



Green Bond Investor presentation

August 2022

1. Sustainability at Intesa Sanpaolo

2. Green, Social and Sustainability Bond Framework (June 2022) and Contemplated Green Bond transaction

Appendix

Commitment to leading the way to a sustainable future



A committed leading sustainable bank...

1

Strengthened ESG Governance framework, with the **Risks and Sustainability Committee** supporting the BoD in setting strategic ESG guidelines and policies

Steering Committee (first managerial lines) also in charge of Sustainability/ESG topics (at least one dedicated quarterly meeting)

Since 2019, ongoing internal project **ISP4ESG** with the aim to consolidate the Group's **ESG leadership**

ESG Control Room established in 2020 to support the Executive Committee in the **strategic proposition and coordination for the implementation of ESG initiatives**

Strong commitment to key international voluntary initiatives¹ (incl. **PRB, PRI, PSI, SDGs, WEP** and **TCFD** reporting) - ISP is one of the few European banks having signed up to **all** UNEP FI initiatives

ISP's commitment also recognized through the excellent positioning in **ESG ratings, indexes and rankings**



...that embodies social responsibility to the highest standard,...

2

Talented and highly-motivated employees

ISP People, the key priority: job protection and re-skilling, Quality of life and Diversity ("Diversity and Inclusion Principles", "Rules for Combatting sexual harassment", etc)

Tangible social contribution to the community in terms of **financial inclusion, culture, education and innovation** – in 2021 **€20.6bn** Loans for **high social impact** initiatives

Fund for Impact for financial inclusion with initiatives for **students, working mothers, female entrepreneurs** and people close to **retirement**

ISP has implemented multiple **projects** to support its **employees** following **increase in energy prices** and inflation, the **Ukrainian population** as well as **Pravex Bank colleagues** (about 800)

Continued enhancement of **Customer Service** - Digitalisation, Cybersecurity



...combats climate change,...

3

In 4Q21, ISP committed to **Net-Zero emissions by 2050** and is part of the **Net-Zero Banking Alliance (NZBA)**, Eurizon Capital and Fideuram become members of the **Net-Zero Asset Managers Initiative (NZAMI)**, ISP Vita becomes member of the **Net-Zero Asset Owner Alliance (NZAOA)** and **Net-Zero Insurance Alliance (NZIA)**

New **Own emission reduction plan to Net Zero** in 2030

In terms of **financed emissions**, the 2022-2025 Business Plan sets relative **emission reduction targets for 4 high-emitting sectors**

Commitment to request SBTi validation was published on the **SBTi** website in April 2022



...and supports its clients and the broader economy in the transition to a green and sustainable economy...

4

€76bn in new lending dedicated to the **Green Economy, Circular Economy and Ecological transition** as part of the Group's commitment in support of the Italian NRRP

€8bn circular economy platform announced in the 2022-2025 Business Plan

Success of S-Loans, launched from July 2020 as an Innovative solution for **SMEs** to finance projects aimed at **improving their sustainability profile**

In March 2021, ISP issued a **new Green Bond for €1.25bn**, demand more than €3.5bn. Three other Green Bonds issued in 2019 and 2017 for a total amount of **€1.75bn** (€750m Circular; €500m renewables and energy efficiency and €500m renewable energy sectors by UBI)

Leadership in sustainable investments in Italy with **~26%** market share and AUM stock **~€110bn** at end of 2021



...with a comprehensive approach

5

Inclusion of **climate change** within the **Risk Appetite Framework (RAF)**

Inclusion of **"ESG" components** in the **Corporate rating model**

Adoption of Equator Principles' guidelines for the assessment of social and environmental risks for Project finance (since 2007)

Dedicated Guidelines on Governance of Group ESG Risks including sensitive sectors updated in 1Q22 and **Specific Sector Policies** to incorporate ESG considerations in credit procedures (e.g. controversial weapons, coal policy, Unconventional Oil and Gas)

Sectoral Heatmap and ESG Scoring by counterpart to be included in the credit framework

In October 2021, ISP published its first **TCFD Report**

Commitment to safeguard **natural capital through afforestation and a policy on biodiversity (BP2022-2025)**

¹ PRB = Principles for Responsible Banking, PRI = Principles for Responsible Investment, PSI = Principles for Sustainable Insurance; SDG = Sustainable Development Goals, TCFD = Task Force for Climate-related Financial Disclosures, WEP = Women Empowerment Principles; UNEP FI = United Nations Environment Programme Finance Initiative is a partnership between UNEP and the global financial sector to mobilise private sector finance for sustainable development



Reinforced ISP ESG governance, with the “Risks Committee” becoming the “Risks and Sustainability Committee” with enhanced ESG responsibilities from April 2022

ISP's commitment is also confirmed through Key International Voluntary Initiatives and participation in international workgroups



Commitment to Voluntary Initiatives and Reporting

- Intesa Sanpaolo has joined various **international voluntary initiatives** with clear **commitments on sustainability and on strong disclosure reporting standards** fostering **stakeholder engagement**
- In addition to adhering to the **Sustainable Development Goals (SDGs)**, ISP joined as **Founding Signatory of the Principles for Responsible Banking (PRB)**, and also signed the **Principles for Sustainable Insurance (PSI)**, and the **Women's Empowerment Principles (WEP)**
- ISP is one of the few European banks to sign up to all **UNEP FI** initiatives in its business areas (PRI, PRB and PSI)
- In 4Q21, the Group completed the commitment to **Net-Zero emissions by 2050**, by adhering to the **Net-Zero Banking Alliance (NZBA)**, **Net-Zero Asset Managers Initiative (NZAMI)**, **Net-Zero Asset Owner Alliance (NZAOA)** and **Net-Zero Insurance Alliance (NZIA)**
- Among others, ISP has also joined workgroups in **Glasgow Financial Alliance for Net Zero (GFANZ)** and **NZBA Worktracks**, **UNEP FI TCFD & Climate Risk Program**, etc

NOT EXHAUSTIVE



Top ranking² for Sustainability



The **only Italian bank** listed in the **Dow Jones Sustainability Indices**

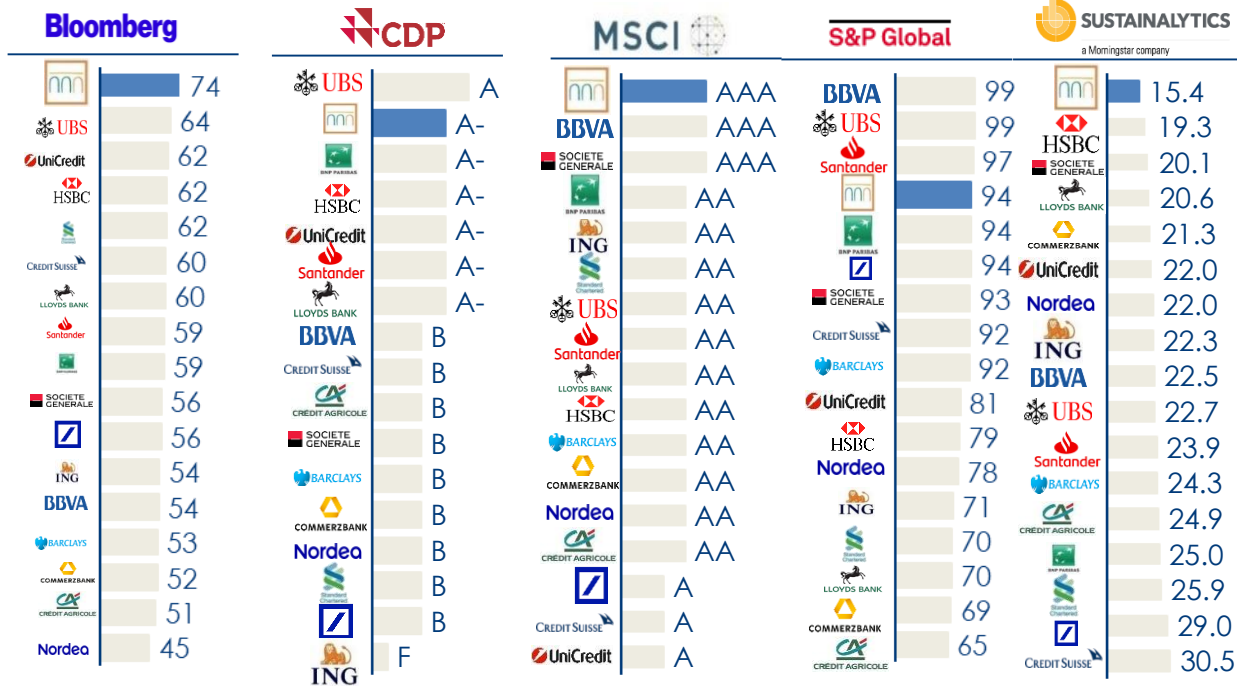
Ranked first among peer group by Bloomberg (ESG Disclosure Score), Sustainalytics and MSCI



In January 2022, ISP was confirmed in the **Bloomberg Gender-Equality Index**

In February 2022, ISP received the **S&P Global Sustainability Award – Bronze Class**

In 2021 ranking by **Institutional Investor**, ISP was **Europe's Best Bank** and **Italy's Best Company** for **ESG aspects** and in 2022 has been confirmed as **Italy's Best Company** in ESG (Large Cap)¹



¹ European ranking results expected in September

² ISP peer group

Source: Bloomberg ESG Disclosure Score (Bloomberg as of 30.6.22), CDP Climate Change Score 2021 (<https://www.cdp.net/en/companies/companies-scores>); MSCI ESG Score as of 30.6.22 (<https://www.msci.com/esg-ratings>); S&P Global (Bloomberg as of 30.6.22); Sustainalytics <https://www.sustainalytics.com> ESG Risk Rating as of 19.8.22

- **Women** on the Board of Directors: **42%** (8 out of 19 members) from April '22, up from 37% in the previous BoD
- **Total women** in the Group in 2021: **53.3%**
- **Management roles** held by **women in 2021: 38.8%**¹



Initiatives

Subscriptions and certifications

ISP's commitment recognised in indexes and rankings

- Dedicated structure "**Diversity & Inclusion**" within the COO Area, with the purpose of increasing and enhancing gender equality, multiculturality, different experiences and characteristics
- **In 2021, Diversity & Inclusion objective** as one of the KPIs in the incentive system for the **CEO** and **~2,100 Group managers** (1,200 in 2020) managers. KPI confirmed in 2022 incentive system
- In 2020, Intesa Sanpaolo's Board of Directors approved **Diversity and Inclusion Principles**, stating the commitment to contrast all forms of discrimination, progressively reduce the gender pay gap and condemn all forms of harassment and abuse
- **Rules for Combatting sexual harassment** issued in April 2021
- "**Back@work**" dedicated to employees absent from work for long periods due to maternity, illness, etc aimed at maintaining a sense of belonging to the Group
- **First Italian Bank** to obtain **Gender Equality European & International Standard** (GEEIS-Diversity) certification in May 2021
- Signing of the **UN's "Women Empowerment Principles"** for corporate action to promote gender equality and the empowerment of women
- Adhering to "**Parks - Liberi e Uguali**" to build a culture of **inclusion and respect**, capitalising on differences
- **Included in 2022 Bloomberg Gender-Equality Index**
- **Included in Top 100 Company 2021 Refinitiv Diversity and Inclusion Index**



In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

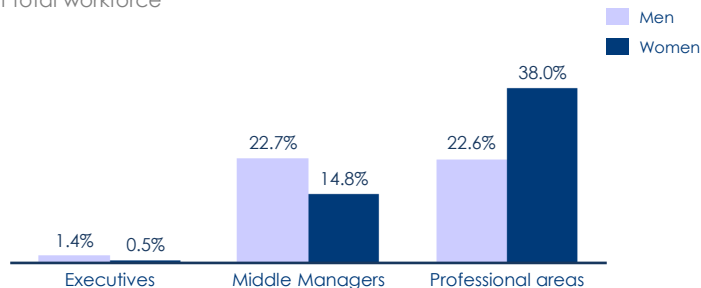


REFINITIV 

TOP 100 COMPANY 2021
Diversity and Inclusion Index

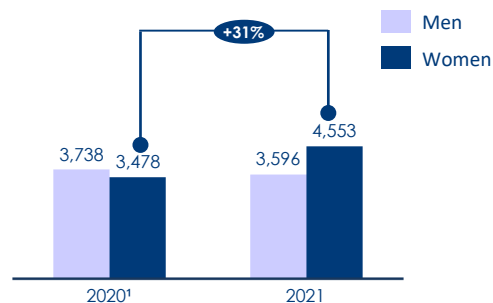
Employees by category and gender

% of total workforce



Number of promotions by gender

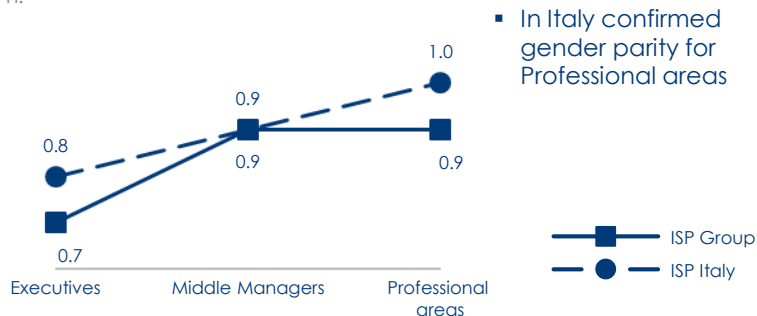
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- The overall number of promotions increased vs 2020
- The increase refers in particular to women, who in 2021 represent ~56% of total promotions (48.2% in 2020)

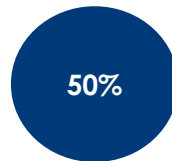
Women/men remuneration ratio

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- In Italy confirmed gender parity for Professional areas

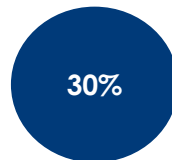
2022-2025 Business Plan: Diversity targets



New appointments of women to Senior roles (1-2 organisational levels below the CEO) in 2022-2025



expecting to achieve..

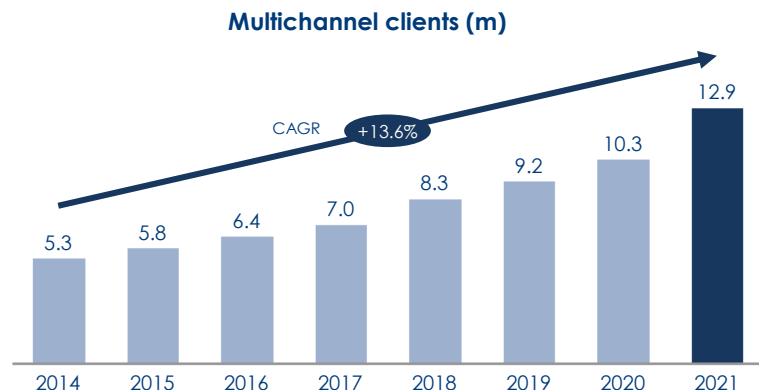


of women in Senior leadership positions by 2025

¹ UBI Banca Group data included only from the consolidation in the ISP Group perimeter (last 5 months of 2020)

Digital transformation: results achieved

- ~12.9m multichannel clients in Italy in 2021 of which ~8.1m using the new app at least once
- ~76% of activities digitalised in 2021 (60% in 2020)



Cybersecurity

- **Strategic importance** to the protection of information and the management of related processes, safeguarding the interests and rights of employees and customers
- **IT security guidelines** contain the reference model for management of information security, including cybersecurity for the Group
- **IT certifications for IT security system** (e.g. ISO 27001)
- **Anti-fraud system** activated, analysing all transactions via Internet Banking in real time
- **€91m fraudulent transactions** blocked for retail customers in 2021 (€162m in 2020) and **€93m** for corporate customers in 2020 (€33m in 2020)
- Dedicated **Information Security Officer** and CERT (Computer Emergency Response Team) active at Group level
- In 2021, ranked first, for the second consecutive year, among Italian corporates in the “**Cyber Resilience amid a Global Pandemic**”, organised by AIPSA – Associazione Italiana Professionisti Security Aziendale
- The Intesa Sanpaolo mobile app was recognised as “**Overall Digital Experience Leader**” and cited as Best Practice in several categories among the European Banking Apps by Forrester



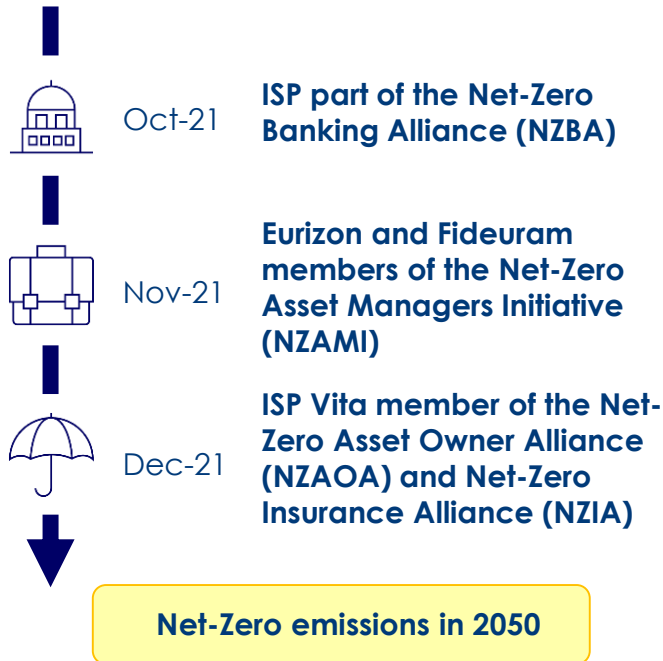
In October 2021, ISP launched Digital Loans (D-Loans) aimed at improving the digitalisation of companies

2022-2025 Business Plan: strong focus on climate and environmental initiatives...

Participating in all lending, investments and insurance Net-Zero Alliances...

... while bringing ISP's own emissions to zero by 2030...

... and protecting and restoring natural capital



New Own Emissions Plan: Net-Zero own emissions target already in 2030 (~53% reduction already achieved in 2021 vs 2008)



100% renewable energy¹ at Group level in 2030 (level already achieved in Italy² in 2021)



Committed to planting 100m trees, directly and through dedicated financing to our clients (project launched in 1Q22 to develop a service model focused on afforestation and reforestation activities)



Adoption of a specific policy on biodiversity

1 Purchased
2 Branches and buildings

... with ambitious 2030 financed emissions reduction targets already set for priority high-emitting sectors, starting from a contained emissions baseline

Net-Zero aligned targets for 2030 in high-emitting sectors¹...

... disclosed ahead of peers and covering a large part of the high-emitting portfolio

| High-emitting sectors ¹ | Sector and scope | Metrics | Baseline 2019 ³ | Target 2030 ⁴ |
|------------------------------------|---|---|----------------------------|--------------------------|
| | | Oil & Gas² (Scope 1, 2, 3) | gCO ₂ e/MJ | 64 |
| | Power generation (Scope 1, 2) | kgCO ₂ e/MWh | 214 | 110 |
| | Automotive (Scope 3) | gCO ₂ e/km | 162 | 95 |
| | Coal mining (exclusion policy) | € bn exposure | 0.2 | 0 by 2025 |

- Starting point on emissions intensity lower than European peers⁵ in high-emitting sectors
- 2030 targets disclosed more than a year ahead of the Net-Zero Banking Alliance deadline
- Over 60% of the Non-Financial Corporates portfolio financed emissions⁶ covered by 2030 reduction targets

Commitment to request SBTi validation was published on the SBTi website in April 2022

1 Sectors consistent with Net-Zero Banking Alliance. Reference scenario: IEA Net-Zero 2050

2 The Group already has a policy in place to phase out unconventional Oil & Gas by 2030

3 Portfolio composition as of 30.6.21, latest available emissions data as of FY19

4 Targets may be updated over time following the evolution of the emission calculation methodology, the regular updates required by NZBA, SBTi and any issuance of new external guidelines

5 Only banks that have disclosed emission intensity up to BP presentation.

6 In sectors identified by Net-Zero Banking Alliance

2022-2025 Business plan: enabling the transition through sustainable lending ¹¹ and support to clients in the transition

Initiatives

Sustainable lending for Retail clients

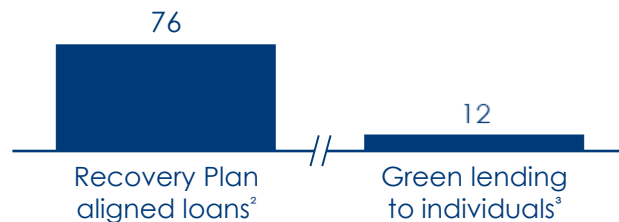
- **Further boost of sustainable lending for Retail clients** with a focus on the green energy transition

Support to SMEs/Corporates on the sustainability journey

- **Strengthening of sustainable lending to SMEs/Corporates** (e.g. sustainable finance, ESG advisory)
- **Dedicated Partner of**  and **strategic Partner of** 
- **New ESG Labs**, in collaboration with specialised partners to **support SMEs/Corporates in ESG transition**
- **Skills4ESG platform for client training and engagement**

New lending¹ to support the green transition

Cumulative flows, € bn



Of which €8bn dedicated to circular economy

ESG Labs



- **~100 dedicated ESG specialists**
- **At least one ESG Lab in each regional governance centre**

¹ Out of over €400bn¹ made available in support of Italy's National Recovery and Resilience Plan (NRRP)

² 2021-2026

³ 2022-2025

Green and Circular Economy

Plafond Circular Economy



- ~€24bn disbursed in 2021 and 1H2022 out of the €76bn of new lending available for the green economy, circular economy and green transition in relation to the "2021-2026 National Recovery and Resilience Plan"

- €8bn circular economy plafond announced in the 2022-2025 Business Plan; in 1H22, 192 projects assessed and validated for an amount of €5.3bn; granted €2.3bn in 82 transactions (of which €1.2bn related to green finance) and €933m disbursed (of which €584m related to green finance). In 2022 renewed partnership with **Ellen McArthur Foundation**
- Circular Economy Lab** with the aim of supporting the transformation of the Italian economic system, accelerating the transition to the Circular Economy



Solutions that extend the product-life of goods and/or materials



Utilisation of renewable/recycled resources



Increase in efficiency and effectiveness of resources' consumption



Products that can be fully recycled or composted



Innovative technologies to enable circular business models



Production and transmission of renewable energy



Energy efficiency of production processes and buildings



Sustainable management of natural resources and soil, biodiversity

S-Loans

- Success of S-Loans, launched from July 2020, providing innovative solutions for **SMEs** to finance projects aimed at **improving their sustainability profile**, with a **reduced interest rate**, subject to the annual monitoring of **2 ESG KPIs**, reported in the company's annual report: **€2.9bn** granted since the launch of which **~€1.2bn in 2021 and €1.5bn in 1H22**
- During 2021 the product offer was expanded with **S-Loan Diversity**, **S-Loan Climate Change**, launched to mitigate the impact of climate change, **S-Loan Agribusiness**, for supporting sustainable growth in the agriculture sector and **S-Loan Tourism**, for supporting sustainable growth in the tourism.
- The **S-Loans** and **Circular Economy** loans may be eligible for the **SACE Green agreement**

In March 2022, ISP won the Milano Finanza Banking Awards for its S-Loan product and for the dedicated ESG training platform for corporate clients (Skills4ESG)

ISP was the first Italian bank to issue a green bond in 2017

from 2021 Green Bond reporting¹ according to the “Portfolio Approach”

€3 billion Green Bonds outstanding

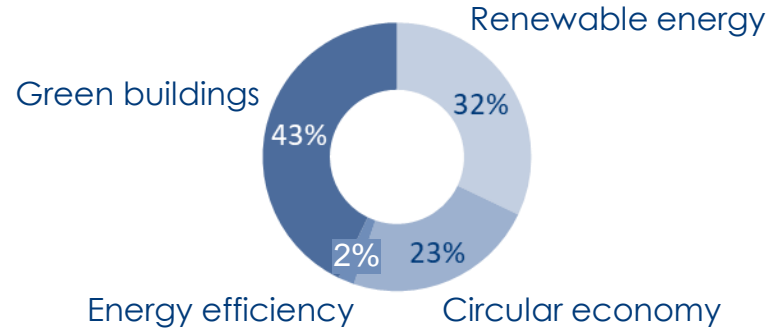
- 2017 Green Bond**
- Focus on: Renewable Energy & Energy efficiency
 - Notional: **€500m**
 - Tenor: 5 years
 - Maturity date: 27 June 2022
 - The final book collected orders for about **€2 billion** from **133 investors**

- 2019 Green Bond**
- Focus on: **Circular economy**
 - Notional: **€750m**
 - Tenor: 5 years
 - Maturity date: 4 December 2024
 - The final book collected orders for over **€3.5 billion** from **234 investors**

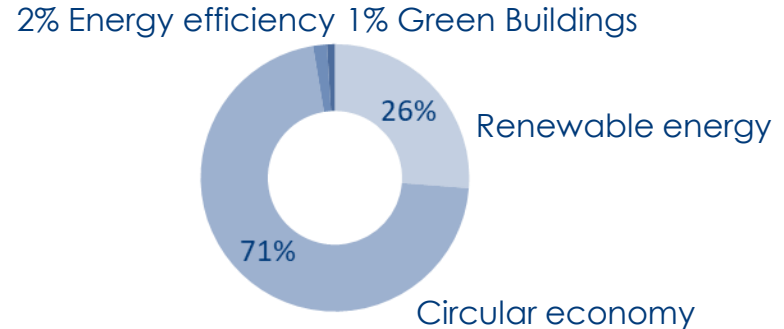
- 2019 Green Bond (ex UBI)**
- Focus on: **Renewable energy & Energy efficiency**
 - Notional: **€500m**
 - Tenor: 5 years
 - Maturity date: 10 April 2024
 - The final book collected orders for about **€1.5 billion** from **150 investors**

- 2021 Green Bond**
- Focus on: **Green Buildings**
 - Notional: **€1,250m**
 - Tenor: 7 years
 - Maturity date: 16 March 2028
 - The final book collected orders for over **€3 billion** from more than **200 investors**

€6.2 billion eligible Green Loan Portfolio



5.5m avoided GHG emissions (tCO₂e)



In June 2022, ISP published an update of its “Green, Social and Sustainable Bond Framework” and related Second Party Opinion (ICMA Green Bond Principles 2021, Social Bond Principles 2021, Sustainability Bond Guidelines 2021 and seeking alignment with the EU Taxonomy regulation on sustainable activities and the Green Bond Standards).

- **Eurizon Capital** was the first asset manager in Italy, back in 1996, to offer Ethical Funds, and it is signatory of the **CDP** (respondent since 2007) and the **Italian Stewardship Principles**, for the responsible exercise of ownership and voting rights in listed companies
- Eurizon Capital with Fideuram are signatories of PRI (Principles for Responsible Investment)
- After the adoption of the **new European legislation on sustainability reporting in the financial services sector** (SFDR) - as at 31 December 2021, Eurizon has **172 funds** with environmental or social characteristics, in addition to other features, or which have sustainable investment objectives, classified under Articles 8 and 9 of the SFDR Regulation with **~€110 billion** of assets (a market share of ~26%¹), representing **~46% of the company's funds AuM**
- **Fideuram Intesa Sanpaolo Private Banking** offers 8 funds, 7 funds classified according to art. 8 and 1 classified according to art. 9 of the SFDR, for a total of **€2.6 billion of assets** in 2021. Revised the **Advisory model** to embed ESG principles in need-based financial planning and launched a comprehensive training program for the ESG certification of bankers with more than 25,000 hours already provided in 1H2022

Signatory of:



In **November 2021**, Intesa Sanpaolo joined the **Net-Zero Asset Managers Initiative (NZAMI)** through the subsidiaries: **Eurizon Capital SGR, Fideuram Asset Management SGR and Fideuram Asset Management (Ireland)**

¹ Source: Assogestioni, table 7 and internal sources as at 31.12. 21

ISP has adopted comprehensive approach to identify and manage ESG risks

ESG risk integrated into Risk Framework

- **Risk Appetite Framework (RAF)** includes also a **specific reference to climate risk**, working to develop its **integration into the existing risk management framework** with particular reference to **credit risk and reputational risk**
- **ESG** and climate change risks are **included in the reputational risk framework** e.g.
 - In the **reputational risk clearing process** when assessing financing transactions in sensitive sectors
 - In the **supplier partner selection** process and management of supply chain
 - **262 financing transactions** subject to ESG and reputational assessment in 2021

ESG in Corporate rating model

- **Integration of selected “ESG” components** in the **Corporate rating model** through collection of targeted information on presence/not presence of, for example:
 - **certifications** (such as quality, environmental, occupational health, information security,...), trademarks and patents¹
 - **insurance coverage** for operating risks (business interruption) and/or credit risks
- The **new rating models for Corporate counterparties**, developed in 2020, is to be validated by ECB. The analysis of ESG factors was further strengthened through the definition and introduction in the model of an internally developed score based on **ESG information** (provided in structured form by the external info-provider) in addition to the other components used to evaluate larger businesses. For Italian counterparties the **qualitative part** of the rating model will also assess the **physical risk** connected with **acute climatic events** (e.g. floods) in the related geographical area

Credit Policy enhancement

- **ESG armament policy in place**, regulating operations relating to the production and/or trade of military goods (even if permitted by applicable law) and establishing the exclusion of any financial support of activities related to the production of and/or trade in controversial weapons²
- **Group’s Guidelines for the governance of ESG risks revised in April ‘22 in line with regulatory developments and climate and environmental initiatives underway**
- **Specific sector policies** (e.g. Coal policy reviewed and approved Policy on Unconventional Oil and Gas in July '21)

¹ Information on certifications collected from external data providers such as Accredita include: certification ISO 14000, EMAS (Eco Management and Audit Scheme environmental efficiency)

² Including nuclear, biological and chemical weapons; cluster and fragmentation bombs; weapons containing depleted uranium; and anti-personnel landmines



Risk Guidelines for ESG sensitive sectors

- **Intesa Sanpaolo** issued ESG Guidelines for the identification and management of clients/projects belonging to specific sectors (see website)
- The following **sectors** have been identified as **ESG sensitive**: Chemicals, Rubber and Plastics; Defence; Mining (other than coal); Coal mining; Pharmaceuticals and Biotechnology; Manufacturing; Gambling; Oil & gas; Electricity production; Logging and other forestry activities; Tobacco
- Particular attention is made for **the assessment of ESG/reputational risk profiles** related to operations in ESG sensitive sectors
- Operations are subject to **reputational and ESG clearing** according to the Group's criteria and rules
- ESG sensitive sectors of activity may be subject to specific **limitation or exclusion** for financing activities, taking into account the specific features of the sector and the purposes of the financing granted
- The Group adheres to the **Euator Principles** since 2007, **386 transactions** have undergone **EP screening** since 2007. In **2021, the overall value of loans** granted for projects subject to EP screening was **€1,428m** in **19 transactions**
- The Bank undertakes not to finance companies and projects that are characterised by their negative impact on:
 - UNESCO World Heritage Sites¹;
 - wetlands² under the Ramsar Convention;
 - IUCN protected areas I to VI³
- In addition, the Bank undertakes not to finance companies and projects if these are located in areas of active armed conflict, or if evidence emerges, such as legal proceedings brought by the competent authorities, relating to human rights violations and forced or child labour practices⁴

¹ This is a list of sites officially recognised by the United Nations Educational, Scientific and Cultural Organization (UNESCO)

² This is a Convention of international importance that provides the framework for the conservation and prudent use of wetlands and their resources

³ For the list of protected areas please check https://group.intesasnpaolo.com/content/dam/portalgroup/repository-documenti/sostenibilit%C3%A0/inglese/Guidelines%20for%20the%20governance%20of%20ESG%20risks%20regarding%20lending%20operations_Highlights.pdf

⁴ See the Group's General Principles of Governance "Human Rights Principles"

In July 2021, ISP reviewed its Coal Policy including a phase out of coal mining by 2025, and introduced a new policy on Unconventional Oil&Gas resources with a phase out by 2030

Armament Policy

ISP's participation in activities involving the **production** and **trade of military weapons is restricted** as follows:

- **Operations Not allowed** relating to the production and trade of weapons and weapons systems, although permitted by applicable law, in countries not belonging to the EU or NATO, unless the final user is an Italian governmental entity, military, or police force
- **Prohibited** engagement in any kind of banking activity related to the production of, and trade in, **controversial weapons** banned by international treaties, and in particular, nuclear, biological and chemical, cluster bombs and munitions, weapons containing depleted uranium and landmines

Coal Policy

- **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 as indicated below;
 - The Group will also not provide financial products and services to projects aimed at the construction or expansion of new coal mines 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-fueled installed capacity or are engaged in the construction of new coal-fired power plants.
 - 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




Policy on Unconventional Oil & Gas

- The Group does not provide financial products and services to projects aimed at the development, construction and expansion of exploration and extraction activities relating to unconventional resources, as well as activities relating to transport infrastructures solely linked to exploration and extraction of unconventional resources. Furthermore, the Group will not increase its exposure relating to general purpose financial products and services towards companies with significant revenues from unconventional resources and will manage the current exposures in line with the **phase-out by 2030**
- The Group applies specific restrictions/limitations to tar sands (oil sands); shale/tight oil & gas
- In addition, taking into account the fragility of the ecosystems that characterises some geographical areas, the following resources are also considered as unconventional more, and hence subject to specific limitations/restrictions:
 - onshore/offshore oil and offshore gas in the Arctic Region;
 - oil in the area known as "Amazon Sacred Headwaters"

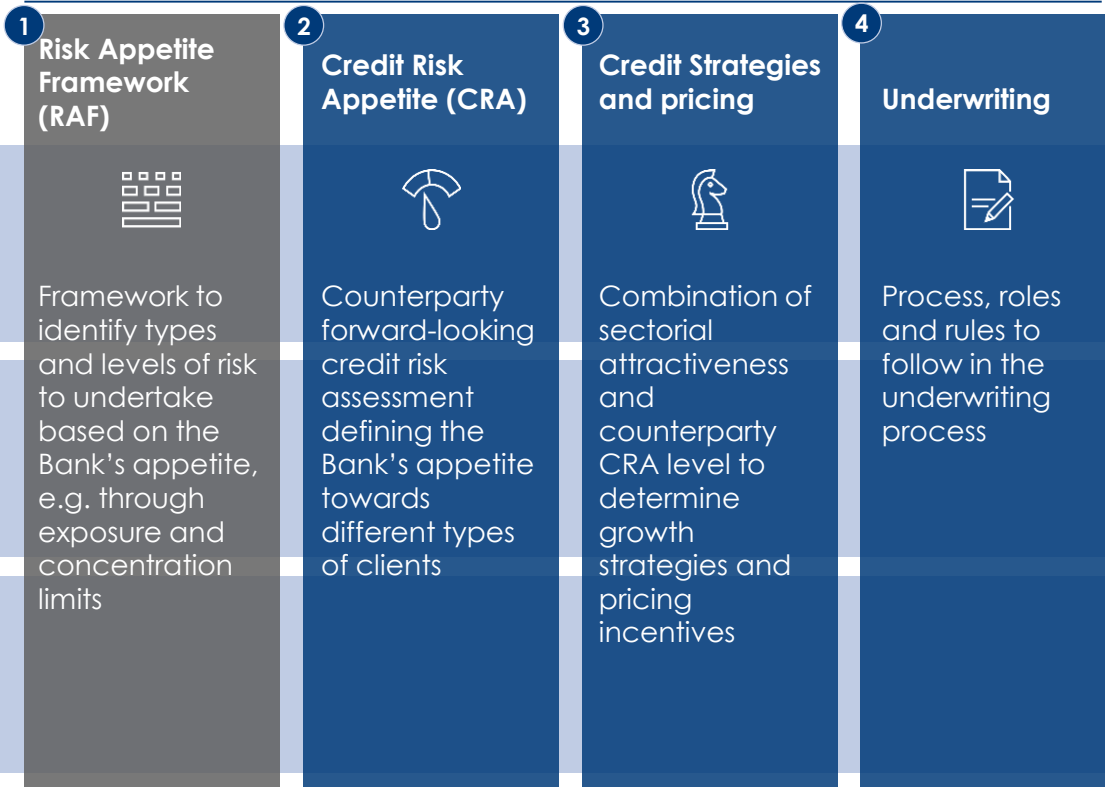
Climate and ESG metrics will be included with three levels of granularity across the entire credit framework

■ Not in scope of ESG/climate framework project

New ESG-climate metrics

| Granularity | Description |
|---|--|
| A  Sector/ Micro-sector | ESG sectorial heatmap assessment |
| B  Counterparty | Internal ESG score at counterparty level |
| C  Transaction | Sustainable products framework vs. standard products/operations |

Description of Credit Framework processes



1. Sustainability at Intesa Sanpaolo
2. **Green, Social and Sustainability Bond Framework (June 2022) and Contemplated Green Bond transaction**

Appendix

In July 2022 Intesa Sanpaolo published an updated version of its Green, Social and Sustainability Bond Framework under which it can issue Green, Social and Sustainability debt securities to fund new and existing loans and businesses with environmental and/or social benefits, in alignment with the [GBP 2021](#), the [SBP 2021](#), the [SBGs 2021](#) and with the intention of seeking alignment with the EU Taxonomy, on a best effort basis, on selected Green Eligible Categories

Use of proceeds

- **Green Eligible categories** including: **Renewable Energy**¹; Energy Efficiency; **Clean Transportation**¹; **Green Buildings**¹; Environmentally Sustainable Management of Living Natural Resources and Land-use, Biodiversity and Circular Economy
- **Social Eligible categories** including: Access to essential services; Employment generation and programs designed to prevent and/or alleviate unemployment; Socioeconomic Advancement and Empowerment; Affordable Housing
- Intesa Sanpaolo has worked out a comprehensive **Exclusions and Limitations List**²

Process for Project Evaluation and Selection

- Business teams will propose loans to be included in the Green, Social and Sustainability bond pools
- The **Green, Social and Sustainability Bond Working Group** will review and approve proposed loans based on the defined Eligible Categories listed by the Use of Proceeds
- Eligible Loans will be marked accordingly and added into the Portfolios

Management of proceeds

- Intesa Sanpaolo defines an overall Eligible Loan Portfolio, which includes a Green sub-portfolio and a Social sub-portfolio. **The proceeds from the Bonds issued under this Framework will be managed on a portfolio basis** and the Bank will strive, over time, to maintain an aggregate amount of loans in the portfolio that matches or exceeds the balance of net proceeds of all outstanding Intesa Sanpaolo bonds issued under the Framework
- Any balance of issuance proceeds not allocated to fund Eligible Loans in the portfolio will be held in accordance with the Bank's normal liquidity management, that **do not include GHG intensive activities nor any disputable sector**

Reporting

- Intesa Sanpaolo will report **annually**, until maturity, on the **use of proceeds as well as on the environmental and social benefits** via a Green, Social or Sustainability Bond Report, as the case may be, which will be published on www.group.intesasanpaolo.com

External Review

- **Second Party Opinion** by ISS-ESG and **annual external assurance review** on the Allocation Report

1. EU Taxonomy compliance for these categories has been assessed and detail can be found in the Second Party Opinion (SPO) released by ISS-ESG in June 2022
2. Comprehensive Exclusions and Limitations List to be found in the Green, Social and Sustainability Bond Framework (June 2022)

Intesa Sanpaolo is aware of market and regulatory developments concerning ESG and intends to dedicate continuous effort to the further development of its Green, Social and Sustainability Debt Program in line with a best in class approach

Summary of 2022 Framework improvements

- Effort to align Green Eligible Categories with the **EU Taxonomy and/or with latest ESG market practice**
- Focus on most relevant Renewable Energy assets: Solar, Wind and Hydro-power **defined in line with the EU Taxonomy criteria**
- **Addition of Green Eligible Category ‘Clean Transportation’**
- **Re-definition of Social Eligible Categories** in alignment with the ICMA Social Bond Principles 2021 and latest developments in the social bond market
- **Inclusion of ‘S-Loans’ and ‘D-Loans’ to directly support SMEs to reach their forward-looking ESG and digitalization objectives**
- Strengthening of the **Exclusions and Limitations** and impact reporting indicators for Social Eligible Categories

High-level EU Taxonomy assessment table¹

| Eligible Category/Activity | Substantial Contribution to Climate Change Mitigation | Do No Significant Harm ‘DNSH’ | Minimum Social Safeguards ‘MSS’ | ISS-ESG Assessment |
|----------------------------|---|--|---|--------------------|
| Renewable Energy | ✓ In line with EU Taxonomy Final Delegated Act Climate Change Mitigation TSC² | ✓ Intesa Sanpaolo’s Policies such as the credit policy and company-wide risk management framework, including identification and measurement of climate risks, | ✓ Operates in OECD countries | ✓ |
| Green Buildings | | ✓ Compliance with external risk management frameworks , e.g. Equator Principles | ✓ Is committed to act in accordance with the UN Guiding Principles on Business and Human Rights | |
| Clean Transportation | | ✓ Compliance with Italian and EU Regulatory frameworks on environmental safeguard | ✓ Recognises and refers to the principles outlined in the ILO Conventions via its Code of Ethics | |

1. For a detailed assessment please refer to Annex 3 in the Intesa Sanpaolo Green, Social and Sustainability Bond Framework (June 2022) and the ISS-ESG SPO (June 2022, section on EU Taxonomy assessment). The EU Taxonomy alignment assessment has been conducted only for selected Green Eligible Categories: Renewable Energy, Green Buildings and Clean Transportation. The assessment is limited to the assets located in the European Union

2. Intesa Sanpaolo will report, on a best effort basis, on whether and in what aspects there is compliance with the criteria for buildings larger than 5000 m2 should they be included in the Green Eligible Portfolio

 Green Eligible Categories

 Social Eligible Categories

1 – Renewable Energy

Solar, Wind and Hydro-power where the facility: a) is a run-of-river plant and does not have an artificial reservoir or; b) has power density 5W/m² or; c) life-cycle GHG emissions are lower than 100gCO₂e/kWh



2 – Energy Efficiency

Energy storage from RES, smart grids, cogeneration of heat/cool and power if life-cycle GHG emissions lower than 100 g CO₂e per 1 kWh of energy output, energy efficient equipment and district heating/cooling



3 – Clean Transportation

Electric vehicles, Infrastructure enabling low carbon road and public zero-emission transport, Urban and suburban road electric passenger transport, zero-emission heavy-duty vehicles



4 – Green Buildings

Built < 1st Jan 2021: EPC A, or within the top 15% of the national building stock
Built > 1st Jan 2021: NZEB – 10%²
Refurbished: 30% PED reduction (two steps improvement in EPC class)



5 - Environmentally Sustainable Management of Living Natural Resources and Land-use, Biodiversity

Sustainable agriculture (e.g. organic farming), sustainable forestry (afforestation, reforestation, forest management and conservation based on certifications and standards) and carbon farming



6 – Circular Economy

Various technologies, solutions, products and services aimed at increasing resource efficiency and enabling circular economy business models as defined in the Framework



1 – Access to essential services

Healthcare (hospitals for free/subsidized healthcare and home care), Education (including, education facilities, welfare and solidarity, non-profit organization focusing on art and culture)



2 - Socioeconomic Advancement and Empowerment

'S-loans': Loans to SMEs to support them to finance ESG initiatives, 'D-loans': Loans to SMEs to support their digital transformation, Microfinance



2 – Employment generation and programs designed to prevent and/or alleviate unemployment stemming from crises

SMEs in disadvantaged areas in Italy (bottom 30% based on GDP per capita, at Province level)
SMEs facing natural disaster health or social emergencies



4 – Affordable housing

Loans for decent housing to people with economic difficulties (definition based on national regulation) with a pricing below the relevant market standard



- Detail on the Use of Proceeds Categories and relative Eligibility Criteria can be found in the Green, Social and Sustainability Bond Framework (June 2022)
- Defined as 'Primary Energy Demand'

Intesa Sanpaolo has developed a comprehensive Excluded Categories and Limitations List applying to all the instruments issued under the Green, Social and Sustainability Bond Framework in accordance with best practice.
In addition, all Eligible Loans comply with external regulation requirements and are subject to the internal Sustainability Policies and Guidelines established by Intesa Sanpaolo



Excluded Categories and Limitations to the Framework

- Any kind of investment connected to: Fossil Fuels, Nuclear energy, Armament, Alcohol¹, Gambling, Sex industry and Tobacco sector will be excluded
- Any kind of investment to companies or projects connected to: Intensive agro-industrial activities with intensive use of agrochemicals or which entail deforestation, Animal maltreatment, Hazardous chemicals, will be excluded
- Hydro projects up to 25 MW in installed capacity are eligible. If larger than 25 MW, one of the following international sustainability best practices has to be satisfied:
 - ❑ Hydropower Sustainability Protocol – Published assessment report, score of 3 or above (i.e., in line with “Good Practices”) on all relevant pillars or International Finance Corporation (IFC) Standards
 - ❑ Publicly stated commitment to meet the requirements outlined by all eight IFC performance standards
 - ❑ Very large hydro projects 1000 MW in installed capacity are always excluded
- Use of toxic materials and waste to energy practices from unsorted waste (not organic products) are excluded, since they are harmful to humans & environment and leads to loss of value & materials
- Regarding solutions that extend the product-life or cycles of use of goods and/or materials: virgin plastic based products are excluded
- Regarding products that substitute critical materials with biological or bio-based materials: biological or biobased materials with strong sustainability risks and / or result in deforestation/competition with food production are excluded
- Regarding processes fuelled by energy from conversion of biomass: biomass originating from non- sustainable sources and/or recyclable and hazardous waste is excluded

1. In accordance with the IFC Exclusion List, production or trade in alcoholic beverages (except for beer and wine) is excluded.

Link to IFC Exclusion List: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/company-resources/ifcexclusionlist

Allocation and Impact reporting will be provided annually until maturity of the instruments. On a best effort basis Intesa Sanpaolo will align the impact reporting with the portfolio approach described in the [ICMA “Harmonized Framework for Impact Reporting” dated June 2021](#) and the [ICMA “Working towards a Harmonized Framework for Social Bonds” dated June 2020](#). ISP intends to obtain external post-issuance verification on the Allocation Report

Allocation Reporting: Funds allocation per Eligible Category

Use of proceeds

- Number of loans
- Amounts invested in EUR
- Average Loan Maturity
- Total allocated amount vs total amount proceeds (in %)
- Balance of unallocated proceeds (in EUR and %)
- Description of the unallocated proceeds management
- New funding amount
- The geographical distribution of the assets (at country level)

Impact Reporting: Examples of environmental and social output and impact reporting metrics at Eligible Category level

| | | | | |
|--|---|--|---|---|
| 1 – Renewable Energy | 2 – Energy Efficiency | 3 – Clean Transportation | 4 – Green Buildings | 5 – Environmentally Sustainable Management of Living Natural Resources and Land-use, Biodiversity |
| <ul style="list-style-type: none"> ▪ Installed capacity (MW) ▪ (Estimated) renewable energy production (MWh) ▪ CO2 emissions avoided (tons) | <ul style="list-style-type: none"> ▪ Energy savings (MWh) ▪ CO2 emissions avoided (tons) | <ul style="list-style-type: none"> ▪ N. of vehicles, charging stations and assets financed ▪ CO2 emissions avoided (tons) | <ul style="list-style-type: none"> ▪ Environmental Certifications/EPC labels obtained (for buildings, #) ▪ CO2 emissions avoided (tons) | <ul style="list-style-type: none"> ▪ Sustainable agriculture/forestry hectares ▪ CO2 emissions avoided (tons) ▪ N. people benefitting |
| 6 – Circular Economy | 1 – Access to essential services | 2 - Socioeconomic Advancement and Empowerment | 3 – Employment generation and programs designed to prevent and/or alleviate unemployment stemming from crises | 4 – Affordable housing |
| <ul style="list-style-type: none"> ▪ Amount of fully recyclable goods produced (tons) ▪ CO2 emissions avoided (tons) | <ul style="list-style-type: none"> ▪ Number of organizations funded ▪ Number of beneficiaries | <ul style="list-style-type: none"> ▪ Number of equal paying jobs created for women and other underrepresented gender groups ▪ Number of projects | <ul style="list-style-type: none"> ▪ Number of jobs retained in case of social, natural emergencies ▪ Number of jobs created in disadvantaged areas | <ul style="list-style-type: none"> ▪ Number of units constructed or renovated (affordable and social housing) ▪ Number of potential beneficiaries |

 Green Eligible Categories

 Social Eligible Categories

In accordance with the external ESG expert ISS-ESG the Intesa Sanpaolo Green, Social and Sustainability Bond Framework 2022 is in line with the ICMA 2021 GBPs, the ICMA 2021 SBPs and SBGs, and with market best practices

Key Framework pillars

Commentary

Use of proceeds

- The Use of Proceeds description is **aligned with the standards and with market best practices. Criteria are defined in a clear and transparent manner.** Environmental and social benefits are described and quantified. The issuer **explicitly excludes harmful project categories, in line with best market practices**

Project evaluation and selection

- The project **selection process is defined and structured in a congruous manner. ESG risks** associated with the project categories are identified and **managed through an appropriate process.** Moreover, the projects selected show alignment with the sustainability strategy of the Issuer. **Responsibilities are well defined**

Management of proceeds

- The proceeds collected will be equal to the amount allocated to eligible loans. The **proceeds are tracked in an appropriate manner and attested in a formal internal process.** Moreover, the issuer discloses the temporary investment instruments for unallocated proceeds
- The **issuer discloses its strategy for the investment of temporarily unallocated proceeds and takes into consideration ESG criteria for it**

Reporting

- The Issuer commits to disclose the allocation of proceeds transparently and to report in an appropriate frequency. Intesa Sanpaolo explains the level of expected reporting and the type of information that will be reported. Moreover, the Issuer commits **to report annually, until bonds mature**

EU Taxonomy

- Intesa Sanpaolo has asked ISS-ESG to assess certain Eligible Categories compliance with the EU Taxonomy and has received an **overall positive assessment. Categories are: Renewable Energy, Clean Transportation, Green Buildings.** The assessment is limited to the assets located in the European Union



1. ISS-ESG SPO can be found at www.group.intesasanpaolo.com

Contemplated Green Bond: Use of proceeds



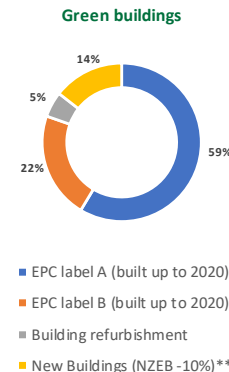
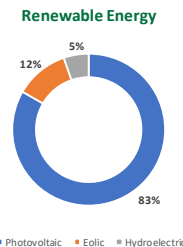
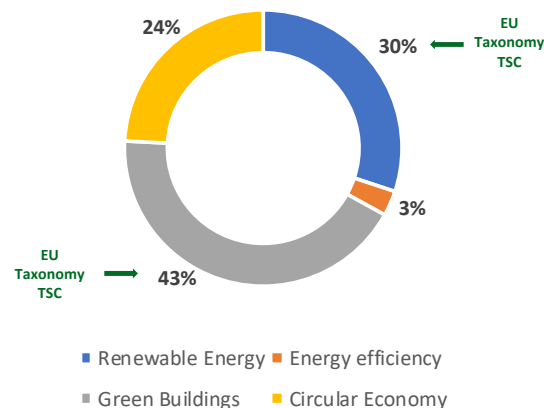
The first transaction under the updated Framework will be a **Green Bond**

The bond proceeds will be allocated to refinance/finance, on a portfolio basis, Eligible Green Loans within the Green Eligible Categories stated in the Green, Social & Sustainability Bond Framework dated June 2022 (slides n. 20 and n. 22)

The eligible green portfolio for ISP bonds as of 30/06/2022 is equal to **€ 7,9 bn approximately** and represented below. Size and distribution might change in time depending on new allocations and potential early loan repayments. **The total amount of ISP Green Bond outstanding is € 2,5 bln** (the first ISP green bond issue expired on 27 June 2022)

| Eligible categories | Number of loans | Outstanding Amount(€) | Average tenor (years) | % out of Italy |
|--------------------------------|-----------------|-----------------------|-----------------------|----------------|
| Renewable Energy | 916 | 2.346 | 6,4 | 26% |
| Photovoltaic | 805 | 1.949 | 6,1 | 26% |
| Eolic | 46 | 272 | 8,1 | 35% |
| Hydroelectric | 65 | 126 | 8,8 | - |
| Energy efficiency | 44 | 235 | 4,2 | 73% |
| Green Buildings | 21.997 | 3.428 | 24,3 | 0% |
| EPC label A (built up to 2020) | 12.104 | 2.009 | 24,5 | - |
| EPC label B (built up to 2020) | 5.330 | 746 | 24,9 | - |
| Building refurbishment | 1.784 | 178 | 24,7 | - |
| New Buildings (NZEB -10%)** | 2.779 | 495 | 22,3 | - |
| Circular Economy | 187 | 1.938 | 3,7 | 24% |
| Total | | 7.948 | | |

Green Portfolio by eligible category



73% of the current green eligible portfolio is in line with the Climate Change mitigation Technical Screening Criteria outlined in EU Taxonomy



Within its next Green Bond Report, Intesa Sanpaolo intends to provide impact reporting indicators at category level for all Green Eligible Categories in the portfolio

1. For a detailed assessment on compliance with the EU Taxonomy as well as the ICMA Principles, please refer to the ISS-ESG SPO (June 2022)

| Indicative Termsheet | |
|----------------------------|---|
| Issuer: | Intesa Sanpaolo spa |
| Issuer Rating: | Baa1 (negative) / BBB (stable) / BBB (stable) / BBB(high) (stable) by Moody's / S&P / Fitch / DBRS |
| Exp. Issue Rating: | Baa3/BBB-/BBB-/BBB (Moody's/S&P/Fitch/DBRS) |
| Format: | Senior Non-Preferred Unsecured, Unsubordinated |
| Maturity: | [] years |
| Size: | Eur benchmark |
| Coupon: | Fixed annual |
| Use of Proceeds: | The net proceeds of the notes will be allocated to finance/refinance Green Eligible Categories as defined within the Issuer's Green, Social & Sustainability Bond Framework 2022 |
| Listing: | Luxembourg |
| Green Structuring Advisor: | Deutsche Bank and IMI-Intesa Sanpaolo |
| Joint Bookrunners: | Deutsche Bank, Crédit Agricole CIB, IMI-Intesa Sanpaolo, ING, Mediobanca, Natwest, SocGen |
| Docs: | Base Prospectus for the Issuer's EMTN programme dated 22 December 2021 (the "Base Prospectus") as supplemented on 15 February 2022, 21 March 2022, 12 May 2022 and 08 August 2022 |
| Governing Law: | Italian law |

Appendix: Focus on ISP's projects to support the Ukrainian population

ISP has implemented multiple humanitarian projects to support the Ukrainian population and Pravex Bank colleagues

Donations and other support initiatives for Ukraine



- The **Extraordinary Fund** for the donation of **€10m** in support of the humanitarian emergency in Ukraine has been **fully utilised**: 60% for initiatives abroad (in Ukraine and at its borders) and 40% in Italy (for arriving refugees) thanks to collaboration agreements signed with important humanitarian organisations:
 - Agreements have been signed with **UNHCR¹, Caritas, CESVI², Banco Farmaceutico, Consiglio Italiano per i Rifugiati, Vicariato di Roma, Confederazione Nazionale delle Misericordie d'Italia, European Food Banks Federation, AVSI³, Azione Contro la Fame, Robert F. Kennedy Human Rights Italia** and **Bambini nel Deserto Onlus** to support projects for humanitarian protection, housing, direct economic support, health and psychological assistance, distribution of basic necessities and the integration of Ukrainian refugees in Italy
 - Concluded the fundraising in favour of UNHCR⁽¹⁾, through ISP **ForFunding** crowdfunding platform, collecting **€1.1m; the Bank has doubled the amount collected**
- **Fundraising:**
 - through **ForFunding**, to support **Fondazione RAVA** for **children's hospitals in Ukraine** (total amount collected: €354k) with a direct donation from ISP
 - through the **Group International Subsidiaries** in **5 Eastern European countries, to support** different **local NGOs** (total amount collected: €255k)
- The **ISP Charity Fund** has guaranteed support to two organisations directly operating in Ukraine: **Doctors Without Borders** and **Fondazione Soleterre** for the distribution of emergency medical supplies to hospitals, training for health facility staff, the reception and continuity care of children with oncological pathologies
- **Donated⁴ 6,300 hours of paid leave** to employees willing to volunteer to host refugees or to cooperate outside Italy with NGOs and non-profit organisations for humanitarian and social purposes. ISP people can contribute by donating their time, increasing the hours already provided by ISP
- Agreed concession, with free loan for use, of IMMIT building in Bergamo to the Ukrainian Zlaghoda Association to collect donated goods

Key support initiatives for Pravex Bank colleagues



- **>260 people (95 families) have been welcomed** by the International Subsidiary Banks Division outside Ukraine
- **Arrangements to host ~210 Pravex Bank colleagues** and their family members in Italy in apartments, residences and other accommodations
Use of a Bank building to host ~35 workstations for Pravex Bank colleagues
- Contribution by ISP Onlus of €3,000 to each Pravex Bank colleague fleeing with children <18 years old (total of €250k)
- Identified additional initiatives to support and facilitate the integration of Pravex Bank colleagues' families (e.g. sports activities, support for administrative activities, ensure school access by providing devices for distance learning with Ukrainian schools)
- Partnership with Caritas to provide services (e.g. healthcare), linguistic and cultural assistance

1 United Nations High Commissioner for Refugees
 2 Cooperazione e Sviluppo
 3 Associazione Volontari per il Servizio Internazionale
 4 Agreed with Labour Unions

Appendix: Exposure in Russia and Ukraine

- Turin - Milan, 16 March 2022 – In relation to the recent events concerning Russia and Ukraine, Intesa Sanpaolo communicates that its exposure to Russian counterparties currently included in the SDN lists of names to which sanctions apply is equal to 0.2 billion euro and that the amount of the exposure to Russia and Ukraine currently under analytical assessment aimed at addressing in the best way the perspective evolution of the risk profile - in the context envisaged in the European Commission's "REPowerEU" and in the recent Versailles Declaration in respect of reducing the European Union's energy dependency well before 2030 - consists of loans to customers and due from banks of its local subsidiaries equal to around 1.1 billion euro and the rest of the Group equal to around 4 billion euro¹.
- Loans to Russian customers account for¹ around 1% of the Intesa Sanpaolo Group's total customer loans. Over two-thirds of loans to Russian customers refer to top-notch industrial groups, featuring long-established commercial relationships with customers that are part of major international value chains, with a significant portion of their proceeds coming from commodities export. Almost all these loans expire by 2027 and thus within the aforementioned time horizon envisaged in the energy plan launched by the European Commission with "REPowerEU" and referred to in the recent Versailles Declaration.
- For further details please refer to link: <https://group.intesasanpaolo.com/en/investor-relations/press-releases/2022/03/20220316-expru-uk>
- For an update on provisions in 1H22 please refer to: https://group.intesasanpaolo.com/content/dam/portalgroup/repository-documenti/investor-relations/presentazioni-en/2022/Presentazione_1H22_UK.pdf

This presentation includes certain forward looking statements, projections, objectives and estimates reflecting the current views of the management of the Company with respect to future events. Forward looking statements, projections, objectives, estimates and forecasts are generally identifiable by the use of the words “may,” “will,” “should,” “plan,” “expect,” “anticipate,” “estimate,” “believe,” “intend,” “project,” “goal” or “target” or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding the Company’s future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the Company participates or is seeking to participate.

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