Intesa Sanpaolo S.p.A - Climate Change 2023

C0. Introduction

C0.1

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

The Intesa Sanpaolo Group (ISP), with a capitalisation of 43.9 billion euro (as at 30 June 2023), 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 13.6 million customers and approximately 3,500 branches; it also has a strategic international presence, with over 950 branches and 7.1 million customers, including a number of commercial banking subsidiaries mainly located in Central Eastern Europe and Middle Eastern and North African areas.

The Group has a diversified business model – with revenues from financing, investment, asset management and insurance underwriting activities. This diversification increases the breadth of analysis and action to be taken with respect to climate related risks, but on the other hand offers a wider range of climate-related opportunities.

In line, among others, with the principles of its Code of Ethics, ISP considers robust sustainability governance, solid risk management, client engagement and training and the development of an adequate range of products (including loans, services, a wide range of sustainable and responsible investments) - as well as the implementation of processes, rules and procedures to support the transition towards a sustainable, green and circular economy - as an integral part of its strategy to combat climate change.

In developing its strategy, the Group is also inspired by the “Just Transition” principles, according to which the transition to greener, more resilient and climate-neutral economies and societies must take place fairly and leave no one behind.

The ISP Group is aware of the challenge posed by climate change and has confirmed, by adhering to the Net-Zero initiatives promoted by UNEP FI, and further detailed in the 2022-2025 Business Plan, its commitment to contribute to achieving global climate goals, facilitating the transition to a low-carbon economy. Among others, it also joined the PRB, the PSI and PRI.

ISP has chosen to pursue the “Net Zero” objective by 2050 for all its main business lines, including its own emissions, the lending and investment portfolios, the asset management and insurance divisions. In 2021, in addition to joining the NZBA, ISP, through its subsidiaries, joined the NZAMI and the NZAOA as well as the NZIA.

In October 2022, with reference to the commitments undertaken by acceding to the NZAMI and the NZAOA, the Group’s wealth management companies published their first aligned Net-Zero objectives.

With reference to financed emissions, in February 2022, within the 2022-2025 Business Plan, the intermediate net zero aligned reduction targets for 2030 were presented for the Oil&Gas, Power Generation, Automotive and Coal mining sectors, which accounted for more than 60% of the financed emissions of the portfolio of non-financial companies in the sectors indicated by the NZBA. In relation to the targets, the Group has drawn up its first high-level Transition Plan, in compliance with the requirements of the NZBA and following the indications of the GFANZ. In 2022, ISP committed to obtain the validation of the emission reduction targets from the “Science Based Target initiative” (SBTi). Results for 2022 showed a significant decrease (-60%) in absolute financed emissions (referred to the four sectors in scope) compared to the baseline, as reported within “2022 TCFD Report”.

In addition, with the new Own Emissions Plan, the Group expects to reach carbon neutrality for own emissions and 100% of energy purchased from renewable sources by 2030.

2022 showed a strong acceleration in environment-linked financing. In 2022-2025 Business Plan, ISP committed to providing €88bn of new lending in order to support the green and circular economy and the green transition, of which €76bn linked to the 2021- 2026 National Recovery and Resilience Plan climate targets and €12bn dedicated to individuals, mostly in relation to green mortgages. The commitment to the Circular Economy was confirmed, with the announcement of a dedicated plafond amounting to €8bn over the Business Plan horizon.

For 2022, the Group’s loans disbursed for the Green and Circular Economy came to around €6.3bn, equal to 7.7% of the Group’s total loans. In detail the Group’s disbursements for the Green Economy in 2022 totalled around €5.4bn (over €33bn in the 2010-2022 period).

ISP’s commitment to sustainable finance is recognized also by market participants and reflected in its positioning among ESG leading companies in the main ESG indices and rankings. In 2022 the main climate-related assessments were CDP Climate-Change and S&P Global under the environmental dimension, in addition to the other major assessments (e.g. Moody’s, Sustainalytics, MSCI, FTSE, ISS, etc.).

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

January 1 2022

End date

December 31 2022

Indicate if you are providing emissions data for past reporting years

Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for

Not providing past emissions data for Scope 1

Select the number of past reporting years you will be providing Scope 2 emissions data for

Not providing past emissions data for Scope 2

Select the number of past reporting years you will be providing Scope 3 emissions data for

3 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)	No	<Not Applicable>	<Not Applicable>
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

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 or committee	Responsibilities for climate-related issues
Board-level committee	Climate change issues 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. Supported by the Risks and Sustainability Committee, the BoD approves: ■ the Code of Ethics (and its updates), which describes Intesa Sanpaolo's commitment, among others, to social and environmental responsibilities and the Group's Code of Conduct; ■ strategies and policies on sustainability (ESG), including the social and cultural responsibility model and the actions to be undertaken to fight climate change, taking into account the objectives of solid and sustainable creation and distribution of value for all stakeholders; ■ the Risk Appetite Framework, which incorporates ESG risks and, in particular, climate and environmental risks; ■ the list of ESG-sensitive areas, that include climate and environmental aspects, relevant for the financing activities of the Group, assessing them on the basis of the analysis of the external environment and in line with the Group's strategic and sustainability objectives; ■ the Consolidated Non-financial Statement, as well as all other reporting of note in this area, including the Task Force on Climate - related Disclosure (TCFD) Report, and oversees the Pillar 3 disclosure on environmental, social and governance risks. Many climate-related decisions were made in 2022 by the Risks and Sustainability Committee (Board-level committee); for example, it examined and expressed its favourable evaluation on the update of the Guidelines for the governance of the Group's Most Significant Transactions and of the Group's Guidelines for the governance of the environmental, social and governance (ESG) risks, before approval by the BoD. Moreover, it examined the results of the ECB climate Stress Test.

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 annual budgets Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures Reviewing innovation/R&D priorities Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Monitoring the implementation of a transition plan Overseeing and guiding scenario analysis Overseeing the setting of corporate targets Monitoring progress towards corporate targets Reviewing and guiding the risk management process	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our banking activities 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 impact of our insurance underwriting activities on the climate	Climate change issues are supervised by the Board of Directors, 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 and Sustainability Committee supports the Board, inter alia, in: ■ reviewing and approving proposals associated with strategic, business and financial plans, taking also into account the sustainability policies (ESG) and the budgets of the Bank and the Group, further to evaluation of the stress test results; ■ approving the strategic guidelines and policies on sustainability, including the fight against climate change, helping to ensure the best possible risk monitoring and taking into account the objectives of solid and sustainable creation and distribution of value for all stakeholders; ■ verifying that sustainability risks - when defining risk appetite and, where appropriate, risk tolerance - and in particular climate and environmental risks, are included in the framework for determining risk appetite and in reviewing and assessing the risks indicated; ■ approving the list of ESG-sensitive sectors relevant to the Group's financing, assessing them based on the analysis of the external context and in line with the Group's strategic and sustainability objectives; ■ assessing the opinions issued by the Risk Management function with regard to the most significant transactions including those deemed to be transactions relevant to reputational risks and ESG-Climate change; ■ approving the Code of Ethics, the Code of Conduct, the CNFS, the TCFD Report and the transition plan. It also examines the material themes, which identify the most potentially relevant issues in the area of sustainability. In 2022, 25 meetings of the BoD were held, 22 of which dealt with ESG topics including, for ex, the new 2022-2025 Business Plan including net zero aligned climate targets and the update of the Group's Guidelines for the governance of the ESG risks. In 2023 the BoD also approved the Group's 2022 Transition plan. Moreover, a total of 40 meetings of the Risks and Sustainability Committee were held during the year, 13 of which specifically concerned ESG and climate issues, such as the update of the internal regulations for the governance of ESG risks and of the Most Significant Transactions, strengthening the monitoring of reputational and ESG risks, the results of the ECB Climate Stress Test, the implementation of the sustainability profiles in the internal regulations on investment services. The Committee also conducted specific insights with the Asset Management Division on the subject of investments; it is also monitoring the evolution of the ESG Credit Framework. 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 issues. On 29 April 2022, a new Board of Directors (BoD) was appointed for the three year period 2022-2025. The skills and experience of the Group's Board Members are diverse and broad. Furthermore, 100% of Board members have declared a basic "knowledge of sustainability issues and their integration into the bank's strategies" and 84% a distinctive level, as specified in the self-assessment presented within the lists of candidates to the BoD. In 2022, eight inductions were held for the Board members (five dedicated to the new BoD appointed in April). In particular, the new BoD members participated in the onboarding session and in a specific induction that included ESG & Climate topics, with a focus on: overview on ESG scoring (which attributes specific weight to environmental issues, including Carbon Footprint, Climate – Transition Risk, Transition Risk readiness, Physical Risk › Physical Risk readiness, Water, Natural Resources and Biodiversity, Waste & Pollution, Circular Economy, Green Products and Solutions), ESG scoring impact on credit strategies, news on CNFS related to the EU Taxonomy; ESG framework on investment services; ESG Control Room and update on the main evolutionary projects of the Group.	<Not Applicable>	<Not Applicable>

C1.2

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

Position or committee
Chief Financial Officer (CFO)

Climate-related responsibilities of this position
Managing annual budgets for climate mitigation activities
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Managing climate-related acquisitions, mergers, and divestitures
Developing a climate transition plan
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets

Coverage of responsibilities
<Not Applicable>

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
The management of Climate Change and Environment matters strongly involves the Chief Financial Officer and the Chief Risk Officer – and the structures within their governance Areas. The CFO and the CRO report directly to the Managing Director and CEO and meet regularly with the Risks and Sustainability Committee.
The CFO Area and the Strategic Support Head Office Department head the ESG Control Room where the ESG strategy is carried out and which coordinates the main intragroup initiatives, also with reference to Climate and Environmental matters.
Within the Chief Financial Officer Governance Area, ESG & Sustainability supports the Top Management in defining sustainability strategies and policies, designed to generate value for all the stakeholders. It oversees: the process of defining, approving and updating guidelines, in line with corporate strategies and objectives; the promotion and implementation of ESG within the Group's strategies and operations, including climate change issues, in cooperation with other structures. It also updates the Code of Ethics, monitoring its application, draws up the Consolidated Non-financial Statement and the TCFD Report; it oversees the relations with the financial community and stakeholders with respect to ESG and climate matters and it is responsible for the Group's ESG communication and training activities.
Moreover, the following CFO structures are strongly involved:
- ESG Scoring, in charge of enhancing and managing a common scoring model for the banking book portfolios designed to determine the current and future positioning of the Parent Company and subsidiary banks' corporate customer counterparties with regard to sustainability, on the basis of ESG criteria.
- Financial & ESG Performance Benchmarking unit, develops and carries out extensive ESG benchmarking to support strategy and business model analysis.
- The Active Credit Portfolio Steering Head Office Department has the task of defining and monitoring Credit Strategies to guide loan origination activities of the bank's divisions towards sustainable growth in line with the Risk Appetite Framework (RAF), which has been enriched by ESG and climate specific statements and indicators.
- Group Treasury Head Office Department is involved in the origination and structuring of company bonds related to sustainable finance (e.g., green, sustainability and social bonds) for institutional investors.
- the Planning and Control Head Office Department focuses on supervision, within the Bank, of: ESG data collection, consolidation and analysis processes regarding ESG reporting; monitoring of the ESG KPIs relevant to the achievement of the Business Plan targets; ESG KPIs budget process, etc.

Position or committee
Chief Risks Officer (CRO)

Climate-related responsibilities of this position
Managing annual budgets for climate mitigation activities
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
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

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
The management of Climate Change and Environmental matters strongly involves the Chief Financial Officer and the Chief Risk Officer – and the structures within their governance Areas. The CFO and the CRO report directly to the Managing Director and CEO and meet regularly with the Risks and Sustainability Committee.
The Chief Risk Officer (CRO) and the relevant Governance Area are strongly involved in the Bank's organizational model as concerns the Management of the broadest ESG risks and in particular Environmental and Climate Change risks. The CRO also provides, on a quarterly basis, updates to the Steering Committee on the loan book exposure towards climate-sensitive sectors, which is monitored by the CRO Area.
Finally, all transactions with counterparties presenting elements of significant environmental/climate risk (e.g. top polluting companies) are classified as Most Significant Transactions (MST) and therefore subject to a strengthened assessment and the binding opinion of the Chief Risk Officer.
Within the CRO's Governance Area:
■ the Enterprise Risk Management Department defines, among others, the Risk Appetite Framework which includes, from 2021, a specific focus on "ESG and Climate Change risks". It is also in charge of the processes to identify, assess and manage climate-related risks in collaboration with other departments (among others, developing materiality assessments, defining climate sensitive sector policies, running stress test activities, scenario analysis and monitoring of climate risks in ongoing processes).
Under the Enterprise Risk Management Department, the Risk Clearing sub-Department is the competence centre for Climate Change and ESG risk management, also in charge of the ESG & Reputational Risk Clearing Process. The structure defines and updates annually the Climate/ESG Materiality Assessment in which Climate/ESG risk levels are assigned to each economic sector/portfolio, and the sectors most exposed to these risks are identified. The structure is in charge of verifying the alignment of the portfolios with climate neutrality target set by the Group (Net-Zero Banking Alliance and Science Based Targets), contributing to the definition of mitigation actions;
■ in the proposal of Guidelines and Rules for the management, measurement and control of the risks of valuation, market, counterparty, interest rate, exchange rate, equity investments, liquidity at Group level, the Market and Financial Risk Management Head Office Department contributes to ESG (including climate change) risk oversight;

■ the IMI C&IB Risk Management Head Office Department and the Banca dei Territori Risk Management Head Office Department define the Credit Risk Appetite also with reference to ESG and climate related risks and are in charge of the development and management of Internal Rating Models.

Position or committee
Other committee, please specify (Steering Committee - composed of the first organisational lines – meets quarterly to examine sustainability issues (ESG), including the fight against climate change.)

Climate-related responsibilities of this position
Managing annual budgets for climate mitigation activities
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Providing climate-related employee incentives
Developing a climate transition plan
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing climate-related risks and opportunities

Coverage of responsibilities
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

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
Chaired by the Managing Director and CEO, the Steering Committee includes the first organizational line of the Bank. It contributes to:
■ the definition of strategic guidelines and policies related to ESG matters, including the model on corporate social and cultural responsibility and climate changes, to be approved by the Board of Directors;
■ examining, prior to approval by the Managing Director and CEO, the Rules documents implementing the Guidelines for the governance of environmental, social and governance (ESG) risks of the Group, which establish criteria, limitations and exclusions for transactions in sectors that are sensitive to ESG and/or Reputational risks, as well as classification criteria for credit products and sustainable lending transactions;
■ authorizing in advance specific transactions of relevance to sustainability issues in the exceptional cases provided for in the Guidelines for the governance of environmental, social and governance (ESG) risks of the Group.
The Steering Committee meets at least quarterly in a "Business Plan and Sustainability (ESG)" session, a specific session dedicated to ESG and climate-related matters and their inclusion in the Group's development plans. The Steering Committee also examines the Consolidated Non-financial Statement, the TCFD Report and any other reports of particular relevance to sustainability issues prior to their presentation to the Board (9 meetings were held in 2022, of which 4 including climate related topics).

Position or committee
Environmental, Health, and Safety manager

Climate-related responsibilities of this position
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
Risks and opportunities related to our own operations

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
As concerns the Group's own environmental footprint, within the Chief Operating Officer Governance area, the Work Safety, Environment and Energy Head Office Department oversees the compliance risk in relation to the implementation of environmental norms pursuant to Legislative Decree 152/2006, identifies actions, measures and proceedings required to promote the rational use of energy for the whole Group. The Department is also in charge of preparing and monitoring the Own Emissions Plan. The Department is also in charge of the Environmental, Energy and Health and Safety Management Systems, applied in all Italian branches and buildings, certified by an international third party according to the ISO 14001, 50001 and 45001 standards and of the Group's Environmental policies. Moreover, the Department closely manages risks connected with climate change by assessing climate risks for the Bank assets and promoting adaptive behaviour designed to mitigate this phenomenon, while simultaneously developing a culture focused on prevention.

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	Incentives are provided among others for the management of climate-related issues: - short-term for the CEO and the Top and Middle Management as part of the variable remuneration; - long-term: 2 long term incentive plans exist over the 2022-2025 Business Plan time horizon: a) the PSP (Performance Share Plan) for the Managing Director and CEO, the remaining Group Top Risk Takers, and the other Group Risk Takers; b) the Lecoip for the Banks professionals (45,629 professionals adhered to the Plan).

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
Chief Executive Officer (CEO)

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary
Shares

Performance indicator(s)
Achievement of climate transition plan KPI
Increased share of revenue from low-carbon products or services in product or service portfolio
Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)
Increased alignment of portfolio/fund to climate-related objectives

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
Short term incentive:
among the non-financial KPIs, the CEO was assigned ESG KPIs with a weight of 15%. These KPIs are evaluated according to specific drivers, among which:
- Presence of ISP in the sustainability indices of specialised companies
- Support to green and circular economy: a) Development of the loans from an ESG perspective; b) Number of sectors to which an emission reduction target is assigned; c) Reduction of the exposures towards ESG risk related sectors; d) Implementation of the Climate Credit Framework integration model in the lending process; e) Growth of Sustainable Investments: ESG investments as a percentage of total AUM.
The performance evaluation period (accrual period) is annual.

Long term incentive:
the Performance Share Plan (PSP) is addressed to the Management (approximately 3,100 beneficiaries – including the Managing Director and CEO, the remaining Group Top Risk Takers, and the other Group Risk Takers), based on shares and subject to the achievement of performance objectives. The Plan is aimed at enhancing sustainable performance over time and therefore, it includes an ESG composite KPI based on three sub-KPIs, one for each of the three factors: E-S-G. The ESG KPI, which target level is defined in the 2022-2025 Business Plan, acts as a demultiplier by reducing by 10/20%, depending on the degree of achievement, the number of accrued shares on the basis of the achievement of the Plan objectives.
Time horizon corresponds to the Business Plan time horizon: 2022-2025.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
Both short term and long term incentive plans are linked to the targets set out in the ESG Pillar of the 2022-2025 Business Plan. In this way they contribute to the achievement of the Business Plan itself (sustainable and transition finance, net zero aligned targets, both for own emissions and financed emissions, renewable energy etc.) .

Entitled to incentive
Management group

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary
Shares

Performance indicator(s)
Achievement of a climate-related target
Implementation of an emissions reduction initiative
Increased share of revenue from low-carbon products or services in product or service portfolio
Increased engagement with clients on climate-related issues
Increased engagement with investee companies on climate-related issues
Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
ISP's 2022 Group Remuneration Policies regulate the annual Incentive System that includes the ESG Group transversal KPIs assigned in the Performance Scorecards of Top and Middle Management, for about 3,000 resources. The ESG KPIs take into account several ESG factors in line with specific activities carried out by the Bank, incl. climate related factors.
The evaluation of the ESG KPIs takes place both at Group level, with a view to recognizing the commitment of the Group as a whole, and at Governance Area / Division level, in order to enhance the areas of action of the individual Group structures. Specifically:
- at Group level, the presence of ISP in the sustainability indexes;
- at Governance Area/Division level:
1. specific projects in the ESG field, e.g., supporting the green and circular economy in terms of YoY increase in customer lending volumes relating to ESG Products (Sustainability Linked Loans, Green/Transition Loans, Circular Economy Loans and Green Mortgages) and reduction of exposures on sectors at ESG risk;
2. growth of Sustainable Investments through the increase in the assets of ESG products managed and the increase in the % incidence of AuM present in AM products (YoY growth).
The performance evaluation period is annual. A 15% weight was assigned to the ESG transversal KPI. This is raised to 20% for the CFO and the Head of the Strategic Support Head Office Department as heads of the ESG Control Room, as well as for the Chief Compliance Officer, in light of the relevance of Compliance issues in the ESG area. The ESG component is also included in the Long-Term Incentive Plan (Performance Share Plan - PSP) launched in conjunction with the 2022- 2025 Business Plan.
The PSP is addressed to the Management (about 3,100 beneficiaries – incl. the CEO, the remaining Group Top Risk Takers, and the other Group Risk Takers), based on

shares and subject to the achievement of performance objectives. The Plan is aimed at enhancing sustainable performance over time and includes an ESG composite KPI based on 3 sub-KPIs. The Environmental sub KPI includes new loans for the green/circular economy and the ecological transition with a special focus on supporting the Corporate/SME transition (weight 40%).
The ESG KPI, which target level is defined in the 2022-2025 Business Plan, acts as a demultiplier by reducing by 10/20%, depending on the degree of achievement, the number of accrued shares on the basis of the achievement of the Plan objectives.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
Both short term and long term incentive plans are linked to the targets set out in the ESG Pillar of the 2022-2025 Business Plan. In this way they contribute to the achievement of the Business Plan itself (sustainable and transition finance, net zero aligned targets, both for own emissions and financed emissions, renewable energy etc.)

Entitled to incentive
All employees

Type of incentive
Monetary reward

Incentive(s)
Shares

Performance indicator(s)
Progress towards a climate-related target
Increased share of revenue from low-carbon products or services in product or service portfolio
Increased engagement with customers on climate-related issues

Incentive plan(s) this incentive is linked to
Long-Term Incentive Plan

Further details of incentive(s)
In terms of Long Term incentive Plan, in addition to the Performance Share Plan (PSP) addressed to the Management, the LECOIP 3.0 Plan based on Certificates having ISP shares as underlying was launched in 2022 for all Italian Professionals (45,629 people have joined the Plan – about 63% of those eligible). If the Group reaches the target level of the ESG composite KPI defined in the 2022- 2025 Business Plan (the same used for the PSP Plan), a minimum appreciation of 4% calculated as a fixed percentage of the Initially Allocated Capital is paid. If the indicator is not achieved, the amount that is not distributed among employees is invested in ESG projects that can contribute to the achievement of failed targets.
For both the Performance Share Plan (PSP) and the LECOIP 3.0 Plan, the ESG KPI includes an environmental sub key performance indicator (weight 40%) based on new lending to the green/circular economy and green transition with a major focus on supporting Corporates/SMEs transition.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
The incentive plan is conceived in conjunction with the 2022-2025 Business Plan: the support to green and circular economy and the growth of sustainable finance and focus on climate and transition to Net-Zero are the main climate objectives and commitments of the Intesa Sanpaolo Business Plan.

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 the default investment option for all plans offered	ISP's Pension Fund, the retirement schemes of ISP's employees, adopts a sustainable and responsible investment approach on all asset under management and on all the asset classes in portfolio. The Pension Fund has defined and adopted own Guidelines SRI that are implemented through many approaches, among which the positive selection of investments according to environmental (including climate change), social and governance criteria. The Fund is a signatory of UN PRI and a supporter on Climate Action 100+. All the sub-funds open to new subscriptions are regularly analyzed and all the ESG KPIs are calculated and monitored by an external ESG advisor. The Fund monitors the portfolio Carbon footprint for all the assets. All the funds in the portfolio are actively managed and have a better ESG rating and carbon footprint than the related benchmark. The Asset Managers are selected following a detailed analysis taking into account: -the degree of integration of ESG factors into investment processes; -the quality of investment processes according to ESG criteria; -the quality of the ESG team; -experience in the ESG management; -the ESG management track record. Among the investment options, in 2020 was launched "Futuro Sostenibile", an ESG investment option that managed €134m, with over 17,700 subscribers, as at 31.12.2022. At the end of 2022 "Futuro Sostenibile" was invested in 4 funds with a specific ESG focus: two equity funds classified as Article 9 according to EU Reg. 2088/19 (SFDR) and one classified Article 8+ and one bond fund classified as article 8. The equity 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 emissions also thanks 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	5	0 = current The short, medium and long-term effects in the risk framework have been defined according to the reference scenario analysis horizon, outlining the possible impacts on each traditional risk category in order to integrate the risk management framework.
Medium-term	5	10	The short, medium and long-term effects in the risk framework have been defined according to the reference scenario analysis horizon, outlining the possible impacts on each traditional risk category in order to integrate the risk management framework.
Long-term	10	30	The short, medium and long-term effects in the risk framework have been defined according to the reference scenario analysis horizon, outlining the possible impacts on each traditional risk category in order to integrate the risk management framework.

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 produce 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 reference to the risk management of its operations ISP, in managing operational risks, considers the possible adverse impact of climatic and environmental events on its premises, on business continuity and on the legal risk and it identifies the operational events related to these risks within the Loss Data Collection process. In the Operational Risk Assessment process, it evaluates, through 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 (incl. outsourced IT services), identifying alternative locations in the event of disaster recovery.
ISP is committed to analysing and containing possible risks on its properties and taking immediate action in the event of environmental disasters. The Risk Assessment Document, which evaluates risks to workers' H&S (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 to ensure that the buildings 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 ISP 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. In Italy there are about 290 properties located in areas with medium or high flood risk, while only 16 properties are found to be in areas with high or very high landslide risk.
These assessments, together with the daily analysis of Arpa's (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 ISP 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 2022. 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 will then be 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. Furthermore, 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 3 schemes of certification for the Integrated Environment, Energy, Health and Safety Management System, aligned with the ISO 14001:2015, ISO 50001:2018 and 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.
In 2022, a project was launched aimed at mapping the exposure of all physical risks, both acute and chronic, from climate change of all bank assets in line as set out in ISP's Business Plan. The project requires the assessment of environmental vulnerabilities through the use of a platform, aimed at identifying a risk of danger for each real estate asset of the Group linked to Climate Change Risks and other Risks of a Territorial Nature. The aim is to adopt an application providing an index of exposure to physical risks arising from Climate Change (floods, hydrogeological risks, drought, etc.) and internal risks (Radon, Asbestos, etc.) of all corporate real estate assets, so as to support the monitoring and definition of the risk mitigation plan. The scope of the areas subject to constraints related to biodiversity protection will also be taken into consideration. In 2023, the platform will gradually be extended to international branches and offices as well.

C2.2a

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

	Relevance & inclusion	Please explain

	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. ISP monitors possible changes to Italian and European regulations and related compliance. The Chief Institutional Affairs and External Communication Officer 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. 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 2022 the identification of material issues for the Consolidated Non-financial Statement continued to focus 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), 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 2022 EBA published binding standards on Pillar 3 Disclosures on ESG risks and ISP has published qualitative and quantitative information as of 31/12/2022 based on these regulatory requirements. Quantitative info concerns the disclosure of both transition and physical risks while the qualitative info concerns governance, strategy and risk management processes with ref. to ESG/climate risks
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. During 2022, the Group focused in particular on the actions set out in the Action Plan in response to the supervisory expectations of the European Central Bank defined in the Guide on climate-related and environmental risks and participated in the Thematic Review with which the regulator verifies the adequacy of the banks' climate and environmental risk strategies as well as the related risk identification and management processes. The constant evolution of European regulations on ESG reporting and sustainability, including the Corporate Sustainability Reporting Directive (CSRD) proposal and the related European Sustainability Reporting Standards of the European Financial Reporting Advisory Group (EFRAG), the EBA Guidelines on ESG Reporting, the EU Taxonomy (and related disclosure obligations), the Sustainable Finance Disclosure Regulation (SFDR), the ECB guide on the management of environmental and climate risks, together with the requirements arising from adherence to the various voluntary reporting standards (TCFD, SASB, PRB and WEF), led Intesa Sanpaolo to define a multi-year project focused on Group ESG Reporting. In 2022 the second phase of the project was completed and the activities scheduled in the 2023 third phase were defined.
Technology	Relevant, sometimes included	ISP is implementing its climate and environmental framework considering technology risk. According to the current stage of development of climate risk metrics, ISP identifies the impacts on financial and non financial risks (e.g. credit, market, liquidity, reputational) of technology risk drivers (climate materiality assessment) and integrates them within the risk mgmt framework providing a view on the relevant time horizon. 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, also supporting businesses and customers in developing innovative ways of rethinking goods and services. For ISP, technology is an opportunity to increase digitalization of its processes and services e.g. through increased use of mobile phone APPs by digital customers also allowing to achieve a reduction in emissions related to customer travel to bank branches. In 2023 the Group's new fully digital bank - Isybank - was launched in Milan at Gioia 22, the newly completed skyscraper which combines design with a green approach and is the first skyscraper in Milan to be an NZEB – Nearly Zero Energy Building – with Leed Platinum certification, the highest level for compliance with environmental parameters. The building gets 65% of his energy needs from renewable sources, saving around 3,000 t. of CO2 each year. The contribution of the Chief IT, Digital and Innovation Officer Area is fundamental for the integration of ESG criteria into procedures and systems. Among others, the Area actively participates in the Green Software Foundation. Aware of the impact of software on energy consumption, to facilitate the writing of more sustainable software, 2 new activities were carried out: the Green Index, which indicates a software green performance; the CO2 Impact (experimental) that quantifies the CO2 emitted by servers/providers running the software. Such measures were adopted, e.g. in the development of the new digital bank Isybank.
Legal	Relevant, always included	ISP is implementing its climate and environmental framework considering legal risk. According to the current stage of development of climate risk metrics, ISP identifies the impacts on financial and non financial risks (e.g. credit, market, liquidity, reputational risks) of legal risk drivers (climate materiality assessment) and integrates them within the risk management framework, providing a view on the relevant time horizon. Climate related legal risks are considered relevant by ISP because in the event of litigation claims, ISP can be affected in different ways that can have reputational and financial impacts. The possible legal implications linked to climate risk are 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. With specific reference to climate/environment-related litigation risk, the framework defined by the Group takes into consideration the possible emergence of issues related to critical climatic and/or environmental issues and their monitoring over time, such as, for example: ■ 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 this respect, Intesa Sanpaolo has activated the monitoring of lawsuits impacting peers (domestic and international), fine-tuned the process for monitoring its own disputes and carried out specific training initiatives addressed to dedicated personnel. 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	ISP is implementing its climate and environmental framework considering market risk. According to the current stage of development of climate risk metrics, ISP identifies the impacts on financial and non financial risks (e.g. credit, market, liquidity, reputational risks) of market risk drivers (climate materiality assessment) and integrates them within the risk management framework, providing a view on the relevant time horizon. 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 & environmental 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, ESG rating), 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. 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.

	Relevance & inclusion	Please explain
Reputation	Relevant, always included	ISP is implementing its climate and environmental framework considering reputational risk. According to the current stage of development of climate risk metrics, ISP identifies the impacts on financial and non financial risks (e.g. credit, market, liquidity, reputational risks) of rep. risk drivers (climate materiality assessment) and integrates them within the risk management framework, providing a view on the relevant time horizon. Rep. 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 low-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; 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 RM 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 RM 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 and the selection of the Group's suppliers. As part of ESG & Reputational Risk Clearing, a risk class is assigned to transactions 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 addition, ISP monitors its web 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). Lastly, specific scenarios relating to ESG and climate change issues are included in the annual reputational risk assessment by the top mgmt.
Acute physical	Relevant, sometimes included	ISP is implementing its climate and environmental framework considering acute physical risk, that is, risks that are event-driven, including increased severity of extreme weather events (wildfires, hurricanes, landslides, heatwaves, droughts, floods, etc). According to the current stage of development of climate risk metrics, ISP identifies the impacts on financial and non financial risks (e.g. credit, market, liquidity, reputational risks) of acute physical risk drivers (climate materiality assessment) and integrates them within the risk management framework, providing a view on the relevant time horizon. Acute physical risks are considered relevant by ISP because in the event it is affected by severe weather events there can be financial impacts on its properties or on customer activities. With regards to customer activities, in the corporate rating model, the physical risk component of climate change is analyzed and an ad hoc module - 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. Furthermore, relative to the ECB climate stress test, ISP implemented enhancements into its internal Physical Risk Mgmt Framework. On the operations side, in 2022, a project was launched aimed at mapping the exposure to all physical risks from climate change, both acute and chronic, of all bank's premises, in line with the provisions of the Bank's Business Plan. The project provides for the assessment of environmental vulnerabilities through the use of a platform, aimed at identifying a danger risk for each real estate asset of the Intesa Sanpaolo Group linked to climate change risks and other risks of a territorial nature.
Chronic physical	Relevant, sometimes included	ISP is implementing its climate and environmental framework considering chronic physical risk, that is, risks arising from progressive shifts such as increasing temperatures and water stress. According to the current stage of development of climate risk metrics, ISP identifies the impacts on financial and non financial risks of chronic physical risk drivers (climate materiality assessment) and integrates them within the risk management framework, providing a view on the relevant time horizon. In particular ISP 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. To conduct scenario analysis activity, ISP adopts an approach that includes a methodology for quantifying physical risk underlying collateral relating to the mortgage portfolio secured by immovable properties: the impact in this case depends on the geolocalization of the properties and on the types of damage resulting from the different risks presented by acute and chronic climatic events. On the operations side, rising average temperatures could have a significant impact on power and thermal consumption in ISP's premises with an increase of electric energy consumption and associated costs. To mitigate energy consumption linked to heating ISP has identified targets and has installed temperature sensors that can provide the real time temperatures inside ISP's locations, which has allowed considerable savings. Moreover, 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. For example, as concerns the effects deriving from the sea level rise in Venice, ISP has activated from 2020 a very important project on the main branches for prevention actions such as the purchase of bulkheads, the construction of tanks of water runoff, etc.. Also, in 2022, a project was launched aimed at mapping the exposure to all physical risks from climate change, both acute and chronic, of all bank's premises, in line with the provisions of the Bank's Business Plan. The project provides for the assessment of environmental vulnerabilities through the use of a platform, aimed at identifying a danger risk for each real estate asset of the ISP linked to climate change risks and other risks of a territorial nature.

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)	<Not Applicable>	<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	100	Qualitative and quantitative	Short-term Medium-term Long-term	Risk models Scenario analysis Stress tests Internal tools/methods External consultants	One of the most relevant projects within the ISP4ESG Program addresses the need to include ESG /Climate criteria in the Credit Framework (Credit Risk Appetite, Credit Strategies and pricing framework and the Underwriting process) to assist, among others, strategic lending portfolio steering and transaction pricing. The design of the ESG/Climate Credit Framework was finalized in 2022, defining a new credit decision-making model - based on an evolution of the Credit Framework, by also including climate/ESG components applied to the entire credit supply chain (100%) in the short, medium and long term. Within the model defined, the impact of the inclusion of Climate and Environmental metrics is assessed with three levels of granularity: SECTOR AND MICRO-SECTOR Through an ESG Sectoral Assessment and an ESG Sectoral Strategy - defined in 2021 and progressively updated on the basis of a qualitative-quantitative sectoral assessment and available public data - a "color" is assigned to each economic sector, driving different strategies, specifically: red (exclusion strategy as per Credit Policies); orange (selective disengagement strategy); yellow (selective engagement strategy); white (neutral); blue (positive engagement strategy). PROFILE OF THE COUNTERPARTY - ESG SCORE Intesa Sanpaolo has developed a proprietary methodology for assessing the sustainability performance of client companies, the ESG Score. The ESG Score is a qualitative-quantitative assessment that analyzes information on the ESG profile of a client company and takes into consideration both the risks to which it is exposed and the opportunities that can develop in these areas. The score is based on internal information (ISP is the largest bank in Italy with 13.6m customers) and on selected infoproviders information. The main purpose of the ESG Score is to offer a better knowledge of customers' ESG profile so as to mitigate risks and enable the achievement of opportunities related to the sustainable transition. Climate related descriptors used in ESG Score: Carbon Footprint Climate – Transition Risk › Transition Risk readiness Climate – Physical Risk › Physical Risk readiness, Green Products and Solutions Within these descriptors, indicators flag whether the customer has a net zero target. TRANSACTION In 2022, at transaction level, the "Rules for the classification of sustainable credit products and lending transactions" were finalized in response to the EBA Guidelines on Loan and Origination Monitoring . The rules classify transactions/products in categories of sustainability according to market standards (Loan Market Association principles), differentiating between "dedicated financing" and "general purpose financing" on the basis of the use of funds. Specifically, credit products and transactions are divided according to the categories of Environmental, Social, Governance, and other forms of Sustainability, where the first three refer to "dedicated financing" products and transactions, while the last to "general purpose financing". In terms of underwriting - with a focus on larger counterparties/transactions - the process, integrated with the key ESG metrics (at sector/counterparty and transaction level), also envisages an opinion performed by the ESG & Reputational Risk Clearing for counterparties/transactions with higher ESG risk profile. For specific high ESG risk sectors, an analysis of the counterparties' transition plans is also required. Scenario analysis and stress tests are also utilised as tools to assess Intesa Sanpaolo's portfolio's exposure to climate risks. Intesa Sanpaolo believes that climate-related risks are cross cutting drivers of traditional categories of risks. They affect, with different levels of relevance and intensity, the existing risk categories already envisaged in the risk management framework of the Group (i.e. mainly credit risk, operational risk, reputational risk, market risk and liquidity risk). The short, medium and long-term effects in the risk framework have been defined according to the reference scenario analysis horizon, outlining the possible impacts on each traditional risk category in order to integrate the risk management framework. Time horizons are defined as follows: ■ Short term: 0 – 5 years ■ Medium term: 5 – 10 years ■ Long term: 10 – 30 years.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
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)	<Not Applicable>	<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 (all sectors)

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) a class of risk is assigned to transactions that are potentially exposed to reputational and ESG risks in order to support decision-making processes, thus enabling an informed acceptance of risk. From 2020, methodological developments have focused on strengthening the assessment of ESG risks associated with transactions/counterparties, with a focus on customers operating in sectors that are sensitive to climate change risk. This assessment incorporates environmental and climate risk information such as polluting emissions and the consequences on biodiversity, together with the adoption by the counterparty of any containment and mitigation measures to improve business sustainability; with particular regard to climate change risk (transition risk), the degree of exposure to this risk is assessed, examining the counterparty's commitment to adopt transition plans aimed at reducing GHG emissions and to set, within a defined time-frame, any carbon neutrality objectives, to increase the use and/or production of energy from renewable sources and, for the sectors subject to target setting, an assessment of consistency with the commitments taken by Intesa Sanpaolo. Information is sourced from public documents (Sustainability Reports, web pages etc), data provider, when possible, or from requested written documentation. In 2022, approximately 195 loan transactions with corporate customers were analysed, 70% of which were classified as having a low or medium-low reputational and ESG risk level.
One of these transactions concerned a loan to a customer in the automotive sector. The analysis conducted on the ESG risk profiles and reputational risk of the borrower highlights some evidence that could raise negative media attention with potential effects on the Bank's image, e.g. the exposure to ESG risks of borrower's business sector, particularly with ref to the issues related to environmental impacts of the vehicles' exhaust gases.
However, considering as mitigating:
- the company's physical intensity is well below the 2030 target set at portfolio level for the automotive sector exposures
- the company's strategic vision focused on the reduction of GHG emissions and carbon intensity and development of electric vehicles, with a goal of net-zero by 2038. A medium-low level of ESG and reputational risk was assigned.

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, through its lending activity, to the changes in the industry regulations for 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 drive 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 and related lending strategies (the so-called colour coding in a range of five colours describing lending strategies, from red (exclusion strategy as per Credit Policies); orange (selective disengagement strategy); yellow (selective engagement strategy); white (neutral); blue (positive engagement strategy)) that take into account ESG/Climate risk assessments for each business sector and sub-sectors in which the bank customers operate. Coal mining has been evaluated as high transition risk and high environmental risk sector (based on scores from 1 – very low risk – to 5 – very high risk) and therefore the Group strategy is to "disengage through exclusion policy" (red colour). Consequently, ISP's "Rules for lending operations in the Coal sector", issued in July 2021, define exclusion criteria for the coal mining sector. The exposure of Intesa Sanpaolo and its International Subsidiary Banks to the coal mining sector at 31/12/2022 is equal to € 70,000,000. According to the above-mentioned Rules, the Group undertakes to terminate its exposure to counterparties belonging to the coal mining sector by 2025.

Time horizon
Short-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)
70000000

Explanation of financial impact figure
The maximum amount represents cash and non-cash exposure of Intesa Sanpaolo and its International Subsidiary Banks (gross carrying amount) to the coal mining sector at 31/12/2022. The whole face value of the credit portfolio on the coal mining sector (equal to € 70,000,000) 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
422100

Description of response and explanation of cost calculation
ISP has an exposure to the coal mining sector equal to 70,000,000 euros at 31/12/2022. 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 and the Chief Lending Officer Area. ISP assumes that they involve an annual overall commitment of 7 FTEs with an estimated gross cost of 60,300 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 422,100 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". ISP knows that these phenomena will increase in the future and for this reason ISP has 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)
1035000

Potential financial impact figure – maximum (currency)
2485000

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 (1,035,000 euro) and a worst case with a tide at + 180 cm (2,485,000 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
2271600

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, ISP has 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. ISP has 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 ISP has spent 663.000 euro in San Leonardo (Venice) branch, 850.000 euro in S. Croce (Venice) and 140.000 in Campo Manin (Venice). The ISP staff dedicated to mitigating this risk is estimated in 2 FTEs (60,300 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 2,271,600 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 ISP anticipates 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 89.57 euro per tonnes CO_2 (price of European Emission Allowances Futures Dec 2024 recorded on the 9th of June 2023) is applied on the 2022 Intesa Sanpaolo's Scope1 emissions (59,030 t), this would lead to an additional cost of around 5,300,000 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)
5300000

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 89.57 euro per tonnes CO2 (price of EEX EUA Future Dec 2024 recorded on the 9th of June 2023) is applied on the 2022 Intesa Sanpaolo's scope1 emissions (59,030 t) this would lead to an additional cost of around 5,300,000 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
8607913

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 2022, in Italy and Albania, 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 saving MWh estimated in about 1.450; annual avoided emissions 364 tonnes CO2.
The estimated cost of management takes into account: interventions on plants (about €7,903,977), replacement of windows and interventions on facades (about € 444,837) ,actions of energy efficiency (about € 138,500), 2 FTEs in the Real Estate Department and Safety Department with an estimated gross annual cost of 60,300 Euro each (€120,600), for a total of about €8,607,913.
In addition, in its 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 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 Higher Institute for Environmental Protection and Research (ISPRA) 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 290 ISP's buildings (including branches and the 3 data centres) in Italy are located in areas with medium or high flood risk, while only 16 properties are found to be in areas with 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)
127000000

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 (127,000,000 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 an Intesa Sanpaolo branch for restoration/drying and painting (10,000 euro).

Cost of response to risk
1535000

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 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 60,300 euro each for a total of 603,000 euros) from Real Estate Department and Safety Department that are in charge to do these evaluations and to define the activities that are necessary for mitigate the risks, plus the advisory costs (about 45,000). 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 1,535,000 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, 2021 and 2022 were particularly eventful years for the world and consequently the energy market was also affected. The economic crisis caused by the Coronavirus and the Ukraine war started a very difficult period with future challenges in supply 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 operations in ISP's premises in Italy, Intesa Sanpaolo continued in 2022 to carry on a conservative, risk adverse sourcing strategy taking advantage of the authorities' price fixing in the previous year and overcoming, in this way, the supply side and speculative issues that affected 2022. For these reasons, it can be estimated that if the Group had not undertaken such actions in order to mitigate the risks, the expenditure in 2022 regarding electricity, based on the official cost increase report of Eurostat, could have been of a greater amount equal to 4 times the actual amount; also, the expenditure for gas, based on the official cost increase reports of the Italian Regulatory Authority for Energy Networks and the Environment, could have been greater and equal to 6 times the actual disbursement. It is important to underline that, given the radical change in the energy and gas market that is constantly evolving, the focus of the Intesa Sanpaolo Group in Italy is currently mainly aimed at stabilising supplies. For these reasons 2022 cost energy savings represent an exceptional event.

Time horizon
Short-term

Likelihood
Likely

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)
51370000

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 two years, in Italy ISP has witnessed an exponential increase in the cost of electricity (+ 439% in 2022 compared to 2020 - cost of energy without taxes and other charges) and in the cost of natural gas (+384% in 2022 compared to 2020 - cost of raw material). In Europe the electricity prices for non-household consumers, without taxes, showed a 121% rise in 2022 compared to 2020. 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 in Italy, based on what happened in 2022, estimated that if it had not taken action in order to mitigate the risks, the expenditure in 2022 regarding electricity and gas would have presented a greater amount, it would have exceeded the actual expenditure by an estimated amount of € 51,370,000. It is important to underline that, given the radical change in the energy and gas market that is constantly evolving, the focus of the Intesa Sanpaolo Group in Italy is currently mainly aimed at stabilising supplies. For these reasons 2022 cost energy savings represent an exceptional event.

Cost of response to risk
10770000

Description of response and explanation of cost calculation
To mitigate the risk of an increase of energy costs ISP has undertaken
- 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 2020/2021, also extended in 2022.
- 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, set the list of activities that the Bank needed to implement in order to reduce the consumption of energy and the consequent CO2 emissions. The following actions were completed in 2022 in Italy to minimize the impact of an increase of energy consumption: interventions on old thermal power plants with new energy efficient equipment (€7,743,000), replacement of windows and interventions on facades (€ 415,160) ,actions of energy efficiency (€ 138,500), replacement of lighting fixtures with led solutions (€ 93,300) to reduce electricity and natural gas consumption, introduction of an advanced consumption monitoring system in the main buildings (about €2,200,000). In addition, in its new Own Emissions Plan, presented in 2022, 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 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, 3 FTEs are considered involved in the managing activities (with an estimated gross annual cost of €60,300 each). Total cost is about €10,770,000.

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
Increased diversification of financial assets (e.g., green bonds and infrastructure)

Primary potential financial impact
Increased diversification of financial assets

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 mainly lending to customers that contribute to contrasting Climate-change effects. These products, when eligible, are financed or refinanced through the issuance of Green bonds on institutional markets. This represents an opportunity to increase access to markets and to diversify financial assets through green bond issuances under the updated Green, Social and Sustainability (GSS) Bond Framework (June'22).

In 2017, ISP was the first Italian bank to issue a €500mln Green Bond connected with environmental sustainability projects. The total amount of ISP Green Bonds outstanding as of the 31/12/2022 was equal to approximately € 3.5bn. ISP is a regular issuer and has accelerated issuances in the 1H 2023.
The most recent GSS Bond Framework was released in alignment with the 2021 ICMA Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines, with the intention of seeking alignment on a best effort basis with the EU Taxonomy regulation on sustainable activities and the Green Bond Standards.

The 2022 Green and Social Bond Report refers to the eligible outstanding amount as of December 2022. The report is based on the "Portfolio approach". When considering the use of proceeds and their effects on GHG emission reduction, 34% of the proceeds have been allocated to loans used for Renewable Energy, 3% for Energy Efficiency, 43% for Green Buildings and 20% for Circular Economy projects. In total, €9,759mln (22% out of Italy) have been allocated (signed amount) and they were responsible for avoided GHG emissions equal to 7,541,300 (tCO2e). Estimated Impact per €1m invested is equal to 773 tCO2e of avoided GHG emissions.

The Green Bond Ratio, the percentage of outstanding green bonds at the end of 2022 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 ~8.9%.

Time horizon
Short-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)
3518000000

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 €3.518bn represents the eligible Green bonds outstanding amount as at 12/2022:
-2019 green bond: notional €750mln, tenor 5 years, maturity date 2024, focus circular economy;
-2019 green bond (EX UBI Banca): notional €500 mln, tenor 5 years, maturity date 2024, focus on renewable energy;
-2021 green bond: notional €1,250mln, tenor 7 years, maturity date 2028, focus on green buildings;
-2022 green bond: notional €1,000mln, tenor 5 years, maturity date 2027, broadly allocated to all Green eligible categories;
-2022 green bond: private placement notional 2.4bn Yen (€18mln equivalent), tenor 10 years, maturity date 2032, allocated to all Green eligible categories.
In order to strengthen its commitment, ISP plans to issue new green bonds over the business plan period (2022-25).

ISP was the first Italian bank to issue a green bond (expired in 2022), and this has been followed by further issues for a total of approximately €4bn.
The 2022 Green and Social Bond Report on the 5 Green Bonds above mentioned is the annual report on the allocation and environmental impact of ISP's Green Bonds issued between 2019 and 2022. The Report refers to the eligible outstanding amount as of 12/2022 and covers the impacts generated in the period from 1/1/22 to 31/12/22. The Report is based on the "Portfolio approach" which 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 €9,759mln (as at 31/12/2022).
% of Eligible Green Loan Portfolio financed (usage): 36%.
Balance of net proceeds - (Available eligible green loans for new issues €6,277mln).
New Loans in the Renewable Energy & Energy efficiency Portfolios (since 31/12/2021) €821mln.
New Loans in the Green Buildings Portfolio (since 31/12/2021) €1,862mln.
New Loans in the Circular Economy Portfolio (since 31/12/2021) €549mln.

Impact reporting data at green portfolio level (category, amount €mln, % of total portfolio financing, avoided ghg emissions) are as follows:
- renewable energy, €3,313mln, 34%, 3,153,300 tco2e
- energy efficiency, €288mln, 3%, 142,500 tco2e
- green buildings €4,179mln, 43%, 94,500 tco2e
- circular economy, €1,979mln, 20%, 4,151,000 tco2e
All in all, in 2022 7.5mln tCO2e emissions were avoided in total.
In 1H 2023 approx. further €5.2bn of green bonds were issued by ISP.

Cost to realize opportunity
350000

Strategy to realize opportunity and explanation of cost calculation
ISP launched in early 2022 a new 2022-25 Business Plan (BP) with a €42bn funding plan over the BP horizon, including green and social bonds, which will contribute to provide funds to finance client transition. To attain this target, ISP in 08/2022 successfully placed on the institutional market a new Senior Non Preferred Green Bond for a benchmark amount of €1bn, which was subscribed 54% by Dark-Green and 21% by Light Green investors; funds raised were used to finance the green eligible categories (i.e. renewable energy, energy efficiency, green buildings, circular economy) described in the Green, Social and Sustainability Bond Framework dated June 2022.
At the end of 12/2022, as a result of actions taken €3.518 bn of green bonds were outstanding, whilst an acceleration was registered in 1H2023, with approx. €5.2 bn of new issuances.
As at 31/12/22 the Green Bond Ratio is equal to ~8.9%.

The 2022 Green and Social Bond Report shows the following data at portfolio level (category, amount €mln, %of total portfolio financing, avoided ghg emissions):
-renewable energy, €3,313mln, 34%, 3,153,300tco2e
-energy efficiency, €288mln, 3%, 142,500tco2e
-green buildings €4,179mln, 43%, 94,500tco2e
-circular economy, €1,979mln, 20%, 4,151,000tco2e.
Substantive and ongoing activity is needed to develop this opportunity involving different organizational structures of the Group. For example, in 2022, ISP issued 2 green bonds; ISP published in 06/22 the updated Green, Social and Sustainability Bond Framework to reflect the newer best practice in the market and obtained ISS ESG Second Party Opinion. In addition, in 03/2023, ISP published the Green and Social Bond Report 2022 on the use of Green Bond proceeds and the associated environmental benefits. The document includes independent auditor's report on the section "Intesa Sanpaolo Green Portfolio-Allocation Report".
Costs related to the above activities are integrated into ISP budgets. ISP estimates accessory costs amounting to €350,000 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 also by engaging in the path of transition, 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 development of green products and services is considered by ISP as an opportunity that has a potential for expansion in the coming years. In 2022, following the strong focus on climate included in the 2022-2025 Business Plan, Intesa Sanpaolo committed to providing €88bn of new lending in order to support the green and circular economy and the green transition, of which €76bn linked to the 2021- 2026 National Recovery and Resilience Plan climate targets and €12bn dedicated to individuals, mostly in relation to green mortgages. The commitment to the Circular Economy was confirmed, with the announcement of a dedicated plafond amounting to €8bn over the Business Plan horizon.

In 2022, the Group's loans for the Green and Circular Economy came to around 6.3 billion euro, equal to 7.7% of the Group's total loans, more than doubled compared to 2020 (CAGR 2020-2022: 57%). The increase concerned in particular green mortgages. Also, during 2022, 2.2 billion euro were disbursed thanks to the S-Loan offer, designed to support SMEs seeking to improve their sustainability profile.
In more detail, in 2022 the Group's disbursements for the Green Economy totalled around 5.4 billion euro (over 33 billion euro in the 2010-2022 period). The offer in 2022 involved all customer segments: retail customers (48.8%), businesses and Third Sector (9.8%), corporate & project finance (41.4%).

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)
4600000000

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 over a 3 year average to around 4.6 billion euro yearly.
4.6 billion euro equals to the average disbursements in the last three years: around 5.4 billion euro in 2022, around 6.1 billion euro in 2021, around 2.2 billion euro in 2020 (CAGR 2020-2022: 57%).
In 2022 the offer involved all customer segments: retail customers (49%), businesses and Third sector (10%), corporate & project finance (41%). 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
603000

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 2022 the Group's disbursements for the Green Economy totalled around €5.4 bn (over €33 bn disbursed in the 2010-22 period).
In 2022, following the strong focus on climate included in the 2022-2025 Business Plan, ISP committed to providing €88bn of new lending in order to support the green and circular transition, of which €76bn linked to the 2021-26 NRRP climate targets and €12bn dedicated to individuals, mostly in relation to green mortgages. The commitment to the Circular Economy was confirmed, with a dedicated plafond of €8bn over the Business Plan horizon.
Green mortgages offer represents an interesting case study. The Bank offering includes "Green Mutuo Domus": a mortgage loan with favorable terms (reduced interest rate and free energy performance certification for renovation purposes) that allows, among others, the financing of the purchase or construction of a property for residential use in the Italian territory characterized by high level of energy efficiency (equal to or higher than B) or renovation of a property for residential use in the Italian territory with improvement of at least one energy class. In this regard, ISP has participated in the EeMAP (Energy efficient Mortgages Action Plan) project, an initiative that aims to create standardized energy efficiency mortgages at the European level designed to incentivize the upgrading of buildings and the purchase of highly efficient properties through favorable financial conditions. In 2022, around 15,650 green mortgages of a total value of over €2.6bn were issued (out of a target of €12bn over the business plan horizon).
Annual costs related to the development of green products and services are integrated into the ISP budgets.
ISP estimate a cost of 10 FTEs (60,300 euro each): 2 FTEs in BdT Division for developing retail green products, 2 FTEs in the Energy&Utilities Desk providing support to businesses that invest in renewable energy and in the energy efficiency, 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 Dept. 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 tackling climate change may also be a business opportunity and a lever for economic growth, considering the fact that, in order to achieve the EU's climate and energy targets for 2030, the European Commission's Action Plan on sustainable finance estimates supplementary investments of €180bn 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 reduce their environmental impact, with the promotion of green products and services offered by the sales network, resulting in increased revenues. ISP is seizing strategic opportunities to become an innovative and exclusive financial leader for the circular economy (CE), redefining traditional financial tools to support the transition to a new model for economic development, which is competitive and sustainable over time.
ISP is a Strategic Partner of the Ellen MacArthur Foundation – the main promoter of the global transition towards the CE. In order to provide concrete support to companies involved in the transition process, ISP, within the time-frame of the 2018-21 Business Plan, decided to provide a plafond of up to €6bn, aimed at companies which adopt the CE model with innovative procedures, granting the best conditions for accessing credit (€7.7bn disbursed). In the new business plan (2022-25) ISP renewed its environmental strategy also through promoting CE. ISP announced a new €8bn credit facility dedicated to CE (€3.1bn disbursed in 2022).
The credit plafond is available to customers of the Banca dei Territori, IMI Corporate & Investment Banking and International Subsidiary Banks Divisions and aimed at Italian and international businesses and their value chain that adopt the CE model with innovative methods, offering them the best possible credit access conditions.
Within the credit process, ISP Innovation Center, on the basis of five specific CE criteria defined together with the Ellen MacArthur Foundation, makes a technical assessment regarding the level of circularity of the initiatives proposed by companies. In addition to the Circular framework, a tranche of the plafond is dedicated to the Green framework, on the basis of three additional green criteria, to support companies investing in renewable energy production, energy efficiency, clean transportation, green buildings, and sustainable agriculture and biodiversity.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
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.
More specifically, the circular framework eligibility criteria are as follows:
-Solutions that extend the product life of goods and/or material;
-Utilization 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 model.
As well as the circular framework, part of the credit plafond is dedicated to the green framework, to support businesses that invest in renewable energy generation, energy efficiency and sustainable agriculture and biodiversity.
The new credit facility is available for the period 2022-2025, given the market structure, ISP 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.
At the end of 2022, through the specialized support of the Intesa Sanpaolo Innovation Center, 420 green and circular projects amounting to €9.1bn have been validated. Of these, €4.7bn were then granted by the Group in 230 transactions (of which €2.6bn related to Green Finance) and €3.1bn were disbursed (of which €2.2bn related to Green Finance).
As concerns 2022, Circular Economy Plafond Projects disbursed by sector were as follows: Energy, Water & Utilities 48% (about € 1,476 mln), Agriculture, Food & Beverage 11% (about € 318 mln), Construction and Furniture 10% (about € 315 mln), Industrial & Manufacturing 7% (about € 212 mln), Chemical & Materials 6% (about € 169 mln), Mobility, Logistics & Infrastructure 4% (about € 117 mln), other sectors 14% (€ 440 mln).

Cost to realize opportunity
180900

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 ISP Innovation Center oversees the CE activities. In 2018 the CE Lab was launched, with the goal of accelerating the transition to the CE.
ISP in the new business plan (BP) 2022-25 announced a new €8bn credit facility dedicated to CE (~€3.1bn disbursed); the amount was calculated based on the previous

experience of the 2018-21 BP where amounts granted under the successful CE plafond totalled €7.7bn.
In particular, as part of the credit process, ISP Innovation Center, based on a set of CE criteria, is responsible for providing a technical assessment on the circularity level of the initiatives proposed.
At the end of 2022, through the specialized support of the ISP Innovation Center, 420 green and circular projects amounting to €9.1bn have been validated. Of these, €4.7bn were then granted by the Group in 230 transactions (of which €2.6bn related to Green Finance) and €3.1bn were disbursed (of which €2.2bn related to Green Finance).

Example of company supported through CE plafond:
in 2022 ISP supported Sedamyl company, active in the production of high quality alcohol for food use based on cereals and industrial starch, with a disbursement for the development of a project which was positively evaluated by ISP Innovation Center – Circular Economy team - against the set of circular criteria set by the Bank. The project indeed aims to significantly increase the effectiveness and capacity of the plant both for the production of flour and alcohol and for the reuse of waste. The use of waste coming from the core production is forecast to be reused for more than 70tons/year in new productions.
Outcome:
thanks to ISP disbursement Sedamyl activated new production lines and several by-products will be sold to new customers of the food&beverage industry (sweetening starches and food supplements), the paper industry (biodegradable polymers), the green chemistry (starches, hydrolysers and proteins for fermentation) as well as nutrition for animals (feed).
Annual costs related to the management of the plafond and the related assessments are estimated in 3 FTEs (€60,300 each, total €180,900) working in a dedicated team named CE Desk. Such FTEs are employed to assess deals that are potentially eligible to access the Plafond, as well as to monitor and coordinate its overall functioning.

Comment

C3. Business Strategy

C3.1

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

Row 1

Climate transition plan
Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan
Yes

Mechanism by which feedback is collected from shareholders on your climate transition plan
We have a different feedback mechanism in place

Description of feedback mechanism
Following its adhesion to the NZBA in October 2021, ISP published a new 2022-2025 Business Plan which included ISP’s first interim targets on financed emissions, approved by the Board of Directors. The 2022-2025 Business Plan was presented to all shareholders and to the market in February 2022.

The 2022 TCFD Report already includes a Transition Plan, which was drafted taking into consideration shareholder feedback on many aspects of the transition also in relation to targets set. The TCFD Report - including the Transition Plan - were approved by the Board of Directors. Widespread information was given of the publication of the TCFD Report (together with the publication of the Consolidated Non Financial Statement and of a dedicated PRB Report) through a press release and through dedicated mailing to investors (both shareholders and non shareholders).

All climate related documents and information are also available on the Bank's corporate website and contacts are listed to allow shareholder feedback and requests (questions or meeting requests). ISP also constantly engages with the investor community and other stakeholders as provided for in the “listening” approach contained in its Code of Ethics.

Furthermore, all documents (including Annual Report, Consolidated Non Financial Statement, TCFD Report including Transition Plan, PRB Report, etc.) are published well before the AGM to allow shareholders the time to read and pose questions on all topics contained in this mainstream reporting.

Frequency of feedback collection
More frequently than annually

Attach any relevant documents which detail your climate transition plan (optional)
TCFD REPORT: Intesa Sanpaolo has drafted its first Transition Plan in 2022 (pp.87-100), according to GFANZ (Glasgow Financial Alliance for Net Zero) guidelines and in line with NZBA requirements. The Transition Plan on NZBA aligned targets together with the annual reporting on financed emissions (and related third-party limited assurance) are included in the Group TCFD Report, which provides full information on wider Climate-related Governance, Strategy, Risk Management and Metrics and Targets, representing the framework within which the Transition Plan is embedded and to which reference should be made. The TCFD Report, Net Zero aligned interim targets and the Transition Plan are approved by the Board of Directors.
CNFS 2022_EN.pdf
Intesa Sanpaolo TCFD Disclosure Table_20230404.pdf
TCFD Report 2022.pdf

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future
<Not Applicable>

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>	Lending; qualitative-quantitative. ISP adopts an approach that integrates the following components in the transition scenario analysis activities: -a dedicated solution to assess the impact of transition risk on the NFC - Non Financial Corporate portfolio: the assessment is carried out through a shock on the individual company's financial statements, differentiating between Corporate and SME Corporate; -a dedicated solution for verifying the impact of transition risk on the Residential Real Estate portfolio: the assessment is carried out at asset level and is aimed at measuring the loss in value of real estate collateral in relation to the energy class to which it belongs (so-called EPC). NGFS scenarios are applied in the scenario analysis and stress test. The internal risk engines have been calibrated on the following three paths: Orderly transition-NZ 2050; Disorderly transition-Divergent NZ, Hot House World-Current Policies. Additionally, with the aim of providing a comprehensive view of the Bank main climate risk vulnerabilities, the scenario and stress testing analyses take into account different perspectives: 1. a short-medium term perspective (0-5 years) aimed at evaluating possible impact of climate events, under a macro scenario that also considers the current context (e.g., recent conflicts, energy crisis). A specific capital buffer has been estimated to take into account possible risks that could occur in the short term time horizon; 2. a long-term perspective (over 5 years) aimed at evaluating, under the last available NGFS scenarios, how the Bank can face an orderly transition or, on the other hand, a hot house scenario. These drivers are then used to measure the impact of the given scenario onto the main risk measures (e.g. PD). This estimate can adopt several direct transmission channels (e.g. carbon price shocks) and produce projections at counterparty level. Consequently, for the corporate exposures, the effects of the scenarios were reflected by projecting balance sheet forecasting figures at counterparty level. The forecasting models are differentiated based on the client's data availability and on the forecasting approach. Moreover, concerning the NZ target setting, as part of the NZBA, ISP has also defined 2030 interim targets for Coal mining, Oil&Gas, Power Gen. and Automotive sectors, based on Reference scenario: IEA Net-Zero 2050.
Physical climate scenarios RCP 6.0	Portfolio	<Not Applicable>	Lending; qualitative-quantitative. Also, in relation to the ECB climate stress test and Pillar 2 preparatory activities, the Bank has implemented several enhancements into its internal Physical Risk Management Framework. A methodology for quantifying physical risk underlying collateral relating to the Non Financial Corporate (NFC) and mortgage portfolios: the impact depends on the geolocalization of the properties and on the types of damage resulting from the different risks presented by acute and chronic climatic events. Short-term and long-term different perspective had been considered in setting-up the Climate Stress Testing Framework. In particular for the short-term time horizon specific events have been considered such as Flood (mortgages) and Drought & Heatwave (NFCs) events localized in high-risk areas. A specific capital buffer has been estimated to take into account possible risks that could occur in the short term time horizon. Regarding the long term time horizon, the framework considers expected scenario-dependent impacts of Physical Risks (Flood on Mortgages and Drought & Heatwave on NFCs) on Retail & Corporates. The scenarios used for the purposes of these exercises in this case are current policy (RCP6.0) and the NGFS Hot house world. Bank owned Assets In 2022, a wider project was launched aimed at mapping the exposure of all physical risks, both acute and chronic, from climate change of all bank assets. The project requires the assessment of environmental vulnerabilities through the use of a platform, aimed at identifying a risk of danger for each real estate asset of the Intesa Sanpaolo Group linked to Climate Change Risks and other Risks of a Territorial Nature.

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

In 2022 in relation to the ECB climate stress test and Pillar 3 preparatory activities, the Bank has implemented several enhancements into its internal Risk Management Framework.

Climate stressed scenarios performed by ISP 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 2.6, 4.5, 6.0, and NGFS Orderly transition ("Net Zero 2050"); Disorderly transition ("Divergent Net Zero"), Hot House World ("Current Policies")).

The analysis was performed for the most significant risks of the Bank, such as credit risk, market risk, liquidity risk and reputational risk. Among them, credit risk was identified as the most impacted by both transitional and physical risks. The results of the ISP stress test are among the main inputs of the materiality assessment which is one of the main drivers for the definition of the ESG sectoral strategy.
In detail, the results of the analysis for the ISP lending portfolio, measured in terms of impacts on balance sheet of counterparties and consequently on their creditworthiness, showed that the Orderly Transition scenario is characterized, in the short term, by increased exposure to transition risks compared to the Hot House World, especially for those sectors subject to carbon tax (e.g. high emitting sectors: Oil&Gas, Coal mining, Power Generation, Automotive, Iron & steel).
In the long run (after 2035), on the other hand, the ISP portfolio physical risks become more tangible in the Hot House World (e.g. Agriculture, Real estate) vs the Orderly Transition scenario.

In 2022 bottom-up insights from the climate stress test analysis and related quantification of financed emissions performed at borrower level have also been used to help identify and/or strengthen specific limits within the Risk Appetite Framework in relation to the exposure to the business sectors most affected by transition risk: Coal mining and Oil&Gas. Specific actions will be put in place in case of triggering of concentration thresholds.
The results of the stress testing analysis, as already specified, inform the materiality assessment that is the main input of limits setting underlying the Risk Appetite Framework.

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. Within the 2022 -2025 Business Plan, ISP committed to providing €88bn of new lending in order to support the green and circular economy and the green transition, of which €76bn linked to the 2021- 2026 National Recovery and Resilience Plan climate targets and €12bn dedicated to individuals, mostly in relation to green mortgages. The commitment to the Circular Economy was confirmed, with the announcement of a dedicated plafond amounting to €8bn over the Business Plan horizon. In 2022, ISP disbursed around €5.4 bn to the green economy (over €33 bn in the 2010-2022 period). This takes place through the bank branches of the Banca dei Territori Division, 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 offers a range of ESG products diversified across all asset classes, which also include environmental and climate issues. ISP's strategy includes the development of green bonds. In June 2017 Intesa Sanpaolo was the first Italian bank to issue a Green bond connected with environmental sustainability projects. Valued at €500mln, it was introduced to fund renewable energy and energy efficiency projects. Others have followed in subsequent years: in 2019 a €750mln euro Green Bond was issued to fund Circular Economy projects, and in March 2021 a €1.25bn 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 €500m Green Bond issued in 2019 by merged company UBI Banca for the financing of renewable energy investments. In 2022 Intesa Sanpaolo issued a new Green Bond (€1bn), under the updated Green, Social and Sustainability (GSS) Bond Framework. As at the end of 12/2022, €3.518 bn of green bonds were outstanding, whilst an acceleration was registered in 1H2023, with approx. €5.2 bn of new issuances. As at 31/12/22 the Green Bond Ratio was equal to ~8.9%.
Supply chain and/or value chain	Yes	Risks and opportunities arising from climate change influence ISP's supply chain strategy: purchasing and partnership decisions aim to minimize climate risks and maximize related opportunities over time. ISP monitors the ESG suppliers' management approach, including environmental aspects, through the Suppliers' Gate, which centralizes sourcing, regulatory monitoring, supplier qualification and monitoring, and adaptation of contractual standards. The selection of suppliers takes place during the process of registration to the Gate by means of an assessment including analyses of the suppliers' respect for environment and climate change. When registering with the portal, suppliers view the ISP Code of Ethics and, if a supply or service agreement is signed, they pledge to respect the main contents of the Code when performing their tasks, also making this pledge on behalf of their representatives, employees, associates and subcontractors. Periodic updates of documents (annual report, questionnaire, certifications) can be requested from the suppliers. If the result of this assessment is positive, the suppliers are registered in the Group Suppliers' Register and can be invited to procurement events. The supplier's qualification process allows the obtainment of a supplier's rating monitored over time, and an updated screening of suppliers for the duration of the contractual relationship. During 2022, a new ESG questionnaire was introduced, replacing a previous one, aiming to map suppliers in terms of ESG performances, as part of the criteria for evaluating and choosing the best suppliers. The suppliers' ESG rating is attributed following the completion of the aforementioned ESG questionnaire and the possession of certain certifications related to ESG, in line with the Group's procurement criteria. It expresses the quality of the supplier as concerns ESG issues and can influence the choice of the best suppliers, in relation to specific purchasing needs. It follows that, in relation to specific product categories which have a higher environmental or social impact, suppliers who do not meet the minimum requirements may be excluded from procurement events. The 2022-2025 Business Plan provides for 100% of suppliers to be attributed an ESG rating with a qualification assessment and engaged in procurement activities, within the Plan's horizon.
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 2022 to promote the awareness and adoption of the model in various domestic and international locations. In 2018 the Circular Economy Lab was launched 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. 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 2022 the Circular Economy Lab guided and facilitated the identification of circular innovation needs of several companies through the activation of two Market and Tech Assessment projects for the Fashion&Textile sector and for the Smart Mobility sector and two Circular Open Innovation programs for the Energy sector and for Cleantech. Moreover, the ISP Innovation Center also develops multidisciplinary applied research projects, supports startups, and accelerates business transformation for companies according to the criteria of open innovation and circular economy. In 2022, the ISP Innovation Center analyzed nearly 800 startups of which 102 were accelerated. In 2022, following the strong focus on climate included in the 2022-2025 Business Plan, Intesa Sanpaolo committed to providing €88bn of new lending in order to support the green and circular economy and the green transition, of which €76bn linked to the 2021- 2026 National Recovery and Resilience Plan climate targets and €12bn dedicated to individuals, mostly in relation to green mortgages. The commitment to the Circular Economy was confirmed, with the announcement of a dedicated plafond amounting to €8bn over the Business Plan horizon. In 2022, the Group disbursed around €6.3bn of loans for the Green and Circular Economy equal to 7.7% of the Group's total loans.
Operations	Yes	ISP is working on several actions to minimize the potential impacts of climate change on 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. For example, in 2022 a project was launched aimed at mapping the exposure of all physical risks, both acute and chronic, from climate change of all bank assets as set out in the Bank's Business Plan. The project requires the assessment of environmental vulnerabilities through the use of a platform, aimed at identifying a risk of danger for each real estate asset of the Intesa Sanpaolo Group linked to Climate Change Risks and other Risks of a Territorial Nature. The aim is to adopt an application providing an index of exposure to physical risks arising from Climate Change (floods, hydrogeological risks, drought, fires, etc.) and internal risks (e.g. Radon, Asbestos, etc.) of all corporate real estate assets, so as to support the monitoring and definition of the risk mitigation plan. The scope of the areas subject to constraints related to biodiversity protection will also be taken into consideration. In 2023, the platform, initially focused on instrumental assets in Italy, will gradually be extended to international branches and offices as well.

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 2022 ISP expanded its offer with innovative financial solutions that meet the growing need for products increasingly in line with ESG principles. As an example in relation to revenues the planning includes €88bn of new lending for the green economy, circular economy and green transition (€76bn in relation to the National Recovery and Resilience Plan 2021-2026, €12bn to individuals 2022-2025), of which €8bn dedicated to circular economy. As concerns costs, the budget includes costs linked to climate related issues both for own emissions and financed emissions (for instance mitigation actions on own premises, climate analytics platform for financed emissions and its integration within the IT system, etc...). In terms of opportunities, the market of green bonds is particularly interesting. ISP's strategy is to develop this kind of products within the funding target (overall € 42 bn) set in the 2022-2025 Business plan. As at December 2022 ISP had issued 5 green bonds for a total of 4 billion euro (ISP first Green bond issue expired on 27 June 2022). The 2022 Green and Social Bond Report is the annual report on the allocation and environmental impact of Intesa Sanpaolo's Green and Social Bonds issued until 2022, prepared in line with section "Reporting" of the ISP Green, Social & Sustainability Bond Framework published in June 2022. The "Allocation Report" refers to the eligible outstanding amount as of December 2022. The "Impact Report" covers the impacts generated in the period from 1 January 2022 to 31 December 2022. Specifically as concerns green bonds, the new report is based on 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 €9,759mln (as at 31/12/2022); - Percentage of Eligible Green Loan Portfolio financed 36%; - Available eligible green loans for new issues € 6,277 mln. Impact reporting data at green portfolio level (category, amount € mln, share of total portfolio financing, avoided ghg emissions): - renewable energy, € 3,313mln, 34%, tCO2e 3,153,300 - energy efficiency, € 288mln, 3%, tCO2e 142,500 - green buildings € 4,179 mln, 43%, tCO2e 94,500 - circular economy, €1,979 mln, 20%, tCO2e 4,151,000. In 2022 a total of 7.541 million tonnes of CO2e emissions were avoided. 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 8.9%. As for sustainable investments, in 2022 ISP strengthened its ESG offering in asset management through the launch of new sustainable funds. At the end of 2022, sustainable assets under management amounted to 110 billion euro, equal to 54% of total assets under management (Eurizon perimeter - funds pursuant to articles 8 and 9 of the SFDR 2088).

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	Yes, we identify alignment with our climate transition plan	<Not Applicable>

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.

Financial Metric
Other, please specify (ISP 2022-2025 Business Plan includes €88bn in new lending to support the transition: €76bn in relation to the NRRP Mission 2 - Green revolution and ecological transition, and €12bn to individuals mainly to finance green mortgages.)

Type of alignment being reported for this financial metric
Alignment with our climate transition plan

Taxonomy under which information is being reported
<Not Applicable>

Objective under which alignment is being reported
<Not Applicable>

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)
88000000000

Percentage share of selected financial metric aligned in the reporting year (%)
39

Percentage share of selected financial metric planned to align in 2025 (%)
86

Percentage share of selected financial metric planned to align in 2030 (%)
100

Describe the methodology used to identify spending/revenue that is aligned
Annual results are monitored against yearly budget within the Business Plan.
Intesa Sanpaolo 2022 Consolidated Non Financial Statement (page 6) ....With regard to the commercial/product offering, the Group promotes the transition to a low-carbon economy through tangible measures such as the provision - for the European Green Deal and the National Recovery and Resilience Plan (NRRP) - of a 76 billion euro disbursement plan (2021-2026) dedicated to the green and circular economy and to the ecological transition, around 32 billion of which was already disbursed in 2021 and 2022. The Bank has also made available 12 billion euro, available over the Plan's time horizon, for new Green disbursements in favour of individuals; in 2022, 2.6 billion euro was already granted to retail customers for Green Mortgages.

CEO remuneration is also linked (page 17 Intesa Sanpaolo 2022 TCFD report) to: YoY increase in Loans to Customers relating to ESG products (Sustainability Linked loans, Green/Transition Loans, Circular Economy Loans and Green Mortgages) and reduction of the loans towards ESG risk related sectors.

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?

	Policy framework for portfolio activities that include climate-related requirements for clients/investees, and/or exclusion policies	Explain why the policy framework for your portfolio activities do not include climate-related requirements for clients/investees, and/or exclusion policies
Row 1	Yes, we have exclusion policies for industries and/or activities exposed or contributing to climate-related risks	<Not Applicable>

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/Area/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/Area/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/Area/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.

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 framework for portfolio activities includes the collection of a number of climate related data to satisfy lending requirements for clients / investees and is being progressively enriched.

Among others, ISP’s policy framework on ESG matters is based on the "Group Guidelines for the Governance of ESG risks" which set ISP's internal rules for the governance of ESG 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.

The Guidelines for the governance of ESG risks regarding lending operations, reviewed in 2023, provide for a strengthened risk evaluation for ESG sensitive sectors/counterparties/ transactions defined in line with the strategic objectives of the Group - with particular reference to the objectives of reducing financed emissions - and with the ESG Sectoral Color Coding which takes into consideration not only the ESG risks associated with a sector, but also the opportunities associated with the transition towards a more sustainable and low-carbon economy by allowing portfolio steering.

Moreover, ISP has developed a proprietary methodology for assessing the sustainability performance of client companies, the ESG Score. The ESG Score is a qualitative-quantitative assessment that analyzes information on the ESG profile of a client company and takes into consideration both the risks to which it is exposed and the opportunities that can develop in these areas. The main purpose of the ESG Score is to offer a better knowledge of customers’ ESG profile to mitigate risks and enable the achievement of opportunities related to the sustainable transition. The Score analysis is carried out on more than 100 parameters. The data used to construct the ESG Score come both from internal sources, deriving from knowledge of customers, and from external sources through a panel of data providers. Within the Environmental Pillar the client’s performance is assessed in various environmental thematic areas; among the Environmental descriptors, the following are considered: Carbon Footprint, Climate – Transition Risk›, Transition Risk readiness Climate – Physical Risk › Physical Risk readiness. Over 220K customers have already been assigned an ESG Score.

Clients' climate related information is also collected for the portfolio alignment to the net zero targets declared by the Group (Net Zero Banking Alliance and Science Based Targets). Counterparties’ emissions data are collected in accordance with PCAF guidelines:

• reported emissions, verified or unverified emissions collected directly from the borrower or investee company directly (e.g., company sustainability report) or indirectly via verified third-party data providers;

• physical activity-based emissions, for the “core” scope (Scope 3 for Oil & Gas, Scope 1 for Power Generation and Scope 3 -TTW for Automotive);

• economic activity-based emissions, for the “other-no core” scope.

ISP has devised a methodology to assess customers transition plans based on three levels: GHG overall, Technical Robustness and Financial and Economic impact.

As concerns Pillar 3 Regulatory Disclosure, for the construction of the transition risk template, GHG Financed Emission and GHG Financed Emission Scope 3 are calculated; to this end, information on the quantification of clients' emissions is collected directly from the client, from public sources or from external providers.

Finally, for the regulatory Stress Test exercises, at the basis of the ICAAP process in the structuring of transition risk metrics, the counterparties’ emission data (scope 1,2,3) are used. The information are sourced from:

– direct data collection from the customer;

– data collection from public sources (e.g. Consolidated non Financial Statement);

– specialized info-providers and research institutes (e.g. UNEP-FI);

– data processed by ISP’s risk management function (risk metrics).

With reference to climate change risk, particular attention is paid to the collection and analysis of data relating to CO2 emissions, a key element for the assessments and actions connected with the NZBA commitments (net zero by 2050).

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	Coverage of covenants	Please explain
Purpose or use of proceeds clause refers to sustainable project Margin or pricing depends on sustainability criteria	Corporate loans Retail mortgages	All business/investment for all projects	To support customers' transition to a more sustainable economy, the Group offers, to all customer segments, a wide range of ESG financial products including solutions with Climate-related covenants. Intesa Sanpaolo's financial offer includes among others: SUSTAINABILITY - LINKED SOLUTIONS Since 2018, IMI C&IB has developed customized Green and Sustainability financing solutions, whether loans or hedging instruments, dedicated to Corporates that link their transactions to sustainability indicators and KPIs. Sustainability-linked solutions and solutions with dedicated use of proceeds linked to capital expenditures allow, in specific cases, access to the Bank's dedicated Green and Circular Economy Plafond. In terms of sustainability-linked solutions, in 2022 the Group supported its clients with loans, bonds, guarantees, securitizations, and hedging. Dedicated use of proceeds solutions include Green loans, Green, Social and Sustainability-linked bonds, as well as Project Finance facilities dedicated to renewable energy sector (i.e. wind, photovoltaic, biomass and hydro). S-LOAN (SME CLIENTS) The "S-Loan" range of products, offered by BdT, similarly to the sustainability-linked loans offered by IMI C&IB Division, involves the sharing of sustainability performance improvement goals by businesses, through precise commitments undertaken with the Group via specific ESG KPIs subject to annual monitoring, certified by the businesses in the notes to their financial statements. Favourable conditions are awarded to businesses that meet their fixed goals. Within the range, specific products provide for environmental KPIs, among which "S-Loan" Climate Change. Since the launch of the "S-Loan" offering by the BdT Division in July 2020, approximately 2,200 transactions, worth approximately €3.5bn, have been finalized (as of December 31st, 2022). RETAIL MORTGAGES: The Bank offering includes "Green Mutuo Domus": a mortgage loan with favorable terms (reduced interest rate and free energy performance certification for renovation purposes) that allows, among others, the financing of the purchase or construction of a property for residential use in the Italian territory characterized by high level of energy efficiency (equal to or higher than B) or renovation of a property for residential use in the Italian territory with improvement of at least one energy class. In 2022, around 15,650 green mortgages of a total value of around 2.6 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 5

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

Target ambition
<Not Applicable>

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, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
10280.79

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

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

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

Base year total 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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
57

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total 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, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
2480.87

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

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

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

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
2480.87

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
2480.87

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
216.768222230837

Target status in reporting year
Achieved

Please explain target coverage and identify any exclusions
Target also disclosed in CDP 2022 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.
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
<Not Applicable>

List the emissions reduction initiatives which contributed most to achieving this target
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.

Target reference number
Abs 8

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

Target ambition
<Not Applicable>

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, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

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

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

Base year total 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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total 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)
58768.31

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
16349.88

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

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

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

Total 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)
75118.19

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
115.368334466768

Target status in reporting year
Achieved

Please explain target coverage and identify any exclusions
Target also disclosed in CDP 2022 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, included 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 has been 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; base year 2019; 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
Emissions reduction initiatives which contributed to achieving this target. For instance:
- in 2022 the development and fine-tuning of the management and governance of the energy consumption of the buildings in Italy continued;
- in Italy a number of projects to modernise plants, replace lighting fixtures and maintain facades and windows and doors were completed in 2022 with estimated annual energy savings of over 1,523,000 kWh and a potential annual reduction in CO2 emissions of 383 t. The initiatives carried out in the Group's international operations produced annual energy savings of around 58,000 kWh and a potential annual reduction in CO2 emissions of 39 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, including the application of the internal Green Banking Procurement rules, which dedicate a specific chapter to the purchase of electricity from renewable sources and the redevelopment of properties based on environmental criteria;
- a round table involving all of the company structures responsible for the management of business continuity was set up in the third quarter of 2022 to address the national energy emergency in Italy. During these meetings, rules and indications for optimising energy consumption were defined and the regulatory provisions for limiting the consumption of natural gas were applied (reduction in the number of hours heating systems are switched on for in 2022/2023 and lowering of temperatures by 1°C compared with normal levels).

Target reference number
Abs 10

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

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, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

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

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

Base year total 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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total 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)
59030.47

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
16838.25

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

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

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

Total 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)
75868.72

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
39.8645065136449

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions
Target also disclosed in CDP 2022 as Abs10.
Intesa Sanpaolo Group scope 1 & 2 emissions: 100% coverage.
See Intesa Sanpaolo 2022 Consolidated Non-financial Statement and 2022 TCFD Report.

As a demonstration of the strategic relevance of climate change, in 2021 the Group's commitment to contain CO2 emissions has resulted in the definition of the new Own Emissions Plan which identifies specific medium-long term actions aimed at reducing its consumption of natural gas, diesel and traditional electricity.
The Own Emissions Plan replaces the previous Climate Change Action Plan (CCAP) whose results have been reported until end 2022.
Scope 1 and 2 reduction in the Own Emissions Plan is more than compliant with SBTi reduction requirement (4.2% annual linear reduction).

Plan for achieving target, and progress made to the end of the reporting year
The Group's commitment to contain its CO2 emissions takes tangible form in the new "Own Emissions Plan" which identifies specific medium to long-term actions.
In the Own Emissions Plan, targets reflect change in emission factors.
In its 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 substitution of gas and diesel boilers with heat pumps, improvement of building insulation, the use of electric cars. 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.
Scope 1+2 Market based: -5.8% vs 2021.

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

Target reference number
Abs 11

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

Target ambition
<Not Applicable>

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, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
6024.79

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

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

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

Base year total 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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total 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, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
2898.45

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

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

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

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
2898.45

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
2898.45

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
129.728173098149

Target status in reporting year
Achieved

Please explain target coverage and identify any exclusions
Target also disclosed in CDP 2022 as Abs11.
Intesa Sanpaolo Group scope 3 category 1 purchased goods & services: 100% coverage.
See Intesa Sanpaolo 2022 Consolidated Non-financial statement and 2022 TCFD Report.

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
<Not Applicable>

List the emissions reduction initiatives which contributed most to achieving this target
In its 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.

The extraordinary events of 2020 and 2021 have led to major changes in our working habits and methods and the introduction of new green banking procurement rules has resulted in a virtuous new approach in terms of reducing our overall paper consumption. Compared with 2021, there has been a 24% reduction in the use of paper and, most notably, a major decrease in purchases of traditional paper, confirmation of the Group's increased focus on its environmental impacts. The figures per worker (43 kg in 2022 vs 57 kg in 2021) also underline the greater awareness of Group employees regarding the use of paper. Thanks to the various dematerialisation measures completed in the last five years, in 2022 around 2,987 tonnes of paper was saved vs 2021, corresponding to 3,833 tonnes of CO2 avoided and a theoretical cost saving of around 5.8 million euro. Confirmation of the reduction in paper use within the Group can also be seen in the ongoing reduction of toner purchases, which fell by 34% compared to 2021.These savings were made possible by actions taken both internally and regarding customers.

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
Other, please specify (Drawn amount on short-term and medium-long term loans; Hold-to-collect (HTC) bonds, Equity banking book (in scope if material).)

Sectors covered by the target
Other, please specify (Oil&Gas)

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

Monetary metric for portfolio coverage (unit currency as reported in C0.4)
Loan book value

Percentage of portfolio covered by the target, using a monetary metric
2.14

Frequency of target reviews
Quarterly

Interim target year

Figure in interim target year

Target year
2030

Figure in target year
58

Figure in reporting year
65

% of target achieved relative to base year [auto-calculated]
-16.6666666666667

Aggregation weighting used
<Not Applicable>

Proportion of portfolio emissions calculated in the reporting year based on asset level data
92

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

Target status in reporting year
Underway

Is this a science-based target?
Yes, we consider this a science-based target, it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, and we have committed to seek validation by, or it is currently being reviewed by, the Science Based Targets initiative

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); 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 2022-2025 Business plan. Emissions data at 2019.
-Target 2030: 52-58.
References: See ISP 2022 TCFD Report (pp. 74-78), ISP CNFS2022 (p. 224) and ISP Business Plan (slide 69).
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 (NFC) portfolio financed emissions in the sectors identified by the NZBA. ISP already committed in March 2022 to request validation of its emissions reduction targets from SBTi and commitment is published on SBTi website.
Figure in 2022 reporting year: 65 gCO2e/MJ. Portfolio composition as of 31/12/2022; emissions data at 2020.
Value chain covered by target: Oil&Gas - Focus on upstream operators and integrated players to encourage operational efficiency in extraction and foster companies transition from high to lower emitting fossil fuels (e.g., natural gas). Excluded refinery, pipelines and downstream to avoid double counting. Excluded SMEs seen limited data availability.
% 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.
Proportion of portfolio emissions calculated in the reporting year based on asset level data: financed emissions calculated by applying proxy are excluded (when production or financial data are not available for a counterparty).
Financed emissions for the Oil&Gas sector fell to 19.0 Mt CO2e from 43.5 in 2021.

Metrics and data may be updated over time following: evolution of the emission calculation methodology; NZBA, SBTi updates, refined data sources and accepted market practices.

ISP interim NZBA metrics and targets are covered by third party limited assurance.

Target reference number
Por2

Year target was set
2021

Portfolio
Banking (Bank)

Product type/Asset class/Line of business
Other, please specify (Drawn amount on short-term and medium-long term loans; Hold-to-collect (HTC) bonds, Equity banking book (in scope if material).)

Sectors covered by the target
Other, please specify (Power Generation)

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

Monetary metric for portfolio coverage (unit currency as reported in C0.4)
Loan book value

Percentage of portfolio covered by the target, using a monetary metric
1.42

Frequency of target reviews
Quarterly

Interim target year

Figure in interim target year

Target year
2030

Figure in target year
110

Figure in reporting year
253

% of target achieved relative to base year [auto-calculated]
-37.5

Aggregation weighting used
<Not Applicable>

Proportion of portfolio emissions calculated in the reporting year based on asset level data
87

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

Target status in reporting year
Underway

Is this a science-based target?
Yes, we consider this a science-based target, it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, and we have committed to seek validation by, or it is currently being reviewed by, the Science Based Targets initiative

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). 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 2022-2025 Business plan. Emissions data at 2019.

Target 2030: 110
References: See ISP 2022 TCFD Report (pp. 74-78), ISP CNFS2022 (p. 224) and ISP Business Plan (slide 69).
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 (NFC) portfolio financed emissions in the sectors identified by the NZBA. ISP already committed in March 2022 to request validation of its emissions reduction targets from the SBTi and commitment is published on SBTi website.
Figure in 2022 reporting year: 253 kgCO2 e/MWh. Portfolio composition as of 31/12/2022; emissions data at 2020.
Value chain covered by target: focus on generation and integrated players to encourage generation of electricity from low emission/renewable energy sources. Exclusion of transportation and distribution to avoid double counting. Excluded SMEs seen limited data availability.
% 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.
Proportion of portfolio emissions calculated in the reporting year based on asset level data: financed emissions calculated by applying proxy are excluded (when production or financial data are not available for a counterparty).
Financed emissions for the Power Generation sector fell to 4.1 MtCO2e from 6.2 in 2021.

Metrics and data may be updated over time following: evolution of the emission calculation methodology, NZBA, SBTi updates, refined data sources and accepted market practices.
ISP interim NZBA metrics and targets are covered by limited assurance by third party limited assurance.

Target reference number
Por3

Year target was set
2021

Portfolio
Banking (Bank)

Product type/Asset class/Line of business
Other, please specify (Drawn amount on short-term and medium-long term loans; Hold-to-collect (HTC) bonds, Equity banking book (in scope if material).)

Sectors covered by the target
Other, please specify (Automotive)

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

Monetary metric for portfolio coverage (unit currency as reported in C0.4)
Loan book value

Percentage of portfolio covered by the target, using a monetary metric
2.03

Frequency of target reviews
Quarterly

Interim target year

Figure in interim target year

Target year
2030

Figure in target year
95

Figure in reporting year
155

% of target achieved relative to base year [auto-calculated]
10.4477611940298

Aggregation weighting used
<Not Applicable>

Proportion of portfolio emissions calculated in the reporting year based on asset level data
99

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

Target status in reporting year
Underway

Is this a science-based target?
Yes, we consider this a science-based target, it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, and we have committed to seek validation by, or it is currently being reviewed by, the Science Based Targets initiative

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 TTW)
Metrics: gCO2e/vKm
Baseline 162 (Portfolio composition as of 30/06/2021); 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 2022-2025 Business plan. Emissions data at 2019.
Target 2030: 95
References: See ISP 2022 TCFD Report (pp. 74-78), ISP CNFS2022 (p. 224) and ISP Business Plan (slide 69).
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 (NFC) portfolio financed emissions in the sectors identified by the NZBA. ISP already committed in March 2022 to request validation of its emissions reduction targets from the SBTi and commitment is published on SBTi website.
Figure in 2022 reporting year: 155 gCO2e/vkm. Portfolio composition as of 31/12/2022; emissions data at 2020.
Value chain covered by target:
focus on passenger cars production to encourage the manufacturing of vehicles with low emission technologies. Exclusion of manufacturing components (e.g., tires, brakes) because these products are independent of final vehicle emissions. Exclusion of automotive distribution to avoid double counting. Excluded SMEs seen limited data availability.
% 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.
Proportion of portfolio emissions calculated in the reporting year based on asset level data: financed emissions calculated by applying proxy are excluded (when production or financial data are not available for a counterparty).
Financed emissions for the Automotive sector fell to 0.9 Mt CO2e from 13.5 in 2021.

Metrics and data may be updated over time following: evolution of the emission calculation methodology, NZBA, SBTi updates, updates, refined data sources and accepted market practices.
ISP interim NZBA metrics and targets are covered by third party limited assurance.

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
Net-zero target(s)

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
85.13

% of target achieved relative to base year [auto-calculated]
129.972752043597

Target status in reporting year
Achieved

Is this target part of an emissions target?
Abs8

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 2022 as - Renewable electricity consumption.
The target applies to 100% of Intesa Sanpaolo Group perimeter. The target covers all electricity consumption.

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. 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 was expected to 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 2022 results showed 85.13% of energy used from renewable energy sources.

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 Climate Change Action Plan has however been 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
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. Renewable electricity accounted for 91% of all electricity purchased in 2022 (88% in 2021). The consumption of electricity from renewable sources amounted to over 85% of total electricity consumption. The reduction in this percentage compared with 2021 (87%) is due to the huge contribution made in 2022 by the new high-efficiency trigeneration power plant activated in Italy, which produced over 6% of the total electricity consumed. Meanwhile, renewable electricity accounted for 91% of all electricity purchased (88% in 2021).
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 2022 the Intesa Sanpaolo Group self-produced 1,344 MWh of energy, saving around 186,000 euro on the purchase of electricity and avoiding 633 tonnes of CO2 emissions.
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 Intesa Sanpaolo Bank Luxembourg, in the new Intesa Sanpaolo House Luxembourg building (which became the headquarters of all Group companies in Luxembourg), acquires 100% of its electricity from renewable sources with Privredna Banka Zagreb (Croatia) just behind at around 98%.
The following international banks also use electricity from renewable sources: Intesa Sanpaolo Bank Albania in Albania (100%), Banca Intesa Beograd in Serbia (85% compared with 29% in 2021), VÚB Banka in Slovakia (58% compared with 20% in 2021) and CIB Bank in Hungary (18% compared with 11% in 2021).

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
0.33

% of target achieved relative to base year [auto-calculated]
109.090909090909

Target status in reporting year
Achieved

Is this target part of an emissions target?
Abs8

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 2022 as Renewable electricity production.
The target applies to 100% of Intesa Sanpaolo Group perimeter. The target covers all electricity consumption.
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 to 1,344 MWh in 2022. In 2022 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, 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 "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 has however been 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 2022 the Intesa Sanpaolo Group self-produced 1,344 MWh of energy, saving around 186,000 euro on the purchase of electricity and avoiding 633 tonnes of CO2 emissions.

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
90.73

% of target achieved relative to base year [auto-calculated]
24.6341463414634

Target status in reporting year
Underway

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
Target also disclosed in CDP 2022.
The target applies to 100% of Intesa Sanpaolo Group perimeter. The target covers all electricity purchased.
In its new Own Emissions Plan, the Bank identifies specific actions aimed at reaching 100% of electricity at Group level purchased from renewable sources.

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 reaching 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>

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number
NZ1

Target coverage
Banking (Bank)

Absolute/intensity emission target(s) linked to this net-zero target
Por1
Por2
Por3

Target year for achieving net zero
2050

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

Please explain target coverage and identify any exclusions
ISP has chosen to pursue the “Net Zero” objective by 2050 for all its main business lines, including its own emissions, the lending and investment portfolios, the asset management and insurance divisions. In the fourth quarter of 2021, in addition to joining the Net-Zero Banking Alliance (NZBA), ISP joined, through its subsidiaries other NZ Alliances.

FOCUS ON LENDING
ISP has drafted its Transition Plan, in line with NZBA requirements and GFANZ guidelines. The Transition Plan is included in the 2022 Group TCFD Report.
The TCFD Report, Net Zero aligned interim targets and the Transition Plan are approved by the Board of Directors. Also, targets and monitoring are, pursuant to UNEP FI guidelines subject to third party limited assurance (“UNEP FI Principles for Responsible Banking (PRB) signatory banks shall obtain third-party independent verification or assurance within four years of signing the PRB on progress made against PRB targets, including where relevant on NZBA metrics and targets (…)”).
ISP has also published interim NZBA metrics and targets in the Automotive, Power generation and Oil&Gas sectors, and confirmed the phase-out from the Coal mining sector by 2025 (therefore net zero also by 2050). In addition, within the Oil&Gas target, the Group undertakes to terminate its exposure linked to unconventional Oil&Gas resources, also included in a specific policy, by 2030 (therefore net zero also by 2050).
Within the Business Plan time horizon, the Group will extend Net-Zero target setting to other sectors.
ISP will submit data for validation by the SBTi, as per the commitment taken in March 2022 and published on SBTi’s website, within the required time frame (within 24 months from commitment). Also, Intesa Sanpaolo commitment includes neat term and long-term targets.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?
Unsure

Planned milestones and/or near-term investments for neutralization at target year
<Not Applicable>

Planned actions to mitigate emissions beyond your value chain (optional)

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*	253	2317
Implementation commenced*	17	1620
Implemented*	79	13239.38
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)
5495.04

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 2022, thanks to the additional renewable energy purchases, 5,495.04 tCO2e were avoided. Without considering change in methodology for emission factors (see question 7.9a) in 2022 5,530.75 tCO2e were avoided.

Initiative category & Initiative type

Low-carbon energy consumption	Nuclear

Estimated annual CO2e savings (metric tonnes CO2e)
2753.73

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 2022, thanks to the additional low-carbon nuclear energy purchases, 2,753.73 tCO2e were avoided.
Without considering change in methodology for emission factors in 2022 2,771.63 tCO2e were avoided.

Initiative category & Initiative type

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

Estimated annual CO2e savings (metric tonnes CO2e)
363.94

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)
171782

Investment required (unit currency – as specified in C0.4)
7903977

Payback period
>25 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)
55.91

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)
15619

Investment required (unit currency – as specified in C0.4)
184356

Payback period
11-15 years

Estimated lifetime of the initiative
6-10 years

Comment

Initiative category & Initiative type

Energy efficiency in buildings	Insulation

Estimated annual CO2e savings (metric tonnes CO2e)
3.14

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)
1677

Investment required (unit currency – as specified in C0.4)
444837

Payback period
>25 years

Estimated lifetime of the initiative
21-30 years

Comment

Initiative category & Initiative type

Transportation	Employee commuting

Estimated annual CO2e savings (metric tonnes CO2e)

735

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 Commuting Plans" on staff commuting, activities continued to monitor the shuttle service run in Italy.
In 2022, 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 735 tonnes of CO2 in Italy.

Initiative category & Initiative type

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

Estimated annual CO2e savings (metric tonnes CO2e)
3832.61

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)
5871250

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 also continued in 2022 also thanks to the implementation of dematerialisation measures. Considering the various dematerialisation actions concluded in the last five years, in 2022 around 2,987 tonnes of paper were saved, corresponding to 3,833 tonnes of CO2 avoided and a theoretical cost saving of around 5.8 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	For years Intesa Sanpaolo has adopted an Integrated Management System (Health and Safety, Environment and Energy) for all of the Bank's owner-occupied properties in Italy. In order to guarantee compliance with the principles of continuous improvement, the Management System is periodically subject to internal audits and, on an annual basis, to a certification (ISO 14001, 50001 and 45001 standard) and surveillance process by an independent third-party body. In 2022 it positively concluded its audit of the Integrated Management System, confirming the validity of all certifications. As for internal controls on the System's performance levels, a monitoring system has been introduced which operates on various levels: • controls performed by all structures that manage processes identified as "sensitive" from an environmental perspective, by Designated Personnel, by the Control units of the Regional Governance Centres of the Banca dei Territori Division and by Controls & Operational Risk – IMI CIB Division; • controls performed by the Workplace Safety, Environment and Energy Head Office Department; • controls performed by the Internal Audit function. With regard to the international banks, thanks to the energy measures it has taken, CIB Bank (Hungary) - committed to responsible sourcing and use of goods and services that comply with regulations on protection and preservation of the environment - maintained its ISO 50001 certification, which applied to all of its properties in Hungary also in 2022.
Dedicated budget for energy efficiency	A dedicated budget for the initiatives of energy efficiency included in the Own Emissions Plan has been established. Considering its participation, since October 2021, in the Net-Zero Banking Alliance, Intesa Sanpaolo issued the new "Own Emissions Plan" – included in the 2022-2025 Business Plan, approved by the Board of Directors - which identifies specific medium-long term actions aimed at reducing its consumption of natural gas, diesel and traditional electricity. With the Plan, the Group expects to reach carbon neutrality and 100% of energy purchased from renewable sources by 2030 (level already achieved in branches and buildings in Italy in 2021; level of 91% reached for the whole Group in 2022). The emissions reduction target also fully respects the reduction requirements set by the SBTi. Please refer to the "Metrics & Targets" chapter in the 2022 TCFD Report for further details. In terms of direct costs the Group has implemented an energy efficiency plan and energy consumption optimisation measures which allow for annual economic savings; thanks to the activities implemented in 2022 the economic savings amounted to around 187 thousand euro.
Dedicated budget for low-carbon product R&D	In 2022, following the strong focus on climate included in the 2022-2025 Business Plan, Intesa Sanpaolo committed to providing €88bn of new lending in order to support the green and circular economy and the green transition, of which €76bn linked to the 2021- 2026 National Recovery and Resilience Plan climate targets and €12bn dedicated to individuals, mostly in relation to green mortgages. The commitment to the Circular Economy was confirmed, with the announcement of a dedicated plafond amounting to €8bn over the Business Plan horizon (disbursements in 2022 totalled to €3.1bn). Among others, the Bank proposes Green - Mutuo Domus: a mortgage loan with favorable terms (reduced interest rate and free energy performance certification for renovation purposes) that allows, among others, the financing of the purchase or construction of a property for residential use in the Italian territory characterized by high level of energy efficiency (equal to or higher than B) or renovation of a property for residential use in the Italian territory with improvement of at least one energy class. In 2022, around 15,650 green mortgages for a total value of over 2.6 billion euro were issued.
Employee engagement	The Group has set a challenging target at the ESG training level: 100% of trained people in ESG topics to be reached over the 2022-2025 Business Plan. The achievement of this goal is supported by a Training Plan structured on two levels: a base level, cutting across the various issues and delivered to all employees mainly through online Learning Objects, and an in-depth or specialist level, on individual issues, developed by the Divisions and Governance Areas concerned. In 2022 the Group's total number of participants to ESG training was about 87,000 (92% of the total number of employees) for a total of over 640,000 hours. Specifically, as concerns the environment and climate change, as at 31.12.2022, in the Italian perimeter, 197 Learning Objects dedicated to the environment were made available through multimedia platforms, including topics such as: CO2 Market; Net Zero; energy transition, decarbonization and renewable energy; the challenge of climate change and environmental protection. Over 40,000 participants completed these learning objects. Specific courses are compulsory for staff directly involved in the application of Environmental and Energy Management Systems (nearly 6,000 employees as at 31.12.2022), but they are also available to all employees with a view to disseminating good practices. As a significant example, IMI C&IB is committed to raising awareness among colleagues, in Italy and abroad, on ESG and climate issues. This involved all the Division throughout 2022 in a continuous knowledge sharing, both within the Division itself and with the other structures of the bank, with a particular focus on issues related to climate change, climate impact, climate risk. As part of the internal communication and dissemination activities on Atlante, the Division's intranet portal, extensive prominence was given to all ESG related issues, both by re-launching Group news, initiatives and documents and by publishing content created directly by the people who are part of the Editorial board. Within the "live" schedule of the new high school academic path "IMI C&IB Next Generation Education Program", promoted in collaboration with Digit'Ed and SDA Bocconi, that involved 42 Professionals, selected within the Division, broad relevance was also dedicated to ESG issues with specific focus on Climate Change and the connected risks.
Internal incentives/recognition programs	The Shareholders' Meeting of 29 April 2022 approved, upon proposal by the Board of Directors, the 2022 Group Remuneration Policies. These Policies regulate the annual Incentive System that includes the so-called "ESG Group transversal KPIs" assigned in the Performance Scorecards of Top and Middle Management, in Italy and abroad, for an overall total of approximately 3,000 resources (2,100 in 2021 and 1,200 in 2020). The ESG KPIs take into account several ESG factors and areas in line with specific activities and projects carried out by the Bank, including climate related factors. The evaluation of the ESG KPIs takes place both at Group level, with a view to recognizing the commitment of the Group as a whole, and at Governance Area / Division level, in order to enhance the areas of action of the individual Group structures. Among others, at Governance Area/Division level, the following will be assessed → specific projects/actions in the ESG field such as, for example: supporting the green economy and circular economy in terms of YoY increase in customer lending volumes relating to ESG Products (Sustainability Linked Loans, Green/Transition Loans, Circular Economy Loans and Green Mortgages) and reduction of exposures on sectors at ESG risk.
Other (Government incentives)	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 the activities implemented in 2022 the economic savings amounted to around 187 thousand euro. 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 8.2 million euro in 2015-2022, around 832,000 euro in 2022.

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 and SMEs loans, Project finance, Green Mortgages)

Taxonomy or methodology used to classify product

Green Bond Principles (ICMA)

Description of product

Intesa Sanpaolo released the first Green Bond Framework in June 2017; since then, three updated Frameworks were published, the most recent one (June 2022) being the Green, Social and Sustainability (GSS) Bond Framework, released in alignment with the ICMA Green Bond Principles 2021, the ICMA Social Bond Principles 2021, the ICMA Sustainability Bond Guidelines 2021, with the intention of seeking alignment on a best effort basis with the EU Taxonomy regulation on sustainable activities and the Green Bond Standards.
The updated Green, Social and Sustainability Bond Framework 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 2023 the new Green and Social Bond Report (on 2022 data) was published.

The report is based on 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 eligible loans for each of the green categories: renewable energy, circular economy, energy efficiency and green building. Among others, the report also states the total outstanding eligible loans amounting to €9,759m (signed amount, as at 31/12/2022) and the Estimated Impact per €1M invested (GHG) 773 tCO_2e avoided.
In addition, please refer to the following metrics report within the 2022 Green and Social Bond Report:

-Percentage of Net Proceeds of Green Funding allocated to Eligible Green Loan Portfolio: 100%
-Percentage of Eligible Green Loan Portfolio financed (usage): 36%
-Balance of net proceeds - (Available eligible green loans for new issues) €6,277mln

The data reported in column "% of total portfolio value" considers the "green bond portfolio" (€9,759m as stated above) out of "loans to customers total value".

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

Mitigation
Adaptation

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

9759363292

% of total portfolio value

2.2

Type of activity financed/insured or provided

Green buildings and equipment
Renewable energy
Other, please specify (Circular economy and Energy efficiency)

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?

No

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

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

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>

C5.2

(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

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

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

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

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

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

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
31236.12

Comment
Data includes emissions from UBI Banca Group.

Scope 3 category 4: Upstream transportation and distribution

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
11757.13

Comment
Data includes emissions from UBI Banca Group.

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

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

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: 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
The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard
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)
59030.47

Start date
January 1 2022

End date
December 31 2022

Comment

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
110074.7

Scope 2, market-based (if applicable)
16838.25

Start date
January 1 2022

End date
December 31 2022

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?
Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source of excluded emissions
Geographic region (only Italy included)

Scope(s) or Scope 3 category(ies)
Scope 3: Employee commuting

Relevance of Scope 1 emissions from this source
<Not Applicable>

Relevance of location-based Scope 2 emissions from this source
<Not Applicable>

Relevance of market-based Scope 2 emissions from this source
<Not Applicable>

Relevance of Scope 3 emissions from this source
Emissions are not relevant

Date of completion of acquisition or merger
<Not Applicable>

Estimated percentage of total Scope 1+2 emissions this excluded source represents
<Not Applicable>

Estimated percentage of total Scope 3 emissions this excluded source represents
14

Explain why this source is excluded
Intesa Sanpaolo has focused analysis on the Italian perimeter which represents about 80% of total workforce.

Explain how you estimated the percentage of emissions this excluded source represents
Proportional to workforce included in scope 3 Employee commuting.

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
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
2898.45

Emissions calculation methodology
Average data method

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

Please explain
Purchased goods and services reported by Intesa Sanpaolo relate to 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 (https://ecoinvent.org/). Emissions from virgin and recycled paper production represent a European average industry scenario. The released IPCC 2013 equivalence factors have been applied.

In 2021 emissions were 3,915.26 metric tonnes CO2e (2022 vs 2021 -26.0%).

Capital goods

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
11507.81

Emissions calculation methodology
Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
7

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 3.8 (https://ecoinvent.org/)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 2021 equivalence factors have been applied.

In 2021 emissions were 16,066.48 metric tonnes CO2e (2022 vs 2021 -28.4%).

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

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
19751.85

Emissions calculation methodology
Average data method

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

Please explain
In 2017, Intesa Sanpaolo extended Scope 3 accounting to the company energy system.
In accordance with the GHG protocol, Scope 3 emissions related to energy supply include fuel supply chain, infrastructure construction and operation, distribution and transmission losses.
Energy consumption, divided by source (e.g. fossil, renewable) and type (electricity, heat), was collected for Italy and International Subsidiary Banks.
Where possible, regionalized data have been used to characterize the impacts of energy carriers (e.g. natural gas). Otherwise, average European/world scenarios have been applied.
If available, Country-specific residual electricity mixes were used as reference for electricity consumption, otherwise average national electricity mixes have been used. Emission factors from Ecoinvent 3.8 (https://ecoinvent.org/)have been used. The IPCC 2021 equivalence factors have been applied.

In 2021 emissions were 23,447.96 metric tonnes CO2e (2022 vs 2021 -15.8%).

Upstream transportation and distribution

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
11430.56

Emissions calculation methodology
Average data method

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

Please explain
In 2018, Intesa Sanpaolo extended Scope 3 accounting to upstream transportation activities.
This activity addresses the emissions generated by transportation of money for the recharge of ATMs. In accordance with the GHG Protocol, Scope 3 emissions related to upstream transportation are calculated for third party transportation services purchased by the reporting company in the reporting year, using a distance-based approach. Available activity data were the number of recharges of ATMs for all Intesa Sanpaolo's banks placed in Italy and for most of the banks located abroad. The same boundary has been confirmed for the following years assessment.
Road transportation by van has been assumed to model the system. Distances have been calculated with online maps (Google Maps) based on the position of ATMs (addresses). Emission factors for road transport (van) include all the relevant life-cycle stages: fuel supply chain, combustion emissions and vehicle manufacturing. Emission factors from Ecoinvent 3.8 (https://ecoinvent.org/) have been used. The IPCC 2021 equivalence factors have been applied.

In 2021 emissions were 11,687.96 metric tonnes CO2e (2022 vs 2021 -2.2%).

Waste generated in operations

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
352.3

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 have 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 3.8 (https://ecoinvent.org/) have been used. The IPCC 2021 equivalence factors have been applied.

In 2021 emissions were 278.53 metric tonnes CO2e (2022 vs 2021 +26.5%).

Business travel

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
4590.68

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
0

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 2021 emissions were 3,031.55 metric tonnes CO2e (2022 vs 2021 +51.4%).

Employee commuting

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
57008.25

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
0

Please explain
In 2013 ISP started to calculate emissions from employees commuting. For 2022 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 ISP applied the emission factor used for the 2022 Intesa Sanpaolo Consolidated Non Financial Statement and properly integrated with the necessary data from other resources. Public transportation and shuttles, motorcycles, personal cars and train have been considered.

In 2021 emissions were 54,275.33 metric tonnes CO2e (2022 vs 2021 +5%).

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
According to the GHG Protocol, this category includes emissions from processing of intermediate products sold in the reporting year by downstream companies (e.g. manufacturers). As a financial institution Intesa Sanpaolo Group does not produce any intermediate products that require further processing, transformation, or inclusion in another product before use. Thus, ISP considers this category not relevant.

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
According to the GHG Protocol, this category includes emissions from the use of goods and services sold by the reporting company in the reporting year. As a financial institution Intesa Sanpaolo Group does not produce goods, it offers banking and investment services to its customers which are intangible in nature. Thus, ISP considers this category not relevant

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 core business is to offer banking and investment services to its customers and 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 has an immaterial number of downstream leased assets in the form of a small number of buildings that are owned and leased to tenants.
ISP estimates that scope 3 emissions related to leased assets represent less than 0.05% of total scope 3 emissions (see answers 6.5 and 14.1a - cat. 15).
It is assumed that downstream assets have similar emissions per m2 as ISP owned assets.
To calculate these emissions, intensity factors (Scope 1+2 location based CO2e/m2) were calculated for owned buildings and applied to leased buildings.

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 does not 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 2021

End date
December 31 2021

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

Scope 3: Capital goods (metric tons CO2e)

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
23447.96

Scope 3: Upstream transportation and distribution (metric tons CO2e)
11687.96

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

Scope 3: Business travel (metric tons CO2e)

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 2020

End date
December 31 2020

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

Scope 3: Capital goods (metric tons CO2e)

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
27490.8

Scope 3: Upstream transportation and distribution (metric tons CO2e)
11757.13

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

Scope 3: Business travel (metric tons CO2e)

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 3

Start date
January 1 2019

End date
December 31 2019

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

Scope 3: Capital goods (metric tons CO2e)

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
31236.12

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

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

Scope 3: Business travel (metric tons CO2e)

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
0.0000035337

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
75868.72

Metric denominator
unit total revenue

Metric denominator: Unit total
21470000000

Scope 2 figure used
Market-based

% change from previous year
9

Direction of change
Decreased

Reason(s) for change
Change in renewable energy consumption
Other emissions reduction activities
Change in revenue

Please explain
The intensity figure per unit total revenue (total operating income) in 2021 was 0.0000038743. The decrease of the intensity figure is mainly due to a decrease of CO2 emissions.
Degree to which different factors have influenced the decrease:
- 64% Gross global combined Scope 1 and 2 emissions;
- 36% total operating income accounts.
Emissions decreased and revenues increased during 2022 (emissions 2022 vs 2021 -5.8%).
The Intesa Sanpaolo Group continued to purchase renewable energy and low-carbon energy. For instance in 2022, as much as 5,495.04 tCO2e were avoided thanks to the additional renewable energy purchased (also reported in answer C4.3b).
In addition, Intesa Sanpaolo Group in 2022 continued to implement proactive emissions reduction initiatives, through management optimisation actions and energy efficiency measures (also reported in answer C4.3b i.e. energy efficiency in buildings).
Scope 1 data in 2021: 49,629.99 metric tonnes CO2e (2022 vs 2021 +18.9% - this result was heavily influenced by the opening of the new high-efficiency trigeneration power plant at the Parma site which, though making it possible to produce over 25 GWh of electricity, also resulted in an increase in gas consumption). Scope 2 market-based data in 2021: 30,901.40 metric tonnes CO2e (2022 vs 2021 -45.5%). Scope 2 location-based data in 2021: 133,694.55 metric tonnes CO2e (2022 vs 2021 -17.7%).

C7. Emissions breakdowns

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?
No

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 in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	5530.75	Decreased	6.9	The Intesa Sanpaolo Group in 2022 continued to purchase renewable energy. The data stated in column “change in emissions” derives from the additional purchases in the reporting year. In 2022, 5,530.75 tCO2e (5,495.04 tCO2e with 2022 emissions factors) were avoided by the additional renewable energy purchases. ISP’s total Scope 1 and 2 emissions in the previous year were 80,531.39 tCO2e. That led to a -6.9% decrease: (-5,530.75/80,531.39)*100 = -6.9%.
Other emissions reduction activities	430.29	Decreased	0.5	The Intesa Sanpaolo Group in 2022 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 2022, 430.29 tCO2e (423.00 tCO2e with 2022 emissions factors) were avoided thanks to emissions reduction projects. Total Scope 1 and 2 emissions in the previous year were 80,531.39 tCO2e. Therefore, a -0.5% decrease was achieved: (-430.29/80,531.39)*100 = -0.5%.
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output	480.21	Increased	0.6	Data in 2022 vs 2021 saw an increase of 0.6% of employees. This increase occurred after a big decrease in employees in 2021 following the UBI acquisition in 2020 and its inclusion in the reporting boundary. In 2022, ISP estimated an increase of 480.21 tCO2e. Total Scope 1 and 2 emissions in the previous year were 80,531.39 tCO2e. That results in a 0.6% increase: (480.21/80,531.39)*100 = 0.6%.
Change in methodology	1388.87	Decreased	1.7	This decrease is due to the lower emission factors compared with 2021, 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 2022 a decrease of 1,388.87 tCO2e emissions was recorded due to the change in emissions factors. Total Scope 1 and 2 emissions in the previous year were 80,531.39 tCO2e. That results in a -1.7% decrease: (-1,388.87/80,531.39)*100 = -1.7%.
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other	2207.02	Increased	2.7	In this residual category ISP would like to point out that the progressive return to operating onsite by ISP employees in ISP's premises (after COVID-19 emergency in 2020 and 2021) has generated an increase in energy consumption. Furthermore, the prevention rules introduced to combat the spread of COVID-19 continued to be applied in the workplaces of the Intesa Sanpaolo Group in 2022, also through the attentive and improved management of air conditioning and ventilation systems. In 2022, an increase of 2,207.02 tCO2e was recorded; total Scope 1 and 2 emissions in the previous year was 80,531.39 tCO2e. That results in a 2.7% increase: (2,207.02/80,531.39)*100 = 2.7%.

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	211194.3	211194.3
Consumption of purchased or acquired electricity	<Not Applicable>	350284.45	35780.04	386064.49
Consumption of purchased or acquired heat	<Not Applicable>	0	55206.69	55206.69
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>	1344.05	<Not Applicable>	1344.05
Total energy consumption	<Not Applicable>	351628.5	302181.02	653809.53

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area
Albania

Consumption of purchased electricity (MWh)
2198.07

Consumption of self-generated electricity (MWh)
0

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

Consumption of purchased heat, steam, and cooling (MWh)
0.32

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
2198.39

Country/area
Bosnia & Herzegovina

Consumption of purchased electricity (MWh)
1562.02

Consumption of self-generated electricity (MWh)
0

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

Consumption of purchased heat, steam, and cooling (MWh)
703.62

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
2265.64

Country/area
Brazil

Consumption of purchased electricity (MWh)
124.25

Consumption of self-generated electricity (MWh)
0

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

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

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
124.25

Country/area

Croatia

Consumption of purchased electricity (MWh)
14515.5

Consumption of self-generated electricity (MWh)
0

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

Consumption of purchased heat, steam, and cooling (MWh)
7299.58

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
21815.08

Country/area
Egypt

Consumption of purchased electricity (MWh)
16309.77

Consumption of self-generated electricity (MWh)
0

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

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

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
16309.77

Country/area
Hungary

Consumption of purchased electricity (MWh)
5528.17

Consumption of self-generated electricity (MWh)
0

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

Consumption of purchased heat, steam, and cooling (MWh)
4076.43

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
9604.6

Country/area
Italy

Consumption of purchased electricity (MWh)
319970.22

Consumption of self-generated electricity (MWh)
25823.19

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

Consumption of purchased heat, steam, and cooling (MWh)
30564.02

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
376357.43

Country/area
Ireland

Consumption of purchased electricity (MWh)
18.06

Consumption of self-generated electricity (MWh)
0

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

Consumption of purchased heat, steam, and cooling (MWh)
36.48

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
54.54

Country/area
Luxembourg

Consumption of purchased electricity (MWh)
697.61

Consumption of self-generated electricity (MWh)
0

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

Consumption of purchased heat, steam, and cooling (MWh)
399.43

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
1097.04

Country/area
Romania

Consumption of purchased electricity (MWh)
0

Consumption of self-generated electricity (MWh)
1125.43

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

Consumption of purchased heat, steam, and cooling (MWh)
11.98

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
1137.41

Country/area
Russian Federation

Consumption of purchased electricity (MWh)
2042.44

Consumption of self-generated electricity (MWh)
0

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

Consumption of purchased heat, steam, and cooling (MWh)
1647.74

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
3690.18

Country/area
Republic of Moldova

Consumption of purchased electricity (MWh)
1015.02

Consumption of self-generated electricity (MWh)
0

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

Consumption of purchased heat, steam, and cooling (MWh)
68.94

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
1083.96

Country/area
Serbia

Consumption of purchased electricity (MWh)
9557.2

Consumption of self-generated electricity (MWh)
0

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

Consumption of purchased heat, steam, and cooling (MWh)
5399.33

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
14956.53

Country/area
Slovakia

Consumption of purchased electricity (MWh)
8278.45

Consumption of self-generated electricity (MWh)
0

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

Consumption of purchased heat, steam, and cooling (MWh)
3705.76

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
11984.21

Country/area
Slovenia

Consumption of purchased electricity (MWh)
2597.49

Consumption of self-generated electricity (MWh)
50.02

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

Consumption of purchased heat, steam, and cooling (MWh)
443.18

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
3090.69

Country/area
Ukraine

Consumption of purchased electricity (MWh)
1189

Consumption of self-generated electricity (MWh)
0

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

Consumption of purchased heat, steam, and cooling (MWh)
849.75

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
2038.75

Country/area
United States of America

Consumption of purchased electricity (MWh)
461.23

Consumption of self-generated electricity (MWh)
0

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

Consumption of purchased heat, steam, and cooling (MWh)
0.12

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
461.35

C9. Additional metrics

C9.1

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

Description
Other, please specify (Paper)

Metric value
42.8

Metric numerator
Kilograms of paper

Metric denominator (intensity metric only)
Staff member

% change from previous year
24.4

Direction of change
Decreased

Please explain
The extraordinary events of 2020 and 2021 have led to major changes in our working habits and methods and the introduction of new green banking procurement rules has resulted in a virtuous new approach in terms of reducing our overall paper consumption.
Compared with 2021, there has been a 24% reduction in the use of paper and, most notably, a major decrease, by around 60%, in purchases of traditional paper, as evidence of the Group's increased focus on its environmental impacts.
The per capita consumption figure (43 kgs in 2022 vs 57 kgs in 2021) underlines the Group employees' greater awareness of the use of paper.

Thanks to the various dematerialisation measures completed in the last five years, in 2022 around 2,987 tonnes of paper were saved, corresponding to 3,833 tonnes of CO_2 avoided and a theoretical cost saving of around 5.8 million euro. Confirmation of the reduction in paper use within the Group can also be seen in the ongoing reduction of toner purchases, which fell by 34% compared to 2021.

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
1
CDP verification Letter_ISP 2022 DCNF_TCFD.pdf

Page/ section reference
Auditor statement: Pages 1 and 2. See also attached to the document Intesa Sanpaolo 2022 Consolidated Non-Financial Statement:
- Scope 1, 2 and 3 data - pages 222/226-227/290
- Independent auditors' report pages 324-328

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
1
CDP verification Letter_ISP 2022 DCNF_TCFD.pdf

Page/ section reference
Auditor statement: Pages 1 and 2. See also attached to the document Intesa Sanpaolo 2022 Consolidated Non-Financial Statement:
- Scope 1, 2 and 3 data - pages 222/226-227/290
- Independent auditors' report pages 324-328

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
1
CDP verification Letter_ISP 2022 DCNF_TCFD.pdf

Page/ section reference
Auditor statement: Pages 1 and 2. See also attached to the document Intesa Sanpaolo 2022 Consolidated Non-Financial Statement:
- Scope 1, 2 and 3 data - pages 222/226-227/290
- Independent auditors' report pages 324-328

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: Fuel and energy-related activities (not included in Scopes 1 or 2)
Scope 3: Upstream transportation and distribution
Scope 3: Waste generated in operations
Scope 3: Business travel
Scope 3: Investments

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
1
CDP verification Letter_ISP 2022 DCNF_TCFD.pdf

Page/section reference
Auditor statement: pp.1 and 2. See also attached to the document:
- ISP 2022 Consolidated Non Financial Statement
includes on p. 290 Scope 1, Scope 2 and Scope 3 emissions: Purchased Paper (cat.1), Office Machinery (cat.2), Business Trips (cat.6), Waste (cat.5), Energy vectors (cat.3), Money transport (category 4).
Independent auditors’ report pp324-328.
- ISP 2022 TCFD Report
includes on page 74 Financed Emission(Scope 3 Cat.15) in the banking portfolio.
Independent auditors’ report pp102-103.

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 2022 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 2022 Consolidated Non-Financial Statement pages 222/226-227/290 (scope 1, 2 and 3 data) and pages 324-328 (Independent auditors’ report on the consolidated non-financial statement). CNFS 2022_EN.pdf
C6. Emissions data	Year on year change in emissions (Scope 2)	Limited assurance - ISAE 3000 revised	These data are included in the 2022 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 2022 Consolidated Non-Financial Statement pages 222/226-227/290 (scope 1, 2 and 3 data) and pages 324-328 (Independent auditors’ report on the consolidated non-financial statement). CNFS 2022_EN.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 2022 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 2022 Consolidated Non-Financial Statement pages 222/226-227/290 (scope 1, 2 and 3 data) and pages 324-328 (Independent auditors’ report on the consolidated non-financial statement). CNFS 2022_EN.pdf

C11. Carbon pricing

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

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.

Type of internal carbon price

Shadow price

How the price is determined

Other, please specify (The price selected for the monetization of GHG emissions (57 euro per metric ton) is derived from CE Delft, EnvironmentalPricesHandbookEU28 version, 2018.)

Objective(s) for implementing this internal carbon price

Change internal behavior
Drive energy efficiency
Reduce supply chain emissions

Scope(s) covered

Scope 2
Scope 3 (upstream)

Pricing approach used – spatial variance

Uniform

Pricing approach used – temporal variance

Static

Indicate how you expect the price to change over time

<Not Applicable>

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO2e)

57

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO2e)

57

Business decision-making processes this internal carbon price is applied to

Procurement
Value chain engagement

Mandatory enforcement of this internal carbon price within these business decision-making processes

Yes, for some decision-making processes, please specify (Carbon price is applied to Procurement of IT equipment (e.g. computers, multifunctional printing devices, etc.) and suppliers are requested to provide mandatory environmental information and are engaged on the issue.)

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan

The environmental impacts generated by office equipment in a large service company such as Intesa Sanpaolo are relevant. According to the RULES FOR THE GREEN BANKING PROCUREMENT, 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 2022, the main categories of office equipment centrally purchased subject to Green Banking Procurement criteria evaluations were the following: notebooks 99%, mini-desktops 100%, desktops 100%, cash in cash out 100%, ATM/MTA 100%, monitors 35%, printers 81%.
Shadow price helps to show financial advantages linked to greener products and therefore to inform better sustainable purchases.
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 and potential clients, particularly those with the most GHG-intensive and GHG-emitting activities, on their decarbonization strategies and net-zero transition pathways

% client-related Scope 3 emissions as reported in C-FS14.1a
100

Portfolio coverage (total or outstanding)
4

Rationale for the coverage of your engagement
Engagement targeted at clients with the highest potential impact on the climate

Impact of engagement, including measures of success
Within client engagement ISP is developing dedicated frameworks, to be progressively extended to clients of all sectors subject to target setting.
Currently ISP has set targets in 4 sectors representing 4% of total drawn amounts and at the time of target setting over 60% of NFC financed emissions in the NZBA sectors.
% of client-related Scope 3 emissions is stated 100% as these refer to the 4 sectors in scope.

Measure of success and threshold:
ISP is committed to support the transition of clients with GHG-intensive and GHG-emitting activities.
ISP has declared the goal to provide up to €76bn for client financing (green and ecological transition), within the National Recovery and Resilience Plan time horizon (2021-26), of which €32bn already disbursed in 2021-22.
% of target achieved = 42% (exceeding the expected amount budgeted for the 2 years = 33.3%).
In addition, one of the main 2022 results is represented by the reduction of financed emissions for the 4 sectors in scope of target setting from 63.4 MtCO2e in 2021 to 24.2 MtCO2e.

Tracking:
ISP tracks the achievement of its customer engagement in different ways, among others monitoring the financing under the €76bn plafond and the financed emissions quarterly. Annual results are monitored against yearly budget within the Business Plan.

E.g. of engagement measures:
ISP has created dedicated instruments to incentivize lending to counterparties with a strong climate performance or which have started a transition towards more circular and sustainable business models.
Also, in order to support client transition to Net-Zero among others, ISP has devised a framework for a structured analysis of Transition Plans (based on evaluation of GHG overall reduction, Technical Robustness and Financial and Economic impact), meant to enable ISP to evaluate the existence of a company's climate strategy and the credibility of its Transition Plans and to support clients to enhance the Transition Plan alignment and consistency with sector best practice and NZ pathway guidelines.

As an example of financing green projects aimed at facilitating the transition in the Power Generation industry, in 10/2022 ISP participated in the €50m pool financing for Start Romagna (local public transport company), to renew the bus fleet by introducing new fully-electric vehicles or vehicles powered by natural gas, liquid natural gas and hybrid natural, with a total of 241 vehicles, 43% of the total, to be replaced over the 2022-25 period.

C12.1d

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

INVESTORS AND FINANCIAL COMMUNITY

ESG and climate related issues have become a strategic part of Intesa Sanpaolo institutional investors engagement, rating agencies' assessment and brokers research and analysis. In 2022 Intesa Sanpaolo has increased the already frequent interaction with ESG Investors, both through one-on-one meetings, ESG Conferences (both investor meetings and participation in panels) and dedicated road shows, and through the acknowledgement of requests of formal engagement on ESG/Climate issues by large asset managers. The focus on Climate issues has grown also in structured questionnaires and surveys, ante and post meetings. In 2022, the ESG & Sustainability Team held 44 meetings with 67 ESG investor companies, including portfolio managers and buy side analysts focusing on sustainability, involving when requested other specialized structures (e.g. Investor relations and Treasury). During 2022, ISP responded to 20 assessments from ESG data providers and ESG rating agencies.

STRATEGY FOR PRIORITIZING ENGAGEMENTS

As concern investors, proactive engagement is prioritized. As concern assessments, as a general rule more authoritative questionnaires are prioritized but if possible all requests are satisfied.

DETAIL OF MEASURE SUCCESS AND POSITIVE OUTCOMES ACHIEVED

Through constant dialogue with investors and financial community, ISP is able to engage and inform top management on market sentiment on the Bank's climate strategy, confirming strategy adopted. Moreover, engagement with investors determines the success of green bond placements on the market. For instance, in the September 2022 green bond issuance, ESG investors represented 75% of all investors. Furthermore, ISP has identified within its shareholding over 30% of ESG investors.

As concerns the result of assessments, ISP has been rewarded with a positioning among leaders in the main ESG indexes.

EXAMPLE/CASE STUDY - DETAIL OF MEASURE SUCCESS AND POSITIVE OUTCOME ACHIEVED

ISP was again confirmed as first in Europe for relations with institutional investors and financial analysts and for ESG aspects, according to the 2022 ranking drawn up by the Anglo-Saxon media Institutional Investor. In this context, underlines a note from the group, Intesa Sanpaolo was also the first bank among the "Most Honored Companies" for the quality of relations with investors.

Also, in 2022 the main climate-related assessments were CDP Climate-Change and S&P Global under the climate dimension, in addition to the other major assessments (e.g. Moody's, Sustainalytics, MSCI, FTSE, ISS, etc.) which confirmed Intesa Sanpaolo's positioning among ESG leading companies. Specifically, in 2022 ISP was included in the Climate Change A List and is currently the only Italian bank included in Dow Jones Sustainability Europe and Dow Jones Sustainability World Indices.

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

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
Yes, we engage directly with policy makers
Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?
Yes

Attach commitment or position statement(s)
- Intesa Sanpaolo Code of Ethics: Within the Code of Ethics, it is stated that Intesa Sanpaolo will: “actively participate in international initiatives (including regulators, trade associations, international bodies) to contribute to best practices in environmental responsibility, as well as their dissemination, in line with the spirit of the objectives of the Paris Agreement”.

- Intesa Sanpaolo 2022 TCFD report: Also, the 2022 TCFD Report outlines all Group engagement activities among which (page 100): “Intesa Sanpaolo’s engagement with public sector institutions on sustainability related topics aims to work with public institutions in developing and delivering a Net-Zero-aligned agenda”.

- NZBA commitment: Moreover, Intesa Sanpaolo (ISP) has committed to the NZBA and related engagement activities [….] engaging on corporate and industry (financial and real economy) action, as well as public policies, to help support a net-zero transition of economic sectors in line with science [...]
Code of Ethics.pdf
TCFD Report 2022.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan
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 2022 the Intesa Sanpaolo Group expressed its position responding to public consultations, drafting papers and proposing amendments both directly and through the relevant trade associations (for example the delegated acts provided for by the Green Taxonomy Regulation, the proposed regulation on key files of the Sustainable Finance Action Plan, such as EU Green Bond Standard, and key files of the Fit for 55 package, such as the revision of the EU ETS). 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, with the contribution of all the relevant functions of the Group, 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.
Engagement activities are also linked to the Intesa Sanpaolo’s commitment to achieve 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 2021 Intesa Sanpaolo joined the NZBA and through its subsidiaries, joined the NZAMI and NZAOA as well as the NZIA. Following the adhesion concerning NZBA in 2022 ISP published its first interim 2030 financed emissions targets, and the Group’s wealth management companies published their first aligned Net-Zero objectives.

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?

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

Category of policy, law, or regulation that may impact the climate
Low-carbon products and services

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

Policy, law, or regulation geographic coverage
Regional

Country/area/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
In 2022 ISP has continued to advocate its position on EU Green Bond Standard Regulation, both directly and through EU trade associations. In doing so ISP participated to several meeting with relevant policy makers. As a reminder, since the beginning of the discussion, ISP welcomed the Commission’s proposal of Regulation on Green Bond Standard (GBS) to boost the market’s development, thus giving common standard to the issuers and the investors and, at the same time, to support the Green Deal and the EU economy decarbonisation goals.

In ISP 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).
ISP agrees 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, ISP also supports 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 asked to work on a few remaining issues:
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) keep the standard voluntary.

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

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
Regulations on sustainable finance are central to ISP institutional issuance programmes which aim to support ISP 2022-2025 Business Plan targets in term of sustainable finance (€76bn made available for financing to the green and circular economy and the transition over the NRRP time horizon).

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Directive on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 Ref. COM/2022/71 final

Category of policy, law, or regulation that may impact the climate
Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate
Other, please specify (The directive considers the directors' duty to act in the best interests of the company would have to consider, where relevant, consequences on the environment, climate change and human rights, including in the short, medium and long term.)

Policy, law, or regulation geographic coverage
Global

Country/area/region the policy, law, or regulation applies to
<Not Applicable>

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

Description of engagement with policy makers
ISP welcomed the Commission's proposal of the Corporate Sustainability Due Diligence Directive (CS3D) to foster sustainable and responsible corporate behaviour throughout global value chains on human rights and environment.
Intesa Sanpaolo intends to be a responsible financial intermediary that generates collective value. It is also aware that there is scope for a larger scale improvement in corporate governance sustainability through all the economic sectors, also to reduce the impact on society of phenomena such as climate change and social inequality.
Intesa Sanpaolo supports the goal of the Proposal to create a level playing field for entities operating within the European Union and to consolidate the transparency elements for customers and investors. The extra-territorial reach of the Proposal, with the inclusion in the scope of companies operating in the EU but based in third countries, is considered very positively. In fact, such an element would avoid competitive imbalances between entities operating in the same market.

Intesa Sanpaolo has already put in place measures on its own initiative to evaluate the ESG risks of clients applying to obtain credit services, through a specific internal ESG scoring process.
Intesa Sanpaolo agrees on the Directives' requirement for companies to adopt a plan to ensure that the business model and strategy of the company are compatible with the transition to a sustainable economy and with the limiting of global warming to 1.5 °C in line with the Paris Agreement. That information will help financial institutions to address financial resources towards transition activities and projects.
Further, Intesa Sanpaolo welcomes the specificity attributed to financial undertakings as regards the definition of value chain: national and European legislative frameworks has thoroughly been regulating their governance processes.

Intesa Sanpaolo's engagement with policy makers was intended to support them in acknowledging potential criticalities, especially for the financial undertakings, also proposing pragmatic solutions correctly balancing the efforts needed to put on the ground the processes required by the Directive and the benefits and improvements for the protection of human rights and environment throughout the value chain.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
Some elements of the Proposal, in relation to financial institutions, result critical to keep a reasonable balance between the efforts required to implement the Directive's obligations and the resulting benefits. For example:

1) the value chain defined includes credit services but also "other financial services"; as regards the application of the due diligence, makes a significant difference, considering that credit services present the time length and relationship necessary to have an influence the processes of the client; other financial services offered, such as payment services and custody, would not possess the conditions necessary for the implementation of the due diligence processes, especially as regards possible mitigation actions to be required to the business partner;

2) the directors' duties identified in the Directive do not take into consideration what is already in force following national laws and this could create overlaps and divergences which can create legal uncertainty to the implementation of the obligations of the Directive.

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

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
As the directive envisages (among other things) for the directors to consider, where relevant, consequences on the environment, climate change and human rights, including in the short, medium and long term, it goes in the direction of ISP 2022-2025 Business Plan targets, which set both social and environmental objectives in the transition towards Net Zero.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
2021/0211A(COD) Revision of the EU Emissions Trading System (EU ETS): Proposal for a directive amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union (COM/2021/551)

Category of policy, law, or regulation that may impact the climate
Carbon pricing, taxes, and subsidies

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

Emissions trading schemes

Policy, law, or regulation geographic coverage
Regional

Country/area/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
Intesa Sanpaolo is supportive of the EU ETS and of its objectives. Intesa Sanpaolo has carried out an extensive activity to explain the role of the financial sector in the EU ETS market. The activity has been carried out via various sessions of training and presentations directed to Members of the European Parliament, European Commission, the European Council and trade associations to highlight the functional and essential role that financial actor can bring to the Emissions Trading System (EU ETS), an important instrument of European climate policy.

Intesa Sanpaolo was also involved by the European Banking Federation (EBF) to give inputs to respond to a survey commissioned by the European Commission's Directorate-General for Climate on the role of financial actors in the European Union Emissions Trading System (EU ETS) market.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
During the legislative process some Members of the European Parliament proposed to exclude the direct access of financial institutions from the market. Intesa Sanpaolo has tried to demonstrate how that exclusion would have undermined the functioning of the market itself, and therefore of the climate goals of the EU ETS.

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

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
The functioning of EU ETS market from regulatory and technical point of view is seen by ISP as part of the overall framework for the management of climate related issues and therefore part of the transition plan journey.

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

Category of policy, law, or regulation that may impact the climate
Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate
Climate-related reporting

Policy, law, or regulation geographic coverage
Regional

Country/area/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
ISP welcomes 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; ISP believes 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;
• 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.

Intesa Sanpaolo's engagement with policy makers has intended to support them in acknowledging potential criticalities, especially for the financial undertakings, also proposing pragmatic solutions aimed to facilitate the showcase of information in the reporting documentation and to treasure the established market practices already in use by companies.
Moreover, Intesa Sanpaolo contributed to the feedback provided by the European business associations to the consultation launched by EFRAG on the draft European Sustainability Reporting Standards.

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, ISP supported minor exceptions:

• ISP believes 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, ISP believes 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;

• ISP disagrees 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. ISP agrees with the objective of giving equal dignity to financial and sustainability information, but ISP believes 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 on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
Intesa Sanpaolo considers CSRD, by being mandatory for large number of companies, would help to provide data to be used in the transition plan, with lower recourse to estimates or info providers.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or 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 (AFME)

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

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
As far as ISP knows 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 2022 ISP has contributed to the following publications through the participation to the dedicated working group on sustainable finance:
- Drafting of the AFME and ISDA Position paper "Response to ESMA Call for Evidence on ESG Ratings";
- Drafting of the AFME and ISDA Position paper "Response to ESMA consultation on guidelines on sustainability aspects of the MiFID II suitability requirements";
- Drafting of the AFME and ISDA Position paper "Response to the EBA Discussion Paper on prudential treatment of Environmental Risks";
- Drafting of the AFME Position paper "AFME feedback to the EFRAG draft European Sustainability Reporting Standards";
- Drafting of the AFME Position paper "Feedback on the Platform for Sustainable Finance's report on minimum social safeguards in the EU Taxonomy Regulation".

ISP directly take parts to specific working groups in order to draft the association position, during these meeting ISP is a proactive member and helps to identify the most actionable solution.

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

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 (European Banking Federation (EBF) through ABI (Italian Banking Association))

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

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
As far as ISP knows 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 2022 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 2022 ISP has contributed to the following publications through the participation to the dedicated working group on sustainable finance:
- Drafting Position Paper EBF "EBF Responses to EFRAG consultation surveys";
- Drafting Position Paper EBF "on the latest developments concerning the Commission Proposal for a European Green Bond Standard";
- Drafting Position Paper EBF "Consultation response – ESG Ratings 2022";
- Drafting Position Paper EBF "Consultation Response to the ESMA Call for Evidence on Market Characteristics for ESG Rating Providers in the EU";
- Drafting Joint Position Paper EBF - AFME and others "Joint letter calling for safeguarding the proper functioning of the EU ETS".

ISP directly take parts to specific working groups in order to draft the association position, during these meeting ISP is a proactive member and helps to identify the most actionable solution.

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

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 policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
In 2022 ABI has continued to support its members along this pathway, to facilitate discussions with European and Italian institutions, with the other employers' associations and with the consumers' associations. Intesa Sanpaolo has provided ABI with technical advice collaborating in dedicated working groups, strengthening their knowledge about the challenges facing the banking sector.

Within this framework in 2022 Intesa Sanpaolo Group has contributed to the following topics:
- The "BusinEsSG 2022" ABI survey of non-financial disclosure reports published in 2021 by banks;
- Working Group to encourage the redevelopment of properties;
- The ABI conference "ESG in banking 2022";
- ESG disclosure regulatory challenges: information gaps, data providers and effects of regulation on ESG ratings.

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

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
2
CNFS 2022_EN.pdf
Intesa Sanpaolo TCFD Disclosure Table_20230404.pdf

Page/Section reference
Please refer to 2022 Consolidated Non-financial statement. Many parts of the document are directly connected to climate change and GHG emission performance, among them: "Main performance indicators" (pp. 19-21); "Sustainable Development Goals (pp. 37;41); "Transition to a sustainable, green and circular economy" (pp. 206-219); "Climate Change" (pp. 220 -232); - "Management of risks and potential impacts linked to climate change" (pp. 65-71); "Indicators" (pp. 288-294); EU Taxonomy (pp. 295-296).

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

Comment
2022 Consolidated Non-financial Statement

The 2022 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". 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. Within the CNFS process, consideration was also given to the recommendations issued in June 2017 and updated in October 2021 by the Task Force on Climate-related Financial Disclosures (TCFD). Furthermore, the Statement contains the mandatory disclosure in accordance with EU Taxonomy Regulation (EU Reg. 852/2020) (see page 295). The Intesa Sanpaolo Non-Financial Statement was reviewed by independent auditors with a limited assurance in accordance with ISAE3000 (revised).

Publication
In voluntary communications

Status
Complete

Attach the document
2
Intesa Sanpaolo TCFD Disclosure Table_20230404.pdf
TCFD Report 2022.pdf

Page/Section reference
2022 TCFD Report:

Governance (pp. 9-20); Strategy (pp. 21-48); Risk Management (pp. 49-68); Metrics & targets (pp. 69-86); Transition Plan (pp. 87-100); Auditor's Report (pp. 101-103).

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment
2022 TCFD Report
Intesa Sanpaolo published its second TCFD Report at Group level.
The Report includes the first High Level Transition Plan in accordance with NZBA requirements and GFANZ (Glasgow Financial Alliance for Net Zero) guidelines.
The 2022 TCFD Report was approved by the Board of Directors. Intesa Sanpaolo's interim NZBA metrics and targets [as well as progress against PRB targets] are covered by limited assurance by EY.

Publication
In mainstream reports

Status
Complete

Attach the document
2
2022_Annual__report.pdf
Intesa Sanpaolo TCFD Disclosure Table_20230404.pdf

Page/Section reference
Annual Report

Please refer to 2022 Intesa Sanpaolo Annual Report: (pp. 61-64) Sustainability and Group strategy on Environmental, Social and Governance issues; (pp. 432 - 438) Part E – ESG (Environmental, Social and Governance) risks and climate change risk.

Content elements
Governance
Strategy
Risks & opportunities
Emission targets
Other metrics

Comment
Some parts of the Intesa Sanpaolo 2022 Annual Report are directly connected to climate change, among them: pp. 61-63, 64 Sustainability and Group strategy on Environmental, Social and Governance issues (Strategy, Risks&Opportunities, Emission targets, Other metrics); pp. 432-438 Part E – ESG (Environmental, Social and Governance) risks and climate change risk (Risks & Opportunities).

Publication
In other regulatory filings

Status
Complete

Attach the document
2
31122022_Pillar3.pdf
Intesa Sanpaolo TCFD Disclosure Table_20230404.pdf

Page/Section reference
Basel 3 Pillar 3
Disclosure as at 31 December 2022

Some parts of the document are directly connected to climate change, among them:
- Qualitative information on environmental risk - Table 1 Reg. 2022/2453 (pp. 277-294)
- Quantitative templates (pp. 303-313):
(Template 1 Reg.2021/637)
(Template 2 Reg.2021/637)
(Template 4 Reg.2021/637)
(Template 5 Reg.2021/637)
(Template 10 Reg.2021/637)

Content elements
Governance
Strategy
Risks & opportunities
Emission targets
Other metrics

Comment
In 2022, Intesa Sanpaolo included in the Pillar 3 disclosure the ESG risk information according to a CRR II (art. 449a). Environmental qualitative table includes environmental and climate risks within Intesa Sanpaolo business strategy and processes, governance and risk management.

C12.5

(C12.5) 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 Glasgow Financial Alliance for Net Zero (GFANZ) 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 (CDP Investor Signatory, Equator Principles, Net Zero Banking Alliance, Science-Based Targets Initiative (SBTi), Task Force on Climate-related Financial Disclosures (TCFD), UN Global Compact, UNEP FI, UNEP FI Principles for Responsible Banking, UNEP FI TCFD Pilots, etc…) or through its specialized subsidiaries. For example, Eurizon Capital Sgr, is, among others, CDP investor signatory, it has adhered to PRI, 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, within the Implementation of Net Zero Banking Alliance Work Tracks, Intesa Sanpaolo joined: "The Data & Methodologies sub-track" that in the course of 2022 developed the "Supporting Notes for the Guidelines for Climate Target Setting for Banks"; and "The Financing & Engagement sub-track" which in September published the "NZBA Transition Finance Guide". In addition, Intesa Sanpaolo has been participating actively in the different phases of the UNEP FI TCFD Pilots. To this regard, in March 2022 UNEP FI published Intesa Sanpaolo's case study "The Climate Risk Tool Landscape - 2022 Supplement". UNEP FI, in Spring 2022, launched the newest TCFD and Climate Risk Programme in which Intesa Sanpaolo participates. In relation to NZBA identified targets, Intesa Sanpaolo is committed and is working to obtain SBTi validation.

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.

Details of calculation
<Not Applicable>

Lending to coal

Are you able to report a value for the carbon-related assets?
Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
100000000

New loans advanced in reporting year (unit currency – as specified in C0.4)
0

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
0.02

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
<Not Applicable>

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
<Not Applicable>

Details of calculation
Lending to coal mining sector.
In July 2021 Intesa Sanpaolo released the updated “Rules for lending operations in the coal sector” including stricter criteria and limitations that apply to new coal fired power plants and mines. In particular, Intesa Sanpaolo will 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 and at the construction of new coalfired power plants, the purchase or expansion of those that are already in operation. The Group also undertakes to phase out by 2025 the share of financial services to counterparties in the coal mining sector.

The data reported in column “% of portfolio value comprised of carbon-related assets in reporting year” (around €100mln, as stated above) out of “loans to customers total value”.

Lending to oil and gas

Are you able to report a value for the carbon-related assets?
Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
5600000000

New loans advanced in reporting year (unit currency – as specified in C0.4)
1100000000

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
1.3

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
<Not Applicable>

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
<Not Applicable>

Details of calculation
Figures reported refer to Oil&Gas perimeter in scope for target setting exercise (see question 4.1d).
Exposure in scope for target setting exercise includes: Drawn amount (Financial and commercial guarantee excluded) on short-term and medium-long term loans and Hold-to-collect (HTC) bonds. Exclusion of SMEs.
Value chain coverage - Focus on upstream operators and integrated players to encourage operational efficiency in extraction and foster companies transition from high to lower emitting fossil fuels (e.g., natural gas). Excluded refinery, pipelines and downstream.

New loans advanced in reporting year (consistent with target setting scope): €1.1 bn replacing less than 30% of the amounting expired.

Please note that Oil&Gas financed emissions dropped from 43.5MtCO2e (2021) to 19.0MtCO2e (2022).

The data reported in column "% of portfolio value comprised of carbon-related assets in reporting year" out of "loans to customers total value".

Metrics and data may be updated over time following changes in methodologies, regulations and guidelines.

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)	<Not Applicable>	<Not Applicable>	<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

24200000

Portfolio coverage

4

Percentage calculated using data obtained from clients/investees

45

Emissions calculation methodology

Other, please specify (Global GHG accounting and reporting standard for the financial industry (PCAF). Other: NZBA)

Please explain the details and assumptions used in your calculation

2022 Portfolio emissions: 24.2 Mt CO2e 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 Gen., Automotive, Coal mining), estimated to cover well over 60% of total Non-Financial Corporates (NFC) emissions in NZBA sectors.
Computation of financed emissions has been performed through bottom-up counterparty-level analysis for Oil&Gas, Power Gen. and Automotive and top-down analysis on Coal mining.
Asset Class: Drawn amount on short and medium-long term loans; Hold-to-collect bonds, Equity banking book.
Exposure in scope for target setting exercise includes NFC across all divisions and excludes SMEs.
Scope of emissions included: Oil & gas: 1,2,3; Power Gen: 1,2; Automotive: 3 TTW.
Design choices, including segment of value chain considered in-scope, scope of emissions covered and proxy methodology, defined in line with PCAF methodologies and preliminary to SBTi validation. Sectors and related segments considered are defined according to NACE classification codes at counterparty Group level. Refinement of value chain has been performed in accordance with the main NZ portfolio alignment methodologies.
Sector covered by target:

• Oil&Gas - Focus on upstream operators and integrated players. Excluded refinery, pipelines and downstream.
• Power Generation - Included only Generation and Integrated Power Generation companies. Excluded transportation and distribution companies.
• Automotive - Focus on passenger cars production, included Automotive manufacturers and exclusion of manufacturing components and distribution.

For the above sectors to aggregate emission intensity of each counterparty at portfolio level, a production weighted approach is applied.
For methodology details see ISP 2022 TCFD report (pp 77-78). The % of exposure covered by target is computed dividing exposure in-scope by the total Bank's lending portfolio.

Financed emissions fell to 24.2 Mt CO2e from 63.4 in 2021.
% calculated using data obtained from clients: % of emissions collected directly from the borrower or investee company directly (e.g., sustainability report) or indirectly via verified third-party data providers (e.g,Trucost).
Metrics may be updated over time following: evolution of the emission calculation methodology, NZBA, SBTi updates, updates, refined data sources and accepted market practices.
ISP interim NZBA metrics and targets are covered by third party limited assurance

C-FS14.1c

(C-FS14.1c) Disclose or restate your portfolio emissions for previous years.

Past year 1 for Banking (Bank)

Start date

End date

Portfolio emissions (metric unit tons CO2e) in the reporting year

Portfolio coverage

Percentage calculated using data obtained from clients/investees

Emissions calculation methodology

Please explain the details and assumptions used in your calculation

Past year 2 for Banking (Bank)

Start date

End date

Portfolio emissions (metric unit tons CO2e) in the reporting year

Portfolio coverage

Percentage calculated using data obtained from clients/investees

Emissions calculation methodology

Please explain the details and assumptions used in your calculation

Past year 3 for Banking (Bank)

Start date

End date

Portfolio emissions (metric unit tons CO2e) in the reporting year

Portfolio coverage

Percentage calculated using data obtained from clients/investees

Emissions calculation methodology

Please explain the details and assumptions used in your calculation

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	Yes, by industry	<Not Applicable>

C-FS14.2b

(C-FS14.2b) Break down your organization's portfolio impact by industry.

Portfolio	Industry	Portolio metric	Portfolio emissions or alternative metric
Banking (Bank)	Other, please specify (Oil&Gas)	Absolute portfolio emissions (tCO2e)	19000000
Banking (Bank)	Other, please specify (Power Generation)	Absolute portfolio emissions (tCO2e)	4100000
Banking (Bank)	Other, please specify (Automotive)	Absolute portfolio emissions (tCO2e)	900000
Banking (Bank)	Other, please specify (Coal mining)	Absolute portfolio emissions (tCO2e)	200000

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	Briefly explain the actions you have taken to align your portfolio with a 1.5-degree world	Please explain why you have not taken any action to align your portfolio with a 1.5°C world
Banking (Bank)	Yes	After joining the NZBA in October 2021, ISP set targets to limit global warming to 1.5°C within the 2022-2025 Business Plan, ISP published its net-zero aligned emissions reduction interim targets for 2030 in the Oil&Gas, Power generation, Automotive and Coal mining (phase out 2025) sectors, which represented over 60% of the non-financial corporates portfolio financed emissions in the sectors identified by the NZBA. Action taken lead to an overall drop of 60% in absolute emissions in the sectors mentioned above vs 2021. In 2022 Intesa Sanpaolo has drafted its first Transition Plan, in line with NZBA requirements and GFANZ guidelines. To support the 1.5°C portfolio alignment required, the Group in 2022 has strengthened its lending architecture to enable steering of the lending portfolio towards transition to a low-carbon economy. This involved an evolution of frameworks and internal processes, the acquisition of new tools and the focus on transition finance to support real-economy emission reductions. Among others, here below are reported the main relevant actions taken in 2022: - ISP finalized the design of the ESG/Climate Credit Framework. It provides for the integration of ESG/Climate metrics (i.e., ESG sectoral strategy, counterparty ESG score and Sustainable Lending Products framework) within the whole Credit Framework, namely Risk Appetite Framework, Credit Risk Appetite (CRA), Credit Strategies and the Underwriting process; - After the publication of ISP first interim Net Zero aligned targets in February 2022, the target setting project mainly focused on the calculation of the actual emissions and inertial emissions trajectories and fine tuning of the methodology for the Oil&Gas, Power Generation and Automotive sectors and the starting of the monitoring process leveraging the technological solution based on a specific climate analytics platform. FINANCING THE TRANSITION THROUGH LENDING PRODUCTS ISP's 2022-2025 Business Plan provides for several transition finance objectives. In particular, strong support to the green and circular economy, as well as the ecological transition is to be underpinned by €88bn in new lending made available as follows: ■ €76bn, out of a total of over €410bn, in relation to the NRRP (€32bn disbursed in 2021 and 2022). Within this amount, a total of €8bn was specifically dedicated to a Circular Economy plafond (€3.1bn disbursed in 2022); ■ €12bn to individuals (mainly green mortgages, €2.6bn granted in 2022).	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<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 all	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
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	Biodiversity related issues 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. Supported by the Risks and Sustainability Committee, the BoD approves: ■ the Code of Ethics (and its updates), which describes ISP's commitment, among others, to social and environmental responsibilities and the Group's Code of Conduct; ■ strategies and policies on sustainability (ESG) taking into account the objectives of solid and sustainable creation and distribution of value for all stakeholders; ■ the Risk Appetite Framework, which incorporates ESG risks and, in particular, climate and environmental risks; ■ the list of ESG-sensitive areas, that include climate and environmental aspects, relevant for the financing activities of the Group, assessing them on the basis of the analysis of the external environment and in line with the Group's strategic and sustainability objectives; ■ the Consolidated Non-financial Statement, as well as all other reporting of note in this area, including the Task Force on Climate - related Disclosure (TCFD) Report, and oversees the Pillar 3 disclosure on environmental, social and governance risks. 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 Intesa Sanpaolo's 2022-2025 Business Plan 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 In 2022 an update of the Code of Ethics was prepared with strengthened commitment to the protection of the environment and promotion of biodiversity, and approved by the Bod in 2023.	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 and publicly endorsed initiatives related to biodiversity	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 Other, please specify (ISP in its new 2022-25 Business Plan has committed to develop a policy on biodiversity. Also, ISP undertakes not to finance companies and projects with negative impact on wetlands under the Ramsar Convention and IUCN protected areas I to VI…)	Other, please specify (ISP has adhered to the Equator Principles since 2007 and is now applying the EP IV version.)

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?

No

C15.5

(C15.5) 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>

C15.6

(C15.6) 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	Yes, we use indicators	Other, please specify (The ESG score, applied to over 215,000 customers (190 billion euro in loans), includes within the environmental pillar, a specific indicator on biodiversity. Furthermore, within the WEF SCM indicators, ISP monitors the indicator on “Nature Loss”.)

C15.7

(C15.7) 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. 64 Guidelines for the governance of ESG risks p. 73 ESG score pp. 79-82 Analysis of material issues pp. 223-224 on Business Plan/biodiversity pp. 212-213 plafond circular economy p. 319 WEF indicator on Nature loss CNFS 2022_EN.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-FS Forests and Water Security (FS only)

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) or committee(s)	Responsibilities for forests- and/or water-related issues
Forests Water	Board-level committee	Forests and water related issues are supervised by the 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. Supported by this Committee, the Board of Directors approves: - the Code of Ethics (and its updates), which describes ISP's commitment, among others, to environmental responsibilities and the Group's Code of Conduct; - strategies and policies on sustainability; - the Risk Appetite Framework, which incorporates ESG risks; - the list of ESG-sensitive areas, that include climate and environmental aspects, relevant for the financing activities of the Group, assessing them on the basis of the analysis of the external environment and in line with the Group's strategic and sustainability objectives; - the Consolidated Non-financial Statement and all other reporting of note in the ESG area. Examples of decisions made in 2022 by the Risks and Sustainability Committee (Board-level committee) which had an impact on forests and water related issues: 1. with regard to natural capital conservation, the Board approved the 2022-2025 Business Plan which includes the development of a specific biodiversity policy and a major reforestation project with the goal of planting over 100 million trees either directly or through customer loan; 2. it has examined and expressed its favourable evaluation on the update of the Group's Guidelines for the governance of the environmental, social and governance (ESG) risks, before approval by the Board of Directors. These Guidelines identify sectors which are sensitive to ESG and Reputational risks starting from the risk assessment of the sectors carried out as part of the ESG Sectoral Assessment and considering the potential relevant reputational risk profiles that characterize the sectors that are subject to the ESG & Reputational Risk Clearing process. One of these sectors is "Logging and other forestry activities". Furthermore , the Guidelines define how environmental factors - including "the responsible use of natural resources (e.g. water)" and the "adoption of policies to combat pollution, waste of natural resources and deforestation" are considered in the risk management and framework. Moreover, in 2022 an update of the Code of Ethics was prepared , with strengthened commitment to the protection of the environment and promotion of biodiversity, and approved by the Bod in 2023.

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 strategy
Reviewing and guiding the risk management process
Overseeing and guiding employee incentives

Scope of board-level oversight
Risks and opportunities to our banking activities
The impact of our banking activities on forests and/or water security

Please explain
The Board of Directors 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 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.
With regard to natural capital conservation, the Board approved the 2022-2025 Business Plan which includes the development of a specific biodiversity policy and a major reforestation project with the goal of planting over 100 million trees either directly or through customer loan.
In 2022, 25 meetings of the BoD were held, 22 of which dealt with ESG topics including, for ex, the update of the Guidelines for the governance of the Group's Most Significant Transactions, Report on the implementation and governance of the Code of Ethics; 2021 Consolidated Non-Financial Statement; update of the Group's Guidelines for the governance of the ESG risks.
Group's Guidelines for the governance of the ESG risks identify sectors which are sensitive to ESG and Reputational risks starting from the risk assessment of the sectors carried out as part of the ESG Sectoral Assessment and considering the potential relevant reputational risk profiles that characterize the sectors that are subject to the ESG & Reputational Risk Clearing process. One of these sectors is "Logging and other forestry activities". Furthermore , the Guidelines define how environmental factors - including "the responsible use of natural resources (e.g. water)" and the "adoption of policies to combat pollution, waste of natural resources and deforestation" are considered in the risk management and framework.
Moreover, in 2022 an update of the Code of Ethics was prepared , with strengthened commitment to the protection of the environment and promotion of biodiversity, and approved by the BoD in 2023.

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 to Board members in order to fully understand and monitor the Groups' strategies and risk management decisions shall also include ESG/sustainability risks.
On 29 April 2022, a new Board of Directors (BoD) was appointed for the three year period 2022-2025. The skills and experience of the Group's Board Members are diverse and broad. Furthermore, 100% of Board members have declared a basic "knowledge of sustainability issues and their integration into the bank's strategies" and 84% a distinctive level, as specified in the self-assessment presented within the lists of candidates to the BoD. In 2022, eight inductions were held for the Board members (five dedicated to the new BoD appointed in April). In particular, the new BoD members participated in the onboarding session and in a specific induction that included ESG & Climate topics, with a focus on: overview on ESG scoring, ESG scoring impact on credit strategies (which also assesses KPI linked to "water, natural resources and biodiversity"), news on CNFS related to the EU Taxonomy; ESG framework on investment services; ESG Control Room and update on the main evolutionary projects of the Group.

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 to Board members in order to fully understand and monitor the Groups' strategies and risk management decisions shall also include ESG/sustainability risks.
On 29 April 2022, a new Board of Directors (BoD) was appointed for the three year period 2022-2025. The skills and experience of the Group's Board Members are diverse and broad. Furthermore, 100% of Board members have declared a basic "knowledge of sustainability issues and their integration into the bank's strategies" and 84% a distinctive level, as specified in the self-assessment presented within the lists of candidates to the BoD. In 2022, eight inductions were held for the Board members (five dedicated to the new BoD appointed in April). In particular, the new BoD members participated in the onboarding session and in a specific induction that included ESG & Climate topics, with a focus on: overview on ESG scoring, ESG scoring impact on credit strategies (which also assesses KPI linked to "water, natural resources and biodiversity"), news on CNFS related to the EU Taxonomy; ESG framework on investment services; ESG Control Room and update on the main evolutionary projects of the Group.

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.

Position or committee
Chief Financial Officer (CFO)

Issue area(s)
Forests
Water

Forests- and/or water-related responsibilities of this position
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Integrating forests- and/or water-related issues into the strategy
Assessing forests- and/or water-related risks and opportunities

Coverage of responsibilities
Risks and opportunities related to our banking portfolio

Reporting line
CEO reporting line

Frequency of reporting to the board on forests- and/or water-related issues via this reporting line
Quarterly

Please explain
The management of environment matters strongly involves the Chief Financial Officer and the Chief Risk Officer – and the structures within their governance Areas. The CFO and the CRO report directly to the Managing Director and CEO and meet regularly with the Risks and Sustainability Committee.
The CFO Area and the Strategic Support Head Office Department head the ESG Control Room where the ESG strategy is carried out and which coordinates the main intragroup initiatives, also with reference to Climate and Environmental matters.
Within the Chief Financial Officer Governance Area, ESG & Sustainability supports the Top Management in defining sustainability strategies and policies, designed to generate value for all the stakeholders. It oversees: the process of defining, approving and updating guidelines, in line with corporate strategies and objectives; the promotion and implementation of ESG within the Group's strategies and operations, in cooperation with other structures. It also updates the Code of Ethics, monitoring its application, draws up the Consolidated Non-financial Statement and the TCFD Report; it oversees the relations with the financial community and stakeholders with respect to ESG and climate matters and it is responsible for the Group's ESG communication and training activities.
Moreover, the following CFO structures are strongly involved:
- ESG Scoring, in charge of enhancing and managing a common scoring model for the banking book portfolios designed to determine the current and future positioning of

the Parent Company and subsidiary banks' corporate customer counterparties with regard to sustainability, on the basis of ESG criteria (including KPI linked to "water, natural resources and biodiversity");
- Financial & ESG Performance Benchmarking unit, develops and carries out extensive ESG benchmarking to support strategy and business model analysis.
- The Active Credit Portfolio Steering Head Office Department has the task of defining and monitoring Credit Strategies to guide loan origination activities of the bank's divisions towards sustainable growth in line with the Risk Appetite Framework (RAF), which has been enriched by ESG and climate specific statements and indicators;
- Group Treasury Head Office Department is involved in the origination and structuring of company bonds related to sustainable finance (e.g., green, sustainability and social bonds) for institutional investors;
- the Planning and Control Head Office Department focuses on supervision, within the Bank, of: ESG data collection, consolidation and analysis processes regarding ESG reporting; monitoring of the ESG KPIs relevant to the achievement of the Business Plan targets; ESG KPIs budget process, etc.

Position or committee
Chief Risks Officer (CRO)

Issue area(s)
Forests
Water

Forests- and/or water-related responsibilities of this position
Assessing forests- and/or water-related risks and opportunities
Managing forests- and/or water-related risks and opportunities

Coverage of responsibilities
Risks and opportunities related to our banking portfolio

Reporting line
CEO reporting line

Frequency of reporting to the board on forests- and/or water-related issues via this reporting line
Quarterly

Please explain
The management of Environment matters strongly involves the Chief Financial Officer and the Chief Risk Officer – and the structures within their governance Areas. The CFO and the CRO report directly to the Managing Director and CEO and meet regularly with the Risks and Sustainability Committee.
The Chief Risk Officer (CRO) and the relevant Governance Area are strongly involved in the Bank's organizational model as concerns the Management of the broadest ESG risks and in particular Environmental risks.
Finally, all transactions with counterparties presenting elements of significant environmental risk (e.g. top polluting companies) are classified as Most Significant Transactions (MST) and therefore subject to a strengthened assessment and the binding opinion of the Chief Risk Officer.
Within the CRO's Governance Area:
■ the Enterprise Risk Management Department defines, among others, the Risk Appetite Framework which includes, from 2021, a specific focus on "ESG and Climate Change risks". It is also in charge of the processes to identify, assess and manage climate-related risks in collaboration with other departments (among others, developing materiality assessments, defining ESG sensitive sector policies, running stress test activities, scenario analysis and monitoring of climate risks in ongoing processes).
Under the Enterprise Risk Management Department, the Risk Clearing sub-Department is the competence centre for Climate Change and ESG risk management, also in charge of the ESG & Reputational Risk Clearing Process. The structure defines and updates annually the Climate/ESG Materiality Assessment in which Climate/ESG risk levels are assigned to each economic sector/portfolio, and the sectors most exposed to these risks are identified.
One of these sectors under the attention of the CRO Area is "Forestry" as defined in the Group's Guidelines for the governance of the ESG risks. Furthermore , environmental factors - including "the responsible use of natural resources (e.g. water)" and the "adoption of policies to combat pollution, waste of natural resources and deforestation" are considered in the risk management framework.
■ in the proposal of Guidelines and Rules for the management, measurement and control of the risks of valuation, market, counterparty, interest rate, exchange rate, equity investments, liquidity at Group level, the Market and Financial Risk Management Head Office Department contributes to ESG risk oversight;
■ the IMI C&IB Risk Management Head Office Department and the Banca dei Territori Risk Management Head Office Department define the Credit Risk Appetite also with reference to ESG and climate related risks and are in charge of the development and management of Internal Rating Models.

Position or committee
Other committee, please specify (Steering Committee - composed of the first organisational line – meets quarterly to examine sustainability issues (ESG))

Issue area(s)
Forests
Water

Forests- and/or water-related responsibilities of this position
Integrating forests- and/or water-related issues into the strategy

Coverage of responsibilities
<Not Applicable>

Reporting line
CEO reporting line

Frequency of reporting to the board on forests- and/or water-related issues via this reporting line
Quarterly

Please explain
Chaired by the Managing Director and CEO, includes the first organizational line of the Bank. It contributes to:
■ the definition of strategic guidelines and policies related to ESG matters, including the model on corporate social and cultural responsibility and climate changes, to be approved by the Board of Directors;
■ examining, prior to approval by the Managing Director and CEO, the Rules documents implementing the Guidelines for the governance of environmental, social and governance (ESG) risks of the Group, which establish criteria, limitations and exclusions for transactions in sectors that are sensitive to ESG and/or Reputational risks, as well as classification criteria for credit products and sustainable lending transactions;
■ authorizing in advance specific transactions of relevance to sustainability issues in the exceptional cases provided for in the Guidelines for the governance of environmental, social and governance (ESG) risks of the Group.
The Steering Committee meets at least quarterly in a "Business Plan and Sustainability (ESG)" session, a specific session dedicated to ESG matters and their inclusion in the Group's development plans. The Steering Committee also examines the Consolidated Non-financial Statement, the TCFD Report and any other reports of particular relevance to sustainability issues prior to their presentation to the Board (9 meetings were held in 2022, of which 4 including environmental related topics).

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	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Water exposure	<Not Applicable>	<Not Applicable>
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.

Banking – Forests exposure

Type of risk management process
Integrated into multi-disciplinary company-wide risk management process

Proportion of portfolio covered by risk management process
100

Type of assessment
Qualitative and quantitative

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

Tools and methods used
Internal tools/methods
Risk models

% of clients/investees (by number) exposed to substantive risk
100

% of clients/investees (by portfolio exposure) exposed to substantive risk
100

Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities
One of the most relevant projects within the ISP4ESG Program addresses the need to include ESG /Climate criteria in the Credit Framework (Credit Risk Appetite, Credit Strategies and pricing framework and the Underwriting process) to assist, among others, strategic lending portfolio steering and transaction pricing. The design of the ESG/Climate Credit Framework was finalized in 2022, defining a new credit decision-making model - based on an evolution of the Credit Framework, by also including climate/ESG components applied to the entire credit supply chain.
Within the model defined, the impact of the inclusion of Climate and Environmental metrics is assessed with three levels of granularity:
SECTOR AND MICRO-SECTOR
The Credit Framework takes into consideration an ESG Sectoral Assessment (which assigns risk score to sectors and microsectors) and an ESG Sectoral Strategy (which defines lending strategies based on color coding attributed according to level of risk). The color coding assigned to each economic sector, drives different strategies, specifically: red (exclusion strategy as per Credit Policies); orange (selective disengagement strategy); yellow (selective engagement strategy); white (neutral); blue (positive engagement strategy).
PROFILE OF THE COUNTERPARTY - ESG SCORE
Within the Sectoral strategy, counterparties have been assigned an ESG Score which represents the 2nd level of analysis within the credit framework. Intesa Sanpaolo has developed a proprietary methodology for assessing the sustainability performance of client companies, the ESG Score. The ESG Score is a qualitative-quantitative assessment that analyzes information on the ESG, Environmental, Social and Governance profile of a client company and takes into consideration both the risks to which it is exposed and the opportunities that can develop in these areas. The main purpose of the ESG Score is to offer a better knowledge of customers' ESG profile so as to mitigate risks and enable the achievement of opportunities related to the sustainable transition.
Environment related descriptors used in ESG Score include a specific "Natural resources and biodiversity" descriptor.
TRANSACTION
Finally, the credit framework takes into consideration in addition to the economic sector and to the ESG Score of the counterpart, also the kind of transaction that ISP is requested to finance. In 2022, at transaction level, the "Rules for the classification of sustainable credit products and lending transactions" were finalized in response to the EBA Guidelines on Loan and Origination Monitoring. The rules classify transactions/products in categories of sustainability according to market standards (Loan Market Association principles), differentiating between "dedicated financing" and "general purpose financing" on the basis of the use of funds. Specifically, credit products and transactions are divided according to the categories of Environmental, Social, Governance, and other forms of Sustainability, where the first three refer to "dedicated financing" products and transactions, while the last to "general purpose financing". In terms of underwriting - with focus on larger counterparties/transactions - the process, integrated with the key ESG metrics (at sector/counterparty and
transaction level), also envisages an opinion performed by the ESG & Reputational Risk Clearing for counterparties/transactions with higher ESG risk profile.
For specific high ESG risk sectors, an analysis of the counterparties' transition plans is also required.
100% of clients in the forestry sector (by number and portfolio exposure) are exposed to substantive risk

Banking – Water exposure

Type of risk management process
Integrated into multi-disciplinary company-wide risk management process

Proportion of portfolio covered by risk management process
100

Type of assessment
Qualitative and quantitative

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

Tools and methods used
Internal tools/methods
Risk models

% of clients/investees (by number) exposed to substantive risk
100

% of clients/investees (by portfolio exposure) exposed to substantive risk
100

Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities
One of the most relevant projects within the ISP4ESG Program addresses the need to include ESG /Climate criteria in the Credit Framework (Credit Risk Appetite, Credit Strategies and pricing framework and the Underwriting process) to assist, among others, strategic lending portfolio steering and transaction pricing. The design of the ESG/Climate Credit Framework was finalized in 2022, defining a new credit decision-making model - based on an evolution of the Credit Framework, by also including climate/ESG components applied to the entire credit supply chain.
Within the model defined, the impact of the inclusion of Climate and Environmental metrics is assessed with three levels of granularity:
SECTOR AND MICRO-SECTOR
The Credit Framework takes into consideration an ESG Sectoral Assessment (which assigns risk score to sectors and microsectors) and an ESG Sectoral Strategy (which defines lending strategies based on color coding attributed according to level of risk) - -. The color coding assigned to each economic sector, drives different strategies, specifically: red (exclusion strategy as per Credit Policies); orange (selective disengagement strategy); yellow (selective engagement strategy); white (neutral); blue (positive engagement strategy).
PROFILE OF THE COUNTERPARTY - ESG SCORE
Within the Sectoral strategy, counterparties have been assigned an ESG Score which represents the 2nd level of analysis within the credit framework. Intesa Sanpaolo has developed a proprietary methodology for assessing the sustainability performance of client companies, the ESG Score. The ESG Score is a qualitative-quantitative assessment that analyzes information on the ESG, Environmental, Social and Governance profile of a client company and takes into consideration both the risks to which it is exposed and the opportunities that can develop in these areas. The main purpose of the ESG Score is to offer a better knowledge of customers' ESG profile so as to mitigate risks and enable the achievement of opportunities related to the sustainable transition.
Environment related descriptors used in ESG Score include a specific "water" descriptor.
TRANSACTION
Finally, the credit framework takes into consideration in addition to the economic sector and to the ESG Score of the counterpart, also the kind of transaction that ISP is requested to finance. In 2022, at transaction level, the "Rules for the classification of sustainable credit products and lending transactions" were finalized in response to the EBA Guidelines on Loan and Origination Monitoring. The rules classify transactions/products in categories of sustainability according to market standards (Loan Market Association principles), differentiating between "dedicated financing" and "general purpose financing" on the basis of the use of funds. Specifically, credit products and transactions are divided according to the categories of Environmental, Social, Governance, and other forms of Sustainability, where the first three refer to "dedicated financing" products and transactions, while the last to "general purpose financing". In terms of underwriting - with focus on larger counterparties/transactions - the process, integrated with the key ESG metrics (at sector/counterparty and
transaction level), also envisages an opinion performed by the ESG & Reputational Risk Clearing for counterparties/transactions with higher ESG risk profile.
For specific high ESG risk sectors, an analysis of the counterparties' transition plans is also required.
100% of clients as concern the water related portfolio (by number and portfolio exposure) are exposed to substantive risk.

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	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Water-related information	<Not Applicable>	<Not Applicable>
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.

	Type of information considered	Process through which information is obtained	Industry sector(s) covered by due diligence and/or risk assessment process	State how these forests- and/or water-related information influences your decision making
Banking – Forests-related information	Other, please specify (Ecological Impacts, deforestation or controversial site clearance, carbon stock, Environmental pollution (soil and water pollution), Water scarcity)	Directly from the client/investee Data provider Public data sources	Other, please specify (All sectors)	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 2022, approximately 195 loan transactions with corporate customers were analysed, 70% 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. Information is sourced from public documents (Sustainability Reports, web pages, etc...), data provider, when possible, or from requested written documentation. For example, the ESG and reputational risk of a client company operating in the forestry sector in Singapore was assessed in 2022. The analysis conducted revealed some criticalities, mainly due to: - the exposure to Environmental, Social and Governance risks of the company's business sector; - the company's business strategy about climate transition is considered weak by an external ESG data provider. However, a medium level of ESG and Reputational risk was assigned, considering the following mitigating factors: - level of disclosure on the ESG dimensions; - the company is committed to improve measures to protect the environment and to reduce its water and energy consumptions; - presence of KPI regarding ESG dimension of the proposed transaction.
Banking – Water-related information	Other, please specify (Ecological Impacts, deforestation or controversial site clearance, carbon stock, Environmental pollution (soil and water pollution), Water scarcity)	Directly from the client/investee Data provider Public data sources	Other, please specify (All sectors)	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 2022, approximately 195 loan transactions with corporate customers were analysed, 70% 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. Information is sourced from public documents (Sustainability Reports, web pages, etc...), data provider, when possible, or from requested written documentation.
Investing (Asset manager) – Forests-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Water-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Forests-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Water-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Forests-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Water-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

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 2022 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
ISP 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.
Should ISP be perceived as financing projects or activities with negative impacts on forests, a loss of customers could occur based on changing market or consumer sentiment, with an impact on revenues.
Though ISP's exposure to the forestry sector is limited, clients operating in this sector can present relatively high reputational/ESG risk. Thus corporate lending transactions to this sector are subject to a careful ESG and reputational risk clearing. As part of Reputational Risk Clearing (a pre-lending assessment by the Risk Manager in collaboration with the Client's Relationship Manager) a class of risk is assigned to transactions/counterparties that are potentially exposed to reputational and ESG risks to support decision-making processes, enabling an informed acceptance of risk which may even lead not to authorize the transaction. In 2022, 6 corporate lending transactions in the forestry sector located in Asia and Eastern Europe were subject to a specific clearing with an average reputational and ESG risk level evaluated as medium which in ISP credit strategy is associated with a strategy of transition/selective engagement.
For ex. the ESG and reputational risk of a client company operating in the forestry sector in Singapore was assessed in 2022. The analysis conducted revealed some criticalities, mainly due to:
- the exposure to ESG risks of the company’s business sector;
- the company’s business strategy about climate transition is considered weak by an external ESG data provider.
However, a medium level of ESG and Reputational risk was assigned, considering the following mitigating factors:
- level of disclosure on the ESG dimensions;
- the company is committed to improve measures to protect the environment and to reduce its water and energy consumptions;
- presence of KPI regarding ESG dimension of the proposed transaction.

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)
102558860

Explanation of financial impact figure
The maximum amount represents cash and non cash exposure (gross carrying amount) of the forestry sector at 31/12/2022. 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
422100

Description of response and explanation of cost calculation
ISP 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. Though ISP's exposure to the forestry sector is not very significant, clients operating in the forestry sector can present relatively high reputational and ESG risk.
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 2022, 6 corporate lending transactions in the forestry sector located in Asia and Eastern Europe were subject to a specific clearing with an average reputational and ESG risk level evaluated as medium
These actions allow to keep low ISP’s exposure to the forestry sector and to avoid increasing the exposure to higher risk counterparties operating in the sector.
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. ISP assumes that they involve an annual overall commitment of 7 FTEs with an estimated gross cost of 60.300 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

422,100 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. Moreover, 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, e.g. Circular Economy loans and S-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, as a demonstration of the Group attention to forestry related issues.

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 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, among which Forestry) and the related risk management processes and evaluation and exclusion criteria, which have an impact on the Group's lending strategy.

Financial planning elements that have been influenced

Capital allocation

Description of influence on financial planning

As Forestry is a sensitive sector, financing to this sector could be influenced by the ESG clearing process which could limit activity with certain counterparties.

Example of a financial decision: 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, as a demonstration of the Group attention to forestry related issues.

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 are 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, but we 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

Intesa Sanpaolo is closely following regulatory and market updates on forests risk, including scenario analysis for its definition.

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

Some aspects of water risks are considered in ISP credit framework (e.g. included in the ESG score by counterparties). As concerns physical risks, models have been developed in case of floods, droughts, etc. For example, in the Operational Risk Scenario Analysis process, the main source of risk has been identified in floods that may involve data centers; the location of properties does not seem to expose the Group to very significant risks and, therefore, the relevance of such kind of scenarios has been deemed relatively small compared to the total estimates.

FW-FS3.3

(FW-FS3.3) Has your organization set targets for deforestation free and/or water secure lending, investing and/or insuring?

	Targets set	Explain why your organization has not set targets for deforestation free and/or water secure lending, investing and/or insuring and any plans to address this in the future
Forests	No, but we plan to set targets within the next two years	Targets 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.
Water Security	No, and we do not plan to set targets in the next two years	It is not considered as a top priority at this stage

FW-FS3.4

(FW-FS3.4) 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	Yes	<Not Applicable>
Water	Yes	<Not Applicable>

FW-FS3.4a

(FW-FS3.4a) Provide details of your existing products and services that enable clients to mitigate deforestation and/or water insecurity.

Product type
Corporate loans

Taxonomy or methodology used to classify product(s)
Internally classified

Product enables clients to mitigate
Deforestation

Description of product(s)
The € 8 bn "Circular Economy Plafond" provides the most innovative clients/projects with credit at favorable terms. Access to these facilities is evaluated against a set of five circular economy eligibility criteria developed in partnership with the Ellen MacArthur Foundation and five additional criteria related to green projects. Access to the CE Plafond is subject to an assessment provided by the ISP Innovation Center's Circular Economy Desk.
Among the Circular Economy criteria, the following two are relevant for the financing of clients that mitigate deforestation:
• Increase in efficiency and effectiveness of resources' consumption
• Sustainable management of natural resources and soil, biodiversity

The EU Taxonomy, Green Bond Principles (ICMA), LMA green bond principles, LMA sustainability linked loans principles are also taken into account.

Deforestation mitigation products represented 0.03% of total approved financing (9.1 bn euro) within the Circular Economy Plafond in 2022.

Type of activity financed, invested in or insured
Forest protection
Afforestation
Sustainable agriculture

Portfolio value (unit currency – as specified in C0.4)
3000000

% of total portfolio value
0.03

Product type
Corporate loans

Taxonomy or methodology used to classify product(s)
Internally classified

Product enables clients to mitigate
Water insecurity

Description of product(s)
The € 8 bn "Circular Economy Plafond" provides the most innovative clients/projects with credit at favorable terms. Access to these facilities is evaluated against a set of five circular economy eligibility criteria developed in partnership with the Ellen MacArthur Foundation and five additional criteria related to green projects. Access to the CE Plafond is subject to an assessment provided by the ISP Innovation Center's Circular Economy Desk.

Among the Circular Economy criteria, the following two are relevant for the financing of clients that mitigate water insecurity:
• Increase in efficiency and effectiveness of resources' consumption
• Sustainable management of natural resources and soil, biodiversity

The EU Taxonomy, Green Bond Principles (ICMA), LMA green bond principles, LMA sustainability linked loans principles are also taken into account.

Water insecurity mitigation products represented 0.05% of total approved financing (9.1 bn euro) within the Circular Economy Plafond in 2022.

Type of activity financed, invested in or insured
Sustainable agriculture
Water supply and sewer networks infrastructure
Water treatment infrastructure
Wastewater treatment infrastructure
Flood/drought resilience

Portfolio value (unit currency – as specified in C0.4)
4200000

% of total portfolio value
0.05

FW-FS3.5

(FW-FS3.5) 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 "Group guidelines for the governance of environmental, social and governance (ESG) risks" 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.
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 "Group guidelines for the governance of environmental, social and governance (ESG) risks" 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).

FW-FS3.6

(FW-FS3.6) 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	Yes	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. Also, among other, Intesa Sanpaolo offers 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 ESG KPI. In particular, S-Loan Climate Change has a KPI covering "initiatives to protect biodiversity and natural ecosystems".	<Not Applicable>
Water	Yes	Intesa Sanpaolo's financial offer includes loans with ESG KPIs, among which those related to water consumption reduction. Among other, Intesa Sanpaolo offers 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. Engagement with clients is made through the circular economy offer and the sustainability linked loan offer of ISP, in particular with the S-Loan Climate, which has, among other KPIs, a KPI on "initiatives to protect biodiversity and natural ecosystems".
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	<Not Applicable>	<Not Applicable>
Investees – Water	<Not Applicable>	<Not Applicable>

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?

	External engagement activities that could directly or indirectly 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	Yes, we engage directly with policy makers Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact this issue area	<Not Applicable>	<Not Applicable>
Water	Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact this issue area	<Not Applicable>	<Not Applicable>

FW-FS4.4a

(FW-FS4.4a) On what policy, law, or regulation that may impact forests and/or water security have you been engaging directly with policy makers in the reporting year?

Issue area(s)
Forests

Focus of policy, law or regulation that may impact this issue area
Zero deforestation

Specify the policy, law or regulation on which your organization is engaging with policymaker
Deforestation Regulation Repealing Regulation 2010/995 2008/0198(COD)

Policy, law or regulation coverage
Global

Country/area/region the policy, law or regulation applies to
<Not Applicable>

Your organization’s position on the policy, law or regulation
Neutral

Description of engagement with policymakers
During the legislative process, without any impact assessment and in opposition of the European Commission’s consideration, some members of the European Parliament tried to enlarge the scope of the Deforestation Regulation also to financial institutions. Intesa Sanpaolo objected with this very specific point, defending the original remit of the proposal as it was drafted by the European Commission. The main objection was that the Corporate Sustainable Due Diligence Directive, which legislative process was on going, was enough to ensure the due diligence obligation for financial institutions.

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 engagement on this policy, law, or regulation is aligned with the Sustainable Development Goals?
Yes, we have evaluated, and it is aligned

Issue area(s)
Water

Focus of policy, law or regulation that may impact this issue area
Taxonomies

Specify the policy, law or regulation on which your organization is engaging with policymaker
EU Taxonomy delegated regulation

Policy, law or regulation coverage
Regional

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

Your organization’s position on the policy, law or regulation
Neutral

Description of engagement with policymakers
While this delegated act will cover also the “the sustainable use and protection of water and marine resources” (among other environmental goals), the Intesa Sanpaolo engagement on this proposal of delegated regulation has been mainly on the circular economy objective. Therefore, ISP would consider our position on the water-related elements of the proposal absolutely neutral.

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 engagement on this policy, law, or regulation is aligned with the Sustainable Development Goals?
Yes, we have evaluated, and it is aligned

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 2023 the new Green and Social Bond Report referred to 2022 on the Green Bonds issued was published. Within the Green Bond Report, 4,664,833 m3 water saving were calculated linked to eligible Circular Economy portfolio.
Investing (Asset manager) – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
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.
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	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
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>
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).

Focus of the Publication
Forests

Publication
In mainstream reports

Status
Complete

Attach the document
Consolidated non Financial Statement 2022 and TCFD Report 2022
CNFS 2022_EN.pdf
TCFD Report 2022.pdf

Page/Section reference
Consolidated non Financial Statement 2022:
page 62 Monitoring of ESG and reputational risks
page 80 2022 material issues
page 222 - Performance indicators, results achieved and objectives
page 223 - 2022-2025 Business Plan
page 224 Strategy
page 19, 207, 212: Circular Economy
page 211 S-Loan
page 214 Green Bond
page 218 Events and initiatives

Content elements
Strategy
Risks and opportunities
Response to forests- and/or water-related risks and opportunities

Comment
Some of these contents are also presented in the TCFD Report 2022 (attached) though this document is focused on Climate Change

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Focus of the Publication
Water Security

Publication
In mainstream reports

Status
Complete

Attach the document
Consolidated non Financial Statement 2022 and TCFD Report 2022
CNFS 2022_EN.pdf
TCFD Report 2022.pdf

Page/Section reference
Consolidated non Financial Statement 2022:
page 69 Identification of risks related to climate change (includes water stress and drought)
page 73 Inclusion of ESG factors in the credit framework (water consumption)
page 82 Analysis of material issues (Clean and accessible energy and water)
page 149 Green Bond Impact report (litres of water saved or purified)
page 231 Responsible management of resources - Water (operations)
page 293 Indicators - Total water consumed (operations)

Content elements
Risks and opportunities

Comment
Some of these contents are also presented in the TCFD Report 2022 (attached) though this document is focused on Climate Change (Water stress and drought is considered and assessed as part of the climate risk "physical risk- chronic").

Submit your response

In which language are you submitting your response?
English

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