MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

Net Zero Banking Alliance Report 2024

Table of Contents

Introduction

The MPS Group's commitment to pursuing ambitious sustainable development goals and to the fight against climate change has included joining the Net Zero Banking Alliance (NZBA) in 2022. NZBA is a United Nations initiative that aims to accelerate the transition of the international banking sector to a net zero emission economy by 2050, by aligning its loan and investment portfolios with the achievement of the net zero emissions target by 2050, in line with the targets set by the Paris Agreement on climate.

In fact, this commitment represents one of the salient points of the Group's sustainable growth path, which is driven by an awareness of the importance of acting to support addressing the need for a sustainable use of natural resources in which consumers, customers, businesses and society can thrive.

The definition of actions at the global level to limit the phenomenon of climate change is essential to protect ecosystems and ensure sustainable intragenerational and intergenerational growth. Climate and environmental issues have become the main challenges of the next decade, also in light of their strong correlation with macroeconomic, geopolitical and social variables.

The MPS Group has integrated its strategy with the dimensions of ESG (Environmental, Social, Governance), and the 2022-2026 Business Plan - A Clear and Simple Commercial Bank, with clear objectives, actions and cross-cutting initiatives to support its sustainable development path, with a view to creating shared and sustainable value.

MPS has adopted strict policies for the management of climate risk and the promotion of sustainable investments, ensuring that all company decisions take environmental impact into account. This report highlights the strategies adopted, the initiatives implemented and the results obtained on our path towards Net Zero.

Group Overview

The Montepaschi Group, founded in 1472 by Banca Monte dei Paschi di Siena for sustainable purposes, is one of the main Italian banks, and it plays an important role in the Italian economy, providing a wide range of mainly traditional services to retail & commercial banking customers.

Today, the MPS Group is present in all Italian regions, with a network of 1,362 branches, 127 centres that specialise in SMEs, Family Office and Private clients, and 109 financial promotion branches. In addition, it has an operating branch in Shanghai, 8 legal representation offices in Europe, North Africa and China, and a subsidiary, MPS Banque, which operates mainly in France.

The Group is active in all the main market segments, through subsidiaries or joint ventures: Retail Banking, Corporate & Investment Banking, Leasing, Factoring, Consumer Credit, Wealth Management & Insurance and Asset Management. The insurance-pension segment is covered by a strategic partnership with AXA, while asset management activities are based on the offering of investment products from independent third-party companies.

Our Purpose

The Montepaschi Group, aware of its role and ability to generate solid profitability and create value for all stakeholders, is pursuing the path of integrating ESG factors into its corporate strategy, business model and business processes with renewed enthusiasm, with the aim of supporting the transition of its customers and territories towards a more environmentally and socially sustainable development model. We will continue to work to root ESG principles in our DNA: our Governance and our Culture will be key factors in this path.

Taking advantage of the opportunities deriving from the transition to more sustainable practices, paying particular attention to climate change, consolidating the positivity of its social role, contributing to the development of its customers, the environment and society and at the same time to the management of associated risks, are all essential factors for the purposes of the Group:

The good of the Customer and the Local areas is our guiding light.

Our Transition to Net Zero

All over the world, temperatures are rising more rapidly than has ever been recorded before, and the hottest years on record have been concentrated in the last decade, with particularly extreme temperatures in 2023.The European continent, according to the 2023 European report on the state of the climate, has been heating up at twice the global average since the 1980s.
The acceleration of climate change is associated with the increase in the frequency of weather and climate events, such as fires, periods of drought, heat waves, hurricanes and storms, which caused significant economic losses in Europe from 1980 to 2022.
Europe is at the centre of this transformation and there will have to be global and collective efforts made to move on a trajectory that is in line with the climate objectives for 2030 and 2050 to limit the negative effects of climate change and protect our planet for future generations.
The financial system plays a fundamental role in the fight against climate change as it can favour or hinder sustainable investments and the transition to a low-carbon economy, and it can also direct the management of risk related to climate change for companies' activities.
In this context, the Group, recognising the importance of urgent action to combat climate change, is committed to substantially reducing its emissions in order to achieve the Net ZERO target by 2050.
Since 2012, the Group has implemented concrete actions to achieve Net Zero in its own emissions, through initiatives aimed at the efficient and socially responsible use of energy. These actions are further strengthened in the latest 2022-2026 Business Plan by the definition of specific targets which require the reduction of direct emissions and a commitment to continue to use energy from renewable sources. In addition, strategies and policies were also implemented that are aimed at reducing the indirect emissions linked to its credit portfolio, following the guidelines and the Net Zero Banking Alliance.
Membership in the UN initiatives "Principles for Responsible Banking (PRB)" in 2019 and "Net-Zero Banking Alliance (NZBA)" in 2022 has strengthened the commitment to align its strategy with sustainable development goals and accelerate the transition towards the elimination of financed emissions (net-zero) by 2050, and to provide transparency in the monitoring of the contributions made.
The Group is thus continuing its path towards Net Zero, has defined its baseline of financed emissions and in August 2023 set intermediate objectives for the reduction of financed emissions for three of the high emission-intensity sectors through 2030: Iron and Steel, Oil and Gas and Electricity Production. In March 2024, it also confirmed its commitment to adopt a Phase Out policy from the Coal Mining sector and integrated the NZBA objectives into its credit policies and processes, defining its decarbonisation strategy and the related plan of transition. In the coming months, it will proceed with the identification of targets on the other substantial sectors identified as sectors with high emission intensity, in line with the NZBA guidelines published from time to time and with the development of technologies to support the transition. In the meantime, it will continue to refine the quality of the information available and evaluate the opportunity for changes or additions where necessary.

2022

Among the first members of the **Net-Zero Banking Alliance** promoted by the United Nations with the aim of accelerating the sustainable transition of the international banking sector

2023

Publication of the targets for the first three sectors of the **Net-Zero Banking Alliance**

2024

Publication of monitoring of the **Net-Zero Banking Alliance** targets for high emission intensity sectors

2025

-NZBA Target on high emission intensity waste sectors;
- Monitoring of **Net-Zero Banking Alliance fixed targets and planned actions**

2030

Achievement of pre-established intermediate targets for all sectors **Net-Zero Banking Alliance**

2050

Alignment of its loan and investment portfolios to the achievement of the **net zero emissions target**

Our path and the progress made in direct and financed emissions

The concrete actions implemented and the definition of specific targets included in the latest 2022-2023 Business Plan have led to:

- a 71% reduction in scope 1 emissions compared to 2017, linked to the reduction in natural gas consumption by approximately 40% and fuel consumption by 60%, as well as the purchase of carbon offset credits intended to offset emissions deriving from the use of natural gas;
- a zeroing of scope 2 emissions (Market Based) with the adoption of 100% of energy deriving from renewable energy since 2012 and the reduction of scope 2 emissions (Location Based) by 44% compared to 2017 thanks to a 31% reduction in the consumption of electricity;
- a reduction in scope 3 emissions following the implementation of initiatives aimed at the digitalisation of processes that will lead to a gradual elimination of paper use, which has already recorded a reduction of 49% compared to 2017.We also note the use of 100% recycled paper for internal use and 82% of eco-friendly paper for external use.

In addition, the Group has a specific energy policy, overseen by an Energy Manager Expert in Energy Management who is qualified in accordance with the UNI-CEI 11339 standard. The company adopted an environmental policy in 2002 and has maintained the certification of its own model according to the best international standards UNI EN ISO 14001 since 2003.

With reference to the financed emissions in the Loan portfolio, the Group has defined the targets for the reduction of the financed emissions in the high-intensity priority sectors and defined the transition plan to activate the levers to support the reduction of the emission profile of customers and its portfolio, as described below.

Decarbonisation Strategy and Transition Plan

The MPS Group has developed a strategic approach aimed at supporting customers in the transition, seizing the related opportunities and at the same time managing the impact of its activities on the climate and the risks induced by climate change on the resilience of its business model. This approach is based on the following pillars aimed at identifying and developing:

- **Metrics and targets** for the reduction of financed emissions for the sectors with high emission intensity and high environmental impact, and green finance to be integrated in the planning processes;
- **Credit strategy and processes** based on the assessment of the ESG Profile and on the commitment of business customers to climate transition and the assessment of exposure to transition risk, as well as on the identification of clear transition and/or exclusion guidelines;
- Promote the **involvement of customers** and support their transition strategies by offering **green products and services** aligned with reduction targets and the definition of Protocols and guidelines in order to support and **involve institutions and trade associations** to accelerate the transition;
- **Support and monitoring** tools to ensure greater dissemination of strategies, targets and levers to be activated in support of the transition;

The Group pursues the objective of directing its activities through the definition of targets and specific actions consistent with the management and mitigation of ESG risks linked to its business and to the global transition process, in order to increase its positive impact and reduce its negative impact.

During 2023, the Group outlined its **decarbonisation** and transition support strategy through the identification of sectors with high environmental and social impact, the definition of decarbonisation objectives and strategic actions consistent with the findings of the **Materiality Risk Assessment**, the design of **differentiated credit and commercial guidelines** and the development of the offering of **ESG financing** and **ESG funding products**. These actions were approved by the top management bodies, formalized in the Group's **ESG Directive** and incorporated into the annual credit policies and commercial planning processes.

The sectors with high environmental impact were divided into high emission-intensity sectors or NZBA, as well as the relevant climate and environment sectors.

The first step, in defining the decarbonisation strategy was to set the decarbonisation targets or so-called NZBA targets on priority sectors with high emission intensity.

Metrics and Objectives

Definition of intermediate decarbonisation targets

The Net Zero Banking Alliance (NZBA) represents a significant commitment to environmental sustainability by the banking sector. Founded on the basis of voluntary commitments, it requires its members to progressively identify the decarbonisation objectives of their portfolio with reference to sectors with high emission intensity, in order to contribute to limiting global warming to 1.5° C compared to pre-industrial levels, and in line with the objectives established by the Paris Agreement.

In setting these objectives, banks must:

- give priority to the sectors with the highest intensity of financed emissions with respect to their portfolio;
- align with low/zero transition paths of 1.5° C, with the definition of intermediate objectives up to 2030 using the support of credible methodologies and climate scenarios based on scientific data.

In this context, in August 2023, the Group defined and published the following objectives on the three priority sectors with respect to all sectors with high emission intensity; Oil & Gas, Power Generation and Iron & Steel.

In addition, in March 2024 the Group confirmed the Phase out of the Coal Mining sector which will be monitored on the basis of the metric of the value of the exposures in thousands of euro. Although the Group had zero exposures at the baseline date of 2022 and marginal exposures in previous years as well, it formalized and introduced an exclusion policy with the Sustainability and ESG directive in support of this objective. Below is a summary of the milestones for 2030 and the related metrics:

Sector and Scope	Metrics	Baseline 31.12.2022	Target (2030)
Oil & Gas (scope 1,2,3)	Mgl tCO2e	656	391 (-40%)
Power Generation(scope 1,2)	Mgl tCO2e	196	45 (-77%)
Iron & Steel (scope 1,2)	Mgl tCO2e	1,067	762 (-29%)
Coal Mining	Mgl € exposure	0	0

The approach used to define the objectives was carried out according to the following stages:

Scope of analysis and baseline definition: the financing portfolio for all Group companies was analysed and the sectors with high environmental impact were identified using the statistical classification of economic activities adopted by the European Commission, the so-called NACE code, on the basis of financed emissions, emission intensity per unit of euro disbursed/turnover and exposure to transition risk consistent with the internal evidence emerging from the materiality riskassessment conducted over different time horizons. At that stage,for each sector the NACE codes of economic activities related to the entire value chain were also reconciled, thus including those related to upstream and downstream (so-called NACE code/sector mapping activities). The mapping of NACE codes for each sector was carried out with the aim of ensuring the widest possible coverage of total funded emissions and the most emission-intensive sectors for the purpose of setting NZBA targets.

In order to define the baseline for each counterparty in the business loan portfolio, GHG emissions financed under the PCAF methodology were calculated,based on the availability of data, using the value of cash loans disbursed to counterparties, the financial values of companies, and the value of absolute emissions as of Dec. 31, 2022. The PCAF asset classes that were included in the analysis are restricted to business loans. Regarding the value of absolute emissions, two types of data were used: specific data, if the counterparty publishes its emissions data on public company documents; and estimated data, if the counterparty does not calculate and publish its emissions data. Emission profile estimation, acquired from external providers, was carried out according to procedures consistent with best market practices.

For the purpose of establishing the baseline, counterparties for which there was no availability of the necessary and sufficient data to estimate/assess their emission profile were excluded.

Measurement metrics: Based on the available data, the metric of absolute financed emissions was chosen because it allows a direct measurement of the level of portfolio-related emissions relative to the target of zero emissions by 2050.

From the analysis of these metrics, the emission-intensive sectors, the so-called NZBA perimeter, were identified below:

- Coal Mining
- Oil&Gas
- Power Generation
- Iron&Steel
- Aluminium
- Cement
- Transportation
- Real Estate
- Agriculture

Priority sectors on which to set intermediate 2030 emission reduction targets financed in this first phase were then identified from among these. For the Coal Mining sector, it was decided to introduce a Phase out and exclusion policy, given the Group's limited exposure.

Prioritization of the sectors to be targeted was defined using this metric, supplemented by the assessment of intensity by turnover.

Climate scenarios and target setting: the setting of intermediate decarbonisation targets for 2030 was based on the latest Net Zero 2050 scenario published by 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 Centre for Global Sustainability at the

University of Maryland, Climate Analytics, the Swiss Federal Institute of Technology Zurich and the National Institute of Economic and Social Research. This scenario envisions an ordered transition pathway reaching net zero CO_2 emissions around 2050, a necessary condition for limiting global warming to 1.5°C above pre-industrial levels which will require an ambitious transition across all sectors of the economy. The ordered scenarios assume that climate policies are introduced early and gradually become more stringent where both physical and transition risks are more contained. In particular, under these scenarios significant investment flows should be directed toward clean energy and land use change, so that by 2050 renewable energy provides about 70 percent of global primary energy needs. If these changes occur in an orderly fashion, the scenarios suggest that this could lead to some degree of increase in global GDP and a decrease in unemployment compared to previous trends. The scenario adopted and published in June 2022 by NGFS also incorporates country commitments to reach the net zero emissions target and hasfurther been enriched with a broader set of macroeconomic variables and additional granularity at the country and sector levels. The target setting was done by projecting the baseline emission profile considering the Net Zero 2050 scenario of NGFS, which allowed highlighting the emission gaps and thus the percentage of absolute financed emission reduction compared to the 2022 baseline.

Portfolio alignment: analyses were done to compare prospective emission trajectories with climate targets in order to highlight emission gaps and define decarbonisation strategies,along with therelated credit and trade strategies to be pursued.

Decarbonisation targets on the first three emission-intensive sectors were approved by the Board on August 4, 2023, and reported to Unep-FI.

The Group reserves the right, consistent with NZBA guidelines and the availability of more timely data, to review and revise the targets at least every five years to ensure consistency with the latest scientific knowledge.

The following summarizes objectives and targets in terms of absolute funded emission reductions on the three of the most emission-intensive sectors for 2030 compared to Baseline 2022 and in terms of € exposure in the coal mining sector and its monitoring as of 31/12/2023.

	Iron & Steel Sector	Oil&Gas Sector	Power Gen Sector	Coal Mining Sector
Sectoral scope	Companies operating in the sectors Upstream: G46 Core: C24 Downstream: C25	Companies operating in the sectors Upstream: B06 - B09 Core: C19 - C20 Downstream: D35 - 6	Companies operating in the sectors Upstream: C33 Core: D35 Downstream: F43	Companies operating in the sectors Upstream: B05 – B08.92
Emissions used	Scope 1, 2	Scope 1, 2, 3	Scope 1, 2	
Methodology used	PCAF	PCAF	PCAF	
PCAF Asset Class	Business Loans and unlisted equity	Business Loans and unlisted equity	Business Loans and unlisted equity	
*PCAF Data Quality**	Score 2	Score 2	Score 2	
Metric	Financed emissions	Financed emissions	Financed emissions	Financed exposure (Mln€)
Data sources	Financial data – internal Emissions – external provider	Financial data – internal Emissions – external provider	Financial data – internal Emissions – external provider	Financial data – internal
Type of financial data used	Corporate loan book –Gross carrying amount exposure	Corporate loan book –Gross carrying amount exposure	Corporate loan book –Gross carrying amount exposure	Corporate loan book –Gross carrying amount exposure
Scenario used	NGFS NZE	NGFS NET ZERO 2050	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	Information on emissions at t-0 covers **83%** of **counterparties** and **97.5%** of the **Gross Carrying Amount** of the Oil & Gas sector.	Information on emissions at t-0 (mainly external providers) covers **72%** of **counterparties** and **92%** of **Gross Carrying Amount** of the Power Generation sector	
Baselineas of 31/12/2022	1,067 mgl tCO2e	657 mgl tCO2e	196 mgl tCO2e	0 Mln€
Data as of31/12/2023	258 mgl tCO2e (-76% vs baseline 2022)	1,462 mgl tCO2e (+123% vs baseline 2022)	99 mgl tCO2e (-49% vs baseline 2022)	0 Mln€
TARGET 2030	762 mgl tCO2e (-29%)	391 mgl tCO2e (-40%)	45 mgl tCO2e (-77%)	0 Mln€

The surveys carried out on the perimeter of companies selected for each sector showed a reduction for the Power Generation Sector in line with the path towards the target and a significant decrease in financed emissions in the Iron and Steel sector. The trend in the Iron and Steel sector, and to a lesser extent in the Power Generation sector, is mainly linked to the concomitant decrease in the absolute emissions of the sector's counterparties and the Group's Gross Current Amount (GCA) towards counterparties in the sector.

On the other hand, as regards the Oil & Gas sector, the increase in absolute financed emissions compared to the 2022 baseline is largely linked to a significant increase in financed emissions recorded at the end of 2023 towards the 2022 baseline, following an increase in the GCA and of the absolute emissions of the sector. It should be noted that the target for the Oil & Gas sector was set on the basis of GHG emissions related to scope 1, 2 and 3. The inclusion of scope 3 emissions, which for the counterparties in this sector derive largely from estimates linked to turnover volumes, makes the metric more volatile. In fact, in 2023 this sector recorded a strong increase in turnover, which led to a significant increase in absolute value for the estimated emissions of scope 3. At the beginning of 2024 the Group went ahead and introduced transition and exclusion guidelines for the counterparties in this sector. It is focusing on greater involvement and dialogue with counterparties that have a high emission intensity per unit of euro disbursed, to actively support them in the transition process through the development of loan solutions linked to KPIs to reduce their emission profile and/or linked to the development of the production of fuels with lower emissions and renewable energy sources for the benefit of the entire value chain.

In addition, we highlight the significant incidence of estimated data, which is still predominant with respect to actual data in the assessment of the deviations detected, which makes the estimates more volatile. The Group is carrying out in-depth analyses and is implementing initiatives as part of the broader ESG Program, which aims to gradually replace the use of estimates with precise data, also made possible by the evolution of EU regulations on reporting and due diligence and the gradual introduction of more effective and structured data collection and archiving tools.

Credit Strategy and Processes

To support the achievement of its decarbonisation targets, at the beginning of 2024 the Group defined and activated its own transition plan, consisting of credit policies that are based:

- On the identification of the **levers that can be activated** in the decarbonisation process of the priority sectors;

- on the identification of **credit macro-strategies** to eliminate the misalignment with respect to the decarbonisation targets defined on the basis of the customer's ESG profile.

The **identification of the levers that can be activated** and of the credit macro-strategies was carried out on the basis of the characteristics of the technologies available for each priority sector, with the aim of supporting active customers in achieving them.

In particular, with reference to the sector:

➢ **Power Generation** to:

- achieve a target of at least 40% of energy produced from renewable sources by 2030 through the disbursement of Green loans (with differentiated pricing in the form of SLLs and green loans);
- adopt a strategy of exclusion and phase-out with respect to requests for financing from companies operating in this sector which have one or more of the following characteristics linked to significant production of electricity from coal:
    - the presence of plans to expand the capacity for the production of electricity from coal;
    - commitments to build new coal plants;
    - a percentage of electricity production from coal exceeding 30% and absence of a transition plan consistent with the objectives set out in the Paris Agreement;
    - the absence of transition plans aimed at increasing the production of renewable energy until reaching at least 40% by 2030.

➢ **Oil and GAS** to:

- support, through the disbursement of Green finance, counterparties that invest in the large scale development and construction of renewable energy plants (wind, solar, etc.), of alternative fuels with lower emissions and therefore aimed at the development of energy, products and low-carbon solutions for their end customers with a consequent reduction in scope 3 emissions along the entire value chain;
- adopt an exclusion strategy, committing to not provide financial products and services of any kind and not to finance activities
    - relating to new oil explorations or to all design, construction and maintenance activities, aimed at searching for oil fields, determining the entity of these fields and the construction of new oil fields and related infrastructures, in line with the agreement reached by the COP-28 of Dubai in December 2023.This exclusion

also applies to counterparties that operate in upstream activities, such as exploration and extraction, and midstream, such as transport through pipelines exclusively related to the exploration and extraction of unconventional resources;

- aimed at creating and expanding unconventional oil and gas exploration and production sites (fracking, tar sands, ...) or which generate > 20% of their revenues from activities related to the extraction and transport of unconventional oil and gas, or those aimed at the search for and/or construction of new oil fields and related infrastructures;

➢ Iron & Steel to:

- increase the use of energy produced from renewable sources and/or alternative fuels in steel production;
- support customers in initiatives to review production processes aimed at reducing primary steel production through the efficiency of materials and the use of waste, diversification of production processes towards lower CO2 intensity processes and the adoption of carbon capture technologies and other initiatives over time that will reduce the sector's emission profile
- through the disbursement of Green loans (with differentiated pricing in the form of SLLs and green loans);

- Coal
  - The Montepaschi Group excludes any new exposure to companies operating in the Coal Mining Sector and any new financing targeted at:
    - the exploration and creation of new coal mines;
    - the development or expansion of existing coal mines. Active exposures to coal mining companies will not be rolled over on their natural due date. Therefore, for the purposes of the NZBA target, a phase-out for existing transactions and exclusion of new transactions is envisaged for this sector.

With a view to contributing to the protection and restoration of natural environments and ecosystems, the Group may, however, grant financing aimed at projects for the reconversion and reclamation of mining sites whose objectives, benefits for the environment and the communities involved, and effectiveness must be assessed in advance through a specific process of due diligence.

Customer Involvement

Support for the transition by the Financial sector can only be addressed with the involvement of our customers, the main stakeholder, to achieve a just and equitable transition.

Customer engagement is therefore one of the pillars of our strategic ESG approach and has always been at the heart of our commercial strategies. The Bank is developing further solutions aimed at facilitating a greater understanding of climate transition strategies and a greater and more structured approach sharing of information that enables the identification of risks and opportunities to which customers are exposed. This activity will allow the Bank to refine the assessment of the customer's emission and risk profile and to propose financial solutions that are appropriate to the risk profile.

To encourage the involvement of customers, more and more initiatives such as the organisation of webinars will be activated with the support of sector associations, defining partnership agreements and advisory services with specialist companies in order to make them aware of the opportunities and risks related to the transition and to support them with qualified consulting services and in the planning and implementation of transition plans. In addition, the creation of working groups cutting across all the various ESG functions, for the respective areas of responsibility, of General and Area Management, will make it possible to support and assist colleagues who manage the relationship with the Customer. In this regard a new dedicated function, “Energy”, has been set up to deliver specialist support to the provider and to the customer in evaluating the loan and verifying the ESG classification, in the related appraisal and in the engagement of the other specialist ESG functions involved.

Support and Monitoring Tools

To ensure greater dissemination of the strategies, targets and levers to be activated to support the transition, the Group has

- activated and provided specific training courses based on the role played and identified transversal teams of ESG experts to support the commercial network;
- assembled structured and systematic monitoring of data for the verification of financed emissions, in order to supervise the pursuit of the credit and commercial strategy, verify the consistency of the hypothesized emission reduction path and convey operational indications and remedial actions to the commercial network and to the managers to raise awareness of the issues and the importance of the actions to be carried out;
- introduced tools for the identification and simulation of emission reduction KPIs by counterparty, as well as monitoring and reporting tools, introducing views at various operational levels from a managerial and operational perspective in order to monitor the high emission impact sectors defined in the targets;
- the MPS Group has arranged periodic meetings with the Sales Departments, the Sustainability and ESG Function, the Credit Department and the Chief Risk Officer Department in order to share the results of the monitoring and promptly identify any remedial actions or additional support initiatives.

Disclaimer

This document is for informational purposes only and is in no way intended to be exhaustive. It does not constitute investment, legal or tax advice. The MPS Group shall in no event be liable for the use of this document by third parties, for decisions made or actions taken by third parties on the basis hereof, or for any inaccuracies or errors contained in the document, inaccuracies or errors in the information contained in the document, or for omissions therein. In case of inconsistencies between this document and the Group's sectoral policies (publicly available on the Group's institutional website), the latter will prevail. For more information please refer to the documents at the link: [Banca MPS – English version (gruppomps.it)]

Goals and forward-looking statements

This document contains climate metrics, targets and forward-looking statements and therefore special attention is required for their use in decision-making processes. They are based on current hypothetical scenarios and the expectations of Group management and are subject to significant risks and uncertainties, many of which are beyond the Group's control. There can be no assurance that actual results or actions will be in line with the objectives and forward-looking statements contained in this document. These objectives and forward-looking statements are expressed as of the date of the document and the Group reserves the right to revise them considering new information or future events.

Cautionary information on data, methodology, and third-party verification

The data and statements made are not guarantees or promises to achieve targets or commitments, standards, or methodologies, as they are subject to continuous evolution and development. Some of the information included in this document has been or may have been obtained from public or other sources and the Group has not independently verified it. The Group does not make any representation or warranty as to the completeness or accuracy of this document. The data represented has not been audited or verified by an independent third party.

Data Quality and Methodologies

The indicators presented in the paper are calculated based on multiple internal and external data and information sources that are subject to measurement uncertainties. To date, climate-related data is neither comprehensive nor widely available andis also subject to inconsistencies because it does not follow global standards. However, as customers increasingly adopt the climate disclosure and reporting framework, the Group expects that the accessibility and reliability of external emissions data will improve over time. Limitations in data collection, verification, and reporting, as well as the lack of reliable and standardized measurement techniques in the industry impede data consistency. Existing calculation methodologies present significant challenges in terms of consistency, adoptability by industry stakeholders, and replicability across sectors. As the methodologies evolve, the data improve and the Group will continue to review the impact on the reported baseline, with possible refinement of the calculations with reliable and standardized measurement techniques. All opinions and estimates should therefore be considered indicative and preliminary.

Acknowledgements

MPS is strongly committed to achieving the objectives of the Net Zero Banking Alliance, continuing to promote sustainability and investing in initiatives that support a low-carbon future.

We thank all of the employees, partners and stakeholders who contribute to the progress towards the achievement of our sustainability objectives.

BANCA MONTE DEI PASCHI DI SIENA S.p.A.

Sustainability and ESG Function

Chief Financial Officer Department

Piazza Salimbeni 3, Siena

www.mps.it