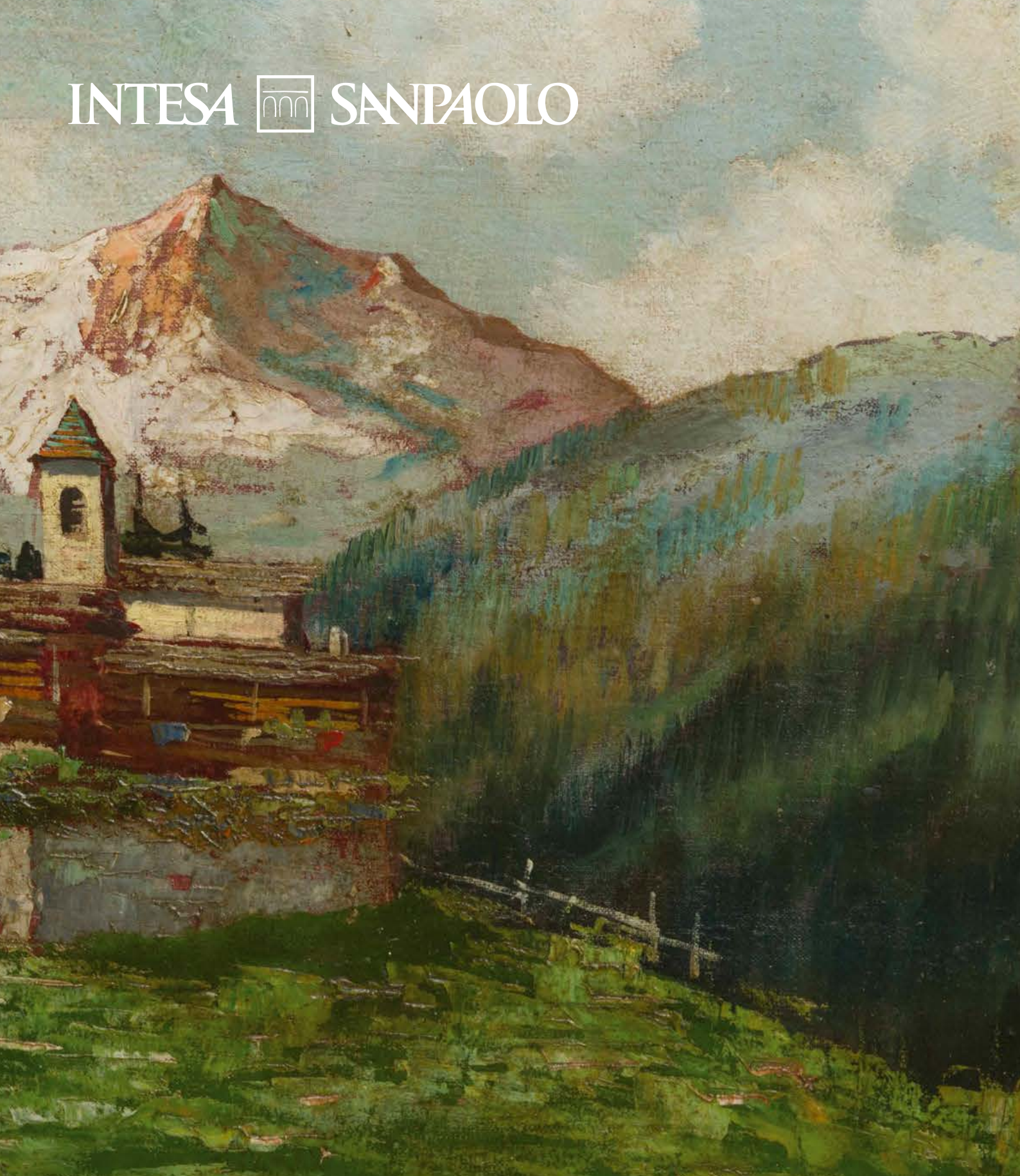


INTESA  SANPAOLO



2023 PRB Report

Introduction

The Principles for Responsible Banking (hereinafter also referred to as “PRBs”) established in 2019 by the UNEP Finance Initiative¹ (“UNEP FI”), represent the sustainable banking framework meant to align portfolio banking strategies with the UN Sustainable Development Goals (UN SDGs) and the 2015 Paris Climate Agreement.

Specifically, the PRBs consist of six Principles, focusing on the following issues:

1. the alignment of business strategies with the needs of society and individuals
2. identification of positive and negative impacts generated by the bank’s activities, and related targets in order to increase positive impacts and mitigate and reduce negative ones, as well as monitoring progress over time
3. supporting clients that promote sustainability
4. stakeholder engagement
5. governance and a responsible banking culture
6. transparency on the results achieved

The PRBs reached their fourth anniversary in 2023, becoming one of the leading sustainability-related banking initiatives globally, endorsed by more than 330 banks in 80 countries, representing over 50 per cent of the global banking sector. By adhering to the Principles, banks make ambitious commitments and build alliances to accelerate action on priority issues, such as financial health and inclusion and climate change.

In 2019, Intesa Sanpaolo Group (hereinafter, the “Group” or “Intesa Sanpaolo”) took part in the launch of the Principles for Responsible Banking, becoming a Founding Signatory, a status that applies to banks that first confirmed their adherence. Since then, Intesa Sanpaolo disclosed its commitment and progress made in implementing the principles initially in a dedicated section of the Consolidated Non-Financial Statement, and then, starting from 2022, in a specific report (PRB Report) based on the UNEP FI Reporting and Self-Assessment Template. The PRB Report has been prepared in accordance with the UNEP-FI Principles for Responsible Banking and “Principles for Responsible Banking – Guidance Document.

In particular, to strengthen its commitment regarding the implementation of the Principles, in 2023 Intesa Sanpaolo collected and analysed the content of its portfolio in terms of business areas, products and services, sectors and geographies, as well as the context in which it operates (including its needs and priorities). The analysis revealed that there are no significant changes compared to 2022 portfolio. For this reason, in line with UNEP FI feedback on the Group’s commitment, the Bank assessed that it is not required a complete rerun of the process of impact analysis using the UNEP FI Portfolio Impact Analysis Tool for Banks.

Moreover, the Bank has deemed to keep the results of the previous year as a basis for the annual disclosure considering that at the reporting date the Tool has not undergone any change from last year and that during the year no significant change occurred with respect to aspects which inform the use of such tool.

Through this Tool, it was possible to conduct an impact analysis with an objective and holistic analysis methodology that identified the significant impacts, both positive and negative, on the environment, the economy and the communities in which the Group operates, which are prerequisites for the sustainable development of the global banking system.

Adherence to the Principles for Responsible Banking is part of a broader commitment which sees Intesa Sanpaolo as one of the main European financial groups to have adhered to all the main United Nations initiatives concerning the financial sector relating to sustainability and which are part of the process of achieving the Sustainable Development Goals.

¹ The UNEP Finance Initiative is the section of the United Nations Programme for the environment for financial institutions.

Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Response

The Intesa Sanpaolo Group is one of the top banking groups in Europe with a significant ESG commitment, a world-class position in social impact and a strong focus on climate.

It is the leading banking group in Italy, with 13.6 million customers and over 3,300 branches; it also has a strategic international presence, with over 900 branches and 7.2 million customers².

The Group operates through six divisions³:

- **Banca dei Territori** (47%)⁴
the division focuses on the domestic market and puts the territory at the core of its activities to build stronger relations with individuals, small and medium-sized enterprises and non-profit entities. The division includes the activities in industrial credit, leasing and factoring
- **IMI Corporate & Investment Banking** (16%)⁴
taking a medium-long term view, the division supports corporates, financial institutions and public administration, both nationally and internationally. Its main activities include capital markets & investment banking
- **International Subsidiary Banks** (12%)⁴
strategic international presence in commercial banking in Central Eastern Europe and Middle Eastern and North African areas⁵
- **Private Banking** (13%)⁴
the division serves the customer segment consisting of Private Banking clients and High Net Worth Individuals with the offering of products and services tailored for this segment. The division includes Fideuram - Intesa Sanpaolo Private Banking, with 6,696 private bankers
- **Asset Management** (4%)⁴
solutions targeted at the Group's customers, commercial networks outside the Group, and the institutional clientele. The division includes Eurizon, with €311bn of assets under management

Links and references

Consolidated Non-Financial Statement
(paragraph "Group Presentation")

Our Business Model

About us

The strength of the Group - Our business

² Data as at 31.12.23.

³ Total loans to customers as at 31.12.23 €429.5bn.

⁴ Percentages represent 2023 operating income breakdown by business area, excluding Corporate centre. Data as at 31.12.23.

⁵ Intesa Sanpaolo Bank Albania in Albania, Intesa Sanpaolo Banka Bosna i Hercegovina in Bosnia and Herzegovina, Privredna Banka Zagreb in Croatia, the Prague branch of VUB Banka in the Czech Republic, Bank of Alexandria in Egypt, Eximbank in Moldova, CIB Bank in Hungary, Intesa Sanpaolo Bank Romania in Romania, Banca Intesa Beograd in Serbia, VUB Banka in Slovakia, Intesa Sanpaolo Bank in Slovenia and Pravex Bank in Ukraine.

- **Insurance** (7%)⁴

Insurance and pension products tailored for the Group's clients. The division holds direct deposits and technical reserves of €173bn and includes Intesa Sanpaolo Vita - which controls: Intesa Sanpaolo Assicura, Intesa Sanpaolo RBM Salute, Intesa Sanpaolo Insurance Agency and InSalute Servizi - and Fideuram Vita

More details on the Group's business model can be found in the "Group Presentation" section of the Consolidated Non-Financial Statement.

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

- Yes
 No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- UN Guiding Principles on Business and Human Rights
 International Labour Organization fundamental conventions
 UN Global Compact
 UN Declaration on the Rights of Indigenous Peoples
 Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: NFRD (Italian Decree 254/2016); Pillar 3 Implementing Technical Standards - ITS (+ Annex I and II) on ESG risk disclosures; and on a voluntary basis: Carbon Disclosure Project (CDP); Task Force on Climate-related Financial Disclosures (TCFD)
 Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: The Group published the Modern Slavery Act Statement in order to cover the regulatory requirements of the "UK Modern Slavery Act" and the "Australian Modern Slavery Act"
 None of the above

Response

In the 2022-2025 Business Plan, ESG issues, are one of the strategic pillars for the creation of sustainable value, and are closely connected to the UN Sustainable Development Goals (SDGs) and the Paris Climate Agreement.

In particular, the ESG pillar of the Plan is divided into **6 strategic areas** through which Intesa Sanpaolo intends to strengthen its commitment to sustainable development, to people and to the environment. Specifically, the ESG areas are as follows:

1. Unparalleled support to address social needs

through dedicated investments, donations and programmes to support people in need (e.g. the "Cibo e riparo per i bisognosi" - Food and shelter programme for people in need), educational inclusion and youth employability and promoting care for the elderly

Links and references

[2022-2025 Business Plan](#)

[Consolidated Non-Financial Statement \(paragraph "Voluntary commitment to domestic and international initiatives, partnership and strategies for the United Nations Sustainable Development Goals"\)](#)

2. Strong focus on financial inclusion

through social lending to the third sector, to people with difficulties in accessing credit through traditional financial channels; lending for urban regeneration, as well as lending to vulnerable individuals

3. Continuous commitment to culture

through the enhancement of the artistic heritage and the extraordinary art collections of the Group, through the museum system of the Gallerie d'Italia and its 4 headquarters and through multiple initiatives, such as sponsorships of cultural activities and events, partnerships with museums and national and international public/private institutions

4. Promoting innovation

through the Intesa Sanpaolo Innovation Centre, with the launch of approximately 800 multidisciplinary projects within the 2022-2025 Plan

5. Accelerating on commitment to Net-Zero

working towards achieving a net-zero emission target by joining 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). Intesa Sanpaolo Group set 2030 interim financed emission reduction targets for priority high-emission sectors

6. Supporting clients through the ESG/climate transition

by providing an additional boost to sustainable, green and circular lending for Retail, SME and Corporate customers and through specific training and engagement initiatives, as well as by assessing customers through ISP's proprietary ESG scoring. Moreover, the Group is committed to reinforce the ESG offering in asset management, and to develop a dedicated ESG insurance offering

It is also worth noting that the bank, as part of its operations and its process for defining its strategic and forecasting approach, draws on international best practices and the primary regulatory frameworks pertaining to sustainability.

Principle 2: Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly⁶ and fulfil the following requirements/elements (a-d)⁷:

- a) Scope:** What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

Response

In 2022, Intesa Sanpaolo conducted an impact analysis using the UNEP FI Portfolio Impact Analysis Tool for Banks (i.e. "version 3"), to adopt an objective and holistic approach.

In particular, Intesa Sanpaolo conducted an assessment on its business units in order to understand their relevance in terms of Gross Income (GI) on the Group total. As a result, and applying a priority approach, the Group focused the impact analysis on the most relevant business units: Banca dei Territori - enterprise customers - and IMI Corporate & Investment Banking Divisions carrying out business and corporate banking activities, which represented 35.5%⁸ of the Group's GI. Accordingly, Intesa Sanpaolo performed the analysis using the UNEP FI "Institutional Banking" module of the Tool.

Moreover, the impact analysis was performed for Italy, the country where the vast majority of the Group's operations are located (approximately 48%⁹ of the Group's total GI).

In 2023, having confirmed the absence of significant changes to the report preparation process regarding any additional impact tools or changes on the impact protocol, and in line with the evaluation received from UNEP FI on the PRB Report 2022, analyses were conducted on the input data entered in the tool as part of the process of identification of significant impacts carried out in 2022, in order to confirm the validity of the outcomes of the same process. In particular, variations in the data or input information relating to the following dimensions were examined:

- Business areas
- Geographical areas of operation and external context
- Breakdown of the exposure portfolio in terms of sectors.

Links and references

[Half-yearly report as at 30 June 2022](#)

[2022 PRB Report](#)

⁶ That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

⁷ Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

⁸ Gross Income (GI) figure as at 30.06.22.

⁹ This percentage has been calculated considering the Gross Income of Banca dei Territori Division and Corporate and Investment Banking Division excluding the International Department, in order to limit the scope to the Italian geography. Gross Income (GI) figure as at 30.06.22.

The result of the analyses carried out made it possible to exclude material changes in the input information and confirm the validity of the outcomes found in the impact analysis conducted in 2022 in terms of areas of significant portfolio impact for Intesa Sanpaolo, areas subject to target definition and reporting in the context of this Report.

More details on the impact analysis conducted in 2022 can be found in the “2022 PRB Report”.

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

- i) by sectors & industries¹⁰ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
- ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank’s scale of exposure, please elaborate, to show how you have considered where the bank’s core business/major activities lie in terms of industries or sectors.

Response

Links and references

The analysis conducted in 2022 using the UNEP FI tool covered the first 50 sectors selected - in accordance with the [“User Guide UNEP FI Impact Analysis Tools - Institutional Banking/ Identification module”](#) - based on the following two criteria:

[2022 PRB Report](#)

- % share of the sector of the total exposures within ISP’s scope;
- sector identified as “Key” by the PRBs.

Based on 2023 data, the main sectors financed by Intesa Sanpaolo in Italy remained the same as of 2022, with reference to the scope under analysis, that were as follows:

Manufacturing (26.0%), Real Estate & Construction (15.1%); Financial And Insurance Activities (7.9%); Wholesale And Retail Trade & Repair Of Motor Vehicles And Motorcycles (6.7%); Professional, Scientific And Technical Activities (6.5%); Energy & Utilities (4.4%).

For further information concerning 2022 portfolio composition please refer to the 2022 PRB Report section “Impact Analysis – Portfolio Composition”.

c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?¹¹ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank’s portfolio impacts into the context of society’s needs.

Response

Links and references

In 2022, the use of the UNEP FI Portfolio Impact Analysis Tool provided an overview of the most relevant needs and priorities in Italy (confirmed by the analysis carried out in 2023), the country where most of the Bank’s operations are located, which was the subject of the analysis. In particular, the Financial health & inclusion¹² area constitutes the area of greatest need for the country, followed, with equal importance, by the Circularity, Climate stability and Biodiversity & healthy ecosystems areas. Other areas such as Strong Institutions, Peace and Stability and Livelihood, on the other hand, have a low priority level of need.

¹⁰ Key sectors’ relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

¹¹ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

¹² The “Availability, accessibility, affordability, quality of resources & services” area of the UNEP FI Portfolio Impact Analysis Tool has been renamed “Financial health & inclusion” for communication purposes.

In 2023, as part of the evaluation on the opportunity to repeat the impact analysis using the UNEP FI Portfolio Impact Analysis Tool, an analysis of the external context was also carried out. Regarding the regulatory context on ESG aspects, the main regulations in force concern the environmental dimension and, in particular, the climate (i.e. European Taxonomy). Regarding the Italian context, for the reference year, no significant changes has occurred in the overall economic-political framework.

Therefore, even in the external context, no significant elements emerged such as to make it necessary to recalculate the impact analysis and such as to identify potential further areas of impact with respect to what was outlined in 2022.

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)¹³? Please disclose.

Response

Links and references

Intesa Sanpaolo, by means of the UNEP FI Portfolio Impact Analysis Tool, identified and prioritised the following three impact areas:

- **Financial health & inclusion;**
- **Circularity;**
- **Climate Stability.**

The prioritization of these impact areas has been based on the examination of several criteria such as impact areas associated with key sectors and/or relevant portions of the portfolio and any association with positive and/or negative impacts.

d) Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services.

Response

Links and references

The use of the UNEP FI Portfolio Impact Analysis Tool and its resources (Sector/Impact Map and Impact Radar) has allowed the Group to identify the positive and negative associations between sectors and impact areas, as well as the key sectors for the different impact areas. In order to properly prioritize the impact areas and confirm their relevance in the actual operations of the Group, Intesa Sanpaolo has also taken into account further elements such as:

- the correlation between the areas of impact that emerged and the results of the materiality analysis, which the Group conducts annually for the purpose of updating the material topics subject to reporting within the CNFS and which it examines, in terms of consistency, also with respect to a contextual analysis on sustainability issues, both general and sector-related, at a national and international level;

Consolidated Non-Financial Statement (paragraph "Materiality analysis and stakeholder engagement" and section "Main performance indicators")

2022-2025 Business Plan

¹³ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

- the correlation between the areas of impact and the ESG pillar of the 2022-2025 Business Plan, which defines the multiple objectives of strengthening the social and climate impact.

The Group assessed its current performance levels using social, economic and environmental qualitative and/or quantitative indicators which apply to the bank's activities also in order to determine the priority areas for target setting.

The main performance indicators monitored by the Group are: Financial indicators on credit granted and net income; Training indicators on ESG, privacy and H&S issues; Customer satisfaction indicators; Innovation indicators; Social and community indicators on loans, investment and initiatives; Employee indicators on turnover, category, diversity, promotions and remuneration; Employee indicators on well-being and H&S; Environmental and circular indicators on loans and bond; Consumption indicators; Emissions indicators (own and financed); EU Taxonomy indicators.

For further information concerning performance indicators please refer to the Consolidated Non-Financial Statement (CNFS) section "Main performance indicators" and the 2023 Climate Report.

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?¹⁴

| | | | |
|--------------------------|---|--------------------------------------|-----------------------------|
| Scope: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Portfolio composition: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Context: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Performance measurement: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Financial health & inclusion; Circularity and Climate stability

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

¹⁴ You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets¹⁵ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

- a) Alignment:** which international, regional or national policy frameworks to align your bank's portfolio with¹⁶ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. You can build upon the context items under 2.1.

Response

In 2022, the Intesa Sanpaolo Group laid the foundations and started the activities in pursuit of the objectives of the 2022-2025 Business Plan, based on four Pillars, including the ESG Pillar, which supports the creation of sustainable value, while, at the same time, strengthening Intesa Sanpaolo's leadership in social and environmental areas.

In the 2022-2025 Business Plan, Intesa Sanpaolo set a significant ESG commitment, with a world-class position in Social Impact and strong focus on climate, with whom it intends to contribute to the Sustainable Development Goals (SDGs), as well as to the Paris Agreement objective by setting climate targets within the Net Zero Banking Alliance (NZBA), joined by the Group in 2021.

In 2023 Intesa Sanpaolo continued its efforts in line with the objectives of the 2022-2025 Business plan and with the Net Zero commitments.

Links and references

[2022-2025 Business Plan](#)

- b) Baseline:** Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

Response

The identified indicators are directly linked to the commitments undertaken by the Group in the 2022-2025 Business Plan.

Climate stability:

The Group follows a structured methodological process for the purpose of determining the targets and, with particular reference to the Oil&Gas, Power Generation, Automotive, Coal mining, Iron&Steel and Commercial Real Estate 2030 targets, has drawn up a methodological note which details the procedures and methodologies used, including the determination of the baseline. For more details on the baseline established for the Climate objectives, see section 2.2 c).

Circularity and Financial Health & Inclusion:

With reference to the Circularity and Financial Health & Inclusion impact areas, the Group has set cumulated flow targets - explained in detail in section 2.2 c)- which assume a baseline and target year that follow the time frame of the Business Plan itself (2022-2025), assuming an initial baseline of zero since the adoption of the Business Plan.

Links and references

[2023 Climate Report](#)

[2022-2025 Business Plan](#)

¹⁵ Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

¹⁶ Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

c) SMART targets (incl. key performance indicators (KPIs)¹⁷): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Response

In evaluating the targets identified, it has been assessed also whether they match the characteristics required by the Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) principles, where applicable.

Climate stability

Within its 2022-2025 Business Plan, Intesa Sanpaolo published its net-zero aligned emissions reduction targets for 2030 in the Oil&Gas, Power generation, Automotive and Coal mining sectors, which represented over 60% of the non-financial corporates portfolio financed emissions in the sectors identified by the NZBA. With regard to coal mining in particular, the exposure target is zero by 2025, in line with the phase-out present in the “Rules for lending operations in the coal sector”, updated in July 2021.

In 2023 Intesa Sanpaolo worked on the setting of a new 2030 interim net-zero aligned target for the Iron&Steel sector and a target for the Commercial Real Estate sector. As part of the continuous updating process Intesa Sanpaolo has also revised, in line with design choices made for the definition of SBTi targets, the Automotive and Power Generation sectors, finetuning perimeter and targets.

| Sector Targets | Scope | Value Chain ¹⁸ | 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 ¹⁹ (52-58) |
| Power generation | Scope 1,2 | Generation and integrated players | kgCO ₂ e/MWh | 214 (30/06/2021) | 110 |
| Power generation revised ²⁰ | 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 ²¹ | 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 |

With reference to Climate Stability, it should be noted that Intesa Sanpaolo voluntarily publishes a Climate Report²², which provides details on the risks and opportunities associated with climate change; please also refer to the Climate Report for more details on the targets set by the Group in terms of climate and the related monitoring process.

Links and references

Consolidated Non-Financial Statement (paragraph: “ESG and climate strategic objectives” and “Strategy For Combating Climate Change”)

2023 Climate Report

17 Key Performance Indicators are chosen indicators by the Group for the purpose of monitoring progress towards targets.

18 In line with industry standards, to avoid double counting only selected segments of the value chain of each sector are considered for the scope of the Target Setting exercise. For each sector, a definition of the value chain is performed in accordance with the main portfolio alignment methodologies and the following principles: 1) incentivizing positive climate impact, 2) pragmatic and actionable, 3) transparent, 4) simple to implement, 5) easy to communicate, 6) minimize double counting.

19 Central value of the range indicated as target.

20 The new target considers drawn amount on medium-long term loans in line with design choices made for the definition of SBTi targets

21 Perimeter and emissions scope refinements: from “passenger cars” to “light duty vehicles (cars and light trucks)” and from Tank-to-Wheel (TTW) to Well-to-Wheel (WTW). In line with design choices made for the definition of SBTi targets, the new target considers only mediumlong term loans.

22 Previously denominated TCFD Report.

Circularity

- Allocation of €8 billion in 2022-2025 dedicated to the circular economy through the renewal of the Circular Economy Plafond;
- Dedicated Circular economy Lab and strategic partnership with the Ellen MacArthur Foundation.

Please refer to sections “3.1 Client engagement” and “3.2 Business opportunities” of Principle 3 for further details.

Financial health & inclusion

- €25 billion of cumulative flows in 2022-2025 in social lending - including products and services intended for Third Sector associations– and lending for urban regeneration, in 2022-2025; Please refer to sections “3.2 Business opportunities” of Principle 3 for further details;
- €1.5 billion²³ of contribution through selected initiatives and projects in the 2023-2027 period, addressing social needs, fighting inequalities and promoting financial, social, educational and cultural inclusion, also leveraging strategic partnerships;
- Promotion of 6,000-8,000 social housing units for youth/seniors (e.g. students, young workers, seniors with low income, who live alone) in Italy, in 2022-2025;
- Expansion of the “Cibo e riparo per i bisognosi” (Food and shelter programme for people in need) programme with around 50 million initiatives to distribute meals, beds, medicines and clothes in 2022-2025;
- Creation of around 30 senior community hubs to provide, at the local level, social and leisure activities and dedicated health and social assistance services, in 2022-2025;

Please refer to section “3.2 Business opportunities” of Principle 3 for further details.

²³ As a cost for the Bank (including ~€0.5 bn structure costs related to the ~1,000 People dedicated to sustain the initiatives/projects), already taken into account in the 2024-2025 guidance.

d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Response

Links and references

Climate stability and Circularity

Intesa Sanpaolo has defined a Transition Plan, in line with NZBA requirements and GFANZ (Glasgow Financial Alliance for Net Zero) guidelines. In line with the Net-Zero ambition, Intesa Sanpaolo's strategy has continued to be focused on actively supporting its clients in the transition towards a low carbon economy, promoting renewable energy, energy efficiency and the distinctive circular economy model, and encouraging clients to reduce their environmental footprint through the offer of climate-related loan products and services also within innovative financial solutions.

The Transition Plan on NZBA aligned targets is included in the Climate 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.

Financial health & inclusion

Intesa Sanpaolo social lending are in line with the strong commitment in the ESG field undertaken by Intesa Sanpaolo in the 2022-2025 Business Plan. The 2022-20025 Business Plan has among its ESG pillar the support for financial inclusion through social credit. Among the various projects, credit to the third sector, direct support to people who cannot access credit through traditional financial channels with Fund for Impact, credit for urban regeneration and credit to vulnerable people.

In general, the implementation and monitoring of the Business Plan, including ESG targets, are carried out on a quarterly basis and the main results are included in the presentation to the market, that is approved by the Board of Directors and then published in the "Investor Relations" section of the Group's website.

In addition, in order to ensure that the objectives of the Plan are overseen, a sustainability governance system has been implemented based on the involvement, not only of the Board of Directors, but also of the Committees that support the assessment and in-depth analysis processes related to ESG issues such as the Risks and Sustainability Committee, the Steering Committee and the ESG Control Room.

For more details on the sustainability governance structure, see section "5.1 Governance structure for the implementation of the Principles" of Principle 5.

The targets are monitored on a regular basis with the definition of KPIs.

Consolidated Non-Financial Statement (paragraph "Sustainability governance")

2022-2025 Business Plan

Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

| | <i>Climate stability</i> | <i>Circularity</i> | <i>Financial health & inclusion</i> |
|---------------|--|--|--|
| Alignment | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No |
| Baseline | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No |
| SMART targets | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No |
| Action plan | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No |

2.3 Target implementation and monitoring (Key Step 3)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Response

Every year, Intesa Sanpaolo publishes a Consolidated Non-Financial Statement which describes how it implements its sustainability strategy, the targets set and the main results achieved, as well as a Climate Report focused on the Group's commitment to climate issues, and, finally, a half-yearly Consolidated Non-Financial Report providing evidence of the most relevant indicators.

The Group communicates on a regular basis its progress in achieving the objectives set out in these documents and on its website. Every quarter, within the "Investor Relations" section of the Group's website, the Group discloses its performance versus the targets included in the ESG Pillar of the Business Plan, such as the flows of the circular platform.

Climate stability

Results for 2023 show a decrease in absolute financed emissions by 22.6% compared to 2022 data (referred to the six sectors in scope).

Circularity

In 2023, 366 projects assessed and validated for an amount of ~11.7 billion; granted ~€7.2 billion for 242 transactions (of which €4.8 billion related to green criteria) and €5.6 billion disbursed, taking into account previously granted amounts (of which €4.7 billion related to green criteria). Overall, since 2022, 786 projects assessed and validated for an amount of >€20.8 billion, granted 472 transactions for an amount of >€12 billion (of which €7.4 billion related to green criteria), with €8.7 billion disbursed taking into account projects previously agreed (of which €6.9 billion related to green criteria).

Financial health & inclusion

- Disbursed €5.5 billion in social lending and urban regeneration in 2023 (~€14.8 billion in 2022-2023, €25 billion cumulative flows announced in the Business Plan);
- Enhancement of the Group's ongoing initiatives in terms of promoting housing units, also identifying some new partnerships with leading operators in the sector;
- In 2022-2023, >36.8 million interventions carried out, providing ~30 million meals, ~3.3 million dormitory spaces, >3.2 million medicine prescriptions and >446,000 articles of clothing.

With specific reference to the Third Sector, the Impact Department operates with an offer dedicated to its organisations, total deposits of about 9.3 billion euro, of which about 6.7 billion in direct deposits, as well as loans for about 2.8 billion; during 2023, loans were also disbursed for 252 million euro.

Links and references

[Consolidated Non-Financial Statement](#)

[2023 Climate Report](#)

[Consolidated Non-Financial Statement as at 30 June 2023](#)

[2022-2025 Business Plan](#)

[Report on the ex-ante impact of 2022 funding to non-profit organizations](#)

With the aim of better identifying the impacts related to the target identified on Social Lending, in 2023, the Group published the results of a prospective social and environmental impact assessment. In 2023, this assessment continued: 662 initiatives promoted by non-profit organisations and financed through approximately €261 million by Intesa Sanpaolo's "Impact Department".

The indicators tracked in the Social Impact Assessment could be considered as baseline for further impact targets that will be defined for financial health and inclusion areas.

More details on the social impact assessment can be found in the "Report on the ex-ante impact of 2022 funding to non-profit organizations".

Further impact assessment on social lending are available in the "Green and Social Bond Report" that is published annually and report on the allocation of the proceeds and the environmental impacts and benefits derived, with reference to the Green and Social Bonds issued by the Group.

Please refer to the "3.2 Business opportunities" section for more details on the Group's progress and results in achieving the set targets for Financial health & inclusion and Circularity.

With reference to the Climate stability targets, more details on target progress and their monitoring can be found in the Climate Report.

Principle 3: Clients and Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers²⁴ in place to encourage sustainable practices?

Yes In progress No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes In progress No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities²⁵). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

Response

Intesa Sanpaolo has always been committed to supporting a sustainable economic transition by offering new products, policies and systems to encourage and support sustainable practices, and to become a point of reference for society.

Accordingly, Intesa Sanpaolo has updated its ESG/Climate Credit Framework which integrates ESG factors into the lending process and has offered specific credit lines for individuals and businesses, as well as an increasing range of sustainable investment products with which it intends to accelerate the transition to a low-emission economy.

In particular, the commitment to this transition is reflected in its offering of dedicated credit lines for businesses (such as Circular Economy and Sustainability Loans) in its offering of sustainable investment products and, on the funding side, in the issue of bonds specific for financing social and environmental projects. For these issuances, the Group has developed specific Frameworks in line with the ICMA's Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines.

Furthermore, Intesa Sanpaolo is also committed to developing a corporate culture oriented towards sustainability in client companies, as also declared in the 2022-2025 Business Plan: it is a fundamental step to accompany them towards a sustainable economic transition not only from a financial view. To increase the awareness and necessary skills of client companies on the subject, a project was developed which includes both a dedicated online platform and tailor-made training and support programmes, making use of internal skills and external collaborations.

Links and references

[Consolidated Non-Financial Statement \(section "Transition to a sustainable, green and circular economy"\)](#)

[2022-2025 Business Plan](#)

[Sustainability policies](#)

[Group Guidelines for the governance of Environmental, Social and Governance \(ESG\) Risks](#)

²⁴ A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

²⁵ Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

In addition, the Group continues the initiative linked to the ESG Laboratories: physical and virtual meeting spaces for supporting Italian businesses during the sustainable transition and tracing a development course to support long-term growth with positive impacts on the environment and people.

The transition towards a circular economy is also being pursued thanks to the contribution of the Intesa Sanpaolo Innovation Center - the Group company which oversees all the activities carried out in the Circular Economy area - which set up the circular economy Lab (so-called CE Lab) in 2018 on the basis of a Framework Agreement between Intesa Sanpaolo, Intesa Sanpaolo Innovation Center, Fondazione Cariplo and Cariplo Factory, with the aim of supporting and accompanying the transformation of the Italian economic system and disseminating new models of value creation in the collective interest by accelerating the transition towards the circular economy.

For more details on the Group's support to circular economy can be found in the "Transition to a sustainable, green and circular economy" section of the Consolidated Non-Financial Statement.

Moreover, in its principal areas of business, Intesa Sanpaolo has adopted specific policies that establish the rules necessary to ensure transparent management of the impacts of its business in relations with the Group's customers and stakeholders. In particular, among the policies adopted by the Group, are:

- Group guidelines for the governance of environmental, social and governance (ESG) risks;
- Rules for lending operations in the unconventional Oil&Gas sector;
- Rules for lending operations in the coal sector;
- Rules governing transactions with subjects active in the armaments sector;
- Policy on the integration of sustainability risks and information on the adverse impacts on sustainability factors in the provision of investment advisory services or in insurance distribution advice - Intesa Sanpaolo; Policy on the integration of sustainability risks and information on the adverse impacts on sustainability factors in the provision of investment advisory services or in insurance distribution advice - Intesa Sanpaolo Private Banking;
- Policy on the integration of sustainability risks and information on the adverse impacts on sustainability factors in the provision of investment advisory services or in insurance distribution advice - Fideuram Intesa Sanpaolo Private Banking;
- Sustainability Policy - Eurizon Capital SGR;
- Sustainability Policy - Intesa Sanpaolo Vita;
- Fideuram - Intesa Sanpaolo Private Banking AM SGR.

For more details on the ESG policies adopted by the Group, see section 5.3 "Policies and due diligence processes" of Principle 5.

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Response

Intesa Sanpaolo intends to strengthen its leadership on ESG issues, with a world-leading position on social impact and a strong focus on climate. As a strong Banking Group for a sustainable world, Intesa Sanpaolo is able to make a positive contribution to the interests of its shareholders and all other stakeholders, becoming a strategic partner in the country's sustainable transition and a point of reference for individuals and the communities in which it operates.

Financial health & inclusion

Intesa Sanpaolo announced in the 2022-2025 Business Plan €25 billion in social lending and urban regeneration. In 2023, 5.5 billion euro was granted for social lending (around 14.8 billion euro in 2022-2023), allocated to non-profit activities, vulnerable people who have difficulty in accessing forms of lending or who have been affected by natural disasters, and urban regeneration.

The Group has thus contributed to creating entrepreneurial and employment opportunities as well as helping people in difficulty in various ways, as envisaged by the new Plan: social loans; anti-usury loans; products and services intended for Third Sector associations and entities; products dedicated to the most vulnerable social categories to promote their financial inclusion; funding to support populations affected by calamitous events.

In May 2023, Intesa Sanpaolo placed its second Social Bond in Senior Preferred format dedicated to the UK market, for a nominal amount of £750 million, to finance/refinance all the social categories described in the Green, Social and Sustainability Bond Framework of June 2022. Demand garnered over 1.6bn orders.

More details on the allocation and impact (social and environmental) of Intesa Sanpaolo's Green and Social Bonds issued between 2019 and 2023 can be found in the "Green and Social Bond Report".

Climate stability

The NZBA requires its members to follow a set of commitments and identify targets with the final objective to limit global warming to 1.5°C from preindustrial levels, in line with the Paris Agreement, and in the first annual reporting as at 31.12.22 on the 4 sectors' absolute financed emissions show a decrease of 62% compared to 31.12.21

Furthermore, regarding environmental aspects, in 2023 the Group's:

- disbursed approximately €44.9 billion (in the period 2021-2023) in new lending available for the green economy, circular economy and green transition in relation to the "2021-2026 Piano Nazionale di Ripresa e Resilienza" disbursed approximately €1.7 billion of green mortgages;

Links and references

Consolidated Non-Financial Statement (paragraph "Financial inclusion and supporting production" and section "Transition to a sustainable, green and circular economy")

Green Social and Sustainability Bond Framework

Green and Social Bond Report

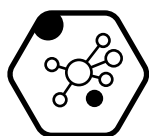
- disbursed approximately €1.7 billion in S-Loan product range dedicated to SMEs to finance projects aimed at improving their sustainability profile (on 6 product lines: S-Loan ESG, S-Loan Diversity, S-Loan Climate Change; S-Loan Agribusiness, S-Loan Tourism and S-Loan CER);
- placed two Green Bond, one in Senior Preferred and one in Senior non Preferred format, for a nominal amount of €4.5 billion, and a Green Bond in Senior non Preferred format, dedicated to the UK market, for a nominal amount of £600 million, to finance/refinance all the social categories described in the Green, Social and Sustainability Bond Framework of June 2022. Whose impacts are monitored in the “Green and Social Bond Report”.

Circularity

Moreover, the Group confirmed its commitment to the circular economy, promoting the dissemination of this model, renewing the partnership with the Ellen MacArthur Foundation (EMF), the main supporter of the transition towards the circular economy, with which the Group has been a Strategic Partner since 2015, with a multi-year collaboration agreement, and announcing €8 billion in credit lines for the circular economy.

As part of the plafond, in 2023, 366 projects assessed and validated for an amount of approximately 11.7 billion; granted approximately €7.2 billion for 242 transactions (of which €4.8 billion related to green criteria) and €5.6 billion disbursed, taking into account previously granted amounts (of which €4.7 billion related to green criteria). Overall, since 2022, 786 projects assessed and validated for an amount of more than €20.8 billion, granted 472 transactions for an amount of more than €12 billion.

Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups²⁶) you have identified as relevant in relation to the impact analysis and target setting process?

Yes In progress No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Response

In its 2022-2025 Business Plan, Intesa Sanpaolo set itself key social, cultural and environmental sustainability goals involving various stakeholders. Intesa Sanpaolo, in fact, regularly engages with its people, customers, shareholders, suppliers, environment and community through various listening methods, to identify and monitor their needs and prospects in relation to the issues deemed to be priority topics. Also in 2023, stakeholder engagement activities were carried out in line with AccountAbility's AA1000 standard and focused on areas of material impact for the Group. During the engagement activities, in addition to requesting specific assessments from all Stakeholders on the impact areas identified, there was also specific emphasis on the changing regulatory environment and how this affects the Group's activities.

Moreover, Intesa Sanpaolo has several engagement initiatives with stakeholders having technical expertise that can support the Group in its ongoing implementation of the Principles such as the long-standing partnership with the Ellen MacArthur Foundation, which is one of the main international promoters of the systemic transition towards the Circular Economy and of which the Intesa Sanpaolo Group is a Strategic Partner, or with regard to climate targets where Intesa Sanpaolo Group participates in the Glasgow Financial Alliance for Net Zero (GFANZ), the global coalition of leading financial institutions committed to accelerating the decarbonisation of the economy. In addition the Group's ESG-related Laboratories represent a mean for entering in contact with companies, setting discussion with them and gathering their views on ESG topics.

More details concerning stakeholders engagement activities can be found in the "Materiality analysis and stakeholder engagement" section of the Consolidated Non-Financial Statement.

Links and references

Consolidated Non-Financial Statement (section "Materiality analysis and stakeholder engagement")

²⁶ Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations.

Principle 5: Governance & Culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

Yes In progress No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Response

The strategic guidelines and policies on sustainability - including implementation of the PRBs - are approved by the Board of Directors, 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 and monitoring of the Group's sustainability performance. In addition, annual PRB reporting is approved by the Board of Directors, which also draws on the support of the Risks and Sustainability Committee.

In 2023, to strengthen the PRB's reporting process, this has been formalised with a specific Process Guide, which establishes the process, activities, roles and responsibilities of the Group structures and bodies involved in the drafting, approval and publication of the document.

Furthermore, the sustainability/ESG governance system is based on, and strengthened by, the involvement of multiple bodies and structures, in particular:

- The Risks and Sustainability Committee supports the Board of Directors in assessing and investigating sustainability (ESG) issues and in approving the Bank's sustainability strategies and policies.
- The Management Control Committee, with the support of the functions responsible for sustainability (ESG) and internal auditing, monitors compliance with the principles and values contained in the Code of Ethics. With regard to the CNFS, it monitors compliance with the provisions set out in Italian Legislative Decree no. 254/2016 and reports on this in its annual report to the Shareholders' Meeting.

Links and references

Consolidated Non-Financial Statement (paragraphs "Sustainability governance", "Governance structure")

Company documents:

- **Report on remuneration policy and compensation paid;**
- **Report on Corporate Governance and Ownership Structures**

- The Managing Director and CEO submits the establishment of strategic guidelines and policies on sustainability (ESG), including combating climate change and to the Board of Directors, with the support of the Steering Committee.
- The Steering Committee – composed of the top management – contributes to identifying strategic guidelines and sustainability policies to be submitted to the Board of Directors and identifying potentially relevant ESG issues, and meets at least quarterly to examine sustainability issues (ESG).
- The ESG Control Room supports the Steering Committee - Business Plan and Sustainability (ESG) Session - in the strategic proposition relating to ESG issues; it takes care of the operational coordination for the implementation of the most relevant ESG initiatives and assesses the opportunity and solidity of any new initiatives in this area. Overseen by the CFO Area and by the Strategic Support Department, it relies on the Sustainability Managers, identified in each Governance Area and Division, who guarantee an overall and integrated supervision of ESG initiatives for the relevant scope and contribute to the Group's strategic proposition on these issues. It was introduced as part of the ISP4ESG Programme and has been operational since October 2020.
- The ESG & Sustainability structure oversees the process of defining, approving and updating ESG and sustainability guidelines, in line with corporate strategies and objectives and, in coordination with the ESG Control Room, contributes to support the Steering Committee in preparing proposals for sustainability strategic guidelines and policies (ESG). It also oversees the promotion and implementation of ESG and sustainability aspects in the Group's strategies and operations, as well as stakeholder engagement activities in relation to ESG aspects.

Sustainability Governance is further strengthened by the 17 Sustainability Managers the ESG Control Room uses to coordinate the numerous ESG initiatives.

Over the course of 2023, 23 meetings of the Board of Directors were held, of which 14 also dealt with ESG issues.

The ESG dimension also plays a central role in the Group's Incentive System, through the provision of a specific and structured ESG KPI. This KPI was assigned in the 2022 scorecards to the CEO and approximately 3,000 managers of the Group (in Italy and abroad), in line with the objectives of the 2022-2025 Business Plan, with particular reference to the ESG pillar. Particularly with regard to the CEO, the ESG KPI is measured using different drivers such as the multiple ESG initiatives implemented by the Group - for example, support for the green economy and the circular economy - as well as considering the achievement of commitments on gender equity and the Group's presence in the sustainability indices of specialised companies. The ESG component is also included in the two new long-term Incentive Plans launched in conjunction with the 2022-2025 Business Plan.

5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Response

Intesa Sanpaolo supports the dissemination of responsible banking culture among its employees through a wide range of training and awareness raising initiatives. In fact, Intesa Sanpaolo's goal is to have all Group employees trained in ESG by 2025. In particular, ESG training is structured on a base level, cutting across the various issues and the Divisions and Governance Areas, and an in-depth or specialist level on specific issues. Nearly 86,800 Group employees (93% of the total) have benefited from more than 1 ml hours of ESG training in 2023. The promotion of sustainability culture, for example, also takes place through a collection of online training modules (e.g. videos) on the values and principles set forth by the Code of Ethics, reflecting its values and principles within Intesa Sanpaolo, dealing with topics such as expected conduct towards stakeholders and customers, human rights, financial inclusion, sustainable investments and the climate change challenge. Moreover the Bank organizes group-wide workshops in order to keep employees working on ESG aspects updated on the most recent developments on ESG-related topics, such as the developments in the regulatory framework.

Finally, internal communication in the sustainability area was strengthened during the year through the publication of news on the company's intranet.

The remuneration policy adopted for all Group personnel is also based on criteria such as fairness, merit and sustainability of results. In fact, the guidelines for defining the management remuneration policy are based on objective elements and parameters derived from the evaluation of organisational positions, performance and potential, and are intended to establish an integrated system that fosters responsible personnel management and development.

Links and references

Consolidated Non-Financial Statement (paragraph "Sustainability governance")

Code of Ethics

Company documents:

- **Report on remuneration policy and compensation paid**

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?²⁷ Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Response

In accordance with the principles outlined in the Code of Ethics, the Intesa Sanpaolo Group is aware of the importance of the correct and responsible allocation of resources, following social and environmental sustainability criteria. Therefore, it promotes a balanced development that can redirect capital flows towards sustainable investments. Even the Rules for the environmental and energy policy and the Principles on Human Rights require investment decisions and the credit policy to take into account the socio-environmental risks associated with the activities of corporate customers. To this end, the Group has developed a specific regulation for governing ESG risks in lending operations, which specifies general criteria aimed at excluding the financing of companies and/or projects with particularly significant environmental, social and governance impacts (Guidelines for the governance of environmental, social and governance (ESG) risks).

When assessing lending operations, Intesa Sanpaolo pledges not to finance companies or projects which stand out for their negative impact on:

- UNESCO World Heritage Sites
- wetlands according to the Ramsar Convention
- IUCN protected areas, categories I to VI

The Group also pledges not to finance companies or projects if, during the assessment of the transaction, they are discovered to be located in areas of active armed conflict, or if evidence - such as legal proceedings promoted by the competent authorities - emerges of violations of human rights and/or forced or child labour practices.

The Group's current sectoral policies cover the production and trading of arms, the coal sector and the unconventional Oil&Gas sector.

Links and references

[Risk management and control](#)

[Sustainability policies](#)

²⁷ Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

ESG risk monitoring includes:

- their inclusion in the Risk Management framework, with particular reference to the Governance of environmental, social and governance risks in lending operations, the Governance of Reputational Risks and the Management of the Most Significant Transactions;
- their assessment within the processes related to the implementation of the Equator Principles and Reputational Risk Clearing;
- a specific focus on reputational and climate change risks within the “Risk Appetite Framework”;
- Inclusion of socio-environmental aspects when assessing the creditworthiness of companies through an innovative Corporate rating model, developed in collaboration with Confindustria Piccola Industria and validated by the ECB.

Intesa Sanpaolo has developed appropriate information flows designed to provide adequate transparency and knowledge of exposure to ESG risks. In general, to ensure sound and prudent management, which combines business profitability with informed risk taking and operating conduct underpinned by fairness, the Group has adopted the Integrated Internal Control System Regulation. The internal control system has been designed to continuously identify, govern and control business-related risks - based on three levels - entrusted to a number of Bank Structures with different levels of responsibility. In addition, the Risks and Sustainability Committee supports the Board of Directors in assessing and analysing sustainability issues related to the Bank’s operations, including the list of ESG-sensitive sectors relevant to the Group’s financing activities, and in approving the strategic guidelines and policies on sustainability, 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.

Furthermore, the Group has strengthened its 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.

Intesa Sanpaolo designed the ESG/Climate Credit Framework that 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.

The ESG sectoral strategy: an ESG Sectoral Heatmap was defined on the basis of a sectoral risk assessment and publicly available data, including the three E (climate and other environmental risks), S, G components, assigning each economic sector a “color” linked to a specific approach/intervention strategy;

Counterparty: an ESG Score was developed which applies a measurement methodology at counterparty level.

Transaction (Underwriting): the “Rules for the classification of sustainable credit products and lending transactions”, published in October 2022, identify product categories – based on market standards (Loan Market Association principles) – included in “dedicated financing” or “general purpose financing” according to the intended use of the funds.

For further information concerning the ESG/Climate Credit Framework please refer to the 2023 Climate Report.

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank’s governance system?

Yes In progress No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes No

Principle 6: Transparency & Accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

- Yes Partially No

If applicable, please include the link or description of the assurance statement.

Response

Links and references

The information reported on the implementation of the PRBs is subject to limited assurance by independent auditors.

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
 SASB
 CDP
 IFRS Sustainability Disclosure Standards (to be published)
 TCFD
 Other: reported in the response

Response

Links and references

Intesa Sanpaolo publishes an annual Consolidated Non-Financial Statement (CNFS) drafted in accordance with the GRI Standards, taking into consideration the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the indicators required by the Sustainability Accounting Standards Board (SASB), where applicable. 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 and the information on the EU Taxonomy pursuant to article 8 of Regulation (EU) 2020/852 were reported, where applicable and relevant for the Group. Moreover, a Green and Social Bond Report is published annually, reporting on the allocation of the proceeds and the environmental impacts and benefits derived, with reference to the Green and Social Bonds issued by the Group. Also, with reference to the disclosure linked to the management of climate risks, Intesa Sanpaolo has published a TCFD report since 2021, redenominated Climate Report for the 2023 document, which includes specific information on the climate in line with these Recommendations.

Consolidated Non-Financial Statement (sections: "Methodology" and "EU Taxonomy (EU Regulation 2020/852): regulatory requirements")

2023 Climate Report

Green, Social and Sustainability Bonds

Finally Intesa Sanpaolo has subscribed to international initiatives and standards, including the:

- Global Compact;
- UNEP FI;
- Equator Principles;
- CDP;
- PRI;
- PSI.

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis²⁸, target setting²⁹ and governance structure for implementing the PRB)? Please describe briefly.

Response

Links and references

Intesa Sanpaolo undertakes - on an annual basis - to collect and analyse the data and the context as a preparatory step to the opportunity to conduct and update the analysis of the impacts associated with its portfolio. The objective is to evaluate the main areas of impact and ensure their monitoring through the identification or update of targets within the business plan.

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|--|--|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input type="checkbox"/> Data availability |
| <input checked="" type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Data quality |
| <input type="checkbox"/> Choosing the right performance measurement methodology/ies | <input type="checkbox"/> Access to resources |
| <input type="checkbox"/> Setting targets | <input checked="" type="checkbox"/> Reporting |
| <input type="checkbox"/> Other: ... | <input checked="" type="checkbox"/> Assurance |
| | <input type="checkbox"/> Prioritizing actions internally |

²⁸ For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement.

²⁹ For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

Auditors' Report



Intesa Sanpaolo S.p.A.

Independent Auditors' report on selected disclosures reported in the Principle for Responsible Banking Report of the Intesa Sanpaolo Group for the year ended 31 December 2023



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Independent Auditors' report on selected disclosures reported in the Principle for Responsible Banking Report of the Intesa Sanpaolo Group for the year ended 31 December 2023

To the Board of Directors of Intesa Sanpaolo S.p.A.

We were engaged to perform a limited assurance engagement on sections "2.1 Impact Analysis", "2.2 Target Setting", "2.3 Target implementation and monitoring", "5.1 Governance Structure for Implementation of the Principles" (the "Subject Matter") included in the Principle for Responsible Banking Report of the Intesa Sanpaolo Group for the year ended 31 December 2023 (the "2023 PRB Report"), approved by the Board of Directors of Intesa Sanpaolo S.p.A. (the "Bank") on 14 March 2024.

The Subject Matter has been prepared in accordance with the "Principles for Responsible Banking" and the "Principle for Responsible Banking – Guidance Document" issued by the United Nations Environment Programme Finance Initiative ("UNEP FI").

Management's responsibility

Management is responsible for the preparation of the 2023 PRB Report in compliance with the "Principle for Responsible Banking" and the "Principle for Responsible Banking – Guidance Document" issued by the UNEP FI.

Management is also responsible for the internal controls as management determines is necessary to enable the preparation of the 2023 PRB Report, that is free from material misstatement, whether due to fraud or error.

Independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1 (ISQM Italia 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent Auditors' responsibility

Our responsibility is to express a conclusion on the Subject Matter based on our limited assurance engagement. We conducted our limited assurance engagement in accordance with the provisions of the standard "International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised") issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain limited assurance whether the Subject Matter is free from material misstatement.

EY S.p.A.
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Capitale Sociale Euro 2.600.000,00 i.v.
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The procedures we performed were based on our professional judgment and included inquiries, primarily of persons responsible for the preparation of the Subject Matter, inspection of documents, recalculation, agreeing or reconciling with underlying records and other evidence-gathering procedures that are appropriate in the circumstances.

Our limited assurance engagement also included:

- ▶ understanding of the internal rules underlying the preparation of the Subject Matter through acquisition and analysis of the relevant internal documentation (policies, procedures, process guides and methodologies);
- ▶ interviews and discussions with Bank's management to gather information on the reporting and technology systems used in preparing the Subject Matter and on the processes and internal control procedures used to gather, combine, process and transfer data and information for the preparation of the Subject Matter;
- ▶ sample-based analyses of documentation supporting the preparation of the Subject Matter to obtain evidence of the application of the processes put in place to prepare the data and information presented therein;
- ▶ analysis of the consistency of the information reported in the Subject Matter with the relevant disclosures reported in the 2023 Climate Report and in the 2023 Consolidated Non-Financial Statement approved by the Board of Directors of the Bank on 14 March 2024;
- ▶ obtaining a representation letter from management on the compliance of the Subject Matter with the "Principle for Responsible Banking" and the "Principle for Responsible Banking – Guidance Document" issued by the UNEP FI and on the reliability and completeness of the information and data contained therein.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement conducted in accordance with ISAE 3000 revised and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement.

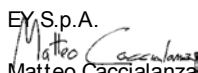
Conclusion

Based on the procedures we have performed, nothing has come to our attention that causes us to believe that the Subject Matter for the year ended 31 December 2023 is not prepared, in all material respects, in accordance with the criteria provided by the "Principle for Responsible Banking" and the "Principle for Responsible Banking – Guidance Document" issued by the UNEP FI.

Others matters

This report has been prepared solely for the purposes described in the first paragraph and, accordingly, it may not be suitable for other purposes.

Milan, 19 March 2024

EY S.p.A.

Matteo Caccialanza
(Auditor)

