



Sustainable value creation  
and business integrity



# Group value and solidity

## BUSINESS MODEL





## THE 2022-2025 BUSINESS PLAN

Despite the negative effects on the real economy arising from the pandemic crisis and the recent conflict in Ukraine, Intesa Sanpaolo has demonstrated its ability to achieve significant results in recent years as well, generating value for all stakeholders.

Today, Intesa Sanpaolo is one of the leading players in the industry and is well positioned to be able to make the most of market opportunities, thanks to the distinctive skills acquired over the years, its well-established international network, continuous technology and digital investments, its leading ESG position and a streamlined operating model that has already repeatedly demonstrated its ability to evolve proactively by anticipating new market dynamics.

The Group has proven to be a well-oiled operational structure, systematically achieving its objectives. Furthermore, the change in the interest rate scenario, the Bank's high strategic flexibility in managing costs and the massive deleveraging already achieved are driving forces for further growth, even in the currently highly complex environment.

Intesa Sanpaolo has long stood out for its role in the ESG area, where it features among the global best practices on the social component, and strives to strengthen this leadership on all dimensions of the ESG paradigm. The Group will continue support the community, with a focus on the most vulnerable categories, at the same time renewing its Net-Zero commitment, and supporting the energy transition in order to balance environmental and social needs.

The Group's ambition is to be a Wealth Management, Protection & Advisory leader in Europe, distinguished by zero NPLs, a strong digital push and a focus on commissions, while continuing to excel in ESG and offering the best professional experience for its People.

With the 2022-2025 Business Plan, the Bank, in addition to providing its People with the best professional experience, has set itself the goal of continuing to generate value for all stakeholders and at the same time building a profitable, innovative and sustainable bank.

The main industrial initiatives of the 2022-2025 Business Plan continued to be developed during 2023 (see 2023 Financial Statements, page 46), whose objectives will be achieved through a strategy centred on four fundamental Pillars of the Plan and implemented thanks to the quality of the Bank's people:

- **Massive upfront de-risking, slashing cost of risk:**  
Intesa Sanpaolo has always proactively and prudently managed its risk portfolio and has been able to successfully navigate the different crises of recent years. With the 2022-2025 Business Plan, the Group pursues a structural de-risking strategy, which was mostly launched during the previous Business Plan, placing it among the best in Europe in terms of non-performing loan ratio and stock (Zero-NPL Bank) with a consequent net drop in the cost of risk.
- **Structural cost reduction, enabled by technology:**  
Intesa Sanpaolo is already a reference model in terms of operating efficiency and cost management, thanks to its constant monitoring procedures and high flexibility which have led the Bank to become very efficient, while maintaining a significant level of investments to support growth. The next challenge will be to further strengthen the competitive advantage in cost management and become the undisputed European leader in terms of operating efficiency.
- **Growth in commissions, driven by Wealth Management, Protection & Advisory:**  
Intesa Sanpaolo has already attained leadership status in the Wealth Management, Protection & Advisory sector in Europe, with a growing focus on fee-based business, thanks to its distinctive fully-owned product factories in asset management, life insurance and protection sector, selective strategic acquisitions in selected markets, dedicated partnerships in the payments business and a well-established international network. To further strengthen its leadership in Wealth Management, Protection & Advisory, Intesa Sanpaolo will continue to leverage the specialist expertise acquired and its network of highly qualified product specialists, investing in dedicated tools and platforms to provide customers with an innovative offering and a highly personalised level of service.
- **Significant ESG commitment, with world-class positioning in social impact and strong focus on climate:**  
For more information on the action areas in the ESG sphere, see page 266.

Over the period of the 2022-2025 Plan, Intesa Sanpaolo will continue to generate value for all its stakeholders, once again fulfilling the commitments undertaken with its Shareholders and its People and contributing to the country's economic, social and environmental development.

These objectives are detailed in the various sections of the document, together with the progress achieved during 2023. These include:

Stakeholders	Benefits	2023 results	Plan Objectives for 2025 2022-2025 Cumulative value
Shareholders	Net income Dividends	<ul style="list-style-type: none"> <li>■ 7.7 billion euro of Net income in 2023 (+76% vs 2022<sup>(*)</sup>)</li> <li>■ 5.4 billion euro of cash dividends for 2023, equal to a cash payout ratio of 70%<sup>(**)</sup> and 12% dividend yield<sup>(***)</sup> + buyback equivalent to ~55bps of the CET1 ratio which is intended to be launched in June 2024<sup>(****)</sup></li> </ul>	<ul style="list-style-type: none"> <li>■ &gt;5 billion euro of Net income in 2022, 6.5 billion euro in 2025</li> <li>■ &gt;22 billion euro distributed to Shareholders for the 2021-2025 period (annual payout ratio of 70%, combined with an additional buyback of 3.4 billion euro in 2022)</li> </ul>
Households and businesses	New medium/long-term credit granted to the real economy	~60.4 billion euro (141.8 billion euro since 2022) of which ~40.3 billion euro in Italy (98.7 billion euro since 2022)	~328 billion euro of which 285 billion euro in Italy
Employees	Personnel expenses	~7.0 billion euro (13.7 since 2022)	~26.5 billion euro
Suppliers	Purchases and investments	~4.4 billion euro (8.9 since 2022)	~17 billion euro
Public sector	Direct and indirect taxes	~4.6 billion euro (7.8 since 2022)	~15 billion euro

<sup>(\*)</sup> Restated for the application of IFRS 17 and IFRS 9 by the Group's insurance companies.

<sup>(\*\*)</sup> As anticipated in the 2022-2025 Business Plan. 2.6 billion euro paid as interim dividend on 22.11.23.

<sup>(\*\*\*)</sup> Based on the average ISP security price in 2023. Subject to shareholder approval.

<sup>(\*\*\*\*)</sup> Subject to ECB and shareholder approval.

## ECONOMIC AND FINANCIAL PERFORMANCE AND DISTRIBUTION OF THE VALUE GENERATED

### ECONOMIC AND FINANCIAL PERFORMANCE<sup>(1)</sup>

The year 2023 ended with consolidated net income up by over 76% to 7,724 million euro. The improvement was supported by the positive performance of operations, particularly on the revenue side, and by lower adjustments to loans, which almost halved compared to 2022. Indeed, during the year, on the one hand, adjustments were recorded relating to risk, mainly credit risk, to Russia and Ukraine for a total of 1,415 million euro before tax; on the other hand, adjustments were made to performing loans of a gross amount of 1,174 million euro, which included components referring to management overlays and de-risking actions, only partially mitigated by the recoveries in overlays to cover the vulnerability of moratoria (721 million euro).

On the revenue side, operating income rose to 25,138 million euro (+17.2% vs 2022), driven by the positive performance of net interest income. The latter grew by 54.2% to 14,646 million euro, supported in particular by interest on customer dealing and interest on financial assets in the portfolio. The net interest income performance more than offset the decreases in other revenue items. Net fee and commission income fell by 4% to 8,558 million euro, affected by market volatility; income from insurance business remained essentially stable at 1,666 million euro (-0.5%); profits (losses) on financial assets and liabilities designated at fair value recorded a decline of 78.4% to 298 million euro, to be interpreted together with the increase in the net interest income, with reference to transactions in certificates; other net operating income/charges decreased to -30 million euro (-32 million euro in 2022), by virtue of increased profits on investments carried out at equity.

In the inflationary environment of 2023, operating costs rose by 3.6% to 11,329 million euro. In detail, personnel expenses increased by 3.5% to 6,981 million euro: within this component, the positive effects of the reduction in the average workforce only partially offset the salary adjustments resulting from the renewal of the national collective bargaining agreement. Administrative expenses also increased by 3.1% to 3,002 million euro, although with contrasting movements among the various captions. Amortisation and depreciation also increased by 5.2% to 1,346 million euro, mainly attributable to intangible assets, essentially investments in technology.

<sup>(1)</sup> The comments, unless otherwise specified, are based on the data of the reclassified statements published in the 2023 Consolidated Financial Statements of the Intesa Sanpaolo Group. It should be noted that, despite the application, as of 1 January 2023, of IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments (following the end of the "Deferral Approach" regime) by the Group's insurance companies, it was ensured that the reclassified schedules were in line with the approach adopted in the previous financial periods, for both the captions of the Balance Sheet and those of the Income Statement. In line with the change of the comparison data in the consolidated financial statements due to the retrospective application of the two standards as of 1 January 2022, the comparative data in the reclassified schedules have also been restated on a like-for-like basis. Amounts are in millions of euro. For additional details or information, see the 2023 Consolidated Financial Statements of the Intesa Sanpaolo Group.

The revenue and cost performance described above resulted in an improvement by 31.4% to 13,809 million euro in the operating margin, while the cost/income ratio fell by almost 6 percentage points, from 51% to 45.1%.

Net adjustments to loans more than halved to 1,529 million euro, from 3,113 million euro in 2022, which included, among others, the valuation effects of exposures to Russia and Ukraine amounting to 1,298 million euro (in 2023, recoveries totalling 206 million euro were recorded).

The 2023 consolidated income statement also recorded:

- other net provisions and net impairment losses on other assets of 570 million euro (270 million euro in 2022); The increase concerned both other net provisions (to the provision for risks and charges), which went from 106 million euro to 256 million euro (of which 114 million, in addition to the 80 million already allocated in December 2022, posted on consolidation of the investee Banca Intesa Russia in order to write off its equity contribution to the consolidated financial statements against the profit accrued during the year), and net impairment losses on other assets, up from 164 million euro to 314 million euro, which include 117 million euro attributable to valuations of the credit risk component relating to securities in the portfolio, in addition to some components recognised in the fourth quarter for de-risking purposes;
- other income (a caption which includes realised profits/losses on investments, equity investments and financial assets at amortised cost other than loans, as well as income and expenses not strictly linked to operations) amounting to 348 million (202 million in 2022); The item shows capital gains of 116 million euro from the sale to Nexi of the PBZ Card acquiring business line and 192 million euro from the sale of the equity investment in Zhong Ou Asset Management.

Following these entries, gross income amounted to 12,058 million euro, an increase of 64.6%.

The change in the taxable base led to an increase in taxes on income to 3,438 million euro (+65.3%), despite having benefited from 352 million euro following the recognition of deferred taxes relating to previous losses of the former UBI Banca. Net of tax, charges for integration and exit incentives were recorded of 222 million euro (140 million euro in 2022), together with the negative economic effects of the purchase price allocation of -161 million euro (-146 million euro in 2022).

The amount of charges aimed at maintaining the stability of the banking industry continued to be high, albeit decreasing: 485 million euro (706 million euro before tax) against the comparison figure of 576 million euro (836 million euro before tax) recorded in 2022.

With reference to balance sheet aggregates, as at 31 December 2023 loans to customers totalled 429.5 billion euro, down by 3.9% compared to the previous twelve months. The performance was driven by commercial banking loans, which decreased by 4.2% to 402.1 billion euro: the sector was indeed affected by the rise in interest rates, which slowed down demand from both businesses and households, particularly with reference to medium-long term loans. By virtue of the continuous de-risking actions, net non-performing loans fell below 5 billion euro (-9.7%) while their incidence remained stable at 2.3% in gross terms and 1.2% in net terms<sup>(2)</sup>. Their coverage ratio improved to 49.8%, from 48.4% at the end of 2022.

On the funding side, at the end of 2023 the Group's direct deposits from banking business were up by 5.6% to 576.1 billion euro. Mirroring the ongoing trend at industry level and despite the recovery in the fourth quarter, current accounts recorded a decrease by 5.8% to 407.9 billion euro; their performance was largely offset by the positive growth of bonds, up 49.6% to 78.3 billion euro, by virtue of a major funding plan that enabled the Group to strengthen the buffers available with respect to the MREL requirements. Other funding also showed growth (+41.2% to 62.4 billion euro), in particular that measured at fair value, almost entirely represented by investment certificates (+80.4% to 29.9 billion euro).

Direct deposits from insurance business remained essentially stable at 172.7 billion euro (-0.5% compared to December 2022). The positive performance of insurance liabilities (+1.9% to 119.8 billion euro) was offset by the reduction in financial liabilities designated at fair value (-5.1% to 51.4 billion euro), fully represented by unit-linked investment contracts, and other insurance funding at amortised cost (-22.6% to 1.5 billion euro), which include subordinated liabilities.

Indirect customer deposits closed 2023 with a stock of 722.2 billion euro, up by 10%. The trend was driven primarily by assets under administration, up 22.8% to 278.2 billion euro; assets under management, on the other hand, stood at 444 billion euro, showing a recovery of 3.2%, essentially concentrated in the fourth quarter by virtue of the positive performance of the markets.

<sup>(2)</sup> Based on the EBA definition, as at 31 December 2023 the proportion of non-performing loans fell to 1.8% in gross terms and 0.9% in net terms (respectively, 1.9% and 1% at the end of 2022).

In a scenario of general concern surrounding the continuing conflict between Russia and Ukraine and the aggravation of tensions in the Middle East region, characterised by prospects of a moderate slowdown in the real economy, expected progress in inflation reduction and desired reductions in interest rates, an increasingly careful monitoring of the factors that allow to pursue sustainable profitability is required: high liquidity, funding capacity, low leverage, adequate capitalisation and prudent asset valuations.

At the end of 2023 the Group's liquid assets amounted to 307 billion euro, 202 billion of which readily available (net of haircut). Both regulatory indicators – Liquidity Coverage Ratio and Net Stable Funding Ratio – were met in full. As at 31 December 2023, loan transactions with the ECB to optimise the cost of funding and support the investments of corporate customers amounted to 45 billion euro.

Funding sources were stable and well diversified with the retail component making up 78% of direct deposits from banking business, including securities issued.

In 2023, wholesale medium/long-term funding came to 22.4 billion euro, and included Tier 2 benchmark transactions of one billion euro, green senior non-preferred bonds of 2.25 billion euro and 600 million pounds, green senior preferred bonds of 2.25 billion euro, social senior preferred bonds of 750 million pounds, senior preferred bonds of 5.5 billion euros and 4.25 billion dollars, senior non-preferred bonds of 1.5 billion dollars, covered bonds of 1.25 billion euro and Additional Tier 1 bonds of 1.25 billion euro (91% of which were placed with foreign investors).

The leverage ratio as at 31 December 2023 was equal to 5.8%.

The Group's capital base remains high and well above regulatory requirements. At the end of 2023 – deducting from the capital 2.6 billion euro of interim dividends paid in November 2023 and 2.8 billion euro of proposed 2023 remaining dividends, the Common Equity Tier 1 ratio (i.e. the ratio between Common Equity Tier 1 and total weighted assets) stood at 13.7%.

Indicators [millions of euro]	2023	2022
Loans to customers	429,540	446,854
Direct deposits from banking business	576,136	545,386
Direct deposits from insurance business	172,746	173,672
Equity attributable to the shareholders of the Parent	63,963	61,103
Consolidated net income	7,724	4,379
Dividends	5,408	3,046
Average market capitalisation	45,144	38,433
Total assets	963,570	974,587
Economic value generated	25,903	20,655
Economic value distributed	-20,583	-16,196

Comparative figures restated, where necessary and material, considering the changes in the scope of consolidation and discontinued operations.

## CALCULATION AND DISTRIBUTION OF ECONOMIC VALUE

The economic value generated by the Group during the year is calculated in accordance with ABI (Italian Banking Association) instructions and consistent with international reference standards. The calculation is made by reclassifying consolidated income statement items recorded in the financial statements, as required under Bank of Italy Circular 262.

The economic value generated, which rose to 25.9 billion euro in 2023, came from net income from banking and insurance activities – which therefore takes into account the impairment losses on loans and other financial assets – plus the realised gains and losses on investments in associates and companies subject to joint control, investments and other operating income. The economic value generated expresses the value of the wealth produced, most of which is distributed among the stakeholders with which the Group interacts in various ways on a day-to-day basis. In detail:

- employees and other staff benefited from 32% of the economic value generated, for a total of around 8.2 billion euro. In addition to staff pay, the total also includes payments to the network of financial advisors, the remuneration paid to the financial advisors of the Private Banking Division, and the insurance service costs arising from the insurance contracts issued related to personnel expenses;

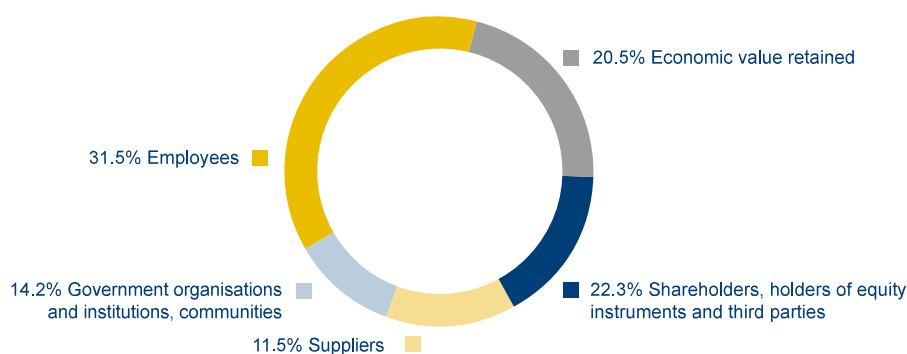


- suppliers received 12% of the economic value generated, for a total of 3 billion euro in payments for goods and services;
- the Government, Organisations and Institutions, and Community recorded a total flow of funds of around 3.7 billion euro, equivalent to 14% of the economic value generated, of which 1.2 billion euro referring to indirect taxes and duties, and over 700 million euro to levies and other charges concerning the banking industry, consisting of contributions to resolution and guarantee funds. Numerous social and cultural initiatives and other actions were also undertaken to support the charity funds and issue disbursements by way of social and cultural contributions;
- over 22% of the economic value generated was allocated to Shareholders, holders of equity instruments and third parties, largely attributable to dividends, for a total amount of close to 5.8 billion euro. Specifically, the proposed remaining dividend is 2,779 million euro, in addition to the 2,629 million euro interim dividend paid in November 2023, for a total of 5,408 million euro from the 2023 net income. For more details in this regard see the Proposals to the Shareholders' Meeting in the Intesa Sanpaolo S.p.A. financial statements.

The remaining amount of the economic value generated, equal to 5.3 billion euro, was retained by the enterprise and mainly consisted of net adjustments/recoveries and provisions, deferred tax assets and liabilities, and the consolidated net income allocated to reserves.

## BREAKDOWN OF 2023 ECONOMIC VALUE

ECONOMIC VALUE	Millions of euro	
<b>ECONOMIC VALUE GENERATED</b>	<b>25,903</b>	<b>100.0%</b>
<b>ECONOMIC VALUE DISTRIBUTED</b>	<b>-20,583</b>	<b>79.5%</b>
Employees and other staff	-8,164	31.5%
Suppliers	-2,965	11.5%
Government, Organisations and Institutions, Community	-3,677	14.2%
Shareholders, holders of equity instruments and third parties	-5,777	22.3%
<b>ECONOMIC VALUE RETAINED</b>	<b>5,320</b>	<b>20.5%</b>



# Integrity in corporate conduct

## RELEVANT ISSUES

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## RELEVANCE OF ISSUES AND MAIN IMPACTS

The Intesa Sanpaolo Group recognises that compliance with internal and external regulations and codes of conduct is of significant importance, also from a strategic viewpoint, and therefore it acts in the belief that respecting standards and fairness in business (combating active and passive corruption, combating money laundering, compliance with tax regulations, protection of free competition, privacy protection and compliance with the rules governing employment relationships) are essential elements in carrying out banking operations, which by nature are based on trust and transparency. Intesa Sanpaolo believes that compliance with standards encourages the creation and maintenance of a competitive economic environment and the protection of customer rights. Awareness and dissemination of the culture of ethics and human rights among the Group's people, its business partners, and stakeholders can translate into a tangible contribution to the development of local areas and communities. The Group is committed to pursuing its corporate goals with honesty, fairness and responsibility in the full and true respect of the rules and professional ethics and in the spirit of signed agreements, implementing high compliance standards for all Group's people.

## PERFORMANCE INDICATORS AND RESULTS ACHIEVED

Macro-issue	Projects/Indicators	2023 Actions/Results
Fighting against corruption and combating money laundering	Training to prevent corruption and money laundering	<ul style="list-style-type: none"> <li>■ 88,485 Group's people trained (94.4% of the total)</li> <li>■ 387,721 hours provided</li> </ul> Training on anti-corruption and anti-money laundering is mandatory and follows multi-year cycles, also according to local regulations.
	Disciplinary sanctions against Group's people due to corruption	■ 0
	Dismissal due to corruption	■ 0
	Internal advice and clearing on transactions in the highest corruption risk areas	■ 500
	Certifications	<ul style="list-style-type: none"> <li>■ Completion in 2023, with the involvement of numerous Group structures, of the first of two scheduled audits for the purpose of maintaining the UNI ISO 37001:2016 Anti-bribery management systems certification, which is valid until May 2025</li> </ul>



## PERFORMANCE INDICATORS AND RESULTS ACHIEVED

Macro-issue	Projects/Indicators	2023 Actions/Results
Protection of free competition	Training on free competition	<ul style="list-style-type: none"> <li>■ 60,152 Group's people trained (64.2% of the total)</li> <li>■ 1,340,265 hours provided</li> </ul>
	Internal requests for antitrust advice and clearing on Group projects	<ul style="list-style-type: none"> <li>■ Advice and clearing requests were made for 121 initiatives, of which 19 advice and 80 clearing requests have been completed (opinions not subject to changes or updates), with the rest still ongoing</li> </ul>
Privacy and data protection	Training on Privacy protection	<ul style="list-style-type: none"> <li>■ 76,405 Group's people trained (81.5% of the total)</li> <li>■ 117,319 hours provided</li> </ul>
	Cases of customer data being lost or stolen	<ul style="list-style-type: none"> <li>■ In Italy 142 cases were assessed; in 133 of them no risk to the rights and freedoms of the data subjects was found and therefore reporting them to the Italian Data Protection Authority was not necessary. For the remaining 9 cases, the Italian Data Protection Authority was notified and, for 2 of them, the parties concerned were also notified. Abroad in the EU 87 cases of alleged personal data breach were assessed, 77 of which were found not to pose a risk to the rights and freedoms of the data subjects by the local Data Protection Officers, the remaining 10 cases were reported to the local authorities.</li> </ul>
Consumer protection	Training on consumer protection	<ul style="list-style-type: none"> <li>■ 76,932 Group's people trained (82.1% of the total)</li> <li>■ 1,567,128 hours provided</li> </ul>
Audits	ESG Audit	<ul style="list-style-type: none"> <li>■ 7 audits were carried out within the scope of the ESG Programme in addition to 3 "ESG related" audits (mainly focused on other aspects, but which also include analyses on ESG issues)</li> </ul>
Whistleblowing	Whistle-blowing reports	<ul style="list-style-type: none"> <li>■ 30 reports through the Parent Company's ordinary channel, of which 1 was judged to be not pertinent; 29 were subject to specific investigations. In addition, 8 reports were received through the active whistleblowing channels at the Group's International Subsidiary Banks, 4 of which were judged to be not pertinent</li> </ul>

## COMPANY POLICIES

Intesa Sanpaolo seeks to act as a reliable and professional partner for the regulators. In this context, the Group actively adheres to the principles of the United Nations Global Compact that envisage the development of policies for combating corruption, protecting human rights and workers' rights, and safeguarding the environment.

The Group has defined and implemented a well-structured system of risk assessment throughout the company structures, which is applied according to risk assessment criteria. Adherence to the rules and integrity of corporate conduct are also ensured through compliance activities focused on risk monitoring to fight against corruption and money laundering and to protect competition. The Group adheres to the principle of active cooperation in preventing these phenomena, which represent a serious threat to the legal economy.

Intesa Sanpaolo monitors developments in international tax regulations guided by the OECD and aimed at countering base erosion and profit shifting from high-tax to low-tax countries, with the ongoing commitment to adhere to those principles. Intesa Sanpaolo is continually committed to implementing regulatory, organisational and technological measures aimed at adequately meeting the needs of privacy protection. Internal auditing involves constant and independent monitoring of the due conduct of the Group's operations and processes. Reference is made to individual paragraphs for further information on the policies defined by the Group in each relevant area.

## FIGHTING AGAINST CORRUPTION

The Group's Code of Ethics provides that business goals are pursued with honesty, fairness and with a sense of responsibility in full compliance with the rules, professional ethics and spirit of signed agreements. To this end, the Group recognises the strategic importance of the work aimed at ensuring compliance with internal and external regulations and codes of conduct; high standards of compliance are set for all Group's people, which are also set forth first and foremost in the Code of Ethics and in the Code of Conduct. It also stated that Intesa Sanpaolo adheres to the OECD (Organisation for Economic Co-operation and Development) Guidelines and to the anti-corruption principles laid down by the United Nations. The Group also undertakes to contribute to the fight against corruption, by applying the "zero tolerance" principle and adopting the utmost consistency and transparency of corporate conduct, preventing situations of conflict of interest, including potential conflict of interest, where possible. The Group has adopted strict internal procedures and specific Guidelines over time to prevent the risk of corruption.

### MODEL FOR THE MANAGEMENT OF ADMINISTRATIVE LIABILITY PURSUANT TO ITALIAN LEGISLATIVE DECREE 231/01

Italian Legislative Decree no. 231/01 (the Decree) establishes a system of administrative liability for Italian Companies for certain specifically identified crimes or offences, committed in their interest or for their benefit. Intesa Sanpaolo has long had an Organisational, Management and Control Model in place that defines the principles of control and conduct to be adopted to reduce the risk of committing crimes and offences envisaged by the Decree, including corruption and environmental crimes.

In preparing the Model, the Bank took into account all the existing regulations, procedures and control systems, insofar as they were also suitable as measures for preventing crimes and illegal conduct in general, including those envisaged by the Decree.

The Bank identified the following as specific instruments already existing and aimed at planning the formation and implementation of company decisions and carrying out controls on business operations, including in relation to crimes and offences to be prevented:

- the corporate governance rules, adopted in compliance with the Corporate Governance Code for listed companies and the relevant company regulations and regulatory legislation;
- internal regulations and company policies;
- the Group's Code of Ethics, Internal Code of Conduct and Anti-Corruption Guidelines;
- internal control system;
- power and delegation system.

The Board of Directors delegates the structures the task of implementing the Model and ensuring the constant updating and implementation of internal regulations and company processes, which are an integral part of the Model, in compliance with the principles of control and conduct defined for each sensitive activity. The effective and concrete implementation of the Model is also guaranteed by:

- the Surveillance Body, in exercising the powers of initiative and control in relation to the activities carried out by the individual organisational units in sensitive areas;
- the heads of the Bank's structures in relation to the risk activities carried out.

Without prejudice to the independent responsibility of each Italian-registered company of the Group for the adoption and effective implementation of its own Model, Intesa Sanpaolo in performing its duty as the Parent Company issues general criteria and instructions, and verifies the compliance of company Models with those criteria and instructions. In 2023, the Parent Company updated the Model to take into account recent regulatory developments and in particular Legislative Decree 24/2023 which, in implementation of Directive (EU) 2019/1937, organically governed internal reporting (so-called whistleblowing) systems and amended Legislative Decree 231/2001, making reference to the provisions of the afore-mentioned Decree with regard to internal reporting channels, the prohibition of retaliation and the disciplinary system. The Group Italian companies are currently in the process of updating the Model.

To provide the Surveillance Body with an overall picture of the planning of controls, the Compliance function collects the respective plans from the relevant structures on an annual basis regarding the scheduled supervision of sensitive areas and incorporates them into the 231 Audit Plan. Based on this document, the Surveillance Body assesses the adequacy of the programme of audits and identifies any further actions.

The heads of the organisational units involved in sensitive processes pursuant to the Decree certify the level of implementation of the Model, by means of an overarching self-diagnosis process on the work carried out. Finally, constant attention is ensured to the training and dissemination of the compliance culture: in this regard, the related remote training course was reviewed, and its release, scheduled for the 2022-2024 period, is currently underway.

The Group's Anti-Corruption Guidelines, approved by the Board of Directors and adopted as of 2017, identify the principles and the sensitive areas and define the roles, responsibilities and macro-processes for the management of this risk, further strengthening an internal regulatory framework which already consists of the Code of Ethics, the Group's Internal Code of Conduct and – for the Italian Group companies – the Organisational, Management and Control Model adopted pursuant to Italian Legislative Decree no. 231/2001. The Guidelines define the commitment to comply with the regulatory provisions aimed at combating corruption in all its forms, where corruption means the direct or indirect offering or acceptance of money or other benefits capable of influencing the recipient, in order to induce or reward the performance of a function/activity, or alternatively its omission. In line with international best practices, the Group does not tolerate:

- any type of corruption, in any form, manner or jurisdiction, not even if activities of this kind are permitted, tolerated or not prosecuted under the laws in force in the countries in which the Group operates;
- any conduct involving the offer or acceptance of money or other benefits – directly or indirectly – with the aim of inducing or rewarding the performance of a function/activity, or alternatively its omission.

Monitoring in this area is assigned to the Anti-Financial Crime Head Office Department, and its Manager is allocated the role of Group Anti-Corruption Officer.

The Anti-Corruption Guidelines were approved and adopted by the Group Italian and international companies. On 29 September 2023, the Board of Directors of Intesa Sanpaolo approved the updated Group Anti-Corruption Guidelines with the following provisions: updating of external regulatory sources and inclusion of the most important sources of “soft law”<sup>(3)</sup>; refinements of the process through which the areas at greatest risk are identified; inclusion among the disbursements subject to the Guidelines of association activities, which in terms of risk can be equated to donations; inclusion of a focus on “Business Introducers”<sup>(4)</sup>, with further specific precautions, in consideration of the greater risks associated with this case; integration of the activities carried out by the Anti-Financial Crime Head Office Department; inclusion of a specific reference to the provisions of the ISO 37001 standard regarding the need to acquire periodic declarations of commitment to compliance with the Guidelines by the members of the Board of Directors and the Top Managers of the Parent Company; introduction of the right for the Group Anti-Corruption Officer to authorise exceptions to certain provisions set out in the Guidelines in specific transactions/situations characterised by limited bribery risks. In 2023, there were continued checks on the consistency of the detailed internal regulations with the general principles set out in the Anti-Corruption Guidelines, in order to implement the necessary alignment, in addition to the analysis of the anti-corruption controls currently in place in the individual highest risk areas, in order to identify any strengthening measures. More specifically, the process regulations were updated in terms of: Rules for the management of gifts and entertainment expenses with the adoption by the Parent Company of the IT application “Registro Omaggi” (Gift Register); Management of real estate assets and Real Estate and Artistic Heritage – Administrative management of Real Estate, particularly with regard to the sale and management – lease/loan for use – of real estate for social purposes “Immobili per il bene” (Real estate for the greater good) project; Transfer of movable assets, particularly with regard to the methods, tools and timing of anti-corruption controls on the beneficiaries of the interventions within the scope of the “Donare per non sprecare” (Donate not to waste) initiative.

In May 2022, Intesa Sanpaolo had already obtained the renewal of UNI ISO 37001:2016 Anti-bribery management systems certification, which sets the international standard on the subject, with an extension of

<sup>(3)</sup> The sources of “soft law” take into account the guidelines set forth by International Working Groups and Authorities dedicated in various ways to the prevention of the corruption phenomenon (including: Group of States against Corruption (GRECO) – Council of Europe; Working Group on Bribery in International Business Transactions – OECD; Autorità Nazionale Anticorruzione (National Anti-Corruption Authority) – Italy; Department of Justice – USA; Serious Fraud Office – United Kingdom; Agence Française Anticorruption – France).

<sup>(4)</sup> “Business Introducers” are understood to mean third parties who, by putting the Group in contact with potential or existing customers, promote the development of the Group's activities in the field of banking, financial and insurance services, with the exception of those who carry out business development activities or placement of the Group's products/services and who are subject to specific disciplines or forms of supervision in their jurisdictions (in Italy, for example, Banks and other intermediaries placing investment products, Financial Advisors, Financial Agents, Credit Brokers, Insurance Intermediaries).

the scope to include the Group entities included in the Compliance and Anti-Financial Crime risk assessment. More specifically, the certification is valid until May 2025 (subject to two maintenance audits) and applies to Intesa Sanpaolo (including the international branches), the banking entities and the main financial and insurance companies. In 2023, the first of the two maintenance audits was completed (the next is scheduled for 2024), which included several audit sessions involving the Parent Company's Head Office Departments, Regional Governance Centres of the Banca dei Territori Division, Italian branches of said Regional Governance Centres and an international branch, as well as a sample of five Italian and foreign companies.

During the year, the Anti-Financial Crime Head Office Department processed 500 advice and clearing files for specific operations in the highest corruption risk areas, particularly concerning the purchase, management and sale of equity investments and other assets, donations, sponsorships and relationships with suppliers, the hiring of personnel, and gifts.

In 2023, the provision of the e-learning course for the Group's people operating in Italian companies and at international branches continued. In particular, updates on Anti-Bribery and Corruption for the Italy scope (Apprendo platform) and for the International scope (LEA platform) are being made available and in the process of being issued with regard to the main general obligations and specific obligations laid down by internal Anti-Corruption regulations.

There were no cases of disciplinary measures related to corruption incidents. There were no significant penalties for non-compliance with laws or regulations relating to corruption.

## COMBATING MONEY LAUNDERING

Intesa Sanpaolo pays particular attention to compliance with national and international regulations aimed at combating money laundering and terrorist financing, which it recognises as a serious threat to the legal economy with destabilising effects for the banking system, and it adheres to the principle of active cooperation in preventing these phenomena.

In compliance with the legislative provisions of the legislator and the sectoral supervisory authorities, and based on the international standards contained in the FATF (International Financial Action Task Force) Recommendations, the Group has adopted procedures, instruments and controls designed to mitigate the risk of being involved, even unknowingly, in acts of money laundering, terrorist financing, violation of embargoes and arms regulations.

The Group's governance system to combat money laundering and terrorist financing is based on Guidelines that constitute a systematic and functional reference framework, with active collaboration by the Group in preventing these illegal activities.

Specific processes and procedures are in place in the areas of obligations of customer due diligence, reporting of suspicious transactions, storage and provision of data, information and documents, risk assessment and management, internal control and guarantee of compliance with all of the relevant provisions to prevent and impede the completion of transactions connected to money laundering, terrorist financing, violation of embargoes and arms regulations. The guidelines and standards established by the Parent Company are developed and implemented within the individual operating structures in accordance with the characteristics and complexity of the activity carried out, as well as in accordance with their size and organisational structure, in compliance with the requirements of local regulations and ensuring the sharing of information at a consolidated level.

Procedures that provide automatic checks on the Group's register and transactions have been active for some time now, in order to mitigate the risk of having customers included in the list of entities subject to restrictions or freezing of assets (black list).

In 2023, the planning of the Anti-Financial Crime Head Office Department focused in particular on the following priorities:

- continuation of the activities of the multi-year programme for the overall review and strengthening of anti-money laundering, embargoes, anti-terrorism and anti-corruption controls at Group level (ENIF Programme – Enabling Integrated Anti-Financial Crime);
- continuation of the Compliance Next digital transformation programme, activated by the Chief Compliance Officer Governance Area in order to implement a series of measures based on innovative technologies to increase the effectiveness of the monitoring activity and the efficiency of the main compliance processes;
- support for the business initiatives set out in the 2022-2025 Business Plan in order to ex ante ensure adherence to the compliance profiles thereof with particular reference to the creation of the new digital bank Isybank and the development of international private banking. More specifically, in the context of international private banking, it should be noted that an action plan is currently underway with a final deadline of 31 December 2024 aimed at strengthening local safeguards.



## RELATIONS WITH POLITICAL PARTIES AND MOVEMENTS

The Intesa Sanpaolo internal policies establish that political parties and movements cannot be recipients of donations and sponsorships. With regard to the financing of political parties, connected associations and individual candidates, specific rules state that the only form of new credit concession for them, which can solely be decided upon by the Board of Directors, consists of the advance on an annual basis of the “2x1000 contribution” against the transfer, to be reported in accordance with the law, of the sums due to the parties for this form of contribution. In 2023 Intesa Sanpaolo did not grant financing in this area.

## COMPLIANCE WITH TAX REGULATIONS

In compliance with the Code of Ethics, the entire Group is committed to observing principles based on values of honesty and integrity in managing tax matters, compliance with the tax regulations applicable in the countries in which the Group operates, and maintaining a collaborative and transparent relationship with the tax authorities, including through adherence to cooperative compliance schemes.

Intesa Sanpaolo recognises the importance of contributing to the communities of the jurisdictions in which it operates, by paying the right amount of taxes and for this reason it places a particular focus on the evolution of tax regulations, both on a domestic and international level, aimed at countering base erosion and profit shifting, with the ongoing commitment to adhere to those principles. The Group strengthened the internal tax risk control system, referred to as the Tax Control Framework (TCF), making it suitable to monitor the strategic importance of tax risk and to meet the requirements for access to the cooperative compliance regime introduced in Italy, pursuant to Italian Legislative Decree 128/2015 and, in the same vein, it updated the Organisation, Management and Control Model, for the purposes of the liability of entities for tax offences, sanctioned by Italian Legislative Decree No. 231 of 2001, in order to monitor the risk of tax fraud. On 10 December 2018, Intesa Sanpaolo was granted access by the Italian Revenue Agency to the Cooperative Compliance scheme, starting from 2017 when the application was submitted. Under this scheme, Intesa Sanpaolo and the Italian Revenue Agency can perform joint assessments on certain situations that could lead to tax risks thanks to ongoing, preventive contact, with a view to resolving any potential disputes before they occur.

The Intesa Sanpaolo Group, in compliance with the low propensity to tax risk, through the implementation of the Tax Control Framework, intends to ensure the degree of risk appetite declared in the Principles of Conduct in fiscal matters, thereby adopting appropriate safeguards to manage tax risk [\[1\]](#) in advance, which ensure compliance with the tax and fiscal rules of the countries where it operates over time and guarantee the financial and reputational integrity of all Group companies. The principles are an integral part of the Tax Control Framework, designed and implemented in line with OECD standards. In particular, guidelines have been established to ensure uniform management of taxation at all Group companies, based on an approach of (i) correct and timely determination and payment of taxes due by law and performance of the related obligations, (ii) containment of tax risk, understood as the risk of operating in violation of tax regulations or in conflict with the principles or with the aims of the legal system in the various jurisdictions in which the Group operates, both due to outside factors (primarily, the uncertainty of the interpretation of tax laws due to ambiguity or lack of clarity of tax regulations) and internal factors (usually, incorrect and/or untimely compliance with mandatory requirements, failure to detect regulatory changes affecting the taxation of the Group; and transactions that may be challenged by the tax authorities as abusive).

The principles set out in the document are as follows:

- Corporate Responsibility – The Group, in compliance with the Corporate Responsibility principle, acts according to the values of honesty and integrity in the management of tax matters, in the knowledge that revenue from taxes is one of the main sources of resources contributing to the economic and social development of the countries in which it operates.
- Legality - The Group adopts conduct based on compliance with the tax regulations applicable in the countries in which it operates and on interpretations that allow it to manage tax risk responsibly so that it can satisfy the interests of all its stakeholders and ensure its positive reputation.
- Tone at the top - The Board of Directors defines the principles of conduct in relation to Group tax matters and ensures their application, therefore assuming the responsibility of driving the spread of a corporate culture based on the values of honesty and integrity and the principle of lawfulness.
- Relationship - By virtue of its role as taxpayer for its own taxes and as a collaborator of the Financial Administration for customer taxation, the Group considers an evolved, collaborative and transparent relationship with the tax authorities to be strategic, guaranteeing, among other things, to provide them with the information needed to fully understand the circumstances underlying the application of tax rules, including those relating to the preparation of transfer pricing documentation. To this end, Intesa Sanpaolo encourages the Group companies

to adhere to cooperative compliance schemes, which supplement the national regulations, in order to create stronger relationships with the tax authorities. In the event of tax disputes, the Group assesses the choices available on a case-by-case basis, resorting to litigation only if it considers that its positions, although not shared by the tax authority, are sound and reasonable.

With the adoption of the Principles, the Intesa Sanpaolo Group undertakes to:

- comply with the provisions to guarantee transfer prices for intra-group transactions in line with the arm's length principle, aligning, as correctly as possible, the income generated with the places of creation of the respective value, without giving rise to undue erosion or transfer of tax bases;
- avoid forms of tax planning that may be considered aggressive by the tax authorities and in particular refrain from using, artificially and for the sole purpose of reducing the Group's taxation, countries included in the European Union list of non-cooperative jurisdictions for tax purposes and in the OECD list (also "black list countries"). Any presence of Group entities in these countries is solely motivated by business reasons;
- refrain from offering customers products and services that enable them to obtain undue tax advantages that would otherwise not be obtainable also putting in place adequate forms of supervision such as to prevent involvement in irregular tax transactions carried out by customers;
- establish cooperative relationships with tax administrations, based on transparency and mutual trust and aimed at preventing conflicts, thereby reducing the possibility of disputes. In order to mitigate tax risk and obtain preliminary assurance regarding uncertain interpretation positions, the Group promotes the stipulation of agreements with local tax authorities. The Group, on the other hand, does not endorse tax rulings that guarantee preferential tax regimes or undue tax benefits;
- benefit from tax benefits and incentives that are in line with the commercial objectives and the economic substance of the underlying business transactions.

The Principles of conduct in fiscal matters are adopted by Intesa Sanpaolo also in its capacity as Parent Company and are approved and, where necessary, as a result of a material change in the external and/or internal context, updated periodically by the Board of Directors, subject to submission to the Risks and Sustainability Committee and the Management Control Committee which assesses their implementation, at least annually, through the periodic report that sets out the results of the monitoring of the Tax Control Framework and the assessment and management of any tax risks relating to the reference tax period. On this assumption, the Principles are published on Intesa Sanpaolo's institutional website and must be implemented by all Group companies, subject to the resolution of their bodies with strategic supervision duties. The interpretation of the provisions contained in the Principles of conduct on tax matters is the responsibility of the Parent Company which, through the Tax Department, also takes care of updating them.

The Guidelines were also approved for the management of tax risk within the cooperative compliance scheme with the Italian Revenue Agency, which govern the criteria and processes that Intesa Sanpaolo must adopt to ensure the adequacy and effectiveness of its Tax Control Framework, also providing for the appropriate monitoring processes and the consequent reporting to the Board of Directors, as well as the related Rules.

The types of tax risk that may arise in the context of business processes have been identified by Intesa Sanpaolo as follows:

- Tax compliance risks. These are risks of an operational nature and arise in both business processes (such as risks of not correctly performing all the operational tasks necessary to ensure correctness – in terms of completeness, accuracy and timely processing – of the relevant data for tax purposes), and in specific tax compliance processes (from data collection through to its processing and preparation of tax declarations/payments and communications sent to the tax authorities); In 2023, the main entities of the Group shared, in the context of discussions with the Italian Revenue Agency under the cooperative compliance regime, the map of compliance tax risks (updated according to a catalogue of risks shared within the association – ABI), highlighting the safeguards in place and the degree of residual risk.
- Tax risks of an interpretative nature in transactions/routine operations. This type of risk relates to the uncertainty about the actual meaning of the regulations and the classification of actual cases with respect to theoretical circumstances and arises within the following processes: regulatory alignment, advice given to the Structures of the Bank and interpretation choices adopted in tax compliance processes;
- Tax risks of an interpretative nature in non-routine transactions. These risks arise whenever non-routine transactions/operations are carried out, which are characterised by objective and defined uncertainty regarding the risk of adopting incorrect interpretations or, in any case, interpretations that are contrary to the principles and aims of the tax system. Intesa Sanpaolo has adopted tax risk management processes and procedures, in compliance with the Principles of conduct in tax matters, which ensure, among other things:

- the correct assignment of roles, responsibilities and powers to each party involved, in whatever capacity, in processes with tax implications in order to ensure proper management of tax risk and minimise the likelihood of disputes;
  - the involvement of the Tax Department in business decisions. Intesa Sanpaolo's processes must ensure full and constant involvement of the Tax Department in business decisions, to encourage informed decisions in the event of a significant tax risk.
- Risks of tax fraud committed by third parties. This refers to the risk of incurring violations of tax laws as a result of fraudulent tax conduct carried out by third parties (e.g. customers, suppliers, other counterparties). No elements of tax fraud risk emerged in 2023.

For tax risks of an interpretation nature, through preliminary discussions with the Italian Revenue Agency, held under the cooperative compliance regime for the year 2023, the main Group entities came to a joint assessment of the circumstances underlying the significant tax risks. As a result of the discussions exchanged, no uncertain interpretation positions were found. For any discussions that have not yet been concluded, the Group adopts the most precautionary solution from a tax point of view so as to prevent any risk.

The business functions and the Head Office Departments that carry out transactions with potential tax impacts must comply with the Principles of conduct in tax matters and the Guidelines in the performance of the activities for which they are responsible. If the clearing processes adopted by the Bank do not already require the involvement of the Tax Department, it is the responsibility of the Business Function (Division or Head Office Department) proposing/structuring the transactions to involve the Head of the Tax Department in advance to allow an adequate assessment of the tax effects and risks arising from their implementation.

The Group ensures that the tax functions involved have sufficient organisational capacity and material and human resources to achieve the objectives, and that the related personnel are constantly updated, through the use of databases and up-to-date specialist information sources as well as periodic training initiatives. In addition, the Group provides periodic training activities on particularly relevant and topical issues for functions other than the tax functions (both business and operational).

To ensure the implementation of the Principles, the Group supports major investments in technology aimed at adopting advanced digital solutions aimed at overseeing and improving the management of direct and indirect taxation.

The Tax Function, in its tax risk management activities:

- provides assistance and advice to the Corporate Bodies and Business Functions called upon to approve transactions exposed to tax risks;
- operates in order to maintain an effective internal tax control system, ensuring its constant updating, as well as the ability to intercept the risks arising from changes affecting the company, regulations and practices, also taking into account case-law guidelines;
- ensures the monitoring of the correct and effective functioning of tax processes and compliance with the relevant regulations, identifying any shortcomings and errors and the necessary corrective measures;
- coordinates with the other corporate internal control functions to ensure consistency and effectiveness of the internal control system on tax risk, in compliance with tax regulations, the obligations imposed by the cooperative compliance regime, Bank of Italy Circular 285 and the Integrated Internal Control System Regulations;
- notifies the Italian Revenue Agency, in a timely and comprehensive manner, of any situations involving a "significant" exposure to tax risk, due to it exceeding the shared or "material" threshold, and is responsible for the Group's discussions with the Italian Revenue Agency.

The Business Functions or Head Office Departments that carry out transactions with potential tax impacts:

- adopt conduct that is compliant with the guidelines received from the Tax Department, with reference to cases of tax relevance;
- promptly inform the competent corporate functions about changes in operations that may lead to reviewing corporate processes, so that the necessary tax risk assessments may be initiated and suitable safeguards adopted to mitigate their effects;
- carry out the planned first-level monitoring activities in the management of tax risk;
- they are responsible for the implementation of the actions identified, in coordination with Taxation Controls, in order to mitigate the tax risks that have an impact on their respective processes.

Tax risk management, also following the Group Compliance Guidelines, is broken down into the following macro-processes:



- regulatory alignment, aimed at monitoring external regulations and translating them into internal guidelines, processes and procedures, through:
  - the activities aimed at continuously identifying and interpreting the external regulations applicable to the Bank, through the ongoing monitoring of external regulatory sources and the consolidation, in the event of regulatory changes, of a univocal and shared interpretation;
  - the assessment of the impact of the applicable rules on corporate processes and procedures and consequent proposal of organisational and procedural changes aimed at ensuring adequate monitoring of non-compliance risks;
- advice and assistance to the Bank's corporate bodies and other structures and preliminary assessment of compliance with applicable regulations (clearing) of transactions (routine and non-routine), new products and services to be introduced to the market, innovative projects;
- discussions with the Italian Revenue Agency, in cases where the risk exposure values exceed the agreed-upon materiality threshold. If the tax position that Intesa Sanpaolo intends to adopt is not accepted by the Italian Revenue Agency, its final adoption must be approved by the Board of Directors;
- monitoring of the Tax Control Framework (Assurance): compliance risk monitoring takes place, in addition to preliminary activities, in verifying ex post the adequacy and effective application of internal processes and procedures and of the proposed organisational adjustments for its prevention and, more in general, checking the effective compliance with external and internal regulations by the corporate structures. Control on the Tax Control Framework is carried out by the Head of the Tax Control Office on the basis of an annual audit plan and according to the Group Compliance Guidelines and the Integrated Internal Control System Regulation;
- dissemination of culture: tax risk monitoring also takes place through the dissemination of a corporate culture founded on the principles of honesty, fairness, and respect for the spirit and the letter of the rules;
- information flows to the Corporate Bodies: at least annually, the Board of Directors, the Risks and Sustainability Committee and the Management Control Committee receive from the Head of the Tax Department all the information relating to the main policies and choices followed in the tax area, the progress of the discussions with the Italian Revenue Agency in the context of cooperative compliance, as well as with regard to the outcomes of the audit activities, including on the adequacy of the TCF, carried out during the period by the Head of Taxation Controls. The Head of the Tax Department also promptly reports any non-compliance issues and events deemed to be particularly significant to the Corporate Bodies;
- tax risk management process of an interpretative nature: regulatory alignment and advisory and clearing activities, as well as the preparation of tax returns, involve interpretative choices on the applicable regulations. In making these choices, the Tax Department must assess the degree of certainty of the position it intends to adopt. If the interpretation presents a high degree of uncertainty and has a significant impact on business operations, the Tax Department measures the exposure to tax risk, the acceptance of which is resolved upon, according to its relevance, pursuant to the approval thresholds set out in the Guidelines. The methods used to assess the degree of certainty of the interpretation and the related impact on the Bank's operations and to determine the tax risk are defined by specific internal regulations (Rules for tax risk management under the Collaborative Fulfilment Scheme with the Agency shared between the Tax Department and the Compliance, Governance, Privacy and Controls Head Office Department and, within the scope of their responsibility, with those of the Chief Risk Officer.

The Group controls tax risks, through the adoption of the TCF, which includes processes, procedures, governance rules, continuous maintenance and testing activities, as well as the use of technology in support of the consistency of the data feeding the calculation of the taxes due by law.

The TCF allows to monitor and measure tax risk, taking into account both compliance with tax regulations (compliance risk, managed in risk maps – where the residual risk is highlighted), and the uncertainty arising from its application (interpretative risk, managed through the specific procedure that leads to impact measurement and materiality of tax uncertainty).

The tax risks spread across the Group – such as the correct application of the arm's length principle for intra-group transactions, the global minimum tax or Pillar 2 regulations, the provisions on hybrid mismatches – are monitored and managed locally but under the direction and control of the Parent Company.

For the main Group entities adhering to the cooperative compliance regime, a closing note for the compliance year is prepared and signed annually by the Italian Revenue Agency and by the individual Group companies, in which the results of the controls on the Tax Control Framework and the discussions exchanged on significant tax risks are recorded (this closing note is also submitted to the Board of Directors in the periodic report on the TCF).

Intesa Sanpaolo, in adopting tax risk management processes and procedures, in compliance with the



“Principles of conduct in fiscal matters”, ensures that the tax risk management processes guarantee adequate protection of internal and external stakeholders, both in terms of risk mitigation (also in consideration of possible reputational impacts), and in more general terms of safeguarding stakeholders’ value, defined as the interest of stakeholders in not diminishing corporate value.

Through a structured process, on an annual basis, prior to the Shareholders’ Meeting called to approve the financial statements, Intesa Sanpaolo provides shareholders with the opportunity to submit questions and queries, including with regard to tax issues, pertaining to the items on the agenda. The questions asked and the related answers are published on Intesa Sanpaolo’s website [\[i\]](#).

In addition, Intesa Sanpaolo adopted, for all personnel working within the Group and for stakeholders, a whistleblowing system for acts or behaviours that may constitute violations of banking rules, as well as internal company policies and/or procedures or conduct that may give rise to conflicts of interest. The instrument in question also applies to any conduct that may involve violations of the Principles and of tax regulations.

Intesa Sanpaolo’s commitment to sound tax governance also resulted in the preparation of processes for the correct management of tax incentives, adopted by our country to enable the ecological transition of the country’s real estate assets and for the implementation of which the Group provided tangible support, purchasing tax receivables from customers, after carrying out controls aimed at fraud prevention.

During 2023, the Group, in addition to indirect taxes of 1,217 million euro, recorded accrued income taxes for the year of 3,438 million euro<sup>1</sup>, for the most part in Italy, where the majority of operating income was earned, as per the table below.

2023 Figures [millions of euro] <sup>(5)</sup>	Italy	Europe	Rest of the world
Taxes on income	-2,600	-671	-167
Operating income	19,288	4,836	1,014

The International Branches are presented in the geographical breakdown in relation to the country where these branches are located. As far as taxes on income are concerned, since Intesa Sanpaolo did not apply the option for the scheme of income exemption for international branches (known as Branch exemption), these branches’ income is also taxed in Italy. In compliance with the applicable regulations, Intesa Sanpaolo also publishes a country-by-country disclosure in which the following information is provided for each country (according to the rules established by the Bank of Italy): gross income, number of employees, profit or loss before tax and tax on profit or loss. The report is available at the following link [\[i\]](#).

<sup>(5)</sup> Consolidated reclassified data published in the 2023 Consolidated Financial Statements of the Intesa Sanpaolo Group, which can be referred to for additional details or information.

## PROTECTION OF FREE COMPETITION

The Group constantly monitors and promotes free competition, and spreads a culture of compliance with antitrust regulations, working to ensure that the international, European, and national rules and procedures are effectively applied and observed.

In the Group's Code of Ethics, Intesa Sanpaolo declares its commitment to compete fairly in the market and cooperate with other economic, private and public entities, whenever necessary, to strengthen the overall capacity of the countries where the Group operates. The Bank has an ongoing commitment to manage relations with institutions and organisations, to monitoring existing regulations and conducting attentive advocacy on any bills that could impact the activities of the Group and of its stakeholders at the national, European and international level, with a view to limiting legal, economic, and reputational risks and exploiting new opportunities.

Due to the growing importance of antitrust issues, the Group has long since adopted a risk control system for antitrust compliance, under the responsibility of the Institutional Affairs Department. In this regard, it has adopted an extensive Antitrust Compliance Program that among its key elements includes the establishment of a specific internal team to monitor compliance with antitrust rules, the adoption of a Group Antitrust Regulation (which has incorporated the Antitrust Compliance Policy), the Antitrust Rules of Conduct and the Antitrust Inspections Rules, as well as a training and information programme. The control of this area has been extended beyond the more traditional forms of antitrust (mergers, abuses of dominant positions and agreements) to also include EU regulations on state aid and the recent Italian regulations in support of Italy's competitiveness.

In 2023 the Group continued to raise awareness and spread the culture of antitrust compliance within the Group through the creation of 11 Web TV clips, the publication of 14 articles for the Group's communications magazine "Mosaico" (also translated in English) and the circulation of specific "Antitrust Update" reports. During the year, a series of remote training initiatives were also carried out on specific topics within various Group companies. With reference to digital training, in 2023 the "Antitrust... Solo regole o un supporto al mercato?" (Antitrust... Only rules or a support to the market?) Collection – available on the Appendo platform and also accessible by employees from the Group's international Banks/Companies in English – was enriched with 10 new Learning Objects dedicated to the control of business combinations.

## PRIVACY AND DATA PROTECTION

Intesa Sanpaolo has long maintained a high and constant commitment towards the protection of the personal data of its employees and customers, ensuring data collection and processing in full compliance with current regulations.

The reference regulatory framework for personal data protection is represented by Regulation (EU) 2016/679 (the so-called GDPR) which entered into force on 25 May 2018, whose new rules were incorporated by the Bank and formalised in the main internal Governance documents consisting of the Group Code of Ethics, which outlines the principles and values on which Intesa Sanpaolo bases its choices and activities, and the Internal Code of Conduct, which defines the conduct that the Group's employees and collaborators are required to observe in order to ensure correct data processing.

Furthermore, Intesa Sanpaolo also requires its suppliers to comply with the policies, regulations and standards relating to personal data protection, defining their subjective role in the processing activities, assessing the existence of the necessary safeguards, formalising the contractual terms and conditions, and implementing compliance and adequacy assessments.

More specifically, the GDPR has introduced the accountability principle which requires the data controller to implement regulatory, organisational and technological measures aimed at ensuring that the processing of personal data takes place in compliance and in the light of the criteria laid down in the Regulation such as privacy by design, privacy by default, the appointment of the Data Protection Officer, privacy impact assessment, the record of processing activities, the subjective role of Third Parties and data breach management.

Privacy monitoring is ensured by the Data Protection Officer and the Privacy Function, recently placed under the Compliance Governance, Privacy and Controls Head Office Department and divided into 3 offices: Privacy Advisory – Relations with the Data Protection Authority and the Data Subjects – Privacy Governance.

The Data Protection Officer and the Privacy structure are entrusted with the following tasks:

- Monitoring and overseeing compliance with the GDPR;
- Preliminary compliance check on new products, initiatives and services involving the processing of personal data;
- Assessment of risks to the rights and freedoms of individuals when starting or changing any personal data processing activities (Privacy Impact Assessment) in accordance with Article 35 of the GDPR;

- Assessment of the subjective privacy role played by Suppliers/Third Parties and preparation of the letter of appointment;
- Management of customer requests regarding the exercise of the rights of the data subjects;
- Management of replies to the Data Protection Authority and data subjects following reports or complaints lodged with the same Authority;
- Role of guidance, coordination and control of the Group companies located in Italy and abroad (EU and non-EU);
- Keeping and updating the Record of Processing Activities, as required by Article 30 of the GDPR, wherein all the personal data processing activities carried out are recorded. The Register shows the purposes of each processing, the data storage methods, the security measures applied and other information on the processing activities carried out;
- Assessment of non-compliance events and data breaches;
- Update of the list of Third Parties that process personal data of customers and employees;
- Monitoring training courses on Privacy.

As part of the Integrated Internal Control System, the Control Functions carry out checks with diversified depth and frequency, the outcomes of which are reported to the Board of Directors, relating to the compliance of the activities with the regulatory requirements on personal data protection and the correct implementation of the measures issued by the Data Protection Authority on these issues. In this context, the Chief Audit Officer carries out periodic control activities defined, in addition to the specific regulatory obligations on the subject (audits conducted on an annual basis), from a risk-based perspective, also taking into account the findings reported by the other corporate control Functions. In general terms, the independent audits carried out by Internal Audit are aimed at ascertaining the completeness, adequacy and functionality of the data protection compliance risk management model, reporting any irregularities relating to personal data processing to the competent company structures, to the Data Protection Officer and reporting to the Board of Directors. The Data Protection Officer, in compliance with the GDPR and the Guidelines, is tasked with preparing a report, at least annually, to report to the Board of Directors any data protection issues of particular importance.

This commitment allows, through the adoption of appropriate measures, for the mitigation of reputational and non-compliance risks in the processing of personal data, also with respect to the lawfulness and fairness of the processing, the purpose of the processing and its relevance, and the completeness and non-excessive nature of the data collected.

The Intesa Sanpaolo Group has adopted a critical events management model that promptly defines the activities aimed at an efficient management of incidents, requiring the involvement of different Functions depending on the nature of the specific case.

In this scenario, the Data Protection Officer manages non-compliance events by providing assistance and cooperation to ensure the identification and implementation of actions to eliminate or mitigate the effects of the event in question.

If the event constitutes a data breach, the Data Protection Officer is required to assess its impacts in terms of an actual risk to the rights and freedoms of natural persons: if the risk is high, he/she shall notify the Data Protection Authority and, in the event of a particularly high risk, he/she shall also notify the data subjects.

Intesa Sanpaolo issued specific Governance documents that give precise instructions on the conduct that employees and collaborators must hold so as to ensure the correct collection, use and protection of personal data, in compliance with current national and international regulations and the principles adhered to by the Group, formalised in the Code of Ethics and in the Group Internal Code of Conduct (the latter in the process of being updated, with a strengthening of the provisions on personal data protection).

Recently, updates have been made to the Guidelines on the protection of personal data of natural persons and the Corporate Rules for the processing and protection of personal data of natural persons, which outline the data protection compliance risk management model by laying down the general principles and defining the roles and responsibilities of the Bodies and corporate structures involved. In addition, they set forth the obligations required for processing and protection purposes and lay down the application of sanctions in the event of non-compliance with the provisions.

Failure to comply with external or internal privacy protection regulations by an authorised data processor shall result in the activation of a procedure aimed at verifying the actual unlawful conduct. In the event of ascertained and unjustified violations, the Functions responsible for initiating disciplinary proceedings are always notified, a process which normally ends with the application of one of the measures provided for by the Disciplinary Code against the non-compliant entity.

The Group, having companies located in various EU and non-EU countries, complies with the provisions expressly set forth by local regulations on personal data protection.

Over the past year, the Group continued to monitor third parties both through the submission of self-assessment questionnaires to 115 suppliers and through on-site inspections on 12 suppliers. Overall, both activities recorded a positive outcome with most suppliers achieving a medium/high level of control. In 2024, greater priority and attention will be given both to those suppliers who did not fulfil the request to complete the questionnaire, and to those third parties who obtained a low level of control within the scope of the self-assessments and on-site inspections.

The awareness-raising activities aimed at the Group's employees and related to data protection issues continued through the delivery of mandatory training courses in e-learning mode and the provision of new modules to enable personnel to learn about regulations with a practical approach and to be continuously updated.

The privacy policy was restyled in order to ensure greater clarity and transparency, including with the aid of special graphics that facilitate usability and understanding thereof. The document, published on the website [1], specifies that Intesa Sanpaolo implements personal data processing solely for the purposes described and expressly stated in the same policy, made available to the data subjects. No processing will be carried out for secondary purposes not expressly stated.

In relation to the processing of personal data for marketing purposes, the free, explicit and unequivocal consent of the data subject is required; if the data subject refuses such consent or does not select any option, the data collected will not be processed and used for that purpose under any circumstances.

In terms of planning activities, the birth of Isybank entailed the fulfilment of regulatory requirements related to data protection aspects and the simultaneous start of the targeting of privacy processes and safeguards, which will continue in 2024.

The new integrated platform that will enhance controls on the Record of Processing Activities and the main corporate privacy processes continued to be developed. The development, testing and fine-tuning will continue until 2025.

In relation to the activities carried out in the international scope, the guidance, coordination and control activity continued in relation to the EU Companies with special meetings being held for the presentation of privacy processes, discussion about relevant issues, transmission and analysis of periodic information flows. In the context of the non-EU scenario, controls on the international branches that carry out a higher number of personal data processing activities were enhanced to reduce the risks of non-compliance and strengthen their governance.

This year, at the end of the preliminary proceedings of the various local authorities on personal data protection, the Intesa Sanpaolo Group received a financial penalty of 21,000.00 euro and 2 non-financial penalties consisting of formal warnings.

With regard to requests received from customers regarding personal data protection, in Italy 188 reports were received in 2023 for alleged instances of non-compliance (159 of which related to Intesa Sanpaolo S.p.A.) and 16 requests (9 of which for complaints from customers and 7 for information/documentation requests) from the Italian Data Protection Authority regarding companies belonging to the Group, for which the necessary responses were given.

In 2023, 142 cases (75 of which related to Intesa Sanpaolo S.p.A.) of loss or theft of data of customers of the Group (Data Breach) were assessed in Italy, 133 of which (68 related to Intesa Sanpaolo S.p.A.) were not found to pose a risk to the rights and freedoms of the data subjects and therefore reporting to the Italian Data Protection Authority was not necessary. For the remaining 9 cases (7 related to Intesa Sanpaolo S.p.A.) it was deemed necessary or prudential to proceed to notify the Italian Data Protection Authority; out of these, 2 cases (1 related to Intesa Sanpaolo S.p.A.) were also notified to the data subjects.

The international Companies established in the European Union reported a total of 87 incidents/events of alleged personal data breach, of which 10 were reported to local authorities, while for the remaining 77 the local Data Protection Officers did not detect a risk to the rights and freedoms of the data subjects so reporting the respective Data Protection Authority was not necessary.

## COMPLIANCE WITH LABOUR LAWS

Consistent with the commitment set out in the Code of Ethics for the development of a working environment permeated by mutual trust, loyalty and enriched by the contribution of each person, the management model in this area is based on national and second-level (Group) collective bargaining agreements. Compliance with these rules, in addition to the legal provisions, is instrumental to improving the working environment, with a view to continued growth in the quality of relations between the Company and its personnel and customers. Thus, they have the goal of asserting the need for a transparent and sustainable work organisation, with clear operational responsibilities at the various levels to continuously ensure compliance with the rules and the prevention of non-



compliant behaviour, identifying measures that ensure the effective encapsulation of company objectives and worker expectations in terms of the working environment and internal relations. Responsibility for management, and consequently also for monitoring the effective application of the trade union agreements, is assigned to the Labour Affairs and Policies Head Office Department. The protocol for Labour Relations identifies the methods to enable joint research between the Company and Trade Union Organisations on solutions to improve the well-being of the Group's people and make a positive contribution to productivity with advanced and innovative responses in the area of pensions, assistance and services for families, education and an improved work-life balance.

In general, the number of labour lawsuits is small: 54 cases (24 of which from employees in service) for violations of labour law were reported in 2023 and 55 cases were closed. The main types of ongoing litigation concern deskilling, appeals against dismissal and disciplinary sanctions, higher job positions, and termination of the employment relationship (sale of business unit – Intrum). In 2023, there were no reports of lawsuits exclusively relating to mobbing involving Group's current employees.

There is no evidence of cases of discrimination that have led to investigations for measures to be issued under formal procedures or processes. With regard to the reports relating to the "Rules for combating sexual harassment", the inter-functional working group set up for the management of potential cases of this kind was activated on 10 occasions.

In this regard, the training initiatives on the subject of "Rules for combating sexual harassment" also continued.

Ongoing monitoring was also carried out on compliance with the rules laid down by the Group Internal Code of Conduct, with the Control functions conducting specific investigation activities in the presence of situations of alleged irregularity; in cases where the existence of irregular behaviour was actually ascertained, the required disciplinary procedures were initiated.

A working group was also set up between the Legal Service and Labour Consulting Offices and the Industrial Relations Office with the task of analysing employee requests that impact on the application of the Group Internal Code of Conduct.

The Labor Procedures Office supported an initiative to disseminate the Risk Culture initiated by the Audit functions within the Corporate structures.

In agreement with the International Subsidiary Banks Division, the roundtable discussions for the alignment of the Internal Code of Conduct with local regulations in order for the text to be implemented also by International Subsidiary Banks continued to be held. Furthermore, similar transposition and harmonisation activities continued with the international companies managed by the IMI Corporate & Investment Banking Division and by Fideuram – Intesa Sanpaolo Private Banking.

Concurrently, the Group Internal Code of Conduct continued to be monitored and reviewed with the aim of updating its text, also in light of the legislative changes introduced:

- by Legislative Decree No. 104 of 27 June 2022 implementing Directive (EU) 2019/1152 of the European Parliament and of the Council of 20 June 2019 on transparent and predictable working conditions in the European Union (the so-called Transparency Decree) which, in terms of "multiple employments", led to a substantial rewriting of Article 4 of the Code on "activities and assignments outside the professional sphere", expanding the possibilities of carrying out another work activity, unless this is in conflict of interest with the main employer, prejudicial to the worker's health (also with respect to the legislation on rest periods), or incompatible with the need to guarantee a public service;
- by Italian Legislative Decree No. 24 of 10 March 2023 implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of regulatory provisions (so-called Whistleblowing);
- by the new Intermediaries Regulations for Financial Advisors, both employees and non-employees, to which reference is expressly made for specific cases.

The Group then continued to take into account the recent changes in terms of work organisation (so-called Next Way of Working), the increasing impact of some issues, such as Diversity, Equity & Inclusion, or Cybersecurity and, in terms of work tools, it introduced the explicit prohibition of using tools or procedures other than those provided or authorised by the Company, so as to ensure the constant tracking of the activities in compliance with specific regulations on record keeping. In addition, after more than three years of application of the new text, the update also offered the opportunity to incorporate some ideas for integration/improvement drawn from practical experience and suggested by different functions.

## AUDITS

The planning of Audits is coordinated by a specific internal structure, which supports the Chief Audit Officer in setting and assigning short-to-medium-term objectives and plans to the Auditing Responsibility Centres, which are internal structures focused on specific functions of the Bank or Group Companies (e.g. head office functions, ITC, branch network, product companies, etc.) rather than on cross-cutting risk areas. The planning activity takes into account the findings from risk analysis, the requests from the Company Management and Control Bodies, and from Top Management, as well as the obligations arising from external regulations and instructions from the Supervisory Authorities. In terms of timing, it is divided into:

- Multi-year Strategic Planning: in line with the company's strategic guidelines;
- Annual Operational Planning: Annual Audit Plan, subject to approval by the Bodies;
- Quarterly Operational Planning.

Within the Chief Audit Officer structures, the Audit Global & Strategic Risks Head Office Department is also responsible – among other things – for the transversal monitoring of risks related to ESG issues.

As required by international standards, the Internal Audit Department is subject to an external Quality Assurance Review (QAR) on a regular basis. The most recent one ended in the first half of 2022 with the confirmation of the highest possible rating ("Generally Compliant"); the next is scheduled in the second half of 2024. The external evaluator highlighted the continuous development and growth process of the Function as well as increased effectiveness in comparison with the results of the previous QAR and with the international best practices. In addition, on an annual basis, the Internal quality assurance and improvement plan is prepared, which is included in the Annual Plan submitted for approval to the Corporate Bodies.

At the international level, the audits are structured in such a way as to ensure the direct monitoring of Intesa Sanpaolo's international branches, in addition to guaranteeing supervision of the Central Structures and the Banks and Companies of the International Subsidiary Banks, Private, Asset Management, and IMI Corporate & Investment Banking. The Parent Company's dedicated Offices ensure governance of the activities carried out by the local audit units and, where necessary, direct audits of the Banks of the International Subsidiary Banks Division and the Insurance Division.

In 2023, 268 Risk Areas were identified in the Central Structures, Banks and Group Companies and analysed, with the completion of 407 audits (67 of which "extraordinary", originating from specific requests of Corporate Bodies, Supervisory Authorities or from events/circumstances occurring after the completion of the annual planning<sup>(6)</sup>). The overall residual risk for the Group (Q-Factor) determined at the end of 2023 through the audit methodology was found to be in the acceptable range and the mitigation measures in support of the key points reported by Audit during the various activities are monitored through the "Tableau de bord" and "Repository" tools until their resolution.

In 2023, 96 audits were reported as significant pursuant to Legislative Decree 231/2001 by the Parent Company's audit structures; 4 of these (equal to approximately 4%) concerned the risk of corruption, impacting 3 Governance Areas/Divisions/Legal Entities.

In the ESG area, the 2023 audit activity consisted mainly of an Audit programme (7 audits) focused directly on issues relating to the analysis of the evolution of Governance (Third Pillar disclosure preparation process, with a focus on ESG factors) and of the ESG framework (ESG impacts in supply chain management; issuance of green bonds on behalf of third parties; integration of "Sustainable and Responsible Investments" (SRI) principles and ESG factors in investment processes, for the Fideuram Intesa Sanpaolo Private Banking scope; Own Emission Plan; "Per Merito – Studio Si" Loans; integration of ESG issues into the market and counterparty risk framework). In addition, the "ESG related" audits were completed, which mainly focused on other aspects, but also included analyses on ESG issues (Consistency of credit strategies with sectoral trends; monitoring of the quality of the loan portfolio with reference also to ESG indicators and compliance with the principles and values of the Code of Ethics; Single adequacy model, Consob 2021 inspection follow-up and advanced advisory services for the Private Banking Division) and other initiatives that more marginally touch on environmental, social and governance issues relating to the Code of Ethics (see page 58). The different audit activities revealed an appropriate level of residual risk. The additional initiatives activated during 2023 by the Chief Audit Officer's structures also include the SAIL (Strategic Audit Innovation Line-up) programme to support the evolution of audits over a 2022-2025 time horizon of the plan. As part of this programme, the "Audit for Future" project developed internal initiatives with a social, environmental and diversity & inclusion impact for 2023 as well, including the "CAO4FOOD" and "CAO4HEALTH" initiatives, aimed respectively at the distribution of meals and medicines to people in need, and the gender orientation initiatives carried out in collaboration with the Parks association.

<sup>(6)</sup> In addition, 4 audit activities that were in progress as at 31/12/2022 were completed, while 3 further activities, in progress as at 31/12/2023, will be completed during 2024. Finally, 7 initially planned activities were not activated due to a change in scheduling requirements.

## WHISTLEBLOWING

The Group has adopted an internal system for reporting breaches (whistleblowing) of both European and national regulations, which harm the public interest or the integrity of Intesa Sanpaolo and the Group Companies (for example: administrative, accounting, civil or criminal offences; unlawful conduct pursuant to Legislative Decree 231/01; rules governing banking activities, internal policies and/or procedures of the company or conduct that gives rise to conflicts of interest) and that are identified within the workplace. The whistleblowing process was updated in July 2023, following the entry into force of Legislative Decree 24/2023. Any authorised parties (employees, collaborators, suppliers, consultants, etc.) who suspect that a violation has occurred or may occur, may submit a report through specific channels available 24 hours a day (e-mail or voice messaging), available on the Group's website [i] and on the Bank/Company's intranet portal, providing a detailed description of the circumstances and behaviours deemed to be in contrast with the regulations, using the Italian/English language (international language of reference), or that of the country of origin. The Bank puts in place appropriate safeguards vis-à-vis all those involved, ensuring the confidentiality of the information received and the identity of the whistleblower, in order to protect them from any possible retaliatory or discriminatory conduct resulting from the report. The Chief Audit Officer is the structure in charge of ensuring that the process is carried out correctly. In 2023, 30 reports were received on the Parent Company's Ordinary Channel, of which 1 was judged not pertinent, whereas 29 resulted in the launch of specific investigations. Dedicated whistleblowing channels are also active at the Group's International Subsidiary Banks, which received 8 reports, 4 of which were judged not pertinent.

As required by the process, all the reports were processed, activating the competent company functions for the relevant verifications and assessments, as well as for any risk mitigation measures.

## DISPUTES AND FINES

As at 31 December 2023, there were a total of about 11,000 disputes (in addition to around 23,400 "serial" disputes at the International Subsidiary Banks, which overall account for a very limited remedy), other than tax disputes, at Group level for a total remedy<sup>(7)</sup> sought of around 3,300 million euro. This amount includes all disputes for which the risk of a disbursement of financial resources resulting from a potential negative outcome has been deemed possible or probable and therefore does not include disputes for which risk has been deemed remote.

At Group level, at the end of 2023 the total value of the claim for tax disputes (tax, penalties and interest) is 155 million euro, sharply down from the 219 million as at 31 December 2022.

With regard to compliance with environmental regulations, for damage caused to the environment as a result of the Bank's operations and in relation to health and safety, over the last three years, no significant reports emerged and no fines were imposed (see page 276).

With regard to labour litigation, at the end of December 2023 there were no significant disputes from either a qualitative or quantitative standpoint.

For information on the legal risks and the most significant civil, administrative and penal lawsuits, please refer to the Consolidated Financial Statements (see pages 561-580) [i].

Following the reform of civil proceedings in the context of the so-called Cartabia Reform referred to in Legislative Decree No. 149 of 10 October 2022, Mediation (as an activity carried out by a third party to promote an amicable solution to the dispute) was strengthened, thereby becoming one of the main dispute settlement tools and the ideal venue for the amicable settlement of claims. Intesa Sanpaolo has always considered the opportunities offered by mediation carefully. In this regard, in the first half of 2023, the Legal Affairs Head Office Department handled a number of cases equal to 589 mediations, participating in 59.3% of them and reaching a settlement agreement in 25.5% of the proceedings, thus recording better data than those recorded in the system equal to 7%<sup>(8)</sup>. Considering the entire year 2023, out of a total number of mediations equal to 1,126, participation stood at 66% and an agreement was reached in 27.2% of cases.

<sup>(7)</sup> The figures for the remedy sought do not include claims of indeterminate value, i.e. those that do not contain a specific financial claim when the dispute is initiated; the value of these disputes is determined during the course of the proceedings when sufficient information emerges for the valuation.

<sup>(8)</sup> Source: Ministry of Justice – Statistics for 2023 (period 1 January – 30 June 2023).