and approaches used) and, lastly, transparency in relation to Scope 3 emissions.

The NFS 2023 also includes the findings emerging from analyses conducted by the Group with regard to art. 8 of the Taxonomy Regulation and to Commission Delegated Regulations 2021/2178 and 2021/2139. The findings, and likewise a description of the methodology definition process, are provided in the dedicated paragraph "The EU Taxonomy of environmentally sustainable activities". In compliance with current regulatory interpretation, the *limited assurance* does not concern information and data referring to the EU Taxonomy, i.e. the requirements of art. 8 of Regulation (EU) 2020/852.

This document underwent limited assurance by the independent auditors PricewaterhouseCoopers S.p.A., according to the principles established by the ISAE 3000 Revised standard. The audit procedures implemented and their results are listed in the "Independent Auditors' report on the consolidated nonfinancial statement pursuant to art. 3 of Italian Legislative Decree 254/2016 and art. 5 of Consob Regulation 20267", included in this document. The auditors are from an independent third-party firm.

The reporting scope of Gruppo Montepaschi's Consolidated Non-Financial Statement 2023 includes the Parent Company and the other Group companies, i.e. Wise Dialog Bank S.p.A. (Banca Widiba) and Monte Paschi Fiduciaria S.p.A., and excludes the international network and the companies listed below.

Specifically, the scope does not include:

- the foreign bank Monte Paschi Banque S.A.;
- the operational branch in Shanghai;
- the 8 representative offices (Casablanca, Algiers, Tunis, Cairo, Istanbul, Mumbai, Moscow and Beijing);
- MPS Tenimenti S.p.A.;
- Magazzini Generali Fiduciari di Mantova S.p.A.

Subsidiaries that are part of the Group but not relevant for reporting purposes, as they lack an organised operating structure and have no employees assigned to them, were also excluded. These companies are: G.IMM ASTOR S.r.l.; AIACE REOCO S.r.l in liquidazione; MPS Covered Bond S.r.l.; MPS Covered Bond 2 S.r.l.; Cirene Finance S.r.l.; Siena Mortgages 07-5 S.p.A., Siena Mortgages 09-6 S.r.l.; Siena Mortgages 10-7 S.r.l.; Siena PMI 2016 S.r.l.; Siena Lease 2016 2 S.r.l. Any changes in this scope are suitably indicated in the document.

Montepaschi Group's **total active workforce** stood at 16,737 employees at the end of 2023. Overall, 16,931 employees were on payroll; this figure also includes Group company employees working for companies outside the scope of consolidation.

The **total number of employees in the scope considered** in the Non-Financial Statement 2023 was **16,552**. The reporting scope excludes 185 employees, accounting for 1% of Group personnel. These exclusions do not affect the understanding of the company's activities, its performance, its results and the impact it has produced. Any other reporting scope limitations regarding single topics or specific GRI indicators are explained directly in the text.

During the 2023 reporting process, the method used to calculate

certain GRI indicators was revised. Specifically, the breakdown of data by region has been added as required by GRI 2-7 and 205-2, not present for 2022.

As regards the 201-1 reporting, the data are not specific to the Non-Financial Statement scope, but rather include all companies in the scope of consolidation used for the Consolidated Financial Statements.

For the 305-3 indicator, an additional emissions category was included for 2023 and, consequently, the 2022 data were also recalculated.

Lastly, the indicators 302-4 *Reduction of energy consumption* and 305-5 *Reduction of GHG emissions* were not updated, as the necessary data were not available in good time for the report and the Group decided that the use of estimates was inappropriate.

4.2 Sustainability Indicators and GRI content index

4.2.1 GRI content index

The table below presents the index of GRI Standards used to draw up the report in accordance with the GRI Standards. It shows the correlation between GRI Standards and the *Principles for Responsible Banking* based on indications provided by UNEP FI and the SDGs, as recommended by the SGD Compass

GRI 1 – MAIN PRINCIPLES 2021	
Declaration of use	Monte dei Paschi di Siena Group has presented a report in compliance with the GRI Standards for the period 01-01-2023 / 31-12-2023
GRI 1 used	GRI 1 – Main Principles 2021 - version 2021
Relevant GRI sector standards	Sector specific indicators G4 - Financial sector

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			SDGs	PRB
			REQUIREMENTS	REASON	EXPLANATION		
GENERAL DISCLOSURES							
GRI 2 General Disclosures - 2021	2-1 Organisational details	2.1 The Group overview					
	2-2 Entities included in the organisation's sustainability reporting	4.1 Methodological note					
	2-3 Reporting period, frequency and contact point	4.1 Methodological note					
	2-4 Restatements of information	4.1 Methodological note					
	2-5 External assurance	Certifications					
	2-6 Activities, value chain and other business relationships	2.1 The Group overview					
	2-7 Employees	3.4.2 Personnel protection 4.2.2 Sustainability Indicators					
	2-8 Workers who are not employees	3.4.2 Personnel protection 4.2.2 Sustainability Indicators					
	2-9 Governance structure and composition	2.2 Governance Model and Organisational Structure					
	2-10 Nomination and selection of the highest governance body	2.2 Governance Model and Organisational Structure					
	2-11 Chair of the highest governance body	2.2 Governance Model and Organisational Structure					
	2-12 Role of the highest governance body in overseeing the management of impacts	2.2 Governance Model and Organisational Structure 2.3 Governance of Sustainability and ESG Risks					
	2-13 Delegation of responsibility for managing impacts	2.2 Governance Model and Organisational Structure 2.3 Governance of Sustainability and ESG Risks					

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			SDGs	PRB
			REQUIREMENTS	REASON	EXPLANATION		
GENERAL DISCLOSURES							
GRI 2 General disclosures - 2021	2-14 Role of the highest governance body in sustainability reporting	2.2 Governance Model and Organisational Structure 2.3 Governance of Sustainability and ESG Risks					
	2-15 Conflicts of interest	2.2 Governance Model and Organisational Structure 3.5.2 Integrity of business conduct and the fight against corruption					
	2-16 Communication of critical concerns	3.5.2 Integrity of business conduct and the fight against corruption					
	2-17 Collective knowledge of the highest governance body	2.2 Governance Model and Organisational Structure					
	2-18 Evaluation of the performance of the highest governance body	2.2 Governance Model and Organisational Structure					
	2-19 Remuneration policies	2.2.1 Remuneration policies					
	2-20 Process to determine remuneration	2.2.1 Remuneration policies					
	2-21 Annual total compensation ratio	2.2.1 Remuneration policies					
	2-22 Statement on sustainable development strategy	1.1 Letter to stakeholders					
	2-23 Policy commitments	3.5.2 Integrity of business conduct and the fight against corruption					
	2-24 Embedding policy commitments	3.5.2 Integrity of business conduct and the fight against corruption					
	2-25 Processes to remediate negative impacts	2.4.1 ESG risk factor management 3.5.2 Integrity of business conduct and the fight against corruption					
	2-26 Mechanisms for seeking advice and raising concerns	3.5.2 Integrity of business conduct and the fight against corruption					
	2-27 Compliance with laws and regulations	3.5.2 Integrity of business conduct and the fight against corruption					
	2-28 Membership associations	1.5 Participation in national and international programmes and association membership					
	2-29 Approach to stakeholder engagement	2.2 Governance Model and Organisational Structure 3.1 Materiality Assessment and Stakeholder Engagement					
	2-30 Collective bargaining agreements	3.4.2 Personnel protection 4.2.2 Sustainability Indicators					

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			SDGs	PRB
			REQUIREMENTS	REASON	EXPLANATION		
MATERIAL TOPICS							
Materiality analysis: process and results							
GRI 3 Material Topics 2021	3-1 Process to determine material topics	3.1 Materiality Assessment and Stakeholder Engagement					
	3-2 List of material topics	3.1 Materiality Assessment and Stakeholder Engagement					
Sustainable Finance							
GRI 3 Material Topics 2021	3-3 Management of material topics	3.2.1 Sustainable Finance					
Sector specific indicator - G4	FS1 Policies with specific environmental and social components applied to Business lines	3.2.1 Sustainable Finance					
	FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	3.2.1 Sustainable Finance 4.2.2 Sustainability Indicators					
	FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	3.2.1 Sustainable Finance 4.2.2 Sustainability Indicators					
Direct Environmental Impact							
GRI 3 Material Topics 2021	3-3 Management of material topics	3.2.2 Direct environmental impact					
GRI 301 Materials 2016	301-1 Materials used by weight or volume	3.2.2 Direct environmental impact 4.2.2 Sustainability Indicators	There is no disclosure available to distinguish the renewable and non-renewable materials used	Information not available	In continuity with previous years, it is not possible to distinguish the renewable and non-renewable materials used		
GRI 302 Energy 2016	302-1 Energy consumption within the organisation	3.2.2 Direct environmental impact 4.2.2 Sustainability Indicators					

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			SDGs	PRB
			REQUIREMENTS	REASON	EXPLANATION		
Direct Environmental Impact							
GRI 302 Energy 2016	302-3 Energy intensity	3.2.2 Direct environmental impact 4.2.2 Sustainability Indicators					OPERATIONAL SMART TARGET - CLIMATE CHANGE – ADAPTATION
	302-4 Reduction of energy consumption	3.2.2 Direct environmental impact 4.2.2 Sustainability Indicators					
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	3.2.2 Direct environmental impact 4.2.2 Sustainability Indicators					
	305-2 Energy indirect (Scope 2) GHG emissions	3.2.2 Direct environmental impact 4.2.2 Sustainability Indicators					
	305-3 Other indirect (Scope 3) GHG emissions	3.2.2 Direct environmental impact 4.2.2 Sustainability Indicators					
	305-4 GHG emissions intensity	3.2.2 Direct environmental impact 4.2.2 Sustainability Indicators					
	305-5 Reduction of GHG emissions	3.2.2 Direct environmental impact 4.2.2 Sustainability Indicators					
GRI 306 Waste 2020	306-1 Waste generation and significant waste-related impacts	3.2.2 Direct environmental impact					
	306-2 Management of significant waste-related impacts	3.2.2 Direct environmental impact					
	306-3 Waste generated	3.2.2 Direct environmental impact 4.2.2 Sustainability Indicators					
Customer Relations and Local Footprint							
GRI 3 Material Topics 2021	3-3 Management of material topics	3.3.1 Relations with Customers and connections with communities					
GRI 417 Marketing and labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	3.3.1 Relations with Customers and connections with communities 4.2.2 Sustainability Indicators					

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			SDGs	PRB
			REQUIREMENTS	REASON	EXPLANATION		
Customer Relations and Local Footprint							
GRI 417 Marketing and labeling 2016	417-3 Incidents of non-compliance concerning marketing communications	3.3.1 Relations with Customers and connections with communities 4.2.2 Sustainability Indicators					
Sector specific indicator - G4	FS14 Initiatives to improve access to financial services for disadvantaged people	3.3.1 Relations with Customers and connections with communities					
Digitalisation and IT security							
GRI 3 Material Topics 2021	3-3 Management of material topics	3.3.2 Digitalisation and IT security					
GRI 418 Customer privacy 2016	418-1 Substantiated complaints concerning breaches of Customer privacy and losses of Customer data	3.3.2 Digitalisation and IT security 4.2.2 Sustainability Indicators					
Culture and Community							
GRI 3 Material Topics 2021	3-3 Management of material topics	3.3.3 Culture and the community					
Sector specific indicator - G4	FS16 Initiatives to enhance financial literacy by type of beneficiary	3.3.3 Culture and the community					
Protection of human resources							
GRI 3 Material Topics 2021	3-3 Management of material topics	3.4.2 Personnel protection					

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			SDGs	PRB
			REQUIREMENTS	REASON	EXPLANATION		
Protection of human resources							
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	3.4.2 Personnel protection 4.2.2 Sustainability Indicators					
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.4.2 Personnel protection					
	401-3 Parental leave	3.4.2 Personnel protection 4.2.2 Sustainability Indicators					
GRI 402 Labour/ management relations 2016	402-1 Minimum notice periods regarding operational changes	3.4.2 Personnel protection					
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	3.4.2 Personnel protection					
	403-2 Hazard identification, risk assessment, and incident investigation	3.4.2 Personnel protection					
	403-3 Occupational health services	3.4.2 Personnel protection 4.2.2 Sustainability Indicators					
	403-4 Worker participation, consultation, and communication on occupational health and safety	3.4.2 Personnel protection					
	403-5 Worker training on occupational health and safety	3.4.2 Personnel protection					

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			SDGs	PRB
			REQUIREMENTS	REASON	EXPLANATION		
Protection of human resources							
	403-6 Promotion of worker health	3.4.2 Personnel protection					
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.4.2 Personnel protection					
GRI 403 Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	3.4.2 Personnel protection 4.2.2 Sustainability Indicators	403-8 a) i. ii. iii. Data relating to workers who are not employees but whose work and/or place of work is controlled by the organisation	Information not available	In continuity with previous years, the requested data is currently not available		
	403-9 Work-related injuries	3.4.2 Personnel protection 4.2.2 Sustainability Indicators	403-9 b) Data relating to workers who are not employees but whose work and/or place of work is controlled by the organisation	Information not available	In continuity with previous years, the requested data is currently not available		
	403-10 Work-related ill health	3.4.2 Personnel protection 4.2.2 Sustainability Indicators	403-10 b) Data relating to workers who are not employees but whose work and/or place of work is controlled by the organisation	Information not available	In continuity with previous years, the requested data is currently not available		
Human resource development							
GRI 3 Material Topics 2021	3-3 Management of material topics	3.4.1 Personnel development					
GRI 404 Training and education 2016	404-1 Average hours of training per year per employee	3.4.1 Personnel development 4.2.2 Sustainability Indicators					
	404-2 Programs for upgrading employee skills and transition assistance programs	3.4.1 Personnel development					
	404-3 Percentage of employees receiving regular performance and career development reviews	3.4.1 Personnel development 4.2.2 Sustainability Indicators					

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			SDGs	PRB
			REQUIREMENTS	REASON	EXPLANATION		
Diversity & Inclusion							
GRI 3 Material Topics 2021	3-3 Management of material topics	3.4.3 Diversity & Inclusion				5 GENDER EQUALITY 10 REDUCED INEQUALITIES	OPERATIONAL SMART TARGET - IMPACT AREA GENDER EQUALITY
GRI 405 Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	3.4.3 Diversity & Inclusion 4.2.2 Sustainability Indicators					
	405-2 Ratio of basic salary and remuneration of women to men	3.4.3 Diversity & Inclusion 4.2.2 Sustainability Indicators					
Economic performance and solidity							
GRI 3 Material Topics 2021	3-3 Management of material topics	3.5.1 Financial performance and soundness				8 DECENT WORK AND ECONOMIC GROWTH	
GRI 201 Economic performance 2016	201-1 Direct economic value generated and distributed	3.5.1 Financial performance and soundness 4.2.2 Sustainability Indicators					
Integrity in business conduct and the fight against corruption							
GRI 3 Material Topics 2021	3-3 Management of material topics	3.5.2 Integrity of business conduct and the fight against corruption				8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	
GRI 205 Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	3.5.2 Integrity of business conduct and the fight against corruption 3.5.3 Responsible supply chain management 4.2.2 Sustainability Indicators					
	205-3 Confirmed incidents of corruption and actions taken	3.5.2 Integrity of business conduct and the fight against corruption 4.2.2 Sustainability Indicators					
GRI 206 Anti-competitive behaviour	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	3.5.2 Integrity of business conduct and the fight against corruption 4.2.2 Sustainability Indicators					

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			SDGs	PRB
			REQUIREMENTS	REASON	EXPLANATION		
Integrity in business conduct and the fight against corruption							
GRI 207 Tax 2019	207-1 Approach to tax	3.5.2 Integrity of business conduct and the fight against corruption				16 PEACE, JUSTICE AND STRONG INSTITUTIONS	
	207-2 Tax governance, control and risk management	3.5.2 Integrity of business conduct and the fight against corruption					
	207-3 Stakeholder engagement and management of concerns related to tax	3.5.2 Integrity of business conduct and the fight against corruption					
	207-4 Country-by-country reporting	3.5.2 Integrity of business conduct and the fight against corruption 4.2.2 Sustainability Indicators					
Responsible supply chain management							
GRI 3 Material Topics 2021	3-3 Management of material topics	3.5.3 Responsible supply chain management				12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	
GRI 308 Supplier environmental assessment	308-1 New suppliers that were screened using environmental criteria	3.5.3 Responsible supply chain management 4.2.2 Sustainability Indicators					
GRI 414 Supplier social assessment	414-1 New suppliers that were screened using social criteria	3.5.3 Responsible supply chain management 4.2.2 Sustainability Indicators					

4.2.2 Sustainability Indicators

Sustainable finance and *Climate Change*

SUSTAINABLE FINANCE			
FS8 - MONETARY VALUE OF PRODUCTS AND SERVICES DESIGNED TO DELIVER A SPECIFIC ENVIRONMENTAL BENEFIT	**2023**	**2022**	**2021**
Total monetary value of products and services designed to deliver a specific environmental benefit (€/mln)	**486.0**	**537.8**	**352.2**
Project finance and structured financing	75.1	40.4	58.2
- Renewable energies	*10. 0*	*40.4*	*58.2*
- Water supply	*24.5*	*n.a.*	*n.a.*
- Real Estate Green	*40.6*	*n.a.*	*n.a.*
SACE Green New Deal Loans	*135.6*	*56.8*	*n.a.*
Green Residential Mortgage	11.1	n.a.	n.a.
Sustainability Linked Loans	175.9	146.5	76.7
Ecobonus	56.2	241.4	216.6
Mps restart	1.1	5.9	n.a.
Fondo multiscopo Emilia-Romagna energia	1.6	2.3	n.a.
Energy leasing	10.3	0.4	n.a.
Leasing targato green	3.6	n.a.	n.a.
Clean energy financing	0.5	1.7	0.7
Temporary Crisis Framework 90%	14.8	41.4	n.a.
Qualità agricoltura	0.1	n.a.	n.a.

* The volumes of environmental loans disbursed in the reporting year based on available information on the environmental characteristics of the loans in line with the progressive internal implementations

Sustainable finance and Climate change

FS7 - MONETARY VALUE OF PRODUCTS AND SERVICES DESIGNED TO DELIVER A SPECIFIC SOCIAL BENEFIT	2023	2022	2021
TOTAL MONETARY VALUE OF PRODUCTS AND SERVICES DESIGNED TO DELIVER A SPECIFIC SOCIAL BENEFIT (€/MLN)*	**932.6**	**1335.7**	**709.8**
Consap Mortgages	619.3	1,203.5	645.2
Resto al Sud	5.3	31.3	24.5
FEI Initiative	270.2	63.7	n.a.
Consumer Credit E. BI. TEMP	4.0	3.1	n.a.
Subsidised Loans "Plafond Sisma ed Eventi Calamitosi"	30.7	30.7	35.9
Anti-usury Loans	1.9	2.5	2.2
Prestisenior	0.4	0.2	0.2
Valore sport	0.04	0.01	0.003
Young students	0.1	0.3	0.3
Microcredito	0.6	0.6	0.6

* Volumes of loans with social purposes disbursed in the reference year based on the information available regarding the environmental characteristics of the loans in line with progressive internal implementations

The EU Taxonomy of environmentally sustainable activities

The European Taxonomy, as defined by **Regulation (EU) 852/2020**[63] (EU Taxonomy Regulation) and related Delegated Acts, is a **classification system of economic activities considered environmentally sustainable** from a climate and environmental viewpoint. It defines and establishes specific technical screening criteria for determining conditions under which an economic activity qualifies as contributing substantially to achieving the sustainable objectives.

The aim of this **classification instrument** is to create a common language for companies and investors and to mobilise capital flows into sustainable investments by **supporting** the orientation of public and private strategies towards the **achievement of the EU environmental objectives**[64]**,** starting from climate change mitigation and adaptation, i.e., the first two of the six environmental objectives considered by the EU Taxonomy. Specific technical screening criteria of economic activities[65] have been defined for these objectives and detailed in the Climate Delegated Act.

Article 8 of the EU Taxonomy Regulation introduced, from **1 January 2022**, a disclosure obligation for companies and financial market participants that are subject to non-financial reporting obligations in accordance with the provisions of Directive 2014/95/EU[66] (NFRD), implemented in Italy by Legislative Decree No. 254 of 30 December 2016, on how and to what extent their business activities are associated with environmentally sustainable economic activities.
Details of the methodology and indicators to be used for reporting required under the Taxonomy Regulation are explained in Commission Delegated Regulation (EU) 2021/2178.

On 13 June 2023 the European Commission approved the EU Taxonomy Environmental Delegated Act 2023/3851, covering the remaining four environmental objectives of the EU Taxonomy defined in Regulation (EU) 2020/85. The Commission also approved, in principle, the amendments to two existing delegated acts[67]. The Environmental Taxonomy Delegated Act defines the technical screening criteria for economic activities that make a significant contribution to one or more of the four environmental objectives remaining uncovered in the previous regulatory phase and envisaged in the EU Taxonomy Regulation.

[63] Regulation (EU) 852/2020: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R0852
[64] The six environmental objectives of the Taxonomy: climate change mitigation, climate change adaptation, sustainable use and protection of water resources, transition to a circular economy, pollution prevention and reduction, protection of biodiversity.
[65] Annexes I and II of Commission Delegated Regulation (EU) 2021/2139 (Climate Delegated Act)
[66] Directive 2014/95/EU: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0095&from=EN
[67] The Taxonomy Disclosures Delegated Act (Commission Delegated Regulation (EU) 2021/2178 specifying content and presentation, and the Taxonomy Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139) establishing the technical screening criteria for climate-related environmental objectives

These objectives include the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the restoration of biodiversity and ecosystems.

In addition, the amendments to the Climate Delegated Act envisage expansion of the economic activities that contribute to climate change mitigation and adaptation, including manufacturing and transport industries, as well as updates to the technical screening criteria for existing individual economic activities. From 2024, businesses must only report Taxonomy eligibility for new economic activities introduced.

As required by Delegated Regulation 2021/2178, the MPS Group conducted an analysis based on the **prudential scope of consolidation**[68], considering the gross book value of the balance sheet assets as at 31 December 2023.[69]

In preparing this disclosure, the MPS Group used the templates provided by the EU Regulation[70] and detailed data from the gross book values in the Supervisory Reports to report on exposures to central administrations, central banks, supranational issuers and derivatives, as well as exposures corresponding to the trading book and interbank loans.
For reporting on AuM exposures, the market value as at 31 December 2023 was used as the stock AUM value and the gross purchases in 2023 as the value of flows. With reference to exposures to guarantees, the nominal value as at 31

[68] In compliance with Title II, Chapter 2, Section 2 of Regulation (EU) 575/2013
[69] Note that off-balance sheet assets are excluded.
[70] https://finance.ec.europa.eu/system/files/2021-12/sustainable-finance-taxonomy-eligibility-reporting-voluntary-information_en.pdf

December 2023 was used as the stock guarantees value and new disbursements in 2023 as the value of flows.
With reference to Gas and Nuclear exposures, the gross carrying amount as at 31 December 2023 was used.

The identification of undertakings required to publish non-financial disclosures is based on:

- the Consob list of undertakings required to prepare a Non-Financial Statement for the exposures to financial and non-financial undertakings with registered office in Italy;
- all non-financial undertakings at EU level and all exposures to counterparties (financial and non-financial undertakings) operating outside the EU were considered not to have reporting obligations.

With regard to Delegated Regulation (EU) 2023/2486, the Group provides a voluntary disclosure as, in the absence of publicly available information, a method was implemented based on the following proxies:

- identification of eligible exposures: to identify eligible activities in accordance with provisions of the Delegated Act, the exposures were classified on the basis of the core business sector of the counterparty;
- exposures to undertakings required to publish non-financial disclosures: the exposures were identified by considering the Consob list of undertakings with reporting obligations;
- the exposures in scope refer solely to Italian undertakings;

In addition, pursuant to Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022, from 1 January 2023 to 31 December 2023, financial undertakings are required to disclose their exposures to eligible and non-eligible economic activities in the nuclear energy and fossil gas sectors. From 1 January 2024, they are also required to report exposures to aligned economic activities in the nuclear energy and fossil gas sectors.

The completed templates in relation to the FY 2023 disclosure are provided below, with details of the percentage compared to total balance sheet assets in exposures to:

- Taxonomy-eligible activities and Taxonomy-non-eligible activities for all objectives;
- Taxonomy-aligned and Taxonomy-non-aligned activities for the first two objectives;
- central administrations, central banks and supranational issuers;
- derivatives;
- companies not subject to the NFRD;
- trading book and interbank loans.

In particular, in keeping with the indicator for disclosures from 2023 onwards for Credit Institutions (Green Asset Ratio - GAR), the following assets were considered in order to assess the eligibility and alignment of exposures:

- debt securities and equity instruments;
- loans and advances to businesses;
- project finance;
- enforced real estate guarantees;
- loans and advances to individuals[71] for property purchases or renovations;[72]

and exposures to central governments, central banks, supranational issuers, companies not subject to the NFRD, derivatives, trading book and interbank loans on demand were excluded.

Note that, with reference to loans and advances, for debt securities and equity instruments of non-financial undertakings, the eligibility and alignment percentage was calculated by weighting the gross book value of the exposure by:

- the annual percentage of eligible/aligned **turnover** stated by the undertaking;
- the YoY percentage of eligible/aligned **capex** stated by the undertaking.

The percentage of eligible/aligned assets for exposures to financial undertakings was instead calculated by weighting the exposure by the YoY percentage of eligible/aligned assets stated by the undertakings in question.

For the templates containing alignment and eligibility data, please refer to the section "Measurement - Sustainability Indicators".

[71] To determine the alignment share related to loans collateralized by residential mortgages were conservatively considered only those loans whose collateral assets were found to have an effective energy efficiency class of "A" and exposed to no or low physical climate risk.
[72] Exposures related to consumer credit for the purchase of motor vehicles are not included in this report.

Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets - Turnover	Total environmentally sustainable assets - Capex	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	**Green asset ratio (GAR) stock**	466.89	495.60	0.50%	0.53%	76%	49%	24%
Additional KPIs	*GAR (flow)*	142.37	149.95	0.15%	0.16%	76%	49%	24%
	*Trading book**							
	Financial guarantees	0.98	1.39	0.08%	0.11%			
	Assets under management	7.14	21.13	0.23%	0.67%			
	*Fees and commissions income***							

* For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR

**Fees and commissions income from services other than lending and AuM

Instutitons shall dislcose forwardlooking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.

*** % of assets covered by the KPI over banks´ total assets

****based on the Turnover KPI of the counterparty

*****based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

Note 1: Across the reporting templates: cells shaded in black should not be reported.

Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. SMEs´inclusion in these KPI will only apply subject to a positive result of an impact assessment.

1.Assets for the calculation of GAR

			Disclosure reference date T																													
	Million EUR	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	32,454.39	30,690.27	466.89		0.04	11.71																					30,690.27	466.89		0.04	11.71
2	**Financial undertakings**	957.22	174.97																									174.97				
3	Credit institutions	882.42	173.89																									173.89				
4	Loans and advances	474.83	69.65																									69.65				
5	Debt securities, including UoP	407.59	104.25																									104.25				
6	Equity instruments	-	-																									-				
7	Other financial corporations	74.80	1.08																									1.08				
8	of which investment firms	-	-																									-				
9	Loans and advances	-	-																									-				
10	Debt securities, including UoP	-	-																									-				
11	Equity instruments	-	-																									-				
12	of which management companies	-	-																									-				
13	Loans and advances	-	-																									-				
14	Debt securities, including UoP	-	-																									-				
15	Equity instruments	-	-																									-				
16	of which insurance undertakings	0.11	0.03																									0.03				
17	Loans and advances	0.11	0.03																									0.03				
18	Debt securities, including UoP	-	-																									-				
19	Equity instruments	-	-																									-				
20	**Non-financial undertakings**	1,136.09	204.97	51.20		0.04	11.71																					204.97	51.20		0.04	11.71
21	Loans and advances	1,058.90	197.93	49.88			11.62																					197.93	49.88			11.62
22	Debt securities, including UoP	77.00	6.89	1.24		0.04	0.10																					6.89	1.24		0.04	0.10
23	Equity instruments	0.19	0.15	0.08																								0.15	0.08			
24	**Households**	30,310.32	30,310.32	415.69																								30,310.32	415.69			
25	of which loans collateralised by residential immovable property	30,310.32	30,310.32	415.69																								30,310.32	415.69			
26	of which building renovation loans																															
27	of which motor vehicle loans																															
28	**Local governments financing**																															
29	Housing financing																															
30	Other local government financing																															
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	50.76																														
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	61,791.32																														
33	**Financial and Non-financial undertakings**	45,723.15																														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	45,310.48																														
35	Loans and advances	42,998.68																														
36	of which loans collateralised by commercial immovable property	8,006.73																														
37	of which building renovation loans																															
38	Debt securities	2,088.09																														
39	Equity instruments	223.71																														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	412.67																														
41	Loans and advances	411.70																														
42	Debt securities	0.98																														
43	Equity instruments	-																														
44	**Derivatives**	704.12																														
45	**On demand interbank loans**	1,701.59																														
46	**Cash and cash-related assets**	708.22																														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	12,954.24																														
48	**Total GAR assets**	94,296.48	30,690.27	466.89			11.71																	-								
49	**Assets not covered for GAR calculation**	30,547.38																														
50	**Central governments and Supranational issuers**	12,230.35																														
51	**Central banks exposure**	12,434.22																														
52	**Trading book**	5,882.80																														
53	**Total assets**	124,843.86	30,690.27	466.89			11.71																									
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																																
54	Financial guarantees	1,253.09	2.1	0.98																												
55	Assets under management	3,142.57	9.7	7.14																												
56	Of which debt securities	2,765.74	1.55	1.49																												
57	Of which equity instruments	376.83	8.15	5.65																												

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).
2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.

Voluntary reporting based on estimates for: water and marine resources, circular economy, pollution and biodiversity

	Million EUR	Disclosure reference date T																									
			Climate Change Mitigation (CCM)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)							
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional
	GAR - Covered assets in both numerator and denominator																										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation											26.05				49.96				0.01				76.02			
2	**Financial undertakings**											-				-				-							
3	Credit institutions																										
4	Loans and advances																										
5	Debt securities, including UoP																										
6	Equity instruments											-				-				-							
7	Other financial corporations																										
8	of which investment firms											-				-				-							
9	Loans and advances											-				-				-							
10	Debt securities, including UoP											-				-				-							
11	Equity instruments																										
12	of which management companies																										
13	Loans and advances											-				-				-							
14	Debt securities, including UoP											-				-				-							
15	Equity instruments																										
16	of which insurance undertakings											-				-				-							
17	Loans and advances											-				-				-							
18	Debt securities, including UoP											-				-				-							
19	Equity instruments											-				-				-							
20	**Non-financial undertakings**											26.05				49.96				0.01				76.02			
21	Loans and advances											26.05				43.83				0.01				69.89			
22	Debt securities, including UoP											-				6.13								6.13			
23	Equity instruments																										
24	**Households**																										
25	of which loans collateralised by residential immovable property																										
26	of which building renovation loans																										
27	of which motor vehicle loans																										
28	**Local governments financing**																										
29	Housing financing																										
30	Other local government financing																										
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																										
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**																										
33	**Financial and Non-financial undertakings**																										
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																										
35	Loans and advances																										
36	of which loans collateralised by commercial immovable property																										
37	of which building renovation loans																										
38	Debt securities																										
39	Equity instruments																										
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41	Loans and advances																										
42	Debt securities																										
43	Equity instruments																										
44	**Derivatives**																										
45	**On demand interbank loans**																										
46	**Cash and cash-related assets**																										
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**																										
48	**Total GAR assets**											26.05				49.96				0.01				-			
49	**Assets not covered for GAR calculation**																										
50	**Central governments and Supranational issuers**																										
51	**Central banks exposure**																										
52	**Trading book**																										
53	**Total assets**																										
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																										
54	Financial guarantees																										
55	Assets under management																										
56	Of which debt securities																										
57	Of which equity instruments																										

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).
2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.
3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations
4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure

1. Assets for the calculation of GAR

	Million EUR	Total [gross] carrying amount	Disclosure reference date T																													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	32,454.39	30,764.23	495.60		0.19	17.66																					30,764.23	495.60		0.19	17.66
2	**Financial undertakings**	957.22	185.05																									185.05				
3	Credit institutions	882.42	173.69																									173.69				
4	Loans and advances	474.83	68.37																									68.37				
5	Debt securities, including UoP	407.59	105.32																									105.32				
6	Equity instruments	-	0																									-				
7	Other financial corporations	74.80	11.36																									11.36				
8	of which investment firms	-	0																									-				
9	Loans and advances	-	0																									-				
10	Debt securities, including UoP	-	0																									-				
11	Equity instruments	-	0																									-				
12	of which management companies	-	0																									-				
13	Loans and advances	-	0																									-				
14	Debt securities, including UoP	-	0																									-				
15	Equity instruments	-																														
16	of which insurance undertakings	0.11	0.03																									0.03				
17	Loans and advances	0.11	0.03																									0.03				
18	Debt securities, including UoP	-	0																									-				
19	Equity instruments	-	0																									-				
20	**Non-financial undertakings**	1,136.09	268.86	79.90		0.19	17.66																					268.86	79.90		0.19	17.66
21	Loans and advances	1,058.90	254.94	75.48		0.18	17.34																					254.94	75.48		0.18	17.34
22	Debt securities, including UoP	77.00	13.79	4.32		0.01	0.32																					13.79	4.32		0.01	0.32
23	Equity instruments	0.19	0.13	0.10																								0.13	0.10			
24	**Households**	30,310.32	30,310.32	415.69																								30,310.32	415.69			
25	of which loans collateralised by residential immovable property	30,310.32	30,310.32	415.69																								30,310.32	415.69			
26	of which building renovation loans																															
27	of which motor vehicle loans																															
28	**Local governments financing**																															
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46	**Cash and cash-related assets**	708.22																														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	12,954.24																														
48	**Total GAR assets**	94,296.48	30,764.23	495.60	0.00	0.19	17.66																	-				30,764.23				
49	**Assets not covered for GAR calculation**	30,547.38																														
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56	Of which debt securities	2,765.74	7.15	7.12																												
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2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.
3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations
4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure

Voluntary reporting based on estimates for: water and marine resources, circular economy, pollution and biodiversity

	Million EUR	Total [gross] carrying amount	Disclosure reference date T																								
			Climate Change Mitigation (CCM)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)							
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional
	GAR - Covered assets in both numerator and denominator																										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation											26.05				49.96				0.01				76.02			
2	**Financial undertakings**																										
3	Credit institutions																										
4	Loans and advances																										
5	Debt securities, including UoP																										
6	Equity instruments																										
7	Other financial corporations																										
8	of which investment firms																										
9	Loans and advances																										
10	Debt securities, including UoP																										
11	Equity instruments																										
12	of which management companies																										
13	Loans and advances																										
14	Debt securities, including UoP																										
15	Equity instruments																										
16	of which insurance undertakings																										
17	Loans and advances																										
18	Debt securities, including UoP																										
19	Equity instruments																										
20	**Non-financial undertakings**											26.05				49.96				0.01				76.02			
21	Loans and advances											26.05				43.83				0.01				69.89			
22	Debt securities, including UoP															6.13								6.13			
23	Equity instruments																							-			
24	**Households**																							-			
25	of which loans collateralised by residential immovable property																							-			
26	of which building renovation loans																							-			
27	of which motor vehicle loans																							-			
28	**Local governments financing**																							-			
29	Housing financing																							-			
30	Other local government financing																							-			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																							-			
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**																							-			
33	**Financial and Non-financial undertakings**																										
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																										
35	Loans and advances																										
36	of which loans collateralised by commercial immovable property																										
37	of which building renovation loans																										
38	Debt securities																										
39	Equity instruments																										
40	Non-EU country counterparties not subject to NFRD disclosure obligations																										
41	Loans and advances																										
42	Debt securities																										
43	Equity instruments																										
44	**Derivatives**																										
45	**On demand interbank loans**																										
46	**Cash and cash-related assets**																										
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**																										
48	**Total GAR assets**											26.05				49.96				0.01				-			
49	**Assets not covered for GAR calculation**																										
50	**Central governments and Supranational issuers**																										
51	**Central banks exposure**																										
52	**Trading book**																										
53	**Total assets**																										
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																										
54	Financial guarantees																										
55	Assets under management																										
56	Of which debt securities																										
57	Of which equity instruments																										

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).
2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.
3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations.
4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure

2. GAR sectoral information of the stock aligned exposures - Turnover

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to		SMEs and other NFC not subject to		Non-Financial corporates (Subject to		SMEs and other NFC not subject to		Non-Financial corporates (Subject to		SMEs and other NFC not subject to		Non-Financial corporates (Subject to		SMEs and other NFC not subject to		Non-Financial corporates (Subject to		SMEs and other NFC not subject to		Non-Financial corporates (Subject to		SMEs and other NFC not subject to		Non-Financial corporates (Subject to		SMEs and other NFC not subject to	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	0610	20.44	2.88																							20.44	2.88		
2	1320	0.62	0.15																							0.62	0.15		
3	1410	8.65	0.03																							8.65	0.03		
4	1520	31.16	0.02																							31.16	0.02		
5	2060	25.60	13.57																							25.60	13.57		
6	2351	0.00	0.00																							0.00	0.00		
7	2512	7.69	0.31																							7.69	0.31		
8	2660	0.01	0.00																							0.01	0.00		
9	2732	1.89	0.54																							1.89	0.54		
10	2829	69.97	5.21																							69.97	5.21		
11	2892	7.35	2.23																							7.35	2.23		
12	2896	10.57	1.49																							10.57	1.49		
13	3010	136.25	4.57																							136.25	4.57		
14	3012	0.07	0.00																							0.07	0.00		
15	3030	7.23	0.07																							7.23	0.07		
16	3091	19.05	1.79																							19.05	1.79		
17	3510	1.75	1.16																							1.75	1.16		
18	3511	0.01	0.01																							0.01	0.01		
19	3522	0.41	0.39																							0.41	0.39		
20	3523	136.31	0.23																							136.31	0.23		
21	3600	0.61	0.07																							0.61	0.07		
22	3700	0.26	0.11																							0.26	0.11		
23	3800	8.47	0.36																							8.47	0.36		
24	4200	46.42	24.47																							46.42	24.47		
25	4212	0.02	0.01																							0.02	0.01		
26	4711	14.19	0.21																							14.19	0.21		
27	5223	17.01	1.10																							17.01	1.10		
28	5310	352.81	17.99																							352.81	17.99		
29	6311	1.49	0.91																							1.49	0.91		
30	9601	23.45	0.02																							23.45	0.02		

2. GAR sectoral information of the stock aligned exposures - Capex

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to		SMEs and other NFC not subject to		Non-Financial corporates (Subject to		SMEs and other NFC not subject to		Non-Financial corporates (Subject to		SMEs and other NFC not subject to		Non-Financial corporates (Subject to		SMEs and other NFC not subject to		Non-Financial corporates (Subject to		SMEs and other NFC not subject to		Non-Financial corporates (Subject to		SMEs and other NFC not subject to		Non-Financial corporates (Subject to		SMEs and other NFC not subject to	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	0610	20.44	2.88																							20.44	2.88		
2	1320	0.62	0.15																							0.62	0.15		
3	1410	8.65	0.03																							8.65	0.03		
4	1520	31.16	0.02																							31.16	0.02		
5	2060	25.60	13.57																							25.60	13.57		
6	2351	0.00	0.00																							0.00	0.00		
7	2512	7.69	0.31																							7.69	0.31		
8	2660	0.01	0.00																							0.01	0.00		
9	2732	1.89	0.54																							1.89	0.54		
10	2829	69.97	5.21																							69.97	5.21		
11	2892	7.35	2.23																							7.35	2.23		
12	2896	10.57	1.49																							10.57	1.49		
13	3010	136.25	4.57																							136.25	4.57		
14	3012	0.07	0.00																							0.07	0.00		
15	3030	7.23	0.07																							7.23	0.07		
16	3091	19.05	1.79																							19.05	1.79		
17	3510	1.75	1.16																							1.75	1.16		
18	3511	0.01	0.01																							0.01	0.01		
19	3522	0.41	0.39																							0.41	0.39		
20	3523	136.31	0.23																							136.31	0.23		
21	3600	0.61	0.07																							0.61	0.07		
22	3700	0.26	0.11																							0.26	0.11		
23	3800	8.47	0.36																							8.47	0.36		
24	4200	46.42	24.47																							46.42	24.47		
25	4212	0.02	0.01																							0.02	0.01		
26	4711	14.19	0.21																							14.19	0.21		
27	5223	17.01	1.10																							17.01	1.10		
28	5310	352.81	17.99																							352.81	17.99		
29	6311	1.49	0.91																							1.49	0.91		
30	9601	23.45	0.02																							23.45	0.02		

3. Total assets for GAR stock calculation - Turnover (%)

		Disclosure reference date T																														
	% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	32.55%	0.50%		0.00%	0.01%																										
2	**Financial undertakings**	0.19%																														
3	Credit institutions	0.18%																														
4	Loans and advances	0.07%																														
5	Debt securities, including UoP	0.11%																														
6	Equity instruments	0.00%																														
7	Other financial corporations	0.00%																														
8	of which investment firms	0.00%																														
9	Loans and advances	0.00%																														
10	Debt securities, including UoP	0.00%																														
11	Equity instruments	0.00%																														
12	of which management companies	0.00%																														
13	Loans and advances	0.00%																														
14	Debt securities, including UoP	0.00%																														
15	Equity instruments	0.00%																														
16	of which insurance undertakings	0.00%																														
17	Loans and advances	0.00%																														
18	Debt securities, including UoP	0.00%																														
19	Equity instruments	0.00%																														
20	**Non-financial undertakings**	0.22%	0.05%		0.00%	0.01%																										
21	Loans and advances	0.21%	0.05%		0.00%	0.01%																										
22	Debt securities, including UoP	0.01%	0.00%		0.00%	0.00%																										
23	Equity instruments	0.00%	0.00%		0.00%	0.00%																										
24	**Households**	32.14%	0.44%																													
25	of which loans collateralised by residential immovable property	32.14%	0.44%																													
26	of which building renovation loans																															
27	of which motor vehicle loans																															
28	**Local governments financing**																															
29	Housing financing																															
30	Other local government financing																															
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%																														
32	**Total GAR assets**	32.55%	0.50%			0.01%																										

		Disclosure reference date T-1																														
	% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which specialised lending	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																										32.55%	0.50%			0.01%	26.00%
2	**Financial undertakings**																										0.19%					0.77%
3	Credit institutions																										0.18%					0.71%
4	Loans and advances																										0.07%					0.38%
5	Debt securities, including UoP																										0.11%					0.33%
6	Equity instruments																										0.00%					0.00%
7	Other financial corporations																										0.00%					0.06%
8	of which investment firms																										0.00%					0.00%
9	Loans and advances																										0.00%					0.00%
10	Debt securities, including UoP																										0.00%					0.00%
11	Equity instruments																										0.00%					0.00%
12	of which management companies																										0.00%					0.00%
13	Loans and advances																										0.00%					0.00%
14	Debt securities, including UoP																										0.00%					0.00%
15	Equity instruments																										0.00%					0.00%
16	of which insurance undertakings																										0.00%					0.00%
17	Loans and advances																										0.00%					0.00%
18	Debt securities, including UoP																										0.00%					0.00%
19	Equity instruments																										0.00%					0.00%
20	**Non-financial undertakings**																										0.22%	0.05%			0.01%	0.91%
21	Loans and advances																										0.21%	0.05%			0.01%	0.85%
22	Debt securities, including UoP																										0.01%	0.00%			0.00%	0.06%
23	Equity instruments																										0.00%	0.00%			0.00%	0.00%
24	**Households**																										32.14%	0.44%			0.00%	24.28%
25	of which loans collateralised by residential immovable property																										32.14%	0.44%			0.00%	24.28%
26	of which building renovation loans																														0.00%	0.00%
27	of which motor vehicle loans																															
28	**Local governments financing**																														0.00%	0.00%
29	Housing financing																														0.00%	0.00%
30	Other local government financing																														0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																														0.00%	0.04%
32	**Total GAR assets**																										32.55%	0.50%			0.01%	25.96%

3. Total assets for GAR stock calculation - Capex (%)

Disclosure reference date T

	% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	32.63%	0.53%		0.00%	0.02%
2	**Financial undertakings**	0.20%				
3	Credit institutions	0.18%				
4	Loans and advances	0.07%				
5	Debt securities, including UoP	0.11%				
6	Equity instruments	0.00%				
7	Other financial corporations	0.01%				
8	of which investment firms	0.00%				
9	Loans and advances	0.00%				
10	Debt securities, including UoP	0.00%				
11	Equity instruments	0.00%				
12	of which management companies	0.00%				
13	Loans and advances	0.00%				
14	Debt securities, including UoP	0.00%				
15	Equity instruments	0.00%				
16	of which insurance undertakings	0.00%				
17	Loans and advances	0.00%				
18	Debt securities, including UoP	0.00%				
19	Equity instruments	0.00%				
20	**Non-financial undertakings**	0.29%	0.08%		0.00%	0.02%
21	Loans and advances	0.27%	0.08%		0.00%	0.02%
22	Debt securities, including UoP	0.01%	0.00%		0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%
24	**Households**	32.14%	0.44%			
25	of which loans collateralised by residential immovable property	32.14%	0.44%			
26	of which building renovation loans					
27	of which motor vehicle loans					
28	**Local governments financing**					
29	Housing financing					
30	Other local government financing					
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%			
32	**Total GAR assets**	**32. 6250%**	**0.53%**		**0%**	**0.02%**

	% (compared to total covered assets in the denominator)	Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																										
2	**Financial undertakings**																										
3	Credit institutions																										
4	Loans and advances																										
5	Debt securities, including UoP																										
6	Equity instruments																										
7	Other financial corporations																										
8	of which investment firms																										
9	Loans and advances																										
10	Debt securities, including UoP																										
11	Equity instruments																										
12	of which management companies																										
13	Loans and advances																										
14	Debt securities, including UoP																										
15	Equity instruments																										
16	of which insurance undertakings																										
17	Loans and advances																										
18	Debt securities, including UoP																										
19	Equity instruments																										
20	**Non-financial undertakings**																										
21	Loans and advances																										
22	Debt securities, including UoP																										
23	Equity instruments																										
24	**Households**																										
25	of which loans collateralised by residential immovable property																										
26	of which building renovation loans																										
27	of which motor vehicle loans																										
28	**Local governments financing**																										
29	Housing financing																										
30	Other local government financing																										
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																										
32	**Total GAR assets**																										

Disclosure reference date T-1

	% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which specialised lending	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																									
2	**Financial undertakings**																									
3	Credit institutions																									
4	Loans and advances																									
5	Debt securities, including UoP																									
6	Equity instruments																									
7	Other financial corporations																									
8	of which investment firms																									
9	Loans and advances																									
10	Debt securities, including UoP																									
11	Equity instruments																									
12	of which management companies																									
13	Loans and advances																									
14	Debt securities, including UoP																									
15	Equity instruments																									
16	of which insurance undertakings																									
17	Loans and advances																									
18	Debt securities, including UoP																									
19	Equity instruments																									
20	**Non-financial undertakings**																									
21	Loans and advances																									
22	Debt securities, including UoP																									
23	Equity instruments																									
24	**Households**																									
25	of which loans collateralised by residential immovable property																									
26	of which building renovation loans																									
27	of which motor vehicle loans																									
28	**Local governments financing**																									
29	Housing financing																									
30	Other local government financing																									
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																									
32	**Total GAR assets**																									

	% (compared to total covered assets in the denominator)	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	32.63%	0.53%		0.2011	0.02%	26.00%
2	**Financial undertakings**	0.20%					0.77%
3	Credit institutions	0.18%					0.71%
4	Loans and advances	0.07%					0.38%
5	Debt securities, including UoP	0.11%					0.33%
6	Equity instruments	0.00%					0.00%
7	Other financial corporations	0.01%					0.06%
8	of which investment firms	0.00%					0.00%
9	Loans and advances	0.00%					0.00%
10	Debt securities, including UoP	0.00%					0.00%
11	Equity instruments	0.00%					0.00%
12	of which management companies	0.00%					0.00%
13	Loans and advances	0.00%					0.00%
14	Debt securities, including UoP	0.00%					0.00%
15	Equity instruments	0.00%					0.00%
16	of which insurance undertakings	0.00%					0.00%
17	Loans and advances	0.00%					0.00%
18	Debt securities, including UoP	0.00%					0.00%
19	Equity instruments	0.00%					0.00%
20	**Non-financial undertakings**	0.29%	0.08%		0.0000020	0.02%	0.91%
21	Loans and advances	0.27%	0.08%		0.0000019	0.02%	0.85%
22	Debt securities, including UoP	0.01%	0.00%		0.0000001	0.00%	0.06%
23	Equity instruments	0.00%	0.00%		0	0.00%	0.00%
24	**Households**	32.14%	0.44%				24.28%
25	of which loans collateralised by residential immovable property	32.14%	0.44%				24.28%
26	of which building renovation loans						
27	of which motor vehicle loans						
28	**Local governments financing**						
29	Housing financing						
30	Other local government financing						
31	**Collateral obtained by taking possession: residential and commercial immovable properties**						0.04%
32	**Total GAR assets**	32.63%	0.53%		0.00	0.02%	25.96%

4. Total Assets for the calculation of GAR flows - Turnover (%)

		Disclosure reference date T																														
	% (compared to flow of total eligible assets)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total new assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	4.12%	0.15%			0.01%																					4.12%	0.15%				3.11%
2	**Financial undertakings**	0.01%																									0.01%	0.00%				0.01%
3	Credit institutions	0.01%																									0.01%	0.00%				0.01%
4	Loans and advances	0.01%																									0.01%	0.00%				0.01%
5	Debt securities, including UoP																															
6	Equity instruments																															
7	Other financial corporations																															
8	of which investment firms																															
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies																															
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															
16	of which insurance undertakings																															
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments																															
20	**Non-financial undertakings**	0.14%	0.04%			0.01%																					0.14%	0.04%				0.10%
21	Loans and advances	0.14%	0.04%			0.01%																					0.14%	0.04%				0.10%
22	Debt securities, including UoP																															
23	Equity instruments																															
24	**Households**	3.97%	0.11%																								3.97%	0.11%				3.00%
25	of which loans collateralised by residential immovable property	4%	0.11%																								3.97%	0.11%				3.00%
26	of which building renovation loans																															
27	of which motor vehicle loans																															
28	**Local governments financing**																															
29	Housing financing																															
30	Other local government financing																															
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																															
32	**Total GAR assets**	4.12%	0.15%			0.01%																					4.12%	0.15%			0.01%	3.11%

4. Total Assets for the calculation of GAR flows - Capex (%)

		Disclosure reference date T								
	% (compared to flow of total eligible assets)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	4.12%	0.16%		0.00016%	0.01%				
2	**Financial undertakings**	0.01%								
3	Credit institutions	0.01%								
4	Loans and advances									
5	Debt securities, including UoP	0.00%								
6	Equity instruments	0.00%								
7	Other financial corporations	0.00%								
8	of which investment firms	0.00%								
9	Loans and advances	0.00%								
10	Debt securities, including UoP	0.00%								
11	Equity instruments	0.00%								
12	of which management companies	0.00%								
13	Loans and advances	0.00%								
14	Debt securities, including UoP	0.00%								
15	Equity instruments	0.00%								
16	of which insurance undertakings	0.00%								
17	Loans and advances	0.00%								
18	Debt securities, including UoP	0.00%								
19	Equity instruments	0.00%								
20	**Non-financial undertakings**	0.14%	0.05%		0.00	0.01%				
21	Loans and advances	0.14%	0.05%		0.00000	0.01%				
22	Debt securities, including UoP	0.00%	0							
23	Equity instruments	0.00%	0							
24	**Households**	3.97%	0.11%							
25	of which loans collateralised by residential immovable property	4%	0.11%							
26	of which building renovation loans									
27	of which motor vehicle loans									
28	**Local governments financing**									
29	Housing financing									
30	Other local government financing									
31	**Collateral obtained by taking possession: residential and commercial immovable properties**									

		Disclosure reference date T															
	% (compared to flow of total eligible assets)	Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																
2	**Financial undertakings**																
3	Credit institutions																
4	Loans and advances																
5	Debt securities, including UoP																
6	Equity instruments																
7	Other financial corporations																
8	of which investment firms																
9	Loans and advances																
10	Debt securities, including UoP																
11	Equity instruments																
12	of which management companies																
13	Loans and advances																
14	Debt securities, including UoP																
15	Equity instruments																
16	of which insurance undertakings																
17	Loans and advances																
18	Debt securities, including UoP																
19	Equity instruments																
20	**Non-financial undertakings**																
21	Loans and advances																
22	Debt securities, including UoP																
23	Equity instruments																
24	**Households**																
25	of which loans collateralised by residential immovable property																
26	of which building renovation loans																
27	of which motor vehicle loans																
28	**Local governments financing**																
29	Housing financing																
30	Other local government financing																
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																

		Disclosure reference date T					
	% (compared to flow of total eligible assets)	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total new assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	4.12%	0.16%		0.00016%	0.006%	3.11%
2	**Financial undertakings**	0.01%					0.01%
3	Credit institutions	0.01%					0.01%
4	Loans and advances						0.01%
5	Debt securities, including UoP						
6	Equity instruments						
7	Other financial corporations						
8	of which investment firms						
9	Loans and advances						
10	Debt securities, including UoP						
11	Equity instruments						
12	of which management companies						
13	Loans and advances						
14	Debt securities, including UoP						
15	Equity instruments						
16	of which insurance undertakings						
17	Loans and advances						
18	Debt securities, including UoP						
19	Equity instruments						
20	**Non-financial undertakings**	0.14%	0.05%		1,56E-01	5.69E-05	0.10%
21	Loans and advances	0.14%	0.05%		1,56E-01	5.69E-05	0.10%
22	Debt securities, including UoP	0	0				0
23	Equity instruments	0	0				0
24	**Households**						3.00%
25	of which loans collateralised by residential immovable property						3.00%
26	of which building renovation loans						
27	of which motor vehicle loans						
28	**Local governments financing**						
29	Housing financing						
30	Other local government financing						
31	**Collateral obtained by taking possession: residential and commercial immovable properties**						

5. Alignment and eligibility KPIs related to off-balance sheet exposures - Financial guarantees and Assets under management - stock

Capex

% (compared to total eligible off-balance sheet assets)	Disclosure reference date T																													
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1 Financial guarantees (FinGuar KPI)	0.22%	0.11%				0%	0%			0%	0%			0%	0%			0%	0%			0%	0%			0.22%	0.11%			
2 Assets under management (AuM KPI)	0.75%	0.67%				0%	0%			0%	0%			0%	0%			0%	0%			0%	0%			0.75%	0.67%			

Turnover

% (compared to total eligible off-balance sheet assets)	Disclosure reference date T																													
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1 Financial guarantees (FinGuar KPI)	0.17%	0.08%				0%	0%			0%	0%			0%	0%			0%	0%			0%	0%			0.17%	0.08%			
2 Assets under management (AuM KPI)	0.31%	0.23%				0%	0%			0%	0%			0%	0%			0%	0%			0%	0%			0.31%	0.23%			

5. Alignment and eligibility KPIs related to off-balance sheet exposures - Financial guarantees and assets under management - Flows

Capex

% (compared to total eligible off-balance sheet assets)	Disclosure reference date T								
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	0.05%	0.02%				0%	0%		
2 Assets under management (AuM KPI)	0.40%	0.35%				0%	0%		

% (compared to total eligible off-balance sheet assets)	Water and marine resources (WTR)				Circular economy (CE)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	0%	0%			0%	0%		
2 Assets under management (AuM KPI)	0%	0%			0%	0%		

% (compared to total eligible off-balance sheet assets)	Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	0%	0%			0%	0%		
2 Assets under management (AuM KPI)	0%	0%			0%	0%		

% (compared to total eligible off-balance sheet assets)	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling
1 Financial guarantees (FinGuar KPI)	0.05%	0.02%			
2 Assets under management (AuM KPI)	0.40%	0.35%			

Turnover

% (compared to total eligible off-balance sheet assets)	Disclosure reference date T								
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	0.05%	0.02%				0%	0%		
2 Assets under management (AuM KPI)	0.16%	0.11%				0%	0%		

% (compared to total eligible off-balance sheet assets)	Water and marine resources (WTR)				Circular economy (CE)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	0%	0%			0%	0%		
2 Assets under management (AuM KPI)	0%	0%			0%	0%		

% (compared to total eligible off-balance sheet assets)	Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	0%	0%			0%	0%		
2 Assets under management (AuM KPI)	0%	0%			0%	0%		

% (compared to total eligible off-balance sheet assets)	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling
1 Financial guarantees (FinGuar KPI)	0.05%	0.02%			
2 Assets under management (AuM KPI)	0.16%	0.11%			

Nuclear and fossil gas related activities

Loans & Advances - Financing

Template 1 - Nuclear and fossil gas related activities

	NUCLEAR ENERGY RELATED ACTIVITIES	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Template 2 - Taxonomy-aligned economic activities

	STOCK -CAPEX	AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				

STOCK -CAPEX		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**495,595,247.15**	**0.53%**				
8	**Total applicable KPI**	**495,595,247.15**	**0.53%**				

STOCK -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				

	STOCK -TURNOVER	AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**466,891,752.74**	**0.50%**				
8	**Total applicable KPI**	**466,891,752,74**	**0.50%**				

	FLOWS -CAPEX	AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				

FLOWS -CAPEX		AMOUNT AND PROPORTION					
	attività economiche	CCM + CCA		Mitigazione dei cambiamenti climatici (CCM)		Adattamento ai cambiamenti climatici (CCA)	
		Importo	%	Importo	%	Importo	%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**150,874,367.95**	**0.16%**				
8	**Total applicable KPI**	**150,874,367.95**	**0.16%**				

FLOWS -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**141,444,719.96**	**0.15%**				
8	**Total applicable KPI**	**141,444,719.96**	**0.15%**				

Template 3 - Taxonomy-aligned economic activities (numerator)

STOCK -CAPEX		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**495,595,247.15**	**100%**				
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**495,595.247.15**	**100%**				

STOCK -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				

	STOCK -TURNOVER	AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**466,891,752.74**	**100%**				
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**466,891,752.74**	**100%**				

	FLOWS -CAPEX	AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				

FLOWS -CAPEX		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**150,874,367.95**	**100%**				
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**150,874,367.95**	**100%**				

FLOWS -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				

FLOWS -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**141,444,719.96**	**100%**				
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**141,444,719.96**	**100%**				

Template 4 - Taxonomy-eligible but not taxonomy-aligned economic activities

STOCK -CAPEX		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	94,857.68	0.000101%				
5	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	312,107.98	0.000331%				
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4,665.13	0.000005%				

	STOCK -CAPEX	AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**30,763,819,940.47**	**32.6246%**				
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**30,764,231,571.27**	**32.6250%**				

	STOCK -TURNOVER	AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	94,857.68	0.000101%				
5	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	312,107.98	0.000331%				
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4,665.13	0.000005%				
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**30,689,853,372.90**	**32.5461%**				
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**30,690,265,003.70**	**32.5466%**				

FLOWS -CAPEX		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**3,885,014,974.81**	**4.1200%**				
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**3,885,014,974.81**	**4.1200%**				

FLOWS -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				

FLOWS -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
2	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**3,885,014,974.81**	**4.1200%**				
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**3,885,014,974.81**	**4.1200%**				

Template 5 - Taxonomy non-eligible economic activities

STOCK -CAPEX			
	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	140.29	0.0000001%

STOCK -CAPEX			
	Economic activities	**Amount**	**Percentage**
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**63,532,948,259.44**	**67.38%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**63,532,948,399.73**	**67.38%**

STOCK -TURNOVER			
	Economic activities	**Amount**	**Percentage**
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	114.79	0.0000002%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**63,606,214,852.51**	**67.45%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**63,606,214,967,.30**	**67.45%**

Template 5 Taxonomy non-eligible economic activities

FLOWS - CAPEX			
	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**90,411,464,996.31**	**95.88%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**90,411,464,996.31**	**95.88%**

FLOWS - TURNOVER			
	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%

FLOWS - TURNOVER			
	Economic activities	Amount	Percentage
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**90,411,464,996.31**	**95.88%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**90,411,464,996.31**	**95.88%**

Nuclear and fossil gas related activities

Off Balance Sheet - Guarantees

Template 1 - Nuclear and fossil gas related activities

NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Template 2 - Taxonomy-aligned economic activities

STOCK -CAPEX		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**495,595,247.15**	**0.53%**				
8	**Total applicable KPI**	**495,595,247.15**	**0.53%**				

STOCK -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				

STOCK -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**466,891,752.74**	**0.50%**				
8	**Total applicable KPI**	**466,891,752.74**	**0.50%**				

FLOWS -CAPEX		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				

	FLOWS -CAPEX	AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**150,874,367.95**	**0.16%**				
8	**Total applicable KPI**	**150,874,367.95**	**0.16%**				

	FLOWS -TURNOVER	AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				

FLOWS -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**141,444,719.96**	**0.15%**				
8	**Total applicable KPI**	**141,444,719.96**	**0.15%**				

Template 3 Taxonomy-aligned economic activities (numerator)

STOCK -CAPEX		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				

STOCK -CAPEX		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**495,595,247.15**	**100%**				
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**495,595,247.15**	**100%**				

STOCK -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				

STOCK -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**466,891,752.74**	**100%**				
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**466,891,752.74**	**100%**				

FLOWS -CAPEX		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				

FLOWS -CAPEX		AMOUNT AND PROPORTION					
attività economiche		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**150,874,367.95**	**100%**				
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**150,874,367.95**	**100%**				

FLOWS -TURNOVER		AMOUNT AND PROPORTION					
Economic activities		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**141,444,719.96**	**100%**				
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**141,444,719.96**	**100%**				

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

STOCK -CAPEX		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	184,220.18	0.0002%				
5	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	368,992.87	0.0004%				
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**30,763,678,358.22**	**32.6244%**				
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**30,764,231,571.27**	**32.6250%**				

STOCK -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				

STOCK -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
2	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	99,934.41	0.0001%				
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**30,690,165,069.29**	**32.5465%**				
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**30,690,265,003.70**	**32.5466%**				

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

FLOWS -CAPEX		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				

FLOWS -CAPEX		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**3,885,014,974.81**	**4.1200%**				
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**3,885,014,974.81**	**4.1200%**				

FLOWS -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				

FLOWS -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**3,885,014,974.81**	**4.1200%**				
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**3,885,014,974.81**	**4.1200%**				

Template 5 Taxonomy non-eligible economic activities

STOCK -CAPEX			
	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%

STOCK -CAPEX			
	Economic activities	Amount	Percentage
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**63,532,948,399.73**	**67.38%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**63,532,948,399.73**	**67.38%**

STOCK -TURNOVER			
	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**63,606,214,967.30**	**67.45%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**63,606,214,967.30**	**67.45%**

FLOWS -CAPEX			
	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**90,411,464,996.31**	**58.51%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI’**	**90,411,464,996.31**	**95.88%**

FLOWS -TURNOVER			
	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%

FLOWS - TURNOVER			
	Economic activities	Amount	Percentage
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**90,411,464,996.31**	**95.88%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**90,411,464,996.31**	**95.88%**

Nuclear and fossil gas related activities

Off Balance Sheet – Asset under Management

Template 1 - Nuclear and fossil gas related activities

NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Template 2 - Taxonomy-aligned economic activities

STOCK -CAPEX		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**495,595,247.15**	**1%**	**-**	**0%**	**-**	**0%**
8	**Total applicable KPI**	**495,595,247.15**	**1%**	**0**	**0%**	**0**	**0%**

STOCK -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%

STOCK -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**466,891,752.74**	**0%**	**-**	**0%**	**-**	**0%**
8	**Total applicable KPI**	**466,891,752.74**	**0%**	**0**	**0%**	**0**	**0%**

FLOWS -CAPEX		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%

FLOWS -CAPEX		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**150,874,367.95**	**0%**	**-**	**0%**	**-**	**0%**
8	**Total applicable KPI**	**150,874,367.95**	**0%**	**0**	**0%**	**0**	**0%**

FLOWS -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%

	FLOWS -TURNOVER	AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**141,444,719.96**	**0%**	**-**	**0%**	**-**	**0%**
8	**Total applicable KPI**	**141,444,719.96**	**0%**	**0**	**0%**	**0**	**0%**

Template 3 Taxonomy-aligned economic activities (numerator)

	STOCK -CAPEX	AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				

STOCK -CAPEX		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**495,595,247.15**	**100%**				
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**495,595,247.15**	**100%**				

STOCK -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**466,891,752.74**	**100%**				
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**46,891,752.74**	**100%**				

	FLOWS -CAPEX	AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**150,874,367.95**	**100%**				
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**150,874,367.95**	**100%**				

	FLOWS -TURNOVER	AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				

FLOWS -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**141,444,719.96**	**100%**				
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**141,444,719.96**	**100%**				

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

STOCK -CAPEX		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				

STOCK -CAPEX		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	346,433.41	0.0004%				
5	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**30,763,885,137.86**	**32.6246%**				
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**30,764,231,571.27**	**32.6250%**				

STOCK -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	879,407.88	0.0009%				

STOCK -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**30,689,385,595.82**	**32.5456%**				
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**30,690,265,003.70**	**32.5466%**				

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

FLOWS -CAPEX		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	157,210.17	0.0002%				
5	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				

FLOWS -CAPEX		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**3,884,857,764.64**	**4.1198%**				
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**3,885,014,974.81**	**4.1200%**				

FLOWS -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
2	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	399,071.97	0.0004%				
5	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%				

FLOWS -TURNOVER		AMOUNT AND PROPORTION					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**3,884,615,902.84**	**4.1196%**				
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**3,885,014,974.81**	**4.1200%**				

Template 5 Taxonomy non-eligible economic activities

STOCK -CAPEX			
	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	119,919.26	0.0001%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**63,532,828,480.47**	**67.3756%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI’**	**63,532,948,399.73**	**67.3757%**

STOCK -TURNOVER			
	Economic activities	**Amount**	**Percentage**
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	146,567.98	0.0002%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**63,606,068,399.32**	**67.45328%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI’**	**63,606,214,967.30**	**67.45344%**

FLOWS -CAPEX			
	Economic activities	**Amount**	**Percentage**
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	54,418.90	0.0001%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%

FLOWS -CAPEX			
	Economic activities	**Amount**	**Percentage**
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**90,411,410,577.40**	**95.8799%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**90,411,464,996.31**	**95.8800%**

FLOWS -TURNOVER			
	Economic activities	**Amount**	**Percentage**
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	66,511.99	0.0001%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**90,411,398,484.31**	**95.8799%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**90,411,464,996.31**	**95.8800%**

Sustainable finance and Climate change

DIRECT ENVIRONMENTAL IMPACT			
301-1 Materials used by weight or volume	**2023**	**2022**	**2021**
Total paper used (Kg)	**1,340,924**	**1,648,748**	**1,496,893**
Paper used internally	569,495	868,473	903,477
*Paper used externally**	771,429	816,275	593,416
Total toner or cartridges used (Kg)	**15,250**	**23,210**	**16,404**
Original toner	15,250	23,210	16,404
Regenerated toner	0	0	0

* the reporting process was implemented by integrating the paper used for the envelopes for correspondence sent to Customers.

302-1 Energy consumption within the organisation	**2023**	**2022**	**2021**
Electricity consumption (MWh)	**96,982**	**104,867**	**110,908**
from renewable sources	96,982	104,867	110,908
% from renewable sources	100%	100%	100%
Natural gas consumption (m^3)	**3,128,382**	**3,638,728**	**4,563,482**
Heating oil consumption (L)	**31,500**	**52,295**	**156,637**
	2023	**2022**	**2021**
Electricity consumption (Gj)	**349,136**	**377,521**	**399,269**
from renewable sources (Gj)	349,136	377,521	399,269
% from renewable sources	100%	100%	100%
Natural gas consumption (Gj)	**107,266**	**124,772**	**156,468**
Heating oil consumption (Gj)	**1,134**	**1,883**	**5.642**
Consumption of oil for generating sets (Gj)	**0**	**97**	**0**
Total energy consumption within the organisation (electricity, natural gas and oil) in Gj	**457,536**	**504,273**	**561,379**
Total energy consumption within the organisation (car fleet) in Gj	**24,906**	**28,375**	**26,183**
Total consumption (Gj)	**482,442**	**532,648**	**587,562**

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302-1 Car fleet	2023	2022	2021
Total (GJ)	**24,906**	**28,375**	**26,138**
Cars for personal and business use – Petrol (L)	1,975	3,373	1,809
In tonnes	1	2	1
Gj	63	108	57
Cars for personal and business use – Diesel (L)	361,966	413,634	376,189
In tonnes	304	347	316
Gj	13,029	14,888	13,518
Cars for business use – Petrol (L)	187,068	176,002	156,963
In tonnes	138	130	116
Gj	5,970	5,617	4,974
Cars for business use – Diesel (L)	162,369	215,648	212,441
In tonnes	136	181	178
Gj	5,844	7,762	7,634

302-3 Energy intensity	2023	2022	2021
Total energy per area (Gj/sqm)	**0.394**	**0.342**	**0.323**
Of which electricity	0.301	0.256	0.230
Total energy per employee (Gj/emp.)	**27.642**	**29.968**	**26.690**
Of which electricity	21.093	22.435	18.983

* Note: total energy includes electricity. natural gas and heating oil. excluding the car fleet

305-1 Direct (Scope 1) GHG emissions	2023	2022	2021
Total (Scope 1) emissions (tCO_2 eq.)	**4,206.9**	**5,525.1**	**7,459.2**

Sustainable finance and Climate change

305-2 Energy indirect (Scope 2) GHG emissions	2023	2022	2021
Total gross, location-based indirect emissions from energy consumption (Scope 2) (tCO_2 eq.)	**26,055.9**	**27,342.2**	**30,936.0**
Total gross, market-based indirect emissions from energy consumption (Scope 2) (tCO_2 eq.)	**0**	**0**	**0**

305-3 Other indirect (Scope 3) GHG emissions	2023	2022	2021
Emissions Scope 3 (tCO2 eq.) cat 1&6	**1,825.09**	**2,064.61**	**2,396.6**
Emissions Scope 3 (tCO2 eq.) cat 15	**19,675,908**	**19,195,000**	**-**
Total indirect emissions Scope 3 (tCO2 eq.)*	**19,677,733.09**	**19,197,064.61**	**2,396.6**

Note: It should be noted that the 2022 data, due to the inclusion of additional indirect emission sources in the calculation, is higher than reported in the NFS 2022.

305-4 GHG emissions intensity*	2023	2022	2021
GHG emissions intensity rate per area (tCO_2 eq./sqm)	**0.00362**	**0.00375**	**0.00430**
GHG emissions intensity rate per employee (tCO_2 eq./emp)	**0.25416**	**0.32835**	**0.35464**
GHG emissions (scope 1) (tCO_2 eq.)	4,206.9	5,525.1	7,459.2
Sqm of net internal surface area	1,161,810	1,473,606	1,736,502
Employees	16,552	16,827	21,033

* GHG emission intensity rates include direct (Scope 1) emissions (disclosure 305-1), but not indirect (Scope 2) emissions, as the contribution from the Market Based methodology is 0.

306-3 Waste generated	2023	2022	2021
Total weight of waste generated (t)	**348.44**	**915.75**	**977.6**
Paper or cardboard	195.18	579.9	804.9
Mixed and unseparated	89.38	204.17	118.0
Wood	17.11	71.2	22.3
Iron	16.04	37.3	5.5
Toner	15.25	23.2	16.4
IT equipment	15.48	0	10.6

Sustainable finance and Climate change

RELATIONS WITH CUSTOMERS AND STRONG LINK TO THE LOCAL AREA

417-2 Incidents of non-compliance concerning product and service information and labeling	2023	2022	2021
Total number of cases of non-compliance with regulations and/or self-governance codes (No.)	**0**	**0**	**1***
Cases of non-compliance with regulations leading to a fine or sanction	0	0	1
Cases of non-compliance with regulations leading to a warning	0	0	0
Cases of non-compliance with self-governance codes	0	0	0

Note: On 10 December 2021, the AGCM notified Banca Widiba that it had initiated proceedings for alleged unfair trading practices with regard to a unilateral change of conditions, which affected Customers holding current accounts.

417-3 Incidents of non-compliance concerning marketing communications	2023	2022	2021
Total number of cases of non-compliance with regulations and/or self-governance codes concerning marketing disclosures, including advertising, promotion and sponsorship (No.)	**0**	**0**	**0**
Cases of non-compliance with regulations leading to a fine or sanction	0	0	0
Cases of non-compliance with regulations leading to a warning	0	0	0
Cases of non-compliance with self-governance codes	0	0	0

DIGITALISATION AND IT SECURITY

418-1 Substantiated complaints concerning breaches of Customer privacy and losses of Customer data	2023	2022	2021
Total number of proven complaints received regarding Customer privacy violations (No.)	**5**	**7**	**4**
Complaints received from external parties and confirmed by the organisation	5	6	4
Complaints from regulatory authorities	0	1	0
Total number of Customer data leaks, theft or loss (No.)	**13**	**15**	**4**

Our community

PROTECTION OF HUMAN RESOURCES

2-7 Employees	U of M.	2023	2022	2021
Total employees	**N.**	**16,552**	**16,827**	**21,033**
Of which Men	N.	7,684	7,886	10,170
	%	46%	47%	48%
Of which Women	N.	8,868	8,961	10,863
	%	54%	53%	52%
Permanent employees	**N.**	**16,530**	**16,786**	**20,978**
Of which Men	N.	7,672	7,848	10,143
	%	46%	47%	48%
Of which Women	N.	8,858	8,938	10,835
	%	54%	53%	52%
Fixed-term workers	**N.**	**22**	**41**	**55**
Of which Men	N.	12	18	27
	%	55%	44%	49%
Of which Women	N.	10	23	28
	%	45%	56%	51%
Full-Time workers	**N.**	**14,793**	**14,968**	**18,862**
Of which Men	N.	7,590	7,779	10,061
	%	51%	52%	53%
Of which Women	N.	7,203	7,189	8,801
	%	49%	48%	47%

Our people

2-7 Employees		U of M.	2023	2022	2021
Part-Time workers		**N.**	**1,759**	**1,859**	**2,171**
Of which Men		N.	94	87	109
		%	5%	5%	5%
Of which Women		N.	1,665	1,772	2,062
		%	95%	95%	95%
Non-guaranteed hours employees		N.	0	0	0
		U of M.	2023	2022	2021
Total employees per category		**N.**	**16,552**	**16,827**	**21,033**
Executive managers		N.	157	177	222
		%	0.95%	1.05%	1.06%
Middle managers		N.	6,018	6,018	8,133
		%	36.36%	35.76%	38.67%
Office workers		N.	10,377	10,632	12,678
		%	62.69%	63.18%	60.28%

* the figure is shown in headcount. The figure shown refers to 1 January after the financial year indicated. A facilitated exit measure (incentive redundancy/solidarity fund) was set up in 2022, which led to the termination of approx. 4,400 resources.

Our people

2-7 Employees	U of M.	2023	2022	2021
Total employees per geographical region	**N.**	**16,552**	**16,827**	**21,033**
Northeast	N.	3,068	3,142	3,951
	%	19%	19%	18.78%
Northwest	N.	2,707	2,777	3,666
	%	16%	16.5%	17.43%
South Central	N.	9,747	9,865	12.155
	%	59%	59%	57.79%
Islands	N.	1,030	1,043	1,261
	%	6%	6.20%	6%
Permanent employees	**N.**	**16,530**	**16,786**	**20,978**
Northeast	N.	3,068	3,138	3,948
	%	19%	19%	19%
Northwest	N.	2,705	2,774	3,661
	%	16%	17%	17%
South Central	N.	9,727	9,831	12,111
	%	59%	59%	58%
Islands	N.	1,030	1,043	1,258
	%	6%	6%	6%

Our people

2-7 Employees	U of M.	2023	2022	2021
Fixed-Term employees	**N.**	**22**	**41**	**55**
Northeast	N.	-	1	3
	%	0%	2%	5%
Northwest	N.	2	3	5
	%	9%	7%	9%
South Central	N.	20	37	44
	%	91%	90%	80%
Islands	N.	-	-	3
	%	0%	0%	5%
Full-Time employees	**N.**	**14,793**	**14,968**	**18,862**
Northeast	N.	2,606	2,629	3,356
	%	18%	18%	18%
Northwest	N.	2,299	2,347	3,127
	%	16%	16%	17%
South Central	N.	8,931	9,024	11,204
	%	60%	60%	59%
Islands	N.	957	967	1,175
	%	6%	6%	6%

Our people

2-7 Employees	U of M.	2023	2022	2021
Part-Time employees	**N.**	**1,759**	**1,859**	**2,171**
Northeast	N.	462	510	595
	%	26%	27%	27%
Northwest	N.	408	430	539
	%	23%	23%	25%
South Central	N.	816	844	951
	%	46%	45%	44%
Islands	N.	73	75	86
	%	4%	4%	4%

Note: The figure is shown in headcount. The figure shown is that in place punctually as of the following January 1 of each year indicated. Figures broken down by geographic region include No. 3 resources with local foreign contracts for whom the location of the foreign work, but the location of the Italian function for which they work. During 2022, a maneuver of facilitated exits (incentive retirement/solidarity fund) was activated, which led to the termination of approx. 4,000 resources.

2-8 Workers who are not employees	2023	2022	2021
Total number of workers who are not employees but whose work is controlled by the organisation (No.)	**6**	**9**	**9**

Year	Description of duty
2023	3 Credit Bureau Specialists
	1 Communications Office Specialist
	1 Specialist Office of Planning and Management Control
	1 Specialist Office of Financial Consulting Administration
2022	4 Credit Office Specialists
	1 Evolutionary Projects Sector Specialis
	2 Communications Office Specialist
	1 Plan cation and Management Control Office specialist
	1 Specialist Financial Advisory Administration Office
2021	1 Planning and Management Control Office Specialist
	4 Credit Office Specialist
	2 Communication Office Specialist
	1 Evolutionary Projects Sector Specialist
	1 Specialist Banking & Payments Office

Note: Only Banca Widiba has workers who are not employees. The figure is shown in headcount. The figure shown refers to 1 January after the financial year indicated. All staffing contracts were entered into with Employment Agencies.

2-30 Collective bargaining agreements	U of M.	2023	2022	2021
Employees covered by NCLAs (No.)	**N.**	**16,552**	**16,827**	**21,033**
Percentage of total employees (%)	**%**	**100%**	**100%**	**100%**

Our people

401-1 New employee hires and employee turnover	U of M.	2023	2022	2021
Number and total % of new employees hired during the year by gender and age range	**N.**	**82**	**78**	**138**
	%	**0.5%**	**0.5%**	**0.7%**
Of which Men	N.	46	34	69
	%	0.6%	0.4%	0.7%
Of which Women	N.	36	44	69
	%	0.4%	0.5%	0.6%
Up to 30 years of age	N.	45	43	94
	%	17.9%	15.5%	32.9%
Between 31 and 50 years of age	N.	33	23	36
	%	0.4%	0.2%	0.3%
Over 50 years of age	N.	4	12	8
	%	0.1%	0.2%	0.1%
Number and total % of employees who left the organisation during the year by gender and age range	**N.**	**347**	**4,408**	**416**
	%	**2.1%**	**26.2%**	**2.0%**
Of which Men	N.	227	2,417	265
	%	3.0%	31%	2.6%
Of which Women	N.	120	1,991	151
	%	1.4%	22%	1.4%
Up to 30 years of age	N.	9	17	31
	%	3.6%	6%	10.8%
Between 31 and 50 years of age	N.	172	163	127
	%	2.0%	2%	1.2%
Over 50 years of age	N.	166	4,228	258
	%	2.2%	62%	2.6%

Our people

401-1 New employee hires and employee turnover	U of M.	2023	2022	2021
Employee turnover by gender and age range	**N.**	**-265**	**-4,330**	**-278**
	%	**-2%**	**-26.0%**	**-1.9%**
Of which Men	N.	-181	-2,383	-196
	%	-2%	-30%	-1,9%
Of which Women	N.	-84	-1,947	-82
	%	-1%	-22%	-0.8%
Up to 30 years of age	N.	36	26	63
	%	14%	9%	22%
Between 31 and 50 years of age	N.	-139	-140	-91
	%	-2%	-1%	-0.8%
Over 50 years of age	N.	-162	-4,216	-250
	%	-2%	-62%	-2.5%

401-3 Parental leave	2023	2022	2021
Total number of employees eligible for parental leave (No.)	**5,659**	**6,183**	**6,601**
Of which Men	2,323	2,486	2,652
Of which Women	3,336	2,697	3,949
Total number of employees who took parental leave (No.)	**1,552**	**1,364**	**1,229**
Of which Men	331	145	101
Of which Women	1,221	1,219	1,128
Total number of employees who returned to work during the reporting period after taking parental leave (No.)	**1,439**	**1,313**	**1,165**
Of which Men	314	137	100
Of which Women	1,125	1,176	1,065

Our people

401-3 Parental leave	2023	2022	2021
Total number of employees who returned to work after taking parental leave and who were still employed by the organisation in the 12 months following their return (No.)	**1,293**	**1,144**	**1,133**
Of which Men	128	95	84
Of which Women	1,165	1,049	1,049
Rate of return to work of employees who took parental leave (%)	**92.72%**	**96.26%**	**94.79%**
Rate of retention in the company of employees who took parental leave (%)	**98.48%**	**98.20%**	**99.12%**

* When returning from parental leave, job preservation is fully guaranteed. Furthermore, note that parental leave may be taken for chidren up to the age of 12, in accordance with laws in force.

403-3 Occupational health services	2023	2022	2021
Periodic examinations (No.)	1,885	527	414
Examinations on request (No.)	136	247	106
Medical inspections (No.)	1,241	945	935

403-8 Workers covered by an occupational health and safety management system	2023	2022	2021
Number of employees covered by the health and safety management system (No.)	16,292	16,447	20,591
Percentage of employees covered by the health and safety management system (%)	98%	98%	98%

Note: In continuity with previous years, at this time, the required data on the total number of workers who are not employees but whose work and/or place of work is controlled by the organization is not available

403-10 Work-related ill health	2023	2022	2021
Number of work-related illnesses by employee (No.)	**0**	**0**	**0**
Total number of recordable cases of work-related ill health	0	0	0
cases caused by work-related ill health	0	0	0

Note: In continuity with previous years, at this time, the required data on the total number of workers who are not employees but whose work and/or place of work is controlled by the organization is not available

Our people

403-9 Work-related injuries	2023	2022	2021
Total number of deaths as a result of accidents in the workplace (No).	**0**	**0**	**0**
Total number of serious accidents in the workplace (excluding deaths) (No.)	**1**	**0**	**0**
Total number of recordable accidents in the workplace (No.)	**43**	**63**	**59**
Hours worked (No.)	24,492,137	29,939,743.2	31,656,416.9
Rate of deaths as a result of accidents in the workplace	0	0	0
Rate of serious accidents in the workplace (excluding deaths)	0.04	0	0
Rate of recordable accidents in the workplace	1.76	2.10	1.86
Accidents to/from workplace	84	121	84
Accident rate to/from workplace	3.43	4.04	2.65

Note: In continuity with previous years, at this time, the required data on the total number of workers who are not employees but whose work and/or place of work is controlled by the organization is not available

HUMAN RESOURCE DEVELOPMENT

404-1 Average hours of training per year per employee	2023	2022	2021
Total number of average hours of training per employee (No.)	**43.8**	**43.8**	**44.0**
Male employees	42.7	42.6	42.8
Female employees	44.9	45.0	45.1
Executive managers	29.4	17.2	24.6
Middle managers	44.7	44.2	45.4
Office workers	43.6	44.1	43.4
Total training hours delivered (No.)	**725,701**	**737,645**	**924,682**
Male employees	327,773	334,735	434,787
Female employees	397,928	402,910	489,895
Executive managers	4,616	3,042	5,470
Middle managers	268,931	266,235	369,458
Office workers	452,155	468,368	549,754

404-3 Percentage of employees receiving regular performance and career development reviews	U of M.	2023	2022	2021
Total number of employees who received regular performance and career plan evaluations	**N.**	**16,751**	**21,033**	**21,166**
	%	**99.5%**	**99.8%**	**99.8%**
Men	N.	7,822	10,157	10,296
	%	99.4%	99.9%	99.8%
Women	N.	8,929	10,864	10,870
	%	99.6%	99.8%	99.8%
Executive managers	N.	177	222	244
	%	100%	100%	99.6%
Middle managers	N.	6,006	8,130	8,183
	%	99.8%	100%	99.8%
Office workers	N.	10,580	12,651	12,739
	%	99.5%	99.8%	99.8%

Notes: The data relate to the performance appraisal for the previous year and, therefore, are calculated on the headcount as of 31.12 of the year of the appraisal (e.g., for 2023, the performance appraisal rendered in the year 2022 and the headcount as of 12/31/2022). The figure refers to the number of employees targeted by the BMPS evaluation process. The same is aimed at surveying employee performance as well as expendability toward roles with greater responsibility. The difference between the NFS workforce of reference and the people who are recipients of an evaluation form includes cases of ineligibility (e.g., group entries of less than 4 months).

DIVERSITY & INCLUSION

405-1 Diversity of governance bodies and employees	U of M.	2023	2022	2021
Total number of members of the organisation's governing bodies by gender and age range	**N.**	**14**	**15**	**15**
Of which Men	N.	7	9	8
	%	50%	60%	53%
Of which Women	N.	7	6	7
	%	50%	40%	47%
Up to 30 years of age	N.	0	0	0
	%	0%	0%	0%
Between 31 and 50 years of age	N.	1	1	3
	%	7%	6.7%	20%
Over 50 years of age	N.	13	14	12
	%	93%	93.3%	80%
Total number of employees by gender and age range	**N.**	**16,552**	**16,827**	**21,033**
Of which Men	N.	7,684	7,866	10,170
	%	46.42%	46.75%	48.35%
Of which Women	N.	8,868	8,961	10,863
	%	53.58%	53.25%	52.65%
Up to 30 years of age	N.	252	277	286
	%	2%	2%	1%
Between 31 and 50 years of age	N.	8,600	9,702	10,750
	%	52%	58%	51%
Over 50 years of age	N.	7,700	6,848	9,997
	%	47%	42%	49%

405-1 Diversity of governance bodies and employees	U of M.	2023	2022	2021
Total Executive managers	**N.**	**157**	**177**	**222**
Of which Men	N.	126	143	185
	%	80%	81%	83%
Of which Women	N.	31	34	37
	%	20%	19%	17%
Up to 30 years of age	N.	0	0	0
	%	0%	0%	0%
Between 31 and 50 years of age	N.	21	35	52
	%	13%	20%	23%
Over 50 years of age	N.	136	142	170
	%	87%	80%	77%
Total middle managers	**N.**	**6,018**	**6,018**	**8,133**
Of which Men	N.	3,598	3,656	5,016
	%	60%	61%	62%
Of which Women	N.	2,420	2.362	3,117
	%	40%	39%	38%
Up to 30 years of age	N.	0	2	3
	%	0%	0%	0%
Between 31 and 50 years of age	N.	2,287	2,628	3,037
	%	38%	44%	37%
Over 50 years of age	N.	3,731	3,388	5,093
	%	62%	56%	63%

Our people

405-1 Diversity of governance bodies and employees	U of M.	2023	2022	2021
Total Office workers	**N.**	**10,377**	**10,632**	**12,678**
Of which Men	N.	3,960	4,067	4,969
	%	38%	38%	39%
Of which Women	N.	6,417	6,565	7,709
	%	62%	62%	61%
Up to 30 years of age	N.	252	275	283
	%	2%	3%	2%
Between 31 and 50 years of age	N.	6,292	7,039	7,661
	%	61%	66%	62%
Over 50 years of age	N.	3,833	3,318	4,374
	%	37%	31%	36%
Total number of individuals in protected categories	**N.**	**1,145**	**1,157**	**1,465**
Of which Men	N.	605	613	811
	%	53%	71%	55%
Of which Women	N.	540	544	654
	%	47%	29%	45%
Up to 30 years of age	N.	16	15	18
	%	1%	1%	1%
Between 31 and 50 years of age	N.	519	576	644
	%	45%	50%	44%
Over 50 years of age	N.	610	566	803
	%	53%	49%	55%
Individuals in protected categories out of total employees	**%**	**7%**	**7%**	**7%**

Our people

405-2 Ratio of basic salary and remuneration of women to men	2023	2022	2021
Women/men basic salary ratio by category (%)			
Executive managers	85.1%	85.3%	86.6%
Middle managers	93.3%	93.2%	92.5%
Office workers	101.0%	100.9%	101.1%
Women/men remuneration ratio by category (%)			
Executive managers	86.1%	86.1%	87.7%
Middle managers	92.8%	92.6%	92.1%
Office workers	100.6%	100.5%	100.7%

Note: Values calculated on theoretical salary data at the end of 2023.

Note (2): In the table on basic salary, the RAL was used, which includes not only basic salary but also seniority increments, former tabular restructuring, ad personam, and provisions coming from CCNLs and CIAs, including past ones. The RAL items are not revocable at the discretion company, therefore, they are to be considered part of the base pay recognized to the employee. The figures are theoretical.

In the table on remuneration, which we display in the sense of recurring and non-deferred monetary remuneration, the RTA was used, which includes not only what is included in the RAL but also the allowances related to the employee's role/position and the covenants related to the permanence/stability/non-competition of the employee's employment relationship. All items additional to the RAL in the RTA can be revoked when the conditions that led to their award change.

ECONOMIC PERFORMANCE AND SOLIDITY			
201-1 Direct economic value generated and distributed (€ thousand)	**2023**	**2022**	**2021**
Interest income and similar revenues	**4,364,169**	**2,149,721**	**1,897,390**
Interest expense and similar charges	(2,072,241)	(614,485)	(680,342)
Fee and commission income	1,556,206	1,584,991	1,696,611
*Fee and commission expense**	(176,740)	(176,364)	(155,415)
Dividends and similar income	26,547	26,347	13,717
Net profit (loss) from trading	54,975	(23,749)	19,769
Net profit (loss) from hedging	(4,443)	6,177	12,565
Gains (losses) on disposal / repurchase of:	9,972	52,082	139,843
a) financial assets measured at amortised cost	9,115	50,834	123,336
b) financial assets measured at fair value through other comprehensive income	1,034	1,236	11,434
c) financial liabilities	(177)	12	5,073
Net profit (loss) from other financial assets and liabilities measured at fair value through profit and loss	5,850	50,080	(32,159)
a) financial assets and liabilities measured at fair value	(3,121)	31,650	8,962
b) other financial assets measured at fair value as per mandatory requirements	8,971	18,430	(41,121)
Net impairment (losses)/reversals for credit risk of:	(430,711)	(430,488)	(193,570)
a) financial assets measured at amortised cost	(431,165)	(430,286)	(196,420)
b) financial assets measured at fair value through other comprehensive income	454	(202)	2,850
Gains/losses from contractual changes without cancellation	(6,827)	4,335	(7,620)
Net premiums	-	-	-
Other net insurance income/expense	-	-	-
Other management charges/income	215,450	227,555	223,319
*Gains (losses) on equity investments***	-	-	7

Our integrity

201-1 Direct economic value generated and distributed (€ thousand)	2023	2022	2021
Gains (losses) on disposals of investments	353	838	14,449
Profit (loss) after tax from assets held for sale and discontinued operations	-	-	-
Total economic value generated	**3,542,560**	**2,857,040**	**2,948,564**
b) other administrative expenses (3) (net of indirect taxes, gifts/donations and charges for resolution and deposit guarantee funds)	*(674,540)*	*(698,768)*	*(713,233)*
ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS	**(674,540)**	**(698,768)**	**(713,233)**
*a) personnel expenses** (4)***	(1,245,889)	(2,372,481)	(1,488,829)
ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES AND CONTRACT STAFF	**(1,245,889)**	**(2,372,481)**	(1,488,829)
Profit (loss) for the year attributable to non-controlling interests	156	148	176
ECONOMIC VALUE DISTRIBUTED TO THIRD PARTIES	**156**	**148**	**176**
Profit (loss) for the year attributable to the Parent Company - Share attributed to shareholders	-	-	-
Profit (loss) for the year attributable to the Parent Company - Share attributed to holders of equity instruments	-	-	-
ECONOMIC VALUE DISTRIBUTED TO SHAREHOLDERS AND HOLDERS OF EQUITY INSTRUMENTS	**-**	**-**	**-**
b) other administrative expenses: indirect duties and taxes	(88,896)	(94,259)	(90,044)
b) other administrative expenses: charges for resolution and deposit guarantee funds	(133,726)	(178,795)	(166,638)
Income taxes for the year (current taxes (5)	(72,795)	49,870	123,333
ECONOMIC VALUE DISTRIBUTED TO THE STATE, BODIES AND INSTITUTIONS	**(295,417)**	**(223,184)**	**(133,349)**
b) other administrative expenses: gifts and donations	-	-	-
Profit (loss) for the year attributable to the Parent Company - Share attributed to the charity fund	-	-	-
Total economic value distributed	**(2,215,690)**	**(3,294,285)**	**(2,335,235)**
Total economic value retained (withdrawn) by the Group (6)	**1,326,870**	**437,245**	**(613,329)**

Note: (1) figures differ from the income statement figures presented in the financial statements file because the fees paid to financial advisor networks are reported under personnel expenses. (2) the figures differ from those in the income statement presented in the financial statements file due to the exclusion of the components of unrealized profit/loss shown as a separate line item in the Economic Value Withheld (Withdrawn) figure from the Enterprise System. (3) the figures differ from the income statement figures shown in the financial statements file due to the exclusion of the components of unrealized profit/ unrealized losses shown as their own item in the distributed economic value figure. (4) figures differ from those in the income statement shown in the financial statements file in that they include fees paid to financial advisor networks shown in the financial statements under commission liabilities. (5) Figures differ from the income statement figures shown in the financial statements file in that they exclude the components of prepaid/deferred taxes shown as a separate line item in the Economic Value Withheld (Withdrawn) figure from the Enterprise System. (6) Represented by adjustments/reversals and provisions, deferred tax assets and liabilities, and consolidated profit net of dividends distributed by the Parent Company.

Note: The economic value generated is calculated in accordance with the instructions of the Italian Banking Association and consistent with international reference standards

Our integrity

INTEGRITY IN BUSINESS CONDUCT AND THE FIGHT AGAINST CORRUPTION				
205-2 Communication and training about anti-corruption policies and procedures	**U of M.**	**2023**	**2022**	**2021**
BoD members to whom the organisation's anti-corruption policies and procedures have been communicated	**N**	**14**	**15**	**15**
	%	**100%**	**100%**	**100%**
Of which residents in Lazio	N.	6	-	-
	%	43%	-	-
Of which residents in Lombardy	N.	4	-	-
	%	29%	-	-
Of which residents in Abruzzo	N.	1	-	-
	%	7%	-	-
Of which residents in Liguria	N.	1	-	-
	%	7%	-	-
Of which residents in Tuscany	N.	1	-	-
	%	7%	-	-
Of which residents in Veneto	N.	1	-	-
	%	7%	-	-
Employees to whom the organisation's anti-corruption policies and procedures have been communicated	**N.**	**16,552**	**16,287**	**21,033**
	%	**100%**	**100%**	**100%**
Northeast	N.	3,068	-	-
	%	19%	-	-
Northwest	N.	2,707	-	-
	%	16%	-	-
South Central	N.	9,747	-	-
	%	59%	-	-
Islands	N.	1,030	-	-
	%	6%	-	-

Our integrity

205-2 Communication and training about anti-corruption policies and procedures	U of M.	2023	2022	2021
Commercial partners to whom the organisation's anti-corruption policies and procedures have been communicated	**N.**	**2,173**	**1,844**	**1,801**
	%	**100%**	**100%**	**100%**
Italian companies	N.	1,289	1,202	1,185
	%	59%	65%	66%
Professionals	N.	800	568	548
	%	37%	31%	30%
Foreign companies	N.	84	74	68
	%	4%	4%	4%
Members of the Board of Directors who have received anti-corruption training	**N.**	**14**	**15**	**15**
	%	**100%**	**100%**	**100%**
Of which residents in Lazio	N.	6	-	-
	%	43%	-	-
Of which residents in Lombardy	N.	4	-	-
	%	29%	-	-
Of which residents in Abruzzo	N.	1	-	-
	%	7%	-	-
Of which residents in Liguria	N.	1	-	-
	%	7%	-	-
Of which residents in Tuscany	N.	1	-	-
	%	7%	-	-
Of which residents in Veneto	N.	1	-	-
	%	7%	-	-

Our integrity

205-2 Communication and training about anti-corruption policies and procedures	U of M.	2023	2022	2021
Employees who have received anti-corruption training	**N**	**16,353**	**16,576**	**19,789**
	%	99%	99%	94.5%
Executive managers	**N.**	**154**	**156**	**183**
	%	**98%**	**88%**	**82.43%**
Of which residents in Northeast	N	11	-	-
	%	100%	-	-
Of which residents in Northwest	N	28	-	-
	%	100%	-	-
Of which residents in South-Central	N	112	-	-
	%	97%	-	-
Of which residents in the islands	N	3	-	-
	%	100%	-	-
Middle managers	**N**	**5,984**	**5,981**	**7,667**
	%	**99%**	**99%**	**94.27%**
Of which residents in Northeast	N	1270	-	-
	%	100%	-	-
Of which residents in Northwest	N	1045	-	-
	%	100%	-	-
Of which residents in South-Central	N	3333	-	-
	%	99%	-	-
Of which residents in the islands	N	336	-	-
	%	99%	-	-

Our integrity

205-2 Communication and training about anti-corruption policies and procedures	U of M.	2023	2022	2021
Office workers	**N**	**10,215**	**10,439**	**12,029**
	%	**98%**	**98%**	**94.88%**
Of which residents in Northeast	N	1755	-	-
	%	98%	-	-
Of which residents in Northwest	N	1605	-	-
	%	99%	-	-
Of which residents in South-Central	N	6171	-	-
	%	98%	-	-
Of which residents in the islands	N	684	-	-
	%	99%	-	-

Note: the data relating to the breakdown by region of the commercial partners to whom the anti-corruption policies and procedures have been communicated is not available as it is not is requested from the supplier and the same could provide its services to the Bank throughout the national territory. All communications relating to anti-corruption (declaration form 231) are sent via the Portal; therefore, the only recipients are registered suppliers.

Note: As regards the Governing Body, the Board of Directors was informed about 231 on 08.05.2023 when the Supervisory Body was established.

205-3 Confirmed incidents of corruption and actions taken	2023	2022	2021
Specify the total number and nature of the ascertained incidents of corruption (No.)	**0**	**0**	**0**
Specify the total number of ascertained incidents in which employees were dismissed or received disciplinary action for corruption	1	0	0
Specify the total number of ascertained incidents where agreements with commercial partners were terminated or not renewed due to corruption-related violations	0	0	0

Note: In February 2018 the Bank became aware of the indictment of an employee for money laundering crimes. Following a first conviction in the first degree and the subsequent one confirmation of the same by the judge of second instance (communicated in April 2023), the worker, who had in the meantime been made formal disciplinary charges, was dismissed for just cause.

206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	2023	2022	2021
Specify the total number and nature of the ascertained incidents of corruption (No.)	**0**	**0**	**0**
Number of legal actions pending or concluded regarding anti-competitive behaviour due to corruption	0	0	0
Number of antitrust violations in which the organisation was identified as a participant	0	0	0
Number of antitrust violations relating to monopoly practices in which the organisation was identified as a participant	0	0	0

Our integrity

207-4 Country-by-country reporting	2022	2021	2020
Number of employees (No.)	19,626	20,146	20,507
Revenues from sales to third parties (€)	3,941,801,170	3,768,056,277	3,725,781,536
Revenues from intercompany transactions (€)	274,319,755	250,199,083	308,205,960
Profit/loss before tax (€)	-574,434,548	186,251,973	-1,503,420,310
Property, plant and equipment other than cash and cash equivalents (€)	2,375,326,068	2,559,917,690	2,430,276,776
Income tax of companies paid in cash[8] (€)	-56,235,681	- 9,327,022	- 96,239,373
Income tax of companies accrued on profit/losses[7] (€)	2,461,551	15,295,882	5,351,908

Note: * Data shown in the table refer to the year 2022 (last period subject to "Country-by-Country Reporting" sent to the Internal Revenue Service in December 2023).
** Data shown in the table refer to all companies consolidated in the financial statements of the Montepaschi Group and belonging to the Italian tax jurisdiction (including MPS Tenimenti S.p.A., Magazzini Generali Fiduciari di Mantova S.p.A., AIACE REOCO S.r.l and ENEA REOCO S.r.l. in liquidation (deleted from the Register of Companies on December 16, 2022) and the Special Purpose Vehicles.
*** The figure for accrued taxes includes taxes accrued in fiscal year 2022 and excludes deferred taxes (DTA/DTL) and taxes accrued in previous years. The figure for these taxes is derived from the aggregate figures from the consolidated financial statements (IAS gaaps) before gross of consolidation entries.
**** Income taxes paid (on a cash basis) consist of the total amount of income taxes actually paid, during the relevant tax period, by all entities belonging to the group resident for tax purposes in the tax jurisdiction
Italy. Income Taxes Paid includes those actually paid to the jurisdiction of tax residence (Italy) and to all other (foreign) tax jurisdictions. Income taxes paid include advance payments, income taxes related to previous years, including those as a result of assessments, as well as withholding taxes by other parties on payments to the entity belonging to the group.
In the figure for taxes paid were:
- excluded offsets of credits from previous returns with debts of the year 2022 for the same type of tax (so-called vertical) (e.g. IRES 2021 with IRES 2022);
- including offsets of credits of different types made in 2022 with income tax debts (IRES and IRAP) (so-called horizontal) (e.g. VAT 2021 with IRES 2022);
- excluding taxes related to dividends received from entities included in the Report.
Note that income tax refunds are not included in the "Revenues" aggrate.
With reference to Italy, we report Eur/Mil 60 approximately of IRAP tax refunds referring to tax years prior to 2022

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

308-1 New suppliers that were screened using environmental criteria	2023	2022	2021
Number of new suppliers assessed using these criteria (No.)	**114**	**72**	**129**
% of new suppliers assessed compared to total	100%	100%	100%

Note: The data, for Italy Companies only, are taken from the comparison/integration between the supplier report and the supplier registration data report, both provided by the Platform and attached to the documentation. The data in the 2020 and 2021 columns are different from those present in the Group's Non-Financial Statement 2021 because the data previously entered referred to the total suppliers (Companies Italy) of the respective years, and not to the "New Suppliers" of each year.

414-1 New suppliers that were screened using social criteria	2023	2022	2021
Number of new suppliers assessed using these criteria (No.)	**114**	**72**	**129**
% of new suppliers assessed compared to total	100%	100%	100%

Note: The data, for Italy Companies only, are taken from the comparison/integration between the supplier report and the supplier registration data report, both provided by the Platform and attached to the documentation. The data in the 2020 and 2021 columns are different from those present in the Group's Non-Financial Statement 2021 because the data previously entered referred to the total suppliers (Companies Italy) of the respective years, and not to the "New Suppliers" of each year.

Our integrity

Managerial committees

The members of managerial committees are executive managers and senior officers appointed to supervise and manage the strategic and operating activities in order to guarantee financial stability, business soundness and compliance with current banking sector regulations.

MANAGEMENT COMMITTEES	
Committee	**Duties**
Committee for the Coordination of Functions with Control Responsibilities	• shares operating and methodological aspects to identify possible synergies and avoid potential overlapping and duplication of control activities; • defines the necessary phases and timeframes for governing overall planning and reporting activities for the Corporate Bodies; • monitors the annual plans of Functions with control responsibilities; - Coordinates the different Internal Control System project initiatives with the aim of optimising the actions by identifying possible synergies, overlapping and areas for cost/benefit rationalisation; • shares the "areas for improvement" with the aim of assessing the materiality and impacts of related mitigation, and consequently defines the overall action strategies for the integrated management of gaps, avoiding duplications, in compliance with the independence requirements of the functions involved; • periodically monitors the solution process for anomalies detected and formalised, and resolves conflicts in attributing ownership for gap elimination purposes.
Credit Committee (divided into 2 sessions - Credit and Credit Strategies)	The Credit session: • decides on the countrywide allocation of credit pools; • decides on credit-related matters; • expresses an opinion on lending practices; The Credit Strategies session: • expresses an opinion on the proposal relating to performing exposure policy and strategies, on the annual proposal relating to non-performing exposure (NPE) strategies and on any changes during the year; • decides on the rules for credit risk assumption, mitigation and monitoring; • monitors the development of strategies decided, the credit portfolio (stock and flows), related classification benchmarks and default detection, and the operations of the credit protection system and rules (CRiM).

MANAGEMENT COMMITTEES	
Committee	**Duties**
Steering Committee (divided into 4 sessions: Ordinary, Budget and Commercial Planning, Stress/Crisis Governance, ESG and Sustainability)	The Ordinary session: • ensures the transmission of strategic guidance and verifies the implementation of predefined objectives; • examines the Group's economic and commercial performance, the performance of personalised services, the main session results of the Risk Management Committee, the Gap Execution Plan and planning initiatives associated mainly with Group strategic guidance; • monitors the lifecycle of Business Plan projects; • assesses the advisory engagements and release of the expenditure cycle starting budget. The Budget and Commercial Planning session: • finalises the budget proposal/review at Group level; • validates the distribution of the main economic and financial aggregate targets to the local organisational units; • approves the commercial plans and related execution plans accompanied by specific KPIs/KRIs; • approves any changes to the budget during the year. The Stress/Crisis Governance session is further broken down into: • *Liquidity* Stress Status Governance, which analyses the type of stress and, if appropriate, activates the Communication Task Force, defines actions to be taken, assesses whether to review budget objectives and, once business has returned to normal, countermands the stress status; • Liquidity Crisis Status Governance, which analyses the extent of the crisis and decides actions to be taken; • Recovery Plan Governance, which validates the Annual Recovery Plan, formulates contingency action proposals for the Board of Directors if required, assesses the overall effectiveness of the Recovery Options and coordinates the Communication Task Force in relation to the crisis status; • Resolution Plan Governance, which validates the Group conclusions, provides strategic guidance on overcoming the critical issues found, formally launches the Resolution executive procedure, assesses any mitigation actions to remedy negative market reactions and authorises emergency procedures. The ESG and Sustainability session: • promotes and manages the Sustainability strategy; • provides guidance on social responsibility issues in the Bank's activities; • supports the finalisation of the Sustainability Plan and monitors the lifecycle of related projects; • monitors the positioning of the Group with regard to Sustainability • shares the Strategic Plan on Gender Equality.

MANAGEMENT COMMITTEES	
Committee	**Duties**
IT Demand Management Committee	decides the execution priorities of IT requests and defines any proposal for submission to the CEO or GM.
Group Finance and Liquidity Committee	• supports the Parent Company Administration Body in formulating policies and guidance on strategic risk management and on Liquidity, ALM & Capital Management; • steers and coordinates the overall strategic risk management process, liquidity management and Proprietary Finance of the Bank and Group (risk appetite, capturing market performance and short-term liquidity performance, investment strategies, pricing policy assessments and opinions, etc.); • defines the guidance on Asset Liability Management and Capital Management for the Group and its individual functions and companies; • coordinates and monitors implementation of the aforementioned guidance; • approves the model and funding spread curve values, and verifies the development and management of policies on the Internal Transfer Rate (ITR); • in relation to MPS bond issues and certificates, validates the Directive and pricing methods and analyses the Products structure report; • in reference to the management of Covered Bank Bond Issue Programmes, validates proposals submitted by the Finance, Treasury and Capital Management structure; • validates any changes to the Strategy on Execution and Transmission of Customer Orders; • with reference to securities trading by De@Idone Trading, approves the management strategies and commercial policies adopted under the Systematic Internaliser regime, approves the related admission to trading proposal or voluntary exclusion from trading and the operating currency.
Investments and Products Steering Committee	The Investments session: • analyses market performance in order to assess investment decisions; • validates allocation guidance for portfolio management activities and advanced advisory activities; • for ESG, approves the ESG factor verification rules for financial products and investment guidance; • expresses binding opinions on the report on ESG factors. The Products session: • annually approves product development guidance; • formulates product development guidance for Banca Widiba; • approves complex and financial products, the limit calculation rules and standard pricing rules for financing products; assesses the actions to be taken on the Internet Banking Channel.

MANAGEMENT COMMITTEES	
Committee	**Duties**
Risk Management Committee	prepares risk management policies/methodologies for submission to the Board of Directors, assesses the Group risk appetite and verifies and monitors global dynamics of the risks.
Crisis Committee for Business Continuity (BCM)	The Strategic session of the Crisis: • assesses impacts deriving from disasters or damaging events; • decides the crisis management strategy; • assesses the medium/long-term threats deriving from the crisis; • coordinates the crisis management processes; • approves the crisis status announcement to mass media and related communication strategies; • ratifies the launch of the Disaster Recovery Plan; • countermands the crisis status. The Operating session of the Crisis: • coordinates and supervises business continuity and recovery plan activities until the emergency status is countermanded; • ensures the supply of resources necessary to implement Crisis Committee strategies; • supervises the assessment and monitoring of the crisis situation.

OPERATING COMMITTEES	
Committee	**Duties**
IT and IS Committee	• monitors the IT and IS objectives; • verifies the IT and IS service levels provided and the progress status of ICT project plans, and discusses the delivery valuation KPIs.
IT and IS Suppliers Committee	• verifies the service level provided, performances and reliability criteria of IT and IS suppliers; • monitors outsourced activities and related service levels.
Architectures and Security Committee	• monitors the alignment of application and infrastructure solutions with the reference architecture and security standards; • verifies and application of and compliance with architectural and security policies and standards; • monitors the effectiveness of lifecycle support processes for IT and IS software and services.

OPERATING COMMITTEES	
Committee	**Duties**
Serious Security Incidents Committee	• if called upon to do so, examines an information security incident and determines whether it meets the definition of "serious operational or security incident"; • if there is a potential data breach, determines whether or not to escalate communications to the Data Protection Authority.
Market and Management Advisory Operating Committee	• approves the tactical asset allocation for advanced advisory activities; • approves the tactical asset allocation for BMPS and Banca Widiba portfolio management; • verifies the correct implementation of advisory activities and analyses any anomalies; • approves the list of financial instruments to be classed as "divestible".
Projects Operating Committee	With reference to strategic projects: • assists and supports Project Managers on issues and decisions to be submitted to the Steering Committee; • performs preliminary technical screening; • assists the Steering Committee with management and monitoring. With reference to significant projects: • identifies significant projects; • assesses and approves kick-offs; • authorises release of the budget and the start of the expenditure cycle; • monitors and assesses the results; • reports to the Steering Committee.
Data Governance Operating Committee	The Management session: • validates the Data Governance Standards; • approves the annual Summary Report on Data Governance; • examines actions carried out on Data Governance initiatives; • analyses and provides guidance on conflicts and critical issues. The Operating session: • in operating terms, outlines the Data Governance initiatives relating to significant and/or transversal databases; • analyses the works progress of Data Governance initiatives with critical issues in order to provide solution guidance; • authorises emergency procedures in the event of significant anomalies.

OPERATING COMMITTEES	
Committee	**Duties**
Legal Functions Committee	Legal and Corporate Affairs session: • ensures Group-level coordination and guidance in relation to the main legal and corporate problems and activities Litigation and Legal Risk Management session: • ensures coordination and guidance for the Group Legal and Complaints Functions and establishes general criteria on accepting complaints based on ABF/ACF guidelines and case law; • examines reports received from the Legal and Complaints Functions of the Bank and Group; • prevents the escalation of customer disputes; • based on reports from members, identifies specific cases for handling as complaints

PERMANENT COMMITTEES	
Committee	**Duties**
Disciplinary Affairs Commission	assesses anomalous conduct of personnel and decides on disciplinary measures.
Disciplinary Proceedings Management Commission	• Submits, to the Board of Directors, any necessary updates to the Recourse Actions and Defence Expenditure management model, the adoption of ordinary or strategic guidelines on Defence Expenditure management and the recovery or final settlement of these with respect to persons disciplined in individual disciplinary proceedings; • carries out investigations and assessments; • submits quarterly reports to the Board of Directors on decisions adopted.
Homes for Personnel Commission	examines cases and decides on applications for admission to the personnel assistance plan for home purchases and construction.
Joint Anti-Robbery Security Measures Commission	examines the situation relating to existing measures and any new security systems.
Transversal ICT Resources Commission	approves management plans for ICT and security risk of IT resources, and undertakes the residual risk measured through the ICT and security risk analysis.

Notes for the collection and calculation of environmental indicators

SCOPE 1, SCOPE 2, SCOPE 3:

GRI 305-1 GRI 305-2 GRI 305-3

The scope of reporting on consumption and related emissions is based on the concept of control. For 2023, the conversion factor used was taken from the "ABI Lab Guidelines on the Application of the GRI (Global Reporting Initiative) Environmental Standards in Banks" (December 2023 version). The gases included in the calculation - and specified in the Guidelines - are CO2, CH4, N2O. In addition, it is specified that for the purposes of calculating CO2 equivalent emissions, the emission factors contained in the ISPRA document "Italian Greenhouse Gas Inventory 1990 - 2018 - National Inventory Report 2020" were used. Instead, with regard to the Global Warming Potential (GWP) used for CH4 and N2O, the source used was the IPCC report "Climate Change 2013: The Physical Science Basis", as indicated by ABI in the document "ABI Lab Guidelines on the application of the GRI (Global Reporting Initiative) Environmental Standards in Banks" (December 2023 version).

It should be noted that for cars for personal and business use, the value is equivalent to the total litres consumed multiplied by a coefficient of 0.70 (% of company use of cars subject to fringe benefits). For Scope 2 emissions, the Location-Based method considers the average emission factors of the distribution grid used by the organisation for its electricity consumption. In calculating the indicator, we consider the total amount of electricity purchased, whether renewable or non-renewable.

The Market-Based method considers the specific emission factors associated with the contractual purchase arrangements adopted by the organisation for its electricity consumption. In this case, the amount of electricity covered by the guarantee of origin will have an emission factor of 0.

In calculating the Group's Scope 3, the following categories are taken into account (Ghg Protocol):

- Category 1 – purchase of goods and services;
- Category 6 – business trips;
- Category 15 – investments (credit portfolio);

For the calculation of Scope 3 emissions relating to the first two categories indicated, the conversion coefficients used to obtain Scope 3 emissions are taken from the Department for Environment, Food & Rural Affairs (DEFRA 2023). The other indirect emissions (Scope 3) are calculated on the basis of consumption deriving from the use of: non-compensated natural gas, diesel for heating, company cars (instrumental use and 70% mixed use), short-term rental cars (NBT), own cars for work missions, train, plane, A3 and A4 paper (paper produced from virgin material and recycled content).

With regards to Category 15 emissions, the financed emissions were calculated using the methodology of the Partnership for Carbon Accounting Financials (PCAF), edition December 2022, for what concerns the asset class business loans and unlisted equity with Score 2 option 1b, using the following formula:

• financed issues per single counterparty = (Gross Carrying amount of the counterparty/total assets of the counterparty) * unverified company issues of the counterparty

To calculate the attribution factor, the financial data of the counterparty, the value of the company and the credit exposure recorded in the balance sheet were considered.

For the calculation of the emission factor of the counterparties (Scope 1, Scope 2, Scope 3), the data and the related calculation methodology were provided by an external data provider. In general, the counterparty issuing data can be:

- punctual (e.g. reported directly by the company on company documents accessible to the public (Non-Financial Statements, Sustainability Report);
- estimated according to the logic below:
  - ► Scope 1: The procedure is based on official data from public sources (Eurostat) on the intensity of emissions, expressed in tonnes of CO2/€ added value, by NACE code and by country European. This data is further refined using, where available, more granular data on emissions for more detailed NACE/Ateco codes (source: Ispra/Union Registry for the Emissions Trading Scheme). This coefficient is then parametrized on the revenues, through a recalibration procedure, which first involves the calculation of the ratio between value sector added value provided by Eurostat and the sector added value calculated by the external data provider through the aggregation of individual balance sheets, for each sector and, finally, applying the relationship between added value and revenues, again at sector level. The data thus obtained is then further refined through comparison with the similar calculated indicator on the average data of the sample of companies operating in the same sector starting from specific data, when homogeneous and statistically significant samples are available.
  - ► Scope 2: Scope 2 emissions data were estimated using the following data:
    1. Electricity consumption (in Mw/h) at 2-digit NACE code level (source: Terna);
    2. Conversion coefficient, adopted to convert electricity consumption into CO2 emissions (in Tons CO2 eq/Gw/h) (source Enel).
  - ► Scope 3: Scope 3 emissions data were estimated according to the following methodology:

The estimate of Scope 3 emissions is carried out through a methodology of the data provider, borrowed from the Eurostat too[73] (Consumption based accounting tool) which estimates emissions (totals) of the entire supply chain of a given product, adjusted to take into account the emissions connected to intermediate (non-finished) products. From the total emissions, Scope 3s are then determined subtracting Scope 1-2 emissions.

Water Consumption: Regarding information on the use of water resources, it was decided not to report this information since it is not essential to understanding the Group's activities and impacts. The limited annual per capita water consumption by employees, in fact, is considered a civil use of water resources, not industrial, and therefore not having a material character.

[73] See Consumption-based accounting tool; Eurostat

Certifications

Supervisory activities of the Board of Statutory Auditors on non-financial information (Legislative Decree No. 254/2016)

The Board of Statutory Auditors, within the scope of the performance of its functions, having taken note of Legislative Decree 254/2016, implementing Directive 2014/95/EU, concerning the disclosure of information of a non- financial nature and the implementing Regulation issued by Consob with resolution dated 18.1.18 no. 20267, supervised compliance with the provisions contained therein with regard to the preparation of the Consolidated Statement of Non-Financial Nature (DNF), prepared in accordance with the provisions of Articles 3 and 4 of Legislative Decree 254/2016 and approved by the Board of Directors at its meeting of 29 February 2024.

In implementing the provisions of the regulatory framework, which is constantly being updated, the MPS Group's DNF 2023 also considers the European supervisory priorities published on 25 October 2023 in a public statement by the European Securities and Markets Authority (Esma), referring to:

- the use of the templates referred to in the Delegated Act on Article 8 of the EU Taxonomy Regulation in order to obtain a clear picture of the assessments made by the Issuer, the assumptions made and the methodological choices made in the preparation of the disclosure;
- the inclusion of detailed information on climate-related targets, actions and progress (including the methodologies, assumptions and monitoring techniques used);
- transparency on Scope 3 emissions, how they are calculated and how they are determined.

The Board of Statutory Auditors also noted that with regard to the so-called Materiality Analysis, an essential element for the purposes of preparing the MPS Group's consolidated DNF, in light of the almost stable macroeconomic and corporate context and the forthcoming entry into force of the CSRD, the results of the 2022 Materiality Analysis were reconfirmed, consistent with the GRI Reporting Standards, which provide for the re-evaluation of material topics in the reporting period in the presence of any changes resulting from significant modifications in the company's strategy, its business and business relationships as well as the external context. In this regard, it should be noted that the aforementioned analysis was conducted according to the logic of impact materiality, in line with the new Standard 3 - material Topics published in 2021 by the Global Reporting Initiative (GRI), which requires an assessment of the positive and negative, current and potential impacts that the company generates on society, the economy and the surrounding environment through the performance of its activities and its business relations.

In this regard, this Control Body noted that, in accordance with the requirements of the aforementioned Standard 3, the MPS Group in 2022 identified potentially relevant issues and the related impacts, confirming them also for 2023, having considered (i) the Group's strategy and the objectives defined in the 2022-2026 Business Plan; (ii) the analyses of the relevant issues and subject to assessment by analysts, investors and rating agencies and feedback received through interviews and questionnaires (unsolicited) from the main ESG rating agencies (iii) the contextual elements relating to the mapping of Italy's environmental, social and economic needs identified through the assessment in accordance with the Principles for Responsible Banking (PRB) guidelines and Italy's positioning in the path towards achieving the Sustainable Development Goals (SDGs) and the EU recommendations to Member States on the actions to be implemented to achieve the 2030 Agenda; (iv) international, European and national regulations (Taxonomy, EFRAG Standard, new CSRD, Reg. 2019/2088, ECB Guidelines on Environmental and Climate Risk Management, etc.); (v) internal regulations on sustainability issues; (vi) benchmark analysis of the material issues reported in 2021 by the main players in the Italian and foreign banking sector.

The Board of Statutory Auditors, which considers these issues an essential and crucial aspect for the creation of long-term value, having had the opportunity to observe - also through the active participation of its members in the Risk and Sustainability Committee meetings and in the dedicated Board Induction sessions - the attention to sustainability, environmental, social and governance issues lavished by the Bank, acknowledges that the approach adopted by the MPS Group towards the aforementioned issues, in the course of 2023, has become stronger, although not exhausted.

Considering the growing importance of ESG issues for all stakeholders, which are considered material by the Group in line with the adopted approach of impact materiality, the Board of Statutory Auditors has also focused its supervisory action on these matters, also due to the increasing levels of capacity dedicated by the corporate structures (directly and/or indirectly involved) to the activities inherent to the inclusion of climate and environmental risks - and, in a broader sense, ESG issues - within the risk management process acted by the Group.

In this regard, of specific importance to the Board of Statutory Auditors are the activities - coordinated by the risk control function - aimed, among other things, at integrating ESG risk factors within the Group's risk management framework ork, in order to integrate them into all existing risk assessment, management, monitoring, control and reporting processes, as well as into the definition of the Group's Risk Appetite and the capital adequacy and liquidity assessment process. To this end, this Control Body noted, inter alia:

- the risk analysis approach adopted, which in 2023 also explicitly integrated the medium- and long-term routes, also supported by quantitative evidence, leading to the identification of Climate & Environmental (C&E) risks as material, incident in the areas of credit and operational risks (broadly including reputational risks among them), in continuity with what had already emerged from the analyses carried out in 2022;
- the Bank's participation in the 'Fit for 55 climate risk scenario analysis' exercise, which will be conducted by the EBA, with the support of the ECB and the ESRB, during the first quarter of 2024, in order to assess the Bank's progress in managing C&E risk data and aligning with ECB best practices on the topic;
- the updating of credit strategies, also revised with new ESG logics, in order to accurately take into account customer sustainability, with the introduction of general screening criteria that apply to all counterparties and projects, in order to assess their compliance with minimum sustainability criteria, identified by the Group as indispensable, and also expressed in more general terms in the Code of Ethics, in line with international, European and national conventions on the subject.

The Board of Statutory Auditors will continue in 2024 the monitoring of the project initiative launched by the Bank in the second half of 2023 in order to also carry out the so-called double materiality, a concept included by the European Commission in the new Corporate Sustainability Reporting Directive (CSRD) proposal that will become effective as of the 2024 reporting, in order to help investors, civil society, consumers and other stakeholders assess the non-financial performance of banks, encouraging them to develop a responsible approach. To this end, the Board of Statutory Auditors, in view of the entry into force of the CSRD, recommends embarking on a gradual approach to ensure timely compliance with the new regulatory requirements.

With regard to the progressive implementation of project initiatives in the area of "Sustainability and ESG issues", the Board of Statutory Auditors took note of the Sustainability Plan, approved by the Board of Directors on 7 February 2023o, which allows the Group to strengthen its path and achieve a distinctive position on the market in the management of ESG issues. The Plan also allows the Bank to support its customers in the transition path and to contribute in an increasingly concrete way to the creation of sustainable value.

With reference to the Sustainability Plan, drafted in order to achieve the strategic objectives defined in the Industrial Plan, which include the requirements of the Regulator, the Supervisory Authorities, and to align with the commitments voluntarily undertaken, the Board of Statutory Auditors also assessed the development of the ESG Programme, into which most of the initiatives of the aforementioned Plan have been incorporated, articulated in 8 distinct project strands that cover the 5 pillars of the ESG frame ork that the Group intends to develop (Strategy, Governance, Business odel, Risk & Regulation and Reporting & Communication. Regulation and Reporting & Communication), and which envisages initiatives aimed at fully integrating ESG criteria into strategic and management processes, supporting the ecological transition and the development of sustainable models, promoting a low-carbon economy and protecting and developing the skills of resources to support the transition by promoting ESG culture and training.

The path of strengthening sustainability governance and integrating ESG criteria into the ESG strategy and risk management is evidenced by the confirmation of ISS ESG ratings and especially the upgrade of ESG ratings during 2023:

- Sustainalytics, rating the Group in the mid-range, assesses the bank's management of ESG risks particularly positively (strong);
- Moody's ESG promotes the 'Robust' Group, noting improved performance in terms of corporate governance and business conduct;
- Standard Ethics expresses considerable appreciation for the Group's activities by improving the Bank's short-term outlook from 'stable' to 'positive' and confirming the Corporate Standard Ethics Rating 'EE' by upgrading the estimate to 'EE+' within 12-24 months.

The integration of ESG factors also transversally affected several areas of the Bank's operations during 2023, including: (i) the finalisation of the MiFID questionnaire with ESG sustainability factors (in line with regulatory requirements); (ii) the commercial offer with products whose characteristics are consistent with the regulatory definitions of sustainable products; (iii) the adaptation of operational advisory and sales systems to ensure compliance with the new controls required by the pro tempore regulations in force, concerning ESG requirements for the distribution of financial investment products.

In terms of governance, in addition to the existing controls, this Board also recognises the results achieved with the introduction of ESG objectives in variable remuneration and performance assessment. Important results have also been achieved in the area of Diversity & Inclusion, with the achievement in 2023, in accordance with the provisions of the NRP, of the 'Gender Equality Certification' and the adoption of the 'Gender Equality Policy' and the 'Rules on Preventing and Combating Gender Harassment in the Workplace'; as well as with 37% of positions of responsibility held by women - with the aim of increasing the latter quota to 40% by 2026 - and 50% of women on the Board of Directors.

Furthermore, with regard to the reduction of the Gender Pay Gap, in order to target mitigation actions aimed at gender balance and equal pay and, therefore, guarantee the same pay levels for the same tasks, experience and other objective elements provided for by the EBA Guidelines (equal pay), the Bank has allocated a specific amount of economic resources for this purpose.

With specific regard to the professional requisites of corporate officers, also in compliance with what was indicated in the Guidelines to Shareholders published in 2023 in view of the renewal of the top management bodies, it should be noted that the Bank carried out specific Board Induction sessions on the topic of Sustainability for the officers (Directors and Statutory Auditors) appointed at the Shareholders' Meeting of 20.4.23.

Considering the sensitivity and relevance of the issue, in 2023 the Board of Statutory Auditors invited the anagement to continue actively promoting a risk culture at all levels of the organisational structure; this on the basis of the assumption that risk awareness and the correct knowledge and application of the processes and internal models to protect against risks are the fundamental prerequisites for effective, sound and prudent corporate management. In particular, it took note of the training activities provided in 2023 to over 14,000 employees, during which topics such as the integrated approach to sustainability in the Bank were addressed.

The Board of Statutory Auditors also continued in 2023 to monitor the project initiatives launched by the Bank following the Group's membership of the Net-Zero Banking Alliance (NZBA), including the definition:
(i) the decarbonisation targets on the top 3 high climate impact economic sectors; (ii) the overall decarbonisation strategy for the credit portfolio broken down by sector, with plans to implement new partnerships and types of products and services to support customers. The Board of Statutory Auditors points out that the Group will have to ensure reporting on the progress achieved and the NZBA transition plans by August 2024, in conjunction with the publication of the PRB report.

Regarding direct environmental impacts, with a view to continuous improvement, the Group's commitment to reducing its environmental footprint and efficient use of natural resources continued in 2023, with the goal of zero emissions by 2050. In this context, the Group continued to pursue continuous improvement in its energy efficiency with reference to all activities that have significant impacts on the environment by achieving a significant reduction in overall energy consumption and thus direct emissions.

The Compliance Function presented to the Board of Statutory Auditors the results of its own verification activities, conducted also pursuant to the applicable internal regulations, pertaining to the area under review. This Control Board has noted that the aforementioned verifications attest to the compliance of DNF 2023 with internal and external regulatory provisions.
The DNF document was subjected to limited assurance engagement by the auditing firm PricewaterhouseCoopers Spa in accordance with the principles indicated by the ISAE 3000 standard (revised). The verification procedures carried out and the results reported in the "Report of the independent auditing firm on the consolidated non-financial statement pursuant to Article 3, paragraph 10 of Legislative Decree 254/2016 and Article 5 of Consob Regulation adopted with resolution no. 20267 of January 2018", were presented to the Board of Statutory Auditors during a number of meetings held during the financial year and, most recently, at the meeting held on 15 March 2024.

I! Board of Statutory Auditors has also noted from the aforementioned Report, issued by the company PwC on 18 March 2024, that no evidence has come to the attention of the Auditor to suggest that the Group's DNF, relating to the financial year ended 31 December 2023, is not prepared, in all significant aspects, in compliance with the relevant regulations.

The Auditor's conclusions on the Monte dei Paschi di Siena Group's DNF do not extend to the information contained in the paragraph "The EU Taxonomy of Eco-sustainable Activities" of the Monte dei Paschi di Siena Group's DNF required by Article 8 of European Regulation 2020/852.

The same Auditing Firm, during the aforementioned meetings, drew attention to some areas for process improvement, mainly concerning management aspects on the collection and processing of information and punctual data, mainly of an environmental/climatic nature, to be achieved also through the implementation of suitable IT procedures in line with the evolution of the regulatory context.

* * *

On the basis of the information acquired, this Board of Statutory Auditors certifies that, as provided for by Article 3, paragraph 7 of Legislative Decree no. 254/20a 6, in the performance of the functions attributed to it by the law, also taking into account the results of the audits conducted by the Compliance Function and the auditing firm PwC, no elements of non-compliance and/or violation of the relevant regulatory provisions have emerged. The Consolidated Non-Financial Statement 2023 was approved by the Board of Directors in its meeting of 29.2.24.

For the Board of Statutory Auditors

Enrico Ciai
Chairperson

Lavinia Linguanti
Statutore Auditor

Pierpaolo Cotone
Statutory Auditor

Rome, 18 March 2024

BANCA MONTE DEI PASCHI DI SIENA SPA

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT IN ACCORDANCE WITH ARTICLE 3, PARAGRAPH 10, OF LEGISLATIVE DECREE NO. 254/2016 AND ARTICLE 5 OF CONSOB REGULATION NO. 20267 OF JANUARY 2018

CONSOLIDATED NON-FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT IN ACCORDANCE WITH ARTICLE 3, PARAGRAPH 10, OF LEGISLATIVE DECREE NO. 254/2016 AND ARTICLE 5 OF CONSOB REGULATION NO. 20267 OF JANUARY 2018

To the Board of Directors of Banca Monte dei Paschi di Siena SpA

In accordance with article 3, paragraph 10, of Legislative Decree No. 254/2016 (the "Decree") and article 5 of Consob Regulation No. 20267/2018, we have performed a limited assurance engagement on the consolidated non-financial statement of Banca Monte dei Paschi di Siena SpA and its subsidiaries (hereinafter "Monte dei Paschi di Siena Group" or "Group") for the year ended 31 December 2023 prepared in accordance with article 4 of the Decree and approved by the Board of Directors on 29 February 2024 (hereinafter "NFS").

Our review does not extend to the information set out in paragraph "The EU Taxonomy of environmentally sustainable activities" of the NFS, required by article 8 of the European Regulation No. 2020/852.

Responsibilities of the Directors and of the Board of Statutory Auditors for the NFS

The Directors of Banca Monte dei Paschi di Siena SpA are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with the GRI - Sustainability Reporting Standards (hereinafter "GRI Standards") shown in paragraph "Methodological Note" of the NFS, which they identified as the reporting standards.

The Directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Monte dei Paschi di Siena Group and to the extent necessary for an understanding of the Group's activities, development, performance and related impacts.

Finally, the Directors are responsible for defining the business and organizational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for the identification and management of risks generated or suffered by the Group.

PricewaterhouseCoopers SpA

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The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, the compliance with the Decree.

Auditor's independence and quality control

We are independent in accordance with the principles of ethics and independence set out in the *Code of Ethics for Professional Accountants* (including *International Independence Standards*) (*IESBA Code*) issued by the *International Ethics Standards Board for Accountants*, which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In the reporting period this engagement refers to our firm applied the *International Standard on Quality Control 1* (ISQC Italia 1) and, accordingly, maintained a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and with applicable laws and regulations.

Auditor's responsibilities

Our responsibility is to express a limited assurance conclusion, based on the procedures we have performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our work in accordance with *International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board* (IAASB), for limited assurance engagements. The standard requires that we plan and perform procedures to obtain limited assurance about whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement were less in extent than for a reasonable assurance engagement conducted in accordance with ISAE 3000 Revised and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgment and included inquiries, primarily with company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. analysis of the relevant matters reported in the NFS in relation to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;

2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;

3. comparison of the financial information reported in the NFS with the information reported in the consolidated financial statements of Monte dei Paschi di Siena Group;

4. understanding of the following matters:

   - business and organizational model of the Group with reference to the management of the matters specified in article 3 of the Decree;
   - policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
   - key risks generated or suffered by the Group with reference to the matters specified in article 3 of the Decree.

   With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under item 5 a) below;

5. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

   In detail, we held meetings and interviews with the management of Banca Monte dei Paschi di Siena SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS;

   Moreover, for material information, considering the activities and characteristics of the Group:

   - at a group level,

     a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidence;
     b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information;

   - for the following company, Wise Dialog Bank SpA – Widiba, which we selected on the basis of its activities and its contribution to the key performance indicators at a consolidated level, we gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Monte dei Paschi di Siena Group for the year ended 31 December 2023 is not prepared, in all significant respects, in accordance with articles 3 and 4 of the Decree and with the GRI Standards.

Our conclusion on the NFS of Monte dei Paschi di Siena Group does not extend to the information set out in paragraph “The EU Taxonomy of environmentally sustainable activities” of the Group’s NFS required by article 8 of the European Regulation No. 2020/852.

Firenze, 18 March 2024

PricewaterhouseCoopers SpA

Signed by

Marco Palumbo
(Partner)

Paolo Bersani
(Authorized signatory)

This report has been translated into English language from the original which was issued in Italian, solely for the convenience of international readers.

Some of the images reproduced herein are details of 15th to 19th century artworks from the collections of Banca Monte dei Paschi di Siena.
List of works:

- Unknown XVII-century Roman painter, Landscape with fisherman, friar and buildings, oil on canvas, c. 1680/1700, Chigi Saracini collection;
- Domenico Beccafumi, Cleopatra, tempera on panel, c. 1510, Chigi Saracini collection;
- Bartolomeo di David, Minerva, oil on panel, c. 1530, Chigi Saracini collection;
- Agostino Tassi, Marina with ship at anchor and other boats, oil on canvas, c. 1610/1620, Chigi Saracini collection;
- Francesco Vanni, Stories of the caste Susanna, oil on canvas, 1600, BMPS collection;
- Domenico Beccafumi, Artemisia, tempera on panel, c. 1510, Chigi Saracini collection;
- Francesco Rustici, Prudence and Wisdom, oil on canvas, c. 1620, BMPS collection;
- Domenico Beccafumi, Mystic Marriage of Saint Catherine, c. 1528, Chigi Saracini collection;
- Francesco Nenci, Piazza del Campo and the historical parade on the occasion of the Palio for the arrival in Siena of Grand Duke Ferdinand III, oil on canvas, 1849, BMPS collection.

This document was drafted under the supervision of the Chief Financial Officer Department. The work was coordinated byMaria Costante, Silvia Machetti, Sabrina Miniati, Roberto Schirò e Maria Vecchio.

The different contributions were collected by the members of the Sustainability Workgroup:

Andrea Amato, Chief Financial Officer
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