Intesa Sanpaolo S.p.A - Climate Change 2022

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

The Intesa Sanpaolo Group (ISP), with a capitalisation of 35.6 billion euro (as at 30 June 2022), is one of the leading banking groups in Europe and the driver of sustainable and inclusive growth, with a firm ESG commitment including a strong focus on climate. The ISP Group is the largest banking group in Italy, with 13.5 million customers and over 3,700 branches and is the leader in financial operations for households and businesses in Italy. Intesa Sanpaolo has a strategic international presence, with roughly 1,000 branches and 7 million customers, including subsidiary banks operating in commercial banking in 12 countries in Central/Eastern Europe and in the Middle East and North Africa.

ISP is aware that a large banking group has a significant influence in terms of environmental and social sustainability, both in the short and long term, backing the fight against climate change, helping the transition to a low carbon economy and providing support towards a sustainable economy with dedicated financial products and services and through an activity of client engagement and training. Environmental protection and attention to climate change are therefore key dimensions of ISP's strategy.

The long-term attention to environmental, social and climate-related issues is also expressed through the participation in a series of national and international initiatives and has led over the years to adhere to numerous international standards, amongst which the UNEP FI, the related PRB and the TCFD. ISP's first TCFD Report, drafted according to the Recommendations, was published in 4Q2021. Again in 4Q2021, Intesa Sanpaolo decided to adhere to the Net-Zero Banking Alliance (NZBA), the Net-Zero Asset Managers Initiative (NZAMI) – through Eurizon Capital SGR and to the Net- Zero Asset Owner Alliance (NZAOA) and the Net-Zero Insurance Alliance (NZIA) through the Intesa Sanpaolo Vita Insurance Group. ISP in its Business Plan strengthened among others the focus on climate and environmental initiatives, stating its commitment to net-zero for its own emissions by 2030, and setting, over one year ahead of the NZBA deadline, 2030 targets with respect to 4 identified high-emitting sectors (Oil & Gas, Power Generation, Automotive and Coal mining), covering over 60% of ISP's non-financial corporates' portfolio financed emissions in the sectors identified by the NZBA. ISP's commitment will also extend to protecting and restoring natural capital, planting more than 100 million trees over the four-year Plan horizon - directly as a Group or with dedicated financing for its clients – and through the adoption of a specific policy on biodiversity.

The Business Plan moreover confirms Intesa Sanpaolo's active support to individuals and businesses committed to reducing their environmental footprints, through the further promotion of green products and services. ISP has announced, within a total of over 400 billion of new lending available over the NRRP (National Recovery and Resilience Plan) horizon, a total of 76 billion euro to finance green and circular economy (the latter with a dedicated plafond of 8 billion euro over the period) and the ecological transition and 12 billion to finance green lending to individuals (mainly mortgages). Further issuances of bonds under the Bank's Green, Social and Sustainable Framework are expected during the course of the Plan.

As concerns 2021 results, the year showed a strong acceleration in environment-linked financing. The Group disbursed over 8.7 billion euro in green and circular loans, equal to 11.3% of all Group's loans, of which 5.5 billion euros in new loans to the Circular Economy.

In 2021, ISP also took further measures in the fight against climate change through the update of its coal policy that envisages, for coal mining, a phase out by 2025, and the adoption of a new policy for the unconventional oil & gas sector with, among others, a commitment to phase out the Group's exposure to transactions envisaged in the policy by 2030.

Also, in 2021, thanks to the Green bond issue effected in March, the Green Bond Ratio, the percentage of outstanding green bonds at the end of the year out of the total amount of outstanding Senior Preferred and Covered Bonds intended for institutional investors (five-year moving average), increased to approximately 8% (3.6% in 2020).

ISP's commitment to sustainable finance is recognized by market participants and reflected in its positioning in the main ESG indices and rankings: among others, Intesa Sanpaolo is the only Italian bank listed in the Dow Jones Sustainability Indices.

In CDP 2022, 2019 and 2020 emissions data are restated due to the 2020 merger with the UBI Banca Group.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2021	December 31 2021	Yes	2 years

C0.3

(C0.3) Select the countries/areas in which you operate.
Albania
Bosnia & Herzegovina
Brazil
Croatia
Egypt
Hungary
Ireland
Italy
Luxembourg
Republic of Moldova
Romania
Russian Federation
Serbia
Slovakia
Slovenia
Ukraine
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.
EUR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.
Financial control

C-FS0.7

(C-FS0.7) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?

	Does your organization undertake this activity?	Insurance types underwritten	Industry sectors your organization lends to, invests in, and/or insures
Banking (Bank)	Yes	<Not Applicable>	Exposed to all broad market sectors
Investing (Asset manager)	Yes	<Not Applicable>	Exposed to all broad market sectors
Investing (Asset owner)	No	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	No	<Not Applicable>	<Not Applicable>

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	IT0000072618
Please select	<Not Applicable>

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?
Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	Risks and opportunities arising from climate change are supervised by the Board of Directors (BoD), which approves the strategic guidelines and policies on ESG matters, with the support of a Committee internal to the Board, the Risks and Sustainability Committee (the Risks Committee was renamed Risk and Sustainability Committee in 2022, as the consequence of the further strengthening of its powers on the subject of sustainability). The Risks and Sustainability Committee assures the best supervision of risks and guidance on the internal control system in this area. It pays special attention to activities that enable the BoD to come to a fair and efficient determination of the Risk Appetite Framework – which includes a statement on climate risk - and the risk governance policies. It assists the BoD in the approval of the Code of Ethics and in the review of Environmental Social and Governance matters, including climate change. It reviews the draft of the Consolidated Non-Financial Statement in view of its presentation to the BoD. The BoD approves the Code of Ethics and its updates, ESG strategies and policies, the CNFS with climate targets and other reporting as the TCFD Report. With the support of the Steering Committee (which includes the first organizational line of the bank), the Managing Director and CEO submits the definition of strategic guidelines and ESG policies, including the fight against climate change, to the relevant Board Committees and the BoD. The BoD then approves the strategic guidelines and policies on sustainability with the support of the Risks and Sustainability Committee, taking into account the objectives of solid and sustainable creation and distribution of value for all stakeholders, including the environment. The Steering Committee meets at least every quarter to examine sustainability matters, including the fight against climate change. A climate related decision made in 2021 by the Risks and Sustainability Committee (Board-level committee): The Committee has examined and expressed its favourable evaluation on the proposed Rules for lending operations in the unconventional oil&gas sector and the update of the Rules on lending operations in the coal sector, before approval by the BoD. These rules define the limitations and exclusion criteria for ISP's credit operations in the unconventional oil&gas and in the coal sectors.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Climate-related risks and opportunities to our investment activities Climate-related risks and opportunities to our insurance underwriting activities The impact of our own operations on the climate The impact of our banking activities on the climate The impact of our investing activities on the climate	The Risks and Sustainability Committee periodically reviews the approach and the progress of processes and activities related to ESG matters, including climate change issues. To this end, the ESG&Sustainability department periodically meets with the Risks and Sustainability Committee internal to the BoD to agree upon the approach and report on the progress of processes and activities related to sustainability and non-financial reporting. During these meetings several climate issues are discussed, including the risks and opportunities arising from climate change, with regards to the different business lines of the Group, climate related financial and banking products, impacts and targets. In 2021, 25 meetings of the Board of Directors were held, 15 of which dealt with ESG issues including: the updating of the Guidelines for the governance of the Group's Most Significant Transactions; the 2020 Consolidated Non-Financial Statement pursuant to Legislative Decree no. 254/2016; the 2020-2021 Task Force on Climate-related Financial Disclosures Report; the Net Zero Commitment and the ECB Action Plan relating to the management of climate and environmental risks. Moreover, 52 meetings of the Risks and Sustainability Committee were held in 2021, 11 of which included ESG issues on their agenda. Within them, 6 items on the Agenda referred to climate change risks and the Commitment to Net Zero. Moreover, the Risks and Sustainability Committee examines within the monitoring provided for in the Risk Appetite Framework, the climate and ESG exposures. Finally, the Risks and Sustainability Committee examines at least twice a month the Climate and ESG Most Significant Transactions subject to the Reputational Risk Clearing process.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	All board members have competences on ESG issues, including climate change issues. According to the Groups' internal rules, the knowledge, the competences and the experience required to Board members in order to fully understand and monitor the Groups' strategies and risk management decisions shall also include ESG/sustainability risks. During the last assessment of Board members' competences, all Board members have declared to have ESG competences and more than one third of Board members have declared to have a good or distinctive level of specific competences on sustainability issues and their integration in the Bank's strategies. During 2021, specific induction sessions to Board members were held which touched on the following topics, among others: the evolution of ESG topics and the Intesa Sanpaolo Group's commitment as part of a dedicated programme (ISP4ESG); the evolution of ESG Reporting, Commitment to Net Zero and Task Force on Climate-Related Financial Disclosures Report 2020-2021. Please note that also in the Guidance that the outgoing Board of Directors of Intesa Sanpaolo provided to the Shareholders last March, to help them in the process of identifying the best proposals for the quantitative and qualitative composition of the new Board of Directors of the Bank, more than one third of Board members were required to have a good or distinctive level of specific competences on sustainability issues and their integration in the Bank's strategies.	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Financial Officer (CFO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities	Quarterly
Chief Risks Officer (CRO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our own operations	Quarterly
Other committee, please specify (Steering Committee - – composed of the first organisational line) *Steering Committee – composed of the first organisational line – meets quarterly to examine sustainability issues (ESG), including the fight against climate change.*	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our own operations	Quarterly
Environmental, Health, and Safety manager	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our own operations	Quarterly

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Among the non-financial KPIs for 2021, the CEO was assigned Social and Environmental Impact KPIs (Impact & ESG KPI) with a weight of 15%. The Impact and ESG KPIs are then applied within the organization, beginning with the CEO's first line, on the basis of the levers used by Risk Takers and the Middle Management. Specific KPIs are attributed to all the management and distribution networks and for the Investment Management cluster a corrective mechanism for the bonus is provided for, linked to the activity performed in terms of sustainability risks management. Moreover the Group's Energy manager and the Facility managers have specific incentives related to energy efficiency, emissions reduction, energy management and facility management. Overall, over 2,100 managers have ESG KPIs in the determination of their remuneration.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Company performance against a climate-related sustainability index	Among the non-financial KPIs for 2021, the CEO was assigned Social and Environmental Impact KPIs (Impact & ESG KPI) with a weight of 15%. These KPIs are evaluated according to specific drivers; among them: - support to the Green Economy and to the Circular Economy (YoY increase in loans to customers relating to Green / Transition Loans, Circular Economy Loans and Green mortgages). - Reduction of the loans towards ESG risk related sectors including fossil fuels - sustainable finance growth (lending), - growth in sustainable investments (assets under management); The ESG KPIs are then applied within the organization, beginning with the CEO's first line, on the basis of the levers used by Risk Takers and the Middle Management.
Energy manager	Monetary reward	Emissions reduction project Energy reduction project Energy reduction target Efficiency project Behavior change related indicator	The energy manager is in charge of monitoring the most significant impacts of energy consumption; preparation of energy balance; guidelines to identify improvements in line with best practices; identification of optimisation activities, in particular in terms of purchases and management, to ensure the reduction in energy consumption, other resources and goods and waste; proposal of new technologies, solutions and products with lower environmental impact, based on cost-benefit analysis, to increase eco-efficiency. Her reward is directly based on reducing ISP's carbon footprint. Annual incentives consider overall performance including qualitative aspects (behavioural skills, competencies level and annual results, compared with objectives). Activity incentivized: Energy reduction project; Emissions reduction project; Emissions reduction target; Efficiency project
Facilities manager	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Efficiency project	Teams responsible for facility management are incentivized and assessed to successfully implement activities and initiatives that support energy efficiency and the reduction of CO2 emissions. Annual incentives consider overall performance including qualitative aspects (behavioural skills, competences level and annual results, compared with objectives). Activity incentivized: Energy reduction project; Emissions reduction project; Emissions reduction target; Efficiency project
All employees	Monetary reward	Behavior change related indicator	Sustainable mobility. To facilitate employees commuting to reach the Bank's premises in areas not served by public transport in Turin/Moncalieri, Milan/Assago and Padua/Sarmeola di Rubano, ISP offers free shuttles, thereby reducing commuting costs paid by employees and reducing CO2 emissions. At the Bank of Alexandria (Egypt), a shuttle service to Cairo and Alexandria is available. Moreover, in the cities of Florence, Turin, Milan, Venice, Bologna, Rome and Padua employees can request annual season tickets to public transport directly from their workstation, avoiding trips and queues at the counters and taking advantage of discounts. ISP Group has developed in sharing services (car, mopeds, scooters and bicycles). In Italy, ALI - the Intesa Sanpaolo employees' association - has entered into agreements with the main networks in a number of cities. ISP incentives micromobility through various initiatives, such as the possibility of parking foldable bicycles and/or scooters in company spaces, a plan to install racks for the parking of traditional and electrically assisted pedal bicycles, and dedicated contributions by the Employees' Association (ALI). COMPANY CARPOOLING The service, which initially started as a pilot project, has been available to all employees in Italy since October 2019. Other forms of car sharing have been implemented in Intesa Sanpaolo Bank Albania, CIB Bank (Hungary), Banca Intesa Beograd (Serbia), Pravex Bank (Ukraine), Intesa Sanpaolo Bank Romania, Intesa Sanpaolo Bank Slovenia, Intesa Sanpaolo Banka Bosna i Hercegovina and in VÚB Banka (Slovakia). In addition, in 2018 CIB Bank signed a contract for the use of car sharing using only electric cars.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG criteria, including climate change?

	Employment-based retirement scheme that incorporates ESG criteria, including climate change	Describe how funds within the retirement scheme are selected and how your organization ensures that ESG criteria are incorporated	Provide reasons for not incorporating ESG criteria into your organization's employment-based retirement scheme and your plans for the future
Row 1	Yes, as an investment option	As concerns ISP's Pension Fund, ESG criteria are important in the retirement schemes of ISP's employees, and therefore the Pension Fund has adopted an own ESG Policy which covers several investment options and will be gradually extended to all options. The ESG Policy is implemented through many approaches, among which the positive selection of investments according to environmental, social and governance criteria. The Fund monitors the portfolio Carbon footprint for all the assets under management. All the funds in the portfolio are actively managed and have a better ESG Rating and carbon footprint than the related benchmark. All the investment options are regularly analyzed and all the ESG KPIs are calculated and monitored by an ESG advisor. Engagement is considered as the right way to have a positive impact. The Fund is a signatory of UN PRI and a Supporter on Climate action 100+. ISP's Pension Fund is focused on climate change mitigation and the objective of positive impact in terms of the 17 SDGs goals. In 2019 it launched the "Futuro Sostenibile" fund, an ESG investment option that managed about 119 million euro at the end of 2021. The Futuro Sostenibile Fund has selected, through an RFP, a total of 4 funds with a specific ESG Focus, of which 3 Equity Funds classified as Article 9 regarding Reg Ue 2088/19 (SFDR) and one bond fund classified as article 8. The Equities Funds selected have a specific target on positive impact and one of these aims also to support climate change adaptation through solutions on infrastructures, water waste, agriculture resilience, aquaculture and forestry resilience. One of the art. 9 equity funds is focused on Climate change and aims to mitigate the emissions thanks also to renewable energy and energy efficiency solutions and sustainable agriculture.	<Not Applicable>

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	2	0 = current
Medium-term	2	5	
Long-term	5		Own emissions Plan foresees long term targets on GHG emissions reduction up to 2030. ISP also established over one year ahead of the NZBA deadline, 2030 targets with respect to 4 identified high-emitting sectors (Oil & Gas, Power Generation, Automotive and Coal mining), covering over 60% of non-financial companies' portfolio financed emissions in the sectors identified by the Alliance. In 2021 Intesa Sanpaolo underlined the strategic importance of climate change by setting itself the target of achieving net-zero emissions by 2050 in terms of own emissions and in terms of loan and investments portfolios, asset management and insurance, and joining the related initiatives launched by UNEP FI.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

ISP, for Climate Change issues, considers substantive financial impacts, those that can affect, due to their severity, a number of business units, business continuity, stakeholders concern, asset impairment, reduction in profits and therefore produces a financial impact on the profit and loss account and balance sheet. The event can have a significant financial impact because of one of each aspect or for the combination of more than one. A substantive financial impact is defined for operational risk as losses exceeding 8,000,000 euro accounted over a period of twelve months and related to a single event. Operational losses are cross-checked with the general ledger accounts and are monitored within the operational risk management framework: the loss data collection process gathers and stores in a central database information on operational losses that exceed 3,000 euro each.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
With specific reference to the risk management of its operations Intesa Sanpaolo, in managing operational risks, considers the possible adverse impact of climatic and environmental events on its premises, on business continuity as well as on the legal risk (so-called 'litigation risk') and it identifies the operational events related to climatic and environmental risks within the Loss Data Collection process. In the Operational Risk Assessment process, it evaluates, through specific risk scenarios dedicated to climate and environmental risks, possible losses deriving from premises' damage, possible interruptions to its operations and any legal liability. To protect business continuity, ISP assesses the impact of physical risks associated with IT centers and sites (including outsourced IT services), identifying alternative locations in the event of disaster recovery. Intesa Sanpaolo is committed to analysing and containing possible risks on its properties as well as taking immediate action in the event of environmental disasters. The Risk Assessment Document, which evaluates risks to workers' health and safety (Italian Legislative Decree 81/2008), also assesses hydrogeological risk due to flooding and landslides. The hydrogeological risk assessment of buildings is conducted both as a preventive measure and also following external events with a view to ensuring that the buildings involved meet all safety standards. Based on the provisions of the Italian Higher Institute for Environmental Protection and Research (ISPRA), which divides the territory into 5 hazard classes (very high P4, high P3, medium P2, moderate P1 and attention areas AA), more than 1,000 Intesa Sanpaolo buildings in Italy are subject to landslide and flood risk. For the Bank's assessment of flooding, the benchmark is based on the level of danger associated with a floodable area, and depends on the probability that the area can be flooded. With regard to landslides, on the other hand, the benchmark is also based on the level of danger (from P1 to P4) associated with an area subject to landslides, but depends on the relationship between the probability of occurrence of the event and its magnitude taking into account both the speed of the landslide's movement and the extent of its spread over the area. These assessments, together with the daily analysis of Arpa's (the Italian Regional Agency for Environmental Protection) weather alert bulletins and the bulletins of the Department of Civil Protection on critical national and regional issues, enable the Intesa Sanpaolo Group in Italy to implement actions that take account of the effects of critical events connected with natural phenomena deriving from climate change, making it possible to manage different potential risk scenarios, indicated in ISP's Emergency Plans, in order to mitigate and reduce their potential damage, particularly with regard to workers and Stakeholders. The inspections on a sample of selected properties in areas of greater hydrogeological risk continued in 2021. This project was carried out with the aim of validating the methodology for the definition of a vulnerability index for the Bank's properties that can be used to identify priority action and analysis criteria in the event of emergency situations. Based on the results of these inspections, possible intervention measures to make the buildings safe are then identified in order to prevent the occurrence of potential risk situations. In addition, the tide bulletin is periodically consulted on the Venice branches affected by the "high tide" phenomenon emergency due to the rise in tide levels so as to allow prior notification to the competent structures for the activation of the procedures laid down in the specific Emergency Plans. In addition, a project was launched to update the specific risk analysis based on the implementation of the MOSE (Experimental Electromechanical Module) system in the municipality of Venice. In general, with regard to all direct risks related to climate change, in Italy the CEM (Critical Events Management) is activated when the first bad weather alert is issued. CEM guarantees the continuous and precise monitoring of the situation and supports the overall coordination of the actions agreed to by the territorial structures, in constant connection with the relevant central structures. In the case of very serious disaster situations, the Emergency Management Operations Centre of the Business Continuity Management Department is also activated, which monitors the situation and assesses whether to close facilities temporarily and to take any additional action. In order to ensure business continuity in the areas most affected by the inclement weather, the crisis delegates of local and central structures are also activated for timely reporting of critical situations, with particular regard to delays in the transport of valuables and correspondence, difficulties for personnel in reaching their workplaces, operational issues and problems with branch physical plant. The Context Analysis of the three schemes of certification for the Integrated Environment, Energy, Health and Safety Management System, aligned with the UNI EN ISO 14001:2015, UNI CEI EN ISO 50001:2018 and UNI ISO 45001:2018 standards, also took account of the risks connected with climate change. Some areas were identified, including environmental and security regulations, environmental and climatic conditions, credit access and financial inclusion, real estate, plant efficiency and maintenance, internal communication tools, for which the expectations of stakeholders were assessed, highlighting for each one strengths and weaknesses and ongoing or possible actions to mitigate a potential risk. For all highlighted risks, mitigation or risk acceptance actions were defined with the specific identification of the structures responsible for overseeing the actions according to a model that takes account of the value attributed to the impact and the probability of the risk occurring. Moreover, the mapping of the exposure of further physical risks from Climate change of all bank assets will also start from 2022 as set out in the Bank's Business Plan. A scoring of exposure to the climate risk of Intesa Sanpaolo buildings is expected to get underway and projections and simulations of forecasting scenarios are expected to be carried out. With reference to its supply chain, ISP has implemented a questionnaire to evaluate the reputational risk profile of suppliers and partners. In 2021, ISP has developed a specific questionnaire on ESG risks integrated with that on the reputational risk profile, in order to assess also specific environmental, social and governance information on suppliers.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Climate related risks deriving from current regulation are considered relevant by ISP because in the event of non-compliance with Italian and European regulation, ISP can be affected, e.g. possible fines, with financial and reputational impacts, procedural adjustment costs relating to the implementation of new processes, negative impacts on the possibility of implementing new products. Thus ISP monitors possible changes to Italian and European regulations and related compliance. The Chief Institutional Affairs and External Communication Officer Area is in charge of following the regulatory evolution and its impact on ISP with a focus on ESG regulation. In 2021 a centralized supervision of ESG/climate regulation at ISP's ESG Control Room was introduced with a process involving various ISP structures and a strong role of the Chief Institutional Affairs and External Communication Officer Area and Legal Department. For ex., since 2017 ISP aligned its sustainability reporting to European Directive regarding Non-financial Statement and art. 4 of Italian Leg. Decree 254/2016 requiring climate related disclosure. The potential financial impact of non-compliance with the decree (incl. disclosure of management, policies, risks, actions and environmental KPIs) involves the cost of administrative sanctions as well as a reputational cost. In 2021 the identification of material issues for the Consolidated Non-financial Statement focused on the Action Plan on financing sustainable growth (which is an essential part of the European Green Deal, also considering the role of financial institutions in the transition to a more sustainable economy) and on the related documents made available by the European Commission, in particular the Corporate Sustainability Reporting Directive (CSRD) proposal, the EBA Guidelines on ESG Reporting, the EU Taxonomy (and related disclosure obligations), the Sustainable Finance Disclosure Regulation (SFDR), the requirements arising from adherence to voluntary reporting standards (GRI standards, TCFD, SASB, PRB, the Stakeholder Capitalism Metrics developed by the WEF). In 2021, the Group also formalized its commitment to all Net-Zero alliances promoted by the UNEP FI. The ECB Guide on climate-related and environmental risks and the Loan Origination Monitoring regulation were also taken into account.

	Relevance & inclusion	Please explain
Emerging regulation	Relevant, always included	Climate related risks deriving from emerging regulation are considered relevant by ISP because in the event of non-compliance ISP can be affected (possible fines that can have financial and reputational impacts, procedural adjustment costs, negative impact on the implementation of new products and services). Thus it monitors emerging regulations through the Chief Institutional Affairs and External Communication Officer Area in charge of following the regulatory evolution and its impact on ISP. This is made by participating in national and international working groups and in public consultations launched by European institutions. In 2021 a centralized supervision of ESG regulation at ISP's ESG Control Room was introduced with a specific process involving various ISP structures and a strong role of the Chief Institutional Affairs and External Communication Officer Area. For example, ISP is evaluating with great attention the emerging regulation by the European Banking Authority and the European Central Bank which is expected to impact substantially ISP's processes, risk management and business strategy. ISP also participates in the EBF and UNEP FI's working group on the usability of the EU Taxonomy for banks assessing the extent to which the EU Taxonomy on Sustainable Activities could be applied to core lending products. In 2021, ISP participated in the consultation of the ECB and performed the self assessment and the action plan on climate and environmental risks . The evolution of European regulations on ESG reporting and sustainability, including the Corporate Sustainability Reporting Directive proposal, the EBA Guidelines on ESG Reporting, the EU Taxonomy (and related disclosure obligations), the Sustainable Finance Disclosure Regulation , the ECB guide on the management of environmental and climate risks, led ISP to launch, in August 2021, a project focused on Group ESG Reporting. The project pursues the ambitious goal of creating an integrated and transversal approach to Group ESG Reporting capable of addressing the new regulatory requirements and emerging best practices, involving several Group structures and companies. The first phase of the project focused on an overall gap analysis and on the definition of an action plan in relation to the evolution of ESG regulations and the frameworks and standards applied to ESG reporting which already had a first application in the fulfilment of the 2021 regulatory reporting requirements in the CNFS.
Technology	Relevant, sometimes included	Climate related technology risks, associated with technological improvements or innovations that support the transition to a lower-carbon, energy-efficient economic system, are considered relevant by ISP because in case of delays in scaling-up to new technological improvements ISP can be affected directly and indirectly (customers, suppliers), with possible financial impacts. ISP considers actions to advise clients on managing the transition towards a low-carbon economy. This is made also through the analysis of technological shifts - e.g. through the development of research projects in the environmental field, supporting businesses and customers in developing innovative ways of rethinking goods and services. ISP continues to pursue its Circular Economy project thanks to which numerous initiatives were carried out in 2021 to promote this model in various domestic and international locations. For the 2018-2021 period (Business Plan), ISP has established a plafond of 5 bn euro (increased by 1 bn euro in 2020), aimed at companies which adopt the circular model with innovative procedures, granting the best conditions for accessing credit. In 2021, disbursements from the plafond amounted to 5.5 bn euro (7.7 bn euro since it was launched). Support has been provided for numerous company projects for activities such as the replacement of critical and fossil fuel materials with recycled or organic materials, the reuse of urban organic waste for the production of biomethane and compost and the recovery of CO2, the revamping of renewable energy plants with the extension of their lifetimes and the increase in their production capacity, and the recovery of industrial waste for its reuse in new product lines. In the new business plan ISP announced that it will make available 8 billion euro dedicated to the circular economy (period 2022-2025). In 2018 ISP launched together with the Cariplo Foundation the Circular Economy Lab, the 1st Italian laboratory designed to generate value for ISP's business customers by developing research and circular innovation projects. Among the various projects, in 2021 the Circular Economy Lab, in collaboration with other partners, launched a national Hackathon on the Circular Economy, involving 25 universities, 8 businesses and 400 university students.
Legal	Relevant, always included	Climate related legal risks are considered relevant by Intesa Sanpaolo because in the event of litigation claims, ISP can be affected in different ways that can have reputational and financial impacts. ISP in order to guarantee complete and extensive compliance with legislative provisions regarding the environment in Italy and in the countries where the Group operates, constantly and precautionary monitors possible changes to Italian and European regulations in order to counteract negative legal implications from its activities. For example in Italy the Safety and Protection Head Office Department and the Energy manager ensure compliance with environmental and energy rules which, if not addressed, can lead to litigation claims. The possible legal implications linked to climate risk are also considered in the lending operations with corporate clients or SME clients and they are subject to careful consideration and analysis in the loan origination phase as well as in the risk assessment. In detail, the risk management framework defined by the Group considers the emergence of disputes related to critical climatic and/or environmental issues and their monitoring over time, such as: - liabilities and/or disputes relating to products placed by the Group (e.g. investments in products with a negative environmental impact, financing of companies with a high environmental impact); - social or environmental disputes related to the Group's business activities. In 2021 a centralized supervision of ESG/climate regulation at ISP's ESG Control Room was introduced with a specific process involving various ISP structures and a strong role of the Legal Department in order to evaluate the possible legal implications linked to climate regulation.
Market	Relevant, sometimes included	In managing market risk, Intesa Sanpaolo also assesses the effects of climatic and environmental factors on its current positions exposed to market risk. The Group: - analyses and monitors market prices and liquidity of financial instruments to identify possible evidence of climate and environmental risk factors; - analyses the impact of climate and environmental risks on the measurement of financial instruments at fair value, with particular focus on the main asset classes, payoffs and positions explicitly linked to climate & environment risk factors, as well as on future investments proposed by business units; - classifies current positions subject to market risk using ESG indicators available internally (e.g. ESG Sectoral Assessment, ESG Sectoral Strategy and ESG Score per counterparty) and externally (e.g. industry sectors), including through qualified providers. Climate related market risks are considered relevant by ISP because in the event of shifts in supply and demand for certain commodities, products, and services, ISP can be affected in different ways that can have both reputational and financial impacts. Market risks are integrated in the risks assessment with reference to operations, to the upstream phase and the downstream phase. With reference to operations, ISP evaluates the potential direct impacts on its premises in Italy and in the countries where ISP operates (i.e. through the exposure to unexpected shifts in energy cost). On the upstream side, to mitigate risks from unexpected shifts in energy costs, ISP implements actions such as signing contracts with electricity providers on a biennial basis instead of annual with so-called structured price contracts and initiatives to reduce electricity consumption. On the downstream side, ISP is impacted by market risk for example through the exposure to changing customer behaviour that ISP aims to intercept through the development of green economy and circular economy products and services. To mitigate the risk of a reduced customers' demand for green goods and/or services due to shift in consumer preferences, ISP advises clients about benefits deriving from investments in renewable energy. For example, through the Energy desk, composed of a team of professionals from the sector.
Reputation	Relevant, always included	Reputation risks deriving from climate (all risks tied to changing customer or community perceptions of an organization's contribution to or detraction from the transition to a lower-carbon economy) are considered relevant because when ISP is affected by a reputational issue, financial impacts can occur. ISP's reputational risk governance model envisages that management and mitigation of these risks is pursued: 1. through compliance with standards of ethics and conduct by all employees; 2. systematically and independently by the structures tasked with safeguarding the company reputation, which maintain relations with stakeholders, within their respective areas of responsibility; 3. across the various corporate functions, through the Reputational Risk Management processes coordinated by the Chief Risk Officer; 4. with an integrated monitoring system for primary risks (credit, operational, market risks) to limit exposure to those risks, and compliance with the related limits set in the Risk Appetite Framework. Within the Reputational Risk process ISP tries to capture risks associated with climate change that may result in additional costs for the Bank or its customers. As part of the Reputational Risk Management processes, of particular importance is ESG & Reputational Risk Clearing, aimed at the ex ante identification and assessment of potential reputational and ESG risks associated with the most significant business operations, the main Capital Budget projects and the selection of the Group's suppliers. As part of ESG & Reputational Risk Clearing, a risk class is assigned to transactions/counterparties that are potentially exposed to reputational and ESG and climate risks in order to support decision-making processes and allow the informed acceptance of risk. In 2021, a total of 262 loan transactions with corporate customers were authorised, 56% of which were classified as having a low or medium-low reputational and ESG risk level. Furthermore, within its reputational risk management process, ISP : - monitors its online reputation by integrating specific assessments of events related to environmental risks/climate change (e.g. events resulting from protests or adverse campaigns arising from the bank's lending activities); - considers specific scenarios related to ESG and climate issues in the list of scenarios assessed by senior management as part of the Reputational Risk Assessment process.
Acute physical	Relevant, sometimes included	Acute physical risks (event-driven risks, including increased severity of extreme weather events, as cyclones, hurricanes, or floods) are considered relevant by ISP because in the event it is affected by severe weather events there can be financial impacts on the Group properties or on customer activities. In particular there can be financial implications related to the increase of customers' probability of default for businesses seriously damaged by extreme atmospheric events or increased costs deriving from possible damages to the Bank's infrastructure. Acute weather events are part of ISP risk assessment. ISP makes a prior assessment of the hydrogeological risks and hydraulic risks of its buildings in relation to the territorial risk and the vulnerability of buildings. This allows for preventative actions in high risk locations. With regards to customer activities, in the corporate rating model, the physical risk component of climate change is analyzed and an ad hoc module, named CAT RISK, was developed in 2020, for climate risk related to domestic counterparties with a turnover less than 500 mln euro, assessing the risk of natural calamities potentially affecting corporate plants and equipment. The module investigates the degree of riskiness of the Italian territory at municipal level. Various factors related to physical risk have been analysed and 3 variables were included: fires, earthquakes and floods. The model identifies a specific impact on the company's credit standing. ISP also supports families and businesses affected by environmental disasters. In the insurance segment ISP offers "XME Protezione" insurance cover, which focuses on protection against natural disasters i.e. atmospheric events such as floods and cloudbursts. The coverage will reimburse up to 80% of the customer's property value. In 2021 scenario analyses and stress test methodologies were implemented, among them ISP developed an architectural and methodological framework, also meant to support the ECB's "climate stress test" performed in 1H 22. The framework includes acute effects like floods. ISP also published its case study in the UNEP FI paper "The Climate Risk Tool Landscape". The aim of the study is to investigate the effects deriving from the risk of flooding on a sample of ISP's mortgages portfolio in Italy (1,200 positions, located in 85 Italian provinces). Physical scenarios used were RCP 6.0 and RCP 8.5.
Chronic physical	Relevant, sometimes included	ISP is starting to consider "Chronic physical risks" such as changes in precipitation patterns and strong variability in weather patterns, rising average temperatures or rising sea levels. In particular Intesa Sanpaolo is aware that there can be indirect financial implications related to the increase of the probability of default of businesses suffering increased costs of production or reduced demand related to climate change events. Therefore, in the medium-long term Chronic physical risks can be considered relevant. For instance, rising average temperatures could have a significant impact on power and thermal consumption in ISP's premises. The potential financial implications of these risks are strictly related to the increase of electric energy consumption and associated costs. To mitigate energy consumption linked to heating Intesa Sanpaolo has identified targets and has installed temperature sensors that can provide the real time temperatures inside Bank's locations, which has allowed considerable savings. Moreover, Intesa Sanpaolo pays attention to the energy efficiency of its branches. The actions and measures to reduce electricity and thermal energy consumption continued in 2021 both in Italy and in the International Subsidiary Banks. The actions undertaken confirm that the Intesa Sanpaolo Group also assesses the potential risks connected with climate change that may influence the future management costs of the properties. Rising sea levels could have a financial impact on ISP, i.e. in Italy, where there are thousands of kilometres of coastal areas, the risk of sea level rise can be considerable in the long term. Furthermore, initiatives in 2021 were ongoing to implement scenario analyses and stress test methodologies, among them ISP developed an architectural and methodological framework, also meant to support the ECB's "climate stress test" of the ECB performed in the 1H 2022. The framework includes chronic effect like droughts and heatwaves.

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio’s exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Explain why your portfolio's exposure is not assessed and your plans to address this in the future
Banking (Bank)	Yes	<Not Applicable>
Investing (Asset manager)	Yes	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio’s exposure to climate-related risks and opportunities.

	Type of risk management process	Proportion of portfolio covered by risk management process	Type of assessment	Time horizon(s) covered	Tools and methods used	Provide the rationale for implementing this process to assess your portfolio's exposure to climate-related risks and opportunities
Banking (Bank)	Integrated into multi-disciplinary company-wide risk management process	85	Qualitative and quantitative	Short-term Medium-term Long-term	Portfolio temperature alignment Risk models Scenario analysis Stress tests Internal tools/methods External consultants	Two methodological approaches have been chosen: the first one is based on the assessment of exposure concentration of credit portfolio. Thus, according to a materiality assessment of ESG risk factors on business sectors, the Bank has analysed its exposure to ESG risks; this assessment has been developed internally, with the support of an external consultant. On the basis of the described approach, some sub-sectors have been classified as high transition risk and ESG risk; at 31/12/2021 the share of the loan portfolio so classified is in any case less than 20% of the total portfolio in the perimeter (high transition exposures are around 15% of the total portfolio in perimeter). Within this assessment, the positive impact of business activities in terms of ESG perspective has been also analysed. That allows to identify specific ESG /sectoral strategy in order to incentivize (when risks are low and benefits high) or disincentivize (when risks are high) the credit strategy. The other approach is based on customers data and external provider data as baseline of the stress test analysis that the ECB launched in order to assess the bank's vulnerability to climate and environmental events. Within the exercise the Bank computes one metric to evaluate income from greenhouse gas emissions intensive industries and another metric to assess financed emissions for non-SME customers and non-financial counterparties following scope 1,2,3 definition. Then a bottom up test projection has been made according to NGFS scenarios on the short term (3 years) and the long term (30 years) for transition risk and 1 year projection for physical risk.
Investing (Asset manager)	Integrated into multi-disciplinary company-wide risk management process	100	Qualitative and quantitative	Short-term Medium-term Long-term	The Transition Pathway Initiative (TPI) Scenario analysis Internal tools/methods Other, please specify (MSCI ESG Manager tool)	In line with the obligations envisaged in Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector, Eurizon Capital has defined specific methodologies to select and monitor financial instruments aiming at integrating sustainability risks in the Managed Assets Investment Process. Eurizon Capital SGR has adopted the following SRI/ESG strategies: • SRI Exclusions and restrictions (SRI Binding screening) applicable to issuers operating in sectors considered "not socially responsible". Issuers operating in sectors considered “not socially responsible” are (i) companies with an evident, direct involvement in the manufacture of unconventional weapons (Antipersonnel mines; Cluster bombs; Nuclear weapons; Impoverished uranium; Biological weapons; Chemical weapons; Non-detectable fragment weapons; Blinding lasers; Incendiary weapons; White phosphorous) (ii) companies that derive at least 25% of their turnover from mining or electricity production activities linked to thermal coal or (iii) companies that derive at least 10% of their turnover from the extraction of oil sands. • ESG exclusions and restrictions (ESG Binding screening) applicable to "Critical" issuers, defined as those companies characterized by a higher exposure to environmental, social and corporate governance risks. Critical” issuers are defined as those companies characterised by a higher exposure to environmental, social and corporate governance risks, that is, with a lower ESG sustainability rating level (equal to “CCC” assigned by the specialised infoprovider “MSCI ESG Research”) in the equity and bond investment universe; if, at the end of the escalation process, positive effects or an improvement in the sustainability rating are not identified, Eurizon Capital evaluates whether to continue the monitoring period or to start the process to divest the managed assets; - Integration of ESG factors: the integration of ESG factors in the analysis, selection and construction of managed portfolios (“ESG Integration”). - Carbon footprint: the integration of procedures to measure the carbon dioxide (CO2) emissions generated by issuers, in order to create portfolios with a carbon footprint below that of the investment universe. - Sustainable investment Goals: procedures to achieve, in compliance with good governance practices, sustainable investment goals (“Sustainable Investments”). - Active ownership - engagement: promotion of proactive engagement with issuers by exercising participating and voting rights, and engagement with investees, encouraging effective communication with the management of companies. For issuers with an exposure to the thermal coal and oil sands extraction sectors below the prescribed thresholds, specific engagement processes are activated which determine restrictions and/or exclusions with respect to the Investment Universe of the single managed assets; if, at the end of the escalation process, positive effects are not identified, such as the definition of “phase out” plans for the thermal coal generation or oil sands extraction sectors, the asset management company evaluates whether to continue the monitoring period or to start the process to divest the managed assets. Moreover, on 1st of November 2021 Eurizon Capital joined to Net Zero Asset manager initiative (NZAMI), the international initiative promoted by the asset manager companies committed to supporting the achievement of net greenhouse gas emissions neutrality by 2050 (so-called “Net Zero”). Eurizon's membership of NZAMI represents an element of continuity with the path undertaken in recent years, also in consideration of recent developments of the internal Regulatory system and the duties related to the entry into force of the Regulation (EU) 2019/2088 (so-called Sustainable Finance Disclosure Regulation - SFDR). As signatory of the Net Zero Asset Managers Initiative, Eurizon Capital uses active and escalating engagement with the aim of ensuring no new thermal coal generation is developed and no further tar sand resources are exploited, and also that phase out of existing unabated capacity and activity is undertaken in line with net zero pathways.
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS2.2d

(C-FS2.2d) Does your organization consider climate-related information about your clients/investees as part of your due diligence and/or risk assessment process?

	We consider climate-related information	Explain why you do not consider climate-related information and your plans to address this in the future
Banking (Bank)	Yes	<Not Applicable>
Investing (Asset manager)	Yes	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C-FS2.2e

(C-FS2.2e) Indicate the climate-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision-making.

Portfolio
Banking (Bank)

Type of climate-related information considered
Emissions data
Emissions reduction targets
Climate transition plans
TCFD disclosures

Process through which information is obtained
Directly from the client/investee
Data provider

Industry sector(s) covered by due diligence and/or risk assessment process
Other, please specify (oil&gas, power generation, coal mining, mining other than coal, forestry, tobacco, chemicals, pharmaceutical and biotechnology)

State how this climate-related information influences your decision-making
As part of Reputational Risk Clearing (a pre-lending assessment performed by the Risk Manager in collaboration with the Client's Relationship Manager as needed) a class of risk is assigned to transactions/counterparties that are potentially exposed to reputational and ESG risks in order to support decision-making processes, thus enabling an informed acceptance of risk. Starting from 2020, methodological developments have focused on strengthening the assessment of ESG risks associated with transactions/counterparties, with a particular focus on customers operating in sectors that are sensitive to climate change risk. In 2021, approximately 262 loan transactions with corporate customers were authorised, 56% of which were classified as having a low or medium-low reputational and ESG risk level. This assessment incorporates some climate risk information such as GHG emissions data and emissions reduction targets. Information is sourced from public documents (Sustainability Reports, web pages etc), data provider, when possible, or from requested written documentation.

Portfolio
Investing (asset manager)

Type of climate-related information considered
Emissions data
Emissions reduction targets
Climate transition plans
TCFD disclosures

Process through which information is obtained
Directly from the client/investee
Data provider
Public data sources

Industry sector(s) covered by due diligence and/or risk assessment process
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate
Other, please specify (all sectors)

State how this climate-related information influences your decision-making
Exclusions of Issuers involved in the manufacture of unconventional weapons and companies deriving at least 25% of their turnover linked to thermal coal or companies deriving at least 10% of their turnover linked to extraction of oil sands. Eurizon has also adopted a proprietary score that integrates environmental, social and governance factors, called “Eurizon ESG Score” . The Eurizon ESG Score proprietary model provides for an articulated system of aggregation of scores, attributed on a standardized scale, referring to the following 2 components: ESG Risk Score which estimates the environmental, social and governance impact of the business of individual issuers and the ability of the related choices to materially affect the generation of profits. This indicator estimates the significance of the costs associated with ESG risks relating to the issuer’s sector; the component is calculated by weighting the scores of the Key Performance Indicators considered material for each issuer; a discretionary component is added to the KPI, referring to the risks of disputes linked to aspects of privacy and security; ESG Opportunity Score which estimates the ability of issuers to take advantage of sustainable growth opportunities, in terms of their ability to generate future profits (e.g. technological innovations with environmental impacts). The indicator is measured as a percentage of revenues deriving from the sale of products and services aligned with sustainable development objectives and is calculated by adding the contributions of the material KPIs for each issuer. The processing of the ESG Score is determined by analysing 39 KPIs divided into Environmental, Social and Governance : the material KPIs for individual issuers are selected according to the sector they belong to and the factors that can negatively affect the evolution of corporate profits in terms of higher costs and/or lower revenues. The materiality matrix of the KPIs also takes into consideration the specificities of the individual companies. Moreover, as signatory of Net Zero Asset Managers Initiative Eurizon uses active and escalating engagement to ensure no new thermal coal generation is developed and no further tar sand resources are exploited, and a phase out of existing unabated capacity and activity. It assesses companies in its portfolio using the Emission Data, Emission Reduction Targets, Climate Transition Plans, TCFD disclosure and decarbonization strategy.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Banking portfolio

Risk type & Primary climate-related risk driver

Emerging regulation	Mandates on and regulation of existing products and services

Primary potential financial impact
Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification
Credit risk

Company-specific description
Intesa Sanpaolo is indirectly exposed, though its lending activity, to the changes in the industry regulations of its corporate clients. Depending on the sector and the geographical location, ISP's clients are exposed to different climate related legislations, especially in Europe where the Group mainly operates. Emerging national and international regulations intended to promote a low-carbon economy (e.g. emission reduction, low carbon technology and energy efficiency requirements, carbon taxes, the European Trading Scheme), may force clients to invest in new lines of production / new technologies that are less emissions intensive. Facing these investments, or failing to adequately address the new regulatory requirements, may have an effect in their repayment capacity and thus may increase their probability of default with Intesa Sanpaolo. ISP's clients in the coal sector could be particularly effected. The Bank has developed within its credit framework a sectoral assessment that includes ESG/Climate risk assessments for each business sector in which the bank customers operate. Coal mining has been evaluated as high transition risk and high environmental risk sector. Therefore, a strict monitoring of the exposures of the coal mining sector and a phase-out credit strategy have been implemented. Also, ISP's "Rules for lending operations in the Coal sector", issued in July 2021, define exclusion and evaluation criteria for the coal sector to address this situation.

Time horizon
Long-term

Likelihood
About as likely as not

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
1

Potential financial impact figure – maximum (currency)
180000000

Explanation of financial impact figure
The maximum amount represents cash and non-cash exposure (gross carrying amount) of the coal mining sector at 31/12/2021. The whole face value of the credit portfolio on the coal mining sector has been considered, which represents the maximum loss. On the other hand, the minimum loss is estimated in 1 euro in case the Group suffers no loss following full phase-out in 2025 in line with its coal policy.

Cost of response to risk
408100

Description of response and explanation of cost calculation
ISP has an exposure to the coal mining sector equal to 180,000,000 euros at 31/12/2021. ISP responded to this risk by developing an exclusion and phase out policy on the coal sector, the "Rules for lending operations in the Coal sector", issued in July 2021, and by attentively monitoring the exposure of the credit portfolio to this sector. The Rules apply at Group level and globally to the Group Banks and Companies, including international branches. The Group does not increase its exposure relating to companies in the coal mining sector and will manage the current exposures in line with the phase-out. The Group does not provide financial products and services to projects aimed at the construction or expansion of new coal mines or the acquisition of companies operating in the coal mining sector. The Group will also manage the existing exposures in respect of the companies indicated above with a view to progressive disengagement. The Group will not provide financial products and services to projects aimed at the construction of new coal-fired power plants, the purchase or expansion of coal-fired power plants that are already in operation. By 2025 the Group undertakes to terminate its exposure to counterparties belonging to the coal mining sector. A strict monitoring of the exposures of the coal mining sector has been implemented to ensure reaching the phase out goal of "zero exposure" in 2025. An intermediate result has already been reached as exposure was reduced since the release of the policy. Since the disclosure of the Rules in 2021, about 30% decrease in exposure has been achieved. The activities of developing a coal policy and monitoring the related exposure are carried out by various departments of ISP, including Risk Management, the business units, ESG & Sustainability. the Chief Lending Officer Area. We can assume that they involve an annual overall commitment of 7 FTEs with an estimated gross cost of 58,300 euro yearly each (3 FTE risk management, 1 FTE ESG & Sustainability, 1 Chief Lending Officer Area, 2 FTE in the business units) for a total cost of response equal to 408,100 euros.

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Sea level rise

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
Operational risk

Company-specific description
One of the consequences of climate change, and in particular rising temperatures, is rising sea levels. Data from ENEA (National Agency for New Technologies, Energy and Sustainable Economic Development) show that the Mediterranean Sea has grown by 30 centimetres in the last thousand years. The average level is expected to triple over the next hundred years. For these reasons ISP is aware of the increased risk of flooding and erosion of coastal areas due to increased incidence of extreme weather events and rising sea levels. In Italy, where there are thousands of kilometres of coastal areas, the risk of rising sea levels can be considerable in the long term; Intesa Sanpaolo is present in all the coastal areas of Italy with numerous properties that could suffer damage from the increase in the level of the Mediterranean Sea, resulting in the impossibility of operating and thus determining a significant financial impact for the Group in the long term. The valuation of any costs on the bank's assets derives both from the possible depreciation of the value of those assets, and from the restoration actions that must be put in place once an event has occurred. One of the studies conducted on the phenomenon "high water" - also related to the rise in sea level resulting from climate change that has accentuated the phenomenon in recent years - was on the branches in the Venice Lagoon and Chioggia. Over time, in fact, Venice has seen more and more increase the frequency of events of exceptional high tide (over 140 cm above the average level of the sea - Source "Centro Previsioni e Segnalazioni Maree"- Tide Forecast and Report Center) and the ISP Group currently has 14 branches located in this area that are affected by the phenomenon of "high water". We know that these phenomena will increase in the future and for this reason we have analysed for each branch the specific risk in order to manage the emergency identified. High tide bulletins are checked periodically in order to provide the competent structures with advanced warning and enable them to activate the procedures outlined in the specific Emergency Plans.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
10000

Potential financial impact figure – maximum (currency)
1762000

Explanation of financial impact figure
ISP is aware of the increased risk of flooding and erosion of coastal areas due to an increased incidence of extreme weather events and rising sea level. ISP is present in all coastal areas in Italy with branches that could be damaged resulting in a considerable financial impact for ISP. The evaluation of costs on ISP's assets derives from the possible depreciation of properties located along the coastal areas affected. The assessment of financial impact derives from the possible depreciation of the value of properties and from the actions to be implemented once a flood event has occurred. After an exceptional increase in the water level that completely flooded the city of Venice exceeding all expectations in 2019, ISP started a study on sea level rise resulting from climate change. On 12/11/2019 there was an exceptional phenomenon of high water in Venice (about 187 cm) which caused flooding of 12 branches, for which emergency interventions had to be authorised. In addition to the total restructuring of the branches (purchase of new furniture, PCs, cables, drying and painting of the walls), it was also necessary to proceed with the replacement of UPS equipment and the restoration of the full potential of the damaged continuity system. ISP has started mitigation actions by purchasing flood prevention bulkheads in all branches, introducing new pumping systems, waterproofing and using water repellent materials. Procedural and organisational measures have also been drawn up and all the branches concerned with the integration of the specific scenario with regard to the Emergency Plan have been set up. Aware that the phenomenon of "high water" in Venice for tidal events will increase in the future, ISP has analyzed, for each branch, the specific risk to manage the emergency and reduce its impacts and has defined possible losses that may occur in case of a tide at +150 cm (10,000 euro) and a worst case with a tide at + 180 cm (1,762,000 euro). The impact estimate is related to the direct costs for cleaning and sanitation for sewage, drying, painting and plaster restoration, purchase costs for the replacement of some furniture, windows, technological equipment, IT and telecommunication systems, extra costs for environmental monitoring activities post-event (to be evaluated on a case-by-case basis). The scenario analysed does not yet consider the presence of the new MOSE system that will be able to mitigate these risks. A study is underway to update it.

Cost of response to risk
1277600

Description of response and explanation of cost calculation
In case of extreme weather events or emergencies caused by the rising sea level, ISP can immediately activate its business continuity plans providing for the carrying out of basic operations. In these cases it is possible for ISP employees to operate via web in a nearby ISP branch or, in some cases, operate from home via web. Additional countermeasures are activated by ISP in order to ensure the safety of its employees. In the 14 Venice branches a specific risk for each branch was analysed and procedures to manage the emergency identified. High tide bulletins are checked periodically in order to provide the competent structures with advanced warning and enable them to activate the procedures outlined in the Emergency Plans. In order to mitigate as much as possible the effects deriving from the sea level rise in Venice for example, following the exceptional event of October 2019 and the risk analysis, we have activated in 2020 a very important prevention project on the main branches. In the Murano (Venice) branch for prevention actions such as the purchase of bulkheads, the construction of tanks of water runoff, positioning of water-repellent materials, etc.. These activities have been completed in 2020. We have spent 498.000 euro. Should these events occur, ISP anticipates less damages in its premises thanks to the implementation of these actions. For the same purpose we have spent 663.000 euro in San Leonardo (Venice) branch. The ISP staff dedicated to mitigating this risk is estimated in 2 FTEs (58,300 euro each) one from the Real Estate Department of Venice and one FTE from the Prevention and Protection Office with a broader view of the problem. The total cost of response is therefore 1,277,600 euro.

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
Operational risk

Company-specific description
ISP anticipates that carbon-pricing regulations may emerge over the medium- to long -term timeframe, and such regulations may result in a financial impact to the company's operations, including an increase in operating costs as well as potential capital expenditures to reduce emissions. According to ISP's assessment such new regulation is more likely to emerge first in Europe where ISP mainly operates. In detail we anticipate an increase in operating costs due to a taxation on ISP's direct emissions. To mitigate this risk ISP carries out actions to reduce direct emissions as described in its Climate Change Action Plan (Renewing thermal power plants with new energy efficient equipment - Reducing gas consumption- etc) and the new Own Emissions Plan. ISP estimates that if a carbon pricing of 86.59 euro per tonnes CO2 (price of European Emission Allowances Futures Dec 2023 recorded on the 19th of May 2022) is applied on the 2021 Intesa Sanpaolo's Scope1 emissions (49,630 t), this would lead to an additional cost of 4,300,000 euro.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
4300000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The expected new carbon tax will have an impact on the income statement of Intesa Sanpaolo. Intesa Sanpaolo estimates that if a carbon pricing of 86.59 euro per tonnes CO2 (price of EEX EUA Future Dec 2023 recorded on the 19th of May 2022) is applied on the 2021 Intesa Sanpaolo's scope1 emissions (49,630 t) this would lead to an additional cost of around 4,300,000 euro. This calculation is precautionary, as it does not consider the planned reduction in Scope1 emissions defined in the ISP's Climate Change Action Plan and in the new Own Emissions Plan.

Cost of response to risk
800303

Description of response and explanation of cost calculation
To anticipate new introduction of carbon pricing ISP carries out a careful analysis of current European legislation and possible changes that may impact and modify the risk for the Bank. ISP also carries out the following actions to reduce direct emissions as described in the ISP environmental plan "the Climate Change Action Plan" prepared in 2017 with targets set for 2022 and 2037. In the Plan, the Intesa Sanpaolo Group declines CO2 emission reduction targets, linked to its activities, taking 2012 as the reference year. The 2022 targets are supported by targeted actions. The targets include emissions reduction related to energy consumption (direct and indirect), which is tied to measures taken on electricity, natural gas for independent heating and fleet . To minimize the impact of a possible introduction of a carbon pricing, the main action undertaken, started and completed in 2021, in Italy, Egypt, Slovenia, Ukraine, Serbia and Slovakia, is the following: substituting old thermal power plants with new energy efficient equipment to reduce gas consumption and emissions from heat produced directly by the Bank. Results: annual savings estimated in 280 MWh; annual avoided emissions 492 tonnes CO2. The estimated cost of management takes into account: interventions on plants (about €557,461), replacement of windows and interventions on facades (about € 10,000), actions of energy efficiency (about € 116,242), 2 FTEs in the Real Estate Department and Safety Department with an estimated gross annual cost of 58,300 Euro each (€116,600), for a total of about €800,303. In addition, in its new Own Emissions Plan, the Bank identifies specific medium to long-term actions (2022-2030) aimed at reducing its consumption of natural gas, diesel and traditional electricity; for example, some of the actions envisaged in the Plan are the use of electric cars, the substitution of gas and diesel boilers with heat pumps, improvement of building insulation.

Comment

Identifier
Risk 4

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
Operational risk

Company-specific description
Italy is one of the European countries most affected by landslides, with 620,808 landslides (area of approximately 23,700 km2, equal to 7.9% of the national territory). These data derive from the Inventory of Landslide Phenomena in Italy (IFFI Project) carried out by the Italian Higher Institute for Environmental Protection and Research (ISPRA) and by the Regions and Autonomous Provinces according to standardized and shared methods. At the same time Italy is the European country most exposed to

risk of flood due to the morphological characteristics of the national territory, where spaces and distances granted to the hydrographic network by the mountain ranges and the sea are mostly very modest, exposed to alluvial events, known as sudden floods or flash floods, often triggered by short and intense weather phenomena. The Italian Higher Institute for Environmental Protection and Research has established 5 hazard classes in Italy: very high P4, high P3, medium P2, moderate P1 and areas of attention AA. The areas with high hydraulic hazard in Italy are equal to 12,405 km2, the medium hazard areas amount to 25,398 km2, the low hazard areas (maximum expected scenario) to 32,961 km2. Extreme precipitations and floods can have an adverse impact on ISP: they could cause damages to ISP premises, data centres and put at risk the possibility of commuting of employees. The Italian regions with the highest average hydraulic hazard, based on data provided by the District Basin Authorities, are Emilia-Romagna, Tuscany, Lombardy, Piedmont and Veneto. Referring to the ISPRA's hazard areas specified above, ISP has evaluated that more than 200 ISP's buildings (including branches and the 3 data centres) in Italy are in these Regions valued in the high and very high hydrogeological risk range.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
10000

Potential financial impact figure – maximum (currency)
171000000

Explanation of financial impact figure
ISP has long faced the phenomenon of climate risk linked to floods and landslides. As part of the Risk Assessment Document for the Safety and Health of Workers (D.lgs. 81/2008) the hydrogeological risk due to flooding and landslide is assessed both in advance and following an external event to maintain the characteristics of usability of the buildings concerned. These evaluations allow ISP in Italy to implement actions in case of critical events linked to natural phenomena due to climate change, through the implementation of various risk scenarios, indicated in the Emergency Plans, to mitigate possible damage, with particular regard to workers and stakeholders. One of the properties at greatest hydrogeological risk in Italy, considering not only the geographical location but also the strategic nature of the property containing the largest datacenter, is in the Municipality of Moncalieri (metropolitan area of Turin), where one of the most important data centers of ISP is located, hit several times over the years by the flood of the Po river. These phenomena have increased in recent years. In particular, the event related to the flood of 2016 was greater than those of 2000, 1960 and 1949; in fact, with reference to the level of the Po river in Moncalieri, in 2016 a flow of 2,400 mc/sec was recorded while in the previous episodes the range was 2,000, 2,190 and 2,230 respectively. Taking as a reference the event of 2016, the flooding of the Po river and the Sangone torrent caused the flooding of some buildings at the ISP complex of Moncalieri. Fortunately the event did not affect the building that houses the Data Center, which continued to operate regularly. The estimates of the potential financial impact figure were made, for the maximum amount, on the basis of what could occur in case of flooding of the most important Data-center of ISP located in the Piedmont Region (one of the Italian regions most exposed to hydrogeological risk) . The amount considered for the assessment of the worst case (171,000,000 euros), the values of the total Data Center asset, of the distributed information technology, of the connectivity and voice equipment and the recovery costs were taken as reference. For the minimum amount the estimate was made on the basis of the possible occurrence of a slight flood in a Intesa Sanpaolo branch for restoration/drying and painting (10,000 euro).

Cost of response to risk
1515000

Description of response and explanation of cost calculation
The annual Risk Assessment Document evaluating risks to workers' H&S, conducted both as a preventive measure and after external events, includes the assessment of hydrogeological risk. Based on the provisions of the Italian Higher Institute for Environmental Protection and Research more than 1000 ISP buildings in Italy are subject to landslide and flood. For the assessment of flooding and landslides, the benchmark is based on the level of danger associated with a floodable area and depends on the probability the area can be flooded. This assessment, with the analysis of Arpa's weather alert bulletins and those of the Department of Civil Protection on critical national and regional issues, enable ISP in Italy to implement actions that take account of the effects of critical events connected with natural phenomena deriving from climate change. Two further initiatives were put in place: the evaluation of the performance of inspections on a sample of properties in areas of greater hydrogeological risk and the introduction of activities to mitigate the risk on the Moncalieri's Datacentre. The first was carried out with the aim of validating the methodology for the definition of a vulnerability index for the Bank's properties. Annual costs related to the inspection of the buildings and to evaluate the connected risks are estimated in 10 FTEs (with average remuneration of 58,300 euro each for a total of 583,000 euros) from Real Estate Department and Safety Department that are in charge to do these evaluations and to define the activities that are necessary to mitigate the risks, plus the advisory costs (45,000 euros). To minimize the effects deriving from the Hydrological Risk in Moncalieri's Datacentre, following the exceptional event of 2016 and the risk analysis, a prevention project was activated, started in 2018 and completed in 2021. The perimeter wall was raised and a system of bulkheads installed. It was realized the conveying of rainwater in collection tanks in which suitable stations of water pumps have been installed. Thanks to these actions, ISP anticipates that the premise will be protected should a new flood of the same magnitude occur again. The electrical transformer cabins have also been waterproofed and all equipment has been installed in an upper level. All these interventions have costed around 887,000 euro. The overall cost of response to this risk is equal to 1,515,000 euros, including FTEs, advisory costs and costs of interventions.

Comment

Identifier
Risk 5

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Market	Increased cost of raw materials

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
Operational risk

Company-specific description
ISP Group operates mainly in Italy, a country that is not self-sufficient from an energy standpoint. This makes it subject to the volatility of international markets and the cost of energy. 2020 and 2021 were particularly eventful years for the world and consequently the energy market was also affected. The total cost of energy consumption for Intesa Sanpaolo Group in 2021 was about 96 million euros. The economic crisis caused by the Coronavirus has significantly affected the economic forecasts. In 2020 the price of energy dropped to levels which were unpredictable. The blockade of major high-intensity industrial activities caused a sudden and unprecedented collapse in energy demand. Almost every country in Europe has witnessed a drop in electricity demand. On the other hand, the beginning of the Ukraine war in 2022 also started a very difficult period with future difficulties in supplying markets and redirecting national energy strategies. In this international context, the volatility of the price of electricity and gas appears to be very high. Furthermore, the real cost of energy is often affected not only by the price but also by the tax element that may vary over time: for example, the cost of the incentive for the Italian Photovoltaic is charged in the bill to all end users. In this context, the cost of electricity and gas may increase significantly in the years to come, both due to new taxes to develop renewable energies, and due to the increase in some raw materials such as gas. The increase in the cost of raw materials may affect not only the purchase of electricity and gas but also the purchase of secondary goods, such as paper, and have an impact on the bank's income statement. Regarding Italy Intesa Sanpaolo estimates, based on the official cost increase reports of the Italian Regulatory Authority for Energy Networks and Environment and the Italian statistic on the energy situation in Italy in the next years, a potential additional energy expenditure in 2023, compared with 2021, of over 73 million euro following an estimated increase of 90% in the cost of electricity and of 70% in the cost of gas.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
73152000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The cost of electricity and gas is subject to volatility in international markets. In the last 10 years, but in particular in the last year, we have witnessed an exponential increase in the cost of electricity (+ 166%) and in the cost of natural gas (+59%). If we analyze the increase of these costs in the last year (Q2 2022 versus Q2 2021) in Italy there was an increase in electricity costs of 129% and in natural gas costs 94%. In Europe if we compare the cost of electricity in 2017 with 2021 in general there was an increase by 35%. Furthermore, the real cost of energy is often affected by the tax element that may vary over time: for example, the cost of the incentive for the Italian photovoltaic is charged in the bill to all end users. In this context, the cost of electricity and gas may increase significantly in the years to come, both due to the increase in some raw materials such as gas due to the international situation, but also, for example, due to new taxes to develop renewable energies. Intesa Sanpaolo estimated in Q2 2022 that on the energy expenditure for 2021 (about 96 million euro) a possible increase in Italy of 90% of the cost of electricity and a 70% of the cost of gas, that for example happened some years ago, would cost over 73 million euro (about 76% increase on the 2021 energy expenditure).

Cost of response to risk
908600

Description of response and explanation of cost calculation
To mitigate the risk of an increase of energy costs ISP undertakes the following actions: - signing contracts with electricity providers on a biennial basis with "structured price contract" which provides for a purchase method where the price is fixed in advance in relation to the prices of the raw material present on the reference market (European Energy Exchange). The last contract in Italy was signed for the period 2021/2022 and allowed ISP to save more than €70mln last year in Italy compared with the present prices. - implement actions to reduce electricity consumption. The most important activities to mitigate the risk of increase of the cost of energy is energy saving. For this purpose, ISP has set mid to long-term goals through specific action plans. The scope of the plans, limited to Italy in the first Plan, has gradually increased with the inclusion of various International Subsidiary Banks. The “Climate Change Action Plan" prepared in 2017 with targets set for 2022 and 2037 sets the list of activities that the Bank need to implement in order to reduce the consumption of energy and consequent CO2 emission. The following actions were implemented and were completed in 2021 in Italy, Egypt, Slovenia, Ukraine, Serbia and Slovakia to minimize the impact of an increase of energy consumption: interventions on old thermal power plants with new energy efficient equipment (€ 557,461), replacement of windows and interventions on facades (about € 10,000) ,actions of energy efficiency (€ 116,242), replacement of lighting fixtures with led solutions (about € 50,000) to reduce electricity and natural gas consumption. In addition, in its new Own Emissions Plan, the Bank identifies specific medium to long-term actions (2022-2030) aimed at the reduction of natural gas, diesel and traditional electricity; some of the actions envisaged in this Plan are the substitution of gas and diesel boilers with heat pumps, improvement of building insulation, replacement of lighting fixtures with led solutions. Quarterly monitoring of the actions is foreseen and significant reductions in the consumption are expected. The Group will also implement further photovoltaic systems in order to reduce its electricity dependency. With reference to the management of the actions that must be implemented to reduce this risk, 3FTEs are considered (with an estimated gross annual cost of € 58,300 each). Total cost is € 908,600 (€ 557,461+€ 10,000+€ 116,242+ € 50,000+€ 174,900)

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Banking portfolio

Opportunity type
Markets

Primary climate-related opportunity driver
Access to new markets

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
ISP considers the opportunities arising from climate change within its overall strategy and provides a whole range of environmental and energy efficiency products that contribute to contrasting Climate-change effects. As widely demonstrated by international studies and research, climate change can also be regarded as a business opportunity and an economic development lever. ISP has the opportunity to expand the market in the field of renewable energy, energy efficiency and could lead to greater demand for environmental loans with positive financial impacts in terms of revenues. To this extent in June 2017 ISP became the first Italian bank to issue a Green Bond of 500 million euro connected with environmental sustainability projects. The projects financed by the bond must belong to the following three categories: - infrastructures for the generation and transmission of energy from renewable sources; - investments in infrastructure or processes for reducing the use of energy and fostering greater energy efficiency; - construction of new buildings or the redevelopment of existing buildings according to the best environmental standards. In November 2019, ISP successfully completed the placement of a green bond focused on the Circular Economy (CE), intended to support the loans granted by the Bank under the 5 billion euro credit plafond dedicated to the CE. The 750 million euro issue, against a demand of over 3.5 billion euro, was mainly subscribed by institutional investors: Asset Managers (75%), Banks and Private banking (10%), Public Entities (10%), Insurance and Retirement Funds (4%). In April 2019 UBI Banca also issued a 500 million euro Green Bond to refinance a select project finance portfolio in the renewable energies sector. In March 2021 Intesa Sanpaolo placed a new Green Bond of a face value of 1.25 billion euro, aligned with the new Green, Social & Sustainability Bond Framework. Proceeds will be used to cover green mortgages issued for the construction or purchase of high energy efficient real estate (energy class A or B) or the redevelopment of buildings with a consequent improvement of at least two energy efficiency classes. Thanks to this most recent issue, the Green Bond Ratio, the percentage of outstanding green bonds at the end of 2021 out of the total amount of outstanding Senior Preferred, Senior non Preferred and Covered Bonds intended for institutional investors (five-year moving average), is equal to about 8%.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
3000000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The potential financial impact figure € 3bn represents the amount of the 4 green bonds issued so far: - 2017 green bond: notional 500 mln euro, tenor 5 years, maturity date 2022, focus on renewable energy and energy efficiency. - 2019 green bond: notional 750 mln euro, tenor 5 years, maturity date 2024, focus circular economy. - 2019 green bond (ex UBI Banca): notional 500 mln euro, tenor 5 years, maturity date 2024, focus on renewable energy and energy efficiency. - 2021 green bond: notional 1,250 mln euro, tenor 7 years, maturity date 2028, focus on green buildings. In order to strengthen its commitment, ISP plans to issue new green bonds over the business plan period (2022-2025). ISP was the first Italian bank to issue a green bond, and this has been followed by three further issues for a total of €3 billion. In March 2022 the new Green Bond Report on the four Green Bonds issued so far was published. This document is the annual report on the allocation and environmental impact of ISP's Green Bonds issued between 2017 and 2021, prepared in line with section "Reporting" of the Intesa Sanpaolo Green, Social & Sustainability Bond Framework published in March 2021. The Report refers to the eligible outstanding amount as of December 2021 and covers the impacts generated in the period from 1/1/21 to 31/12/21. The new Report sees a switch to the "Portfolio approach" and estimates the impacts and benefits obtained for the entire portfolio of admissible loans for each of the green categories (Renewable energy, Energy Efficiency, Green Building and Circular Economy). ISP green loan portfolio: signed amount € 6,128 mln (as at 31/12/2021). Percentage of Eligible Green Loan Portfolio financed 49% - Available eligible green loans for new issues € 3,128 mln. New Loans in the Renewable Energy & Energy efficiency Portfolios (since 31 Dec. 2020) € 416 mln; New Loans in the Green Buildings Portfolio (since 31 Dec. 2020) € 1,892 mln; New Loans in the Circular Economy Portfolio (since 31 Dec. 2020) € 695 mln. Impact reporting data at green portfolio level (category, amount € mln, share of total portfolio financing, avoided ghg emissions) are as follows: - renewable energy, € 1,965 mln, 32%, tCO2e 1,456,300 - energy efficiency, €120 mln, 2%, tCO2e 92,900 - green buildings €2,625 mln, 43%, tCO2e 52,700 - circular economy, €1,418 mln, 23%, tCO2e 3,950,000 All in all, in 2021 5.5 million tCO2e emissions were avoided in total.

Cost to realize opportunity
350000

Strategy to realize opportunity and explanation of cost calculation
ISP believes that green bonds can help to finance innovative green products and services. ISP issued 4 green bonds for a total of €3 billion. -2017 green bond: notional 500 mln euro, tenor 5 years, maturity date 2022, focus on renewable energy and energy efficiency. -2019 green bond: notional 750 mln euro, tenor 5 years, maturity date 2024, focus circular economy. -2019 green bond (ex UBI Banca): notional 500 mln euro, tenor 5 years, maturity date 2024, focus on renewable energy and energy efficiency. - 2021 green bond: notional 1,250 mln euro, tenor 7 years, maturity date 2028, focus on green buildings. Other issues are planned for the 2022-2025 period (available eligible green loans for new issues resulting from the 2021 Green Bond Report amounted to € 3,128 mln). In 03/2022 the new Green Bond Report on the four Green Bonds issued so far was published. The Report covers the impacts generated in the period from 1/1/21 to 31/12/21. Impact reporting data at green portfolio level (category, amount € mln, share of total portfolio financing, avoided ghg emissions) are as follows: - renewable energy, €1,965 mln, 32%, tCO2e 1,456,300 - energy efficiency, €120 mln, 2%, tCO2e 92,900 - green buildings €2,625 mln, 43%, tCO2e 52,700 - circular economy, €1,418 mln, 23%, tCO2e 3,950,000 All in all, in 2021, 5.5 million tCO2e were avoided. Substantive and ongoing activity is needed to develop this opportunity involving different organizational structures of the Group. For example, in 2021, ISP released its 4th green bond to finance green mortgages for the construction or purchase of energy-efficient real estate. ISP published in March 2021 the updated Green, Social and Sustainability Bond Framework to reflect the newer standards in the market and obtained the Second Party Opinion of ISS ESG and in March 2022 the Green Bond Report on the use of Green Bond proceeds and its associated environmental benefits. The Report includes the certification of the auditing company. Costs related to the above activities are integrated into ISP budgets. ISP estimates accessory costs amounting to 350,000 euro for elaborating the framework and to cover the activities related to the issue of a bond and the preparation of the green bond report. Out of the total estimated costs, those related to the issue (legal, listing, due diligence, Second Party Opinion) amount to around 60%; the recurring costs throughout the life of the bond (annual reporting, audit, etc.) make up for some 40%.

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Banking portfolio

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Intesa Sanpaolo is very active in supporting individuals and businesses committed to reducing their environmental footprints through the promotion of green products and services. As widely demonstrated by international studies and research, climate change can also be regarded as a business opportunity and an economic development lever. Intesa Sanpaolo has the opportunity to expand the market in the field of renewable energy, energy efficiency and could lead to greater demand for environmental loans with positive financial impacts in terms of revenues. The Bank has been very supportive of businesses, issuing various credit lines: 6 billion euro for the Circular Economy, in collaboration with the Ellen MacArthur Foundation, of which Intesa Sanpaolo is Strategic Partner; 2 billion euro for the Sustainability Loan, dedicated to the sustainable transformation projects of SMEs. In 2021, the Group's loans for the Green and Circular Economy came to around 8.7 billion euro, equal to 11.2% of the Group's total loans, more than tripled compared to 2020 (+213%). The increase concerned in particular green mortgages, loans falling within the scope of the circular economy credit plafond and project finance. Also, during 2021, 1.2 billion euro were disbursed thanks to the S-Loan offer, designed to support SMEs seeking to improve their sustainability profile. In 2021 the Group's disbursements for the Green Economy totalled around 6.1 billion euro (over 28 billion euro in the 2010-2021 period). The offer in 2021 involved all customer segments: retail customers (37.4%), businesses and Third Sector (6.3%), corporate & project finance (56.3%). The development of green products and services is considered by Intesa Sanpaolo as an opportunity that has a potential for expansion in the coming years. In the context of the European Green Deal and the National Recovery and Resilience Plan (2021-2026 period), the Group has pledged to provide a € 76 billion programme of disbursements dedicated to the Green Economy, the Circular Economy and the ecological transition in Italy over the coming years.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
3200000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The figure represents the prudential estimate of ISP's annual green loans' disbursements, equal to around 3.2 billion euro. 3.2 billion euro equals to the average disbursements in the last three years: around 6.1 billion euro in 2021, around 2.2 billion euro in 2020, around 1.4 billion euro in 2019. In 2021, when disbursements were over 2.5 times those of 2020, the offer involved all customer segments: retail customers (37.4%), businesses and Third sector (6.3%), corporate & project finance (56.3%). A total of 97% of this figure is made up of loans in Italy, the remaining 3% of loans in other countries disbursed by the International Subsidiary Banks.

Cost to realize opportunity
583000

Strategy to realize opportunity and explanation of cost calculation
ISP strategy is to support individuals and businesses in the path towards reducing their environmental footprints, through green products and services offer. In 2021 the Group's disbursements for the Green Economy totalled around € 6.1 bn (over € 28 bn disbursed in the 2010-2021 period). In the context of the European Green Deal and over the National Recovery and Resilience Plan (2021-2026 period), the Group has pledged to provide a € 76 bn programme of disbursements dedicated to the Green Economy, the Circular Economy and the ecological transition in Italy, on top of € 12 bn mainly available for green mortgages. In fact an interesting case study within the strategy is that of green mortgages. The Bank supports the green projects of its retail customers through the granting of green mortgages. ISP participated in EeMAP (Energy efficient Mortgages Action Plan), a European initiative that aims to create standardised European energy efficient mortgages with a view to encouraging the redevelopment of buildings and the purchase of energy efficient properties thanks to preferential financial conditions. With this aim, from 2020 ISP proposes Green - Mutuo Domus: a subsidised mortgage (reduction of the annual percentage rate and free energy certification for renovation purposes) which allows to purchase and build a residential property in Italy with a high energy efficiency class (equal to or higher than B) or to renovate a residential property in Italy improving its energy performance rating by at least one class. In 2021, around 14,000 green mortgages of a total value of over € 2.2 bn were issued (€ 800 mln in 2020) and in 2022 the offer is ongoing. Annual costs related to the development of green products and services are integrated into the ISP budgets. ISP estimates a cost of 10 FTEs (58,300 euro each): 2 FTEs in Banca dei Territori Division for developing retail green products, 2 FTEs in the Energy & Utilities Desk providing support to businesses that invest in renewable energy production plants and in the energy efficiency of their production processes, providing dedicated financial solutions and specialist advisory services, 2 FTEs in the Innovation Center developing the offer with regards to circular economy financing, 2 FTEs in the Corporate banking division developing the offer to Corporate and Large Corporate clients, 2 FTEs in the ESG & Sustainability Department supporting the business functions of the Group in this respect.

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Banking portfolio

Opportunity type
Products and services

Primary climate-related opportunity driver
Development of new products or services through R&D and innovation

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
International studies and research show that climate change may also be a business opportunity and a lever for economic growth, considering the fact that, in order to achieve the European Union's climate and energy targets for 2030, the European Commission's Action Plan on sustainable finance estimates supplementary investments of 180 billion euro per year. To this end, ISP is active in promoting renewable energy, energy efficiency and the circular business model by supporting their development and assisting customers, committed to reducing their environmental impact, with the promotion of green products and services offered by the sales network both in Italy and abroad, resulting in increased revenues. ISP is a Strategic Partner of the Ellen MacArthur Foundation – the main promoter of the global transition towards the circular economy. In order to provide concrete support to companies involved in the transition process, the ISP Group, within the time-frame of the 2018-2021 Business Plan, decided to provide a plafond of up to 6 billion euro, aimed at companies which adopt the circular model with innovative procedures, granting the best conditions for accessing credit (7.7 billion euro disbursed since launch of credit line). In the new business plan (2022-2025) ISP renewed its environmental strategy also through promoting circular economy. ISP announced a new 8 billion euro credit facility dedicated to circular economy (2022-2025). The ISP Group is seizing strategic opportunities to become an innovative and exclusive financial leader for the circular economy, redefining traditional financial tools to support the transition to a new model for economic development, which is competitive and sustainable over time.

Time horizon
Medium-term

Likelihood
Virtually certain

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
8000000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
ISP in the new business plan 2022-2025 announced a new € 8 bn credit facility dedicated to circular economy (2022-2025); the amount was calculated based on the previous experience of the 2018-2021 Business Plan where amounts granted under the successful circular economy plafond totalled € 7.7 bn. The new credit facility is available for the period 2022-2025, given the market structure, we would estimate approximately 1/5 of the Plafond to be allocated to startups and SMEs, with remaining amount going to Corporate initiatives. Numerous company projects are supported for initiatives such as the replacement of traditional materials with others from recycled or biological sources, the recovery of urban organic waste for biomethane production, with the production of compost and recovery of CO2, the production of coloured compostable fabrics with dyes made from agricultural waste. 2018-2021 Circular plafond: In order to provide concrete support to companies involved in the transition process, over the course of the 2018-2021 Business Plan the ISP Group decided to offer a credit line of up to € 5 bn, increased by € 1 bn in 2020 following the operation with UBI, aimed at Italian and international companies which adopt the circular model with innovative procedures, granting the best conditions for accessing credit. Over the years a tranche of the credit line has also been allocated to support businesses that invest in the production of renewable energy, energy efficiency and sustainable farming and biodiversity, while another tranche has been dedicated to Green Mortgages for the acquisition of new energy-efficient homes (class B and above) or the redevelopment of homes with consequent improvements in the energy efficiency class. Since the launch of the credit line, 7.7 bn euro have been disbursed (including € 1.2 bn of Green Mortgages to retail customers), € 5.5 bn of which in 2021. As concerns 2021, Circular Economy Plafond Projects (green mortgages excluded) disbursed by sector were as follows: Agriculture, Food & Beverage 20% (about € 1,032 mln), Chemical & Materials 15% (about € 744 mln), Industrial & Manufacturing 11% (about € 532 mln), Energy, Water & Utilities 42% (about € 2,142 mln), other sectors 12% (€ 616 mln).

Cost to realize opportunity
174900

Strategy to realize opportunity and explanation of cost calculation
ISP is committed to promoting the Circular Economy (CE) model, drawing on the support of the Ellen MacArthur Foundation, the main promoter of the global transition towards the CE. The cooperation agreement with the Foundation has been renewed for the 2022-2024 period. The ISP Innovation Center oversees the CE activities. In 2018 the Circular Economy Lab was launched, with the goal of supporting and assisting the transformation of the Italian economic system and disseminating new models of value creation in the collective interest, by accelerating the transition to the CE. In 2021 the CE Lab, in collaboration with other partners, launched a national Hackathon on the CE, involving 25 universities, 8 businesses and 400 university students. Since the launch of the credit plafond, € 7.7 bn has been disbursed (including € 1.2 bn of Green Mortgages to retail customers), € 5.5 bn of which in 2021. For the 2018-2021 period (Business Plan), ISP established a plafond of €6 bn available to companies which adopt the circular model. ISP has now available a new 8 billion credit facility for the 2022-2025 period. In particular, as part of the credit process, ISP Innovation Center, based on criteria defined together with the Ellen MacArthur Foundation, is responsible for providing a technical assessment on the level of circularity of the initiatives proposed. Out of a total of 800 applications from SME and Corporate customers, reviewed by the Innovation Center since the launch of the credit line, around 300 projects with circular criteria and valued at over €3.9 bn and around 100 projects with green criteria valued at more than €2.6 bn had been funded by the end of 2021.Example of company supported through CE plafond: in 2021 ISP supported SER company, active in the production of special waxes for candles and any other industrial application, for an amount of €42mln, for the development and construction of a wax processing technology that will use hydrogen to purify waxes. The use of hydrogen for purification is forecasted to eliminate about 500tons/year of waste deriving from the current use of diatomite and activated carbon. Annual costs related to the management of the plafond and the related assessments are estimated in 3 FTEs (€58,300 each, total €174,900) working in the Circular Economy Desk. Such FTEs are employed to assess deals that are potentially eligible to access the Plafond, as well as to monitor and coordinate the overall functioning of the Plafond.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan
No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a transition plan within two years

Publicly available transition plan
<Not Applicable>

Mechanism by which feedback is collected from shareholders on your transition plan
<Not Applicable>

Description of feedback mechanism
<Not Applicable>

Frequency of feedback collection
<Not Applicable>

Attach any relevant documents which detail your transition plan (optional)
<Not Applicable>

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future
In 2021 ISP underlined the strategic importance of climate change by setting itself the target of achieving net-zero emissions by 2050 in terms of own emissions and in terms of loan and investments portfolios, asset management and insurance, and joining the related initiatives launched by UNEP FI. More specifically, in Oct2021 Intesa Sanpaolo joined the NZBA; in Nov2021 Eurizon joined the NZAMI; and in Dec2021 Intesa Sanpaolo Vita joined the NZAOA and the NZIA. Confirming its strong commitment to this objective, as part of its 2022-2025 Business Plan and more than one year ahead of the NZBA deadline, Intesa Sanpaolo presented its net-zero aligned emissions reduction targets for 2030 in the oil&gas, power generation, automotive and coal mining sectors (Sectors consistent with NZBA. Reference scenario: IEA Net-Zero 2050), which represent over 60% of the non-financial corporates portfolio financed emissions in the sectors identified by the NZBA. With regard to coal mining in particular, the exposure target is zero by 2025, in line with the phase-out set in the "Rules for lending operations in the coal sector", updated in July 2021. Details on the metrics applied, the baseline and the 2030 goal for each target sector are set out in the Business Plan. ISP has also committed to requesting validation of its emissions reduction targets from SBTi and the commitment is public on SBTi website. The NZBA requires that "within 12 months of setting the targets, banks shall publish, at a minimum, a high level transition plan providing an overview of the categories of actions expected to be undertaken to meet the targets and an approximate timeline". Targets set by ISP, based on 2021 exposures were disclosed in Feb2022; ISP will disclose its transition plan in line with the requirements of the NZBA. Opportunities: The Business Plan confirms ISP's active support to individuals and businesses committed to reducing their environmental footprints, through the further promotion of green products and services. ISP has announced, within a total of over 400 billion of new lending available over the NRRP horizon, a total of 76 billion euro to finance green and circular economy (the latter with a dedicated amount of 8 billion over the period) and the ecological transition and 12 billion to finance green lending to individuals. Following issuances for €3 bn green bonds effected in the 2017-2021 period, further issuances of green bonds are expected during the course of the Plan.

Explain why climate-related risks and opportunities have not influenced your strategy
<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios NGFS scenarios Framework	Portfolio	<Not Applicable>	With specific reference to the inclusion of climate change risk within the Risk Management Framework, special attention was paid from 2019 to 2021 to the development of stress test and scenario analysis methodologies for the lending portfolio; an architectural and methodological framework was developed in 2021 also to support the ECB’s “climate stress test” performed in 1H 2022.The scenario analysis and stress testing framework is based on the following elements: A) a dedicated platform for measuring transition risk on the Large and Mid Corporate segments. The solution provides a bottom-up impact assessment on financial statements, that is, at single counterparty level, based on selected stress scenarios (generally coinciding with those set out in the NGFS); B) calculation engine, specifically developed to measure the transition risk of the SME portfolio. A top-down approach is used in this case, with estimates based on sector approximations (enriched with idiosyncratic adjustments, only where available, at single counterparty level). The model provides a series of financial figures projections for each counterparty, in line with the scenarios required by the ECB’s stress test exercise; C) the adoption of a specific approach to define the “long-term strategic response” for the achievement of the Group’s net zero targets. Parameters/Assumptions/time horizons: for both short term (years 2022/23/24) and long term projections (for the years 2030/40 and 2050), the Bank developed a sectoral and counterparty analysis to capture the relevant scenario transmission channels, both direct and indirect, and to stress the balance sheet of the companies through the application of two alternative transition scenarios. The outcome of the two engines ((A) and B)) has been used to calculate the rating of the counterparties for each decade and the PD vectors models. The current approach will be enhanced in 2022. In 2020 and 2021 other pilot exercises were also performed on transition and physical risks with different scopes. Concerning the net zero target setting, as part of the Net Zero Banking Alliance, ISP has also defined the targets in terms of "2030 emission intensity" for the main Economic Groups and counterparties of the Coal, Oil & Gas, Power Generation and Automotive sectors, based on sector emissions trends and counterparties’ announced targets, adaptation plans etc. (Reference scenario: IEA Net-Zero 2050).
Physical climate scenarios RCP 8.5	Portfolio	<Not Applicable>	With specific reference to the inclusion of climate change risk within the Risk Management Framework, special attention was paid from 2019 to 2021 to the development of stress test and scenario analysis methodologies for the lending portfolio; an architectural and methodological framework was developed in 2021 also to support the ECB’s “climate stress test” performed in 1H 2022. ISP’s methodology for what concerns physical risk considers both flood and drought & heat risks. It is based on the NGFS "hot house world" comparable to RCP8.5 scenario. The results of projections are compared to the baseline scenario. The perimeter analysed represents the majority of the total exposure. Parameters: For the flood, the NUTS 3 codes (for Italy equals to provinces) allocation is assigned thanks to the information available in the group’s internal database. The granularity of data is at city and province level. The approach utilized for assigning the NUTS level 3 and the flood risk, involved two steps with the use of internal data: • If available, the flood risk was assigned based on the location (address) of the collateral; • If the location of the collateral was not available, the province of residence of the counterparty was assigned. For drought and heat risks, the model used a risk coefficient based on the exposures grouped by NACE codes sectors allocation. Pilots are ongoing to extend the current approach and other exercises (with a limited scope) were also performed already in 2020 and in 2021.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

By using scenario analysis/stress tests, the Bank seeks to assess vulnerabilities to climate-related and environmental events

Results of the climate-related scenario analysis with respect to the focal questions

Regarding the development of stress test and scenario analysis methodologies for the lending portfolio, an architectural and methodological framework was developed in 2021 also to support the ECB’s “climate stress test” performed in 1H 2022. In 2021 some pilots were already put in place in order to assess ISP’s portfolio of large corporates in terms of climate-sensitiveness, identifying priority sectors vulnerable to climate change (i.e. Oil & Gas, Power Generation -including Transmission- and Automotive manufacturing). Climate stressed scenarios were built through a 2030, 2040 and 2050 timeframe considering different climate scenarios applied to physical and transition risks, reflecting more extreme events (i.e., RCP 4.5 and 8.5 for physical risks, and NGFS -Hot House World and Orderly Transition- for transition risks). Results: Physical risks in general show minor financial impacts in comparison to transition risks. In addition, for Oil & Gas companies that switch to renewables, there could be a relevant positive impact in the transition scenarios mainly related to the increased energy price (affecting revenues of all counterparts), growing demand for renewables and “green sources” adoption which each company will try to capture depending on its capacity to adapt to the change and its financial solidity. These exercises, together with other analysis, have been included in the assessment of risks and contributed to the Risk Appetite Framework (RAF) positioning. ISP, for example, in RAF 2021 introduced specific limits to the most climate sensitive sectors. Moreover in 2021 ISP participated, together with 48 other financial institutions, in phase three of the TCFD Banking Pilot project coordinated by UNEP FI. In this context, ISP produced its third case study. The aim of the study was to investigate the effects deriving from the risk of flooding on a small sample of the ISP mortgages portfolio in Italy (1,200 positions, located in 85 Italian provinces). The most impactful scenarios of the Intergovernmental Panel on Climate Change (IPCC) for physical risk were used (RCP 8.5, as Business as usual scenario, and other representative concentration pathways). Differences in the “climate-adjusted” Probability of Default (PD) and Loss Given Default (LGD) are also provided. Among data released in ISP case study it is possible to note, albeit based on a limited perimeter not representative the whole portfolio but relevant for the exercise, that the average annual losses are going to increase (e.g., data at 2040 for some Italian provinces vs baseline scenario – Rome: over 50%, Milan: under 20%, Naples: over 50%, Turin: under 20%).

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Risks and opportunities arising from climate change have significantly influenced our product-related strategy and product portfolio. In the context of the European Green Deal and the National Recovery and Resilience Plan (2021-2026), the Group has pledged to provide a € 76 billion programme of disbursements dedicated to the Green Economy, the Circular Economy and the ecological transition in Italy over the coming years. ISP's offer of products and services keeps evolving in line with new regulations and customers' preferences and includes range of green products and services to all customer segments and in all business areas. In 2021, ISP disbursed around 6.1 billion euro to the green economy (over 28 bn euro in the 2010-2021 period). This takes place through the bank branches of the Banca dei Territori Division, the Energy Desk and the Corporate and Investment Banking Division, the support of the Innovation Center for the Circular Economy and innovation and the International Subsidiary Banks Division. Eurizon asset management company, offer a range of ESG and Ethical funds, that include environmental criteria. ISP's strategy includes the development of green bonds. In 2017 Intesa Sanpaolo was the first Italian bank to issue a Green Bond. Valued at 500 million euro, it was introduced to fund renewable energy and energy efficiency projects. Others have followed in subsequent years: in 2019 a 750 million euro Green Bond was issued to fund Circular Economy projects, and in March 2021 a 1.25 billion euro Green Bond was issued dedicated to Green mortgages granted for the construction or purchase of high energy efficient real estate (energy class A or B). These are joined by the €500 million Green Bond issued in 2019 by merged company UBI Banca for the financing of renewable energy investments. Other issues are planned for the 2022-2025 period (available eligible green loans for new issues as at 31/12/2021 €3,128mln). On the risk side, for loans to corporates operating in climate sensitive sectors (i.e. coal industry or oil&gas). environmental and social risks are assessed as defined in the ISP's "Group Guidelines for the Governance of environmental, social and governance risks".
Supply chain and/or value chain	Yes	Risks and opportunities arising from climate change have influenced ISP' supply chain's strategy. ISP through its purchasing and partnership decisions pursues to minimize climate risks and maximize opportunities in its supply chain. In compliance with ISP's Code of Ethics, ISP constantly monitors the suppliers' management approach on CSR issues, including environmental issues, through the Supplier Gate. Supplier Gate is the tool through which the Group centralizes sourcing in line with internal rules; it allows registration of suppliers on the Portal, negotiations (RFI, RFP, Beauty Contest, Auctions, Direct Negotiations), management of contractual templates (standard conditions and special conditions for the main product categories, as well as the rules of use and the necessary attachments for every product category) and finally the filing of formalized contracts with suppliers. The selection of suppliers takes place during the process of registration to the gate by means of an assessment (updated at least once a year) including analyses of the suppliers' business ethics, respect for human and labour rights, environment and climate change. If the result of this assessment is positive, the suppliers are registered in the Group Suppliers' Register and can be invited to the procurement events. The supplier's qualification process allows to obtain a supplier's rating, monitored over time, and to have an updated screening of the suppliers, for the duration of the contractual relationship. Furthermore, ISP can carry out actions with suppliers with particularly low scores linked to environment and climate. Starting from 2020, the risk clearing process was further strengthened through the methodological audit of the "ESG/reputational" questionnaire dedicated to the evaluation of suppliers and partners as part of the qualification process carried out by the Group's Purchasing Department, with the aim of integrating the sustainability profile assessment, in accordance with the first-level evaluations made for the credit granting process.
Investment in R&D	Yes	Risks and opportunities arising from climate change have significantly influenced ISP's strategy in the innovation field, through the promotion of innovative green products, services that reduce exposure to climate change risks and the support of innovative businesses. ISP pursues a Circular Economy project thanks to which numerous initiatives and actions were carried out in 2021 to promote the awareness and adoption of the model in various domestic and international locations. The Circular Economy Lab, launched in 2018 thanks to a Framework Agreement between Intesa Sanpaolo and Fondazione Cariplo with the goal of supporting and assisting the transformation of the Italian economic system and disseminating new models of value creation in the collective interest, accelerating the transition to the Circular Economy, was relaunched with the renewal of the partnership signed in July 2020. The Circular Economy Lab's strategy involves open innovation operating methodologies aimed at identifying innovative solutions and technologies in the area of the circular economy. E.g. in 2021 the Circular Economy Lab, in collaboration with other partners, launched a national Hackathon on the Circular Economy, involving 25 universities, 8 businesses and 400 university students. In the 2018-2021 Business Plan, ISP has allocated a plafond of up to 6 bn euro, for companies adopting the circular model. Since the launch of the credit plafond, 7.7 billion euro has been disbursed (including 1.2 billion euro of Green Mortgages to retail customers), 5.5 billion euro of which in 2021. In its new business plan (2022-2025) ISP announced a new 8 billion euro credit facility dedicated to circular economy. In June 2020 ISP was the winner of the Italian Banking Association Award for Innovation in Banking Services in the Innovation in Sustainable Finance category thanks to its Circular Economy Plafond project. The award recognises the company's willingness to contribute to the development and transformation of the Italian economic context, making a positive impact on both society and the environment. Moreover, ISP Startup Initiative selects the most promising innovative start-ups, provides them with coaching on approaching the market and introduces them to the stakeholders of the innovation ecosystem. The selection process integrates the circularity criteria in the overall assessment.
Operations	Yes	ISP is working on several actions to minimize the potential impacts of climate change in its operations. Adverse weather events can damage the Bank's infrastructure, increase costs (for example for changes in average outside temperature) and lead to interruptions in banking activities. ISP has a business continuity plan and measures to manage/diminish physical damages to its premises. The Risk Assessment document evaluating risks to workers' health and safety includes, among other risks, the assessment of hydrogeological risk for ISP's premises due to flooding and landslides. The assessment is conducted both as a preventive measure and subsequently to the occurrence of an adverse event, to maintain the functionality of the buildings involved. Based on the provisions of the Italian Higher Institute for Environmental Protection and Research (ISPRA), which divides the territory into 5 hazard classes, over 1,000 ISP's buildings in Italy are subject to landslide and flood risk. These assessments enable ISP to implement actions and Emergency Plans that take account of the effects of critical events linked to natural events allowing for the management of different potential risk scenarios and for the mitigation of risk, particularly to workers and third parties.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs	ISP Group's financial planning takes into account climate-related risks and opportunities in relation to revenues and direct costs. ISP is active in supporting the transition to a low-carbon economy, promoting renewable energy, energy efficiency and the circular business model, and encouraging the development of its various customer segments committed to reducing their environmental footprint, by promoting green products and services supplied via the sales network in Italy and abroad. In 2021 ISP expanded its offer with innovative financial solutions that meet the growing need for products increasingly in line with ESG principles. In relation to revenues the planning has included: - 88 billion euro of new lending for the green economy, circular economy and green transition (76 billion euro in relation to the National Recovery and Resilience Plan 2021-2026, 12 billion euro to individuals 2022-2025), of which 8 billion euro dedicated to circular economy. The IMI Corporate & Investment Banking Division (IMI CIB) continues to pursue its commitment to sustainability, promoting innovative financial solutions that respond to the growing need for products more in line with ESG criteria. During the year it assisted and supported businesses with sustainable strategic plans and investments for the transition towards a green and circular economy. Also, in 2021 the IMI CIB Division participated as Bookrunner in the issuance of 45 SDG-linked Bonds, Green Bonds, Social Bonds, Sustainability Bonds and Transition Bonds in the Euro market. The market of green bonds is particularly interesting; ISP's strategy is to develop this kind of products. ISP, as of Dec 2021, issued 4 green bonds for a total of 3 billion euro. In March 2022 the new Green Bond Report on the four Green Bonds issued until then was published. This document is the annual report on the allocation and environmental impact of Intesa Sanpaolo's Green Bonds issued between 2017 and 2021, prepared in line with section "Reporting" of the ISP Green, Social & Sustainability Bond Framework published in March 2021. The "Allocation Report" refers to the eligible outstanding amount as of December 2021. The "Impact Report" covers the impacts generated in the period from 1 January 2021 to 31 December 2021. The new report shows a switch to the "Portfolio approach" and estimates the impacts and benefits obtained for the entire portfolio of eligible loans for each of the green categories (Renewable energy, Energy Efficiency, Green Building and Circular Economy). ISP green loan portfolio: signed amount € 6,128 mln (as at 31/12/2021). Percentage of Eligible Green Loan Portfolio financed 49% - Available eligible green loans for new issues € 3,128 mln. Impact reporting data at green portfolio level (category, amount € mln, share of total portfolio financing, avoided ghg emissions): - renewable energy, € 1,965 mln, 32%, tCO2e 1,456,300 -energy efficiency, € 120 mln, 2%, tCO2e 92,900 - green buildings € 2,625 mln, 43%, tCO2e 52,700 - circular economy, € 1,418 mln, 23%, tCO2e 3,950,000. In 2021 a total of 5.5 million tonnes of CO2e emissions were avoided. Thanks to these four issues, the Green Bond Ratio, the percentage of outstanding green bonds at the end of the year out of the total amount of outstanding Senior Preferred, Senior non Preferred and Covered Bonds intended for institutional investors (five-year moving average), is equal to about 8%. As for sustainable investments, in 2021 ISP strengthened its ESG offering in asset management through the launch of new sustainable funds, equal to 58% of the total number of new funds. At the end of 2021, sustainable assets under management amounted to 110 billion euro, equal to 46% of total assets under management (Eurizon perimeter - funds pursuant to articles 8 and 9 of the SFDR 2088). In terms of direct costs the Group has implemented a plan of energy efficiency and optimisation of energy consumption measures which allows for annual economic savings; thanks to these activities the economic savings amounted to around 359 thousand euro in 2021. Moreover, thanks to the energy efficiency actions planned by the Group and already implemented in recent years, in Italy the Group was able to claim tax deductions of around 7.4 million euro in 2015-2021, around 504,000 euro in 2021.

C-FS3.6

(C-FS3.6) Does the policy framework for your portfolio activities include climate-related requirements for clients/investees, and/or exclusion policies?

Yes, we have exclusion policies for industries and/or activities exposed or contributing to climate-related risks

C-FS3.6b

(C-FS3.6b) Provide details of your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Portfolio
Banking (Bank)

Type of exclusion policy
All Coal

Year of exclusion implementation
2021

Timeframe for complete phase-out
By 2025

Application
New business/investment for new projects

Country/Region the exclusion policy applies to
Other, please specify (The policy applies globally to all countries where the Group operates, including Europe, Asia, the Americas, Australia and Africa: no country/Region is excluded from the scope of this policy.)

Description
The ISP's "Rules for lending operations in the Coal sector", issued in July2021, updated the Rules issued in March 2020. The policy applies at Group level and globally to the Group Banks and Companies, including international branches, which provide the financial products and services to the coal mining and to the electricity production from coal ("CFPP" - Coal-fired power plants) sectors. The Rules apply to the financial products and services provided by the Group, including the related advisory services. The Rules apply to all forms of financing, both to the so-called "general purpose" loans, i.e. with an unknown use of the disbursements made available, and to defined use of proceeds loans (such as project finance, project related corporate finance, acquisition finance). Coal mining: From the date of issue of these Rules, the Group will not increase its exposure relating to general purpose financial products and services towards companies belonging to the coal mining sector and will manage the current exposures in line with the phase-out. The Group will also not provide financial products and services to projects aimed at the construction or expansion of new coal mines (namely, "Greenfield Projects") or the purchase of companies operating in the coal mining sector. Coal-Fired Power Plants (CFPP): From the date of issue of these Rules, the Group will not increase its exposure relating to general purpose financial products and services towards companies having at least one of the following characteristics: ▪ operating in the electricity production from coal and that do not have a documented plan/strategy for the progressive reduction of greenhouse gas emissions; ▪ that do not document a maximum limit of 35% of the installed capacity deriving from coal by 2030; ▪ that have plans to expand coal-fuelled installed capacity or are engaged in the construction of new coal-fired power plants. The Group will also manage the existing exposures in respect of the companies indicated above with a view to progressive disengagement. The Group will not provide financial products and services to projects aimed at the construction of new coal-fired power plants, the purchase or expansion of coal-fired power plants that are already in operation. Phase out: By 2025 the Group undertakes to terminate its exposure to counterparties belonging to the coal mining sector.

Portfolio
Banking (Bank)

Type of exclusion policy
Oil from tar sands
Oil from shale
Gas from shale
Arctic oil and gas
Fracked oil and gas
Other, please specify (extraction of oil in the Amazon Sacred Headwaters)

Year of exclusion implementation
2021

Timeframe for complete phase-out
By 2030

Application
New business/investment for new projects

Country/Region the exclusion policy applies to
Other, please specify (The policy applies globally to all countries where the Group operates, including Europe, Asia, the Americas, Australia and Africa: no country/Region is excluded from the scope of this policy.)

Description
The Intesa Sanpaolo's "Rules for lending operations in the Unconventional Oil & Gas sector", issued in July 2021, apply to all Group companies and in all countries in which they operate and to all financing provided by the Group with Customers/Projects which operate in the unconventional Oil & Gas sector and precisely: shale oil & gas, tar sands and tight Oil & Gas, extraction of oil offshore and onshore in the Arctic, extraction of gas offshore in the Arctic, extraction of oil in the Amazon Sacred Headwaters. The "Rules for lending operations in the unconventional Oil & Gas sector" introduce limits and exclusions in relation to "shale Oil & Gas", "tar sands" and "tight Oil & Gas" resources, which are obtained using unconventional techniques and whose extraction generates higher greenhouse gas emissions than resources extracted with conventional techniques, resulting in greater environmental impact. The policy also excludes exploration and extraction in geographical areas characterized by fragile ecosystems, such as the Arctic or the Amazon Sacred Headwaters. The Group undertakes to phase out by 2030 exposure linked to these unconventional resources.

Portfolio
Banking (Bank)

Type of exclusion policy
Other, please specify (General exclusion criteria for all business sectors)

Year of exclusion implementation
2021

Timeframe for complete phase-out
Other, please explain (General exclusion criteria for all sectors, no phase out envisaged)

Application
New business/investment for new projects

Country/Region the exclusion policy applies to
Other, please specify (The policy applies globally to all countries where the Group operates, including Europe, Asia, the Americas, Australia and Africa: no country/Region is excluded from the scope of this policy.)

Description
The "Guidelines for the governance of environmental, social and governance risks regarding lending operations" define general criteria for limiting and excluding loans in all sectors of activities with a particularly high Environmental Social and Governance risk, with interdependencies also with climate change issues. According to these Guidelines, the Bank undertakes not to finance companies and projects that are characterised by their negative impact on: - UNESCO World Heritage Sites; - wetlands under the Ramsar Convention; - IUCN protected areas I to VI.

Portfolio
Investing (Asset manager)

Type of exclusion policy
Thermal coal
Coal mining
Oil from tar sands

Year of exclusion implementation
2020

Timeframe for complete phase-out
Other, please explain (Eurizon has not set a specific timeframe for phase out. The asset management company follows the decarbonizations guidelines released by International Energy Agency (IEA), Intergovernmental Panel on Climate Change (IPCC) and Net Zero 2050.)

Application
New business/investment for new projects
New business/investment for existing projects
Existing business/investment for existing projects

Country/Region the exclusion policy applies to
Other, please specify (all countries)

Description
According to Eurizon policy, exclusion applies to all active managed products and to the following issuers: - Issuers with at least 25% of their revenues from the production of energy from coal and coal mining; - Companies that derive at least 10% of their turnover from the extraction of Oil Sands. For issuers with an exposure to the thermal coal and oil sands extraction sectors below the defined thresholds, specific engagement processes are activated which determine restrictions and/or exclusions with respect to the Investment Universe of the single managed assets; if, at the end of the escalation process, positive effects are not identified, such as the definition of “phase out” plans for the thermal coal generation or Oil Sands extraction sectors, Eurizon evaluates whether to continue the monitoring period or to start the process to divest the managed assets. “Critical” issuers, which are those companies with a low ESG sustainability rating level (“CCC” assigned by the specialised infoprovider “MSCI ESG Research”). In this case, exclusions are applied to all active management products. For Limited Tracking Error products and index-linked products (with the exception of those that specifically integrate ESG factors), the maximum direct investment allowed is equal to the weight of the issuer in the sustainable benchmark. The year of exclusion implementation for thermal coal and coal mining is 2020. The policy was later extended to the oil sand sector; the renewed policy was issued in the end of 2021 and became effective in February 2022. Regarding the impact of this exclusion policy, for example, on the Oil Sands segment, the % of investees companies generating more than 10% of their revenues from Oil Sands has dropped from 3.25% before December 2022 to 0%.

C-FS3.6c

(C-FS3.6c) Why does the policy framework for your portfolio activities not include climate-related requirements for clients/investees, and/or exclusion policies?

ISP's policy framework on ESG matters in based on the "Group Guidelines for the Governance of environmental, social and governance (ESG) risks" which set ISP's internal rules for the governance of environmental, social and governance risks**,** to which ISP is exposed. This policy outlines:

· the general principles underlying the ESG risk steering and management process;

· the tasks and responsibilities of the various actors involved;

· the ESG risk management model;

· ESG risk governance macro-processes;

· the procedures to steer and coordinate Banks and Group Companies.

As a whole this set of rules aims to promote a risk culture focussed on encouraging sustainable behaviour and integrating environmental, social and governance aspects into the risk management processes, in the awareness that they contribute to the sustainability of the Group's initiatives, to a solid and stable creation of value over time in favour of all internal and external stakeholders. The document concerns all business activities of the Group, however, In line with current developments in ESG risk governance, the regulatory guidance in this document focuses primarily on the credit framework and related processes.

Furthermore, the Rules on the management of Most Significant Transactions (MST) establish that for the MST to be approved by the BoD the Chief Lending Officer includes in the credit application an ESG section with (i) an ESG peer analysis comparing borrower's ESG scores assigned by non-financial rating agencies in respect to competitors and (ii) a description of borrower's plans/commitments to tackle climate and transition risk, together with ESG past performance vs set objective (i.e. reduction in CO2 emissions, etc.). Within this framework, a specific category has been introduced in 2020 with reference to transactions with counterparties operating in sectors/countries sensitive from an ESG/reputational perspective (belonging to "grey/black list"). This policy is applied by the Intesa Sanpaolo Group and includes credit transactions as well as other type of transactions and partnerships. For those transactions falling under the Equator Principles discipline, a specific assessment is carried out, consistently with the internal Regulations and may be supported by due diligence and monitoring by third-party independent advisor (Rules concerning the Equator Principles and Rules Concerning Structured Finance documents).

In Eurizon Capital, Intesa Sanpaolo's asset management company, the ESG and SRI principles - including climate change issues, are applied to all actively managed funds, whether they are benchmark or flexible ones (100%). In terms of actively managed funds, specialised ESG products were made which use a proprietary rating platform to select securities based on their sustainability rating. Active management products also include ethical funds with dedicated benchmarks. The process of selecting and monitoring investments based on ESG and SRI principles carried out by the asset management company is structured on the basis of three phases: creation, by the Long-Term Sustainable Strategies office of the Investments Department, of a list of issuers with high exposure to ESG risks (critical issuers) and a list of issuers operating in sectors regarded as non-socially responsible; sharing and verification of these lists with the Investments Department and the SRI Committee; monitoring of the observance (ex ante during the order preparation phase and ex post during the portfolio optimisation phase) of specific operating limits on investments in issuers operating in non socially responsible sectors by the Compliance Department. Operating limits are set in various ways with the following specifications: for products whose investment policy is characterised by the presence of a benchmark, the maximum direct investment allowed is equal to the weight of the issuer in the benchmark; for products whose investment policy does not provide for the presence of a benchmark, direct investment in securities of issuing bodies belonging to the list is ruled out. Furthermore, the Group offers a range of ESG and Ethical funds, that follows sustainable investment criteria / policy.

For issuers with an exposure to the thermal coal and oil sands extraction sectors below the defined thresholds, specific engagement processes are activated which determine restrictions and/or exclusions with respect to the Investment Universe of the single managed assets; in particular, these activities aim to ensure that no new thermal coal generation or oil sands extraction projects are developed, as well as the gradual phase out from such activities. If, at the end of the escalation process, positive effects are not identified, such as the definition of phase out plans for the thermal coal generation or oil sands extraction sectors, Eurizon evaluates whether to continue the monitoring period or to start the process to divest the managed assets.

C-FS3.7

(C-FS3.7) Does your organization include climate-related requirements in your selection process and engagement with external asset managers?

	Climate-related requirements included in selection process and engagement with external asset managers	Primary reason for not including climate-related requirements in selection process and engagement with external asset managers	Explain why climate-related requirements are not included in selection process and engagement with external asset managers and your plans for the future
Row 1	Yes	<Not Applicable>	<Not Applicable>

C-FS3.7a

(C-FS3.7a) Provide details of the climate-related requirements included in your selection process and engagement with external asset managers.

Coverage
All assets managed externally

Mechanisms used to include climate-related requirements in external asset manager selection
Preference for investment managers with an offering of funds resilient to climate change
Review investment manager's climate-related policies

Describe how you monitor and engage with asset managers to ensure investment activities are consistent with your climate strategy
The Multimanager office performs an analysis of the funds by obtaining information both from the third-party fund houses and from information providers, which is subsequently reviewed by the Investments Committee. For management delegated to entities outside the Fund House's group, the Multimanager team includes a description of the delegated party in the analysis. For the selection of a new fund house, the Multimanager team participates in sector events and conventions, conducts on-site visits directly at the fund house, and organises meetings with the individual manager, in order to verify the coherence/consistency of the information obtained. The information is valued both as one of the elements considered for possible approval on the UCITS investment funds list, and as a possible selection criterion, among others, by the Company's portfolio managers. The elements considered include the ESG / SRI approach and the integration of SRI and/or ESG criteria in the adopted process. The Credit Risk Management structure carries out a verification on the "ESG/SRI approach", by means of official documentation and interviews if deemed necessary, for each UCITS subject to approval or modification of the following elements identified in the Due Diligence phase by the Multimanager Investments & Unit Linked team: – the investment policy is oriented towards ESG or SRI factors (so-called "ESG label"); – the fund house has adopted an ESG or SRI investment process, verifying the presence of any binding integration criteria (positive factors) or exclusion criteria (negative factors). These elements are communicated to the structures responsible for the census phase of approved UCIs. During the Due Diligence on the "ESG/SRI approach", the Multimanager team integrates the financial analysis of the fund by analyzing the level of integration of SRI and/or ESG factors and related sustainability risks within the scope: - of the Investment Decision Processes of the fund houses, in accordance with Article 6 of SFDR - of the investment policies of the individual UCIs, checking: the promotion of, among other characteristics, environmental or social characteristics, or a combination thereof, as well as compliance with good governance practices, in accordance with Article 8 of SFDR - the adoption of sustainable investment objectives, in accordance with Article 9 of SFDR - the presence of further distinctive ESG elements in the management of individual products.

C-FS3.8

(C-FS3.8) Does your organization include covenants in financing agreements to reflect and enforce your climate-related policies?

	Climate-related covenants in financing agreements	Primary reason for not including climate-related covenants in financing agreements	Explain why your organization does not include climate-related covenants in financing agreements and your plans for the future
Row 1	Yes	<Not Applicable>	<Not Applicable>

C-FS3.8a

(C-FS3.8a) Provide details of the covenants included in your organization's financing agreements to reflect and enforce your climate-related policies.

Types of covenants used	Asset class/product types	Please explain
Margin or pricing depends on sustainability criteria	Corporate loans Retail mortgages	Intesa Sanpaolo's financial offer includes: SUSTAINABILITY - LINKED LOANS Intesa Sanpaolo's IMI Corporate & Investment Banking Division is a lead arranger, structurer and distributor of ESG Loans, both Sustainability-linked and Green loans. These ESG loans support companies in different sectors, fields and nations. S-LOAN (SME CLIENTS) In July 2020 Intesa Sanpaolo allocated a credit line of 2 billion euro (~1.3 euro billion granted since launch, of which ~1.2 euro billion in 2021) for S-Loans designed to help SMEs finance projects aimed at improving their sustainability profile. The product range includes S-Loan Climate Change. All S-Loans have subsidised interest rates, subject to the annual monitoring of 2 ESG KPI, to be reported in the borrower's financial statements. The new S-Loan Climate Change and S-Loan Agribusiness products can benefit from the 80% SACE green guarantee. RETAIL MORTGAGES: Green Mutuo Domus is a subsidised mortgage (reduction of the annual percentage rate and free energy certification for renovation purposes) which makes it possible to purchase and build a residential property in Italy with a high energy efficiency class (equal to or higher than B) or to renovate a residential property in Italy improving its energy performance rating by at least one class. In 2021, around 14,000 green mortgages of a total value of over 2.2 billion euro were issued.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?
Absolute target
Portfolio target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Year target was set
2016

Target coverage

Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)
<Not Applicable>

Base year
2012

Base year Scope 1 emissions covered by target (metric tons CO2e)
43796.28

Base year Scope 2 emissions covered by target (metric tons CO2e)
261525.65

Base year Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
305321.93

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
59

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
98

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
89

Target year
2022

Targeted reduction from base year (%)
30

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
213725.351

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
34442.45

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
174307.57

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
208750.02

% of target achieved relative to base year [auto-calculated]
105.431786922959

Target status in reporting year
Replaced

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
Target also disclosed in CDP 2021 as ID: Abs1. The target for Scope 1+2 refers to the potential emissions related to electricity consumption and to the emissions from independent heating (gas) in the Intesa Sanpaolo Group (Italy and International Network). This target doesn't cover emissions from independent heating (diesel), central heating (diesel, gas), cogeneration (gas) and fleet. In 2017 Intesa Sanpaolo issued the Climate Change Action Plan, this Multi-Year Environmental Sustainability Plan established targets for 2022 and 2037. In the Plan, the Intesa Sanpaolo Group outlines its goals as regards reducing the CO2 emissions connected with its activities. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, expected to allow the Intesa Sanpaolo Group to reach the challenging goals it has set. Following the integration of UBI in Intesa Sanpaolo, the targets included in the Climate Change Action Plan were updated; data reported in CDP2022 were therefore revised to integrate UBI initiatives and targets. The Group's strategy for reducing its Scope 1 and 2 emissions, which also takes account of the use and the composition of the company fleet with the goal of continuously improving its environmental performance in terms of emissions, already produced significant results in terms of reducing energy consumption in accordance with the objectives of the plan. In 2021, consistently with the adhesion to the NZBA, the Bank's commitment to contain its CO2 emissions took tangible form in the drawing up of the new "Own Emissions Plan" (targets to 2030) which identifies specific medium to long-term actions aimed at reducing its consumption of natural gas, diesel and traditional electricity. The Climate Change Action Plan will however be monitored until its first target date, 2022. We report Abs1 as replaced because new targets were released, see Own Emissions Plan (new targets Abs 10, Abs 11 and Low4. Target year 2030).

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 2

Year target was set
2016

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)
<Not Applicable>

Base year
2012

Base year Scope 1 emissions covered by target (metric tons CO2e)
43796.28

Base year Scope 2 emissions covered by target (metric tons CO2e)
47994.38

Base year Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
91790.66

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
59

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
88

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
71

Target year
2022

Targeted reduction from base year (%)
40

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
55074.396

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
34442.45

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
21551.18

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
55993.63

% of target achieved relative to base year [auto-calculated]
97.4963847084224

Target status in reporting year
Replaced

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
Target also disclosed in CDP 2021 ad ID: Abs2. The target for Scope 1+2 refers to the emissions related to electricity purchased not from renewable sources and to the emissions from independent heating (gas) in the Intesa Sanpaolo Group (Italy and International Network). This target doesn’t cover emissions from independent heating (diesel), central heating (diesel, gas), cogeneration (gas) and fleet. In 2017 Intesa Sanpaolo issued the Climate Change Action Plan, this Multi-Year Environmental Sustainability Plan established targets for 2022 and 2037. In the Plan, the Intesa Sanpaolo Group outlines its goals as regards reducing the CO2 emissions connected with its activities. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, expected to allow the Intesa Sanpaolo Group to reach the challenging goals it has set. Following the integration of UBI in Intesa Sanpaolo, the targets included in the Climate Change Action Plan were updated; data reported in CDP2022 were therefore revised to integrate UBI initiatives and targets. The Group’s strategy for reducing its Scope 1 and 2 emissions, which also takes account of the use and the composition of the company fleet with the goal of continuously improving its environmental performance in terms of emissions, already produced significant results in terms of reducing energy consumption in accordance with the objectives of the plan. In 2021, consistently with the adhesion to the NZBA, the Bank’s commitment to contain its CO2 emissions took tangible form in the drawing up of the new "Own Emissions Plan" (targets to 2030) which identifies specific medium to long-term actions

aimed at reducing its consumption of natural gas, diesel and traditional electricity. The Climate Change Action Plan will however be monitored until its first target date, 2022. We report Abs2 as replaced because new targets were released, see Own Emissions Plan (new targets Abs 10, Abs 11 and Low4. Target year 2030).

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 3

Year target was set
2016

Target coverage
Company-wide

Scope(s)
Scope 3

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
Category 1: Purchased goods and services

Base year
2012

Base year Scope 1 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3 emissions covered by target (metric tons CO2e)
21068.87

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
21068.87

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
<Not Applicable>

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2022

Targeted reduction from base year (%)
30

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
14748.209

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
10519.83

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
10519.83

% of target achieved relative to base year [auto-calculated]
166.897734271779

Target status in reporting year
Replaced

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
Target also disclosed in CDP 2021 as ID Abs3. The target for Scope 3 (Purchased goods and services) refers to the emissions related to paper consumption of the Intesa Sanpaolo Group (Italy and International Network). In 2021, the reduction in the use of paper continued both in absolute terms (-11.7% compared to 2020) and on a staff member basis (-3.8% compared to 2020). These results were also achieved through the implementation of various paperless initiatives and the implementation of

dematerialisation measures. Considering the various dematerialisation actions concluded in the last five years, in 2021 around 3,271 tonnes of paper were saved, corresponding to 4,457 tonnes of CO_2 avoided and a theoretical cost saving of around 5.7 million euro. In 2017 Intesa Sanpaolo issued the Climate Change Action Plan, this Multi-Year Environmental Sustainability Plan established targets for 2022 and 2037. In the Plan, the Intesa Sanpaolo Group outlines its goals as regards reducing the CO_2 emissions connected with its activities.. Following the integration of UBI in Intesa Sanpaolo, the targets included in the Climate Change Action Plan were updated; data reported in CDP2022 were therefore revised to integrate UBI initiatives and targets. In 2021, consistently with the adhesion to the NZBA, the Bank's commitment to contain its CO_2 emissions took tangible form in the drawing up of the new "Own Emissions Plan" (targets to 2030) which identifies specific medium to long-term actions aimed at reducing its consumption of natural gas, diesel and traditional electricity and emissions related to paper consumption. The Climate Change Action Plan will however be monitored until its first target date, 2022. We report Abs3 as replaced because a new Scope 3 (Purchased goods and services) target was released, see Own Emissions Plan (new targets Abs 10, Abs 11 and Low4. Target year 2030).

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 4

Year target was set
2016

Target coverage
Company-wide

Scope(s)
Scope 1

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
<Not Applicable>

Base year
2012

Base year Scope 1 emissions covered by target (metric tons CO2e)
16051.03

Base year Scope 2 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
16051.03

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
22

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
<Not Applicable>

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
22

Target year
2022

Targeted reduction from base year (%)
30

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
11235.721

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
8911.39

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
8911.39

% of target achieved relative to base year [auto-calculated]
148.2696126043

Target status in reporting year
Replaced

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
Target also disclosed in CDP 2021 as ID: Abs4. This target refers to the emissions related to the fleet of the Intesa Sanpaolo Group (Italy and International Network). This target doesn't cover emissions from independent heating (gas, diesel) and cogeneration (gas). In 2017 Intesa Sanpaolo issued the Climate Change Action Plan, this Multi-Year Environmental Sustainability Plan established targets for 2022 and 2037. In the Plan, the Intesa Sanpaolo Group outlines its goals as regards reducing the CO2 emissions connected with its activities. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, expected to allow the Intesa Sanpaolo Group to reach the challenging goals it has set. Following the integration of UBI in Intesa Sanpaolo, the targets included in the Climate Change Action Plan were updated; data reported in CDP2022 were therefore revised to integrate UBI initiatives and targets. The Group's strategy for reducing its Scope 1 and 2 emissions, which also takes account of the use and the composition of the company fleet with the goal of continuously improving its environmental performance in terms of emissions, already produced significant results in terms of reducing energy consumption in accordance with the objectives of the plan. In 2021, consistently with the adhesion to the NZBA, the Bank's commitment to contain its CO2 emissions took tangible form in the drawing up of the new "Own Emissions Plan" (targets to 2030) which identifies specific medium to long-term actions aimed at reducing its consumption of natural gas, diesel and traditional electricity. The Climate Change Action Plan will however be monitored until its first target date, 2022. We report Abs4 as replaced because new targets were released, see Own Emissions Plan (new targets Abs 10, Abs 11 and Low4. Target year 2030).

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 5

Year target was set
2016

Target coverage
Company-wide

Scope(s)
Scope 3

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
Category 6: Business travel

Base year
2012

Base year Scope 1 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3 emissions covered by target (metric tons CO2e)
10280.79

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
10280.79

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
<Not Applicable>

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
57

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
57

Target year
2022

Targeted reduction from base year (%)
35

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
6682.5135

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
1265.99

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
1265.99

% of target achieved relative to base year [auto-calculated]
250.531052852664

Target status in reporting year
Revised

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
Target also disclosed in CDP 2021 as ID Abs5. The target for Scope 3 (Business travel) refers to the emissions related to train and air-flight employees travels of the Intesa Sanpaolo Group (Italy and International Network). This target doesn't cover emissions from cars. In 2017 Intesa Sanpaolo issued the Climate Change Action Plan, this Multi-Year Environmental Sustainability Plan established targets for 2022 and 2037. In the Plan, the Intesa Sanpaolo Group outlines its goals as regards reducing the CO2 emissions connected with its activities. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, expected to allow the Intesa Sanpaolo Group to reach the challenging goals it has set. In 2021 emissions decreased (-11% vs 2020). Following the integration of UBI in Intesa Sanpaolo, the targets included in the Climate Change Action Plan were updated; data reported in CDP2022 were therefore revised to integrate UBI initiatives and targets.

Plan for achieving target, and progress made to the end of the reporting year
Target status: Achieved. % of target achieved relative to base year= 250.5314936012339% In 2021 vs 2020 Scope 3 (Business travel) emissions of Intesa Sanpaolo (including UBI) decreased (-11%). Emissions reduction initiatives which contributed to achieving this target: i.e. the development of remote communications for both listening and work activities, with the widespread use of Skype for Business and Teams in place of commuting and business trips and also due to COVID-19 emergency.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 6

Year target was set
2016

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)
<Not Applicable>

Base year
2012

Base year Scope 1 emissions covered by target (metric tons CO2e)
43796.28

Base year Scope 2 emissions covered by target (metric tons CO2e)
261525.65

Base year Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
305321.93

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
59

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
98

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
89

Target year
2037

Targeted reduction from base year (%)
43

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
174033.5001

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
34442.45

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
174307.57

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

208750.02

% of target achieved relative to base year [auto-calculated]
73.557060643925

Target status in reporting year
Replaced

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
Target also disclosed in CDP 2021 as Abs6. The target for Scope 1+2 refers to the potential emissions related to electricity consumption and to the emissions from independent heating (gas) in the Intesa Sanpaolo Group (Italy and International Network). This target doesn’t cover emissions from independent heating (diesel), central heating (diesel, gas), cogeneration (gas) and fleet. In 2017 Intesa Sanpaolo issued the Climate Change Action Plan, this Multi-Year Environmental Sustainability Plan established targets for 2022 and 2037. In the Plan, the Intesa Sanpaolo Group outlines its goals as regards reducing the CO2 emissions connected with its activities. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, expected to allow the Intesa Sanpaolo Group to reach the challenging goals it has set. Following the integration of UBI in Intesa Sanpaolo, the targets included in the Climate Change Action Plan were updated; data reported in CDP2022 were therefore revised to integrate UBI initiatives and targets. The Group’s strategy for reducing its Scope 1 and 2 emissions, which also takes account of the use and the composition of the company fleet with the goal of continuously improving its environmental performance in terms of emissions, already produced significant results in terms of reducing energy consumption in accordance with the objectives of the plan. In 2021, consistently with the adhesion to the NZBA, the Bank’s commitment to contain its CO2 emissions took tangible form in the drawing up of the new "Own Emissions Plan" (targets to 2030) which identifies specific medium to long-term actions aimed at reducing its consumption of natural gas, diesel and traditional electricity. The Climate Change Action Plan will however be monitored until its first target date, 2022. We report Abs6 as replaced because new targets were released, see Own Emissions Plan (new targets Abs 10, Abs 11 and Low4. Target year 2030).

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 7

Year target was set
2016

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)
<Not Applicable>

Base year
2012

Base year Scope 1 emissions covered by target (metric tons CO2e)
43796.28

Base year Scope 2 emissions covered by target (metric tons CO2e)
47994.38

Base year Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
91790.66

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
59

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
88

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
71

Target year
2037

Targeted reduction from base year (%)
48

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
47731.1432

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

34442.45

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
21551.18

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
55993.63

% of target achieved relative to base year [auto-calculated]
81.2469872570187

Target status in reporting year
Replaced

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
Target also disclosed in CDP 2021 as Abs7. The target for Scope 1+2 refers to the emissions related to electricity purchased not from renewable sources and to the emissions from independent heating (gas) in the Intesa Sanpaolo Group (Italy and International Network). This target doesn't cover emissions from independent heating (diesel), central heating (diesel, gas), cogeneration (gas) and fleet. In 2017 Intesa Sanpaolo issued the Climate Change Action Plan, this Multi-Year Environmental Sustainability Plan established targets for 2022 and 2037. In the Plan, the Intesa Sanpaolo Group outlines its goals as regards reducing the CO2 emissions connected with its activities. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, expected to allow the Intesa Sanpaolo Group to reach the challenging goals it has set. Following the integration of UBI in Intesa Sanpaolo, the targets included in the Climate Change Action Plan were updated; data reported in CDP2022 were therefore revised to integrate UBI initiatives and targets. The Group's strategy for reducing its Scope 1 and 2 emissions, which also takes account of the use and the composition of the company fleet with the goal of continuously improving its environmental performance in terms of emissions, already produced significant results in terms of reducing energy consumption in accordance with the objectives of the plan. In 2021, consistently with the adhesion to the NZBA, the Bank's commitment to contain its CO2 emissions took tangible form in the drawing up of the new "Own Emissions Plan" (targets to 2030) which identifies specific medium to long-term actions aimed at reducing its consumption of natural gas, diesel and traditional electricity. The Climate Change Action Plan will however be monitored until its first target date, 2022. We report Abs7 as replaced because new targets were released, see Own Emissions Plan (new targets Abs 10, Abs 11 and Low4. Target year 2030).

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 8

Year target was set
2016

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)
<Not Applicable>

Base year
2012

Base year Scope 1 emissions covered by target (metric tons CO2e)
73939.67

Base year Scope 2 emissions covered by target (metric tons CO2e)
54539.09

Base year Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
128478.76

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year

2022

Targeted reduction from base year (%)
36

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
82226.4064

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
49387.76

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
27196.57

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
76584.33

% of target achieved relative to base year [auto-calculated]
112.198463344793

Target status in reporting year
Revised

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
Target also disclosed in CDP 2021 as Abs8. This target refers to 100% Scope1+2 emissions related to Intesa Sanpaolo Group (Italy and International Network). In 2017 Intesa Sanpaolo issued the Climate Change Action Plan, this Multi-Year Environmental Sustainability Plan established targets for 2022 and 2037. In the Plan, the Intesa Sanpaolo Group outlines its goals as regards reducing the CO2 emissions connected with its activities. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, expected to allow the Intesa Sanpaolo Group to reach the challenging goals it has set. In the Climate Change Action Plan, targets are net of the change in emission factors. Following the integration of UBI in Intesa Sanpaolo, the targets included in the Climate Change Action Plan were updated; data reported in CDP2022 were therefore revised to integrate UBI initiatives and targets. The Group’s strategy for reducing its Scope 1 and 2 emissions, which also takes account of the use and the composition of the company fleet with the goal of continuously improving its environmental performance in terms of emissions, already produced significant results in terms of reducing energy consumption in accordance with the objectives of the plan. In 2021, consistently with the adhesion to the NZBA, the Bank’s commitment to contain its CO2 emissions took tangible form in the drawing up of the new "Own Emissions Plan" (targets to 2030) which identifies specific medium to long-term actions aimed at reducing its consumption of natural gas, diesel and traditional electricity. The Climate Change Action Plan will however be monitored until its first target date, 2022. In the Own Emissions Plan, targets reflect change in emission factors. New targets: Abs 10, Abs 11 and Low4, target year: 2030.

Plan for achieving target, and progress made to the end of the reporting year
Target status: we select revised following the integration of UBI in Intesa Sanpaolo and data reported in CDP2022 includes UBI initiatives, for this reason we updated data of the targets and in column target status we select revised. % of target achieved relative to base year= 112.1994861244077% In 2021 vs 2020 Scope 1+2 (Market-based) emissions of Intesa Sanpaolo (including UBI) decreased (-3.4%). Emissions reduction initiatives which contributed to achieving this target: Despite the operational constraints imposed by the pandemic, which notably reduced the energy efficiency actions normally carried out by the Group, like every year ISP implemented a series of measures to reduce energy consumption. More specifically, in Italy a number of energy efficiency and plant modernisation projects were completed with estimated annual energy savings of 1.985 million KWh and a potential annual reduction in CO2 emissions of 470 t. The Group reduces its emissions mainly through careful management of consumption and a reduction in energy demand thanks to the implementation of energy efficiency and optimisation actions. In 2021 the internal “Green Banking Procurement” rules were issued which dedicate a specific chapter to the acquisition of electricity from renewable sources and renovation of properties based on environmental criteria.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 9

Year target was set
2016

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)
<Not Applicable>

Base year
2012

Base year Scope 1 emissions covered by target (metric tons CO2e)
73939.67

Base year Scope 2 emissions covered by target (metric tons CO2e)
54539.09

Base year Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
128478.76

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2037

Targeted reduction from base year (%)
42

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
74517.6808

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
49387.76

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
27196.57

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
76584.33

% of target achieved relative to base year [auto-calculated]
96.1701114383939

Target status in reporting year
Replaced

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
Target also disclosed in CDP 2021 as Abs9. This target refers to 100% Scope1+2 emissions related to Intesa Sanpaolo Group (Italy and International Network). In 2017 Intesa Sanpaolo issued the Climate Change Action Plan, this Multi-Year Environmental Sustainability Plan established targets for 2022 and 2037. In the Plan, the Intesa Sanpaolo Group outlines its goals as regards reducing the CO2 emissions connected with its activities. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, expected to allow the Intesa Sanpaolo Group to reach the challenging goals it has set. Following the integration of UBI in Intesa Sanpaolo, the targets included in the Climate Change Action Plan were updated; data reported in CDP2022 were therefore revised to integrate UBI initiatives and targets. The Group's strategy for reducing its Scope 1 and 2 emissions, which also takes account of the use and the composition of the company fleet with the goal of continuously improving its environmental performance in terms of emissions, already produced significant results in terms of reducing energy consumption in accordance with the objectives of the plan. In 2021, consistently with the adhesion to the NZBA, the Bank's commitment to contain its CO2 emissions took tangible form in the drawing up of the new "Own Emissions Plan" (targets to 2030) which identifies specific medium to long-term actions aimed at reducing its consumption of natural gas, diesel and traditional electricity. The Climate Change Action Plan will however be monitored until its first target date, 2022. We report Abs9 as replaced because new targets were released, see Own Emissions Plan (New targets: Abs 10, Abs 11 and Low4, target year: 2030).

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 10

Year target was set
2021

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)
<Not Applicable>

Base year
2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

60391.63

Base year Scope 2 emissions covered by target (metric tons CO2e)
35800.81

Base year Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
96192.44

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)
53

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
45210.4468

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
49629.99

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
30901.4

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
80531.39

% of target achieved relative to base year [auto-calculated]
30.718787197202

Target status in reporting year
New

Is this a science-based target?
Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition
1.5°C aligned

Please explain target coverage and identify any exclusions
Intesa Sanpaolo Group scope 1 & 2 emissions: 100% See Intesa Sanpaolo Consolidated Non-financial Statement New target In 2021, consistently with the adhesion to the NZBA, the Bank's commitment to contain its CO2 emissions took tangible form in the drawing up of the new "Own Emissions Plan" (targets to 2030) which identifies specific medium to long-term actions aimed at reducing its consumption of natural gas, diesel and traditional electricity.

Plan for achieving target, and progress made to the end of the reporting year
The Bank's commitment to contain its CO2 emissions takes tangible form in the new "Own Emissions Plan" which identifies specific medium to long-term actions aimed at reducing its consumption of natural gas, diesel and traditional electricity. In the Own Emissions Plan, targets reflect change in emission factors. The Group's strategy for reducing its Scope 1 and 2 emissions, which also takes account of the use and the composition of the company fleet with the goal of continuously improving its environmental performance in terms of emissions, already produced significant results in terms of reducing energy consumption in accordance with the objectives of the plan. In its new Own Emissions Plan, the Bank identifies specific medium to long-term actions (2022-2030) aimed at reducing its consumption of natural gas, diesel and traditional electricity; for example, some of the actions envisaged in the Plan are the use of electric cars, the substitution of gas and diesel boilers with heat pumps, improvement of building insulation.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 11

Year target was set
2021

Target coverage
Company-wide

Scope(s)
Scope 3

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
Category 1: Purchased goods and services

Base year
2019

Base year Scope 1 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3 emissions covered by target (metric tons CO2e)
6024.79

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
6024.79

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
<Not Applicable>

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)
40

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
3614.874

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
3915.26

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
3915.26

% of target achieved relative to base year [auto-calculated]
87.5354161721819

Target status in reporting year
New

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
Intesa Sanpaolo Group scope 3 category 1 purchased goods & services: 100% See Intesa Sanpaolo Consolidated Non-financial statement. New target In 2021, consistently with the adhesion to the NZBA, the Bank's commitment to contain its CO2 emissions took tangible form in the drawing up of the new "Own Emissions Plan" (targets to 2030) which identifies specific medium to long-term actions aimed at reducing its consumption of natural gas, diesel and traditional electricity and also at reducing emissions related to paper consumption.

Plan for achieving target, and progress made to the end of the reporting year
The target for Scope 3 (Purchased goods and services) refers to the emissions related to paper consumption of the Intesa Sanpaolo Group (Italy and International Network). In 2021, the reduction in the use of paper continued both in absolute terms (-11.7% compared to 2020) and on a staff member basis (-3.8% compared to 2020). These results were also achieved through the implementation of various paperless initiatives. The reduction in paper consumption also continued in 2021 thanks to the implementation of dematerialisation measures. Considering the various dematerialisation actions concluded in the last five years, in 2021 around 3,271 tonnes of paper were saved, corresponding to 4,457 tonnes of CO2 avoided and a theoretical cost saving of around 5.7 million euro. In 2017 Intesa Sanpaolo issued the Climate Change Action Plan, the Multi-Year Environmental Sustainability Plan established targets for 2022 and 2037. In the Plan, the Intesa Sanpaolo Group outlines its goals as regards reducing the CO2 emissions connected with its activities. In 2021, consistently with the adhesion to the NZBA, the Bank's commitment to contain its CO2 emissions took tangible form in the drawing up of the new "Own Emissions Plan" (targets to 2030) which identifies specific medium to long-term actions aimed at reducing its consumption of natural gas, diesel and traditional electricity and also at reducing emissions related to paper consumption. The Climate Change Action Plan will however be monitored until its first target date, 2022. In its new Own Emissions Plan, the Bank identifies specific actions (2022-2030) aimed at reducing emissions related to paper consumption; for example, some of the actions envisaged in the Plan are: a) Dematerialization and paperless actions b) Use of recycled paper c) Employees awareness around reducing paper consumption

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

C-FS4.1d

(C-FS4.1d) Provide details of the climate-related targets for your portfolio.

Target reference number
Por1

Year target was set
2021

Portfolio
Banking (Bank)

Product type/Asset class/Line of business
Corporate loans
Project finance
Debt and equity underwriting

Sectors covered by the target
Energy

Portfolio coverage of target
2.14

Target type
Sector Decarbonization Approach (SDA)

Target type: Absolute or intensity
Intensity

Scopes included in temperature alignment
<Not Applicable>

Metric (or target numerator if intensity)
Other, please specify (gCO2e)

Target denominator
Other, please specify (MJ)

Base year
2021

Figure in base year
64

Percentage of portfolio emissions covered by the target
49

Interim target year

Figure in interim target year

Target year
2030

Figure in target year
58

Figure in reporting year
64

% of target achieved relative to base year [auto-calculated]
0

Aggregation weighting used
<Not Applicable>

Proportion of portfolio emissions calculated in the reporting year based on asset level data
82

Proportion of the temperature score calculated in the reporting year based on company targets
<Not Applicable>

Target status in reporting year
New

Is this a science-based target?
Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science-based target initiative in the next two years

Target ambition
1.5°C aligned

Please explain target coverage and identify any exclusions
Original target before it was converted into the format required by CDP. Sector&Scope: Oil&Gas (Scope1,2,3) Metrics gCO2e/MJ, Baseline 64 (Portfolio composition as of 30/06/21, latest available emissions data as of 2019); target 2030: 52-58. The Group already has a policy in place to phase out unconventional Oil&Gas by 2030. See ISP CNFS2021 and ISP Business Plan. This target was calculated on exposures as of 30/6/21 as exposures as at 31/12/21 would not have allowed enough time for calculations and targets to be published in the Business plan presented on Feb 4th 2022. ISP presented its net-zero aligned emissions reduction targets for 2030 in the Oil&Gas, power generation, automotive and coal mining sectors (Sectors consistent with NZBA, Reference scenario: IEA Net-Zero 2050), which represent well over 60% of the non-financial corporates portfolio financed emissions in the sectors identified by the NZBA. ISP already committed to requesting validation of its emissions reduction targets from SBTi and commitment is published on SBTi website. Base year 2021: Portfolio composition as of 30/6/2021; latest available emissions data as of 2019. Product type: Corporate loans; Project finance; Debt and equity underwriting (Bond HTC and Equity banking book). Sector covered by target: Oil&Gas and not the whole energy sector - Focus on upstream operations and integrated players to encourage operational efficiency in extraction and ensure the exercise fosters companies transition from high to lower emitting fossil fuels (e.g., natural gas) and renewables. Excluded refinery and distribution companies to avoid double counting of scope 3 emissions. Included scope 1,2,3 emissions in line with SBTi recommendation. Portfolio coverage of target: Exposure in-scope for target setting computed based on 30/6/21 data. Excluded SMEs seen limited data availability and not necessary to obtain SBTi certification. % of portfolio emissions covered by target: 30/6/21 data based on bottom-up

counterparty-level analyses for Oil&Gas, Power Gen and Automotive sectors and top-down estimates based on sectorial averages for other sectors. % refers to ratio between financed emissions for sectors with disclosed emissions targets and estimated financed emissions from NFC NZBA sectors' portfolio (excluding Retail mortgages). Figure in 2030: 58 (range 52-58). Metrics may be updated over time following: evolution of the emission calculation methodology; NZBA, SBTi updates; any new external guidelines.

Target reference number
Por2

Year target was set
2021

Portfolio
Banking (Bank)

Product type/Asset class/Line of business
Corporate loans
Project finance
Debt and equity underwriting

Sectors covered by the target
Utilities

Portfolio coverage of target
1.42

Target type
Sector Decarbonization Approach (SDA)

Target type: Absolute or intensity
Intensity

Scopes included in temperature alignment
<Not Applicable>

Metric (or target numerator if intensity)
Other, please specify (Kg CO2e)

Target denominator
Other, please specify (MWh)

Base year
2021

Figure in base year
214

Percentage of portfolio emissions covered by the target
3

Interim target year

Figure in interim target year

Target year
2030

Figure in target year
110

Figure in reporting year
154

% of target achieved relative to base year [auto-calculated]
57.6923076923077

Aggregation weighting used
<Not Applicable>

Proportion of portfolio emissions calculated in the reporting year based on asset level data
98

Proportion of the temperature score calculated in the reporting year based on company targets
<Not Applicable>

Target status in reporting year
New

Is this a science-based target?
Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science-based target initiative in the next two years

Target ambition
1.5°C aligned

Please explain target coverage and identify any exclusions
Original target before it was converted into the format required by CDP. Sector&Scope: Power Generation (Scope1,2) Metrics KgCO2e/MWh, Baseline 214 (Portfolio composition as of 30/06/2021; latest available emissions data as of FY19); target 2030: 110. See ISP CNFS2021 and ISP Business Plan. This target was calculated on exposures as of 30/06/21 as exposures as at 31/12/21 would not have allowed enough time for calculations and targets to be published in the Business plan presented on Feb 4th 2022. ISP presented its net-zero aligned emissions reduction targets for 2030 in the Oil&Gas, power generation, automotive and coal mining sectors (Sectors consistent with NZBA, Reference scenario: IEA Net-Zero 2050), which represent well over 60% of the non-financial corporates portfolio financed emissions in the sectors identified by the NZBA. ISP already committed to requesting validation of its emissions reduction targets from the SBTi and commitment is published on SBTi website. Base

year 2021: Portfolio composition as of 30/06/2021; latest available emissions data as of 2019. Product type: Corporate loans; Project finance; Debt and equity underwriting (Bond HTC and Equity banking book). Sector covered by target: Power Generation and not the whole Utilities sector - Included only Generation and Integrated Power Generation companies to encourage generation of electricity from low emission energy sources. Excluded transportation and distribution companies. Included scope 1,2 emissions in line with SBTi recommendation. Portfolio coverage of target: Exposure in-scope for target setting computed based on 30/06/21 data. Excluded SMEs seen limited data availability and not necessary to obtain SBTi certification. % of portfolio emissions covered by target: 30/6/21 data based on bottom-up counterparty-level analyses for Oil&Gas, Power Gen and Automotive sectors and top-down estimates based on sectorial averages for other sectors. Percentage refers to ratio between financed emissions for sectors with disclosed emissions targets and estimated financed emissions from NFC NZBA sectors' portfolio (excluding Retail mortgages). Metrics may be updated over time following: evolution of the emission calculation methodology; NZBA, SBTi updates; any new external guidelines.

Target reference number
Por3

Year target was set
2021

Portfolio
Banking (Bank)

Product type/Asset class/Line of business
Corporate loans
Project finance
Debt and equity underwriting

Sectors covered by the target
Automobiles and components

Portfolio coverage of target
2.03

Target type
Sector Decarbonization Approach (SDA)

Target type: Absolute or intensity
Intensity

Scopes included in temperature alignment
<Not Applicable>

Metric (or target numerator if intensity)
Other, please specify (gCO2e)

Target denominator
Vehicle km

Base year
2021

Figure in base year
162

Percentage of portfolio emissions covered by the target
14

Interim target year

Figure in interim target year

Target year
2030

Figure in target year
95

Figure in reporting year
162

% of target achieved relative to base year [auto-calculated]
0

Aggregation weighting used
<Not Applicable>

Proportion of portfolio emissions calculated in the reporting year based on asset level data
100

Proportion of the temperature score calculated in the reporting year based on company targets
<Not Applicable>

Target status in reporting year
New

Is this a science-based target?
Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science-based target initiative in the next two years

Target ambition
1.5°C aligned

Please explain target coverage and identify any exclusions
Original target before it was converted into the format required by CDP. Sector&Scope: Automotive (Scope3) Metrics gCO2e/Km, Baseline 162 (Portfolio composition as of 30/06/2021; latest available emissions data as of FY19); target 2030: 95. See ISP CNFS2021 and ISP Business Plan. This target was calculated on exposures as of

30/06/21 as exposures as at 31/12/21 would not have allowed enough time for calculations and targets to be published in the Business plan presented on Feb 4th 2022. ISP presented its net-zero aligned emissions reduction targets for 2030 in the Oil&Gas, power generation, automotive and coal mining sectors (Sectors consistent with NZBA. Reference scenario: IEA Net-Zero 2050), which represented well over 60% of the non-financial corporates portfolio financed emissions in the sectors identified by the NZBA. ISP already committed to requesting validation of its emissions reduction targets from the SBTi and commitment is published on SBTi website. Base year 2021: Portfolio composition as of 30/06/2021; latest available emissions data as of 2019 Product type: Corporate loans; Project finance; Debt and equity underwriting (Bond HTC and Equity banking book). Sector covered by target: Automotive and not the whole Automobiles and components sector - Included only Automotive manufacturers to encourage the manufacturing of vehicles with low emission technologies and excluded components suppliers to avoid double counting. Included scope 3 emissions - use of product sold emissions in line with SBTi recommendation. Portfolio coverage of target: Exposure in-scope for target setting computed based on 30/06/21 data. Excluded SMEs seen limited data availability and not necessary to obtain SBTi certification. % of portfolio emissions covered by target: 30/6/21 data based on bottom-up counterparty-level analyses for Oil&Gas, Power Gen and Automotive sectors and top-down estimates based on sectorial averages for other sectors. Percentage refers to ratio between financed emissions for sectors with disclosed emissions targets and estimated financed emissions from NFC NZBA sectors' portfolio (excluding Retail mortgages). Metrics may be updated over time following: evolution of the emission calculation methodology; NZBA, SBTi updates; any new external guidelines.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2016

Target coverage
Company-wide

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Base year
2012

Consumption or production of selected energy carrier in base year (MWh)
668476

% share of low-carbon or renewable energy in base year
80.36

Target year
2022

% share of low-carbon or renewable energy in target year
84.03

% share of low-carbon or renewable energy in reporting year
87.49

% of target achieved relative to base year [auto-calculated]
194.277929155313

Target status in reporting year
Revised

Is this target part of an emissions target?
Abs1 Abs2 Abs6 Abs7 Abs8 Abs9

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
Target also disclosed in CDP 2021 as - Renewable electricity consumption. The target applies to 100% of Intesa Sanpaolo Group perimeter. In 2017 Intesa Sanpaolo issued the Climate Change Action Plan, the Multi-Year Environmental Sustainability Plan established targets for 2022 and 2037. In the Plan, the Intesa Sanpaolo Group outlines its goals as regards reducing the CO_2 emissions connected with its activities. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, which should allow the Intesa Sanpaolo Group to reach the challenging goals it has set. The Plan also sets renewable energy consumption and production targets. Following the integration of UBI in Intesa Sanpaolo, the targets included in the Climate Change Action Plan were updated; data reported in CDP2022 were therefore revised to integrate UBI initiatives and targets. In particular, the percentage of energy use from renewable energy sources over the total energy use will increase from 80% in 2012 (base year) to 84% in 2022. Target before update (i.e. excluding UBI): 76% in 2012 (base year) to 81% in 2022. In 2021, consistently with the adhesion to the NZBA, the Bank's commitment to contain its CO_2 emissions took tangible form in the drawing up of the new "Own Emissions Plan" (targets to 2030) which identifies specific medium to long-term actions aimed at reducing its consumption of natural gas, diesel and traditional electricity. New targets were released (new targets Abs 10, Abs 11 and Low4. Target year 2030). The Climate Change Action Plan will however be monitored until its first target date, 2022.

Plan for achieving target, and progress made to the end of the reporting year

Plan for achieving target: Additional renewable energy plants and purchase of more renewable energy certificates (Certificates with Guarantee of Origin, Renewable Energy Certificate systems and European Energy Certificate System) or supply contracts with green tariffs. Progress: In addition to the energy efficiency measures aimed at reducing its environmental impact, the Intesa Sanpaolo Group has committed, where possible, to producing electricity through the installation of photovoltaic plants and to purchasing electricity from renewable sources. In 2021 the total consumption of electricity from renewable sources amounted to approximately 87% of total consumption of electricity. The self-production of energy from renewable sources comes from the photovoltaic plants in Italy, 9 of which with a capacity under 20 kWp and 10 of large size, and from two plants in Slovenia. In 2021 the Intesa Sanpaolo Group self-produced 1,361 MWh of energy, saving around 243,000 euro on the purchase of electricity and avoiding 642 tonnes of CO2 emissions. In the Group companies in Italy, including overseas offices of Intesa Sanpaolo and some Italian Companies, about 99% of energy purchased comes from renewable sources. Considering only the branches and properties located in Italy, this percentage reaches 100%. Despite limitations imposed by some national legislation, the use of renewable energy outside of Italy continues to grow. Intesa Sanpaolo Bank (Slovenia) once again eliminated its emissions this year by purchasing all its energy from hydroelectric sources, while Privredna Banka Zagreb (Croatia) purchases around 60% of its electricity from renewable sources and Intesa Sanpaolo Bank Luxembourg 23%. The following international banks use electricity from renewable sources thanks to their national energy mix: Intesa Sanpaolo Bank Albania in Albania (100%), Banca Intesa Beograd in Serbia (29%), VÚB Banka in Slovakia (20%) and CIB Bank in Hungary (11%).

List the actions which contributed most to achieving this target

<Not Applicable>

Target reference number

Low 2

Year target was set

2016

Target coverage

Company-wide

Target type: energy carrier

Electricity

Target type: activity

Production

Target type: energy source

Renewable energy source(s) only

Base year

2012

Consumption or production of selected energy carrier in base year (MWh)

631

% share of low-carbon or renewable energy in base year

0.09

Target year

2022

% share of low-carbon or renewable energy in target year

0.31

% share of low-carbon or renewable energy in reporting year

0.31

% of target achieved relative to base year [auto-calculated]

100

Target status in reporting year

Achieved

Is this target part of an emissions target?

Abs1 Abs2 Abs6 Abs7 Abs8 Abs9

Is this target part of an overarching initiative?

No, it’s not part of an overarching initiative

Please explain target coverage and identify any exclusions

Target also disclosed in CDP 2021 as Renewable electricity production. The target applies to 100% of Intesa Sanpaolo Group perimeter. In 2017 Intesa Sanpaolo issued the Climate Change Action Plan (CCAP), the Multi-Year Environmental Sustainability Plan established targets for 2022 and 2037. In the Plan, the Intesa Sanpaolo Group outlines its goals as regards reducing the CO2 emissions connected with its activities. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, which should allow the Intesa Sanpaolo Group to reach the challenging goals it has set. This Plan also sets renewable energy consumption and production targets. In particular the self-production of electricity from a renewable source - photovoltaic - rose from 631 MWh in 2012 (around 400 MWh before the update of the target due to UBI acquisition) to over 1,000 MWh in 2021, and similar production levels are forecast to be maintained over the years to come. Following the integration of UBI in Intesa Sanpaolo, the targets included in the CCAP were updated; data reported in CDP2022 were therefore revised to integrate UBI initiatives and targets. In addition to the energy efficiency measures aimed at reducing its environmental impact, ISP has committed, where possible, to producing electricity through the installation of photovoltaic plants and to purchasing electricity from renewable sources. The total consumption of electricity from renewable sources amounted to approximately 87% of total consumption of electricity. The self-production of energy from renewable sources comes from the photovoltaic plants in Italy, 9 of which with a capacity under 20 kWp and 10 of large size, and from two plants in Slovenia. In 2021 the Intesa Sanpaolo Group self-produced 1,361 MWh of energy, saving around 243,000 euro on the purchase of electricity and avoiding 642 tonnes of CO2 emissions. In 2021, consistently with the adhesion to the NZBA, the Bank’s commitment to contain its CO2 emissions took tangible form in the drawing up of the new "Own Emissions Plan" (targets to 2030) which identifies specific medium to long-term actions aimed at reducing its consumption of natural gas, diesel and traditional electricity. New targets were released (new targets Abs 10, Abs 11 and Low4. Target year 2030). The CCAP will however be monitored until its first target date, 2022.

Plan for achieving target, and progress made to the end of the reporting year

<Not Applicable>

List the actions which contributed most to achieving this target

The self-production of energy from renewable sources comes from the photovoltaic plants in Italy, 9 of which with a capacity under 20 kWp and 10 of large size, and from two plants in Slovenia. In 2021 the Intesa Sanpaolo Group self-produced 1,361 MWh of energy, saving around 243,000 euro on the purchase of electricity and avoiding 642 tonnes of CO_2 emissions. With UBI Banca Group 2 renewable energy plants were added to ISP plants.

Target reference number
Low 3

Year target was set
2020

Target coverage
Company-wide

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Base year
2012

Consumption or production of selected energy carrier in base year (MWh)
656615

% share of low-carbon or renewable energy in base year
81.71

Target year
2022

% share of low-carbon or renewable energy in target year
89

% share of low-carbon or renewable energy in reporting year
87.68

% of target achieved relative to base year [auto-calculated]
81.8930041152264

Target status in reporting year
Replaced

Is this target part of an emissions target?
Abs1 Abs2 Abs6 Abs7 Abs8 Abs9

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
Target established in 2020- renewable electricity purchased for consumption out of total electricity purchased. The target applies to 100% of Intesa Sanpaolo Group perimeter. Following the integration of UBI in Intesa Sanpaolo, the target was updated, data reported in CDP2022 were therefore revised to integrate UBI initiatives and targets. The Group's strategy for reducing its Scope 1 and 2 emissions, which also takes account of the use and the composition of the company fleet with the goal of continuously improving its environmental performance in terms of emissions, already produced significant results in terms of reducing energy consumption in accordance with the objectives of the plan. In 2021, consistently with the adhesion to the NZBA, the Bank's commitment to contain its CO_2 emissions took tangible form in the drawing up of the new "Own Emissions Plan" (targets to 2030) which identifies specific medium to long-term actions aimed at reducing its consumption of natural gas, diesel and traditional electricity. We report Low3 as replaced because new target was released (Low4).

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the actions which contributed most to achieving this target
<Not Applicable>

Target reference number
Low 4

Year target was set
2021

Target coverage
Company-wide

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Base year
2019

Consumption or production of selected energy carrier in base year (MWh)
537050

% share of low-carbon or renewable energy in base year

87.7

Target year
2030

% share of low-carbon or renewable energy in target year
100

% share of low-carbon or renewable energy in reporting year
87.7

% of target achieved relative to base year [auto-calculated]
0

Target status in reporting year
New

Is this target part of an emissions target?
Abs10

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
The target applies to 100% of Intesa Sanpaolo Group perimeter.

Plan for achieving target, and progress made to the end of the reporting year
In its new Own Emissions Plan, the Bank identifies specific actions aimed at reach 100% of electricity at Group level purchased from renewable sources; for example, some of the actions envisaged in the Plan are: 1) Certificates with Guarantee of Origin (GO certificates) - electronic certification attesting to the renewable origin of the sources used by IGO-qualified plants; 2) Renewable Energy Certificate systems (RECs) in the USA and European Energy Certificate System (EECS) in Europe for issuing national Guarantee of Origin (GO) certificates; 3) Supply contracts with "green tariffs" (energy from renewable sources) explicitly mentioned in the supply document and not supported by Guarantee of Renewable Origin Certificates.

List the actions which contributed most to achieving this target
<Not Applicable>

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	
To be implemented*	163	12863.5
Implementation commenced*	17	2299
Implemented*	40	12016
Not to be implemented	0	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy consumption	Other, please specify (Renewable Energy Certificates (GO))

Estimated annual CO2e savings (metric tonnes CO2e)
5831.19

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
Ongoing

Comment
In 2021, thanks to the additional renewable energy purchases, 5,831.19 tCO2e were avoided. Without considering change in methodology for emission factors (see question 7.9a) in 2021 were avoided 6,605.40 tCO2e.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)
491.85

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
308681

Investment required (unit currency – as specified in C0.4)
557461

Payback period
1-3 years

Estimated lifetime of the initiative
11-15 years

Comment

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
199.4

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
50633

Investment required (unit currency – as specified in C0.4)
50003

Payback period
<1 year

Estimated lifetime of the initiative
6-10 years

Comment

Initiative category & Initiative type

Transportation	Employee commuting

Estimated annual CO2e savings (metric tonnes CO2e)
1037

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 3 category 7: Employee commuting

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)

0

Payback period
No payback

Estimated lifetime of the initiative
Ongoing

Comment
Besides preparing the "Home Work Commute Plan" on staff commuting, activities continued to monitor the shuttle service run in Italy. In 2021, thanks to the use of the company shuttle service to support mobility at some sites not served by local public transport, ISP forecast savings of over 1,000 tonnes of CO2 in Italy.

Initiative category & Initiative type

Other, please specify	Other, please specify (Digitalisation initiatives)

Estimated annual CO2e savings (metric tonnes CO2e)
4456.72

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 3 category 1: Purchased goods & services

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
5792013

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
Ongoing

Comment
The reduction in paper consumption continued in 2021 also thanks to the implementation of dematerialisation measures. Considering the various dematerialisation actions concluded in the last five years, in 2021 around 3,271 tonnes of paper were saved, corresponding to 4,457 tonnes of CO2 avoided and a theoretical cost saving of around 5.7 million euro.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	The Intesa Sanpaolo Group establishes its objectives of reducing energy consumption in line with its targets (see Climate Change Action Plan and Own Emission Plan). ISP has adopted an Integrated Management System in Italy that complies with international standards ISO 45001 (Occupational Health and Safety), ISO 14001 (Environment) and ISO 50001 (Energy). The certification scope, for the three schemes, has been extended over the years to include 100% of branches and buildings in Italy. The System continuously monitors the company's goals and is subject to internal checks to assess the degree to which performance levels meet with expectations. The ongoing suitability of the measures adopted over time is guaranteed by a system of controls on three levels which involves conducting checks on a sample of branches and buildings and on the activities carried out at headquarters. While the first two levels consist of controls performed by internal company functions, the third level is entrusted to an international third party that certifies the conformity of the System and issues the certification. With regard to the international banks, Hungarian subsidiary CIB Bank maintained its ISO 50001 certification, which applied to all of its properties in Hungary also in 2021. Being a large company, ISP and its subsidiaries must carry out energy audits every four years on the premises where they exercise control of energy consumption, pursuant to Italian Legislative Decree 102/14. In 2019, multi-site companies, such as ISP, had to carry out the audits on a proportionate and sufficiently representative number of sites in order to define a true picture of the company's overall energy performance and to identify, in a reliable manner, the most significant areas for improvement. Energy audits were conducted in 37 sites in Italy. The first analyses highlight saving opportunities on a limited number of properties with simple management interventions. ISP monitors, with appropriate instruments, the environmental and energy regulations that require action to comply with them and considers them a priority. In recent years in Italy, the Bank invested mainly in monitoring systems useful to have an increasingly comprehensive picture of its energy gaps and to improve its efficiency in this regard.
Dedicated budget for energy efficiency	A dedicated budget for the initiatives of energy efficiency included in the Climate Change Action Plan 2017-2022 has been established. The Bank's commitment to containing its CO2 emissions is confirmed in the new Own Emissions Plan which identifies specific medium to long-term actions aimed at reducing emissions. Moreover, ISP has in place an Energy & Utilities Desk that provides advisory and customized loans to companies wishing to invest in energy efficiency and renewable energies.
Dedicated budget for low-carbon product R&D	To support the European Green Deal and the National Recovery and Resilience Plan (NRRP), the Group has pledged to provide a 76 billion euro programme of disbursements dedicated to the Green Economy, the Circular Economy and the ecological transition in Italy over the coming years. The Bank has also been very supportive of businesses, issuing various credit lines: 6 billion euro for the Circular Economy, in collaboration with the Ellen MacArthur Foundation, of which Intesa Sanpaolo is Strategic Partner; 2 billion euro for the S-Loan, dedicated to the sustainable transformation projects of SMEs. S-Loans have a subsidised interest rate, subject to the annual monitoring of ESG KPI reported in the financial statements of the company financed. In July 2021, the offering was expanded with S-Loan Climate Change, which lists six KPIs for developing the company business in an environmentally-friendly way, investing in projects designed to combat climate change and reduce the company's emissions. The Bank proposes Green - Mutuo Domus: a subsidised mortgage (reduction of the annual percentage rate (APR) and free energy certification for renovation purposes) which makes it possible to purchase and build a residential property in Italy with a high energy efficiency class (equal to or higher than B) or to renovate a residential property in Italy improving its energy performance rating by at least one class. In 2021, around 14,000 green mortgages for a total value of over 2.2 billion euro were issued. ISP has a specialist Energy & Utilities Desk, composed of a team of professionals from the sector, which provides assistance for entrepreneurs who have planned investments in renewable energies or who intend to diversify their energy sources, assessing their projects from a technical and business perspective and evaluating the financial sustainability of the investment: a comprehensive service that ranges from credit consultancy on risk assessment and the structuring of the most suitable financial solutions, to advice on new market opportunities and technology trends in the area of new energies.
Employee engagement	Multimedia platform Apprendo was once again the main tool used for sharing content on environmental topics with employees in 2021; the various modules available were used by over 38,000 employees for a total of around 7,300 hours. As regards environmental protection issues, two mandatory courses are available on the online Apprendo platform for employees directly involved in the application of the Environmental and Energy Management Systems (over 6,000 people). For all other people an optional course is available with the aim of spreading good environmental practices. The course was also made available to employees of Intesa Sanpaolo Vita Group and Fideuram Vita who occupy the properties that attained ISO 14001 certification. Similarly, in order to improve knowledge of ESG issues and develop new skills, in addition to those already acquired for ISO 50001 certification, CIB Bank (Hungary) began providing its employees with teaching programmes and training courses on this topic. A course on climate change and energy efficiency was also organised for all international banks during 2021 with around 30 colleagues from all Banks taking part. Meanwhile, in Italy work began on the production of an "Energy Newsletter", available on the Bank intranet, with the aim of engaging and increasing the interest of all colleagues on the topic, particularly those that manage energy aspects in their daily work activities. The European Regulatory & Public Affairs (ERPA) function also carried out internal training initiatives to raise awareness among employees on environmental issues under discussion with European regulators.
Lower return on investment (ROI) specification	In view of this, aiming to increasingly strengthen its commitment to reducing its environmental impact, in June 2021 the Intesa Sanpaolo Group updated its Green Banking Procurement rules defining, further to the previous criteria already applied, additional minimum sustainability requirements for purchases of paper, stationery, toner, electricity and office equipment, as well as for the redevelopment of real estate assets.
Other (Government incentives)	We utilize government incentives for energy efficiency actions in our premises. For example, we have used the Italian tax deductions in favour of saving energy to restructure many of our branches. Thanks to the measures implemented in recent years, in Italy the Group was able to claim tax deductions of around 7.4 million euro in 2015-2021, around 504,000 euro in 2021.

C-FS4.5

(C-FS4.5) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of climate change?

Yes

C-FS4.5a

(C-FS4.5a) Provide details of your existing products and services that enable clients to mitigate and/or adapt to climate change, including any taxonomy used to classify the products(s).

Product type/Asset class/Line of business

Banking	Other, please specify (Corporate loans, Retail mortgages, Project finance)

Taxonomy or methodology used to classify product
Green Bond Principles (ICMA)

Description of product
Intesa Sanpaolo was the first Italian bank to issue a green bond, and this has been followed by three further issues for a total of 3 billion euro. In 2021 Intesa Sanpaolo published a new Green, Social and Sustainability Bond Framework (aligned with the ICMA Green Bond Principles - 2018, ICMA Sustainability Bond Guidelines - 2018 and ICMA Social Bond Principles - 2020) which establishes a list of eligible categories for green, social and Circular Economy funding for which the proceeds of the issues may be used. In March 2022 the new Green Bond Report (on 2021 data) on the four Green Bonds issued so far was published. The new report sees a switch to the "Portfolio approach" which, rather than reporting on the allocation of the proceeds and the environmental benefits of each loan, through to the coverage of the complete amount of the bond, estimates the impacts and benefits obtained for the entire portfolio of admissible loans for each of the green categories: renewable energy, circular economy, energy efficiency and green buildings. In the report are also stated: outstanding eligible loans for every category 6,128 million euro (signed amount), and number of tonnes of CO2 avoided. The data reported in column "% of total portfolio value" considers only the "green bond portfolio". Intesa Sanpaolo has long been committed to supporting the transition to a low carbon economy. To this end, Intesa Sanpaolo has allocated a 6 billion euro credit line for circular economy projects and a 2 billion euro credit line for S-Loans, which reward businesses for achieving specific sustainability targets; the Group has also made 76 billion euro available to support the Green Economy, the Circular Economy and the ecological transition as part of its commitment to supporting the National Recovery and Resilience Plan (NRRP). In 2021, the Group's loans disbursements for the Green and Circular Economy came to around 8.7 billion euro, equal to 11.2% of the 2021 Group's total disbursements of loans.

Product enables clients to mitigate and/or adapt to climate change
Mitigation
Adaptation

Portfolio value (unit currency – as specified in C0.4)
6128000000

% of total portfolio value
1.3

Type of activity financed/insured or provided
Green buildings and equipment
Renewable energy
Other, please specify (Circular economy and Energy efficiency)

Product type/Asset class/Line of business

Investing	Fixed Income

Taxonomy or methodology used to classify product
Green Bond Principles (ICMA)

Description of product
Data reported in column Portfolio value refers to Eurizon Fund - Absolute Green Bonds and Eurizon Fund - Green Euro Credit. Both Funds offer the opportunity to invest in the global green bond market, which has grown significantly over the last few years benefiting from a renewed sensitivity for environmental themes. The investment process is based on an analysis of macroeconomic themes and on a careful screening within the universe of "green emissions". The selection process used a due diligence program in line with Green Bond Principles, as defined in the International Capital Market Association (ICMA) and the European regulatory framework defined as the Green Bond Standard (GBS). The funds are qualified under Article 9 of Regulation (EU) 2019/2088. The last "Green Bonds Impact Report" (May 2022) drafted by Eurizon is a document that describes and quantifies the 2021 impact of green financing projects on the climate and on the environment of Eurizon Fund - Absolute Green Bonds and Eurizon Fund Green Euro Credit. This allows investors to evaluate the positive externalities generated through their investments. Among environmental impacts reported, for every million euro invested the following results are obtained: a reduction of 776 tonnes of CO2 for Absolute green Bonds and 493 tonnes of CO2 for Green Euro Credit. https://www.eurizoncapital.com/-/media/Project/Eurizon/EurizonPortals/EurizonPortal/Files/Sustainability/ENG/GreenBond_ImpactReport_eng.pdf It should be noted that Eurizon Fund Absolute Green Bonds was ranked first at the ESG Investing Awards 2022, in the Best ESG Investment Fund category and also received an award at the MainStreet Partners "ESG Champions" 2022. In addition, Eurizon Capital SGR SpA offers investors a wide and diversified range of funds that integrate sustainability risks into their investment choices and as of 31/12/2021 it boasted assets of over 110 billion euro in funds that promote environmental or social characteristics, among others, or that have sustainable investment objectives, classified according to Articles 8 and 9 of Regulation (EU) 2019/2088 (SFDR), which represent about 46% of the assets managed in UCITS by the company.

Product enables clients to mitigate and/or adapt to climate change
Mitigation
Adaptation

Portfolio value (unit currency – as specified in C0.4)
2809172004

% of total portfolio value
0.6

Type of activity financed/insured or provided
Green buildings and equipment
Low-emission transport
Renewable energy

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

Yes, an acquisition

Name of organization(s) acquired, divested from, or merged with

UBI Banca Group

Details of structural change(s), including completion dates

Completion date of the structural change: acquisition in August 2020. In April 2021 UBI Banca was merged in ISP.

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	No	<Not Applicable>

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	Yes	Describe your organization's base year recalculation policy: The GHG Protocol Corporate Standard states that you should recalculate your base year emissions if your organization has changed structurally through acquisitions and/or divestments, the methodology or boundary used to calculate your emissions has changed, you have found significant errors in previous calculations, or if there have been changes to your excluded sources. As noted on the GHG Protocol Corporate Standard, a significance threshold is a qualitative and/or quantitative criterion used to define any significant change to the data, inventory boundary, methods, or any other relevant factors. ISP defines as significance a threshold of 5%, assessing each time particular situations that may arise. UBI Scope1+2 emissions in 2020 account more than 18% out of total ISP+UBI 2020 data. The new base year is 2019 (2020 and 2021 due to COVID emergency were not considered reliable years).

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

60391.63

Comment

Data is restated due to UBI Banca Group acquisition in 2020. Previous base year 2012 (excluding UBI): 58,993.85

Scope 2 (location-based)

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

180875.98

Comment

Data is restated due to UBI Banca Group acquisition in 2020. Previous base year 2012 (excluding UBI): 221,035.45

Scope 2 (market-based)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
35800.81

Comment
Data is restated due to UBI Banca Group acquisition in 2020. Previous base year 2012 (excluding UBI): 54,539.09

Scope 3 category 1: Purchased goods and services

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
6024.79

Comment
Data is restated due to UBI Banca Group acquisition in 2020.

Scope 3 category 2: Capital goods

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
36103.68

Comment
Data is restated due to UBI Banca Group acquisition in 2020.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 5: Waste generated in operations

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
316.88

Comment
Data is restated due to UBI Banca Group acquisition in 2020.

Scope 3 category 6: Business travel

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
12917.41

Comment
Data is restated due to UBI Banca Group acquisition in 2020.

Scope 3 category 7: Employee commuting

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
54275.33

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

ABI Energia Linee Guida
IEA CO2 Emissions from Fuel Combustion
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance
US EPA Center for Corporate Climate Leadership: Indirect Emissions From Purchased Electricity
US EPA Center for Corporate Climate Leadership: Direct Emissions from Stationary Combustion Sources
US EPA Emissions & Generation Resource Integrated Database (eGRID)
Other, please specify (UNFCCC: United Nations Framework Convention on Climate Change)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
49629.99

Start date
January 1 2021

End date
December 31 2021

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
49950.65

Start date
January 1 2020

End date
December 31 2020

Comment
Data is restated due to UBI Banca Group acquisition in 2020.

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)
60391.63

Start date
January 1 2019

End date
December 31 2019

Comment
Data is restated due to UBI Banca Group acquisition in 2020.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
133694.55

Scope 2, market-based (if applicable)
30901.4

Start date
January 1 2021

End date
December 31 2021

Comment

Past year 1

Scope 2, location-based
153646.76

Scope 2, market-based (if applicable)
33714.21

Start date
January 1 2020

End date
December 31 2020

Comment
Data are restated due to UBI Banca Group acquisition in 2020.

Past year 2

Scope 2, location-based
180875.98

Scope 2, market-based (if applicable)
35800.81

Start date
January 1 2019

End date
December 31 2019

Comment
Data are restated due to UBI Banca Group acquisition in 2020.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
3915.26

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Purchased goods and services reported by Intesa Sanpaolo relate to graphic paper used in office and branch activities. The system boundaries cover cradle-to-grave phases and related transportation and energy wares, including pulp production, paper making and printing processes. Moreover, emissions generated by end-of-life treatment of paper reports delivered to the clients are estimated. Based on the annual purchased shares, both virgin woodfree uncoated paper and recycled paper are considered in the calculations. Transportation distances have been estimated as 500 km from the suppliers' places to Intesa Sanpaolo, 100 km for reports posting and 100 km for transportation to end-of-life treatment after use. The end-of-life scenario reflects the Italian statistics 2020 on paper waste disposal (CONAI and ISPRA), i.e. 87% recycling, 5% landfill and 8% incineration. According to the GHG Protocol Scope 3 Emission Standard (WBCSD/WRI), emissions from waste recycling processes as well as avoided emissions from substituted materials are not accounted. For all processes into the system boundaries, GHG emission factors have been sourced from Ecoinvent 3.7 (www.ecoinvent.ch). Emissions from virgin and recycled paper production represent a European average industry scenario. The released IPCC 2013 equivalence factors have been applied. In 2020 the emission data was 4,712.66 metric tonnes CO2e (2021 vs 2020 -16.9%)

Capital goods

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
16066.48

Emissions calculation methodology
Average product method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Accounted capital goods include the most relevant IT equipment and electronics purchased by Intesa Sanpaolo over the reporting year: desktop computers, laptops, LCD screens, printers, copying machines, scanners, mobile telephones, accessories (e.g. headphones), projectors, tablets and automated teller machines (ATM). The system boundaries include cradle-to-gate operations, i.e. the entire products supply chain until they are delivered to Intesa Sanpaolo. According to the GHG Protocol Scope 3 Emission Standard (WBCSD/WRI), emissions generated from capital goods manufacturing are totally accounted in the purchasing year, irrespective of the product service life. Emission factors have been sourced wherever possible from publicly available primary data, such as LCA reports, Environmental Product Declaration (EPDs) or sustainability reports from manufacturing corporates. This was for instance the case of Lenovo or Apple computers or Apple mobile telephones and tablets. For the remaining products, emission factors from Ecoinvent 3.5 (www.ecoinvent.ch>) datasets with a satisfactory representativeness have been applied. Transportation distances from the manufacturing countries - mostly China and other Eastern Asia countries have been taken into account. ATM machines have been modelled based on their average Bill-of-Materials and the use of corresponding Ecoinvent datasets. The IPCC 2013 equivalence factors have been applied. In 2020 the emission data was 36,103.68 metric tonnes CO2e (2021 vs 2020 -55.5% mainly due to the purchase of a large number of notebooks in the year 2020).

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
In 2021 ISP has evaluated that its focus is on scope 3 category 15 (investments) emissions which for a Bank are more relevant than own operational emissions. In fact, following the adhesion to Net Zero, Intesa Sanpaolo set its net-zero aligned emissions reduction targets for 2030 in the oil&gas, power generation, automotive and coal mining sectors (Sectors consistent with Net-Zero Banking Alliance. Reference scenario: IEA Net-Zero 2050), which represent over 60% of the non-financial corporates portfolio financed emissions in the sectors identified by the NZBA.

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
In 2021 ISP has evaluated that its focus is on scope 3 category 15 (investments) emissions which for a Bank are more relevant than own operational emissions. In fact, following the adhesion to Net Zero, Intesa Sanpaolo set its net-zero aligned emissions reduction targets for 2030 in the oil&gas, power generation, automotive and coal mining sectors (Sectors consistent with Net-Zero Banking Alliance. Reference scenario: IEA Net-Zero 2050), which represent over 60% of the non-financial corporates portfolio financed emissions in the sectors identified by the NZBA.

Waste generated in operations

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
278.53

Emissions calculation methodology
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
The system boundaries include the end-of-life treatment of special waste generated throughout Intesa Sanpaolo's operations in the reporting year, from corporate headquarters as well as Italian and foreign branches. The most important waste categories, according to the EWC classification are packaging waste, electronic waste, exhausted toners and waste from demolition and construction activities. Household waste generated by employees in office activities has been excluded from the analysis. The phases under assessment include waste transportation to the treatment facilities and end-of-life treatment. Information on the actual end-of-life treatment have been sourced from the official waste registers that are filled according to the Italian waste regulations. In 2021 a survey has been submitted to collect data on the end-of-life treatment for foreign branches. The results have been used to calculate the waste treatment scenario of the foreign banks included in the reporting boundaries. According to the GHG Protocol Scope 3 Emission Standard (WBCSD/WRI), emissions from waste recycling processes as well as avoided emissions from substituted materials are set to zero, hence for waste flows sent to recycling, which are the major share of waste produced by Intesa Sanpaolo, only transportation emissions have been accounted. For the remaining waste flows sent to landfill, incineration or other treatment processes, representative emission factors from Ecoinvent 3.5 (www.ecoinvent.ch>) have been used. The IPCC 2013 equivalence factors have been applied. In 2020 the emission data was 247.56 metric tonnes CO2e (2021 vs 2020 +12.5%)

Business travel

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
3031.55

Emissions calculation methodology
Spend-based method
Fuel-based method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Intesa Sanpaolo reports the business travel emissions arising from train, airplanes and personal cars. The model of data reporting adopted is designed in accordance with the GRI reporting standards and guidelines of ABIenergia for the application of the GRI environmental indicators in the banking sector. The model allows for an analysis of mobility useful for the definition of actions and policies that, with regard also to the profiles of economic sustainability, may reduce CO2 emissions. Taking into account the specificity of Mobility Management in Intesa Sanpaolo a set of indicators related to corporate mobility has been defined, that allows to address new GRI requests with regard to issues of mobility and adequately monitors them over time. Also, the emission factor applied and the GWP values used to calculate emissions are included in these guidelines. The model is based on data related to the vectors used, transfers and video conferencing and data obtained through the application of appropriate coefficients. In 2020 the emission data was 4,514.23 metric tonnes CO2e (2021 vs 2020 -32.8%)

Employee commuting

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
54275.33

Emissions calculation methodology
Average data method
Fuel-based method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
In 2013 we started to calculate emission from employees commuting. For 2021 ISP has calculated emissions from employee commuting in Italy with the data derived from the questionnaire submitted to its employees (about 24,000 employees from 27 areas in Italy). Starting from the primary data we have applied the emission factor used for the 2021 Intesa Sanpaolo Consolidated Non-Financial Statement and properly integrated with the necessary data from other sources. Public transportation and shuttles, motorcycles, personal cars and train have been considered.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Intesa Sanpaolo includes the emissions from leased assets in Scope 1 and Scope 2.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The Intesa Sanpaolo Group doesn't produce goods that need downstream transportation and distribution.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The Intesa Sanpaolo Group core business is to produce services for our customers. We don't use intermediate products by third parties.

Use of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
In 2021 ISP has evaluated that its focus is on scope 3 category 15 (investments) emissions which for a Bank are more relevant than own operational emissions. In fact, following the adhesion to Net Zero, Intesa Sanpaolo set its net-zero aligned emissions reduction targets for 2030 in the oil&gas, power generation, automotive and coal mining sectors (Sectors consistent with Net-Zero Banking Alliance. Reference scenario: IEA Net-Zero 2050), which represent over 60% of the non-financial corporates portfolio financed emissions in the sectors identified by the NZBA.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The Intesa Sanpaolo Group doesn't produce goods that need an end of life treatment.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Intesa Sanpaolo leases a very small number of buildings to services companies. We estimate that the emissions from these buildings are very few and therefore not relevant for the Scope 3.

Franchises

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The Intesa Sanpaolo Group doesn't have franchises.

Other (upstream)

Evaluation status

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date
January 1 2020

End date
December 31 2020

Scope 3: Purchased goods and services (metric tons CO2e)
4712.66

Scope 3: Capital goods (metric tons CO2e)
36103.68

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Scope 3: Upstream transportation and distribution (metric tons CO2e)

Scope 3: Waste generated in operations (metric tons CO2e)
247.56

Scope 3: Business travel (metric tons CO2e)
4514.23

Scope 3: Employee commuting (metric tons CO2e)

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)
<Not Applicable>

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

Past year 2

Start date
January 1 2019

End date
December 31 2019

Scope 3: Purchased goods and services (metric tons CO2e)
6024.79

Scope 3: Capital goods (metric tons CO2e)

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Scope 3: Upstream transportation and distribution (metric tons CO2e)

Scope 3: Waste generated in operations (metric tons CO2e)
316.88

Scope 3: Business travel (metric tons CO2e)
12917.41

Scope 3: Employee commuting (metric tons CO2e)

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)
<Not Applicable>

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.0000038743

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
80531.39

Metric denominator
unit total revenue

Metric denominator: Unit total
20786000000

Scope 2 figure used
Market-based

% change from previous year
6

Direction of change
Decreased

Reason for change
All data are restated due to the acquisition of UBI Banca Group in 2020. The intensity figure per unit total revenue (total operating income) in 2020 was 0.000004101. The decrease of the intensity figure is due to a decrease of CO2 emissions. Degree to which different factors have influenced the decrease: •66% Gross global combined Scope 1 and 2 emissions • 34% total operating income accounts. Emissions decreased and revenues increased during 2021 (emissions 2021 vs 2020 -3.7%). This result is also due to the emission reduction initiatives reported in answer C4.3b, but, most of all, to the rationalization (in Italy a decrease of 4.5% of office space in square meters) and improvement in the efficiency of the premises. The Intesa Sanpaolo Group continued to purchase renewable energy. In 2021, as much as 5,831.19tCO2e were avoided thanks to the additional renewable energy purchased. In addition, Intesa Sanpaolo Group in 2021 continued to implement proactive emissions reduction initiatives, through management optimisation actions and energy efficiency measures. Scope 1 data in 2020: 49,950.65 metric tonnes CO2e (2021 vs 2020 -0.6%). Scope 2 market-based data in 2020: 33,714.21 metric tonnes CO2e (2021 vs 2020 -8.3%). Scope 2 location-based data in 2020: 153,646.76 metric tonnes CO2e (2021 vs 2020 -13.0%).

C7. Emissions breakdowns

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?
Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	6605.4	Decreased	7.9	The Intesa Sanpaolo Group in 2021 continued to purchase renewable energy. The data stated in column “change emissions” derives from the additional purchases in the reporting year. In 2021, 6,605.40 tCO2e (5,831.19 tCO2e with 2021 emissions factors) were avoided by the additional renewable energy purchases. ISP’s total Scope 1 and 2 emissions in the previous year (restated data) were 83,664.86 tCO2e. That led to a -7.9% decrease: (-6,605.40/83,664.86)*100 = -7.9%.
Other emissions reduction activities	696.33	Decreased	0.8	The Intesa Sanpaolo Group in 2021 continued to implement proactive emissions reduction initiatives, through energy consumption optimisation actions and energy efficiency measures. The data stated in column “change in emissions” derive from the initiatives reported in section c4.3b (scope1 and scope 2) net of the changes in emission factors. In 2021, 696.33 tCO2e (691.25 tCO2e with 2021 emissions factors) were avoided thanks to emissions reduction projects. Total Scope 1 and 2 emissions in the previous year (restated data) were 83,664.86 tCO2e. Therefore, a -0.8% decrease was achieved: (-696.33/83,664.86)*100 = -0.8%.
Divestment		<Not Applicable>		
Acquisitions	13366.94	Increased	16	This increase is due to the inclusion of the aggregate set of the former UBI Banca in the 2020 reporting perimeter – following UBI acquisition by Intesa Sanpaolo Group. In 2021, Intesa Sanpaolo CO2e emissions increased by 13,366.94 due to UBI acquisition; total Scope 1 and 2 emissions in the previous year (restated data) were 83,664.86 tCO2e. That results in a 16% increase: (13,366.94/83,664.86)*100 = 16%.
Mergers		<Not Applicable>		
Change in output	8808.51	Decreased	10.5	The Intesa Sanpaolo Group in 2021 vs 2020 saw a decrease in Italy of 4.5% of office space in square meters and a decrease of 9.8% of employees, there were also improvements and optimizations in the use of premises also due to a project called "Next way of working" (hybrid physical-remote programme that guarantees maximum flexibility to all employees while upgrading IT equipment and workplace layouts). This decrease happened after a big increase of office space and employees in 2020 after UBI acquisition and its inclusion in the reporting boundary. In 2021, we estimated 8,808.51 tCO2e avoided. Total Scope 1 and 2 emissions in the previous year (restated data) were 83,664.86 tCO2e. That results in a -10.5% decrease: (-8,808.51/83,664.86)*100 = -10.5%.
Change in methodology	614.94	Decreased	0.7	This decrease is due to the lower emission factors compared with 2020, as recommended in the ABI Guidelines “Linee guida sull’applicazione in banca degli Standards GRI in materia ambientale” (Guidelines on the application in Banks of the GRI Environmental Standards). In 2021 a decrease of 614.94 tCO2e emissions was recorded due to the change in emissions factors. Total Scope 1 and 2 emissions in the previous year (data restated) were 83,664.86 tCO2e. That results in a -0.7% decrease: (-614.94/83,664.86)*100 = -0.7%.
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other	224.76	Increased	0.3	A progressive partial return to operate onsite in the Intesa Sanpaolo's offices after the long periods of lockdown due to the COVID-19 emergency has generated a small increase in energy consumption. In 2021, an increase of 224.76 tCO2e was recorded; total Scope 1 and 2 emissions in the previous year (restated data) was 83,664.86 tCO2e. That results in a 0.3% increase: (224.76/83,664.86)*100 = 0.3%.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	206659.32	206659.32
Consumption of purchased or acquired electricity	<Not Applicable>	383723.09	53918.83	437641.92
Consumption of purchased or acquired heat	<Not Applicable>	0	60998.04	60998.04
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	1361.31	<Not Applicable>	1361.31
Total energy consumption	<Not Applicable>	385084.4	321576.19	706660.59

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area
Italy

Consumption of electricity (MWh)
369688.12

Consumption of heat, steam, and cooling (MWh)
34073.98

Total non-fuel energy consumption (MWh) [Auto-calculated]
403762.1

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Albania

Consumption of electricity (MWh)
1905.31

Consumption of heat, steam, and cooling (MWh)
0.5

Total non-fuel energy consumption (MWh) [Auto-calculated]
1905.81

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Serbia

Consumption of electricity (MWh)
10159.45

Consumption of heat, steam, and cooling (MWh)
6092.44

Total non-fuel energy consumption (MWh) [Auto-calculated]
16251.89

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Egypt

Consumption of electricity (MWh)
16112.19

Consumption of heat, steam, and cooling (MWh)
0.05

Total non-fuel energy consumption (MWh) [Auto-calculated]
16112.24

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Hungary

Consumption of electricity (MWh)
7420.86

Consumption of heat, steam, and cooling (MWh)
4878.34

Total non-fuel energy consumption (MWh) [Auto-calculated]
12299.2

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Croatia

Consumption of electricity (MWh)
14959.23

Consumption of heat, steam, and cooling (MWh)
7685.88

Total non-fuel energy consumption (MWh) [Auto-calculated]
22645.11

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Bosnia & Herzegovina

Consumption of electricity (MWh)
1605.31

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
1605.31

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Slovenia

Consumption of electricity (MWh)
2648.66

Consumption of heat, steam, and cooling (MWh)
461.53

Total non-fuel energy consumption (MWh) [Auto-calculated]
3110.19

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Romania

Consumption of electricity (MWh)
0

Consumption of heat, steam, and cooling (MWh)
11.51

Total non-fuel energy consumption (MWh) [Auto-calculated]
11.51

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Slovakia

Consumption of electricity (MWh)
8393.85

Consumption of heat, steam, and cooling (MWh)
4838.81

Total non-fuel energy consumption (MWh) [Auto-calculated]
13232.66

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Ukraine

Consumption of electricity (MWh)
1373.59

Consumption of heat, steam, and cooling (MWh)
971.78

Total non-fuel energy consumption (MWh) [Auto-calculated]
2345.37

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Russian Federation

Consumption of electricity (MWh)
2157.61

Consumption of heat, steam, and cooling (MWh)
1853.65

Total non-fuel energy consumption (MWh) [Auto-calculated]
4011.26

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Brazil

Consumption of electricity (MWh)
124.65

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
124.65

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Luxembourg

Consumption of electricity (MWh)
987.42

Consumption of heat, steam, and cooling (MWh)
5.53

Total non-fuel energy consumption (MWh) [Auto-calculated]
992.95

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Ireland

Consumption of electricity (MWh)
15.42

Consumption of heat, steam, and cooling (MWh)
48.75

Total non-fuel energy consumption (MWh) [Auto-calculated]
64.17

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Republic of Moldova

Consumption of electricity (MWh)
1065.21

Consumption of heat, steam, and cooling (MWh)
74.84

Total non-fuel energy consumption (MWh) [Auto-calculated]
1140.05

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area
United States of America

Consumption of electricity (MWh)
386.37

Consumption of heat, steam, and cooling (MWh)
0.44

Total non-fuel energy consumption (MWh) [Auto-calculated]
386.81

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Other, please specify (Paper)

Metric value
56.6

Metric numerator
kilograms of paper

Metric denominator (intensity metric only)
Staff member

% change from previous year
3.8

Direction of change
Decreased

Please explain
The extraordinary events of 2020 and 2021 have resulted in major changes in working habits and methods, for example through the spread of remote working. People's awareness around reducing paper consumption has also improved. Comparing the data for 2021 and 2020 in the same perimeter (Intesa Sanpaolo Group including UBI Group), there has been an ongoing decrease in both the overall figure (-11.7% compared to 2020) and the per-employee figure (-3.8% compared to 2020). Considering the various dematerialisation actions concluded in the last five years, in 2021 around 3,271 tonnes of paper were saved, corresponding to 4,457 tonnes of CO2 avoided and a theoretical cost saving of around 5.7 million euro. The reduction of acquisitions also applied to toner (-6% compared to 2020 in overall terms and on a like-for-like basis).

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
CDP Letter and CNFS 2021.pdf

Page/ section reference
Auditor statement: Pages 1 and 2. See also attached to the document Intesa Sanpaolo 2021 Consolidated Non-Financial Statement: - Scope 1, 2 and 3 data - pages 195/199/200/259 - Independent auditors' report pages 302-306

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
CDP Letter and CNFS 2021.pdf

Page/ section reference
Auditor statement: Pages 1 and 2. See also attached to the document Intesa Sanpaolo 2021 Consolidated Non-Financial Statement: - Scope 1, 2 and 3 data - pages 195/199/200/259 - Independent auditors' report pages 302-306

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
CDP Letter and CNFS 2021.pdf

Page/ section reference
Auditor statement: Pages 1 and 2. See also attached to the document Intesa Sanpaolo 2021 Consolidated Non-Financial Statement: - Scope 1, 2 and 3 data - pages 195/199/200/259 - Independent auditors' report pages 302-306

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Purchased goods and services
Scope 3: Capital goods
Scope 3: Waste generated in operations
Scope 3: Business travel

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
CDP Letter and CNFS 2021.pdf

Page/section reference
Auditor statement: Pages 1 and 2. See also attached to the document Intesa Sanpaolo 2021 Consolidated Non-Financial Statement: - Scope 1, 2 and 3 data (Purchased Paper category 1, "Purchased goods and services"; Office Machinery, category 2 "Capital Goods"; Business Trips, category 6 "Business travel"; Waste, category 5 "Waste generated in operations") page 259 - Independent auditors' report pages 302-306

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 1)	Limited assurance - ISAE 3000 revised	These data are included in the 2021 ISP Consolidated Non-Financial Statement that is reviewed by independent auditors with a limited assurance in accordance with ISAE3000 (revised). See also attached Intesa Sanpaolo 2021 Consolidated Non-Financial Statement pages 195/199/200/259 (scope 1, 2 and 3 data) and pages 302-306 (Independent auditors' report on the consolidated non-financial statement). ISP_2021Consolidated Non-financial Statement.pdf
C6. Emissions data	Year on year change in emissions (Scope 2)	Limited assurance - ISAE 3000 revised	These data are included in the 2021 ISP Consolidated Non-Financial Statement that is reviewed by independent auditors with a limited assurance in accordance with ISAE3000 (revised). See also attached Intesa Sanpaolo 2021 Consolidated Non-Financial Statement pages 195/199/200/259 (scope 1, 2 and 3 data) and pages 302-306 (Independent auditors' report on the consolidated non-financial statement). ISP_2021Consolidated Non-financial Statement.pdf
C6. Emissions data	Year on year change in emissions (Scope 1 and 2)	Limited assurance - ISAE 3000 revised	These data are included in the 2021 ISP Consolidated Non-Financial Statement that is reviewed by independent auditors with a limited assurance in accordance with ISAE3000 (revised). See also attached Intesa Sanpaolo 2021 Consolidated Non-Financial Statement pages 195/199/200/259 (scope 1, 2 and 3 data) and pages 302-306 (Independent auditors' report on the consolidated non-financial statement). ISP_2021Consolidated Non-financial Statement.pdf

C11. Carbon pricing

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
No

C11.3

(C11.3) Does your organization use an internal price on carbon?
Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price
Change internal behavior
Drive energy efficiency
Supplier engagement

GHG Scope
Scope 3

Application
Business decision-making process that the internal carbon pricing mechanism applies to: procurement of IT equipment (e.g. computers, multifunctional printing devices, etc.). Degree of influence it has on business decisions: The evaluation is expected to support Intesa Sanpaolo in the selection of the most environmental-friendly supply.

Actual price(s) used (Currency /metric ton)
57

Variance of price(s) used
The shadow price used can be considered a static price (constant over time and geography), applied to a specific decision process (IT procurement) over the selection of IT equipment.

Type of internal carbon price
Shadow price

Impact & implication
The environmental impacts generated by office equipment in a large service company such as Intesa Sanpaolo is relevant. According to the SUSTAINABILITY RULES FOR THE PURCHASE OF OFFICE MACHINES, among the main environmental impacts are to be considered energy consumption and consequent emissions of carbon dioxide in the atmosphere, the use of hazardous substances and pollutants, waste generation, consumption of auxiliary materials (paper and toner). Intesa Sanpaolo introduced the use of an internal price on carbon, applied to procurement of IT equipment (e.g. computers, multifunctional printing devices, etc.). The internal price on carbon has been applied to IT equipment as an integration to the environmental criteria already in place for the evaluation of the different offers (e.g. energy efficiency, environmental labels, etc.). In 2021, the main categories of office equipment centrally purchased subject to Green Banking Procurement criteria evaluations were the following: notebooks 100%, mini-desktops 100%, desktops 100%, cash in cash out 100%, ATM/MTA 100%, monitors 29%, printers 84%. Internal Carbon Pricing was used in 8 different agreements as an additional support tool in the purchasing process of greener equipment. Shadow price helps to show financial advantages linked to greener products and therefore to inform better sustainable purchases. The price selected for the monetization of GHG emissions (57 euro per metric ton) is derived from CE Delft, EnvironmentalPricesHandbookEU28 version, 2018. The internal price on carbon is applied to the GHG emissions generated by the electricity consumed by the IT equipment, based on product certifications (e.g. Energy Star) and/or declarations from suppliers. The resulting cost is added to the purchase cost and to the cost of use (energy) contributing to the life cycle cost of the machines. The evaluation supports Intesa Sanpaolo in the selection of the most advantageous supply considering a life cycle perspective. This application is expected to have a positive effect on the energy efficiency of the organization in a medium-long term.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our customers/clients
Yes, other partners in the value chain

C-FS12.1b

(C-FS12.1b) Give details of your climate-related engagement strategy with your clients.

Type of clients
Customers/clients of Banks

Type of engagement
Engagement & incentivization (changing client behavior)

Details of engagement
Engage with clients on measuring exposure to climate-related risk
Encourage better climate-related disclosure practices

% client-related Scope 3 emissions as reported in C-FS14.1a
5

Portfolio coverage (total or outstanding)
30

Rationale for the coverage of your engagement
Engagement targeted at clients with increased climate-related risks

Impact of engagement, including measures of success
% of client- related Scope 3 emissions as reported: the data is estimated at under 5%. Portfolio coverage: companies in scope out of total outstanding to companies. To raise awareness of Environment issues, in 2021 a Climate Change (CC) Survey was launched for all business customers of the Banca dei Territori. The goal was to analyse, in particular, issues such as exposure to CC, adaptation strategies and mitigating actions, the positioning of companies at a national level, as well as other quantitative data, in order to identify solutions to accompany companies in managing CC. The results show that 30% of companies believe that the integration of CC into their business model will significantly impact their operations over the next 3 years, and 45% declare they want to increase their investments in climate solutions. The goal we initially set ourselves was to reach at least 10,000 corporate customers; thanks also to the involvement of the relationship managers, in 12 months we were able to collect more than 15,000 completed questionnaires (+50% vs target). A summary report of the evidence deriving from the questionnaire was also sent to each company. As a result of this survey and of all the bank's awareness-raising initiatives on ESG issues, in 2021 we have seen an increase in lending dedicated to sustainable issues in comparison with 2020: both S-Loans (ESG linked loans), with 1.2 bn euro disbursed in 2021 vs 0.1 bn in 2020, and loans with Circular Economy criteria with 2.6 bn disbursed in 2021 vs 0.6 in 2020. Other positive effects can be found in the ESG Laboratories created to date, physical and virtual meeting points, where we organize events, workshops, dedicated appointments, to accompany Italian companies in the sustainable transition. Since the launch in 2021 of the first Laboratory in Brescia, 2 more were opened in Padua and Venice with more than 1000 companies attending. In the next few months, an ESG laboratory will be set up for each Regional head-office, in order to promote awareness raising on all Italian territories. To favour greater knowledge and engagement by customers, the Skills4ESG portal was launched in 2021, an initiative aimed at promoting awareness of ESG topics through a single access point and dedicated contents (468 learning objects available, of more than 100 dedicated to ESG issues). On top this type of engagement also covers: Education/information sharing and Information collection.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

ISP engages on climate-related topics with its employees, with a precise engagement strategy. Numerous initiatives have been put in place to spread an environmental culture:

1) TRAINING AND UPDATING:
Multimedia training platform Apprendo was once again the main tool used for sharing content on environmental topics with employees in 2021; the various modules available were used by over 38,000 employees for a total of around 7,300 hours. As regards environmental protection issues, two mandatory courses are available on the online Apprendo platform for employees directly involved in the application of the Environmental and Energy Management Systems (over 6,000 people). For all other people an optional course is available with the aim of spreading good environmental practices.

Moreover, in Italy a new “Energy Newsletter” was made available in 2021 on the Bank intranet to all employees, with the aim of engaging and increasing the interest of all colleagues on energy-related topics (energy savings, renewable energy, etc..).

The European Regulatory & Public Affairs (ERPA) function also carried out internal training initiatives to raise awareness among employees on environmental issues under discussion with European regulators.

2) MOBILITY AND FLEXIBLE WORK

The Mobility Management function, part of the Labour Affairs and Policies Head Office Department, is dedicated to supporting employee commuting, to improve their quality but also to promote sustainable means of transport. The goal is to translate the feedback from employees into concrete actions in order to provide a structured range of options for daily commutes and implement the actions of the Home-Work Commuting Plans. With regard to the reduction in CO2 emissions and the use of private individual transport, here are listed some important activities implemented by the Group:

• spread of Flexible Work and Training;

• company shuttle service to support mobility at some sites not served by local public transport (forecast savings in 2021 of over 1,000 tonnes of CO2 in Italy);

• company carpooling service, a mode of transport based on the concept of several people with similar routes and working hours sharing the same private car;

• development of shared services (cars, mopeds, scooters, and bicycles);

• incentivisation of micromobility through various initiatives (e.g. parking foldable bicycles and/or scooters in company spaces, a plan to install racks for the parking of traditional and electrically assisted pedal bicycles, etc...);

• use of remote communications for both listening and work activities also in place of commuting and business trips.

3) PAPER CONSUMPTION

People’s awareness around reducing paper consumption has continued to improve. Comparing data for 2021 and 2020 in the same perimeter (Intesa Sanpaolo Group including UBI Group), a drop was registered both in the overall figure (-12% compared to 2020) and in the per-employee figure (-4% compared to 2020).

4) INVOLVEMENT IN NEW BUSINESS PLAN

The New Business Plan 2022-2025 fosters involvement of all employees in reaching results, among which those of the new ESG Pillar. Under the new LECOIP 3.0 Plan If the Group reaches the target level of the ESG composite KPI (which consists of a sub-KPI for each of the 3 factors E,S,G) defined in the 2022-2025 Business Plan, a minimum appreciation of 4% calculated as a fixed percentage of the Initially Allocated Capital is paid.

5) EVENTS AND INITIATIVES

Among other climate-related initiatives, with the aim of generating an environmental, social and occupational impact, and in accordance with the values of its Code of Ethics, the Associazione Lavoratori Intesa Sanpaolo (ALI – ISP workers’ association), together with some of its members, planted over 1,400 trees on the lands of nine social cooperatives in nine regions of Italy, launching an environmental project that will also involve its members, who will be able to contribute to planting additional trees.

6) VALUE OF REPORTING ESG PROGRESS

For the first time an on-line survey was launched for all employees on the 2021 CNFS, to increase engagement and awareness of ESG topics, understand topics most relevant to personnel and collect new ideas. Over 3,000 answers were received, also highlighting importance of the following topics: •Health, safety and well-being of the people of the group; transition to a sustainable, green and circular economy also for the success of the Business Plan;

• Pride for the ESG awards received, thanks to the work and merit of all the people of the Group;

• Sustainable investment products and cultural activities at the Galleries of Italy are the best known areas among those reported in the CNFS.

C-FS12.2

(C-FS12.2) Does your organization exercise voting rights as a shareholder on climate-related issues?

	Exercise voting rights as a shareholder on climate-related issues	Primary reason for not exercising voting rights as a shareholder on climate-related issues	Explain why you do not exercise voting rights on climate-related issues
Row 1	Yes	<Not Applicable>	<Not Applicable>

C-FS12.2a

(C-FS12.2a) Provide details of your shareholder voting record on climate-related issues.

Method used to exercise your voting rights as a shareholder
Exercise voting rights directly

How do you ensure your shareholder voting rights are exercised in line with your overall climate strategy?
<Not Applicable>

Percentage of voting disclosed across portfolio
6.8

Climate-related issues supported in shareholder resolutions
Climate transition plans
Climate-related disclosures
Aligning public policy position (lobbying)
Emissions reduction targets
Board oversight of climate-related issues
Other, please specify (Any shareholder proposals that support any kind of disclosure or enhancement in company's public policy position regarding NZAMI path or Paris Agreement's global climate goals)

Do you publicly disclose the rationale behind your voting on climate-related issues?
Yes, for some

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate
Yes, we engage directly with policy makers
Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?
No, but we plan to have one in the next two years

Attach commitment or position statement(s)
<Not Applicable>

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy
Through its Chief Institutional Affairs and External Communication Officer (CIAECO), Intesa Sanpaolo regularly monitors the numerous and profound changes in the regulatory framework defined at international, European and national level, in order to be aware of possible changes and anticipate the future directions. Regularly and, in general, whenever relevant, the structures within the CIAECO Area inform all the relevant functions of the ISP Group (through seminars, meetings, regulatory alerts, newsletters, etc.) of the upcoming regulatory and policy initiatives on sustainable finance, ensuring that all the positions expressed by the Group are consistent and in line with the strategy. In 2021 the Intesa Sanpaolo Group expressed its position responding to public consultations, drafting papers and proposing amendments both directly and through the relevant trade associations. All these activities are reported internally to all the organization structures involved in the issues of climate change risks and opportunities and evaluated in order to verify the consistency with ISP strategy: every reply to public consultations on climate issues are coordinated by the CIAECO Area, involving all the relevant functions of the Group and involving them in a drafting procedure that includes up to 4 subsequent drafts before the definition of the final position. The Steering Committee, composed of the first organizational line, meets on a quarterly basis to examine climate change issues, including new regulation. In 2021 Intesa Sanpaolo underlined the strategic importance of climate change by setting itself the target of achieving net-zero emissions by 2050 in terms of own emissions and in terms of loan and investments portfolios, asset management and insurance, and joining the related initiatives launched by UNEP FI. More specifically, in October 2021 Intesa Sanpaolo joined the Net-Zero Banking Alliance (NZBA); in November 2021 Eurizon Capital SGR joined the Net-Zero Asset Managers Initiative (NZAMI); and in December 2021 Intesa Sanpaolo Vita joined the Net-Zero Asset Owner Alliance (NZAOA) and the Net-Zero Insurance Alliance (NZIA).

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Focus of policy, law, or regulation that may impact the climate
Sustainable finance

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Regulation on EU Green Bond Standard Ref. COM(2021) 391 final

Policy, law, or regulation geographic coverage
Regional

Country/region the policy, law, or regulation applies to
EU27

Your organization’s position on the policy, law, or regulation
Support with major exceptions

Description of engagement with policy makers
Details of how your organization is engaging on the legislation: In 2021 ISP prepared a position paper after responding to the public consultation "Targeted consultation on the establishment of an EU Green Bond Standard " in 2020 and participated to several meetings also directly with policy makers. In 2021 the European Commission

published its proposal for a regulation on EU Green Bond Standard (GBS). ISP had already worked on the topic in 2020, replying to the public consultation. ISP welcomed the Commission's proposal of Regulation on Green Bond Standard to boost the market's development, thus giving predictability to the issuers and the investors and, at the same time, supporting the Green Deal and the EU economy decarbonisation goals. In our view, the Commission's proposal has tackled some of the key points on which clarity was needed, to avoid uncertainty regarding green definitions, the costs of external audit procedures, the eligibility of certain types of assets (physical and financial) and expenditures (capital and operating expenses). We agree with the key components proposed by the Commission on the EU GBS. Indeed, the GBS must: 1) be aligned with the EU Taxonomy; 2) require issuers to publish a green bond document before the issuance (referred to as "Fact Sheet" in the Regulation proposal); 3) require issuers to publish an annual allocation report; 4) require issuers to publish an environmental impact report at least once during the lifetime of the bond; and require a third-party verification of the allocation report and the EU green bond pre-issuance document. Finally, we also support the proposed content of the pre-issuance document for EU green bonds, the report on the allocation of EU green bonds and the report on their impact.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
ISP supported the main elements of the Commission's proposal, and highlighted three more points to work on: 1) the use of proceeds (in order to allow for flexibility for activities not (yet) covered by the EU Taxonomy); 2) EU Green Bond status, which shall be maintained until maturity regardless of newly adopted taxonomy criteria; 3) the incentives that should be put in place to boost the adoption of EU Green Bonds.

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate
Sustainable finance

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Consultation Document Proposal for an Initiative on Sustainable Corporate Governance

Policy, law, or regulation geographic coverage
Regional

Country/region the policy, law, or regulation applies to
EU27

Your organization's position on the policy, law, or regulation
Support with minor exceptions

Description of engagement with policy makers
Details of how your organization is engaging on the legislation: In 2021 ISP responded to the public consultation "Consultation Document Proposal for an Initiative on Sustainable Corporate Governance" and participated to several meetings also directly with policy makers. In addition ISP in 2021 prepared a position paper. ISP welcomed the Commission's reflection on the needs for a common approach on sustainable corporate governance to encourage companies to focus on long-term sustainable value creation to achieve the European ambitions on sustainability. We commend the European Commission for addressing the issue as an important aspect in corporate governance, as in our views integrating sustainability considerations in decision-making processes is relevant for the long-term financial performance of every company.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
In the first consultative phase, which seemed to be based on the negative bias that (almost) all boards of directors' decisions are driven by the maximization of dividends pay-out, disregarding ESG considerations, ISP raised some doubts on this approach through the reply to the consultation and the position paper. From ISP perspective and experience as both investee and investor, concrete efforts towards long-term corporate strategies are already in place and several boards have already gained a good level of ESG expertise. Furthermore, we strongly believe that shareholders are (and must be) part of the solution towards a sustainable corporate governance.

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate
Mandatory climate-related reporting
Sustainable finance

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Corporate Sustainability Reporting Directive aimed at amending the current rules on non-financial reporting, in particular, Directive 2014/95/EU , the so-called NFRD - Non Financial Reporting Directive

Policy, law, or regulation geographic coverage
Regional

Country/region the policy, law, or regulation applies to
EU27

Your organization's position on the policy, law, or regulation
Support with minor exceptions

Description of engagement with policy makers
Details of how your organization is engaging on the legislation: In 2021 ISP prepared a position paper on this issue after responding to the public consultation in 2020 and participated to several meetings also directly with policy makers. ISP welcomed the Commission's proposal of the Corporate Sustainability Reporting Directive (CSRD) to boosts the level, quality and transparency of disclosure with positive effects on the development of the market and supporting the Green Deal and the EU economy de-carbonisation goals. Intesa Sanpaolo is aware that the information needs have increased significantly in recent years, therefore ISP welcomes the fact that the proposal ensures adequate information on the governance, on the sustainability risks and performances, and on the impacts of companies on people and the environment. Intesa Sanpaolo considers positively some of the main new requirements of the proposal, which it hopes will be maintained during the negotiations between the European co-legislators: • the extension of the scope of the CSRD proposal compared to the current scope of the NFRD; we believe that the Commission's approach of enlarging the range of companies covered to include all large companies and listed SMEs, with the exception of micro-enterprises and a simplified reporting standard for SMEs, is balanced and in line with the needs; • the obligation of "limited assurance " on sustainability information; the progression towards requiring "reasonable assurance" in the coming years is not considered appropriate at the moment, as it would lead to a significant increase in costs for companies; • the prevision of a higher standardisation, which requires specifying in greater detail the information to be reported by companies, according to a single European standard to be adopted by the Commission through delegated acts. In this regard, ISP welcomes the appointment of the European Financial Reporting Advisory Group (EFRAG) to carry out the preparatory work for the development of the standard and has set up a Project Task Force. It is essential to require the companies to report according to mandatory standards, to ensure that the information reported is comparable and relevant, and to facilitate the drafting, assurance and digitalisation of sustainability reporting. Furthermore, digital tagging of sustainability information, together with the European single access point (ESAP), will radically improve the usability of sustainability information.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
Although some of the qualifying news of the proposal are certainly welcomed, we supported minor exceptions: • We believe that the new European reporting standard should be as close as possible to established market practices and in particular to the GRI standard, which is used by all Italian companies that publish sustainability

reports, and should take into account the alignment with the provisions of the Prudential Supervisory Authority, the requests from investors and the importance of coordination at international level; the latter to allow European players to operate on the international market as much as possible with the same disclosure burden and the same access to relevant information (discussions on this aspect are currently underway at international level); in light of the variety and complexity of the information that characterizes sustainability reporting, we believe that this could be an opportunity to consolidate into a single standard (as mentioned above) the plurality of models currently available and refine metrics and rules of representation of the indicators; • we disagree with the cancelation in the CSRD proposal of the possibility (currently provided by the NFRD) for member States to allow companies to disclose the required information in a separate report, which is not part of the annual management report. We agree with the objective of giving equal dignity to financial and sustainability information, but we believe it may be better pursued through the publication of a separate document, able to give higher visibility and accessibility to sustainability information to the wider and less specialised group of stakeholders concerned and avoiding burdening even more the Financial Report.

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate
Sustainable finance

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Sustainable Finance's draft proposal for an extended taxonomy to support economic transition

Policy, law, or regulation geographic coverage
Regional

Country/region the policy, law, or regulation applies to
EU27

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
Details of how your organization is engaging on the legislation: In 2021 ISP responded through the trade association (EBF) to 2 public consultations "Call for feedback on the Platform on Sustainable Finance's draft report on social taxonomy" and "Call for feedback on the Platform on Sustainable Finance's draft proposal for an extended taxonomy to support economic transition". ISP also participated to several meetings also directly with policy makers. ISP welcomed the European Commission's Platform on Sustainable Finance reflection on the extension of the environmental taxonomy and replied to the public consultation on the topic.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association
Other, please specify (European Banking Federation (EBF) through ABI (Italian Banking Association))

Is your organization's position on climate change consistent with theirs?
Consistent

Has your organization influenced, or is your organization attempting to influence their position?
We have already influenced them to change their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)
As far as we know the association has public positions on climate change on single regulatory files. ISP works with the trade associations since many years and contributed to influence their position. European Banking Federation (EBF) during 2021 has continued to work on sustainable finance through its dedicated working group (and sub-working groups) on sustainable finance which replied to public consultations, produced position papers, proposed amendments and organised meetings. Within this framework in 2021 ISP has contributed to the following publications through the participation to the dedicated working group on sustainable finance: - Drafting Position Paper EBF "EBF Response to the Consultation on the EU Green Taxonomy: Four other Objectives (TSC)" - Drafting Position Paper EBF "EBF Position on the EU Platform's Preliminary Recommendations for Technical Screening Criteria for the EU Taxonomy" - Drafting Position Paper EBF "Consultation Response to the Draft Report on Taxonomy Extension Options linked to Environmental Objectives" - Drafting Position Paper EBF "Consultation Response to the Draft Report of the Platform on Sustainable Finance on a Social Taxonomy" - Drafting Position Paper EBF "Nature of the standard, current dynamics of the market and how to ensure a successful uptake of the EU GBS" - Drafting Position Paper EBF on the "Proposal for a regulation on European Green Bonds"

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Association for Financial Markets in Europe)

Is your organization's position on climate change consistent with theirs?
Mixed

Has your organization influenced, or is your organization attempting to influence their position?
We have already influenced them to change their position

State the trade association’s position on climate change, explain where your organization’s position differs, and how you are attempting to influence their position (if applicable)
As far as we know the association has public positions on climate change on single regulatory files. ISP works with the trade associations since many years and contributed to influence their position. Association for Financial Markets in Europe (AFME) is a strong supporter of the EU’s aim to be a world leader in driving the development of a more sustainable financial system, including via the implementation of its Sustainable Finance Action Plan. AFME’s sustainable finance working group meets regularly to discuss, debate and develop strategies for increasing the role of environmental, social and governance (ESG) considerations in wholesale finance and ISP is an active member. Within this framework in 2021 ISP has contributed to the following publications through the participation to the dedicated working group on sustainable finance: - Drafting of the AFME Position paper on Sustainable Corporate Governance; - Drafting of the AFME and ISDA Position paper “feedback to the European Commission’s proposal for a Corporate Sustainability Reporting Directive” - Drafting of the AFME Position paper “comments on EC's DA on Art. 8 Taxonomy Disclosures” - Drafting of the AFME Position paper “ESG Disclosure Landscape for Banks and Capital Markets in Europe” - Drafting of the AFME Position paper “views on the EU Green Bond Standard (GBS) proposal in the context of the European Parliament and Council negotiations”

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization’s funding
<Not Applicable>

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Associazione Bancaria Italiana (ABI) - Italian Banking Association)

Is your organization’s position on climate change consistent with theirs?
Consistent

Has your organization influenced, or is your organization attempting to influence their position?
We have already influenced them to change their position

State the trade association’s position on climate change, explain where your organization’s position differs, and how you are attempting to influence their position (if applicable)
In 2021 Associazione Bancaria Italiana (ABI - Italian Banking Association) has continued to support its members growing awareness on sustainability and ESG factors and its increasing impact on financial performance and to facilitate discussions with European and Italian institutions, with the other employers’ associations and with the consumers' associations. Within this framework in 2021 ISP has contributed to the following topics participating in working groups, meetings, etc...: - The “BusinEsSG 2021” ABI biennial survey of non-financial disclosure reports published in 2020 by banks - Working Group dealing with financial support for energy-efficient buildings - Greenroad (Growing Energy Efficiency through National Roundtables Addresses) project, that aims to improve the bankability of energy efficiency projects, through specific training activities for those involved in the renovation process of the building stock.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization’s funding
<Not Applicable>

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Complete

Attach the document
ISP_2021Consolidated Non-financial Statement.pdf

Page/Section reference
The attached document is the 2021 Intesa Sanpaolo Consolidated Non-financial statement. Many parts of the document are directly connected to climate change and GHG, among them: - Transition to a sustainable, green and circular economy and Climate Change chapters pp.180-204 (emissions figures, emissions targets and other metrics, strategy, opportunities, green products); - pp.258-265 (emission figures, other metrics); - Management of risks and potential impacts linked to climate change pp.59-66

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment
The 2021 Consolidated Non-financial Statement - hereinafter also Statement - was drafted in accordance with Article 4 of Italian Legislative Decree no. 254/2016, the Comprehensive option of the GRI Standards defined by the GRI (Global Reporting Initiative) and the “Financial Services Sector Supplements”. Consideration was also given to the recommendations issued in June 2017 by the Task Force on Climate-related Financial Disclosures (TCFD), adopted by Intesa Sanpaolo in October 2018, for the voluntary dissemination of transparent reporting on the risks and opportunities linked to climate change. To this end, Intesa Sanpaolo published its first TCFD Report at Group level for 2020-2021, to which reference is made for any further information. In addition, where deemed applicable, the indicators envisaged by the Sustainability Accounting Standards Board (SASB) were included; in consideration of Intesa Sanpaolo’s commitment to adopting and implementing the Stakeholder Capitalism Metrics developed by the World Economic Forum (WEF), the indicators defined by the WEF were reported, where applicable and relevant for the Group. For the third year, the progress achieved by the Bank with respect to the Principles for Responsible Banking (PRB), to which Intesa Sanpaolo has adhered, was described. Furthermore, the Statement contains useful information for disclosure purposes in accordance with Article 8 of the Delegated Act of the EU Taxonomy Regulation (EU Reg. 852/2020) (see

Indicators section, page 264). The Intesa Sanpaolo Non-Financial Statement was reviewed by independent auditors with a limited assurance in accordance with ISAE3000 (revised). See also: Intesa Sanpaolo 2021 Annual Report: parts of the document are directly connected to climate change and GHG, among them: pp. 59-62 ESG and sustainability (Strategy, Risks&Opportunities, Emission targets, Other metrics; pp. 410-573 Part E – Information on risks and relative hedging policies (Risks & Opportunities) Intesa Sanpaolo website / Sustainability / "TCFD report", "Environment and climate change" and "Risk management and control - Management of risks and impacts related to climate change". Business Plan 2022-2025 pages 68-71 (emissions targets, other metrics, opportunities, strategy)

Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Complete

Attach the document
ISP_2021_Annual_report.pdf

Page/Section reference
Intesa Sanpaolo 2021 Annual Report Parts of the document are directly connected to climate change and GHG, among them: pp. 59-62 ESG and sustainability (Strategy, Risks&Opportunities, Emission targets, Other metrics) pp. 410-573 Part E – Information on risks and relative hedging policies (Risks & Opportunities)

Content elements
Strategy
Risks & opportunities
Emission targets
Other metrics

Comment
Intesa Sanpaolo 2021 Annual Report pp. 59-62 ESG and sustainability (Strategy, Risks&Opportunities, Emission targets, Other metrics pp. 410-573 Part E – Information on risks and relative hedging policies (Risks & Opportunities)

Publication
In voluntary communications

Status
Complete

Attach the document
ISP_TCFD Report_2021.11.pdf

Page/Section reference
2020_2021 TCFD REPORT, whole document, pp.1-53 Governance, Strategy, Risks & opportunities, Emissions figures, Emission targets, Other metrics Since the importance of the Report it was decided the report must be approved by the Board of Directors. The first TCFD report was in fact approved by the Board in October 2021.

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment
2020_2021 TCFD REPORT, whole document, pp.1-53 Governance, Strategy, Risks & opportunities, Emissions figures, Emission targets, Other metrics. Since the importance of the Report it was decided the report must be approved by the Board of Directors. The first TCFD report was in fact approved by the Board in October 2021.

C-FS12.5

(C-FS12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	CDP Signatory Equator Principles Institutional Investors Group on Climate Change (IIGCC) Net Zero Banking Alliance Net Zero Insurance Alliance Net Zero Asset Managers initiative Net Zero Asset Owner Alliance Principle for Responsible Investment (PRI) Science-Based Targets Initiative for Financial Institutions (SBTi-FI) Task Force on Climate-related Financial Disclosures (TCFD) UN Global Compact UNEP FI UNEP FI Principles for Responsible Banking UNEP FI Principles for Sustainable Insurance UNEP FI TCFD Pilot	ISP has adhered to many initiatives either directly (NZBA, UNEP FI PRI, Global Compact, Equator Principles, UNEP FI, UNEP FI TCFD Pilot, commitment to SBTi, CDP investor signatory, etc...) or through its specialized subsidiaries. For example, Eurizon Capital Sgr, is, among others, CDP investor signatory; it is a member of the Institutional Investors Group on Climate Change and has adhered to the NZAMI, etc..., while Intesa Sanpaolo Vita has adhered to the UNEPFI PSI, NZAOA and NZIA, etc... The ISP Group has decided to participate actively in the task forces and working groups of the initiatives it has adhered to. For example, but not exhaustively, ISP participates in the GFANZ "Financial Institution Net Zero Transition Plan – Framework and Guidance" Taskforce, it participates in NZBA working groups (financing and engagement, data and methodologies, etc...), in the NZAOA MRV Groups, etc... It has been participating actively in the different phases of the UNEP FI TCFD Pilots, contributing with its own case studies on physical risk, transition risk etc... to the relevant publications. As concerns on the other hand the Equator Principles, subscribed in 2007, they are applied in day to day business. Our support to the TCFD recommendations brought us to commence our journey in climate related reporting and we published our first TCFD report in November 2021.

C14. Portfolio Impact

C-FS14.0

(C-FS14.0) For each portfolio activity, state the value of your financing and insurance of carbon-related assets in the reporting year.

Lending to all carbon-related assets

Are you able to report a value for the carbon-related assets?
No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
Other, please specify (Currently undisclosed)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
ISP is working on the aggregation of the lending portfolio after which it will publish also in line with regulatory requests.

Lending to coal

Are you able to report a value for the carbon-related assets?
No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
Other, please specify (Currently undisclosed)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
ISP is working on the aggregation of the lending portfolio after which it will publish also in line with regulatory requests.

Lending to oil and gas

Are you able to report a value for the carbon-related assets?
No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
Other, please specify (Currently undisclosed)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
ISP is working on the aggregation of the lending portfolio after which it will publish also in line with regulatory requests.

Investing in all carbon-related assets (Asset manager)

Are you able to report a value for the carbon-related assets?
No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
Other, please specify (Eurizon believes that it is important to provide a value for carbon related asset and it is already working to implement it within its processes.)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
As of today, Eurizon does not provide a value for the investments in carbon-related assets. However, Eurizon is implementing systems to be able in the next two years to assess portfolio exposure to all carbon-related assets among which coal and oil&gas. Currently, as concerns exposure to carbon related assets, Eurizon has an exclusion on companies having more than 25% of revenue in thermal coal and 10% of oil sands activities. For those companies which are under the coal and oil sands threshold, Eurizon activates engagement processes with the aim to understand if there are new expansion plans and strategy to coal phase out. To implement a carbon neutral portfolio, on November 1st 2021, Eurizon adhered to the Net Zero Asset Managers Initiative (NZAMI). Within one year from the adhesion, Eurizon will disclose its targets with timeline and objectives that companies in scope will have to reach to ensure a positive progression on the achievement of net zero GHG emissions. To achieve net zero by 2050 and limiting the global warming below 1.5°C, currently Eurizon is also working on assessing companies to evaluate their alignment in reference to the net zero pathway. Assessing the exposure of carbon related investments is therefore a fundamental part of gradual target setting which is expected to be effected well within the NZAMI timeframe.

Investing in coal (Asset manager)

Are you able to report a value for the carbon-related assets?
No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
Other, please specify (Eurizon believes that it is important to provide a value for carbon related asset and it is already working to implement it within its processes.)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
As of today, Eurizon does not provide a value for the investments in carbon-related assets. However, Eurizon is implementing systems to be able in the next two years to assess portfolio exposure to all carbon-related assets among which coal and oil&gas. Currently, as concerns exposure to carbon related assets, Eurizon has an exclusion on companies having more than 25% of revenue in thermal coal and 10% of oil sands activities. For those companies which are under the coal and oil sands threshold, Eurizon activates engagement processes with the aim to understand if there are new expansion plans and strategy to coal phase out. To implement a carbon neutral portfolio, on November 1st 2021, Eurizon adhered to the Net Zero Asset Managers Initiative (NZAMI). Within one year from the adhesion, Eurizon will disclose its targets with timeline and objectives that companies in scope will have to reach to ensure a positive progression on the achievement of net zero GHG emissions. To achieve net zero by 2050 and limiting the global warming below 1.5°C, currently Eurizon is also working on assessing companies to evaluate their alignment in reference to the net zero pathway. Assessing the exposure of carbon related investments is therefore a fundamental part of gradual target setting which is expected to be effected well within the NZAMI timeframe.

Investing in oil and gas (Asset manager)

Are you able to report a value for the carbon-related assets?
No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
Other, please specify (Eurizon believes that it is important to provide a value for carbon related asset and it is already working to implement it within its processes.)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
As of today, Eurizon does not provide a value for the investments in carbon-related assets. However, Eurizon is implementing systems to be able in the next two years to assess portfolio exposure to all carbon-related assets among which coal and oil&gas. Currently, as concerns exposure to carbon related assets, Eurizon has an exclusion on companies having more than 25% of revenue in thermal coal and 10% of oil sands activities. For those companies which are under the coal and oil sands threshold, Eurizon activates engagement processes with the aim to understand if there are new expansion plans and strategy to coal phase out. To implement a carbon neutral portfolio, on November 1st 2021, Eurizon adhered to the Net Zero Asset Managers Initiative (NZAMI). Within one year from the adhesion, Eurizon will disclose its targets with timeline and objectives that companies in scope will have to reach to ensure a positive progression on the achievement of net zero GHG emissions. To achieve net zero by 2050 and limiting the global warming below 1.5°C, currently Eurizon is also working on assessing companies to evaluate their alignment in reference to the net zero pathway. Assessing the exposure of carbon related investments is therefore a fundamental part of gradual target setting which is expected to be effected well within the NZAMI timeframe.

C-FS14.1

(C-FS14.1) Does your organization measure its portfolio impact on the climate?

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Please explain why you do not measure the impact of your portfolio on the climate
Banking (Bank)	Yes	Portfolio emissions	<Not Applicable>
Investing (Asset manager)	Yes	Portfolio emissions	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS14.1a

(C-FS14.1a) Provide details of your organization's portfolio emissions in the reporting year.

Banking (Bank)

Portfolio emissions (metric unit tons CO2e) in the reporting year

63400000

Portfolio coverage

5.8

Percentage calculated using data obtained from clients/investees

0

Emissions calculation methodology

Other, please specify (Global GHG accounting and reporting standard for the financial industry (PCAF) Other: SBTi, NZBA)

Please explain the details and assumptions used in your calculation

Portfolio emissions: 63.4 mln tons CO2 indicated corresponds to the sum of emissions in scope for target setting on the priority highest-emitting NZBA sectors in the Bank's portfolio (Oil&Gas, Power Generation, Automotive, Coal mining), estimated to cover well over 60% of total NFC emissions in NZBA sectors. Computation of financed emissions has been performed through bottom-up counterparty-level analysis for Oil&Gas, Power Generation and Automotive and top-down analysis on Coal. Design choices, including segment of value chain considered in-scope, scope of emissions covered and proxy methodology, defined in line with SBTi and PCAF. Refinement of value chain has been performed to: (i) focus on the most emitting operations in each sector, (ii) encourage operational efficiency in extraction, energy generation and automotive manufacturing and to ensure the exercises fosters companies transition from high emitting fossil fuels to lower emitting fuels (e.g., natural gas) and renewables, (iii) avoid double counting of emissions across different value chain segments. Sector covered by target: • Oil&Gas and not the whole energy sector - Focus on upstream operations and integrated players. Excluded refinery and distribution companies. • Power Generation and not the whole Utilities sector - Included only Generation and Integrated Power Generation companies. Excluded transportation and distribution companies. • Automotive and not the whole Automobiles and components sector - Included only Automotive manufacturers and excluded components suppliers to avoid double counting. Scope of emissions included: Oil & gas: 1,2,3; Power Gen: 1,2; Automotive: 3. Counterparties emissions values sourced from companies reports or public database. Financed emissions computed applying to counterparties' emissions an attribution factor based on the ratio between exposure and total assets of each counterparty. Exposure in scope for target setting exercise includes Non-financial Corporates across all divisions and excludes SMEs. Product type/Asset class/Line of business: • Utilizzato per cassa (amount drawn) • Hold-to-collect (HTC) bonds • Equity banking book Choice of Asset classes included based on PCAF and SBTi. The percentage of exposure covered by target is computed dividing exposure in-scope by the total Bank's lending portfolio. Metrics may be updated over time following: evolution of the emission calculation methodology; NZBA, SBTi updates; any new external guidelines.

Investing (Asset manager)

Portfolio emissions (metric unit tons CO2e) in the reporting year

3866667

Portfolio coverage

16.35

Percentage calculated using data obtained from clients/investees

0

Emissions calculation methodology

Other, please specify (The GHG protocol https://ghgprotocol.org/)

Please explain the details and assumptions used in your calculation

Emissions data referring to Scope 1 and Scope 2 are based on Enterprise value of the corporate issuer according to the GHG Protocol Methodology. Scope 3 emissions are not included. To obtain the total CO2 emissions of all the investments in the portfolio, each fund is weighted based on the size of the positions analysed. Portfolio emissions refer to CO2 emissions of investments in a selection of bond, equity, and multi-asset funds, totalling 71 bn euro. CO2 data is aggregated from company level to fund level. For positions held in bonds, emissions are those of the issuer of the security. Fixed income securities issued by sovereigns, supranational and quasi-governmental entities are not included in the analysis on the basis that CO2 data in relation to them is not comparable to that of corporate issuers. Also Eurizon publicly discloses, for a part of the AUM, avoided emissions financed. The last "Green Bonds Impact Report" (May 2022) drafted by Eurizon is a document that describes and quantifies the 2021 impact of green financing projects on the climate and on the environment of Eurizon Fund - Absolute Green Bonds and Eurizon Fund Green Euro Credit. This allows investors to evaluate the positive externalities generated through their investments. Among environmental impacts reported, for every million euro invested the following results are obtained: a reduction of 776 tonnes of CO2 for Absolute green Bonds and 493 tonnes of CO2 for Green Euro Credit.

C-FS14.2

(C-FS14.2) Are you able to provide a breakdown of your organization's portfolio impact?

	Portfolio breakdown	Please explain why you do not provide a breakdown of your portfolio impact
Row 1	None of the above, but we plan to do this in the next two years	BANKING On the lending portfolio emissions breakdown is available on the sectors subject to target setting. Oil&Gas - around 43,500,000 tons CO2e Power generation - around 6,200,000 tons CO2e Automotive - around 13,500,000 tons CO2e Coal mining - around 200,000 tons CO2e Oil&Gas - Focus on upstream operations and integrated players. Excluded refinery and distribution companies. Power Generation - Included only Generation and Integrated Power Generation companies. Excluded transportation and distribution companies. Automotive - Included only Automotive manufacturers and excluded components suppliers to avoid double counting. ASSET MANAGER Eurizon has focused in the first stage in the computation of metrics at an aggregate level. Eurizon will evaluate which breakdown criteria will be more meaningful for its product and for its investment approach. In the next months Eurizon will focus on the breakdown of these metrics and will implement specific algorithm to analyze and identify the exposure to the several factors.

C-FS14.3

(C-FS14.3) Did your organization take any actions in the reporting year to align your portfolio with a 1.5°C world?

	Actions taken to align our portfolio with a 1.5°C world	Please explain why you have not taken any action to align your portfolio with a 1.5°C world
Banking (Bank)	Yes	<Not Applicable>
Investing (Asset manager)	Yes	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C-FS14.3a

(C-FS14.3a) Does your organization assess if your clients/investees' business strategies are aligned with a 1.5°C world?

	Assessment of alignment of clients/investees' strategies with a 1.5°C world	Please explain why you are not assessing if your clients/investees' business strategies are aligned with a 1.5°C world
Banking (Bank)	Yes, for some	In 2021 ISP underlined the strategic importance of climate change by setting itself the target of achieving net-zero emissions by 2050 in terms of own emissions and in terms of loan and investments portfolios, asset management and insurance, and joining the related initiatives launched by UNEP FI. More specifically, in October 2021 Intesa Sanpaolo joined the Net-Zero Banking Alliance (NZBA). Confirming its strong commitment to this objective, as part of its 2022-2025 Business Plan and more than one year ahead of the NZBA deadline, Intesa Sanpaolo presented its net-zero aligned emissions reduction targets for 2030 in the oil&gas, power generation, automotive and coal mining sectors (Sectors consistent with NZBA. Reference scenario: IEA Net-Zero 2050), which represent over 60% of the non-financial corporates portfolio financed emissions in the sectors identified by the NZBA. Alignment with the IEA NZ has been assessed within target setting; for example, in the "power generation" sector, 44% of clients in scope have a plan declared in line with the IEA NZ. In line with NZBA commitments, ISP will monitor progress of financed emissions in those sectors where targets were set and plans to set further sector targets within 24 months. Also, with the aim of helping to raise awareness of environmental issues among business customers of the Banca Dei Territori Division, in June 2021 a climate change survey was launched for all business customers to understand their position and associated future prospects. The goal of the questionnaire is to analyse, in particular, issues such as exposure to climate change, adaptation strategies and mitigating actions, as well as other quantitative data. The first results of the Climate Change survey reveal a desire to invest in mitigating actions and to receive support from the Bank. Priority action areas regard the definition of strategies and the implementation of investment plans, but also processes and systems for monitoring/offsetting emissions, while financial support, consultancy on mitigation actions and strategies, protection strategies and training are expected from the Bank. Thanks to the evidence collected it is possible to understand the priorities of the customer base and their level of maturity in facing challenges and taking advantage of opportunities with regard to climate change.
Investing (Asset manager)	Yes, for some	Eurizon is working on assessing the investees' business strategies aligned with a 1.5°C world. Eurizon signed the Net Zero Asset Managers Initiative on November 1st 2021. Within one year, Eurizon will disclose its first targets under the NZAMI. Eurizon will disclose its targets which are related to AUM aligned to NZ: % of assets managed in view with NZ and gradual alignment of these assets. Eurizon is implementing a proprietary framework broadly aligned with IIGCC, CA100+, TPI and SBTi to assess if investees' business strategies are aligned with a net-zero trajectory. The NZAMI assessment is focused on various pillars of climate risk that covers governance, policy, data disclosure, target setting, decarbonization strategy and capital allocation. Through this assessment is possible to identify key areas of misalignment for companies with a Net Zero Pathway that became the starting point of the engagement discussion. As of today, a portion of the total AUM of Eurizon is already committed to be managed in line with Net Zero Pathway. Eurizon decided to include in the Net Zero Pathway the assets classes for which there are methodologies available and widely recognized from the institutional investor groups, with the aim to include the other asset classes in the coming years when respective methodology will be developed. Within one year after the signing of the Net Zero Initiative, Eurizon will disclose targets and objectives the companies will need to reach to achieve net zero emissions. For this reason, Eurizon will also start an engagement process with the companies in scope. The engagement will reach the 70% of the financed emissions in scope in 2025 and the 90% in 2030. Moreover, for issuers with an exposure to the thermal coal and oil sands extraction sectors below the thresholds (25% of revenues for thermal coal, and 10% for oil sands activities), specific engagement processes are activated. If, at the end of the engagement process, positive effects are not identified, such as "phase out" plans from the thermal coal generation or oil sands extraction activities, Eurizon evaluates whether to continue the monitoring period or to start the process to divest the managed assets.
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, board-level oversight	Intesa Sanpaolo's Board of Directors has approved the Group's new 2022-2025 Business Plan, which includes a strong focus on climate and environmental initiatives. In particular, within the ESG Pillar, one of the points of ISP's ESG planning is focused on "protecting and restoring natural capital", with the following main commitments: - Commitment to a major reforestation project, with the planting of 100mln trees, directly and through dedicated financing to our clients - Adoption of a specific policy on biodiversity	Risks and opportunities to our bank lending activities Risks and opportunities to our investment activities The impact of our bank lending activities on biodiversity The impact of our investing activities on biodiversity

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments only	Commitment to respect legally designated protected areas Commitment to no conversion of High Conservation Value areas Commitment to secure Free, Prior and Informed Consent (FPIC) of Indigenous Peoples	<Not Applicable>

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	No, but we plan to assess biodiversity-related impacts within the next two years	<Not Applicable>

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years	<Not Applicable>

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	Please select

C15.6

(C15.6) Have you published information about your organization’s response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In mainstream financial reports	Content of biodiversity-related policies or commitments Risks and opportunities	p. 6 on Business Plan/biodiversity p.185-186 plafond circular economy p.183 S-Loan Climate Change, Agribusiness p.297 WEF indicator on Nature loss p.58 Guidelines for the governance of ESG risks ISP_2021Consolidated Non-financial Statement.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Financial Officer, who reports directly to the Managing Director and CEO.	Chief Financial Officer (CFO)

FW-FS1.1

(FW-FS1.1) Is there board-level oversight of forests- and/or water-related issues within your organization?

	Board-level oversight of this issue area	Explain why your organization does not have board-level oversight of this issue area and any plans to address this in the future
Forests	Yes	<Not Applicable>
Water	Yes	<Not Applicable>

FW-FS1.1a

(FW-FS1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for forests- and/or water-related issues.

Issue area(s)	Position of individual(s)	Please explain
Forests Water	Board-level committee	Forests and water issues, as part of ESG matters, are supervised by the Board of Directors (BoD), who approves the strategic guidelines and policies on ESG matters, with the support of a Committee internal to the Board, the Risks and Sustainability Committee. This Committee assures the best supervision of risks and guidance on the internal control system in this area. It pays special attention to activities that enable the BoD to come to a fair and efficient determination of the Risk Appetite Framework – which includes a statement on climate risk - and the risk governance policies. It assists the BoD in the approval of the Code of Ethics and in the review of Environmental Social and Governance matters. It reviews the draft of the Consolidated Non-Financial Statement in view of its presentation to the BoD. The BoD approves the Code of Ethics and its updates, ESG strategies and policies and the CNFS. With the support of the Steering Committee (which includes the first organizational line of the bank), the Managing Director and CEO submits the definition of strategic guidelines and ESG policies to the relevant Board Committees and the BoD. The BoD then approves the strategic guidelines and policies on sustainability with the support of the Risks and Sustainability Committee, taking into account the objectives of solid and sustainable creation and distribution of value for all stakeholders, including the environment. The Steering Committee meets at least quarterly to examine sustainability matters. In 2020 the BoD has approved the Group's "Guidelines for the Governance of environmental, social and governance risks in lending operations" which identifies the list of ESG sensitive sectors (those with the greatest environmental and social impact) and the related risk management processes and evaluation and exclusion criteria. The Foresty sector is identified among the ESG sensitive sectors. In March 2022, ISP's BoD has approved the new "Group Guidelines for the Governance of environmental, social and governance risks" updating those of 2020 and extending them to all business activities of the Group. The Guidelines set ISP's internal rules for the governance of environmental, social and governance risks, to which the ISP is exposed. This policy outlines the ESG risk steering and management process, the ESG risk management model, ESG risk governance macro-processes, the procedures to steer and coordinate Banks and Group Companies.

FW-FS1.1b

(FW-FS1.1b) Provide further details on the board's oversight of forests- and/or water-related issues.

Issue area(s)
Forests

Frequency with which the issue area(s) is a scheduled agenda item
Scheduled - some meetings

Governance mechanisms into which this issue area(s) is integrated
Reviewing and guiding risk management policies

Scope of board-level oversight
Risks and opportunities to our banking activities

Please explain
The Risks and Sustainability Committee periodically reviews the approach and the progress of processes and activities related to ESG matters, including forests and water issues. To this end, the ESG & Sustainability department periodically meets with the Risks and Sustainability Committee internal to the BoD to agree upon the approach and report on the progress of processes and activities related to sustainability and non-financial reporting. In 2021, 25 meetings of the Board of Directors were held, 15 of which dealt with ESG issues including : the updating of the Guidelines for the governance of the Group's Most Significant Transactions; the 2020 Consolidated Non-Financial Statement pursuant to Legislative Decree no. 254/2016; the 2020-2021 Task Force on Climate-related Financial Disclosures Report; the Net Zero Commitment and the ECB Action Plan relating to the management of climate and environmental risks. Moreover, 52 meetings of the Risks and Sustainability Committee were held in 2021, 11 of which included ESG issues on their agenda. Moreover, the Risks and Sustainability Committee examines the ESG exposures within the monitoring provided for in the Risk Appetite Framework. Finally, the Risks and Sustainability Committee examines at least twice a month the ESG Most Significant Transactions subject to the Reputational Risk Clearing process.

FW-FS1.1c

(FW-FS1.1c) Does your organization have at least one board member with competence on forests- and/or water-related issues?

Forests

Board member(s) have competence on this issue area
Yes

Criteria used to assess competence of board member(s) on this issue area
All board members have competences on ESG / sustainability issues. According to the Groups' internal rules, the knowledge, the competences and the experience required from Board members in order to fully understand and monitor the Groups' strategies and risk management decisions shall include also ESG/sustainability risks. During the last assessment of Board members' competences, all Board members have declared to have ESG competences and more than one third of Board members have declared to have a good or distinctive level of specific competences on sustainability issues and their integration in the Bank's strategies. During 2021, specific induction sessions to Board members were held which touched on the following topics, among others: the evolution of ESG topics and the Intesa Sanpaolo Group's commitment as part of a dedicated programme; the evolution of ESG Reporting, Commitment to Net Zero and Task Force on Climate-Related Financial Disclosures Report 2020-2021. Please note that also in the Guidance that the outgoing Board of Directors of Intesa Sanpaolo provided to the Shareholders last March, to help them in the process of identifying the best proposals for the quantitative and qualitative composition of the new Board of Directors of the Bank, more than one third of Board members were required to have a good or distinctive level of specific competences on sustainability issues and their integration in the Bank's strategies.

Primary reason for no board-level competence on this issue area
<Not Applicable>

Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future
<Not Applicable>

Water

Board member(s) have competence on this issue area
Yes

Criteria used to assess competence of board member(s) on this issue area
All board members have competences on ESG / sustainability issues. According to the Groups' internal rules, the knowledge, the competences and the experience required from Board members in order to fully understand and monitor the Groups' strategies and risk management decisions shall include also ESG/sustainability risks. During the last assessment of Board members' competences, all Board members have declared to have ESG competences and more than one third of Board members have declared to have a good or distinctive level of specific competences on sustainability issues and their integration in the Bank's strategies. During 2021, specific induction sessions to Board members were held which touched on the following topics, among others: the evolution of ESG topics and the Intesa Sanpaolo Group's commitment as part of a dedicated programme; the evolution of ESG Reporting, Commitment to Net Zero and Task Force on Climate-Related Financial Disclosures Report 2020-2021. Please note that also in the Guidance that the outgoing Board of Directors of Intesa Sanpaolo provided to the Shareholders last March, to help them in the process of identifying the best proposals for the quantitative and qualitative composition of the new Board of Directors of the Bank, more than one third of Board members were required to have a good or distinctive level of specific competences on sustainability issues and their integration in the Bank's strategies.

Primary reason for no board-level competence on this issue area
<Not Applicable>

Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future
<Not Applicable>

FW-FS1.2

(FW-FS1.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests- and/or water-related issues.

Name of the position(s) and/or committee(s)
Chief Financial Officer (CFO)

Reporting line
CEO reporting line

Issue area(s)
Forests
Water

Responsibility
Both assessing and managing risks and opportunities

Coverage of responsibility
Risks and opportunities related to our banking portfolio

Frequency of reporting to the board on forests- and/or water-related issues
Quarterly

Name of the position(s) and/or committee(s)
Chief Risks Officer (CRO)

Reporting line
CEO reporting line

Issue area(s)
Forests
Water

Responsibility
Both assessing and managing risks and opportunities

Coverage of responsibility
Risks and opportunities related to our banking portfolio

Frequency of reporting to the board on forests- and/or water-related issues
Quarterly

Name of the position(s) and/or committee(s)
Other committee, please specify (Steering Committee - composed of the first organisational line)

Reporting line
CEO reporting line

Issue area(s)
Forests
Water

Responsibility
Both assessing and managing risks and opportunities

Coverage of responsibility
Risks and opportunities related to our banking portfolio

Frequency of reporting to the board on forests- and/or water-related issues
Quarterly

FW-FS2.1

(FW-FS2.1) Do you assess your portfolio's exposure to forests- and/or water-related risks and opportunities?

	We assess our portfolio's exposure to this issue area	Explain why your portfolio's exposure is not assessed for this issue area and any plans to address this in the future
Banking - Forests exposure	Yes	<Not Applicable>
Banking – Water exposure	Yes	<Not Applicable>
Investing (Asset manager) – Forests exposure	No, but we plan to within the next two years	The implementation of the EU Green Deal, through the rich regulation package that investors have been called to embrace, has imposed steps of improvement and new areas of development that are still underway while other pieces of legislation are coming to light. For this reason, we do intend to tackle the important issues of forestry within the steps of improvement that our firm is going through, to reach excellence in sustainability matters.
Investing (Asset manager) – Water exposure	No, but we plan to within the next two years	The implementation of the EU Green Deal, through the rich regulation package that investors have been called to embrace, has imposed steps of improvement and new areas of development that are still underway while other pieces of legislation are coming to light. For this reason, we do intend to tackle the important issues of water within the steps of improvement that our firm is going through, to reach excellence in sustainability matters.
Investing (Asset owner) – Forests exposure	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Water exposure	<Not Applicable>	<Not Applicable>
Insurance underwriting – Forests exposure	<Not Applicable>	<Not Applicable>
Insurance underwriting – Water exposure	<Not Applicable>	<Not Applicable>

FW-FS2.1a

(FW-FS2.1a) Describe how you assess your portfolio's exposure to forests- and/or water-related risks and opportunities.

Portfolio
Banking (Bank)

Exposure to
Forests-related risks and opportunities

Type of risk management process
Integrated into multi-disciplinary company-wide risk management process

Proportion of portfolio covered by risk management process
85

Type of assessment
Qualitative and quantitative

Time horizon(s) covered
Short-term
Medium-term
Long-term

Tools and methods used
External consultants
Internal tools/methods
Risk models

Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities
To measure the risk concentration of the credit portfolio, a top-down sectoral assessment was developed internally, the so-called "ESG sectoral assessment" which, through the assignment of qualitative scores at a granular level (i.e. "subsectors"), allows to identify the most exposed component of the loan portfolio to climate and ESG risks (including Forestry). The evaluation criteria underlying the assignment of these scores have been defined using numerous sources in use within the financial system (available analyses, main research documents of the international working groups) which define the materiality at the qualitative level of the drivers of climate and ESG risks in relation to the main economic sectors. This internal tool has been developed by Chief Risk Officer Area with the support of external consultants. Tool and methods have been used to implement a top-down sectoral assessment carried out for each sector and microsector based on the calculation of 5 scores relating to: 1) the evaluation of climate-change transition risk; 2) environmental score; 3) social score; 4) governance risk and 5) an overall ESG score (obtained by weighting the other single 4 ESG scores, according to the sensitivity of each sector to these factors). The methodological approach chosen is based on the assessment of exposure concentration of the credit portfolio and on the materiality assessment of ESG risk factors on business sectors. On the basis of the described approach, some sub-sectors have been classified as high transition risk and ESG risk; at 31/12/2021 the share of the loan portfolio so classified is in any case less than 20% of the total portfolio in the perimeter (high transition exposures are around 15% of the total portfolio in perimeter). Water management and the evaluation of impact on natural capital are among the environmental drivers considered in this assessment. Within this assessment, the positive impact of business activities in terms of ESG perspective has been also analysed. That allows to identify specific ESG /sectoral strategy in order to incentivize (when risks are low and benefits high) or disincentivize (when risks are high) the credit strategy. ISP's exposure to the forestry sector has been assessed and it has resulted as one of the bottom ten sectors - one towards which the Group is less exposed to in terms of disbursements and granted amounts

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Portfolio
Banking (Bank)

Exposure to
Water-related risks and opportunities

Type of risk management process
Integrated into multi-disciplinary company-wide risk management process

Proportion of portfolio covered by risk management process
85

Type of assessment
Qualitative and quantitative

Time horizon(s) covered
Short-term
Medium-term
Long-term

Tools and methods used
External consultants
Internal tools/methods
Risk models
Scenario analysis
Stress tests

Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities
One methodological approach chosen is based on the assessment of exposure concentration of credit portfolio. Thus, according to a materiality assessment of ESG risk factors on business sectors, the Bank has analysed its exposure to ESG risks; this assessment has been developed internally, with the external consultant support. On the basis of the described approach, some sub-sectors have been classified as high transition risk and ESG risk; at 31/12/2021 the share of the loan portfolio so classified is in any case less than 20% of the total portfolio in the perimeter (high transition exposures are around 15% of the total portfolio in perimeter). Water management and the evaluation of impact on natural capital are among the environmental drivers considered in this assessment. Within this assessment, the positive impact of business activities in terms of ESG perspective has been also analysed. That allows to identify specific ESG /sectoral strategy in order to incentivize (when risks are low and benefits high) or disincentivize (when risks are high) the credit strategy. Another approach is based on customers' data and external provider data as baseline of the stress test analysis that the ECB launched in order to assess banks' vulnerability to climate and environmental events. The scenarios considered in the scope of ISP's exercise included physical risk, for which both flood risk and drought & heat risks were considered (for projections on year 2022). Finally , in the corporate rating model, the physical risk component of climate change is analyzed and an ad hoc module, named CAT RISK, was developed for climate risk related to domestic counterparties with a turnover less than 500 mln euro, assessing the risk of natural calamities potentially affecting corporate plants and equipment. The module investigates the degree of riskiness of the Italian territory at municipal level. Various factors related to physical risk have been analysed and 3 variables were included: floods, fires, earthquakes. The model identifies a specific impact on the company's credit standing.

FW-FS2.2

(FW-FS2.2) Does your organization consider forests- and/or water-related information about clients/investees as part of its due diligence and/or risk assessment process?

	We consider forests- and/or water-related information	Explain why information related to this issue area is not considered and any plans to address this in the future
Banking – Forests-related information	Yes	<Not Applicable>
Banking – Water-related information	Yes	<Not Applicable>
Investing (Asset manager) – Forests-related information	No, but we plan to do so within the next two years	The implementation of the EU Green Deal, through the rich regulation package that investors have been called to embrace, has imposed steps of improvement and new areas of development that are still underway while other pieces of legislation are coming to light. For this reason, we do intend to tackle the important issues of forestry within the steps of improvement that our firm is going through, to reach excellence in sustainability matters
Investing (Asset manager) – Water-related information	No, but we plan to do so within the next two years	The implementation of the EU Green Deal, through the rich regulation package that investors have been called to embrace, has imposed steps of improvement and new areas of development that are still underway while other pieces of legislation are coming to light. For this reason, we do intend to tackle the important issues of water within the steps of improvement that our firm is going through, to reach excellence in sustainability matters
Investing (Asset owner) – Forests-related information	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Water-related information	<Not Applicable>	<Not Applicable>
Insurance underwriting – Forests-related information	<Not Applicable>	<Not Applicable>
Insurance underwriting – Water-related information	<Not Applicable>	<Not Applicable>

FW-FS2.2a

(FW-FS2.2a) Indicate the forests- and/or water-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision making.

Portfolio
Banking (Bank)

Information related to
Forests

Type of information considered
Other, please specify (Ecological Impacts, deforestation or controversial site clearance, carbon stock, Environmental pollution (soil and water pollution), Water scarcity)

Process through which information is obtained
Directly from the client/investee
Data provider
Public data sources

Industry sector(s) covered by due diligence and/or risk assessment process
Other, please specify (forestry)

State how these forests- and/or water-related information influences your decision making
As part of Reputational Risk Clearing (a pre-lending assessment performed by the Risk Manager in collaboration with the Client's Relationship Manager as needed) a class of risk is assigned to transactions/counterparties that are potentially exposed to reputational and ESG risks in order to support decision-making processes, thus enabling an informed acceptance of risk. In 2021, approximately 262 loan transactions with corporate customers were authorised, 56% of which were classified as having a low or medium-low reputational and ESG risk level. This assessment incorporates some forests and water related information, depending on the sector involved. Information is sourced from public documents (Sustainability Reports, web pages, etc...), data provider, when possible, or from requested written documentation.

Portfolio
Banking (Bank)

Information related to
Water

Type of information considered
Other, please specify (Ecological Impacts, deforestation or controversial site clearance, carbon stock, Environmental pollution (soil and water pollution), Water scarcity)

Process through which information is obtained
Directly from the client/investee
Data provider
Public data sources

Industry sector(s) covered by due diligence and/or risk assessment process
Other, please specify (forestry)

State how these forests- and/or water-related information influences your decision making
As part of Reputational Risk Clearing (a pre-lending assessment performed by the Risk Manager in collaboration with the Client's Relationship Manager as needed) a class of risk is assigned to transactions/counterparties that are potentially exposed to reputational and ESG risks in order to support decision-making processes, thus enabling an informed acceptance of risk. In 2021, approximately 262 loan transactions with corporate customers were authorised, 56% of which were classified as having a low or medium-low reputational and ESG risk level. This assessment incorporates some forests and water related information, depending on the sector involved. Information is sourced from public documents (Sustainability Reports, web pages, etc...), data provider, when possible, or from requested written documentation.

FW-FS2.3

(FW-FS2.3) Have you identified any inherent forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business?

	Risks identified for this issue area	Primary reason why your organization has not identified any substantive risks for this issue area	Explain why your organization has not identified any substantive risks for this issue area
Forests	Yes	<Not Applicable>	<Not Applicable>
Water	No	Evaluation in process	In 2021 ISP has been working to develop the knowledge necessary to perform this analysis and minimize assumptions and estimates that could mislead the output of the analysis.

FW-FS2.3a

(FW-FS2.3a) Provide details of forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk1

Portfolio where risk driver occurs
Banking (Bank) portfolio

Issue area risk relates to
Forests

Risk type & Primary risk driver

Reputation	Negative media coverage related to financing/insuring of projects or activities with negative impacts on forests

Primary potential financial impact
Other, please specify (decreased revenues due to possible restrictions of lending)

Risk type mapped to traditional financial services industry risk classification
Reputational risk

Company-specific description
Intesa Sanpaolo is indirectly exposed, through its lending activity, to reputational risks linked to the activities of its corporate clients. One of the sectors which is most exposed to reputational risk is forestry. The attention from the media, NGOs and specialised ESG rating agencies on forests risk linked to banking activity has increased over the last 5 years. ISP's exposure to the forestry sector, though not very significant, is monitored and as of 31/12/2021 it amounts to 86,168,000 euros. Corporate lending transactions to this sector are subject to ESG and reputational risk clearing. As part of Reputational Risk Clearing (a pre-lending assessment performed by the Risk Manager in collaboration with the Client's Relationship Manager as needed) a class of risk is assigned to transactions/counterparties that are potentially exposed to reputational and ESG risks in order to support decision-making processes, thus enabling an informed acceptance of risk which may even lead not to authorize the transaction. In 2021, 3 corporate lending transactions in the forestry sector located in Asia were subject to a specific clearing with an average reputational and ESG risk level evaluated as medium. With the aim of contributing to natural capital restoration, the 2022-2025 Business Plan includes the commitment to adopting a specific policy on biodiversity which will include requirements / restrictions of lending to business activities with a negative impact on forests.

Time horizon
Long-term

Likelihood
About as likely as not

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
1

Potential financial impact figure - maximum (currency)
86168000

Explanation of financial impact figure
The maximum amount represents cash and non cash exposure (gross carrying amount) of the forestry sector at 31/12/2021. The whole face value of the credit portfolio on the forestry sector has been considered, which represents the maximum loss. On the other hand, the minimum loss is estimated in 1 euro in case the Group suffers no loss.

Cost of response to risk
408100

Description of response and explanation of cost calculation
ISP has an exposure to the forestry sector equal to 86,168,000 euros at 31/12/2021. ISP responded to this risk by planning to develop and to adopt a specific policy on biodiversity which will include requirements / restrictions for lending to business activities with a negative impact on forests, in the 2022-2025 Business Plan. Moreover, corporate lending transactions to this sector are subject to ESG and reputational risk clearing. As part of Reputational Risk Clearing (a pre-lending assessment performed by the Risk Manager in collaboration with the Client's Relationship Manager as needed) a class of risk is assigned to transactions/counterparties that are potentially exposed to reputational and ESG risks in order to support decision-making processes which may even lead not to authorize the transaction. In 2021, 3 corporate lending transactions in the forestry sector located in Asia were subject to a specific clearing with an average reputational and ESG risk level evaluated as medium. The activities of developing a policy and monitoring the related exposure are carried out by various departments of ISP, including Risk Management, the business units, ESG & Sustainability, the Chief Lending Officer Area. We can assume that they involve an annual overall commitment of 7 FTEs with an estimated gross cost of 58,300 euro yearly each (3 FTEs risk management, 1 FTE ESG & Sustainability, 1 FTE Chief Lending Officer Area, 2 FTEs in the business units) for a total cost of response equal to 408,100 euros.

Comment

FW-FS2.4

(FW-FS2.4) Have you identified any inherent forests- and/or water-related opportunities in your portfolio with the potential to have a substantive financial or strategic impact on your business?

	Opportunities identified for this issue area	Primary reason why your organization has not identified any substantive opportunities for this issue area	Explain why your organization has not identified any substantive opportunities for this issue area
Forests	No	Evaluation in process	This opportunity has been identified in Intesa Sanpaolo's Business Plan 2022-2025 which has a specific focus on “natural capital”. With the aim of contributing to natural capital restoration , the 2022-2025 Business Plan includes the commitment to adopting a specific policy on biodiversity (which will include requirements / restrictions for lending to business activities with a negative impact on forests) and a major reforestation project, with the goal of planting over 100 million trees either directly or through customer loans .
Water	No	Opportunities exist, but none with the potential to have a substantive financial or strategic impact on business	Opportunities exist; ISP's offer includes products and services which are selected according to eligibility criteria also based on sustainable management of natural resources and soil, biodiversity, fight against water scarcity, reduction of water consumption, e.g. Circular Economy and S-loan Agribusiness.

FW-FS3.1

(FW-FS3.1) Do you take forests- and/or water-related risks and opportunities into consideration in your organization’s strategy and/or financial planning?

Forests

Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning
Yes, we take these risks and opportunities into consideration in the organization’s strategy and financial planning

Description of influence on organization’s strategy including own commitments
Risks and opportunities related to forests have been taken into consideration in Intesa Sanpaolo's Business Plan, which has a specific focus on “natural capital”. With the aim of contributing to natural capital restoration , the 2022-2025 Business Plan includes the commitment to adopting a specific policy on biodiversity (which will include requirements / restrictions for lending to business activities with a negative impact on forests) and a major reforestation project, with the goal of planting over 100 million trees either directly or through customer loans . Moreover, ISP's "Group Guidelines for the Governance of environmental, social and governance risks" set ISP's internal rules for the governance of environmental, social and governance risks, to which the ISP is exposed. This policy outlines the ESG risk steering and management process, ESG risk management model, ESG risk governance macro-processes, the procedures to steer and coordinate Banks and Group Companies. It also identifies the list of ESG sensitive sectors (those with the greatest environmental and social impact) and the related risk management processes and evaluation and exclusion criteria. The Forestry sector is identified among the ESG sensitive sectors.

Financial planning elements that have been influenced
None of the above

Description of influence on financial planning
Risks and opportunities related to forests have been taken into consideration in Intesa Sanpaolo's Business Plan, which has a specific focus on “natural capital”. With the aim of contributing to natural capital restoration, the 2022-2025 Business Plan includes the commitment to adopting a specific policy on biodiversity (which will include requirements / restrictions for lending to business activities with a negative impact on forests) and a major reforestation project, with the goal of planting over 100 million trees either directly or through customer loans. Also, seen that the afforestation project in mainly linked to lending facilities granted to customers, the relevant lending growth is included in asset evolution underlying the Business Plan. Time horizon: 2023-2025.

Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning
<Not Applicable>

Water

Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning
No, we do not take risks and opportunities into consideration

Description of influence on organization’s strategy including own commitments
<Not Applicable>

Financial planning elements that have been influenced
<Not Applicable>

Description of influence on financial planning
<Not Applicable>

Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning
ISP has not yet taken risks and opportunities related to water into consideration in strategy and financial planning because it is not considered as a top priority at this stage (forests is being tackled first)

FW-FS3.2

(FW-FS3.2) Has your organization conducted any scenario analysis to identify forests- and/or water-related outcomes?

Forests

Scenario analysis conducted to identify outcomes for this issue area
No, we have not conducted any scenario analysis to identify outcomes for this issue area, and we don’t plan to in the next two years

Type of scenario analysis used
<Not Applicable>

Parameters, assumptions, analytical choices
<Not Applicable>

Description of outcomes for this issue area
<Not Applicable>

Explain how the outcomes identified using scenario analysis have influenced your strategy
<Not Applicable>

Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future
Scenario analysis on forests risk is not considered as a top priority at this stage

Water

Scenario analysis conducted to identify outcomes for this issue area
No, we have not conducted any scenario analysis to identify outcomes for this issue area, and we don’t plan to in the next two years

Type of scenario analysis used
<Not Applicable>

Parameters, assumptions, analytical choices
<Not Applicable>

Description of outcomes for this issue area
<Not Applicable>

Explain how the outcomes identified using scenario analysis have influenced your strategy
<Not Applicable>

Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future
Among the most recent pilots, run since 2019, in 2021 Intesa Sanpaolo participated, together with 48 other financial institutions, in phase three of the TCFD Banking Pilot project coordinated by UNEP FI. The programme was divided into two parts: i) TCFD roadmap, more informative, useful for understanding and examining the issues connected with climate change and related “disclosures”; ii) various “target modules” focused on specific topics, such as “Climate Stress Testing” and “Sectoral Climate Risks”. In this context, Intesa Sanpaolo produced a case study in 2021, connected with the “Landscape Review” module, released in the first quarter of 2022. The aim of the study is to investigate the effects deriving from the risk of flooding on a small sample of the Intesa Sanpaolo mortgages portfolio in Italy (1,200 positions, located in 85 Italian provinces). The most impactful scenarios of the Intergovernmental Panel on Climate Change (IPCC) for physical risk were used, in particular the Representative Concentration Pathways (RCP) 6.0, stabilization scenario, and RCP 8.5, Business as usual scenario. Differences in the “climate-adjusted” Probability of Default (PD) and Loss Given Default (LGD) are also provided. Among data released in the paper it is possible to note, albeit based on a limited perimeter not representative the whole portfolio but relevant for the exercise, that the average annual losses are going to increase (e.g., data at 2040 for some Italian provinces vs baseline scenario – Rome: over 50%, Milan: under 20%, Naples: over 50%, Turin: under 20%).

FW-FS3.3

(FW-FS3.3) Do any of your existing products and services enable clients to mitigate deforestation and/or water insecurity?

	Existing products and services that enable clients to mitigate deforestation and/or water insecurity	Explain why your organization does not offer products and services which enable clients to mitigate deforestation and/or water insecurity and any plans to address this in the future
Forests	No, but we plan to address this within the next two years	ISP is planning to address these issues through further developing the Circular Economy offer and designing a dedicated offer to corporate customers for reforestation.
Water	No, but we plan to address this within the next two years	ISP is planning to address this issue by further developing its offer including products and services selected according to eligibility criteria also based on sustainable management of natural resources and soil, biodiversity, fight against water scarcity, reduction of water consumption, e.g. Circular Economy and S-loan Agribusiness and by designing other dedicated products.

FW-FS3.4

(FW-FS3.4) Does the policy framework for the portfolio activities of your organization include forests- and/or water-related requirements that clients/investees need to meet?

	Policy framework includes this issue area	Explain why your organization does not include this issue area in the policy framework and any plans to address this in the future
Forests	No, but we plan to include this issue area within the next two years	With the aim of contributing to natural capital restoration, the 2022-2025 Business Plan includes the commitment to adopting a specific policy on biodiversity which will include requirements / restrictions for lending to business activities with a negative impact on forests. Moreover, the "Guidelines for the governance of environmental, social and governance risks regarding lending operations" define general criteria for limiting and excluding loans in all sectors of activities with a particularly high Environmental Social and Governance risk, with interdependencies also with climate change issues. According to these Guidelines, the Bank undertakes not to finance companies and projects that are characterised by their negative impact on: - UNESCO World Heritage Sites; - wetlands under the Ramsar Convention; - IUCN protected areas I to VI. Regarding asset management, the implementation of the EU Green Deal, through the rich regulation package that investors have been called to embrace, has imposed steps of improvement and new areas of development that are still underway while other pieces of legislation are coming to light. For this reason, we do intend to tackle the important issues of forestry within the steps of improvement that our firm is going through, to reach excellence in sustainability matters.
Water	No, but we plan to include this issue area within the next two years	The issue is already partially addressed in the policy framework. For example, the "Guidelines for the governance of environmental, social and governance risks regarding lending operations" define general criteria for limiting and excluding loans in all sectors of activities with a particularly high Environmental Social and Governance risk, with interdependencies also with climate change issues. According to these Guidelines, the Bank undertakes not to finance companies and projects that are characterised by their negative impact on: - UNESCO World Heritage Sites; - wetlands under the Ramsar Convention; - IUCN protected areas I to VI. Intesa Sanpaolo does not include this issue area in the policy framework because it is not considered as a top priority at this stage (forests risks / opportunities are tackled first). Regarding asset management, the implementation of the EU Green Deal, through the rich regulation package that investors have been called to embrace, has imposed steps of improvement and new areas of development that are still underway while other pieces of legislation are coming to light. For this reason, we do intend to tackle the important issues of water within the steps of improvement that our firm is going through, to reach excellence in sustainability matters.

FW-FS3.5

(FW-FS3.5) Does your organization include covenants in financing agreements to reflect and enforce your forests- and/or water-related policies?

	Covenants included in financing agreements to reflect and enforce policies for this issue area	Explain how the covenants included in financing agreements relate to your policies for this issue area	Explain why your organization does not include covenants for this issue area in financing agreements and any plans to address this in the future
Forests	No, but we plan within the next two years	<Not Applicable>	Intesa Sanpaolo's financial offer includes loans with ESG and Circular Economy KPIs, that have to be periodically reported (e.g. annually). For example, in 2021, through the Circular Economy plafond, ISP financed a project supporting Ghana cocoa plantations which included targets of hectares of plant rejuvenation and a number of forest trees planted as covenants. ISP is planning to further develop and improve this area in 2022- 2023, especially based on what the EU Taxonomy will indicate in terms of substantial contribution to the transition to circular economy.
Water	Yes	Intesa Sanpaolo's financial offer includes loans with ESG KPIs, among which those related to water consumption reduction. Among other, in July 2020 Intesa Sanpaolo allocated a credit line of 2 billion euro (~1.3 euro billion granted since launch, of which ~1.2 euro billion in 2021) for S-Loans designed to help SMEs finance projects aimed at improving their sustainability profile. All S-Loans have subsidised interest rates, subject to the annual monitoring of 2 ESG KPI. In particular, S-Loan Agribusiness and S_loan Tourism have a KPI on water consumption reduction targets.	<Not Applicable>

FW-FS4.1

(FW-FS4.1) Do you engage with your clients/investees on forests- and/or water-related issues?

	We engage with clients/investees on this issue area	Explain why you do not engage with your clients/investees on the issue area and any plans to address this in the future
Clients – Forests	No, but we plan to within the next two years	Intesa Sanpaolo's Business Plan has a specific focus on "natural capital". With the aim of contributing to natural capital restoration, the 2022-2025 Business Plan includes the commitment to adopting a specific policy on biodiversity (which will include requirements / restrictions for lending to business activities with a negative impact on forests) and a major reforestation project, with the goal of planting over 100 million trees either directly or through customer loans. Customers will be involved in forest management activities.
Clients – Water	No, but we plan to within the next two years	Engagement with clients is made through the sustainability linked loan offer of ISP, in particular with the S-Loan Agribusiness and the S_loan Tourism which have, among other KPIs, a KPI on water consumption reduction targets.
Investees – Forests	No, but we plan to within the next two years	The implementation of the EU Green Deal, through the rich regulation package that investors have been called to embrace, has imposed steps of improvement and new areas of development that are still underway while other pieces of legislation are coming to light. For this reason, we do intend to tackle the important issues of forestry within the steps of improvement that our firm is going through, to reach excellence in sustainability matters
Investees – Water	No, but we plan to within the next two years	The implementation of the EU Green Deal, through the rich regulation package that investors have been called to embrace, has imposed steps of improvement and new areas of development that are still underway while other pieces of legislation are coming to light. For this reason, we do intend to tackle the important issues of water within the steps of improvement that our firm is going through, to reach excellence in sustainability matters

FW-FS4.2

(FW-FS4.2) Does your organization exercise its voting rights as a shareholder on forests- and/or water-related issues?

	We exercise voting rights as a shareholder on this issue area	Issues supported in shareholder resolutions	Give details of the impact your voting has had on this issue area	Explain why your organization does not exercise voting rights on this issue area and any plans to address this in the future
Forests	No, but we plan to within the next two years	<Not Applicable>	<Not Applicable>	Since we exercise our voting rights depending on the resolutions in the AGM agenda, we tackle environmental topics including forests when present. Last year, we have not cast votes on this specific topic.
Water	No, but we plan to within the next two years	<Not Applicable>	<Not Applicable>	Since we exercise our voting rights depending on the resolutions in the AGM agenda, we tackle environmental topics including water when present. Last year, we have not cast votes on this specific topic.

FW-FS4.3

(FW-FS4.3) Does your organization provide financing and/or insurance to smallholders in the agricultural commodity supply chain?

	Provide financing and/or insurance to smallholders in the agricultural commodity supply chain	Agricultural commodity	Primary reason for not providing finance and/or insurance to smallholders	Explain why your organization does not provide finance/insurance to smallholders and any plans to change this in the future
Row 1	No, but we plan to in the next two years	<Not Applicable>	Not a strategic focus	ISP finances smallholders of those agricultural commodities that are grown in Italy when the opportunity arises.

FW-FS4.4

(FW-FS4.4) Does your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may impact forests and/or water security?

	Direct or indirect engagement that could influence policy, law, or regulation that may impact this issue area	Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area	Explain why you do not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area
Forests	No, and we do not plan to in the next two years	Important but not an immediate priority	During 2021 ISP limited its activities on EU Forest and water policies or regulations to a monitoring activity. While these two sectors are under the attention of the EU regulators, we are not planning to engage directly on advocacy activities on water and forestry.
Water	No, and we do not plan to in the next two years	Important but not an immediate priority	During 2021 ISP limited its activities on EU Forest and water policies or regulations to a monitoring activity. While these two sectors are under the attention of the EU regulators, we are not planning to engage directly on advocacy activities on water and forestry.

FW-FS5.1

(FW-FS5.1) Does your organization measure its portfolio impact on forests and/or water security?

	We measure our portfolio impact on this issue area	Explain how your organization measures its portfolio impact on this issue area, including any metrics used to quantify impact	Primary reason for not measuring portfolio impact on this issue area	Explain why your organization does not measure its portfolio impact on this issue area and any plans to change this in the future
Banking – Impact on Forests	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	The bank has developed a proprietary ESG scoring methodology to assess the sustainability performance of corporate clients. As part of the overall assessment, the score measures water and biodiversity related impact for each client. Moreover as regards positive impact, with the aim of contributing to natural capital restoration, the 2022-2025 Business Plan includes the commitment to a major reforestation project, with the goal of planting over 100 million trees mainly through customer loans. In this context, the progress towards the goal will allow to assess the impact of the initiative.
Banking – Impact on Water	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	The bank has developed a proprietary ESG scoring methodology to assess the sustainability performance of corporate clients. As part of the overall assessment, the score measures water and biodiversity related impact for each client. ISP has begun to assess the impact on water on some of its products and plans to further develop this kind of assessment. For example, in March 2022 the new Green Bond Report referred to 2021 on the four Green Bonds issued was published. Within the Green Bond Report, 2,465,128 m3 water saving were calculated linked to eligible Circular Economy portfolio.
Investing (Asset manager) – Impact on Forests	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	The implementation of the EU Green Deal, through the rich regulation package that investors have been called to embrace, has imposed steps of improvement and new areas of development that are still undergoing while other pieces of legislation are coming to light. For this reason, we do intend to tackle the important issues of forestry with the steps of improvement, to reach excellence in sustainability matters
Investing (Asset manager) – Impact on Water	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	ISP's asset management company, Eurizon, has begun to assess the impact on water on some of its funds and plans to further develop this kind of assessment. In June 2021, the asset management company drafted the Global Impact Report regarding Eurizon Fund Absolute Green Bonds. The investments made during the analysis period (1 July 2020 - 30 June 2021) helped to achieve key environmental and social impact results, such as the saving and purification of almost 360 million litres of water through investments in plants and production processes.
Investing (Asset owner) – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

FW-FS5.2

(FW-FS5.2) Does your organization provide finance or insurance to companies operating in any stages of the following forest risk commodity supply chains, and are you able to report on the amount of finance/insurance provided?

	Finance or insurance provided to companies operating in the supply chain for this commodity	Amount of finance/insurance provided will be reported	Explain why your organization is unable to report on the amount of finance/insurance provided for this commodity
Lending to companies operating in the timber products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	ISP's current reporting is structured in a way that does not yet exactly reflect the requests of this question.
Lending to companies operating in the palm oil products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	ISP's current reporting is structured in a way that does not yet exactly reflect the requests of this question.
Lending to companies operating in the cattle products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	ISP's current reporting is structured in a way that does not yet exactly reflect the requests of this question.
Lending to companies operating in the soy supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	ISP's current reporting is structured in a way that does not yet exactly reflect the requests of this question.
Lending to companies operating in the rubber supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	ISP's current reporting is structured in a way that does not yet exactly reflect the requests of this question.
Lending to companies operating in the cocoa supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	ISP's current reporting is structured in a way that does not yet exactly reflect the requests of this question.

	Finance or insurance provided to companies operating in the supply chain for this commodity	Amount of finance/insurance provided will be reported	Explain why your organization is unable to report on the amount of finance/insurance provided for this commodity
Lending to companies operating in the coffee supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	ISP's current reporting is structured in a way that does not yet exactly reflect the requests of this question.
Investing (asset manager) to companies operating in the timber products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Regarding asset management, the implementation of the EU Green Deal, through the rich regulation package that investors have been called to embrace, has imposed steps of improvement and new areas of development that are still underway while other pieces of legislation are coming to light. For this reason, we do intend to tackle these important issues within the steps of improvement that our firm is going through, to reach excellence in sustainability matters.
Investing (asset manager) to companies operating in the palm oil products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Regarding asset management, the implementation of the EU Green Deal, through the rich regulation package that investors have been called to embrace, has imposed steps of improvement and new areas of development that are still underway while other pieces of legislation are coming to light. For this reason, we do intend to tackle these important issues within the steps of improvement that our firm is going through, to reach excellence in sustainability matters.
Investing (asset manager) to companies operating in the cattle products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Regarding asset management, the implementation of the EU Green Deal, through the rich regulation package that investors have been called to embrace, has imposed steps of improvement and new areas of development that are still underway while other pieces of legislation are coming to light. For this reason, we do intend to tackle these important issues within the steps of improvement that our firm is going through, to reach excellence in sustainability matters.
Investing (asset manager) to companies operating in the soy supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Regarding asset management, the implementation of the EU Green Deal, through the rich regulation package that investors have been called to embrace, has imposed steps of improvement and new areas of development that are still underway while other pieces of legislation are coming to light. For this reason, we do intend to tackle these important issues within the steps of improvement that our firm is going through, to reach excellence in sustainability matters.
Investing (asset manager) to companies operating in the rubber supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Regarding asset management, the implementation of the EU Green Deal, through the rich regulation package that investors have been called to embrace, has imposed steps of improvement and new areas of development that are still underway while other pieces of legislation are coming to light. For this reason, we do intend to tackle these important issues within the steps of improvement that our firm is going through, to reach excellence in sustainability matters.
Investing (asset manager) to companies operating in the cocoa supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Regarding asset management, the implementation of the EU Green Deal, through the rich regulation package that investors have been called to embrace, has imposed steps of improvement and new areas of development that are still underway while other pieces of legislation are coming to light. For this reason, we do intend to tackle these important issues within the steps of improvement that our firm is going through, to reach excellence in sustainability matters.
Investing (asset manager) to companies operating in the coffee supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Regarding asset management, the implementation of the EU Green Deal, through the rich regulation package that investors have been called to embrace, has imposed steps of improvement and new areas of development that are still underway while other pieces of legislation are coming to light. For this reason, we do intend to tackle these important issues within the steps of improvement that our firm is going through, to reach excellence in sustainability matters.
Investing (asset owner) to companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>

	Finance or insurance provided to companies operating in the supply chain for this commodity	Amount of finance/insurance provided will be reported	Explain why your organization is unable to report on the amount of finance/insurance provided for this commodity
Insuring companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>

FW-FS6.1

(FW-FS6.1) Have you published information about your organization's response to forests- and/or water-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports

Status
Complete

Attach the document
ISP 2021 Consolidated Non-financial Statement
ISP_2021Consolidated Non-financial Statement.pdf

Page/Section reference
page 6, 198 Business Plan - afforestation project page 188 Green Bond Report page 133 Impact Report (asset management) page 192-193 Events and initiatives page 183-184 S-Loan page 185 Circular Economy page 56-57 Monitoring of ESG and reputational risks

Content elements
Strategy
Response to forests- and/or water-related risks and opportunities

Comment
- Strategy: Industrial Plan - afforestation project - Response to opportunity: green bond report and Impact Report (asset management)

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No, we do not wish to pledge under the European Climate Pact at this stage

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