



Climate change



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RELEVANT ISSUES

Strategy for combating climate change	246
Own emissions reduction plans	249
Responsible management of resources	253

RELEVANCE OF ISSUES AND MAIN IMPACTS

As well as its consequences and repercussions on the planet's ecosystem and people's wellbeing all over the world, the constant increase in global temperatures due to the growing concentration of greenhouse gases in the atmosphere is also impacting on the economic and social dynamics of present and future generations.

2023 was the hottest year since 1850: during the UN Climate Change Conference (COP28) it was announced that limiting global warming to 1.5°C required significant, rapid and lasting reductions of 43% in global greenhouse gas emissions by 2030 and 60% by 2035; strong emphasis was also placed on the issue of the loss of biodiversity and the importance of protecting, replenishing and making sustainable use of ecosystems through effective and sustainable climate action that also involves the transition towards the complete phase-out of fossil fuels by 2050 and the increase in global renewable energy capacity and the improvement of energy efficiency by 2030.

The European Union has made clear commitments to combating climate change with the aim of reducing emissions by at least 55% by 2030 and making Europe the first climate-neutral continent by 2050. In 2019 Europe's commitment to guaranteeing the transition to a low carbon economy was translated into tangible form in the Green Deal, the action plan to make the EU economy sustainable, supported by an investment plan that aims to mobilise at least 1,000 billion euro of sustainable-conscious investments through to 2030; this was followed, in 2021, by the Recovery and Resilience Facility, an instrument which provides grants and loans subject to the presentation of national recovery and resilience plans (NRRP) in which 37% of resources are allocated to the climate.

Effectively tackling the causes of climate change and adapting to its impacts therefore requires a collective effort at both global and national level as well as a systemic view of the problem. The geopolitical and socioeconomic developments of the last few years have also helped us to focus more closely on the importance of improving the resilience of our social, environmental and economic systems to internal and external stress, including climate change.

Intesa Sanpaolo plays a frontline role in facilitating and supporting these climate change mitigation and adaptation processes thanks to the implementation of energy efficiency measures and initiatives to reduce the Group's direct and indirect emissions.

PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVE

Macro-issue	Projects/ Indicators	2023 Actions/Results	Plan Objectives for 2025 and Net-Zero Goals
Climate change	Atmospheric emissions ⁽¹⁾	<ul style="list-style-type: none"> Scope 1 + 2 Market-based⁽²⁾: 69,067 tCO₂ eq: -9% vs 2022; 0.018 tCO₂ eq/m²: -7.5% vs 2022; 0.699 tCO₂ eq/employee: -6.8% vs 2022 	<ul style="list-style-type: none"> Carbon neutrality of own emissions by 2030⁽³⁾ Net Zero by 2050 with regard to both its own emissions and those relating to the loan and investment portfolios, asset management and the insurance business - with participation in the Net-Zero Banking Alliance (NZBA), the Net-Zero Asset Managers Initiative (NZAMI), the Net-Zero Asset Owner Alliance (NZAOA) and the Net-Zero Insurance Alliance (NZIA)
	Energy consumption	<ul style="list-style-type: none"> Electricity: 379,798 MWh: -8.1% vs 2022; Thermal energy: 213,524 MWh -7.5% vs 2022 Renewable electricity purchased versus total electricity purchased: 88.2% (90.7% in 2022) Electricity produced from renewable sources: 1,387 MWh (+3.2% vs 2022) Business travels: 119 million km 	<ul style="list-style-type: none"> Containment of energy consumption 100% renewable electricity at Group level in 2030 (level already reached in Italy in 2021) Maintenance of electricity production levels from photovoltaic energy
	Responsible management of resources	<ul style="list-style-type: none"> Paper purchased: 4,094 t: -5.4% vs 2022; Environmentally-friendly paper purchased (including recycled paper) vs total: 88.7% (89.1% in 2022) Paper saved: 3,317 t Toner used: 90.6 t (75.0 t in 2022) Remanufactured toner used vs total: 49.3% (63.2% in 2022) Waste: 3,781 t (4,267 t in 2022) ISO 14001 and 50001 certified scope: 100% of Intesa Sanpaolo sites in Italy and CIB Bank in Hungary New Headquarters in Turin: renewal of the LEED Platinum – Existing Buildings Operations & Maintenance certification from the Green Building Council in the sustainable management of buildings category in 2023. Gioia 22 in Milan: NZEB building and LEED certification from the Green Building Council in the Core and Shell category 	<ul style="list-style-type: none"> Responsible use of resources

⁽¹⁾ Emission factors for the calculation of CO₂ established by Intesa Sanpaolo, in accordance with the ABI environmental guidelines issued by ABI Energia and on the basis of the main 2023 publications (UNFCCC, IEA, IPCC, AIB, etc.). For more information, see page 310.

⁽²⁾ Market-based: the Scope 2 data for purchased electricity considers the contribution, agreed contractually, of the guaranteed renewable source certificates, which therefore have zero emissions.

⁽³⁾ -53% vs 2019 through specific medium-long term actions aimed at reducing its consumption of natural gas, diesel oil and traditional electricity.

PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVE

Macro-issue	Projects/ Indicators	2023 Actions/Results	Plan Objectives for 2025 and Net-Zero Goals
Climate change	Protecting and restoring natural capital	<ul style="list-style-type: none"> ▪ Launch of Think Forestry, a project dedicated to reforestation and the preservation of natural capital, to promote environmental sustainability and the transition towards a net zero economy 	<ul style="list-style-type: none"> ▪ Commitment to restoring and increasing natural capital with over 100 million trees planted, directly and with loans dedicated to corporate customers ▪ Adoption of a specific policy on biodiversity

COMPANY POLICIES

Environmental protection is one of the key aspects of Intesa Sanpaolo's commitment to sustainability/ ESG and takes the form of self-regulated environmental and energy instruments and policies that define the strategic and operational guidelines which underpin the Group's environmental protection initiatives and its efforts to reduce its environmental footprint. The Group's Code of Ethics and the Rules for the environmental and energy policy, approved by the top management, define the principles and guidelines that regulate the environmental responsibility of the Group and the monitoring of the impact of its activities.

To this end, by joining the Net-Zero alliances promoted by the UNEP Finance Initiative⁽⁴⁾ on credit, investments and insurance in 2021, Intesa Sanpaolo has set itself the goal of achieving net-zero emissions by 2050 in terms of both its own emissions and those connected with the loan and investments portfolios, asset management and the insurance business, with intermediate targets set for 2030. After joining the Net-Zero Banking Alliance (NZBA), the 2022-2025 Business Plan outlined the 2030 goals relative to four emissions-intensive sectors: Oil & Gas, Power Generation, Automotive and Coal Mining (the latter is scheduled for phase-out by 2025). The target setting activities in the Iron&Steel and Commercial Real Estate sectors continued in 2023.

In addition, in October 2022 wealth management companies Eurizon Capital SGR, Fideuram Asset Management SGR and Fideuram Asset Management Ireland and insurance group Intesa Sanpaolo Vita published their first intermediate goals, targeted at achieving net-zero greenhouse gas emissions for their assets under management by 2050.

Intesa Sanpaolo also supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and publishes a Climate Report⁽⁵⁾, which includes specific climate disclosures in line with these recommendations.

Direct impacts are monitored by an Environmental Management System extended to all Intesa Sanpaolo branches and buildings in Italy. An Energy Management System and a Worker Health and Safety Management System are also applied in Italy. It is therefore possible to talk about an Integrated Management System which meets all the requirements of the most recent reference standard in this area (ISO 14001, 50001, 45001) and, as such, is subject to annual auditing and certification by an international and independent third party which certifies its compliance.

Additional protection is provided by a team of internal structures which proposes, defines, implements and constantly monitors activities to support the reduction of the Group's greenhouse gas emissions. A structure within the Workplace Safety, Environment and Energy Head Office Department, which reports directly to the Employer and also includes the Energy Manager, coordinates all of the Group's actions as regards the reduction of its direct emissions. In addition, as Environmental Officer, the manager of the Workplace Safety, Environment and Energy Head Office Department has been given broad decision-making, organisational and spending powers, including the preliminary approval of any change in the production process that may be relevant for environmental purposes. The role of Mobility Manager has also been introduced in the Labour Affairs and Policies Head Office Department to cover applicable issues.

⁽⁴⁾ The UN Environmental Programme that promotes dialogue among financial institutions on economic performance, environmental protection and sustainable development.

⁽⁵⁾ Previously the TCFD Report.

The measures that the Group has taken for years to reduce its emissions relate to various areas including, for example, the acquisition of electricity from renewable sources (with a commitment to purchase 100% of the Group's energy from renewable sources by 2030, a goal already achieved in Italy in 2021), energy efficiency and optimisation actions, and the development of mobility management initiatives to reduce emissions connected with travel. In addition, with regard to the conservation of natural capital, the 2022-2025 Business Plan includes the development of a specific biodiversity policy and a major reforestation and natural capital preservation project, Think Forestry, with the aim of fostering environmental sustainability and the transition towards a net zero economy; the goal, at global level, is the planting and preservation of 100 million trees through the joint action of the Bank and its corporate customers.

With the aim of strengthening its commitment to reducing its environmental impact, the Intesa Sanpaolo Group updated its Green Banking Procurement rules in 2023 defining, further to the previous criteria already applied, additional minimum sustainability requirements for purchases of paper, stationery, toner, electricity and office equipment, as well as for the renovation of real estate assets.

The Group closely manages direct and indirect risks connected with climate change by promoting adaptive behaviour or conduct designed to mitigate this phenomenon, while simultaneously developing a culture focused on prevention. For a detailed analysis see the section Management of risks and potential impacts related to climate change (see page 69).

STRATEGY FOR COMBATING CLIMATE CHANGE⁽⁶⁾

The Intesa Sanpaolo Group is aware of the challenges of climate change. The 2022-2025 Business Plan confirmed the Group's commitment to helping achieve global climate targets, aiding the transition to a low carbon economy. To this end the Intesa Sanpaolo Group has decided to pursue the goal of Net-Zero by 2050 in all its main business lines: credit, investments and insurance segment. In fact, as well as being part of the Net-Zero Banking Alliance (NZBA), Intesa Sanpaolo has also joined the Net Zero Asset Managers Initiative (NZAMI) through Eurizon Capital SGR, Fideuram Asset Management SGR and Fideuram Asset Management Ireland, and the Net Zero Asset Owner Alliance (NZAOA) and the Net Zero Insurance Alliance (NZIA) through Intesa Sanpaolo Vita.

Also in line with the principles of its Code of Ethics, Intesa Sanpaolo views sound sustainability governance, solid risk management, the development of a suitable range of products, including loans, services and a wide array of sustainable and responsible investments, in addition to the development and implementation of processes, rules and procedures to support the transition towards a sustainable economy, as an integral part of its strategy for combating climate change.

Intesa Sanpaolo has a long-standing commitment to environmental sustainability, focusing not only on climate change – as evidenced by the importance its stakeholders give to the topic and its presence in the list of material topics (see page 86) – but also seeking to safeguard nature and biodiversity.

With regard to financed emissions, the Iron&Steel and Commercial Real Estate (CRE) sectors were added to the intermediate reduction targets for 2030 published in February 2022 – Oil&Gas, Power Generation, Automotive and Coal Mining. The Automotive and Power Generation sectors were also reviewed to align them with the perimeter and scope choices made to define SBTi targets. The sectors covered by target setting represent over 66% of the emissions financed by the portfolio of non-financial companies in the sectors indicated by the NZBA.

The progress and the annual monitoring of targets, as well as the Sector Transition Plan, are available in the 2023 Climate Report [\[i\]](#). The table below provides details on the metrics applied, the baseline and the 2030 goal for each target sector.

⁽⁶⁾ For information see the 2023 Climate Report [\[i\]](#).

Sector Targets	Scope	Value Chain	Metrics	Baseline (baseline date)	Target (2030)
Oil&Gas	Scope 1,2,3	Upstream operators and integrated players	gCO ₂ e/MJ	64 (30/06/2021)	55* (52-58)
Power generation	Scope 1,2	Generation and integrated players	kgCO ₂ e/MWh	214 (30/06/2021)	110
Power generation revised**	Scope 1,2	Generation and integrated players	kgCO ₂ e/MWh	202 (31/12/2022)	110
Automotive	Scope 3 TTW	Vehicle production	gCO ₂ e/vkm	162 (30/06/2021)	95
Automotive revised**	Scope 3 WTW	Vehicle production	gCO ₂ e/vkm	192 (31/12/2022)	100
Coal mining (exclusion policy)	Exclusion policy	Coal mining	€bn exposure	0.2 (30/06/2021)	Zero by 2025 Zero emissions
Iron&Steel	Scope 1,2	Companies producing crude steel that use iron ore (or scrap) as an input	tCO ₂ /tsteel	1.05 (31/12/2022)	0.81
Commercial Real Estate	Scope 1,2,3	In-use operational emissions of buildings in Italy	kgCO ₂ e/m ²	43.16 (31/12/2022)	27.98

* Central value of the range indicated as target.

** For revised and new sectors the exposure perimeter does not include HTC, Equity Banking Book and short term loans, in line with the choices made for the definition of SBTi targets. For the Automotive revised sector: Focus is on production of light duty vehicles (light trucks in addition to passenger cars) in line with the design choices made for the definition of SBTi targets; scope of emissions widened from previous Tank to Wheel to Well to Wheel.

The commitment to Net-Zero was also consolidated through the monitoring of intermediate targets – published in October 2022 – by Intesa Sanpaolo companies active in wealth management (members of the NZAMI and the NZAOA).

With regard to its own emissions, in addition to having already reduced them by 59.5% in 2023 compared to 2008 levels, as part of its 2022-2025 Business Plan Intesa Sanpaolo published the Own Emission Plan, setting itself the target, as part of its Net-Zero process, of achieving the carbon neutrality of its own emissions and acquiring 100% of its electricity from renewable sources by 2030 (a target already achieved in 2021 for branches and sites in Italy).

For a detailed overview of the targets in the wealth management segment, the results of the Own Emission Plan, as well as topics relating to governance, strategy, risk management and other metrics and targets connected with combating climate change, see the Climate Report [\[i\]](#) published by the Group in parallel with this Consolidated Non-Financial Statement (CNFS).

PARTICIPATION IN WORKING GROUPS ON CLIMATE CHANGE ISSUES

In 2023 Intesa Sanpaolo took part in various initiatives and partnerships that underline the Group's commitment and the collective efforts of the sector towards achieving the Net-Zero goal. The initiatives encompass a wide range of sectors and topics.

As part of the activities of UNEP FI, since 2021 Intesa Sanpaolo has contributed to the Implementation Work Track of the NZBA dedicated to banks that form part of the Alliance and aimed at facilitating the implementation of the activities necessary for target setting and the achievement of the Net-Zero goal. The Working Group managed the activities connected with the second Progress Update report which includes all information on the Net Zero progress and targets achieved by members of the Alliance (including Intesa Sanpaolo), presented in December during the COP28 in Dubai. Five sector working groups were also set up in 2022: Commercial and Residential Real Estate; Oil&Gas; Iron&Steel; Power Generation and Automotive & Trucking. As part of the NZBA, in 2023 Intesa Sanpaolo, through the specialists of the IMI Corporate & Investment Banking Division, participated in the activities of the sector working group on Power Generation and contributed to the White Paper that will be published in 2024. Again as part of the UNEP FI, Intesa Sanpaolo participates in the Climate Risk and TCFD programme which aims to develop good practices for identifying, measuring, communicating and managing climate risk in the financial sector.

In the area of Net-Zero and Transaction Banking, Intesa Sanpaolo also participates as coordinator in the BAFT (Bankers Association for Finance and Trade) global working group on sustainability.

The participation in working groups focused on combating climate change also involves the wealth management divisions with regard to the commitments undertaken by joining the respective Net Zero alliances. Eurizon and Fideuram, among others, contribute to the activities of the IIGCC Net Zero Engagement Initiative (collective engagement) and the Principles for Responsible Investment initiative. Intesa Sanpaolo Vita was also co-leader of the NZAOA "Emission Attribution" working group, and participated in the ASCOR (Assessing Sovereign Climate-related Opportunities and Risks) working group on sovereign debt.

The details and information on the climate change working groups are available in the Group Climate Report [\[1\]](#).

Over the period of the 2022-2025 Plan is expected also the development of a policy on biodiversity and there is a commitment to plant and preserve 100 million trees globally. In relation to this commitment was launched during 2023 the Think Forestry Project aimed at accompanying companies customers the ecological transition path with the dual objective of safeguarding and increasing natural capital, or forests, and accelerate the path of climate change mitigation by supporting the reduction of CO₂ emissions of the economic activities of customers.

OWN EMISSIONS REDUCTION PLANS

In accordance with the environmental responsibility commitments undertaken by the Group, since 2009 Intesa Sanpaolo has set medium to long term goals through the creation of specific action plans. The first Intesa Sanpaolo Environmental Plan covered the 2009-2013 period, and was followed by the plan relating to 2013-2016 and the 2017-2022 Climate Change Action Plan. All Plans set measurable goals in the areas of energy savings, economic savings and the reduction of CO₂ emissions. The scope, limited to Italy in the first plan, has expanded over time to include the International Subsidiary Banks.

Given its participation in the Net-Zero Banking Alliance and the increasing strategic significance of the issue of CO₂ emissions, in 2022 Intesa Sanpaolo published a new plan, called the Own Emissions Plan, to replace the previous Climate Change Action Plan. The Plan's targets for 2030 are:

- 100% of electricity purchased from renewable sources;
- a reduction of at least 53% in Scope 1 and 2 Market-Based emissions compared with 2019. Remaining emissions at 2030 will be offset with specific projects.

At the end of 2023 there was a 28.2% reduction in Scope 1 and 2 Market-Based emissions compared to 2019, in line with the intervention plans and a purchase of electricity from renewable sources by 88.2%.

ATMOSPHERIC EMISSIONS

The Intesa Sanpaolo Group's greenhouse gas emissions, reported in CO₂ equivalent in accordance with the international GHG Protocol (Greenhouse Gas Protocol), relate to:

- Scope1 direct emissions, relating to the use of fuel for heating, leaks of F-GAS⁽⁷⁾, the fleet;
- Scope2 indirect emissions for centralised HVAC systems and electricity.

The Bank's commitment to containing its CO₂ emissions takes tangible form in its Own Emissions Plan which identifies specific 2030 targets aimed at reducing its consumption of natural gas, diesel and electricity.

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, produced significant results also in 2023 in terms of reducing energy consumption in accordance with the objectives of the plan.

In 2023 the Group continued to reduce its electricity consumption, which fell by 8.1% compared with the previous year thanks to energy efficiency and optimisation actions and the reorganisation of the sales network.

In terms of thermal energy consumption, the measures taken to achieve the Group's emissions reduction targets and fulfil national regulations aimed at containing energy consumption resulted in a 7.5% reduction in consumption in 2023.

All in all, Scope 1 + Scope 2 Market-based greenhouse gas emissions fell by 9%. The Scope 1 and Scope 2 Location Based emissions highlight the positive results of the energy efficiency actions taken and the upgrading of the fleet to hybrid and electric vehicles, with a 9.2% reduction compared with 2022.

Despite the reduction in the number of workers (-2.3%) and the surface area (-1.6%), corresponding emissions fell even further: -6.8% emissions per worker and -7.5% in relation to surface area.

Furthermore, in addition to its Scope 1 and 2 emissions the Intesa Sanpaolo Group is also committed to reporting its indirect Scope 3 emissions which are connected with its activities but not directly controlled by the company (paper, waste, office equipment, etc.).

⁽⁷⁾ Fluorinated gases used as refrigerants in the refrigeration, air conditioning and heat pump sector (e.g. hydrofluorocarbons, HFCs), isolation gases in electricity grid connections (e.g. sulphur hexafluoride, SF6) and in the electronics and pharmaceuticals sectors (e.g. perfluorocarbons, PFCs).

EFFICIENCY AND OPTIMISATION OF ENERGY CONSUMPTION⁽⁸⁾

The drafting of the Own Emissions Plan accelerated various long-standing Group initiatives aimed at reducing energy consumption.

More specifically, in Italy a number of projects to modernise plants, replace lighting fixtures and maintain facades and windows and doors were completed in 2023, involving an investment of over 2 million euro, with estimated annual energy savings of over 5.2 GWh and a potential annual reduction in CO₂ emissions of 1,200 t. The initiatives carried out in the Group's international operations, involving an investment of over 800 million euro, produced annual energy savings of around 0.44 GWh and a potential annual reduction in CO₂ emissions of around 81 t.

These initiatives are joined by the energy optimisation measures launched in 2023, such as the reduction of the times/periods that the energy systems are switched on, the reduction of the heating temperature by 1° centigrade and the reduction in the amount of time signage is switched on which, together with other actions to implement previous energy efficiency measures, made it possible to save over 7 GWh in Italy alone.

In 2023 the development and fine-tuning of the management and governance of the energy consumption of the buildings in Italy continued. This consumption is monitored by a centralised platform, Sigi Energia, which is connected to sensors installed in the buildings (dataloggers and temperature probes). In regard to large buildings, which have lots of complex data, in 2023 the Intesa Sanpaolo Smart Building project made important progress, extending the solution to 30 major properties and introducing an energy monitoring platform in collaboration with Microsoft and Iconics. The data-driven approach that has been adopted not only reduces the energy consumption anomalies that can't be identified with traditional monitoring systems, it also makes it possible to optimise the use of spaces and improve the operating margin and spending. The integration with Artificial Intelligence and Machine Learning solutions has also opened the way to predictive and prescriptive analytics which will make it possible to further improve the management of the buildings and workspaces, promoting a more efficient and sustainable future. The Turin Skyscraper's LEED Platinum—Existing Buildings Operations & Maintenance certification, first obtained from the Green Building Council in the sustainable management category in 2019, was renewed in 2023. The New Headquarters had previously received LEED Platinum—New Construction certification for the construction of the building, thanks to the design features and technological solutions adopted. The Gioia 22 Skyscraper in Milan, opened in 2023 and headquarters of a number of Group companies, also acquired LEED Platinum—Core and Shell certification for the design and construction of its mechanical, electrical, hydraulic and fire-fighting systems. It is the first Milanese skyscraper to be awarded NZEB—Nearly Zero Energy Building status with 65% of its energy requirements self-produced on site using photovoltaic and geothermal energy. The installation of 150 EV charging columns for cars owned by Intesa Sanpaolo Group employees inside the building was also completed in 2023, the first step of a broader project that involves the installation of EV charging stations in Group properties all over Italy.

⁽⁸⁾ The unit of measurement in Gigajoules (GJ) is easily obtained by using the following conversion: e.g. 1 MWh = 3.60 GJ.

2023 EFFICIENCY MEASURES

A number of major efficiency measures carried out in 2023 are outlined below.

Headquarters in Via Carlo Magno, Novoli, Florence

- New Building Management System (BMS) for the regulation and monitoring of systems
- Replacement of uninterruptible power supplies (UPS) with high-performance machines

Overall, the measures adopted in Florence in 2023 will generate energy savings of 300 MWh/year.

Data Processing Centres

- Work was carried out to optimise the processes of Intesa Sanpaolo Group Data Centres in 2023
- At the same time, the process of disposing of and optimising the systems of the buildings containing the data processing centres formerly owned by UBI Banca of Brescia and Bergamo was launched

All in all, the actions taken in the Data Centres generated over 10 GWh of energy savings in 2023.

ALEXBANK

Following the complete redevelopment of one of the 3 buildings in Cairo, as well as replacing obsolete and energy-intensive systems, the Bank also completely refurbished the facade, creating a double "skin" that will produce notable energy savings, drastically reducing the consumption connected with the air conditioning of the sites. The measures adopted will lead to estimated annual energy savings of around 245,000 kWh.

CIB GROUP

In line with the Bank's commitment to energy efficiency – it is the only subsidiary with a certified energy management system – obsolete refrigeration units were replaced with next-generation heat pumps in the Petrezselyem building in Budapest. This measure is expected to produce annual energy savings of around 60,000 m³ in natural gas.

INTESA SANPAOLO ROMANIA

With the launch of emissions reduction plan, Intesa Sanpaolo Romania decided to reduce its gas consumption by installing remote controls for its heating system in its buildings. This simple but effective solution makes it possible to manage the heating system remotely using an app. Between 2022 and 2023 the estimated energy savings in the Bank's buildings came to 8,850 m³ of natural gas.

ENERGY AUDITS

Being a large company, Intesa Sanpaolo and its subsidiaries must carry out energy audits every four years on premises where they exercise control of energy consumption, pursuant to Italian Legislative Decree 102/14. In 2023, multi-site companies, such as Intesa Sanpaolo, had to carry out the audits on a proportionate and sufficiently representative number of sites in order to define a true picture of the company's overall energy performance and to identify, in a reliable manner, the most significant areas for improvement. To fulfil the above obligation, in 2023 Intesa Sanpaolo used the energy audits performed for ISO 50001 certification. In Italy, with regard to the 27 sites identified with the standard procedure, 53 energy audits were presented to ENEA in relation to: 3 data processing centres, 14 buildings and 36 branches. An energy audit of the car fleet was also presented. Possible improvements deriving from short and medium-term investments mainly regarding the air conditioning systems, the installation of photovoltaic systems and the replacement of lighting fixtures (with LED lights) were highlighted.

CONSUMPTION AND PRODUCTION OF RENEWABLE ENERGY

In addition to the energy efficiency measures aimed at reducing its environmental impact, the Intesa Sanpaolo Group has committed, where possible, to producing electricity (totally self-consumed) through the installation of photovoltaic plants and to purchasing electricity from renewable sources.

The amount of energy it self-generates from renewable sources is on the rise and derives from photovoltaic systems installed in Italy (9 of under 20 kWp and 10 larger ones), from two plants in Slovenia and from three new plants in Croatia in Privredna Banka Zagreb buildings in Split, Slavonski Brod and Čakovec, which began producing energy in late 2023. In 2023 the Intesa Sanpaolo Group self-produced 1,387 MWh of energy, saving around 308,000 euro on the purchase of electricity and avoiding 639 tonnes of CO₂ emissions.

Underlining its commitment to the development of renewable energy, in 2024 two new photovoltaic systems will be launched in the Tirana buildings of Intesa Sanpaolo Albania and in the headquarters of Exim Bank in Moldova. Intesa Sanpaolo has also signed a 10-year Power Purchase Agreement (PPA), starting in 2024, for the procurement of around 10% of its annual electricity demand in Italy from renewable sources. Production will be guaranteed by two newly developed photovoltaic systems located in Sicily.

In terms of the acquisition of green energy, in 2023 these purchases accounted for 88.2% of all electricity bought (90.7% in 2022) and the consumption of electricity from renewable sources came to around 82.1% of total electricity consumption (85.1% in 2022).

The downturn in electricity consumption continued in 2023, particularly in Italy (-8.9%) where the purchase of renewable energy now accounts for 100%. This positive reduction has lowered the percentage of renewable energy purchased at Group level. The fall in the latter is also the result of the national energy mix of some of the Banks outside Italy, where the purchase of green energy is restricted by state monopolies, and the slight increase in the production of electricity (totally self-consumed) by cogeneration in Italy.

MOBILITY

The Mobility Management function, part of the Labour Affairs and Policies Head Office Department, is dedicated to supporting employee commuting, to improve their quality but also to promote sustainable means of transport. The goal is to translate the feedback from Group's people into concrete actions in order to provide a structured range of options for daily commutes and implement the actions of the Home-Work Commuting Plans.

2022 enabled us to consolidate the changes in legislation introduced the previous year, which saw Intesa Sanpaolo significantly expand the number of towns subject to analysis to 27. As well as a Mobility Manager, as required by the regulations, the Group organisation involves a coordination team and a Local Mobility Manager for every town in order to ensure extensive monitoring of the issues in line with our widespread presence.

The main Group projects and services for reducing the use of private individual transport and associated CO₂ emissions are:

- the consolidation of Flexible Work and Training, which innovatively combine the management of people's private lives with the company's organisational requirements;
- the execution of a trade union agreement on mobility;
- the Mobility Ticket platform, which promotes the use of public transport in some cities, enabling employees to request annual season tickets directly from their workstation, with the option of paying in monthly instalments and taking advantage of discounted fares where available;
- the company shuttle service to support mobility at some sites not served by local public transport (forecast savings of over 589 tonnes of CO₂ in Italy);
- the company carpooling service, a mode of transport based on the concept of several people with similar routes and working hours sharing the same private car. The aim is to share cars for commutes in order to improve the quality of transfers, make savings on transport expenses, and reduce traffic congestion, pollution and road accidents;
- the development of shared services (cars, mopeds, scooters, and bicycles). In Italy, ALI – the Intesa Sanpaolo employees' association – has entered into agreements with the main networks in several cities;
- the constant commitment to managing and upgrading the company fleet according to selection criteria that promote respect for the environment. Almost all of the car models outlined in the company policies are electric, plug-in or hybrid and these will therefore become part of the Group's transport assets upon the renewal of the contracts. The gradual electrification of the fleet has also resulted in the launch of projects for the installation of charging stations at the main company sites given the growing need to refuel the vehicles also when on company premises;

- the incentivisation of micromobility through various initiatives, such as the possibility of parking foldable bicycles and/or scooters in company spaces, a plan to install racks for the parking of traditional and electrically assisted pedal bicycles, and dedicated contributions by the Employees' Association (ALI);
- 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.

In the International Subsidiary Banks the gradual overhaul of the company fleet has continued with the acquisition of electric, hybrid and more environmentally-friendly models, while the shuttle services at the Bank of Alexandria (Egypt) were used by around 300 colleagues. Meanwhile, carpooling solutions using company and/or private cars have been adopted at Intesa Sanpaolo Bank (Albania), CIB Bank (Hungary), Banca Intesa Beograd (Serbia), Pravex Bank (Ukraine), Intesa Sanpaolo Bank Romania, Intesa Sanpaolo Bank (Slovenia), Intesa Sanpaolo Banka Bosna i Hercegovina and VÚB Banka (Slovakia). In addition, in 2018 CIB Bank signed a contract for the use of car sharing using only electric cars, a project which involved around 1,600 users in 2022. Micromobility is on the rise thanks to the availability of Bank-owned bicycles and the creation of bike parking spaces, such as racks and specific rooms. Still at CIB, in 2022 around 1,500 employees commuted to and from work by bicycle.

RESPONSIBLE MANAGEMENT OF RESOURCES

According to the Code of Ethics, the Rules for the environmental and energy policy and the Green Banking Procurement rules, the Group's responsibilities include the close evaluation of the consequences of its activities on ecosystems and the reduction of its environmental footprint. For this reason, the responsible management of resources is a priority issue for the Intesa Sanpaolo Group in its attempts to mitigate its impact on the environment.

CERTIFIED ENVIRONMENTAL AND ENERGY MANAGEMENT SYSTEM

In line with its past activities, in 2023 Intesa Sanpaolo renewed the certification of its "Health, Safety & Environment" (HSE) management system applied to all owner-occupied properties in Italy pursuant to the ISO 45001, 14001 and 50001 standards; the certification and surveillance process is performed by an independent third party.

Through this instrument Intesa Sanpaolo keeps a close eye on ESG topics, on the monitoring and management of risk, on the continuous improvement of its performances and on the involvement of the internal structures.

The application and coordination of the System is the responsibility of the Workplace Safety, Environment and Energy Head Office Department and involves the Real Estate and Logistics Head Office Department which centralises activities related to real estate assets, the Development Policies and Learning Head Office Department for training requirements, Group Technology for the management and streamlining of ICT infrastructure and the Banca dei Territori Division for network activities.

The System also involves cycles of internal audits with first level controls performed by all structures that manage processes identified as sensitive; second level controls aimed at evaluating the compliance of workplaces and processes to ensure that appropriate corrective actions are implemented to manage any eventual anomalies; third level controls performed by the Internal Audit Department.

Once a year Intesa Sanpaolo, as Employer, together with its appointed Representative and the Environmental Officer, hold a Management Review meeting, in collaboration with the Head of the HSE Management System, involving all of the departments that have impacted on the maintenance of the System.

During the meeting the opportunity of reviewing the Environmental and Energy Policy and the Health, Safety and Welfare at Work Policy is also evaluated; in 2023 both documents were updated to outline and detail the values on which our commitment to environmental protection and health and safety issues is based.

The Review is the key moment of analysis and discussion around the performance, the suitability and the effectiveness of the System in regard to the reference ISO standards and current legislation.

The meeting examines the results of the internal audits, System performance indicators, changes in the context and stakeholder analysis, internal and external regulatory updates, and changes in material factors.

The Top Management also evaluates the results achieved and sets new qualitative and quantitative performance improvement goals. As of 2023 the results of the Review are also presented to the Steering Committee which includes the Bank's Top Management.

With regard to the international banks, thanks to the energy measures it has taken, CIB Bank – 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 applies to all of its properties in Hungary, also in 2023.

PAPER, TONER AND STATIONERY

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 2022, paper usage has fallen by 5.4% with an increase in purchases of recycled paper by the international subsidiaries, proof of the Group's increasing focus on its environmental impact. The figures per worker (41.5 kg in 2023 vs 42.8 kg in 2022) 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 2023 around 3,317 tonnes of paper was saved, corresponding to 4,701 tonnes of CO₂ avoided and a theoretical cost saving of around 5 million euro.

During 2023, the paperless project was extended to additional products and services dedicated to legal persons in Italy. More specifically four protection policies for legal persons were digitised: the "RC Cyber" (Cyber Civil Liability), the "RC Amministratori, sindaci e Dirigenti" (Directors, Auditors and Executives Civil Liability), the "Tutela Business Commercio" (Business Trade Protection) and the "Tutela Business Manifattura" (Business Manufacturing Protection) policies. The digital policies were made available among the on-site solutions and in 2024 the Trade and Manufacturing policies are expected to be available remotely.

Also in the area of legal persons, in November the new Document Exchange application was released, which enables customers that use the NDCE Business channel to digitally sign documentation generated by processes not subject to Customer Journey.

This measure involved a series of processes which until now have generated paper documentation and required customers to visit branches to sign it. Without impacting on pre-existing procedures, the new application enables the manager to send PDF versions of the documents to the customer channel so they can be signed remotely and subsequently archives them in the bank's digital repositories.

The new application is now available right across the Business and Agribusiness network and in January 2024 will be extended to all Retail Company and Third Sector managers. Further developments for 2024 include the digitisation of the "Anticipo Fatture" (Advance on Invoices) product, the expansion of the range of products managed with Document Exchange and the management of signatures on the app.

The new simple and innovative customer experience, involving the use of the graphometric or remote digital signature for execution of contractual documents in all Bank branches, makes it possible to eliminate paper documents and improve the efficiency of managers through the notable simplification of internal paper management and filing processes. The creation of a digital document archive facilitates the filing process and the search for documents while also guaranteeing improved storage, in line with the legislation in force, eliminating back office processing times.

In follow up to the activities for the digitisation of all HR systems and services undertaken in the last few years, the dematerialisation of communications to employees continued in 2023, also involving the signing of the flexible work agreements for both employees with insurance contracts and employees in the credit sector. The "variation of working hours" and "choice of time bank" processes were also digitised.

The digital transformation process also continued in branches of the International Subsidiary Banks in 2023 through the "Digical ABC" and "Digical Onboarding" projects and the implementation of a new commercial service model in some Banks.

Finally, with regard to sustainable stationery, the application of the Green Banking Procurement rules led to the launch of a virtuous process for the purchase of low environmental impact materials throughout the Group. Around 29.6 tonnes of sustainable stationery was purchased in 2023, a larger percentage compared with 2022, including 24.1 tonnes of materials containing paper (notepads, post-its, files, etc.), 4.1 tonnes of ballpoint pens and the rest consisting of highlighters and stamps in recycled material and office supplies made of sustainable wood.

Meanwhile, the increase in consumption of toner (+20.8%) can be attributed to accounting activities, particularly among the international subsidiaries. Toner purchases continued to fall in Italy (-7.3%), particularly as regards traditional toner (-13.4%).

WATER

The Intesa Sanpaolo Group's consumption of drinking water from the network is predominantly connected with sanitation purposes and, to a much lesser extent, the generation of cold air for air conditioning. In 2023 the Group's per capita water consumption was 20 cubic metres per employee, slightly higher than in 2022 but generally in line with previous years.

ENVIRONMENTAL MONITORING AND HAZARDOUS WASTE MANAGEMENT

As part of its ethical and legal responsibilities, the Intesa Sanpaolo Group focuses particular attention on environmental monitoring and the management of hazardous waste for the environment, also with regard to the physical safety of employees and other staff and the healthiness of working environments. In 2023, in Italy the Workplace Safety, Environment and Energy Head Office Department managed specific measurement campaigns on the various environmental compartments: asbestos and man-made vitreous fibres, noise, radon, electromagnetism, water and air. The assessment of the environmental data obtained from the monitoring campaigns verified compliance with all regulatory limitations in force and made it possible to plan all necessary prevention and protection measures. With regard to radon and asbestos, the Workplace Safety, Environment and Energy Head Office Department evaluated the specific risk for all workplaces in accordance with the relative industry regulations, where necessary appointing expert consultants for the issues under examination. As part of the implementation of the management system for the prevention and control of infectious diseases adopted by Intesa Sanpaolo, in 2023 the monitoring activities to assess the microbiological quality of the indoor air and water in workplaces continued in Italy. The results of the air quality surveys were satisfactory: on average, the level of internal microbial contamination was lower than that in the external environment, confirming that the air treatment and ventilation systems guarantee the consistently high quality of the indoor air. Similar observations were made with the main chemical-physical parameters such as VOC/CO₂/CO/HCHO, always at appropriate levels and in lower concentrations compared with the external environment. In regard to legionella, all phases of the process designed to control and prevent the risk of infection, including the management of any case of non-compliance and subsequent corrective actions, were carried out. In addition, the Workplace Safety, Environment and Energy Head Office Department continued to develop trial air treatment projects in Italy which should further improve the quality of indoor air, both from a chemical-physical perspective and in microbiological terms.

WASTE MANAGEMENT

For the purposes of managing the waste produced at the Group's sites, the Italian territory was divided into a number of lots where companies specialised in waste collection, sorting and disposal activities operate. These companies are subject to an evaluation process during which the authorisations required to operate as transporters (including the number plates of the vehicles used) and recipients are also acquired. The various types of special waste are managed on the basis of their specific characteristics, while for separately collected waste such as paper, plastic and glass, compliance with the provisions issued locally applies. Particular attention is focused on the disposal of office equipment in Italy: before becoming waste, this equipment is subject to careful controls and possibly also reconditioning so it can be reintroduced into working processes.

Similarly, in other countries, waste collection and management take place in compliance with the reference national legislation.

The management of Intesa Sanpaolo Group waste, including collection, transportation, recovery and disposal at external sites, is overseen by third parties in accordance with all the relevant legislation in force.

In 2023 there was a substantial fall in overall volumes of waste compared with the previous year (-11.4%), particularly as regards hazardous waste (-35.6%).

Only 6.8% of the waste produced is disposed of (4.9% disposed of in landfills) with over 93% prepared for reuse, recovery or recycling.

GREEN PROCUREMENT OF OFFICE EQUIPMENT

On the basis of the “Green Banking Procurement Rules” updated in May 2023, the Structures responsible for purchasing office equipment (photocopiers, printers, PCs, computer and standalone monitors, notebooks and ATMs/MTAs) undertake to apply responsible purchasing and usage criteria. These were the main categories of office equipment centrally purchased in 2023 with the percentages of those subject to Green Banking Procurement criteria evaluations: notebooks 92%, mini desktop PCs 100%, ATM/MTA 100%, monitors 86%.

In the promotion of sustainability, due consideration is given both to legislation and relevant compliance requirements in force, as well as to specific environmental evaluation criteria. Internal Carbon Pricing is also used as an additional support tool in the purchasing process, assessing energy efficiency in terms of the GHG emissions generated by energy consumption throughout the life cycle of the equipment.

In line with the principles of the circular economy regarding the reuse and extension of the useful life of products, in 2023 Intesa Sanpaolo sold over 10,000 functioning computer assets no longer used by the Bank. Of these, over 4,000 desktop PCs, laptops and monitors were sold at advantageous prices to a company operating inside a prison in Milan which offers prisoners jobs reconditioning computer assets that would otherwise be disposed of. As well as contributing to the circular economy, this practice also facilitates the rehabilitation and reintegration of prisoners in the world of employment, tapping into their personal qualities and professional skills as part of a wide-reaching project of considerable economic and social impact. The other 6,000 assets, including data centre structures, were sold via auction to a Lombard company that specialises in recovering, reconditioning and reselling end-of-life computer devices. Overall, these initiatives made it possible to return the unused assets to the economic cycle, helping to reduce the operating costs of managing technology assets (e.g. warehouse storage costs) and avoiding the generation of waste, with a consequent reduction in the Group’s environmental impact due to waste disposal of around 21,500 kg of CO₂ eq emissions avoided.

SAFE AND SUSTAINABLE EVENTS

In accordance with the “Green Banking Procurement Rules”, when organising events, such as corporate events, conventions and training courses, the Intesa Sanpaolo Group has undertaken to pursue environmental sustainability goals, striving to use as few resources as possible, to minimise its environmental impact and to limit the production of waste from the planning phase onwards.

The same Rules also require it to carefully evaluate a series of risks connected with the type of event, the nature of the location, and the number and type of participants. As such, the organisation of safe events takes account, for example, of the requirements of the location, of the maximum capacity, of fire, emergency and evacuation regulations, of interference risks and of health risks in order to establish appropriate prevention and protection measures in line with the Compliance Management Process Guide – Management of Occupational Safety Regulations.

As regards training events, the use of innovative technical and organisational solutions has become increasingly widespread thanks to the almost complete digitalisation of training activities.

In 2023 there was a strong upturn in stakeholder and community activities, prioritising in-person events. However, in order to reach a wider audience, hybrid communications were also used. Catering services returned to the pre-pandemic levels with a focus on local and seasonal products, and the use of biodegradable or compostable materials remained in line with the environmental policies. The choice of locations prioritised accessibility wherever possible and the use of shared or low environmental impact transport was promoted.

For example, for the 2023 “Crescibusiness Digitalizziamo⁽⁹⁾” tour, which included over 100 events in different places, hybrid cars were used to reduce environmental impact. All internal and external communications were carried out electronically with the adoption of new formats for electronic invitations and the use of email or QR codes for the distribution of documents. Priority was given to reusable or recycled materials for trade show and event displays. The events held by the Bank during the 2023 ATP Finals reused the furnishings and materials of previous years, including low energy consumption lighting systems. For recurring events, attempts were made to reuse the same displays and technical equipment in order to minimise environmental impact.

⁽⁹⁾ Initiative developed by Intesa Sanpaolo to showcase companies that have stood out for their digitalisation processes, reorganising their respective business models in a targeted way on the basis of the increasingly complex demands of customers, beginning with new media and advanced new payment methods.