



Transition to a sustainable, green and circular economy



# Transition to a sustainable, green and circular economy

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### WHY THESE ISSUES ARE RELEVANT

The European Union is strongly committed to combating climate change and, to accelerate the transition towards a sustainable economy that contributes to reducing emissions, the European Commission presented the European Green Deal in 2020, proposing an investment plan that involves the mobilisation of at least 1,000 billion euro of sustainable investments in the next ten years. The EU's efforts in this area are further underlined by the Recovery and Resilience Facility, which provides subsidies and loans subject to the presentation of national recovery and resilience plans (NRRP) in which 37% of spending is allocated to the climate. During the 2021 United Nations Climate Change Conference (COP26), the Glasgow Financial Alliance for Net Zero (GFANZ), whose members include 450 financial institutions from 45 countries, declared that it was ready to deliver 100 thousand billion dollars to help economies become carbon neutral over the next three decades.

Intesa Sanpaolo has long been committed to supporting the transition to a low carbon economy through direct actions to mitigate its own emissions and green initiatives and projects for the benefit of its customers. To this end, Intesa Sanpaolo has allocated a 6 billion euro credit line for circular economy projects and a 2 billion euro credit line for S-Loans, which reward businesses for achieving specific sustainability targets; the Group has also made 76 billion euro available to support the Green Economy, the Circular Economy and the ecological transition as part of its commitment to supporting the National Recovery and Resilience Plan (NRRP). Finally, in October 2021 Intesa Sanpaolo joined the Net-Zero Alliances promoted by the United Nations with the aim of achieving the ambitious goal of Net-Zero emissions by 2050.

### PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVES

Macro-issue	Project/Indicator	2021 Actions/Results	2021 objectives
Transition to a sustainable, green and circular economy	Loans and services for the Green and Circular economy	<ul style="list-style-type: none"> <li>Loans disbursed for the Green and Circular Economy: around 8.7 billion euro disbursed, equal to 11.2% of total loans (2.9% in 2020)</li> <li>Circular Economy credit line: 5.5 billion euro disbursed in 2021 (7.7 billion euro disbursed since launch of credit line)</li> </ul>	<ul style="list-style-type: none"> <li>Supporting the green economy</li> <li>6 billion euro credit for companies that adopt the circular model using innovative methods</li> </ul>
	ESG-Linked loans for SMEs: S-Loan	<ul style="list-style-type: none"> <li>In July 2020 Intesa Sanpaolo allocated a credit line of 2 billion euro (~1.3 euro billion granted since launch, of which ~1.2 euro billion in 2021) for S-Loans designed to help SMEs finance projects aimed at improving their sustainability profile</li> <li>The product range was expanded in April 2021 with S-Loan Diversity, in July with S-Loan Climate Change, and in November with S-Loan Agribusiness and S-Loan Turismo. All S-Loans have subsidised interest rates, subject to the annual monitoring of 2 ESG KPI, to be reported in the borrower's financial statements. The new S-Loan Climate Change and S-Loan Agribusiness products can benefit from the 80% SACE green guarantee</li> </ul>	<ul style="list-style-type: none"> <li>Supporting the sustainable economy</li> </ul>

## PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVES

Macro-issue	Project/Indicator	2021 Actions/Results	2021 objectives
Transition to a sustainable, green and circular economy	Green bonds	<ul style="list-style-type: none"> <li>▪ A 1.25 billion euro Green Bond, focused on green mortgages for the construction or purchase of properties with energy efficiency class A or B and for redevelopment work on properties that leads to an improvement of at least two energy classes, was issued in March 2021</li> </ul>	<ul style="list-style-type: none"> <li>▪ Supporting the green economy</li> </ul>
	Green and sustainable culture and initiatives	<ul style="list-style-type: none"> <li>▪ ESG Lab initiative: a physical and virtual meeting point for guiding Italian businesses through the sustainable transition. The first ESG Lab was opened in Brescia in late September and the second in Padua at the end of November</li> </ul>	

## COMPANY POLICIES

Intesa Sanpaolo has always believed that banks must play an active part in driving the transformation of the local economic and social context. For this reason, conscious of its role and systemic nature, for some time it has been at the forefront of efforts to accelerate the transition towards a low carbon economy and meet global climate targets.

In addition to the direct actions it takes to reduce its energy consumption and mitigate its emissions, it also extends its commitment to retail and business customers with specific credit lines and the expansion of its range of sustainable and responsible investment products.

With this in mind, to support the European Green Deal and the National Recovery and Resilience Plan (NRRP), the Group has pledged to provide a 76 billion euro programme of disbursements dedicated to the Green Economy, the Circular Economy and the ecological transition in Italy over the coming years. The Bank has also been very supportive of businesses, issuing various credit lines: 6 billion euro for the Circular Economy, in collaboration with the Ellen MacArthur Foundation, of which Intesa Sanpaolo is Strategic Partner; 2 billion euro for the Sustainability Loan, dedicated to the sustainable transformation projects of SMEs. The S-Loans have a subsidised interest rate, subject to the annual monitoring of ESG KPI reported in the financial statements of the funded company.

However, financial resources alone are not enough to enable the sustainable transformation of businesses; the development of a new business culture focused on sustainability and the acquisition of specific skills is required. For this reason, the Group aims to leverage both on the skills it has acquired in training activities to support the development of ESG and sustainability knowledge and expertise among the management and employees of businesses, and on engagement activities to help companies in their path towards sustainability. To this end, the Bank promotes a pioneering initiative that combines a dedicated online training platform and customised training and support programmes, drawing on the finest expertise available in the area, with ESG labs, strategic partnerships and surveys.

Finally, in terms of funding, in 2017 Intesa Sanpaolo was the first Italian bank to issue a Green Bond. Valued at 500 million euro, it was introduced to fund renewable energy and energy efficiency projects. Others have followed in subsequent years: in 2019 a 750 million euro Green Bond was issued to fund Circular Economy projects, and in 2021 a 1.25 billion euro Green Bond was launched to finance Green mortgages for the construction or acquisition of high energy efficiency properties. These are joined by the €500 million Green Bond issued in 2019 by merged company UBI Banca for the financing of renewable energy investments.

## LOANS AND SERVICES FOR A SUSTAINABLE, GREEN AND CIRCULAR ECONOMY

In 2021, the Group's loans for the Green and Circular Economy came to around 8.7 billion euro, equal to 11.2% of the Group's total loans. During 2021, 1.2 billion euro were disbursed thanks to S-Loan, designed to support SMEs seeking to improve their sustainability profile.

### GREEN ECONOMY

In 2021 the Group's disbursements for the Green Economy totalled around 6.1 billion euro (over 28 billion euro in the 2010-2021 period).

The offer involves all customer segments: retail customers (37.4%), businesses and Third Sector (6.3%), corporate & project finance (56.3%).

### PRODUCTS AND SERVICES FOR RETAIL CUSTOMERS

The Bank supports the green projects of its retail customers through the granting of mortgages and loans for environmental purposes.

The financing solutions are not only aimed at those who want to purchase or build an energy efficient property but also at those who want to improve their energy efficiency through, for example, the replacement of fixtures and high-performance boilers, the purchase of environmentally-friendly vehicles and the installation of solar and photovoltaic panels.

The Bank proposes Green - Mutuo Domus: a subsidised mortgage (reduction of the APR and free energy certification for renovation purposes) which makes it possible to purchase and build a residential property in Italy with a high energy efficiency class (equal to or higher than B) or to renovate a residential property in Italy improving its energy performance rating by at least one class.

In 2021, around 14,000 green mortgages of a total value of over 2.2 billion euro were issued.

With this in mind, Intesa Sanpaolo participated in EeMAP (Energy efficient Mortgages Action Plan), a European initiative that aims to create standardised European energy efficient mortgages with a view to encouraging the redevelopment of buildings and the purchase of energy efficient properties thanks to preferential financial conditions.

Special conditions were also introduced in the loans area for the XME Prestito Giovani product for environmentally-aware customers who want to improve the quality of their properties with energy redevelopment measures.

Around 6 million euro of green loans was granted in 2021.

The range of green solutions has been enriched with a series of dedicated services, some of which provided by partner companies. These additional and optional services help to assess the possible savings that can be made through energy redevelopment measures, for example. They include the Valorizzazione Immobiliare service which, via a specific tool, enables branch managers to support customers who intend to invest in their homes through energy redevelopment measures and restructuring works, identifying, free of charge, possible ways of reducing their energy consumption and, if possible, benefitting from tax breaks. It is also possible to perform an energy check on the home, benefitting from special conditions. This check takes the form of a personalised consultancy service consisting of an inspection in which the individual components and energy characteristics of the building are examined in detail in order to determine the potential savings that can be made with the house. Intesa Sanpaolo offers those planning to carry out renovation works - families, condominiums or specialist businesses, for example - a special structured solution so they can benefit from the subsidies introduced by the Italian "Rilancio" Decree (converted into Law no. 77 of 17 July 2020).

This Decree raises the tax deduction level to 110% (the so-called "superbonus"), usable over five years or recoupable through the transfer of tax credits, for all energy redevelopment expenses incurred on the building for the performance of works such as insulation, the replacement of boilers with centralised condensation systems and heat pumps, including hybrid or geothermal systems.

Intesa Sanpaolo's modular solution is based on the purchase of the tax credit at a fixed price set at the outset as a function of the type of the tax credit, the optional PerTe Ecobonus bridge-loan to start the work, without having to wait for offsetting against tax liabilities (with an undertaking to repay this advance by transferring the tax credit to the Bank), and the option of benefitting from free advisory service in identifying and gathering the technical and administrative documentation required to issue the approval, where applicable. PerTe Ecobonus also makes it possible to finance other measures that benefit from tax deductions of less than 110% (Ecobonus/Sismabonus and other construction tax bonuses), and more specifically energy efficiency projects, the installation of photovoltaic systems, the installation of electric vehicle charging columns and the adoption of anti-earthquake measures.

Among the insurance products that aim to cover customers' insurance needs in the Family, Health and Property

areas, the XME Protezione insurance policy focuses on protection against natural disasters, providing coverage for the damage caused by atmospheric events such as floods and cloudbursts. The coverage will reimburse up to 80% of the customer's property value. Over 140,800 XME Protezione policies with flood coverage had been taken out at the end of 2021.

In the area of motor insurance products, the ViaggiaConMe policy offers a usage-based solution which encourages policyholders to use their vehicles responsibly, reducing their premiums if they lower their mileage (monitored using a device installed in the car).

Lastly, following the environmental disasters and extraordinary weather events that affected Italy also in 2021, the Intesa Sanpaolo Group continued its tangible and concrete commitment to supporting the households and businesses affected, focusing specific attention on agricultural companies - penalised more than anyone else by exceptional weather events - through the activation of dedicated credit lines, new subsidised loans for redeveloping damaged structures (homes, shops, offices, artisan workshops and businesses), suspensions of payments on outstanding loans and preferential, simplified and expedited procedures for the new instruments.

In particular, underling its close bond with the areas in which it operates, and to provide the communities and the economic fabric in affected areas with support in dealing with emergency situations, during the year the following credit lines were launched: 30 million euro for the province of Catania and 15 million euro for the province of Ragusa, affected by extreme weather in October; 20 million euro for the fires that hit Sicily in August and 50 million euro for the fires in Sardinia in July; 50 million euro to support the areas affected by extreme weather in northern Italy in July (Como and the Region of Veneto); 20 million euro to support the agricultural businesses damaged by the June hailstorms in the Oltrepò Pavese.

## PRODUCTS AND SERVICES FOR SMALL AND MEDIUM-SIZED ENTERPRISES

To support small and medium-sized enterprises that aim to improve their sustainability profile and with the goal of assisting them on a path of structural change, associating their economic and financial decisions with their environmental and social impacts, Intesa Sanpaolo has launched the ESG-Linked S-Loan. This loan involves the sharing of sustainability performance improvement goals by businesses, through precise commitments undertaken with the Bank via specific KPIs subject to annual monitoring, certified by the businesses in the notes to their financial statements, and rewards in the shape of special conditions, with rate reductions awarded to businesses that meet their fixed goals. The product is activated through the signing of a covenant based on the choice of two KPIs from a wide selection of possible initiatives. In 2021, 69.8% of businesses chose an Environment-related KPI.

Important new features were added to the solution in 2021 with new KPIs dedicated to customer goals and new associated products. Joint-stock companies interested in improving their ESG profile can choose from five different products on the basis of their sustainable development goals. In particular:

- S-Loan ESG, with six KPIs for the 360° improvement of sustainability performances regarding: the procurement of renewable energy or bioenergy and the introduction of a procurement policy that takes account of Environmental considerations; activities to support the community organised on the basis of a multi-year programme and the development of programmes to engage customers and/or suppliers in sustainability issues, for the Social area; training activities for employees on environmental/social sustainability and the development of welfare programmes to improve the well-being of employees, for the Governance area;
- S-Loan Diversity, with four different KPIs for promoting gender equality and the role of women in the socio-economic context: promotion and launch of initiatives and good practices for facilitating and improving female participation in the community; launch of initiatives to drive up female employment rates in companies; definition and implementation of internal policies designed to guarantee gender equality in the business context; introduction of corporate welfare programmes for female employees which promote equal opportunities;
- S-Loan Climate Change, which offers six KPIs for developing the company business in an environmentally-friendly way, investing in projects designed to combat climate change and reduce the company's emissions. The new KPIs regard the procurement of renewable energy, the introduction of "Green Procurement Policies", the achievement of Carbon Neutrality, respect for the standards of sustainable construction and sustainable architecture, the conversion of fleets through the introduction of vehicles with reduced environmental impact and the launch of initiatives to protect and restore biodiversity;
- S-Loan Agribusiness, which includes six KPIs for joint-stock companies in the sector interested in protecting themselves against the risks of climate change and in taking advantage of the opportunities that derive from the adoption of more sustainable business models. The KPIs are focused on the specific needs of agrifood industry businesses and regard the reduction of water consumption, the transition towards organic farming models, quotas of company vehicles and/or farm vehicles with reduced environmental impact, the adoption of Agriculture 4.0 solutions for saving energy and/or reducing water consumption, the quota of electricity and/or heat energy self-produced using renewable energy systems and finally the adoption of technologies and

processes for the traceability of products;

- S-Loan Turismo, based on six KPIs for joint-stock companies in the tourism sector, such as the purchase of electricity from renewable sources or bioenergy, the reduction of energy consumption, the quota of company vehicles with reduced environmental impact, the redevelopment/construction of real estate to respect sustainable construction standards, the reduction of water consumption, the achievement of Carbon Neutrality with regard to the company's activities (Scope 1 and 2).

Intesa Sanpaolo allocated a 2 billion euro credit line for the S-Loan as part of the 76 billion euro dedicated to the Green Economy. At the end of the year 715 projects had been funded for a value of around 1.2 billion euro.

An initiative was launched on For Funding, the Intesa Sanpaolo crowdfunding platform, to identify charity projects to support with donations connected with the sale of sustainable products, encouraging the same companies to make donations in turn. For every S-Loan taken out, Intesa Sanpaolo donates 200 euro to a good cause.

In addition, with regard to the type of loan chosen, the S-Loan solution can be associated with the main government guarantees: Guarantee Fund, SACE Italy Guarantee and SACE Green Guarantee. The agreement with SACE for the granting of loans with Green Guarantees is designed to support joint-stock companies with investment projects related to their environmental goals (as per EU Regulation 852/2020).

More specifically, joint-stock companies with a minimum risk rating and turnover of no more than 500 million euro are granted medium- to long-term loans of up to 15 million euro with a duration of between 36 months and 20 years and an 80% guarantee issued by SACE.

The products which can be combined with the S-Loan Climate Change and S-Loan Agribusiness loans and which represent solutions for professionals and businesses that wish to launch investment programmes in the energy sector include the Energia Impresa loan, available since the end of 2020, a particularly flexible solution both in terms of the personalisation of the loan and its adaptability to various segments: the Renewable Energy sector (photovoltaic, wind energy, hydroelectric energy, residual gas from purification processes); Biogas, for the production of electricity; Biomethane, for the production of biomethane for transport; Energy Efficiency measures, for energy efficiency investments in buildings, plants and processes.

Also added to the catalogue in August 2021 was the MLT Loan with SACE Green Guarantee, which can also be combined with S-Loans. The medium/long term loan is designed to support the achievement of environmental goals, financing initiatives or activities to facilitate the transition to a clean and circular economy, integrate production cycles with low emissions technologies for the production of sustainable goods and services, and accelerate the transition to sustainable and smart mobility. The SACE guarantee equates to 80%.

One distinctive feature of the business solutions is the support of MLT/Leasing Specialists who evaluate the technical/financial aspects of the investment and its relative sustainability, also requesting the assistance of the Energy & Utilities Desk, where necessary, in the project origination phase, in the structuring of the loan, in the technical due diligence phase, which is preceded by an appraisal - usually performed by an external consultant specifically appointed according to the regulations in force - to support the Bank's credit assessment, and in the formulation of the final opinion on the technical, economic and financial sustainability of the project. The Energy & Utilities Desk, composed of a team of professionals from the sector, provides assistance for entrepreneurs who have planned investments in renewable energies or who intend to diversify their energy sources, assessing their projects from a technical and business perspective and evaluating the financial sustainability of the investment: a comprehensive service that ranges from credit consultancy on risk assessment and the structuring of the most suitable financial solutions, to advice on new market opportunities and technology trends in the area of new energies.

## PRODUCTS AND SERVICES FOR CORPORATES

The IMI Corporate & Investment Banking Division (IMI CIB) continues to pursue its commitment to sustainability, promoting innovative financial solutions that respond to the growing need for products more in line with ESG criteria. During the year it assisted and supported businesses with sustainable strategic plans and investments for the transition towards a green and circular economy.

Support for the sustainable transition is provided thanks to the activities of the ESG Team IMI CIB, created in 2020 and made up of professionals with complementary knowledge, expertise and experience, to propose domestic and international Corporate customers a wide and integrated range of products and services.

The financial offer includes the main ESG solutions: Sustainability-linked and solutions with income tied to specific capex which make it possible, depending on the circumstances, to use the Bank's dedicated Circular Economy credit plafond. In particular, in terms of sustainability-linked solutions, in 2021 the Group supported its customers with loans, bonds, guarantees, securitisations and hedging activities, while the operations with tied income include Green loans, Green, Social and Sustainability-linked bonds, as well as Project Finance dedicated to the world of renewable energy (wind, photovoltaic, biomass, hydroelectric).

In 2021 the Division participated in numerous green, circular and sustainability-linked financing operations

(bilateral and syndicated). More specifically, the Bank acted as Sustainability/Green Coordinator in different syndicated lending operations such as those of TIM, Tod's, Arvedi, FS and Lavazza. As mandated by the ASTM Group (management of motorway networks under concession), Intesa Sanpaolo covered the roles of Sustainability Structurer Bank in the issuing of the Sustainability-Linked Bond and Structurer of the Sustainability Linked Framework, respectively.

In April 2021 the Division participated in the issuance of the first Italian green BTP, of a total amount of 8.5 billion euro, as Structuring Advisor and Lead Manager of the Department of the Treasury – MEF, and acted as Structurer of the relative Framework.

All in all, the IMI Corporate & Investment Banking Division participated as Bookrunner in the issuance of 45 SDG-linked Bonds, Green Bonds, Social Bonds, Sustainability Bonds and Transition Bonds in the Euro market in 2021.

In terms of innovative solutions, in 2021 IMI CIB finalised sustainability-linked securitisations with some customers, linking the pricing with sustainability indicators consistent with the ESG goals the companies have set themselves.

The Division participated in syndicated loans also with financial institution counterparties, including some banks from Turkey, a country in which the issue of sustainability is becoming of increasing strategic importance, structuring sustainable-linked operations.

## CIRCULAR ECONOMY

The Circular Economy offers new opportunities for the world of business (including financial institutions) and contributes to guaranteeing lower risk and greater medium to long-term competitiveness for the economy. The Circular Economy promotes a systemic transition towards an economic development model that transforms the mechanisms of creating and accessing value, with positive impacts not only in terms of the environment. The circular model is based on the redesign of industrial processes and business models to generate economic and competitive advantage for companies, with a regenerative approach towards natural capital. Its objectives include the generation of a virtuous cycle in the use of resources, overcoming the linear model which involves extraction, production, sale and waste.

The Intesa Sanpaolo Group confirmed its commitment to the Circular Economy by promoting the spread of the model, drawing on the support of the Ellen MacArthur Foundation, the main promoter of the global transition towards the Circular Economy. In fact, it continued to collaborate with the Foundation, of which Intesa Sanpaolo is Strategic Partner, with a new 3-year agreement for the 2022-2024 period. Intesa Sanpaolo will continue to redefine business strategies in an innovative way, ensuring financial support for investments to facilitate the redesign of the industrial system. This activity is considered to be of primary importance for the Group and represented a strategic pillar within the 2018-2021 Business Plan.

The transition to a Circular Economy continued also thanks to the contribution of the Intesa Sanpaolo Innovation Center, a Group company which oversees all Circular Economy activities.

The Circular Economy Lab (hereinafter, CE Lab) was launched in 2018 (and renewed in 2020) thanks to a Framework Agreement between Intesa Sanpaolo, Fondazione Cariplo and Cariplo Factory with the goal of supporting and assisting the transformation of the Italian economy and disseminating new models of value creation in the collective interest, accelerating the transition to the Circular Economy. The CE Lab strategy involves open innovation operating methodologies aimed at identifying innovative solutions and technologies in the area of the circular economy and its relative activities are now based on these three pillars:

- the promotion and spread of the Circular Economy culture at national and international level through events and networking platforms with the involvement of external stakeholders and partners;
- innovative training programmes aimed at businesses, with the aim of supporting the updating of the circular economy business culture;
- the acceleration of the circular transformation through Circular Economy advisories for SMEs and Corporate businesses.

In order to provide concrete support to companies involved in the transition process, over the course of the 2018-2021 Business Plan the Intesa Sanpaolo Group decided to offer a credit line of up to 5 billion euro, increased by 1 billion euro in 2020 following the operation with UBI, aimed at Italian and international companies which adopt the circular model with innovative procedures, granting the best conditions for accessing credit. Since the launch of the credit line, 7.7 billion euro has been disbursed (including 1.2 billion euro of Green Mortgages to retail customers), 5.5 billion euro of which in 2021.

In 2020 the credit line was also made available to the International Subsidiary Banks Division, which in 2021 made use of it in both the Circular Economy and Green areas to the tune of around 22 million euro, over 19 million of which for SMEs, with 21 transactions carried out by 6 banks in the division and 2 million euro

connected with a deal for the Corporate segment.

Over the years a tranche of the credit line has also been allocated to support businesses that invest in the production of renewable energy, energy efficiency and sustainable farming and biodiversity, while another tranche has been dedicated to Green Mortgages for the acquisition of new energy-efficient homes (class B and above) or the redevelopment of homes with consequent improvements in the energy efficiency class.

As regards the credit process, on the basis of specific Circular Economy criteria defined together with the Ellen MacArthur Foundation, the Intesa Sanpaolo Innovation Center is responsible for providing a technical assessment on the level of circularity of the initiatives proposed by businesses. More specifically, the circular eligibility criteria are as follows:

- Solutions that extend the product life or cycles of use of goods and materials (application of modular design; implementation of reverse logistics programmes; reuse, repair and regeneration or reconditioning of products);
- Production processes fuelled by renewable energies and products made up of renewable or recycled resources;
- Products and/or services that significantly increase effectiveness in the consumption of resources, inside the company or its supply chain (adoption of industrial symbiosis principles and realisation of an integrated supply chain that turns waste into resources; implementation of cycle closure models and application of eco-design principles and systemic design; creation or promotion of a supply chain based on circular economy principles);
- Design and/or manufacture of products that can be fully recycled or composted within an efficient framework of collection, separation and recycling after use (compostable products, recyclable products);
- Innovative technologies that enable circular business models (Internet of Things to empower traceability services, reverse-logistics and/or predictive maintenance; use of additive manufacturing/3D printing to increase the easy-to-repair degree and the materials efficiency; Big Data analytics, Artificial Intelligence, and Cloud Computing aiming at dematerialisation services and/or marketplaces development for secondary raw materials).

As regards the tranche for green projects, the criteria used to access the credit line and for which the Innovation Center provides an assessment are:

- Renewable energies and in particular investments in production, transmission, infrastructure and associated assets, such as solar, wind, bioenergy/biomass and hydroelectric energy;
- Energy efficiency, for example new investments and maintenance in infrastructure, technologies and services that contribute to reducing energy consumption and/or increasing energy efficiency; construction and redevelopment of new energy-efficient buildings;
- Sustainable management of natural resources and the soil, biodiversity; sustainable farming and urban greening projects.

Out of a total of 800 applications from Corporate customers, reviewed by the Innovation Center since the launch of the credit line, around 300 projects with circular criteria and valued at over 3.9 billion euro and around 100 projects with green criteria valued at more than 2.6 billion euro had been funded by the end of 2021.

Support has been provided for numerous company projects for activities such as the replacement of critical and fossil fuel materials with recycled or organic materials, the reuse of urban organic waste for the production of biomethane and compost and the recovery of CO<sub>2</sub>, the revamping of renewable energy plants with the extension of their lifetimes and the increase in their production capacity, and the recovery of industrial waste for its reuse in new product lines.

In order to disseminate and share these criteria within the Bank, an online training course targeted at over 50,000 Group's people has been organised and updated. Training activities also continued in 2021, producing the following results: over 400 Group's people were involved in specific in-depth analysis activities; 20 learning objects were developed; over 450 students participated in circular lectures. With regard to the Banks of the International Subsidiary Banks Division, during the year 5 online sessions were held for the Managers and Relationship Managers of the Corporate&SME functions. The training sessions, which involved around 200 people from the Division's Banks, sought to raise awareness of Green and Circular Economy criteria also through the sharing of Group success stories with the end goal of facilitating the transition to Circular Economy models in the countries in which the Division operates.

During the year, the experimental assessment of businesses along their value chain also continued (over 100 businesses have been interviewed since the start of the initiative) with the use of the Circular Economy Standard, an instrument used to measure the level of circularity; 12 in-depth webinars on Circular Economy issues were also held for businesses in collaboration with the Regional Governance Centres and the IMI CIB Division, and as part of the ESG Workshop initiative (see page 189).



With regard to start-ups (see page 106), 2021 saw the continuation of the Startup Initiative which selects the most promising innovative start-ups, provides them with coaching on approaching the market and introduces them to the stakeholders of the innovation ecosystem. The selection process integrates the circularity criteria in the overall assessment. An Italian start-up in the bioeconomy sector was heralded as Circular Economy success story.

In the area of partnerships and collaborations, the meetings of the Alleanza Italiana per l'Economia Circolare (Italian Alliance for the Circular Economy), promoted by Intesa Sanpaolo, also continued. The Alliance consists of 17 large and medium-sized Italian companies and, since 2017, has sought to reinforce existing collaborations and propose new projects between companies in order to promote the transition to the Circular Economy in the various production chains, while also involving Italian and European institutions. Four journals were produced in 2021, one of which specifically on the topic of the Circular Economy and Finance.

To spread the culture of innovation in the area of the Circular Economy, the Group also continued to support the BioCircE Master's (the first Italian Master's qualification in this area).

In 2021 the Circular Economy Lab, in collaboration with other partners, launched a national Hackathon on the Circular Economy, involving 25 universities, 8 businesses and 400 university students.

The partnership with Bocconi University for research into the Circular Economy, geared towards validating the theory of de-risking financial portfolios both at individual counterparty and portfolio level, also continued. The Circular Economy and Finance research project scientifically analysed this issue by focusing on some of the opportunities available in terms of de-risking circular assets, generating superior risk-return combinations and the ability to stabilise performances over time.

As part of the partnership with the Ellen MacArthur Foundation and Bocconi University, the white paper "The Circular Economy as a de-risking strategy and driver of superior risk-adjusted returns" was published in September. Involving the expert contribution of the Intesa Sanpaolo Innovation Center, the paper was the subject of a series of meetings attended by members of the European Commission during which the results of the study and the Group's Circular Economy strategy were presented.

With regard to the initiatives of the European Commission, Intesa Sanpaolo continued the activity it began in 2017, regularly participating in the work of the expert groups for the financing of the Circular Economy.

In 2021 UNEP FI launched a new initiative to promote the best circular economy practices in the banking sector and Intesa Sanpaolo, through the Intesa Sanpaolo Innovation Center, actively contributed to the working group which concluded its activities in mid-December with the publication of "The Guidance on Resource Efficiency and Circular Economy Target Setting" report as part of the Principles for Responsible Banking.

Since 2019 the Intesa Sanpaolo Innovation Center has been a member of the UNI 057 Technical Committee which works on the definition of circular economy voluntary certification standards. During the year it contributed to the drafting of a technical specifications document that includes a circularity assessment, available as of early 2022.

## GREEN BONDS

Intesa Sanpaolo was the first Italian bank to issue a green bond, and this has been followed by three further issues for a total of 3 billion euro.

The first issue was a 500 million euro Green Bond in 2017 connected with environmental sustainability projects. The commitments undertaken by Intesa Sanpaolo were defined in Guidelines (Green Bond Framework) aligned with the Green Bond Principles of the ICMA (International Capital Markets Association), as confirmed by an independent audit performed by an external ESG research and analysis company. The Green Bond obtained a Second Party Opinion on the bond issue (Robust ESG performance) and a Moody's assessment, where it was awarded the highest score (GB1 Excellent).

To support loans and projects for the Green Economy, the Circular Economy and the social sphere, in November 2019 Intesa Sanpaolo, on the basis of the Sustainability Bond Guidelines (Sustainability Bond Framework - developed in line with the international standards established by the ICMA, in particular with the Green Bond Principles 2018, the Social Bond Principles 2018 and the Sustainability Bond Guidelines 2018), issued the first 750 million euro Circular Economy Green Bond to support loans granted by the Bank as part of the 6 billion euro credit line dedicated to the Circular Economy. The second Green Bond also obtained the Second Party Opinion of ISS ESG when issued. In March 2020 the Intesa Sanpaolo Group was the winner of the 2020 Environmental Finance Bond Awards for its issuing of a Green Bond focused on the Circular Economy. UNEP FI (the United Nations Environment Programme Finance Initiative) also recognised Intesa Sanpaolo's commitment to spreading the values of the circular economy in its report "Financing Circularity: Demystifying Finance for the Circular Economy", published in October 2020, which makes particular mention of the Green Bond focused on the Circular Economy.

In April 2019 UBI Banca also issued a 500 million euro Green Bond to refinance a select project finance

portfolio in the renewable energies sector, focused essentially on solar and wind energy; the issue was carried out as part of a Framework drafted in accordance with the guidelines of the ICMA: the security acquired the Second Party Opinion of ISS-oekom.

At the start of 2021 Intesa Sanpaolo published a new Green, Social and Sustainability Bond Framework (aligned with the ICMA Green Bond Principles - 2018, ICMA Sustainability Bond Guidelines - 2018 and ICMA Social Bond Principles - 2020) which establishes a list of eligible categories for green, social and Circular Economy funding for which the proceeds of the issues may be used.

In March 2021 Intesa Sanpaolo placed a new Green Bond of a face value of 1.25 billion euro, aligned with the new framework. Proceeds will be used to cover green mortgages issued for the construction or purchase of high energy efficient real estate (energy class A or B) or the redevelopment of buildings with a consequent improvement of at least two energy efficiency classes<sup>1</sup>. The Green Bond obtained the Second Party Opinion of ISS ESG when issued.

Thanks to this most recent issue, the Green Bond Ratio, the percentage of outstanding green bonds at the end of the year out of the total amount of outstanding Senior Preferred, Senior non Preferred and Covered Bonds intended for institutional investors (five-year moving average), is equal to about 8%.

In March 2022 the new Green Bond Report on the four Green Bonds issued so far was published [1].

The new report sees a switch to the "Portfolio approach" which, rather than reporting on the allocation of the proceeds and the environmental benefits of each loan, through to the coverage of the complete amount of the bond, estimates the impacts and benefits obtained for the entire portfolio of admissible loans for each of the green categories.

By observing the average forecast impact per million euro financed, it is also possible to calculate the number of tonnes of CO<sub>2</sub> avoided as a direct result of the acquired bond.

Green Loans Portfolio			Intesa Sanpaolo Green Bonds	
Admissible categories	Total <sup>2</sup> (€)	GHG emissions avoided (tCO <sub>2</sub> eq) <sup>3</sup>	ISIN	Amount (€)
<b>Renewable Energies</b>	<b>1,965 mln</b>	<b>1,456,300</b>		
- Photovoltaic	1,543 mln		<b>XS1636000561</b>	<b>500 mln</b>
- Wind	242 mln			
- Hydroelectric	122 mln			
- Bioenergy	57 mln		<b>XS1979446843</b>	<b>500 mln</b>
<b>Energy efficiency</b>	<b>120 mln</b>	<b>92,900</b>		
<b>Green Mortgages</b>	<b>2,625 mln</b>	<b>52,700</b>		
- Energy class A	1,919 mln		<b>XS2317069685</b>	<b>1,250 mln</b>
- Energy class B	569 mln			
- Renovations	137 mln			
<b>Circular Economy</b>	<b>1,418 mln</b>	<b>3,950,000</b>	<b>XS2089368596</b>	<b>750 mln</b>
<b>Total</b>	<b>6,128 mln</b>	<b>5,551,900</b>		<b>3,000 mln</b>

1 APE (Attestato di Prestazione Energetica - Energy Performance Certificate)

2 Only the outstanding loans admissible for each category.

3 Emissions avoided per portfolio of admissible loans. For the method used to calculate emissions see page 9 of the Green Bond Report 2021 [1].

## GREEN AND SUSTAINABLE CULTURE AND INITIATIVES

Numerous initiatives have been put in place to spread an environmental culture among employees and customers (for Circular Economy initiatives and training, see page 186), including:

### TRAINING AND ENGAGEMENT

Multimedia platform Appendo was once again the main tool used for sharing content on environmental topics with employees in 2021; the various modules available were used by over 38,000 employees for a total of around 7,300 hours.

As regards environmental protection issues, two mandatory courses are available on the online Appendo platform for employees directly involved in the application of the Environmental and Energy Management Systems (over 6,000 people). For all other people an optional course is available with the aim of spreading good environmental practices. The course was also made available to employees of Intesa Sanpaolo Vita, Intesa Sanpaolo Assicura and Fideuram Vita who occupy the properties that attained ISO 14001 certification.

Similarly, in order to improve knowledge of ESG issues and develop new skills, in addition to those already acquired for ISO 50001 certification, CIB Bank (Hungary) began providing its employees with teaching programmes and training courses on this topic. A course on climate change and energy efficiency was also organised for all international banks through until the end of 2021 with around 30 colleagues from all Banks taking part.

Meanwhile, in Italy work began on the production of an “Energy Newsletter”, available on the Bank intranet, with the aim of engaging and increasing the interest of all colleagues on the topic, particularly those that manage energy aspects in their daily work activities.

The European Regulatory & Public Affairs (ERPA) function also carried out internal training initiatives to raise awareness among employees on environmental issues under discussion with European regulators. The Brussels structure provided training and consultancy for various central and business structures of the parent company, as well as for Group companies active in Italy and abroad. The meetings focused on the ambitious goals of the European Green Deal and more specifically the most relevant legislative dossiers for the Group, such as Sustainable Finance and the “Fit for 55” package of sectorial measures to reduce emissions.

As part of the mandatory “30 hours” training course at Eurizon Capital SGR, two courses were held on the Circular Economy and active share ownership engagement connected with ESG factors, involving over 90 people. Another six people followed the courses on the risks and opportunities connected with Climate Change and compliance with sustainability reporting, organised by the Italian Internal Auditors Association.

Eurizon also held various advanced training courses, in particular the “MBA: Innovation, Enterprise and Circular Economy” at Bradford University and the SCR Certificate in Sustainability and Climate Risk at the Global Association of Risk Professionals.

Intesa Sanpaolo is also committed to developing a sustainability-based business culture in customer companies: this is a key step for guiding them towards an economic transition that is not only sustainable from a financial perspective; to increase the knowledge and skills that customer businesses require in this area, a project was developed that involves both a dedicated online platform and custom training and support programmes, taking advantage of internal skills and external partnerships.

In 2021 Intesa Sanpaolo Formazione continued to develop digital training activities dedicated to businesses through the Skills4Capital training platform, with the goal of supporting the growth of businesses, developing skills and taking advantage of the opportunities that arise in a continuously evolving market. By registering on the platform, it is possible to access training content and, out of the 468 learning objects available, 113 are dedicated to the topics of social and environmental impact.

Intesa Sanpaolo Formazione also designed Skills4ESG, an initiative designed to raise awareness of ESG issues via a customer portal, a single access point for ESG training topics with a range of dedicated content, news and success stories on ESG and sustainability, presentations of Group initiatives on sustainability issues with social, environmental and governance impact, and additional training services (e.g. advanced training courses, one-to-one training courses, multi-business workshops).

The ESG Lab initiative was developed in 2021, a physical and virtual meeting point for accompanying Italian businesses during the sustainable transition, a development course designed to support long-term growth with positive impacts on the environment and people. The Lab promotes discussion and raises awareness of ESG topics among businesses and supply chains through in-depth meetings and workshops, with the aim of helping customers take their first steps towards initiatives that improve their sustainability profile with positive repercussions on business development. The first ESG Lab was opened in Brescia in late September, the second in Padua at the end of November, and more openings are scheduled during 2022.

Again with the aim of helping to raise awareness of environmental issues among business customers, in June 2021 a climate change survey was launched for all business customers to understand their position and associated future prospects. The goal of the questionnaire is to analyse, in particular, issues such as exposure to climate change, adaptation strategies and mitigating actions, as well as other quantitative data. The first results of the Climate Change survey reveal a desire to invest in mitigating actions and to receive support from the Bank. Priority action areas regard the definition of strategies and the implementation of investment plans, but also processes and systems for monitoring/offsetting emissions, while financial support, consultancy on mitigation actions and strategies, protection strategies and training are expected from the Bank. Thanks to the evidence collected it is possible to understand the priorities of the customer base and their level of maturity in facing challenges and taking advantage of opportunities with regard to climate change.

In 2021 Intesa Sanpaolo launched the third edition of “Imprese Vincenti”, the programme which sees Italian SMEs enrolled in promotion, visibility and development support courses, consultancy courses on strategic skills, training activities and workshops; the 2021 edition of the Digital Tour consisted of themed stages that represented the cornerstones of the National Recovery and Resilience Plan (NRRP); in particular, the sixth stage was dedicated to the topic of ESG and Sustainability and the importance of their integration in the strategies of businesses to enhance their competitiveness and growth, as underlined by new Project Partners Nativa and Circularity, who contributed their content and expertise in this area.

## **PARTICIPATION IN ASSOCIATIONS AND DEBATES ON ENVIRONMENTAL SUSTAINABILITY ISSUES**

The Group continued to make an important contribution to the international debate on environmental sustainability issues in 2021.

With regard to the issue of direct environmental impacts, the Bank continued to participate in the working group of the Italian Banking Association (ABI) on Green Banking, which provides an insight into the processes relating to energy and environmental management in the Bank according to the main international standards. Going into more detail, in 2021 the attention was focused on the application of Legislative Decree no. 102/2014 in the presence of UNI 50001 standard certification, which involves the simplification of the 4-year obligation to perform energy audits. The annual review of the ABI Lab Guidelines on the application of the GRI Standards in banks was also performed with particular focus on the emissions of the company fleet.

In terms of sustainable finance, the Group's collaboration with the Italian Banking Association (ABI) continued and intensified within specific working groups, particularly in relation to issues connected with the European Action Plan for financing sustainable growth and the national circular economy strategy. The “Sustainable Loans – Supporting businesses in the process of transition towards sustainability” project, an initiative designed to contribute to the process of integrating ESG factors (particularly Environment and Climate Change) in the management of the risks connected with corporate lending, came to a conclusion and a working group for the development of a Handbook on the Circular Economy was set up in which Intesa Sanpaolo plays an active role. The Group also worked on the definition of a new agreement with Confindustria, signed in October 2021, called “Competitività, Innovazione, Sostenibilità” (Competitiveness, Innovation, Sustainability), the goals of which include supporting businesses in the ecological transition process.

At the European level, Intesa Sanpaolo interacted with legislators, trade associations and various stakeholders to promote and represent the Group's various initiatives on environmental and social sustainability. Intesa Sanpaolo, through its office in Brussels, brings its best practices to the attention of regulators and represents the specificities of its context so that they are taken into consideration during the legislative process.

The Group also continued its collaboration with the main European trade associations, contributing to the work of the European Banking Federation (EBF) on the Sustainable Finance and Sustainable Development Goals (SDGs), the Association for Financial Markets in Europe (AFME), European Issuers, in the area of Sustainable Corporate Governance, and the European Mortgage Federation – European Covered Bond Council (EMF-ECBC), which launched the Energy Efficient Mortgages Initiative (EEMI); this initiative, which has received funding from the European Commission for specific projects in recent years, aims to create an energy efficient mortgage market and gather empirical data on mortgages. Intesa Sanpaolo joined in 2021 and sits on the working groups. More specifically, in 2021 a representative of Intesa Sanpaolo was appointed Deputy Chairman ECBC for the 2022-23 two-year period in the area of green mortgages.

In general, Intesa Sanpaolo helped outline the sector's position in some of the main documents (legislative and non-legislative) published in 2021. In June 2021 the Bank participated in the drafting of a report on the contribution of banks to the SDGs and presented its best practices to European banks at the presentation event organised together with the United Nations.

In 2021 Intesa Sanpaolo actively participated in the three working groups of the European Financial Reporting Advisory Group (EFRAG) with the main goal of identifying good corporate reporting practices, as regards both

the financial impacts of climate risk on companies and the impact of corporate activities on the environment ('double materiality'), taking account of the needs of users and those who produce the reports. More specifically, an Intesa Sanpaolo representative contributes to the work of the EFRAG on the "Sustainability Reporting Standards" it has been appointed by the Commission to draft for the EU, and on the "Advisory Panel on Intangibles (API)", through which it will provide the EFRAG Technical Expert Group with its accounting and industry expertise on specific aspects of intangibles. Finally, thanks to the Group's active positioning work on European issues, a Group person was appointed member of the EU Ecolabel board, which is also working on the definition of criteria to extend the EU Ecolabel to financial products.

Studi e Ricerche per il Mezzogiorno (SRM) is a Group's research centre aimed at disseminating economic knowledge and culture, with a particular focus on the development of southern Italy, Maritime Economy and Energy. In 2021 SRM participated in numerous national and international meetings and seminars (held online and in hybrid form) on the environment, the Green Economy, the Blue Economy and sustainability, expanding its ability to analyse these phenomena. SRM, among other things, is also part of SOS LOG, the association for the development of sustainable logistics, whose mission is the dissemination of information, research and initiatives aimed at spreading the culture of sustainable transport and logistics.

As Founding Member of Res4Africa, Intesa Sanpaolo confirmed its commitment to the development of renewable energy in Africa. The Foundation, which includes some of the main players in the Italian and European energy sector, has the aim of promoting a market, regulatory and financial context that allows investments to be made in renewable energy on the African continent. As well as the usual organisation of business-to-government events and seminars, the development of market studies and the organisation of capacity building seminars and field projects, in 2021 the Foundation focused in particular on the development of the RenewAfrica renewable energy support programme.

In 2021 Intesa Sanpaolo also became the first Italian bank to join the Climate Investment Platform (CIP), which brings together public and private sector financial institutions to support the development of renewable energy projects all over the world, facilitating the energy transition and supporting developing countries in the definition of sustainable energy policies. The CIP platform was born from the partnership between the United Nations Development Programme, the Sustainable Energy for All organisation, the Green Climate Fund and the International Renewable Energy Agency (IRENA), the biggest intergovernmental organisation for the energy transition which collaborates with 163 member states, including the European Union. Intesa Sanpaolo will provide the CIP, member states and participating organisations with the benefit of its international experience, its relationships in major capital markets and its assistance to make ESG projects bankable.

In 2021 Intesa Sanpaolo was the first Italian bank and one of the first six in Europe to be admitted to the European Commission's European Clean Hydrogen Alliance (ECHA). The Clean Hydrogen Alliance aims to create the foundations for the broad deployment of technologies linked to the production of hydrogen from renewable or low carbon emission sources by 2030, periodically bringing the continent's most important industrial and financial players together in working groups and forums. With the support of the initiatives organised by the Alliance, the European Union intends to take on global leadership of the sector with the aim of maintaining its commitment to achieving carbon neutrality by 2050.

Intesa Sanpaolo is Energy & Strategy partner of Milan Polytechnic for a number of Studies focused on market trends and technology development in the areas of renewable energy production, hydrogen production and the national electric market.

## STUDIES

The Group's commitment to the development of study and research projects in the environmental and social fields continued in 2021. Listed are some of the most important publications:

- The seventh Report on the Bioeconomy - The Bioeconomy in Europe - produced by the Intesa Sanpaolo Research Department. As well as presenting new forecasts on the value of the bioeconomy, the Report also includes a geographical analysis and a close look at bio-based chemicals;
- Energy transition: the supply chain of renewable energy technologies in Italy - by the Research Department. This sectorial study, dedicated to technologies used to produce electricity from renewable sources, highlights how the high level of competition in Italy is crucial at this time of increasingly heavy investment;
- The thirteenth Economics and finance of the industrial district report - drafted by the Research Department. The Report contains an analysis on "Environmental sustainability in the districts between investments and technology" which explores the patent activities of industrial district businesses with regard to the environment and the production of renewable energy in the districts;
- The Annual Italian Maritime Economy Report 2021 – produced by SRM. This publication focused on

sustainability and the Blue Economy and was presented in Naples during an international conference as well as at numerous other national and international events; this research continues to be an important reference source on the topic for institutions, industry operators, trade associations, infrastructure and the academic world. This year's lead topics included Green Ports, the NRRP and sustainability, regarded as key drivers for combating the pandemic and making the country's logistics system stronger, more resilient and more competitive. In 2021 studies were also carried out with ALIS - Associazione Logistica dell'Intermodalità Sostenibile (Logistics Association for Sustainable Intermodality) - on how to reduce external logistics costs, and Contship (multinational in the logistics sector) on the container sector, which highlighted how the sustainability of logistics is a key driver in the development of manufacturing businesses;

- The 2021 Report on Energy in the Mediterranean by the Mediterranean Energy Observatory, developed by SRM together with the Energy Security Lab (ESL) of Turin Polytechnic. The Report focuses closely on the application of hydrogen and associated technologies, as well as the relationships between hydrogen investments and port development projects; the document was presented during an event in Brussels attended by MEPs and European stakeholders of the Group;
- The research study series "Un Sud che Innova e Produce" (A South that Innovates and Produces) – produced by SRM. The series was enriched with a new study on "Environment and Territory: value and prospects of the bioeconomy supply chain" dedicated to environmental issues and the bioeconomy. In particular, the study focuses on the Environment (following Agrifood, Clothing-Fashion, Automotive and Aerospace) and its close link with the theme of development. The research was carried out with the contribution of the Intesa Sanpaolo Research Department. It also addressed the synergic relationship between the technology transition and the environmental transition from a territorial perspective.

## EVENTS AND INITIATIVES

In order to raise the awareness of environmental issues among customers and employees, the Intesa Sanpaolo Group participates in various initiatives aimed at increasingly spreading the culture of sustainability and good practices as widely as possible. The main international events in which the Group participated in 2021 were World Environment Day promoted by UNEP (the United Nations Environment Programme) - this year dedicated to protecting ecosystems - and European Week for Waste Reduction, promoted by the European Commission. Intesa Sanpaolo promoted both events by disseminating both internal and external communications via the company intranet, the ATM network, the company website and Group's social media profiles. To mark World Environment Day, an informative online meeting was held together with the Intesa Sanpaolo Innovation Center on the topic of climate change. Targeted at Group personnel, the meeting was also accessible externally via the Bank's social media platforms.

Intesa Sanpaolo promoted the launch of the RI-PARTY-AMO project, developed in partnership with WWF and Jova Beach Party 2022, which aims to mobilise the entire country with the goal of protecting coastal zones and other critical areas of Italy's environmental heritage, raising 5 million euro. RI-PARTY-AMO aims to raise awareness and mobilise the young, schools, families, businesses and entire communities through a programme of activities, carried out in collaboration with the WWF, in three key action areas. First of all, volunteers will be involved in Cleaning Days all over Italy to clean up beaches and coastlines but also the banks of rivers, lakes and natural inland areas, with particular attention focused on plastic pollution. These will be followed by meetings and workshops at 12 Italian universities and the organisation of workshops for younger school children.

The Bank will publicise the fundraising project on its channels, including the For Funding platform, and make donations directly, also through the involvement of various Group companies; to date, both Intesa Sanpaolo Life and Eurizon Capital have signed up for the project. Jova Beach Party 2022, the musical event starring singer Jovanotti and sponsored by Intesa Sanpaolo, also promotes the fundraising project with Jovanotti fans requested to make donations when purchasing their tickets for the event.

Held in collaboration with the WWF, the "Di amo una casa alle api" project, designed to safeguard these pollinating insects, came to a close in September 2021. The project planned to create areas in the WWF Oases for the feeding of the pollinators, Bee Hotels to position in gardens, urban parks and Oases to facilitate nesting and a number of camera traps to record the habits of the bees. As well as promoting the project on the Group's crowdfunding platform, For Funding, Intesa Sanpaolo contributed by donating 30 euro for every Green mortgage issued and 10 euro for every Green loan granted up until 30 September 2021. A total of 480,000 euro was raised for the project, over 450,000 euro of which thanks to the donations of the Bank.

In addition, for many banking products acquired by customers online, Intesa Sanpaolo donated one euro to the projects hosted on For Funding as part of the FORMULA Programme, to reward virtuous behaviour that contributes to reducing atmospheric CO<sub>2</sub> emissions. The Group companies can also contribute with donations, associating them with customer purchases of ESG-related products (Intesa Sanpaolo Life participated in 2021). In October 2021 the Bank renewed its support for Forestami, an urban forestation project that aims to plant 3

million new trees in the Metropolitan City of Milan by 2030 thanks to the contributions of its supporters; in 2021 Intesa Sanpaolo made a new one-off donation of 180,000 euro which was joined, also for this project, by a donation from the Bank for each Green Mortgage and Green Loan taken out by the Bank's customers between 1 October and 31 December 2021. (the donations will be finalised in 2022). Thanks to the donations that the Bank has made since the launch of the project in 2020, Intesa Sanpaolo will contribute to the planting of 14,000 trees, bringing the project closer to its final goal of a total of 3 million trees.

With the aim of generating an environmental, social and occupational impact, and in accordance with the values of its Code of Ethics, the Associazione Lavoratori Intesa Sanpaolo (ALI), together with some of its members, planted over 1,400 trees on the lands of nine social cooperatives in nine regions of Italy, launching an environmental project that will also involve its members, who will be able to contribute to planting additional trees. The "Foreste di ALI" initiative was developed in collaboration with zeroCO<sub>2</sub>, an Italian benefit corporation that promotes sustainability through high social impact reforestation projects, while the planting activities were carried out by various agricultural and social businesses, which contribute by providing employment and promoting the inclusion of economically disadvantaged people.

In 2021 the Banca dei Territori Division launched a number of initiatives to improve its sustainability profile. Around 150 distinct practices were undertaken independently by the individual local structures, including talent enhancement activities, inclusion practices, the launch of projects dedicated to supporting and developing local communities, the flexible management of customers in difficulty and the raising of internal awareness around virtual meeting technologies. The goal of this phase is to identify the best practices with the biggest impact, to be subsequently extended to the entire Division. The dialogue with local structures, together with the implementation of various specific actions (such as the S-Loans for helping to guide customers towards making a positive impact, the internal ESG newsletter to create a "Purpose Driven" culture, the replacement of vehicles in the company fleet with greener models), have made it possible to significantly improve the sustainability profile of the Banca dei Territori Division.

As for the International Subsidiary Banks, they were involved in various international and local initiatives aimed at raising awareness of environmental issues among employees and other stakeholders. In particular, 9 banks participated in the United Nations World Environment Day: Bank of Alexandria (Egypt), Banca Intesa Beograd (Serbia), CIB Bank (Hungary), Eximbank (Moldova), Intesa Sanpaolo Bank Albania, Intesa Sanpaolo Bank Romania, Intesa Sanpaolo Bank (Slovenia), PBZ (Croatia) and VÚB Banka (Slovakia). Also in 2021, the latter, in collaboration with the VÚB Foundation, launched Atlas, the first Slovakian award for ecology and the conservation of nature. This first edition of the award involved 117 projects, divided into 6 categories: biodiversity, climate change and protection of the air, awareness, ECO start-ups, green economy and best local self-administration project. Identified with the support of an expert jury, the winners were announced on Earth Day on 22 April.

In 2021 over 20 webinars were held for corporate customers on ESG and Climate Change topics, generating great interest and widespread participation among customers.

The IMI Corporate & Investments Banking Division also organised various events on sustainability during the year, including:

- "Sustainable infrastructure: a common good. The National Recovery and Resilience Plan (NRRP) and new social, ecological and economic models for recovery in Italy", organised with the aim of generating dialogue between institutions, public entities, business and finance to identify strategies to make Italy more efficient, competitive and attractive, taking advantage of the opportunities offered by the NRRP;
- Three "Sustainability Path" webinars designed to support the training and tutoring of medium-sized businesses that want to embark on a growth path in the area of sustainability;
- Various webinars with ESG content, such as "ETF ESG" and "Building Innovation. Applying the circular economy to the built environment".

Thanks to the partnership with Borsa Italiana (Sustainable Finance Partnership), the Division participated in various workshop and initiatives, including the flagship event "Digital Sustainability Week".