



**MONTE
DEI PASCHI
DI SIENA**
BANCA DAL 1472

UN 
environment
programme

finance
initiative

Principles for
Responsible Banking

2024 Responsible Banking Progress Statement



Summary template

In August 2019, the Monte dei Paschi di Siena Group was among the first signatories of the Principles for Responsible Banking (PRB), which were launched that same year as part of the UNEP Financial Initiative (UNEP FI). By signing the PRB, the Group committed to achieving the Sustainable Development Goals (SDGs) through concrete actions integrated into its corporate strategy. With regard to the 2024 Report, the Monte dei Paschi di Siena Group has updated its reporting practices in line with the new framework introduced by UNEP FI in November 2024, as well as with the summary template for preparing the 2024 Responsible Banking Progress Statement. The latter provides a summary of the key information published in the Group's 2024 Sustainability Report.

Principle 1: Alignment

Strategy alignment

Briefly describe your bank's sustainability strategy, and which international, regional or national frameworks and UN Sustainable Development Goals it aims to align with. Note any changes in the reporting year.

The Group's commitment to sustainability is reflected in the growing integration of these themes into its corporate strategy and processes, with the aim of creating shared value for all stakeholders and supporting customers in their transition journey.

In particular, the Group's strategy has been inspired by the pursuit of the United Nations Sustainable Development Goals and aligned with key regulatory frameworks and international initiatives, such as the Paris Agreement, the Net-Zero Banking Alliance (NZBA), and the UN Global Compact.

This strategy was first formalised in the document "Business Plan 2022-2026: A Clear and Simple Commercial Bank" and later reaffirmed and further refined in the Business Plan 2024-2028 "A Clear and Simple Commercial Bank, Revolving Around Customers, Combining Technology With Human Touch".

In the 2024–2028 Business Plan "A Clear and Simple Commercial Bank, Revolving Around Customers, Combining Technology With Human Touch", the sustainability dimensions were confirmed and further developed in line with the evolving context in which the Group operates, with a focus both on its own activities and across the value chain.

As part of its Sustainability Strategy, the Group has identified the following specific actions and concrete objectives:

In the environmental area, the Group is pursuing initiatives to support the decarbonisation of both its own activities and its downstream value chain, through:

- Defining a roadmap to reduce the Group's direct environmental impacts and identifying energy efficiency measures within the Multi-Year Sustainability Plan, with the goal of achieving net-zero direct emissions (Scope 1 and 2) by 2030;
- Implementing a decarbonization strategy for its lending portfolio in line with the commitments undertaken by joining the Net Zero Banking Alliance (NZBA) in January 2022, aimed at reducing financed emissions with a specific focus on high-emission-intensive

sectors;

- Ensuring zero exposure to counterparties operating in the coal sector, thanks to the adoption of a phase-out and exclusion policy;
- Applying phase-out and/or more restrictive criteria for credit exposures, particularly in financing projects or counterparties with particularly harmful impacts in terms of emissions and ecosystem disruption due to coal-based electricity production, commercialisation, and distribution;
- Applying phase-out criteria for credit exposures, particularly in financing projects or counterparties with particularly harmful impacts in terms of emissions and ecosystem disruption due to activities related to unconventional oil and gas extraction and/or the development or expansion of unconventional oil and gas exploration, production, and transportation sites;
- Applying phase-out criteria for financing projects and counterparties engaged in the design, construction, and maintenance of infrastructure aimed at discovering oil reserves, assessing their size, and developing new oil fields and related facilities;
- Applying general minimum screening criteria in the assessment of counterparties and financed projects, consistent with the principles of the Group's Code of Ethics (e.g., regarding human rights violations, workers' rights, financing of terrorism) and with global environmental protection goals (e.g., wetlands under the Ramsar Convention);
- Supporting the transition of small and medium-sized enterprises (SMEs) toward renewable energy sources, with a particular focus on the agrifood sector;
- Expanding the range of financing, investment, funding, and insurance products designed to mitigate climate change and support the achievement of global environmental objectives in related areas.

In the social area, the Group is strengthening its role in supporting the transition toward a more equitable and inclusive society, leveraging its people and network—distinctive assets of the Group—through:

- Promoting a work environment focused on employee well-being, safety, professional development, and skills enhancement, while ensuring work-life balance. This includes the implementation of dedicated programmes and initiatives to foster corporate culture and raise awareness around diversity and inclusion;
- Applying stricter evaluation criteria for credit exposures, particularly in financing projects or counterparties with harmful impacts on individual well-being and society. These criteria apply to sectors such as tobacco cultivation and production, gambling, and controversial weapons;
- Applying general minimum screening criteria in the assessment of counterparties and financed projects, consistent with the principles of the Group's Code of Ethics and with international, European, and national conventions, such as those of the International Labour Organisation (ILO).
- Offering dedicated products to the Group's current and prospective clients to support the transition of businesses toward more equitable and inclusive business models;
- Providing tailored products for individuals and businesses belonging to disadvantaged sectors and categories, alongside financial education programmes.

In the area of governance, the Group is committed to:

- Promoting ESG culture within the organization, through recurring training sessions and by incorporating ESG-related goals into variable remuneration systems;
- Adopting credit policies and risk measurement frameworks increasingly integrated with ESG evaluation elements and risk factors, in line with the Group's overarching strategic ESG objectives;
- Further strengthening the quality of ESG data and monitoring processes, embedding them into business processes to enhance transparency regarding the Group's ESG strategy and the results of the actions implemented.

In July 2025, the Board of Directors also approved the update of the 2025–2028 Sustainability Plan, aimed at identifying and prioritising ESG-related initiatives to be launched in the coming years. This plan is designed to ensure the achievement of the strategic objectives set out in the Business Plan, compliance with regulatory requirements, and alignment with evolving market trends in sustainability.

For further details, please refer to the consolidated Sustainability Report included in the MPS Group's 2024 Financial Report.

Links & references

2024 Financial Report

- *Sustainability Report – Strategy, pp. 139-142*

Principle 2: Impact & Target Setting

Impact Analysis

Briefly describe the bank's most significant impact areas and the steps taken to identify, measure and manage them—including impact analysis results, targets set (including sectors, portfolio coverage, and KPIs), actions taken, and progress against the targets. Where targets have been set, share details of the bank's transition/action plan, and progress made. Explain how the bank addressed interlinkages between impact areas where possible.

In 2021, the Group conducted an impact analysis and identified two key areas of significant impact, using the UNEP FI Impact Analysis tool. Based on this, it defined its initial objectives: climate change mitigation and financial inclusion.

In 2024, the MPS Group conducted a Double Materiality Analysis in line with the new sustainability reporting requirements introduced by Directive (EU) 2022/2464 – the Corporate Sustainability Reporting Directive (CSRD). The goal was to identify the most relevant impacts, risks, and opportunities related to the Group's activities and value chain. The analysis also involved both internal and external stakeholders through interviews and one-to-one consultations, as well as discussions with business functions that maintain ongoing dialogue with customers, employees, and suppliers.

The Double Materiality Analysis highlighted several relevant topics, including the two priority impact areas previously identified under the UNEP FI framework, thereby confirming the robustness of the path undertaken by the Group and reinforcing its strategic continuity:

- **Climate change mitigation**
- **Financial inclusion**

These correspond to the topics *Climate change (E1)* and *Consumers and End-users (S4)*.

The integration of the two approaches enabled the Group to:

- Validate previously identified priorities in terms of impacts, risks, and opportunities;
- Strengthen the data foundation for setting and updating targets;
- Align its sustainability strategy with European regulatory requirements and the voluntary commitments made under the PRB.

For further details, please refer to the consolidated Sustainability Report included in the MPS Group's 2024 Financial Report.

Links & references

2024 Financial Report

- *Sustainability Report - Strategy: pp. 145–150*

Targets, Target Implementation, and Action Plans/Transition plans

Describe the targets set for two different areas of most significant impact, outlining the actions taken and progress made in relation to the objectives set out in *Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector (2024)*.

Based on the consistency between the UNEP Analysis and the Double Materiality Analysis—conducted in accordance with the guidelines of the EU Corporate Sustainability Reporting Directive (CSRD)—the Group has decided to consolidate and strengthen the targets already defined, thereby ensuring strategic continuity and long-term measurability. The targets currently in place for each priority impact area include:

- **Climate Change:** Sector-specific decarbonisation targets defined as part of the Group's commitment to the NZBA;
- **Financial inclusion:** The penetration rate of savings products (such as regular investment plans and pension products) among retail customers aged 18 to 35.

Climate change mitigation

Target

Following its commitment to the Net-Zero Banking Alliance (NZBA) and in line with the objectives set out in 2023 for high-emitting priority sectors—Power Generation, Oil & Gas, Iron & Steel, and Coal—the MPS Group defined, at the end of 2024, two additional targets for the remaining high-emitting sectors: Aluminium and Cement". In particular, the Group established interim decarbonisation targets to 2030 for exposures to non-financial companies operating in the following high-emitting sectors:

- **Target sectors:** Oil & Gas, Power Generation, Iron & Steel, Coal Mining, Cement, Aluminum.
- **Phase-out:** Strict criteria for excluding new financing of projects related to coal extraction, coal-based power generation, unconventional oil & gas sites, and new oil exploration activities.

For lower-emitting sectors, the Group has adopted a counterparty-based approach, assessing each customer's ESG and emissions profile, and promoting access to ESG products and services to support their transition.

Actions

To achieve this objective, the Group has integrated the following into its core processes:

- **Credit Assessment and Lending:** Climate factors have been embedded into credit assessment and approval processes, including the implementation of ESG scoring and the application of phase-out criteria.
- **Integration into risk models:** Climate, environmental, and broader ESG factors have been incorporated into risk models.
- **Transition Plan:** Sector-specific strategies and engagement initiatives have been developed to support companies in their decarbonisation efforts. This includes the use of subsidised credit instruments and access to public funding programmes (e.g. Italy's *PNRR* and *Transizione 5.0*).
- **ESG Offering:** The Group has expanded its portfolio of green products and services, including green mortgages, energy efficiency loans, climate-related insurance solutions, and ESG investment advisory services.

The targets and transition plans have been validated and reaffirmed through the Double Materiality Analysis conducted in 2024, which confirmed the strategic importance of climate change mitigation and support for the climate transition.

Financial Inclusion

Target

The MPS Group has set a specific goal to promote financial inclusion among young retail customers aged 18 to 35, with the aim of enhancing their financial planning skills and economic resilience. This customer segment was identified based on internal and external analyses of the socio-economic characteristics of Generation Z and the Italian context, which is marked by job insecurity, a low tendency to save, and limited awareness of supplementary pension schemes.

Within this context, the Group aims to:

- Increase the penetration of savings products (regular investment plans and pension products) among retail customers aged 18–35 by 1.2 percentage points, rising from 6.2% to 7.4% by 2027.

Actions

To achieve this target, the Group has planned the following measures:

- Financial education initiatives to increase awareness about financial planning, long-term savings, and pension schemes;
- Targeted commercial campaigns to increase awareness and engage the identified customer segment;
- Facilitated financial solutions with dedicated pricing;

Progress is monitored annually using internal data segmented by age and product type. As of 31 December 2024, penetration stood at 6.2%, unchanged from August, as the implementation of the necessary commercial initiatives was still ongoing. By 30 June 2025, penetration had increased to 6.44%, confirming a positive trajectory towards the 2027 target.

For further details, please refer to the consolidated Sustainability Report included in the MPS Group's 2024 Financial Report.

Links & references

2024 Financial Report

- *Sustainability Report – Climate change targets in relation to the upstream value chain: pp. 169-171*
- *Sustainability Report – Climate change targets in relation to the upstream value chain: pp.171*
- *Sustainability Report – Responsible business practices of the Group, access to and quality information on products offered in terms of social inclusion: pp. 239–240.*

Principle 3: Clients & Customers

Client and Customer engagement

Briefly describe how the bank works responsibly with clients and customers in relation to significant impacts, including products and services offered, internal policies and processes and engagement to implement targets/action plans/transition plans to encourage sustainable practices/economic activities. Note any changes in the reporting year.

The MPS Group takes a proactive and integrated approach in its client relationships, with the aim of supporting customers in their sustainable transition and promoting responsible economic practices. Key actions include:

- Integrating ESG criteria into credit-granting processes, including the assessment of counterparties' ESG profiles and the use of dedicated scoring tools;
- Offering ESG credit products and advisory services to support businesses—particularly SMEs and corporate clients—in transitioning towards low-impact business models;
- Facilitating access to public incentive schemes, such as Italy's *PNRR* and *Transizione 5.0*, through cross-functional teams (ESG, ESG Risk, ESG Specialists, Sustainable Finance) that work alongside relationship managers to structure green and ESG-aligned transactions;
- Incorporating ESG clauses in financing contracts, rewarding customers who achieve sustainability goals with spread reductions;
- Promoting financial education and inclusion, with a particular focus on young people, women, and vulnerable groups, through dedicated initiatives and accessible products;
- Safeguarding human rights and ethical practices, with phase-out policies for sectors with high social impacts (e.g., controversial weapons, child labour).

For further details, please refer to the consolidated Sustainability Report included in the MPS Group's 2024 Financial Report.

Links & references

2024 Financial Report,

- *Sustainability Report – Decarbonisation levers and key actions for reducing indirect emissions from the credit portfolio, pp. 160*
- *Sustainability Report – Business model, pp.142*
- *Sustainability Report – Offer of green products and services, pp.167*
- *Sustainability Report – Responsible business practices of the Group, access to and quality information on products offered in terms of social inclusion, pp. 239*
- *Sustainability Report – Responsible business practices of the Group, access to and quality information on products offered in terms of social inclusion: pp. 233-234*

Principle 4: Stakeholders

Stakeholder identification and consultation

Briefly describe how the bank consults, engages and collaborates/partners with relevant stakeholders for the purpose of implementing the Principles. This could include understanding impacts, setting ambitious targets, advocating for enabling regulatory/policy environments, and creating partnerships that contribute to addressing significant impacts. Note any changes in the reporting year.

The MPS Group adopts an inclusive and participatory approach to stakeholder engagement, recognising the central role of stakeholders in shaping strategic priorities and creating shared value. This approach is a core component of the Group's sustainability strategy.

The Group has identified its key stakeholders based on mutual impact and relevance, including:

- Retail, corporate, and institutional clients;
- Employees and collaborators;
- Suppliers and business partners;
- Investors and financial analysts;
- Regulators and supervisory authorities;
- Local communities and non-profit organizations;
- Media, universities, and academic institutions.
- Methods of engagement

The consultation process is based on a twofold approach:

Indirect engagement: through the analysis of internal documentation (policies, codes of ethics, business plans) and public sources (ESG reports, industry benchmarks);

Direct engagement: through one-to-one interviews with external stakeholders, aimed at assessing and sharing the relevance of the impacts, risks, and opportunities identified by the Group.

In 2024, the process was implemented in alignment with ESRS standards and CSRD requirements, with particular attention to the Double Materiality Analysis. All stakeholders were engaged—both directly and indirectly—with the aim of collecting qualitative and quantitative feedback useful for defining ESG priorities.

Stakeholder engagement also played a significant role in shaping the 2025–2028 Sustainability Plan, ensuring alignment between the Group's strategy and stakeholder expectations.

For further details, please refer to the consolidated Sustainability Report included in the MPS Group's 2024 Financial Report MPS.

Links & references

2024 Financial Report

- *Sustainability Report – Stakeholder Engagement, pp.148-149*

Principle 5: Governance & Culture

Governance Structure for Implementation of the Principles

Briefly describe the key governance structures in place (Board and Executive level) and related accountability mechanisms to implement the Principles. This could include how governance supports your bank's management of significant impacts and risks, including target implementation and monitoring of action/transition plans. In addition, briefly describe how a culture of responsible banking is driven internally (e.g. via employee learning & development). Note any changes or progress in the reporting period.

The MPS Group has adopted a traditional governance model, consisting of a Board of Directors, a Board of Statutory Auditors, and five internal board committees, including the Risk and Sustainability Committee, which assists the Board in overseeing ESG matters. Sustainability strategies and activities are also supported by the Executive Committee in its ESG session, the Group Head of Sustainability and ESG, and the Sustainability and ESG Staff Unit.

In 2024, 37% of board members had specific ESG expertise, gained through professional experience, academic activities, or specialised training. The Board also took part in dedicated induction sessions on specific sustainability topics.

The Sustainability Plan, which is approved by the Board and updated annually as needed, sets out the Group's priority initiatives with measurable objectives, defined timelines, and a clear assignment of responsibilities, in order to achieve the Group's strategic sustainability goals. The cross-functional ESG Project ensures coordinated and structured implementation of initiatives and monitors the results.

The Board of Statutory Auditors oversees the adequacy of the administrative and accounting system, including its suitability for sustainability reporting, and ensures the implementation and receipt of regular quantitative and qualitative information flows, which are essential for defining the reporting framework.

With regard to remuneration policies, the Group has integrated its strategic ESG priorities into Incentive Plans.

For further details, please refer to the consolidated Sustainability Report included in the MPS Group's 2024 Financial Report.

Links & references

2024 Financial Report

- *Sustainability Report – Governance, pp. 125-135*

Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, learning & development, sustainability training for relevant teams, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Promoting a culture of responsible banking is a strategic priority for the MPS Group. To this end, the Group has implemented a comprehensive training and development programme aimed at disseminating ESG principles, increasing awareness of ESG risks, and enhancing the value of human capital.

In 2024, approximately 690,000 hours of training were delivered, averaging 41 hours per employee, with a coverage of 99% of staff.

For further details, please refer to the consolidated Sustainability Report included in the MPS Group's 2024 Financial Report.

Links & references

2024 Financial Report

- *Sustainability Report – Training and Skills Development: 190–197, 207*
- Report on the 2024 remuneration policy and on compensation paid*
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Risk and due diligence processes and policies

Describe what processes your bank has installed to identify and manage environmental and social risks associated with your bank's portfolio. This can include aspects such as identification of significant/salient risks, due diligence processes, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures your bank has in place to oversee these risks.

Recognising the growing importance of ESG risk factors in regulation, public policy, and stakeholder expectations—and in response to specific initiatives promoted by the European Central Bank (ECB), particularly regarding the management of Climate-related and Environmental Risks (C&E Risks)—the MPS Group continues to progressively integrate these factors into its risk management framework, governance processes, and strategic planning.

The process of identifying, assessing materiality, and analysing the relevance of ESG risks across short-, medium-, and long-term time horizons is a fundamental prerequisite for defining the Group's Risk Appetite Statement and for integrating ESG risks into strategic planning.

For further details, please refer to the consolidated Sustainability Report included in the MPS Group's 2024 Financial Report and the Pillar III Report.

Links & references

2024 Financial Report

- *Sustainability Report – Resilience Analysis: pp. 157-158*

- *Information on Risks and Related Hedging Policies – ESG Risks: pp.647-358*
- *2024 Pillar III Report: Annex XXXIX – Disclosure on Environmental, Social and Governance (ESG) Risks: pp. 176-217*

Principle 6: Transparency & Accountability

Provide reference to additional relevant reports, if not listed as references with P1–P5. Briefly note whether/where assurance of sustainability information has been undertaken (optional), providing details on the scope of assurance and the reference/link to the Independent (Limited) Assurance Report.

The sustainability-related information summarised in points P1–P5 is comprehensively detailed in the 2024 Sustainability Report, which is integrated into the Group’s Consolidated Financial Statements. This information is subject to limited assurance by an independent auditor, in continuity with the procedures applied for the Non-Financial Statement, and in alignment with the guidelines of the European Directive on sustainability reporting.

The Group adopts a transparent and structured approach to Sustainability Reporting, in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). As of 2024, the reporting has been an integral part of the Management Report of the Consolidated Financial Statements and is prepared on a consolidated basis, covering both the Parent Company and its subsidiaries.

Responsibility for the regulatory and operational oversight of the Sustainability Reporting process lies with the Sustainability and ESG Function, which carries out and coordinates the activities related to the preparation of the report. This includes the collection of qualitative and quantitative data, content harmonization, and validation of overall consistency with the Group’s ESG strategy and applicable regulations. The Function works in close collaboration with the Accounting Function to ensure the integration of the Sustainability Report within the annual Financial Report.

The 2024 Sustainability Report was subject to:

- Certification pursuant to Article 154-bis of Legislative Decree 58/98, issued by the Financial Reporting Officer and the Chief Executive Officer;
- Oversight by the Board of Statutory Auditors, which received periodic updates and met with ESG officers and the independent auditor;
- Limited assurance review by PricewaterhouseCoopers S.p.A., which verified the consistency and compliance of the ESG disclosures.

For further details, please refer to the consolidated Sustainability Report included in the MPS Group’s 2024 Financial Report.

Links & references

2024 Financial Report – pp. 1050-1059