

**Module: Introduction****Page: Introduction****CC0.1****Introduction**

Please give a general description and introduction to your organization.

Intesa Sanpaolo is the banking group which was formed by the merger of Banca Intesa and Sanpaolo IMI. The merger brought together two major Italian banks with shared values so as to increase their opportunities for growth, enhance service for retail customers, significantly support the development of businesses and make an important contribution to the country's growth.

Intesa Sanpaolo is among the top banking groups in the euro zone, with a market capitalisation of 42.7 billion euro.

Intesa Sanpaolo is the leader in Italy in all business areas (retail, corporate, and wealth management). The Group offers its services to 11.1 million customers through a network of approximately 3,900 branches well distributed throughout the country with market shares no lower than 12% in most Italian regions.

Intesa Sanpaolo has a selected presence in Central Eastern Europe and Middle Eastern and North African areas with approximately 1,100 branches and 7.7 million customers belonging to the Group's subsidiaries operating in commercial banking in 12 countries.

Moreover, an international network of specialists in support of corporate customers spreads across 28 countries, in particular in the Middle East and North Africa and in those areas where Italian companies are most active, such as the United States, Brazil, Russia, India and China.

The Group operates through seven business units:

1) The Banca dei Territori division: The domestic business is concentrated in the "Banca dei Territori", which comprises: 3,343 branches dedicated to 10.7 million Retail and Personal customers; 255 branches (including Mediocredito Italiano, the SME Finance Hub of the Intesa Sanpaolo Group) dedicated to 200,000 SME customers; 83 branches of Banca Prossima, the bank of the Group servicing 60,000 non-profit entities, the first in Europe fully dedicated to the social and non-profit sector; platform for direct channels; industrial credit, factoring and leasing, with Mediocredito Italiano.

2) The Corporate and Investment Banking division: Intesa Sanpaolo is a major player in the corporate and investment banking, and acts as a global partner for corporates, public administration and financial institutions.

The division operates with a network of 44 domestic branches which serves 15,000 customers. With Banca IMI, the Group is the benchmark Italian operator in capital markets and in investment banking, reaching a critical mass in market making activities. Intesa Sanpaolo is present in 28 foreign countries through a specialist network to facilitate the cross-border activities of its customers made up of branches, representative offices and subsidiaries focused on corporate banking. Intesa Sanpaolo manages relationships with a network of approximately 3,200 correspondent banks.

3) The International Subsidiary Banks division: A selected presence in the countries of Central-Eastern Europe and Middle East and North Africa, with 7.5 million customers in 11 countries, through approximately 1,000 branches. Includes the following commercial banking subsidiaries: Intesa Sanpaolo Bank 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, CIB Bank in Hungary, Intesa Sanpaolo Bank Romania, Banca Intesa in the Russian Federation, Banca Intesa Beograd in Serbia, VUB Banka in Slovakia and Intesa Sanpaolo Bank in Slovenia.

4) The Private Banking division: 228 branches and 5,878 private bankers dedicated to 85,000 private clients and High Net Worth Individuals. The division includes Fideuram, Intesa Sanpaolo Private Banking, and Sirefid.

5) The Asset Management division: asset management solutions targeted at the Group's customers, commercial networks outside the Group, and the institutional clientele. The division includes Eurizon, with 242 billion euro of asset under management.

6) The Insurance division: Insurance and pension products tailored for the Group's clients. The division includes: Fideuram Vita, Intesa Sanpaolo Assicura, Intesa Sanpaolo Vita with direct deposits and technical reserves of 146 billion euro.

7) Capital Light Bank: set up to extract greater value from non-core activities through the workout of non-performing loans and repossessed assets, the sale of non-strategic equity stakes, and proactive management of other non-core assets (including Pravex-Bank in Ukraine).

(Last updated 9 May 2017)

---

## CC0.2

### Reporting Year

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

**Enter Periods that will be disclosed**

**Enter Periods that will be disclosed**

Fri 01 Jan 2016 - Sat 31 Dec 2016

---

**CC0.3**

**Country list configuration**

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country
Italy
Albania
Serbia
Egypt
Slovenia
Hungary
Russia
Ireland
Luxembourg
Croatia
Romania
Bosnia and Herzegovina
Slovakia
Ukraine

---

**CC0.4**

**Currency selection**

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

EUR(€)

---

## CC0.6

### Modules

As part of the request for information on behalf of investors, companies in the electric utility sector, companies in the automobile and auto component manufacturing sector, companies in the oil and gas sector, companies in the information and communications technology sector (ICT) and companies in the food, beverage and tobacco sector (FBT) should complete supplementary questions in addition to the core questionnaire.

If you are in these sector groupings, the corresponding sector modules will not appear among the options of question CC0.6 but will automatically appear in the ORS navigation bar when you save this page. If you want to query your classification, please email [respond@cdp.net](mailto:respond@cdp.net).

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below in CC0.6.

---

## Further Information

<http://www.world.intesasanpaolo.com/about-us/>

**Module: Management**

**Page: CC1. Governance**

---

## CC1.1

**Where is the highest level of direct responsibility for climate change within your organization?**

Board or individual/sub-set of the Board or other committee appointed by the Board

---

## CC1.1a

**Please identify the position of the individual or name of the committee with this responsibility**

The Board of Directors approves the Code of Ethics (including the environmental section), which was last updated in December 2016, the Environmental and Energy Policy (last update in December 2013) and the annual Sustainability Report which includes monitoring of the environmental performance. The Risk Committee supports the Board of Directors in the evaluation of CSR issues (including climate change), in approving the Code of Ethics and in the supervision of CSR communication. The Management Control Committee, with the support of CSR and Internal Audit functions, monitors the compliance with the principles of the Code of Ethics.

The CSR Sub-Department has the task of overseeing the Group corporate social and environmental responsibility through the planning, management and monitoring of sustainability-related policies and instruments. It also develops initiatives and define environmental sustainability policies and guidelines in line with corporate strategies and objectives, preparing - along with relevant structures - multi-annual action plans and monitoring their implementation. And it develops projects, operations and procedures for promoting actions to mitigate Climate Change, also based on the responsibilities of the Energy Manager, ensuring the relevant reporting drafting.

The CSR Sub Department reports, through the Chief Governance Officer, to the Managing Director and works with a network of contacts at various entities of the Group in Italy and abroad.

The Safety and Protection Department, reporting to the Managing Director and CEO, is responsible for governing the Environmental and Energy Management System adopted by the Group, monitoring direct and indirect impact and promoting improvement objectives, guaranteeing that international ISO certification is maintained in conjunction with relevant entities.

---

**CC1.2**

**Do you provide incentives for the management of climate change issues, including the attainment of targets?**

Yes

---

**CC1.2a**

**Please provide further details on the incentives provided for the management of climate change issues**

<b>Who is entitled to benefit from these incentives?</b>	<b>The type of incentives</b>	<b>Incentivized performance indicator</b>	<b>Comment</b>
Energy	Monetary	Emissions reduction	Meeting emission reduction targets. The energy manager is in charge of monitoring the most significant

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
managers	reward	project Energy reduction project Energy reduction target Efficiency project Other: Behaviour change related indicator	impacts, especially related to energy; preparation of energy balance; guidelines to identify and suggest improvements in line with the best practices; identification of optimisation activities, in particular in terms of purchases and management, to ensure the reduction of energy consumption, other resources and goods and waste; proposal of new technologies, solutions and products with lower environmental impact, based on cost-benefit analysis, to increase eco-efficiency. Her assessment and reward are directly based on reducing the Intesa Sanpaolo Group carbon footprint. Annual incentives – if provided – consider overall performance included qualitative aspects (behavioural skills, competencies level and annual results, compared with objectives).
Facility managers	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Efficiency project	Meeting emission reduction targets. Teams responsible for facility management are incentivized and assessed to successfully implement activities and initiatives that support energy efficiency and the reduction of CO2 emissions. Annual incentives – if provided – consider overall performance included qualitative aspects (behavioural skills, competencies level and annual results, compared with objectives).
All employees	Monetary reward	Efficiency project Behavior change related indicator	Efficiency projects and costs reduction. Annual incentives – if provided – consider overall performance included qualitative aspects (behavioural skills, competencies level and annual results, compared with objectives).
All employees	Other non-monetary reward	Behavior change related indicator	Sustainable mobility. With regard to bike-sharing in Italy, through ALI, the national convention continues with "BICInCittà" and "BikeMi" where, thanks to the granting of contributions, about 500 subscriptions have been signed. In foreign banks, the bike sharing service is active in four banks (Intesa Sanpaolo Bank Romania, CIB Bank, Intesa Sanpaolo Bank in Slovenia and Intesa Sanpaolo Bank Albania) with bicycles owned by the Bank. CIB E PBZ have also arranged wardrobes and toilets to enable them to change their outfit and prepare for work.
All employees	Monetary reward	Behavior change related indicator	Sustainable mobility. In order to simplify our employees commuting to reach the Bank's premises in areas not served by public transport in Turin, Milan, Venice, Vicenza, Naples, Padua and Il Cairo Intesa Sanpaolo Group made available to employees 13 free shuttles. Thanks to this action, commuting costs paid by employees were reduced and CO2 emissions decreased of 1100 tons. Moreover, in the cities of Florence, Turin, Milan, Naples, Venice, Padua, Rome and Bologna employees can get subscriptions to public transport (trains, buses) directly from their workstation, avoiding trips and queues at the counters

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
			and taking advantage of discounts. Furthermore in 2016 the agreement with the car sharing and bike sharing service, thanks to the synergy with the Associazione Lavoratori di Intesa Sanpaolo (Association of the Intesa Sanpaolo employees), continue. Some agreements with local transport companies are also active in CIB Bank (Hungary) and Privredna Banka Zagreb (Croatia).

#### Further Information

**Page: CC2. Strategy**

#### CC2.1

**Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities**

Integrated into multi-disciplinary company wide risk management processes

#### CC2.1a

**Please provide further details on your risk management procedures with regard to climate change risks and opportunities**

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Annually	Board or individual/sub-	All geographical	> 6 years	ISP considers climate change a fundamental part of its strategy which

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
	set of the Board or committee appointed by the Board	areas where the Group operates.		integrates CSR across all banking businesses. Through the monitoring process of the Code of Ethics and the Sustainability Report we evaluate climate change risks and provide objectives and guidelines aimed at implementing action plans to manage and mitigate them. Risks and opportunities related to climate change are regularly monitored through stakeholder engagement activities. Attention to climate change is a key dimension of Group's Environmental and Energy Policy, issued in 2007 and periodically updated. The Policy, approved by the Board, is available on the website. Targets for the reduction of energy consumption in the bank has been set for 2022 and 2037 and published in the Climate Change Action Plan. Environmental risks are regularly assessed for major projects through the Equator Principles and integrated in the credit procedure for sensitive sectors.

## CC2.1b

### Please describe how your risk and opportunity identification processes are applied at both company and asset level

Group level: The potential business risks/opportunities and the possible impacts on stakeholders and the corporate structures have been analysed, in the materiality matrix, for each issue identified as "material", included Climate Change. Starting from 2016 the materiality matrix was shared with the Delegates of the Chief Risk Officer Area with the aim of initiating a process of integration of the results of this analysis with the Reputational Risk Assessment (RRA) conducted annually. ISP illustrates how business activities help to improve or deteriorate social, economic and environmental conditions in a local, regional or global framework. To this end, it presents a concentric chart that shows the seven "material" macro-issues, that is the most significant ones according to the materiality analysis in relation to: risks and opportunities associated with each issue, which could have cross-cutting impacts on the strategies and business of ISP in the medium and long term; positive impacts that could generate shared long-term value for the Group, the environment and society in general. A context-focused environmental impact analysis was also carried out in 2016, as required by the new ISO 14001 standard, which has been involved in the wider process of Materiality analysis (Context Survey).

Asset level: ISP carefully monitors the risks associated with climate change, both with a view to promoting behaviour aimed at reducing those risks and developing a prevention culture. The analysis of those risks enables the assessment of the impacts resulting from unexpected changes in climate parameters (i.e. damage to the Group's properties) as well as those arising from regulatory developments. Risk monitoring includes a health and safety management system for personnel, as well as the commitment to protect and safeguard employees and customers with specific attention given to preventing the risk of robbery at branches and managing employees in emergency situations.

---

**CC2.1c****How do you prioritize the risks and opportunities identified?**

Intesa Sanpaolo has been using the AA1000 Assurance standards across its operations and regularly carries out stakeholder engagement activities with customers, employees and NGOs to understand their expectations and the areas of greater interest.

In relation to the activities defined in the scope of the EEMS (property management), the relevant internal and external factors and the relevant stakeholder expectations determined during the Context Survey are reviewed annually in order to consider the possible consequences, both positive and negative, on Intesa Sanpaolo's operations and on the achievement of its goals. Positive benefits are opportunities for the company, while negative consequences pose risks. From the same factor or expectation, the risks and opportunities can derive from 6 classes: commercial, economic, management, technology, application and reputational. To assess the level of risk and opportunity, jointly consider the impact on Intesa Sanpaolo and the likelihood of occurrence of the consequences considered, by firstly attributing a high, medium or low level of risk / opportunity. The estimate is then refined by considering whether the company already has the resources and tools to handle the risk or seize the opportunity. If so, the level of risk is mitigated and the level of opportunity is high, otherwise the opposite is true. Risks are managed by Intesa Sanpaolo by means of actions: the low level of risk is considered acceptable by the company, while for medium to high risks are defined specific actions whose launch timing is defined on the basis of the relevant level: high (start of actions planned within 1 month) or average (start of the planned actions within 6 months).

With regard to opportunities, they are analysed and, based on available resources and business strategies, are defined the actions to be implemented and their implementation times.

---

**CC2.1d**

Please explain why you do not have a process in place for assessing and managing risks and opportunities from climate change, and whether you plan to introduce such a process in future

Main reason for not having a process	Do you plan to introduce a process?	Comment
--------------------------------------	-------------------------------------	---------

---

**CC2.2****Is climate change integrated into your business strategy?**

Yes

---

**CC2.2a**

**Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process**

i) How the business strategy has been influenced: Responsibility for climate change is part of the Group's Strategy as showed by ISP Environmental and Energy Policy, Code of Ethics and the Group's participation in a number of international initiatives. The strategy is also influenced by the result of materiality matrix: in 2016 the "importance for stakeholders" showed a significant increase in importance for "Climate Change" issue. Consequently, business structures are aware that Climate change is an issue that is becoming extremely significant with potential strong impacts on customers, households, communities and, consequently, on the Group's overall operations. In this regard, the Group pursues qualitative and quantitative improvement objectives to help combat the effects of climate change, both at social and environmental level and at business level. Since 2009 ISP has produced a long term Sustainable Energy Action Plan and developed green finance sector with innovative products and services.

ii) Example of how the business strategy has been influenced: Regarding direct impacts the Group monitors and implements initiatives to improve the management of energy, waste, green purchasing and maintenance of buildings, to make its ecological footprint lighter. In 2016 we have monitored the previous Sustainable Energy Action Plan, focusing on all areas of environmental sustainability and primarily on emissions reduction and we have started to work on the new Climate Change Action Plan with 2022 targets. The improvement actions implemented at the sites are supported by specific training for employees in the "Ambientiamo" platform. ISP is aware that the assessment of environmental risk in the disbursement of loans must cover all lending activities through the application of the Equator Principles and a specific questionnaire with the objective of identifying some environmental risks connected to the activities of corporate customers.

iii) What aspects of climate change have influenced the strategy: ISP is aware of the most significant impacts of climate change directly on its activities and indirectly on its clients, influencing many Bank's strategic choices. Many climate change aspects have influenced the strategy: changes in regulation led to the implementation of an Energy and Environmental Management System and the adoption of internal policies for reducing the ecological footprint, changes in physical climate parameters led to the implementation of energy efficiency and mitigation actions, climatic catastrophes led ISP to adopt a proactive approach by investing in prevention, in order to avoid damages which would have a greater financial impact, and in an appropriate offering of products and services to support customers, etc...

iv) The most important components of the short strategy (current): many of the initiatives aimed at reducing direct and indirect emissions have become on-going activities (for example reducing paper consumption, utilizing recycled and certified paper, helping our clients improve their environmental performance, by offering specialized advice and funding for energy efficiency and renewable energy). Other key short term activities: employees training on climate change and waste disposal, encouraging them to promote sustainable behaviour both at work and at home and positively influencing also clients; in 2016, 23 start-ups in the cleantech sector took place as part of the "Start-up Initiative" project; engagement on the green economy continued in 2016, with meetings and road shows being held and the company continuing its focus on environmental studies and research. These activities are defined in the Climate Change Action Plan 2012-2022 with annual integrated target.

v) The most important components of the long term strategy (over six years): The long term Bank's strategy to mitigate emissions includes: keep up to date and implement the certifications obtained (ISO 14001, ISO 50001, ISO 14064, etc.) for the EEMS; increase the use of energy from renewable sources; improve energy efficiency; develop mobility management initiatives that reduce emissions from commuting and business meetings; monitor and report updated emissions data in an ever more accurate way. These activities are defined in the Climate Change Action Plan 2012-2022. Important is also the integration of climate change risks in all our lending activities. Since 2007 we consider climate change risks in big projects in all the sectors and countries through the Equator Principles and we also consider them in the qualitative risk management models for the small businesses and corporates. Finally, through its "Circular Economy" project, the ISP Group is seizing strategic opportunities to become an innovative and exclusive financial leader for the circular economy.

vi) Strategic advantage over competitors: thanks to the strategic choices in the recent years ISP has achieved several competitive advantages. From the latest ABI Report on Banks and Green Economy, it emerged that the banking system financed in Italy between 2007 and 2014 projects related to the production of renewable energy and aimed at energy efficiency for about 27 billion euros, of which the Group ISP contributed around 11 billion euros (approximately 40%). In 2016, activities continued to support and finance green initiatives: 3.1% of all Group loans concerned investments in the green sector for a total of 1.7 billion euro, up by approximately 15% compared to 2015. ISP was also the first bank to develop the "Travel with me" car insurance that is an important product range for customers to reduce insurance costs as well as environmental impact, and the first bank to issue a green bond in Italy.

vii) Substantial business decision: The most important business decision for ISP made during 2016, influenced by precipitation extremes and droughts, was to support families and economic operators damaged by adverse weather and climate emergencies, granting specific loans with special terms (for more than 2.9 million euro) and suspending repayments on existing loans.

viii) How Paris Agreement has influenced the business strategy: The climate change conference outlined a vision for the next decades. Besides reducing greenhouse gas emissions, the ISP strategy includes actions to adapt to climate change underway or that has already taken place. Many working tables have started on the subject of climate change and the ISP Group was involved in this activity.

ix) Use of forward-looking scenario analyses: The Group made an important contribution to the study "Sustainable finance and climate change" promoted by the Forum for Sustainable Finance in which some long-term scenarios have been used, including the 2C scenario. In addition, through ABI, ISP participated in the public debate linked to the document of the FSB's TCFD.

---

#### CC2.2b

Please explain why climate change is not integrated into your business strategy

---

#### CC2.2c

**Does your company use an internal price on carbon?**

No, and we currently don't anticipate doing so in the next 2 years

---

#### CC2.2d

Please provide details and examples of how your company uses an internal price on carbon

---

#### CC2.3

**Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)**

Direct engagement with policy makers  
 Trade associations  
 Funding research organizations  
 Other

**CC2.3a**

**On what issues have you been engaging directly with policy makers?**

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Climate finance	Support with minor exceptions	In 2016, through the Forum for Sustainable Finance, of which Intesa Sanpaolo is represented in the Board, we have contributed to the activity of engagement with the Italian and the European Parliamentarians in order to support and disseminate the issues of sustainable finance	Integrate ESG issues in the policies and institutional choices
Climate finance	Support	Mediocredito, at the request of GSE (Italian Gestore Servizi Energetici), has worked in 2016 on the definition of some aspects regarding the "GRIN Agreement" governing the passage of the Green Certificate incentive mechanism, in accordance with art. 19 of DM 6/7/2012, in order to allow even discounting credit operations (factoring).	Mediocredito has worked in order to define, together with the GSE, financial aspects for switching to different forms of incentive
Other: Circular economy	Support	Intesa Sanpaolo supported Turin Municipality in the initiative "Circular resources for Torino" (October 2016) in order to define new policies focused on circular economy for the city. This activity was part of the Climate-KIC initiative "Climathon".	Circular economy enters in the new action plans of the Municipality regarding energy and open innovation.
Energy efficiency	Support	Mediocredito is working with ENEA (National Agency for New Technologies, Energy and Sustainable Economic Development) on a operative proposal for the launch of the National Energy Efficiency Fund, in accordance with art. 15 of D. Lgs. 102/2014.	Mediocredito and ENEA have worked together to define the main points of access to the Fund.
Climate finance	Support	Mediocredito, at the request of EIB and CDP (Cassa Depositi e Prestiti), is working on a warranty products (risk sharing) specifically dedicated to support investment in the areas of climate change and energy efficiency. As part of the action lines of the so-called Juncker Plan and related resources available at Community level, the EIB (also with CDP) wants to establish a risk-sharing platform that envisages the granting of counter-guarantees in favor of financial institutions which finance	The EIB, in order to support the internal investigation of the project to be presented to its Board, has asked Mediocredito a range of information is of a general nature (eg characteristics of the national markets of the energy sectors and incentive systems) on 'specialized activities undertaken by the Bank (energy portfolio, expertise / skills, dedicated credit approach, pipeline forecasting, etc.).

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
		investments in these areas pertained to "energy".	
Carbon tax	Support	Trough FIRE (Italian federation for rational use of energy) we have participate on the consultation on the reform of system charges proposed by the Italian Authority for Electricity, gas and water system.	Consultation included three options: Intesa Sanpaolo has opted for one of the options.
Climate finance	Support with minor exceptions	Trough FIRE (Italian federation for rational use of energy) we have participate on European Project (guarantEE) on energy services and performance guarantee contracts (EPC contract) in order to highlight the obstacles that operators encounter and to identify the solutions to overcome these barriers.	Intesa Sanpaolo has expressed its opinion regarding the difficulties of EPC application and proposed some solutions for improvement.

### CC2.3b

**Are you on the Board of any trade associations or provide funding beyond membership?**

Yes

### CC2.3c

**Please enter the details of those trade associations that are likely to take a position on climate change legislation**

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
ABI	Consistent	In order to create a shared basis for reporting between all the Banks, ABI Energia and the Competence Center ABI Lab on Energy and Environment, through its Energy Efficiency Monitoring Centre, has drawn up guidelines relating to reporting on eight out of the thirty GRI indicators most widely used by the banks in their Sustainability Reports. This document is aimed, on	Intesa Sanpaolo has provided a significant contribution to this activity, since it has been using these indicators as benchmarks to enhance its accountability through quality reporting for a long time. In detail, our methods for recording and monitoring the data, and the coefficients utilised for the calculation of the transformation factors were illustrated. The final version of the

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
		the one hand at harmonising the reporting methods so as to facilitate comparison of information between the various banks and create potential benchmarking, while at the same time also fostering further dissemination of sustainability reporting in the banks that have not yet adopted it.	Guidelines, aligned with the Intesa Sanpaolo standards, emerged as an extremely concrete document, very useful for all the Italian banks.
ABI	Consistent	ABI has continued in 2016 the working group with ENEA and the Ministry of Economic Development to define precise rules for the application of European Directive 27/2012 implemented by Italian Law 102/2014.	Intesa Sanpaolo has participated actively in the working group by providing suggestions for identifying sites to be subjected to energy audit in banks.
ABI	Consistent	An initiative promoted by ABI and Assilea, in agreement with Assorinnovabili, in order to sensitize the Italian Minister for Productive Activities on the consequences of fines carried by the GSE on photovoltaic systems not in accordance with the law.	Intesa Sanpaolo Group, through Mediocredito, is participating actively in the working group in order to introduce the proportionality of the fine in relation to the entity of the violation.
ABI	Consistent	In agreement with ABI and ENEA, following the publication of Decree 102/2014 on energy efficiency, evaluation of the criteria for the drafting of the standard EPC (Energy Performance Contract Agreement) valid for the Public Administration and for the implementation of the national Fund for energy efficiency.	Intesa Sanpaolo, through Mediocredito, is working on the identification of the criteria for the EPC contract.
ABI	Consistent	ABI, through International Banking Federation (IBFED), participated in December 2016 to the consultation on the Task Force on Climate-related Financial Disclosure, the initiative of the Financial Stability Board about risks to the financial system from climate change.	Intesa Sanpaolo participated in the debate by providing some ideas for improvement regarding the need to have an industry analysis on the climate control level, to have a strong commitment on the subject but especially to have a common metric to assess risks and opportunities on climate change.

**CC2.3d**

**Do you publicly disclose a list of all the research organizations that you fund?**

No

---

**CC2.3e****Please provide details of the other engagement activities that you undertake**

- i) Method of engagement: Intesa Sanpaolo is actively engaging with the Italian Government, the European Commission and through its participation in the Unep FI initiative and the FFS (Forum for Sustainable Finance). Intesa Sanpaolo is sure that a more proactive role of financial institutions in the climate change field comes from an active cooperation with the governments, public institutions, University and other policy makers. Intesa Sanpaolo participates to these initiatives through discussion groups, workshops, roadshows, survey research and web-based consultations.
- ii) topic of engagement: Intesa Sanpaolo is strongly committed to encourage climate change mitigation and adaptation. We deem that a fundamental contribution from the governments is to provide stable regulations in each countries and common rules at international level.
- iii) nature of the engagement: Important contribution of the Group to the tables on sustainable finance. First Intesa Sanpaolo has actively participated in the working group sponsored by the Ministry of Environment, Land and Sea and UNEP - Finance Initiative, in collaboration with the Bank of Italy and the Economy Ministry and Finance, for the realization of the first report "Dialogue Italian on Sustainable Finance ". It should not be forgotten also the important contribution of the technical panel "Finance Sustainability and Climate Change" sponsored by Forum for Sustainable Finance together with the ABI and ANIA. The objective of the technical panel was to raise the awareness of the Italian financial community to the risks and opportunities related to climate change, facilitating integration with the investment policies and with product innovation processes of banks, managers and insurance companies. Intesa Sanpaolo also participate in the BUILD UPON project: the world's largest collaborative project on building renovation that aims to create a renovation revolution across Europe by helping countries to deliver strategies for renovating their existing buildings.
- iv) actions advocated: Intesa Sanpaolo engages continuously with the main institutional actors in charge of the advancement of renewable energies and energy efficiency in Italy. We are represented in the Board of the Forum for Sustainable Finance (FFS) which is the Italian SIF (Sustainable Investment and Finance Association). FFS aims to support the Italian finance sector's participation in sustainable development through innovative financial services. The association represents an influential voice for the sustainable and responsible finance industry in Italy with a positive influence on governments, NGOs, regulators, companies, professional advisers, the general public on this topic. On the topic of Renewable Energy and Energy Efficiency Intesa Sanpaolo has supported the City of Turin, SITI-Politecnico di Torino and AI Engineering Group in a roadshow in the United Arab Emirates, with the presentation of the project "Renewable Energy for Palestine", a project centered on a study and a pilot site in the city of Hebron concerning the energy efficiency of residential buildings and production of energy storage from renewable sources. Finally, on the issue of circular economy, the Bank has been involved in many institutional working groups with companies, Public and private institutions, multilateral agencies and university. Among the various actions we can mention the participation in the first master's degree in Italy on the bio / circular economy in collaboration four primary Italian universities (Turin, Milan Bicocca, Bologna and Napoli Federico II) with the aim of promoting this new paradigm and talent generation.

---

**CC2.3f****What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

Through its International & Regulatory Affairs Dept., Intesa Sanpaolo regularly monitors the numerous and profound changes in the regulatory framework defined at international, European and national level, in order to be aware of possible changes and anticipate the future directives. In 2016 the Intesa Sanpaolo Group expressed its position in response to many public consultations.

The bank participates in the activities coordinated by the ABI (Italian Banking Association) for the definition of guidelines in the environmental field, bringing its experience and promoting best practices. Since Intesa Sanpaolo has an Environment and Energy Management System certified ISO 14001, ISO 50001 and ISO

14064, our contribution to these working groups is based on the sharing of good practice and on raising the level of the entire banking system. All these activities are reported internally and evaluated in order to verify the consistency with our strategy.

---

### CC2.3g

Please explain why you do not engage with policy makers

---

### Further Information

**Page: CC3. Targets and Initiatives**

---

### CC3.1

**Did you have an emissions reduction or renewable energy consumption or production target that was active (ongoing or reached completion) in the reporting year?**

Absolute target  
Renewable energy consumption and/or production target

---

### CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
----	-------	-------------------------	----------------------------	-----------	------------------------------------------------------------	-------------	---------------------------------	---------

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
Abs1	Scope 1+2 (location-based)	89%	28%	2012	249171	2022	No, but we anticipate setting one in the next 2 years	The target for Scope 1+2 refers to the potential emissions related to electricity consumption and to the potential emissions from independent and central heating (gas) in the Intesa Sanpaolo Group (Italy and International Network). Currently, non science based targets are released by banks, as there is no methodology available.
Abs2	Scope 1+2 (market-based)	73%	42%	2012	82675	2022	No, but we anticipate setting one in the next 2 years	The target for Scope 1+2 refers to the emissions related to electricity purchased not from renewable sources and to the emissions from independent and central heating (gas) in the Intesa Sanpaolo Group (Italy and International Network). At the moment is not possible for the Banks to have science based target because there isn't a methodology available. Currently, non science based targets are released by banks, as there is no methodology available.
Abs3	Scope 3: Purchased goods & services	100%	26%	2012	16608	2022	No, but we anticipate setting one in the next 2 years	The target for Scope 3 (Purchased goods and services) refers to the emissions related to paper consumption of the Intesa Sanpaolo Group (Italy and International Network). Currently, non science based targets are released by banks, as there is no methodology available.
Abs4	Scope 1	21%	27%	2012	12431	2022	No, but we anticipate setting one in the next 2 years	This target refers to the emission related to the fleet of the Intesa Sanpaolo Group (Italy and International Network). Currently, non science based targets are released by banks, as there is no methodology available.
Abs5	Scope 3: Business travel	67%	34%	2012	9920	2022	No, but we anticipate setting one in the next 2 years	The target for Scope 3 (Business travel) refers to the emissions related to train and aircraft employees travel of the Intesa Sanpaolo Group (Italy and International Network). Currently, non science based targets are released by banks, as there is no methodology available.
Abs6	Scope 1+2	89%	41%	2012	249171	2037	No, but we	The target for Scope 1+2 refers to the potential

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
	(location-based)						anticipate setting one in the next 2 years	emissions related to electricity consumption and to the potential emissions from independent and central heating (gas) in the Intesa Sanpaolo Group (Italy and International Network) . Currently, non science based targets are released by banks, as there is no methodology available.
Abs7	Scope 1+2 (market-based)	73%	50%	2012	82675	2037	No, but we anticipate setting one in the next 2 years	The target for Scope 1+2 refers to the emissions related to electricity purchased not from renewable sources and to the emissions from independent and central heating (gas) in the Intesa Sanpaolo Group (Italy and International Network). At the moment is not possible for the Banks to have science based target because there isn't a methodology available. Currently, non science based targets are released by banks, as there is no methodology available.
Abs8	Scope 1	55%	8%	2012	32229	2016	No, but we anticipate setting one in the next 2 years	The target for Scope 1 refers to the potential emissions from independent and central heating (gas and diesel) in Italy. Currently, non science based targets are released by banks, as there is no methodology available.
Abs9	Scope 2 (location-based)	76%	13%	2012	168743	2016	No, but we anticipate setting one in the next 2 years	The target for Scope 2 refers to the potential emissions related to electricity consumption in the Intesa Sanpaolo Group in Italy. Currently, non science based targets are released by banks, as there is no methodology available.

CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions covered by target	Target year	Is this a science-based target?	Comment
----	-------	-------------------------	----------------------------	--------	-----------	--------------------------------------------------	-------------	---------------------------------	---------

---

**CC3.1c**

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
----	---------------------------------------------------------------------------------------	------------------------------------------------------	-------------------------------------------------------------------------------------	----------------------------------------------------	---------

---

**CC3.1d**

Please provide details of your renewable energy consumption and/or production target

ID	Energy types covered by target	Base year	Base year energy for energy type covered (MWh)	% renewable energy in base year	Target year	% renewable energy in target year	Comment
RE1	Electricity consumption	2012	418357	76.11%	2022	81.31%	In 2016, 80% of the electricity used by the Intesa Sanpaolo Group, which is committed to gradually reducing its dependence on fossil fuels, came from renewable sources (Italy and International Network). In Italy, 97% of the electricity used has a guarantee of origin from renewable sources. On an international level, Intesa Sanpaolo Bank (Slovenia) bought all its electricity in 2016 from a renewable source. Intesa Sanpaolo Bank Albania used only renewable electricity from the national grid. Intesa Sanpaolo Bank Romania, Privredna Banka Zagreb and VÚB Banka use renewable sources that account for at least 15% of all energy sources used.
RE2	Electricity production	2012	393	0.07%	2022	0.3%	The self-production of energy from renewable sources, such as photovoltaic, appears to be limited by the type of building, therefore the Group has focused on a few sites for which innovative photovoltaic systems or of significant size have been designed (Italy and International Network). Currently the following photovoltaic systems are present: -Moncalieri (with Data Processing Centre): power of around 440 kWp; -Settimo Torinese (with Data Processing Centre): power of around 180 kWp; -Turin Headquarter: power of around 162 kWp; -Rubano: power of around 140 kWp; -Sezana and Koper (Intesa Sanpaolo Bank - Slovenia): power of around 44 kWp; -Cosenza: power of around 30 kWp; -Pavia: power of around 20 kWp; -Naples - Via Toledo 177: power of around 20 kWp; -Civitavecchia: power of around 20 kWp -Caserta - Piazza Generale Amico 1: power of around 20 kWp; -Cagliari - Viale Bonaria 12: power of around 20 kWp -Forli: power of around 19 kWp; -Oristano: power of around 19 kWp; -Turin branch - Via Onorato Vigliani, solar tracker photovoltaic system, power of around 12 kWp; -Venice Marghera branch - "The first nearly 0 energy branch", featuring cylindrical CIGS photovoltaic modules specifically designed for installation on flat, light-coloured roofs for elevated yield also in the conversion of diffuse solar radiation, with a power of around 9 kWp.

**For all of your targets, please provide details on the progress made in the reporting year**

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Abs1	40%	75%	% complete as of 31/12/2016. From the end of 2016, Intesa Sanpaolo has set up a working group to draft the new climate change plan. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, which should allow the Intesa Sanpaolo Group to reach the challenging goals it has set. The Intesa Sanpaolo Group has been taking action for years to reduce its environmental footprint: for example from 2010 to 2016, electricity consumption went down by 28%, reinforcing the Group's commitment to reducing its own environmental footprint and placing Intesa Sanpaolo among the leaders in this sector.
Abs2	40%	81%	% complete as of 31/12/2016. From the end of 2016, Intesa Sanpaolo has set up a working group to draft the new climate change plan. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, which should allow the Intesa Sanpaolo Group to reach the challenging goals it has set. The Intesa Sanpaolo Group has been taking action for years to reduce its environmental footprint: for example from 2010 to 2016, electricity consumption went down by 28%, reinforcing the Group's commitment to reducing its own environmental footprint and placing Intesa Sanpaolo among the leaders in this sector.
Abs3	40%	73%	% complete as of 31/12/2016. The Group continued its policy to use less paper, with consumption going down by around 500 tonnes (-6.2%) compared to 2015. In 2016, the Group focused on various digitalisation initiatives, including fewer print-outs, information leaflets displayed on screen, online reporting and the Zero Paper project for training events, as well as the digitalisation of contracts. Thanks to this strategy, the reduction in paper amounted to 2,700 tonnes in 2016, corresponding to 4,300 tonnes less of CO2 emissions and savings of around 3 million euro.
Abs4	40%	84%	% complete as of 31/12/2016. From the end of 2016, Intesa Sanpaolo has set up a working group to draft the new climate change plan. The plan, with 2012 baseline, includes actions for reducing the CO2 emissions of our fleet and mitigation of impacts, which should allow the Intesa Sanpaolo Group to reach the challenging goals it has set.
Abs5	40%	95%	% complete as of 31/12/2016. From the end of 2016, Intesa Sanpaolo has set up a working group to draft the new climate change plan. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, which should allow the Intesa Sanpaolo Group to reach the challenging goals it has set.
Abs6	16%	51%	% complete as of 31/12/2016. From the end of 2016, Intesa Sanpaolo has set up a working group to draft the new climate change plan. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, which should allow the Intesa Sanpaolo Group to reach the challenging goals it has set. The Intesa Sanpaolo Group has been taking action for years to reduce its environmental footprint: for example from 2010 to 2016, electricity consumption went down by 28%, reinforcing the Group's commitment to reducing its own environmental footprint and placing Intesa Sanpaolo among the leaders in this sector.
Abs7	16%	76%	% complete as of 31/12/2016. From the end of 2016, Intesa Sanpaolo has set up a working group to draft the new climate change plan. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, which should allow the Intesa Sanpaolo Group to reach the challenging goals it has set. The Intesa Sanpaolo Group has

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
			been taking action for years to reduce its environmental footprint: for example from 2010 to 2016, electricity consumption went down by 28%, reinforcing the Group's commitment to reducing its own environmental footprint and placing Intesa Sanpaolo among the leaders in this sector.
Abs8	100%	100%	% complete as of 31/12/2016. The goal at the time was exceeded (136%) because we have offset the gas consumption and, therefore, the last three winter seasons have had mild temperatures.
Abs9	100%	100%	% complete as of 31/12/2016. The goal at the time was exceeded (103%) thanks to the energy efficiency measures undertaken.
RE1	40%	79%	% complete as of 31/12/2016. In 2016, 80% of the electricity used by the Intesa Sanpaolo Group, which is committed to gradually reducing its dependence on fossil fuels, came from renewable sources. In Italy, 97% of the electricity used has a guarantee of origin from renewable sources. On an international level, Intesa Sanpaolo Bank (Slovenia) bought all its electricity in 2016 from a renewable source. Intesa Sanpaolo Bank Albania used only renewable electricity from the national grid. Intesa Sanpaolo Bank Romania, Privredna Banka Zagreb and VÚB Banka use renewable sources that account for at least 15% of all energy sources used.
RE2	40%	73%	% complete as of 31/12/2016. As for the Group's own production of electricity from photovoltaics, the plant at the New Headquarters In Turin helped to generate more than 1,000 MWh, a figure up by around 2% compared to 2015. Sixteen plants are currently operating, four, large-sized plants (> 100 kWp) and twelve small/medium-sized facilities.

### CC3.1f

Please explain (i) why you do not have a target; and (ii) forecast how your emissions will change over the next five years

### CC3.2

Do you classify any of your existing goods and/or services as low carbon products or do they enable a third party to avoid GHG emissions?

Yes

CC3.2a

Please provide details of your products and/or services that you classify as low carbon products or that enable a third party to avoid GHG emissions

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
Product	<p>In 2016, 3.1% of Intesa Sanpaolo's total loans to business referred to environmental protection sectors, such as renewable energy, energy efficiency, environmental services, sustainable agriculture, amounting to more than 1.7 billion euro. As part of the Sustainable Energy and Leasenergy programme, Mediocredito Italiano, the Intesa Sanpaolo Group bank that brings together medium-long term financing, leasing and factoring, provides "tailor-made" financial solutions and specialist advisory services dedicated to businesses that invest in plants for the generation of energy from renewable sources or in energy efficiency processes. The Mediocredito Italiano Energy Desk, continues to focus its attention on energy efficiency, also participating in work groups to discuss the issue with the competent institutional authorities and structuring partnerships on dedicated financial proposals with leading Italian players. With Leasenergy approximately 1,600 lease agreements are in place, contributing to the construction of power plants for the production of over 2 Gigawatts of energy from renewable sources. New lease agreements in 2016 will result in an estimated annual emission saving of approximately 13,300 tonnes of CO2. In the area of non-profit organisations, Banca Prossima provides credit support for energy efficiency projects with solutions that help customers optimise the financial flows generated by the investment and thus reduce financing costs. In 2016, approximately 1.2 million euro of funds was earmarked for projects through an operating agreement with Federesco (the National Federation of Energy Service</p>	Avoided emissions	Other: 2016 UNFCCC National Inventory Report	3.1%	Less than or equal to 10%	

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
	Companies). Initiatives resulted in savings of around 3,215 MWh in 2016, corresponding to reduced emissions of approximately 1,045 tonnes of CO2.					

### CC3.3

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

Yes

### CC3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	14	9199
Implementation commenced*	20	12982
Implemented*	15	135814
Not to be implemented	0	0

CC3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Low carbon energy purchase	In 2016, 80% of the electricity used by the Intesa Sanpaolo Group, which is committed to gradually reducing its dependence on fossil fuels, came from renewable sources. In Italy, 97% of the electricity used has a guarantee of origin from renewable sources. On an international level, Intesa Sanpaolo Bank (Slovenia) confirmed it was buying all its electricity in 2016 from a renewable source of hydropower. Intesa Sanpaolo Bank Albania used only renewable electricity from the national grid. Intesa Sanpaolo Bank Romania, Privredna Banka Zagreb and VÚB Banka use renewable sources that account for at least 15% of all energy sources used.	114569	Scope 2 (market-based)	Voluntary	0	0	<1 year	Ongoing	
Energy efficiency:	During 2016 in Italy around 227 dataloggers were installed. Managed	575	Scope 2 (location-	Voluntary	357162	454000	1-3 years	6-10 years	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Building services	via the web, they can activate programmes for switching lighting and air conditioning systems on and off.		based)						
Energy efficiency: Building services	In accordance with Italian regulatory requirements, 223 plants containing R22 gas were replaced with units containing R410A gas.	206	Scope 1	Mandatory	127819	5135000	>25 years	11-15 years	
Energy efficiency: Processes	Substitution in Italy of boilers and air conditioning systems with condensing systems, heat pumps and cooling groups high yields.	471	Scope 1 Scope 2 (location-based)	Voluntary	271994	3490000	11-15 years	11-15 years	
Energy efficiency: Building services	Traditional lamps were replaced with new eco-friendly, energy saving LED lamps at various branches and head offices in Egypt, Croatia, Bosnia and Ukraine.	85	Scope 2 (location-based)	Voluntary	11981	42819	1-3 years	3-5 years	
Energy efficiency: Processes	UPS use at CIB Bank head offices in Petrežselyem and Dunaújváros was streamlined, achieving considerable energy savings.	30	Scope 2 (location-based)	Voluntary	13915	0	<1 year	6-10 years	
Energy efficiency: Processes	Efficient conditioning systems were installed at the Privredna Banka Zagreb (Croatia) branches in Stradun e Split 3, and at the head offices of VUB Banka (Slovakia).	9	Scope 2 (location-based)	Voluntary	7000	450000	11-15 years	11-15 years	
Energy efficiency: Building fabric	The head office of Intesa Sanpaolo Bank Albania and Tirana branch were renovated adopting energy	0	Scope 1 Scope 2 (location-	Voluntary	11194	585000	11-15 years	>30 years	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
	efficiency criteria.		based)						
Transportation: use	Besides preparing the "Home Work Commute Plan" on staff commuting, activities continued to monitor the shuttle service run in Italy, in Turin, Milan, Naples, Padova, Venice and Vicenza: in 2016, an estimated 370 tonnes of CO2 were avoided, thanks to use of the service. At an international level, the Bank of Alexandria runs a shuttle service connecting Cairo with Giza Governorate which - with potential users numbering 850 - has made it possible to avoid around 830 tonnes of CO2.	1200	Scope 3	Voluntary	0	0	<1 year	Ongoing	
Transportation: fleet	International banks have made considerable effort to modernise their vehicle fleets, with cars that have lower CO2 emissions and fuel consumption. With the replacements made in 2016, an estimated 24 tonnes of CO2 were avoided.	24	Scope 1	Voluntary	0	546000	1-3 years	3-5 years	
Other	In 2016, the Group focussed on various digitalisation initiatives, including fewer print-outs, information leaflets displayed on screen, online reporting and the Zero Paper project for training events, as well as the digitalisation	4300	Scope 3	Voluntary	3000000	0	<1 year	Ongoing	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
	of contracts. Thanks to this strategy, the reduction in paper amounted to 2,700 tonnes in 2016, corresponding to 4,300 tonnes less of CO2 emissions and savings of around 3 million euro.								
Green project finance	Banca Prossima support third sector companies that want to invest in energy efficient projects with solutions to save on energy costs and increase the overall sustainability of social activities. In 2016, approximately 1.2 million euro of funds was earmarked for projects through an operating agreement with Federesco (the National Federation of Energy Service Companies). Initiatives resulted in savings of around 3,215 MWh in 2016, corresponding to reduced emissions of approximately 1,045 tonnes of CO2, of which 2,525 MWh alone for the project launched with Sermig of Turin.	1045	Scope 3	Voluntary	0	0	4-10 years	Ongoing	
Green project finance	In Italy 1,600 lease agreements are in place, contributing to the construction of power plants for the production of over 2 Gigawatts of energy from renewable sources. New lease agreements in 2016 will result in an estimated annual	13300	Scope 3	Voluntary	0	0	4-10 years	Ongoing	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
	emission saving of approximately 13,300 tonnes of CO2.								

### CC3.3c

#### What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	The Intesa Sanpaolo Group establishes its objectives of reducing energy consumption in line with what is established by the Italian and European regulations. Moreover Intesa Sanpaolo is certified in compliance with voluntary standards ISO 14001, ISO 50001 and ISO 14064 that provide specific targets.
Dedicated budget for energy efficiency	As envisaged in the Sustainable Energy Action Plan 2013-2016 a dedicated budget for energy efficiency has been established.
Dedicated budget for low carbon product R&D	Mediocredito Italiano has a specialist desk that can provide answers dedicated to companies wishing to grow through investment in innovation, offering consulting services and customized loans. In particular Nova + is the funding line of Mediocredito Italiano dedicated to all companies that want to innovate, of any size and industry. Intesa Sanpaolo became global financial partner of the Ellen MacArthur Foundation to enter the Circular Economy acceleration sharing platform . In its role as a global partner, Intesa Sanpaolo intends to help redefine the business strategies and business models of its customer companies, to make them evolve in an innovative and sustainable way and to ensure financial support for investments in support of the re-design of the industrial system.
Employee engagement	The “Ambientiamo” platform encourages virtuous behaviour to adopt in the home and at work. In 2016, an interactive course was adopted for the correct management of waste and materials used daily by staff. The Bank also provides specific training for personnel working at operating units and central departments where the Environmental and Energy Management System is

Method	Comment
	adopted. This training focuses on the requirements of applicable international standards, the System's objectives and procedures adopted to comply with requirements, and involved around 250 staff in 2016. Following the start of new maintenance and personal service agreements, specific awareness sessions on environmental issues were held, with representatives from 34 companies operating throughout Italy taking part. CIB Bank (Hungary) made a considerable contribution, implementing the new Energy Management System and training over 2,200 staff in energy efficiency and energy saving issues.
Lower return on investment (ROI) specification	In "Sustainability rules for the purchase of office machinery" Intesa Sanpaolo is committed to assessing the environmental impact of products covered by these rules in the process of choosing and buying them, taking into account not only all the legal requirements and applicable compliance requirements in the field, but using specific environmental criteria to enable an accurate and measurable assessment.
Other	We utilize government incentives for energy efficiency actions in pour premises. For example we have used the Italian tax deductions in favour of saving energy to restructure many of our branches and we have installed photovoltaic systems using the facilities provided by law.

---

CC3.3d

If you do not have any emissions reduction initiatives, please explain why not

---

**Further Information**

**Page: CC4. Communication**

---

CC4.1

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

Publication	Status	Page/Section reference	Attach the document	Comment
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	Pages 139-140/Climate Change	<a href="https://www.cdp.net/sites/2017/63/9363/Climate%20Change%202017/Shared%20Documents/Attachments/CC4.1/bilancio%20esercizio.pdf">https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/CC4.1/bilancio esercizio.pdf</a>	Mainstream report
In voluntary communications	Complete	Pages 119-132; Pages 164-166	<a href="https://www.cdp.net/sites/2017/63/9363/Climate%20Change%202017/Shared%20Documents/Attachments/CC4.1/RAPPORTO%20S_ENG_170531.pdf">https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/CC4.1/RAPPORTO S_ENG_170531.pdf</a>	Natural Capital Section
In voluntary communications	Complete	Pages 1-8	<a href="https://www.cdp.net/sites/2017/63/9363/Climate%20Change%202017/Shared%20Documents/Attachments/CC4.1/CERTIFICATO%20-%20INTESA%20SANPAOLO%20S.p.A.%20-%20ISO%2014001%20-%202017-05-29.pdf">https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/CC4.1/CERTIFICATO - INTESA SANPAOLO S.p.A. - ISO 14001 - 2017-05-29.pdf</a>	ISO 14001 certificate - Italy
In voluntary communications	Complete	Pages 1-8	<a href="https://www.cdp.net/sites/2017/63/9363/Climate%20Change%202017/Shared%20Documents/Attachments/CC4.1/CERTIFICATO%20-%20INTESA%20SANPAOLO%20S.p.A.%20-%20ISO%2050001%20-%202017-05-31.pdf">https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/CC4.1/CERTIFICATO - INTESA SANPAOLO S.p.A. - ISO 50001 - 2017-05-31.pdf</a>	ISO 50001 certificate - Italy
In voluntary communications	Complete	Pages 1-3	<a href="https://www.cdp.net/sites/2017/63/9363/Climate%20Change%202017/Shared%20Documents/Attachments/CC4.1/50001_CIB.pdf">https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/CC4.1/50001_CIB.pdf</a>	ISO 50001 certificate - Hungary
In voluntary communications	Complete	Pages 1-13	<a href="https://www.cdp.net/sites/2017/63/9363/Climate%20Change%202017/Shared%20Documents/Attachments/CC4.1/ISO_14064-1_PRJC-Z0496176-2016-GHGI-Intesa_Sanpaolo_VS_Rev.2_signed.pdf">https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/CC4.1/ISO_14064-1_PRJC-Z0496176-2016-GHGI-Intesa_Sanpaolo_VS_Rev. 2 signed.pdf</a>	ISO 14064 certificate - Italy
In voluntary communications	Complete	Pages 1-53	<a href="https://www.cdp.net/sites/2017/63/9363/Climate%20Change%202017/Shared%20Documents/Attachments/CC4.1/Intesa%20Sanpaolo%20group%20webpages.pdf">https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/CC4.1/Intesa Sanpaolo group webpages.pdf</a>	Intesa Sanpaolo Group internet website
In voluntary communications	Complete	Page 1-4	<a href="https://www.cdp.net/sites/2017/63/9363/Climate%20Change%202017/Shared%20Documents/Attachments/CC4.1/PBZ%20internet%20website.pdf">https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/CC4.1/PBZ internet website.pdf</a>	Privedna Banka Zagreb internet website
In voluntary communications	Complete	Pages 1-3	<a href="https://www.cdp.net/sites/2017/63/9363/Climate%20Change%202017/Shared%20Documents/Attachments/CC4.1/CIB%20BANK%20website%20environmental%20impact.pdf">https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/CC4.1/CIB BANK website environmental impact.pdf</a>	CIB Bank internet website
In voluntary communications	Complete	Pages 1-2	<a href="https://www.cdp.net/sites/2017/63/9363/Climate%20Change%202017/Shared%20Documents/Attachments/CC4.1/INTESA%20SANPAOLO%20BANK%20(SLOVENIA)%20website%20environment.pdf">https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/CC4.1/INTESA SANPAOLO BANK (SLOVENIA) website environment.pdf</a>	Intesa Sanpaolo Bank (Slovenia) internet website
In voluntary communications	Complete	Page 1	<a href="https://www.cdp.net/sites/2017/63/9363/Climate%20Change%202017/Shared%20Documents/Attachments/CC4.1/ALEXBANK%20internet%20website.pdf">https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/CC4.1/ALEXBANK internet website.pdf</a>	Alexbank internet website
In voluntary communications	Underway - previous year attached	Pages 23-26	<a href="https://www.cdp.net/sites/2017/63/9363/Climate%20Change%202017/Shared%20Documents/Attachments/CC4.1/CIB%20BANK%20sustainability%20report%202015%20pag%2023-26.pdf">https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/CC4.1/CIB BANK sustainability report 2015 pag 23-26.pdf</a>	CIB Bank Sustainability Report

Publication	Status	Page/Section reference	Attach the document	Comment
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	Pages 161-164	<a href="https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/CC4.1/Fideuram-integrato16-ita pag 161-164.pdf">https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/CC4.1/Fideuram-integrato16-ita pag 161-164.pdf</a>	Fideuram - Mainstream report
In voluntary communications	Underway - previous year attached	Pages 71-85	<a href="https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/CC4.1/VUB BANKA corporate responsibility report for 2015 pag71-85.pdf">https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/CC4.1/VUB BANKA corporate responsibility report for 2015 pag71-85.pdf</a>	VUB Banka Sustainability Report

#### Further Information

### Module: Risks and Opportunities

#### Page: CC5. Climate Change Risks

##### CC5.1

**Have you identified any inherent climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply**

- Risks driven by changes in regulation
- Risks driven by changes in physical climate parameters
- Risks driven by changes in other climate-related developments

##### CC5.1a

**Please describe your inherent risks that are driven by changes in regulation**

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Voluntary agreements	Intesa Sanpaolo, as a financial services company active in asset management, investment banking and bank assurance, can be affected directly and indirectly by changes in voluntary standard related to climate change it has adopted. For examples, in case of changes in the certification schemes (ISO 14001, ISO 50001, ISO 14064) Intesa Sanpaolo will need to upgrade processes and to pay for specific advice.	Increased capital cost	1 to 3 years	Direct	Very likely	Low-medium	Potential financial impacts of changes voluntary standards are related to the need to adapt to new rules with consequent costs. For examples overall changes to processes and procedures related to certification would cost about 40,000 Euro.	Intesa Sanpaolo carries out a careful analysis of current standards and possible changes that may allow us to modify the risk for our Bank of being caught unprepared. We constantly monitor legislation and participate in specific training courses to become aware of what's new. In 2016, with reference to the latest UNI EN ISO 14001: 2015 standard, the Intesa Sanpaolo Environmental Management System in Italy was adapted, one year in advance of the permissible terms, providing for, among other things, the conduct of an "Attentive Analysis of the Context" in order to fully understand	The adjustment of procedures, documents, and internal training courses to the new version of the ISO14001 standard will entail in 2016 an estimated cost of about € 60,000, which includes the cost of the consultancy firm, the cost of developing training courses (this is done through an external provider) , the cost of personnel dedicated to the activity of developing the new procedures.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								the reference scenario, define needs and expectations of stakeholders and determine risks and opportunities. This activity has been engaged in the wider process of materiality analysis carried out for the Sustainability Report. This action leaves the likelihood unchanged but reduces the magnitude should the event occur.	
Uncertainty surrounding new regulation	The lack of a clear strategy of the Italian government on renewable energies and energy efficiency regulation creates a situation of uncertainty, in particular with reference to	Inability to do business	Up to 1 year	Indirect (Client)	Very likely	Low-medium	Financial implications refer to the inability to develop new products and to serve our customers properly, with a consequent decrease in revenues and market share. To give an idea	In order to manage this risk Intesa Sanpaolo is engaging with regulators in order to be up to date on new rules and if possible anticipate them, always recommending to stabilize the incentives and to simplify the legislation. For	These activities are carried out by various departments of Intesa Sanpaolo, but we can assume that they involve an overall commitment of 3 FTE (full time equivalent) with an estimated gross cost of 45,000 Euro each.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>incentives for photovoltaic plants which have been removed during the last three years. The bank's potential for financing the transition to a lower carbon economy is not fully used and the uncertainty on regulations represents a barrier to the expansion of the market . This situation is very negative for Intesa Sanpaolo because it prevents the Bank from establishing a long term strategy on the implementation of new products and services on the "green</p>						<p>of the volume of the business, funding for renewable energy, energy efficiency and other climate change related interventions in 2016 has amounted to 1,7 million euro and this volumes could be much increased if they were supported by clear regulations, incentives and a clear strategy by regulators. In 2011, for example, when there were incentives for photovoltaic, the funding provided by Intesa Sanpaolo dedicated to this sector was twice as much</p>	<p>example in 2016 Mediocredito is working with ENEA (National Agency for New Technologies, Energy and Sustainable Economic Development) on a operative proposal for the launch of the National Energy Efficiency Fund, in accordance with art. 15 of D. Lgs. 102/2014. Furthermore at the request of EIB and CDP (Cassa Depositi e Presiti), is working on a warranty products (risk sharing) specifically dedicated to support investment in the areas of climate change and energy efficiency. This action has allowed to reduce the magnitude of this risk from medium</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	sectors".						as 2016.	to low medium.	
Air pollution limits	Air pollution can cause both short term and long term effects on health and many people are concerned about pollution in the air that they breathe. The European Union has developed an extensive legislation which establishes health based standards and objectives for a number of pollutants in air. In particular, compliance with the emission limits in the atmosphere means that certain municipalities impose new	Increased operational cost	1 to 3 years	Direct	Likely	Low-medium	Intesa Sanpaolo to comply with regulatory requirements has for years started replacing refrigeration units containing R22 with gases that are less dangerous for the environment. Like what has already been done to fulfill this obligation in the event that similar obligations are imposed, this would entail a cost that is not indifferent to Intesa Sanpaolo, which can be estimated at about 22 millions of euro.	Intesa Sanpaolo carries out a careful analysis of current legislation and possible changes that may allow us to modify the risk for our Bank of being caught unprepared. In order to manage this risk Intesa Sanpaolo is engaging with regulators (UNEP FI, Italian Ministry of Environment, etc.) in order to be up to date on new rules and if possible anticipate them. For example in 2016 through FIRE (Italian federation for rational use of energy) Intesa Sanpaolo participate on the consultation on the reform of system charges proposed by the Italian	Other than 5 million euros of direct cost, we need to add the cost of the staff devoted to the verification and management of the facilities: this cost is integrated into the company budgets.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	rigid rules on emissions related to the use of cars or the use of boilers. This involves for Intesa Sanpaolo the risk of having to change its fleet or having to change its boilers because it can not comply with the law.							Authority for Electricity, gas and water system. Thanks to these preventive actions, Intesa Sanpaolo can enter into its budget estimates of expenditure for the required regulatory adjustments, thus having a more accurate expenditure planning. In 2016, 223 plants containing R22 with refrigerator units containing R410AA gas were replaced in accordance with regulatory requirements. This action leaves the likelihood unchanged but reduces the magnitude should the event occur.	
Fuel/energy taxes and regulations	Italy is a non-self-sufficient country from an energy	Increased capital cost	1 to 3 years	Direct	Likely	Medium	In view of the fact that any increase in the cost of energy	In order to mitigate this risk Intesa Sanpaolo put in place the following	These activities are carried out by various departments of

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>standpoint. This makes it subject to the volatility of international markets. Furthermore, the real cost of energy is often affected by the tax element that may vary over time: for example, the cost of the incentive for the Italian PV is charged in the bill to all end users. Intesa Sanpaolo costs related to energy can increase due to the introduction of new fuel or energy taxes. Furthermore an indirect increase of prices of other goods (eg. paper) could occur and have a negative</p>						<p>or related taxes has significant impact on the income statement of Intesa Sanpaolo we are very careful to monitor the sector and to make estimates in this regard. For example Intesa Sanpaolo estimates that in Italy an increase of 1% in the price of electricity would cost around 660,000 euros yearly.</p>	<p>actions: signing contracts with electricity providers on a biennial basis instead of annual, fixing the price on a longer period and implement actions and initiatives to reduce electricity consumption. Main actions to reduce electricity consumption were planned within the Sustainable Energy Action Plan 2013-2016, which included actions to be implemented both in Italy and in some international subsidiary Banks. The target of reducing Italian consumption by 17% has been reached and by the end of 2016 we have been working to draft a new Climate Change Action Plan with targets for 2022.</p>	<p>Intesa Sanpaolo, but we can assume that they involve an overall commitment of 2 FTE (full time equivalent) with an estimated gross cost of 45,000 euro each. Costs related to maintenance of systems in Intesa Sanpaolo included electric ones amounted in 2016 to more than 66 million euro.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	impact on Intesa Sanpaolo capital costs.							Regarding energy savings for example in 2016 we have implemented a lot of actions that contributed to a energy saving of around 3,800,000 euro. One example is the replacement of traditional lamps with new eco-friendly, energy saving LED lamps at various branches and head offices in Egypt, Croatia, Bosnia and Ukraine. This action has allowed to reduce the magnitude of this risk from medium high to medium.	
Renewable energy regulation	Italy, as a member of the European Union, in order to meet the objectives 20/20/20 and the new European	Reduced demand for goods/services	Up to 1 year	Indirect (Client)	Very likely	Medium	In general financial impacts of new renewable energy regulation are connected to a decrease in loans	In order to mitigate these risks Intesa Sanpaolo is continuing moving our investments and advice the customers with the changing of regulation from	The Intesa Sanpaolo subsidiary Mediocredito Italiano, with its specialized Energy Desk, offers consultancy on specific

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	target to 2030, since 2007 has enabled substantial incentives in favor of renewable energies, particularly photovoltaics. The last governments have, however, reversed the route, and incentives have plummeted (in particular for the photovoltaic Sector). The risk for Intesa Sanpaolo is to significantly reduce the profits arising from the funding allocated to this area.						dedicated to the sector and of related revenues. For example Intesa Sanpaolo financing for the green economy has fallen by about 50% in comparison to 2011. For example, Intesa Sanpaolo's financing for the green economy has undergone a drastic reduction in 2011-2016: it has gone from over 3.7 million euros in 2011 to about 0.6 million euros in 2014, with a lightweight recovery in 2016 (1.7 billion euros).	government in order to meet the 20-20-20 goals. Intesa Sanpaolo gives specific advice to new companies, directing them towards energy efficiency markets where there is state support, rather than renewables where there is no longer state support. For example, through the Energy desk of Mediocredito Italiano, several pilot projects on energy efficiency were funded in 2016. Moreover new credit guidelines have been defined with the aim of promoting investments in the sector of energy efficiency and energy saving, made both by businesses both by ESCOs (Energy	projects and on overall strategy in the field of energy supply. The desk employs 4 FTE (full time equivalent) with an estimated total gross cost of 180,000 Euro in 2016.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								Service Companies). These actions has allowed to reduce the magnitude of impact from medium high to medium, while leaving unchanged the likelihood that the event occurs.	
Product efficiency regulations and standards	The European regulation related to building energy efficiency, ED 2012/27, and national laws oblige all the European large corporate to invest in new efficiency measures both in its own premises and in the real estate portfolio and to perform a certain number of energy audits. In particular, Intesa Sanpaolo in	Increased capital cost	1 to 3 years	Direct	Very likely	Medium	If Intesa Sanpaolo hadn't carry out the diagnosis until the 5th of December 2015 it would incur in fine between 4,000 and 40,000 euro. If the Intesa Sanpaolo diagnosis were not made in accordance with the requirements of the law the fine applied would be between 2,000 and 20,000 euro. At the same	Intesa Sanpaolo is always in line with the latest European and international technical standards in the field. In case of changes in regulations and standards new professional experts should be trained and/or appointed in order to carry out the diagnosis and to locate the sites where to perform energy diagnosis . For example in order to monitor the obligation of the Italian law	In 2015, Intesa Sanpaolo spent about € 185,000 for energy audits carried out in compliance with Italian law 102/2014 and Privedna Banka Zagreb spent around 84,000 euro in 2016.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>Italy was required within 5 December 2015 to carry out energy audits in a representative sample of its production sites. The introduction of new standards entails for Intesa Sanpaolo significant costs for the upgrade of processes and relevant advice and the failure to meet legislative requirements may result in monetary sanctions. The same obligation was in charge to our Subsidiary that are in european countries. For example</p>						<p>time if Privedna Banka Zagreb Group hadn't carry out the audit until this deadline it would incur in fine between 2,600 and 66,600 euro for the Company, and 300 - 2,000 euro for Manager of the Board.</p>	<p>102/2014 and the impact it will have on the Group Intesa Sanpaolo we continue to had several meetings in 2016 with representatives of Abilab (Consortium of Italian Banks), the Ministry of Economic Development and ENEA (body technical authority checks) in order to identify defining standar methodologies for the preparation of the second diagnosis period (deadline 2019). This action has allowed to reduce the magnitude of impact from medium high to medium, while leaving unchanged the likelihood that the event occurs.</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Privedna Banka Zagreb (Croatia) with the croatian law, have a different deadline: 31/12/2016.								
Emission reporting obligations	The international standards for reporting appear to be increasingly strict and detailed concerning environmental data and related emissions. Intesa Sanpaolo annually prepares the Sustainability Report in which it reports on its emissions in a comprehensive and detailed way under the GHG Protocol and GRI4. If	Increased capital cost	1 to 3 years	Direct	Likely	Low-medium	In Intesa Sanpaolo expenses for the monitoring and reporting system amount to around 1 million euro per year. Any change to be introduced would produce further costs; just to give an idea, any single new KPI to be monitored and introduced in Intesa Sanpaolo database costs around 500 euros.	Intesa Sanpaolo is continuing investing in the present standards in order to reach the highest level of transparency and accuracy. Intesa Sanpaolo participated to the G4 Pioneer Interactive Focus Group, in order to contribute to the definition of the new Guidelines. GRI judged Intesa Sanpaolo latest Sustainability Report as "in accordance" option core. In addition Intesa Sanpaolo is actively involved in many working groups of ABI (Consortium of	These activities are carried out by various departments of Intesa Sanpaolo, we can assume that they involve an overall commitment of three FTE (full time equivalent) with an estimated gross cost of 45,000 Euro yearly each .

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	new emission reporting obligations were introduced and they applied different standards, Intesa Sanpaolo would need to invest again in new monitor systems.							Italian Banks) focused on setting benchmarks for the sector and implementing new guidelines for bank's reporting. Intesa Sanpaolo has provided a significant contribution to ABI's document, since it has been using these indicators as benchmarks to enhance its accountability through quality reporting for a long time. This action affects the likelihood of the impact while leaving the magnitude unchanged.	
General environmental regulations, including planning	Intesa Sanpaolo, as a financial services company can be affected directly and indirectly by	Increased capital cost	1 to 3 years	Indirect (Client)	Very likely	Low-medium	Potential financial impacts, both direct and indirect (clients) of new environmental and energy	In order to mitigate the risk, Intesa Sanpaolo monitors new environmental regulations, adapts its policies and procedures where needed and	These activities are carried out by various departments of Intesa Sanpaolo, we can assume that they involve an overall

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>changes in general environmental regulation, both at domestic level and at European level. For example, the European Directive on Energy Efficiency established a set of binding measures to help the EU reach its 20% energy efficiency target by 2020 and the directive was transposed into Italian Law 102/2014 . This new regulation could represent a risk both directly for the Bank that could be obliged to invest in</p>						<p>regulation are related to the need to adapt to new rules with the consequent costs. An estimate of these costs is difficult to establish because virtually every client belonging to any industry can be affected, at different levels. Just to give an example the exposure to the Intesa Sanpaolo Group of obligations related to the preparation of energy diagnosis entailed spending over € 250,000.</p>	<p>participates in working Group in order to ensure that national and european measures are adequate and mitigate financial risks. In particular Intesa Sanpaolo participated in the Energy Efficiency Institution Group (EEFIG), promoted by the European Commission and UNEP FI in order to produce a series of recommendation for the European Commission on energy efficiency and the relative financial solutions. These actions can affect both likelihood and magnitude of impact. Magnitude is estimated to be reduced from medium to low medium.</p>	<p>commitment of three FTE (full time equivalent) with an estimated gross cost of 45,000 Euro yearly each</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	new efficiency measures and indirectly for virtually all industries where the Bank's customers are active, and in particular for some industry such as energy distribution.								
International agreements	The agreement reached in Paris with the COP21 has profound implications for the Bank and for its customers and business partners. Domestic mitigation and adaptation commitments will involve the introduction of new public regulations and policies in a context of transition,	Increased capital cost	1 to 3 years	Indirect (Client)	Very likely	Medium-high	National measures / national pledges introduced as a consequence of the international Agreement of COP21 may cause a reduction in revenues and/or increase in capitals costs to all those companies involved. Following the Paris agreement, the	An approach based on the understanding of risks, impacts and interdependencies, which translates into an appropriate business strategy and specific policies, shall help minimize risks. For example, in order to mitigate and prevent the impact on the Bank of the transition towards a low carbon economy, Intesa Sanpaolo is in the process of defining policies and guidelines for	The activities related to the development of policies/guidelines to manage the risk of these sensitive sectors are carried out by an interfunctional working Group. We can assume that they involve an overall commitment of three FTE (full time equivalent) with an estimated gross cost of 45,000 Euro yearly each plus the technical advisory activity

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>which is currently unpredictable in the medium and long term. Given that it operates at international level, the Bank will have to monitor and observe the different approaches to climate change that will emerge in different countries, as the Paris Agreement did not define a clear road map but leaves the responsibility to the individual countries to set their own commitments to achieve the common goal of limiting the increase in global temperature</p>						<p>Unep (United Nations Environment Program) estimates that \$ 500 billion annually of public subsidies to fossil fuels will have to fall in the coming years with a not inconsiderable impact on the coal and Oil and gas sectors including Intesa Sanpaolo's international customers.</p>	<p>managing environmental and social risks of sensitive sectors, starting from fossil fuels - coal and oil&amp;gas. In 2016 we started to work on a "Intesa Sanpaolo Coal Policy" in order to be very carefull during the credit worthness in this sector. This action is expected to significantly reduce the likelihood because the Bank will not operate with companies exposed to this risk.</p>	<p>for a total of about 55,000 Euro.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>"well below" 2°C. The transition to a low greenhouse gas emissions economy will see an acceleration in the next decade and the change will focus on the energy sector, where many of the Bank's customers operate, with an increasingly marginal role of coal plants in OECD countries and an increasing role of renewable energy and new green Technologies. In this context our clients operating in the fossil fuels industries are exposed to a high risk, which</p>								

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	is reflected as a risk for the Bank.								
Other regulatory drivers	Following the issuance by the European Commission of the Circular Economy Package in 2015, there is a strong possibility of issuing further directives that limit the allocation of waste to landfills, resulting in increased costs for businesses and fines in the event of incorrect disposal. These new regulation could have negative effects on the financial statements of the Intesa	Increased operational cost	1 to 3 years	Indirect (Client)	Likely	Medium	Within the disposal costs are also the tax burdens that companies must incur to dispose of landfill waste, such as ecotasses. In an economic and political context in which to move the road of the circular economy, trying to reduce landfill and incentivising recycling and recovery of matter, ecotasses can be a very important tool. An increase in the tax burden on landfill leads to an increase in the total costs of	The European discipline that gives producers a series of duties goes under the name of Extended Producer Responsibility (EPR), based on the principle that anyone who professionally develops, manufactures, transforms, traits, sells or imports products are held responsible for the waste they derive, and is therefore called to take functional initiatives to prevent (ex ante) and manage such waste (ex post). Intesa Sanpaolo, through the study "Waste management policies in the Circular Economy"	Costs related to these activities are integrated into the Intesa Sanpaolo budgets. The department dedicated to the Circular Economy Project allocated 3 FTE to this activity with a cost of approximately 45,000 euro each.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Sanpaolo Group's corporate customers and consequently reduce their revenues.						managing undifferentiated collection. An estimate of these costs is difficult to establish because virtually every client belonging to any industry can be affected, at different levels. For example the total national average cost for the management of landfill waste is 23.3 cents per kilogram of waste. In the case of taxation increased by 10%, the cost per kg of waste allocated to the landfill would be around 26 cents.	had analized waste management and its dynamics, in view of policies and strategies encouraging transition to the circular economy. Intesa Sanpaolo, on a consultancy basis, prevents the risks associated with changes in legislation in this regard by developing new circular economy models and products (one to one) and proposing to their customers in order to reduce waste production and mitigate the effects of any new legislation on waste reduction. This action has allowed to reduce the magnitude of this risk from hight medium to medium.	

CC5.1b

Please describe your inherent risks that are driven by changes in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in mean (average) temperature	The temperature change could have a significant impact on power and thermal consumption. In particular in Intesa Sanpaolo branches and sites because there are already significant thermal loads in the branches. Increase or decrease daytime temperatures could oblige operators to run operations sites under conditions that are beyond the temperature ranges for which they were	Increased operational cost	>6 years	Direct	More likely than not	Medium	The potential financial implications of these risks are strictly related to the increase of energy or thermal consumption and associated costs. We estimate that for the variation of the average temperature of one degree, the cost for heating or cooling in Intesa Sanpaolo changes of about the 2%. In 2016 Intesa Sanpaolo expenses for thermal energy (oil and gas)	To mitigate the risk of heat consumption not suited to indoor and outdoor temperature Intesa Sanpaolo has identified target and also has installed temperature sensors (in about 3.500 premises) that can provide the real time temperatures inside of our locations. By continuously monitoring temperature we can consequent timely intervention by the maintenance staff in order to avoid abnormal gas consumption: this action has allowed us in these years	These activities are carried out by various departments of Intesa Sanpaolo, but we can assume that they involve an overall commitment of 4 FTE (full time equivalent) with an estimated gross cost of 45,000 Euro each. The heating equipment replacements in 2016 costs approximately 3.5 million Euro.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>designed. This can cause the need of more heating or cooling equipment and more energy consumption.</p>						<p>amounted to around 8 million euros so if we assume the variation of 1 degree during winter time Intesa Sanpaolo would have spent additional 160,000 euros.</p>	<p>considerable saving. This saving is also due to the use of the "energy signature" in many palaces of the Intesa Sanpaolo group. Moreover, Intesa Sanpaolo pays attention to energy efficiency of its branches. In 2016 many actions have been made in Italy in order to replace boilers or traditional conditioning systems with condensation systems, heat pumps and high yields refrigeration units, heating equipment with higher performance systems. Thanks to these actions we are confident that the magnitude of impact will be</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								reduced from medium high to medium.	
Change in precipitation extremes and droughts	In Italy floods has becoming more and more frequent, causing damages to the agriculture sector but also to houses, premises and infrastructures in general. The risk for Intesa Sanapolo is related to the possibility of default of companies and private customers severely damaged by rain and floods. In particular we consider the risk of potential reduction in agricultural productivity, especially for crops of wheat, but also fruits and vegetables.	Reduction/disruption in production capacity	Up to 1 year	Indirect (Client)	Likely	Medium	The risk for Intesa Sanapolo is related to the possibility of default of companies and private customers severely damaged by rain and floods. To give an example: financial implications of damages to agriculture caused by floods in Piedmont in 2016 amount for a total of 47 million euro of damages occurred. Many of the companies involved are Intesa Sanpaolo's clients.	In 2016 many severe floods hit many Italian areas. Measures were taken both through ad hoc loans and the suspension of the instalments payable for existing loans, in particular following the floods in the Liguria and the Piedmont regions. Intesa Sanpaolo supported businesses and families affected by these exceptional events with many different dedicated plafond (for a total of 2.9 million euro). International Subsidiary Banks too have also launched	Costs related to these activities are integrated into the company budgets.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	We must also consider that Intesa Sanpaolo is a global bank and it is present in regions highly affected by floods such as the South East Asia and East Europe where we have corporate clients.							subsidized loan programs for households and retail customers damaged by bad weather. In order to manage the risk we have developed insurance products linked to weather events leads to an increase in revenues. In 2016, for examples, 7,800 "Business - Trade protection" and "Business – Agriculture Protection" policies were stipulated, which provide optional coverage for potential damage caused by wind or rain. These actions has allowed to reduce the magnitude of impact from medium high to medium.	
Snow and	The heavy	Inability to do	Up to 1	Direct	About as	Low-	It is difficult to	Intesa Sanpaolo	Regarding

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
ice	<p>snow especially in mountainous areas of Italy may lead to the closure of some Intesa Sanpaolo branches during the year with an important impact both on the bank's business and on customers who have to carry out bank account transactions. Big snowfalls could also cause damages to the buildings and put at risk the possibility of commuting of employees. This risk is very important in northern regions and central Italy where mountains are present and snow phenomena are more likely to occur.</p>	business	year		likely as not	medium	<p>estimate the potential financial implications of the risk of closure of some branches due to heavy snowfall. If an Intesa Sanpaolo branch should be destroyed the cost of the reconstruction would be around 2 million euro.</p>	<p>performs a preventive assessment of the risks of building solidity. In case, when there is a reduction in the capacity of the building due to environmental actions, such as snow, an assessment of building safety is carried out. In the event of non-compliance with the safety requirements the building is closed and additional countermeasures are activated in order to ensure the safety of employees. The operations in the branches could therefore be limited, in case of closure of some branches, but not completely absent because Intesa Sanpaolo have a business</p>	<p>costs related to implementation and management of Intesa Sanpaolo web, telephone and ATMs services amount to many millions euro every years. We can also estimate that in case of emergency 3 FTE with an estimated gross cost of 45,000 Euro yearly each, are involved in the emergency plan.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>continuity plans providing for the carrying out of basic operations. When we have had some branches closed for snowfall we have had an increase of the alternative channels without causing a significant impact. It should be noted here that our bank has long invited customers to use the platforms available online and telephone support services. In these cases it is possible, for colleagues, operate via the web in a nearby branch or, in some cases, operate from home via web. For example, the situations described above have been verified in the</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								Regions of Abruzzo and Molise in December 2016 and, thanks to the prevention actions, the risk situation was managed without any consequences. This action leaves the likelihood unchanged but reduces the magnitude should the event occur.	
Sea level rise	In Italy, where there are thousands of kilometres of coastal areas, the risk of sea level rise is very high. The presence of Intesa Sanpaolo branches located in the coastal cities is risky because they could be affected by the increased level of the	Inability to do business	>6 years	Direct	Very unlikely	Medium	We are aware of increased risk of flooding and erosion of coastal areas due to an increased incidence of extreme weather events and rising sea level. Intesa Sanpaolo is present in all coastal areas in Italy with numerous	In case of extreme weather events or emergencies caused by the rising sea level, the Bank can activate its business continuity plans providing for the carrying out of basic operations. In these cases it is possible, for colleagues, operate via the web in a nearby	Our continuity plans have been implemented in the past and the costs cannot be quantified precisely. The costs are attributable to the plans' ordinary maintenance, staff training and management of the back up

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Mediterranean Sea with consequent inability to operate.						subsidiaries that could be damaged resulting in a high financial impact for us. If an Intesa Sanpaolo branch should be destroyed the cost of the reconstruction would be around 2 million euro.	branch or, in some cases, operate from home via web. Additional countermeasures are activated in order to ensure the safety of employees. In in the Liguria Region, for example, branches must follow a specific procedure in case the municipality sends a weather alert 3 that can predict rising sea levels as well as increase in river levels. In 2016 this situation occurred in the provinces of Imperia and Savona in November. This action helped to reduce the magnitude of impact, from medium high to medium.	sites. To give an example of a current expense we can mention the cost of a temporary branch used in an area devastated by an extreme event that amounted to about 80,000 Euro. We can also estimate that in case of emergency 3 FTE with an estimated gross cost of 45,000 Euro yearly each, are involved in the emergency plan.
Change in	Extreme	Inability to do	Up to 1	Direct	Very likely	Medium	It is difficult to	Intesa Sanpaolo	Our continuity

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
precipitation extremes and droughts	precipitations and floods can have an adverse impact on Intesa Sanpaolo. It could cause damages to the premises, to the data centres and put at risk the possibility of commuting of employees. From the analyzes of Intesa Sanpaolo there were about 70 sites at high risk of hydrogeological sites distributed throughout Italy, most in the Central-North regions.	business	year				estimate the potential financial implications of the risk of closure of some branches due to heavy snowfall. If an Intesa Sanpaolo branch should be destroyed the cost of the reconstruction would be around 2 million euro.	makes a prior assessment of the hydrogeological risks and hydraulic risks of its buildings in relation to the territorial risk and the vulnerability of buildings. This analysis is based on the level of danger associated with a floodable area, the probability with which the area can be flooded, and distinguishes the areas in three categories: P3 frequently floodable, P2 floodable with medium frequency and P1 seldom floodable areas. This assessment allows for preventative actions in high risk locations. Moreover, following an	plans have been implemented in the past and the costs cannot be quantified precisely. The costs are attributable to the plans' ordinary maintenance, staff training and management of the back up sites. To give an example of a current expense we can mention the cost of a temporary branch used in an area devastated by an extreme event that amounted to about 80,000 Euro. We can also estimate that in case of emergency 3 FTE with an estimated

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>alluvial external event, when there is a reduction in the capacity of the building, an assessment of building safety is carried out. In the event of non-compliance with the safety requirements the building is closed and additional countermeasures are activated in order to ensure the safety of employees. In these cases it is possible, for colleagues, operate via the web in a nearby branch or, in some cases, operate from home via web. Additional countermeasures are activated in order to ensure the safety of employees. One such example is the flooding of the Po river and</p>	<p>gross cost of 45,000 Euro yearly each, are involved in the emergency plan.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								Sangone river in 2016 in Italy, with the flooding of offices at Moncalieri. Prevention measures made it possible to avoid damage to the Data Centre and guarantee customers service continuity throughout the emergency. Thanks to these actions we reduced the magnitude of impact, from medium high to medium.	
Tropical cyclones (hurricanes and typhoons)	The atmospheric phenomena following Hurricane Sandy has affected in 2012 the city of New York and Intesa Sanpaolo branch in Manhattan and we can not exclude that it	Inability to do business	Up to 1 year	Direct	About as likely as not	Low-medium	Regarding the financial implications If another Hurricane will occurs in New York the cost of the replacement of equipment and restructuration of the building would be around	Intesa Sanpaolo set up continuity plans capable of ensuring the data storage and at least a minimum level of operation of the branch. The business continuity plan of the New York branch in that occasion proved to be effective	Our continuity plans have been implemented in the past and the costs cannot be quantified precisely. The costs are attributable to the plans' ordinary maintenance,

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	may happen again in both the US and in other countries where our Group is present. The risks for Intesa Sanpaolo are linked both to losses of commissions and other revenues related to clients' operations and to physical damages to branches. This type of risk is therefore assessed very carefully.						300,000 USD. No other losses related to the operation were reported because the Disaster recovery / back up systems worked properly.	providing for the carrying out of operations with the "key" personnel based at the branch itself and the secondary site of the New Jersey and with the support of other Group structures. Thanks to these actions we reduced the magnitude of impact, from medium to low medium.	staff training and management of the back up sites. To give an example of a current expense we can mention the cost of a mobile medium / large branch (15 stations) used in an area devastated by an extreme event that amounted to about 80,000 Euro. We can also estimate that in case of emergency 3 FTE with an estimated gross cost of 45,000 Euro yearly each, are involved in the emergency plan.

Please describe your inherent risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	Reputational issues can have a big impact on our brand value and share price. As the social awareness on the environmental issues has grown, Intesa Sanpaolo sees a growing interest among many stakeholders of the role that the financial services sector can and should have in promoting climate change attention. Because of this awareness there may be for Intesa Sanpaolo reputational risks stemming from the involvement with clients /projects that are perceived by the public, media, shareholders and other stakeholders as substantially	Reduced stock price (market valuation)	1 to 3 years	Direct	More likely than not	Low-medium	In case of a decrease in the share price of 1% the current market cap would decrease of 0.4 billion euro. Intesa Sanpaolo is recognized as a bank that cares about the environment through direct actions on its energy profile and through a wide range of products and services. In case our commitment to the protection of the environment should be perceived as failing by some NGOs or ESG rating agencies we could be accused to be not coherent. Also the trust of our clients would fall, reducing our	Intesa Sanpaolo continuously monitors reputational risks through the management tools for the application of the Code of Ethics and through the process of the Sustainability Report. In order to strengthen, even in terms of organisation, the monitoring of reputational risks, in July 2015 the Reputational Risk office was set up, as part of the Enterprise Risk Management Department; this structure is in charge of ensuring a structured monitoring of reputational risk also through the integration and enhancement of the contributions	In general there are no additional costs for managing these reputational issues as they are part of our core environmental and social risk process. In the Reputational Risk office 3 FTE are dedicated to reputational risk management for an estimated gross cost of 45,000 Euro yearly each. Regarding the management of equator principle this activity is carried out by various departments of Intesa Sanpaolo, but the evaluation of the project involve an overall commitment of one FTE (full time equivalent) with an estimated gross cost of

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>contributing to climate change. Intesa Sanpaolo also believes that there may be a reputational risk in case that its environmental performance can drastically be reduced.</p>						market share.	<p>made by the corporate functions monitoring corporate reputation. Since 2010 we have implemented a structured way of listening to NGOs with a focus on climate change issues. Intesa Sanpaolo also adopts the Equator Principles and has integrated the principles into the internal credit processes. The engagement in environment and climate-related working groups and initiatives (UNEP FI, Italian Ministry of Environment, etc.) allows us to participate in the dialogue with peers and partners For example the monitoring of reputational risk</p>	45,000 Euro yearly each.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								has identified as a gap the absence of policies for managing environmental and social risks in sensitive sectors. As a result Intesa Sanpaolo is working on developing such policies. Thanks to these actions we reduced the magnitude of impact, from medium to low medium.	
Fluctuating socio-economic conditions	The new European regulations require that states and their citizens pay more and more attention to the environment and the achievement of targets, with greater spending on this sector. On the other hand, in Italy in recent years many floods and hailstorms have	Wider social disadvantages	1 to 3 years	Indirect (Client)	More likely than not	Low-medium	Climate change may have big impacts on the economy and could deplete the populations affected by natural disasters which, having no guarantees, may have limited access to credit. Intesa Sanpaolo clients could be impacted by extreme events with negative indirect impacts	The environmental emergencies occurred in Italy in 2015 and 2016 saw Intesa Sanpaolo working alongside households and economic operators. In 2016, the Intesa Sanpaolo Group signed an agreement regulating access by banks to the specific financial	The costs associated with the economy crisis and the natural disasters in Italy are difficult to quantify. The Intesa Sanpaolo Group, through the Banks of the Banca dei Territori Division, reacted quickly to support the businesses and families affected by these exceptional

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>occurred and, added to the European crisis, have reduced the economic capacity of citizens. The risk for Intesa Sanpaolo is that the economic capacity of our customers will be reduced and our customers can't refund the debt that they have with our bank.</p>						<p>on our revenues. In 2016 in case of a decrease in our revenues of 1%, a financial impact of 169 millions euro would have occurred.</p>	<p>ceiling provided by the Italian Government for the granting of contributions to people affected by calamitous events through the use of subsidized loans assisted by State guarantee. The Plafond Calamitosi Events, € 1.5 million, is intended for the granting of disaster-related contributions in the form of facilitated funding for the repair, restoration, reconstruction of residential or production buildings and for the replacement or restoration of mobile assets. The repayment of the loans will be by way of transfer to the bank of tax credit recognized to the customer</p>	<p>events in 2016 by granting numerous dedicated credit lines (for more than 2.9 million euro ) and subsidised loans, and suspending repayments on mortgages and loans.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								which will therefore not bear any cost. Furthermore Intesa Sanpaolo helped its clients also through the suspension of the instalments payable for existing loans (Piedmont in october 2016 and Liguria in november 2016). These actions has helped reduce the magnitude of impact from medium to low-medium.	

---

CC5.1d

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

---

CC5.1e

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

---

CC5.1f

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

---

**Further Information**

**Page: CC6. Climate Change Opportunities**

---

CC6.1

**Have you identified any inherent climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply**

Opportunities driven by changes in regulation

Opportunities driven by changes in physical climate parameters

Opportunities driven by changes in other climate-related developments

---

CC6.1a

**Please describe your inherent opportunities that are driven by changes in regulation**

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
International agreements	After the historical Paris Agreement in 2015, when all countries joined forces for the first time ever to tackle global warming, a UN Climate Change Conference was held in Marrakesh in 2016, to define the relative implementation plan. The agreements could lead to competitive advantages for Intesa Sanpaolo in terms of capacity to quickly respond to new requirements due to the wide activity of engagement with public institutions and continuous	Reduced capital costs	1 to 3 years	Direct	Likely	Medium-high	Intesa Sanpaolo could have competitive advantages both in terms of lower costs of compliance thanks to the activities of early involvement with international institutions and in terms of brand visibility. At the end of 2016, the Intesa Sanpaolo Group initiated the Climate Change Action Plan with emission reduction targets of 2022. Among the various actions highlighted, we can mention the reduction in paper consumption with an estimated	Intesa Sanpaolo, through its commitment in many public frameworks, both national and international, has reached a wide experience and knowledge on climate change issues. Consequently, the bank participates in the major events in the energy field promoting the importance of financing the renewable energy sector, disseminating information about the regulatory framework and presenting its own best practices. In 2016 Intesa Sanpaolo made an important contribution to	Costs related to these activities are integrated into the Intesa Sanpaolo budgets. Intesa Sanpaolo estimate a cost of 2 FTE for engaging with public institutions on these issues, corresponding to about 90,000 euro.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	monitoring and research in this field.						saving of about 0.19 million euros by 2022.	the technical panel "Sustainable finance and climate change" promoted by the Forum for Sustainable Finance together with the Italian Banking Association, ABI and Italy's National Association of Insurance Companies, ANIA. The aim of this technical panel was to increase the Italian financial community's awareness of the risks and opportunities related to climate change, facilitating integration with investment policies and with product innovation processes of banks, fund	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								managers and insurance companies. Through these actions Intesa Sanpaolo has increased the magnitude of impact on this opportunity, from medium to medium-high.	
International agreements	The climate change conferences of Paris and Casablanca outlined a vision for the next decades: to accelerate the process of transition towards a low-emission economy and focus on the growing role of renewable energies and green technologies, with an increasingly marginal role of fossil fuels.	New products/business services	1 to 3 years	Indirect (Client)	Very likely	Medium	In 2016, 3.1% of all Group loans concerned investments in the green sector for a total of 1.7 billion euro by approximately 15% compared to 2015 and we could expect a growth due to the future regulatory framework favorable to renewable energy, energy efficiency and circular economy investments.	Studies and pilot projects are widely performed by Intesa Sanpaolo, in order to be ready for new market conditions. Through the studies, Intesa Sanpaolo can grasp the opportunities that come from trends and through its Innovation Center, realize new services and products that help its customers to be	Research and update on legislation involve different departments of the bank and a specific company "Studio e Ricerche per il Mezzogiorno". We can estimate a cost for studies on climate change issue of approximately 135,000 Euro corresponding to 3 FTE.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>Intesa Sanpaolo is a financial player in this scenario, funding its own contribution towards this transition. Also the new 2030 European targets could bring with them the opportunity for Intesa Sanpaolo to design new financial products responding to the new rules, helping our clients to face them. For example, in Europe, foreseeable growth in investment in mini-hydroelectric power is expected in the coming years, thanks</p>							<p>ready to face the new challenges. Some of the most important publications of the Intesa Sanpaolo Group made in 2016 are:</p> <ul style="list-style-type: none"> <li>• "Waste management policies in the Circular Economy": this publication takes a look at waste management and its dynamics, in view of policies and strategies encouraging transition to the circular economy;</li> <li>• "Innovation Trend Report": this report is based on the in-depth analysis of data and information obtained from hundreds of national and international</li> </ul>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	to the fact that this technology contributes to achieving the European 2020 targets and meets less opposition from environmental groups.							sources. It looks at main mega trends, including "sustainability", to understand what these trends are, the impact they have on consumers and how companies interpret them. Through these actions Intesa Sanpaolo has increased the likelihood of capitalizing on this opportunity, from as likely to very likely.	
Air pollution limits	Air pollution can cause both short term and long term effects on health and many people are concerned about pollution in the air that they breathe. The European Union has developed an extensive	Wider social benefits	1 to 3 years	Indirect (Client)	Very likely	Medium-high	New regulatory requirements offer to Intesa Sanpaolo the opportunity to expand the market in the field of renewable energy, energy efficiency and could lead to greater demand for loans for	Despite the downward trend of the regulatory framework linked to renewable energy incentives, Intesa Sanpaolo continues to provide a wide range of environmental and energy efficiency	Costs related to these activities are integrated into the Intesa Sanpaolo budgets. The department dedicated to the implementation of financing products allocated 5 FTE to this

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>legislation which establishes health based standards and objectives for a number of pollutants in air. In view of the fact that the limits must be respected, regulatory requirements offer opportunities for Intesa Sanpaolo to finance energy efficiency or renewable energy to both private and business consumers, but also to public administrations and NGOs residing in urban areas with high levels of air pollution.</p>						<p>environmentally friendly cars with positive financial impacts in terms of revenues. In 2016, 3.1% of all Group loans concerned investments in the green sector for a total of 1.7 billion euro, up by approximately 15% compared to 2015 and we could expect a growth due to the future regulatory framework. In particular Banca Prossima continued to support third sector companies that want to invest in energy efficient projects. In 2016, approximately</p>	<p>products. In order to do this, Intesa Sanpaolo closely monitors the market and new opportunities arising. For example, regarding NGO's the agreement between Federesco and Banca Prossima shows to NGO's the savings opportunities for energy consumption, thanks to the advice of the certified ESCo, who design and implement the intervention. BancaProssima supports the project with funds "for self-liquidating reimbursement" : the mortgage payment to the bank is equal to or less than the savings in the</p>	<p>activity with a cost of approximately 45,000 euro each.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							1.2 million euro of funds was earmarked for projects through an operating agreement with Federesco (the National Federation of Energy Service Companies) and we could expect a growth.	bill. In 2016 initiatives resulted in savings of around 3,215 MWh in 2016, corresponding to reduced emissions of approximately 1,045 tonnes of CO2, of which 2,525 MWh alone for the project launched with Sermig of Turin. Intesa Sanpaolo is also taking advantage of increasing demand for loans to finance the purchase of environmentally friendly cars. This action has allowed to increase the magnitude of impact from medium to medium high.	
Carbon taxes	Higher taxes on carbon emissions	New products/business services	1 to 3 years	Indirect (Client)	Likely	Medium	Financial positive implications are	To fight against climate change, renewable	The Intesa Sanpaolo subsidiary

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>create the opportunity for Intesa Sanpaolo to offer consultancy services about energy efficiency and reducing emissions, in particular in GHG intensive companies (i.e. related to fossil fuels exploitation and to carbon intensive assets such as infrastructure dependent on fossil fuels; fossil fuel-fired power plants; high-carbon assets). The opportunity to finance renewable energy plants is also noteworthy.</p>						<p>related to the possibility to increase revenues from consultancy and financing customers in updating their old technologies and plants. In 2016 Intesa Sanpaolo financed the green economy with 1.7 billion euro (up from 1.4 in 2015) and we could expect a growth due to the future regulatory framework.</p>	<p>energy and fuel efficiency are two related strategic tools. Mediocredito Italiano, Intesa Sanpaolo company specialized in consulting and customized financing, supports the growth of a sector so strategic for the Italian economy by providing high-level specialized skills to entrepreneurs. A specific desk, so called Desk Energy, offers advice to all entrepreneurs who are planning to invest in renewable energy or energy efficiency projects. The granting of funds is always</p>	<p>Mediocredito Italiano, with its specialized Energy Desk, offers consultancy on specific projects and on overall strategy in the field of energy supply. The desk employs 4 FTE (full time equivalent) with an estimated total gross cost of 180,000 Euro.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>preceded by an expert assessment on the project that serves at the same time as advice for customers and support to the credit assessment of the bank. The expert opinion estimates the environmental impact in terms of CO2 emissions that the project enables to avoid. As of December 31, 2016 Mediocredito Italiano has granted loans (including leasing) in the energy sector for a total remaining debt of about 4,6 billion euros, representing a share of 14,8% in its overall portfolio.</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								Through this action Intesa Sanpaolo has increased the likelihood of capitalizing on this opportunity from unlikely to likely and has also affected slightly the magnitude of impact.	
Emission reporting obligations	The Sustainability Report of Intesa Sanpaolo has for many years been subject to certification and reporting under GRI rules (also in 2016 we received the highest level of approval from the GRI itself). Specifically with reference to environmental standards Intesa Sanpaolo has	Reduced operational costs	Up to 1 year	Direct	Very likely	Medium-high	Financial implications related to the possible changes in the reporting obligations are connected to savings in the implementation of new systems, because we are already up to date, and to effective savings in energy consumption due to the actions taken. For example the	Intesa Sanpaolo monitors and reports consumption and emissions for several years, creating a comprehensive database and reaching a good level precision. Following our Sustainable Energy Action Plan (2013-2016) we have been improving our expertise in monitoring the environmental performance and we have	These activities are carried out by various departments of Intesa Sanpaolo, but we can assume that they involve an overall commitment of three FTE (full time equivalent) with an estimated gross cost of 45,000 Euro yearly each.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>a good expertise in reporting emissions. Eventual new obligations will create the opportunity to find Intesa Sanpaolo among the front runner, with reputational and operational advantages. For example, the new Legislative Decree 234 of 2016, in implementation of the European Directive 2013/34, provides that companies will be required from 2017 to publicize on the financial statement information on the policies adopted and</p>						<p>implementation of new KPIs to be compliant with GRI4 or the new non-financial reporting framework didn't require the costs for a consultancy service, as Intesa Sanpaolo specialists have all the required expertise.</p>	<p>been verifying the targets fixed in the fields of energy use, emissions, paper and water consumption. According to the Plan, systematic and computerised monthly accounting of electricity consumption are in place as well as energy saving plans for the main operational facilities of the Bank that envisage the progressive reduction of electricity consumption. To achieve this result it was decided both to act on the management optimisation of the technological systems and to promote a</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	the results achieved in the environmental and social field. Intesa Sanpaolo is ready to face these new regulatory requirements with minimum extra cost thanks to its previous experience on the subject.							greater energy efficiency for branch decor and furnishing. Thanks to the actions outlined above the impact of new law obligations on Intesa Sanpaolo will be minimal. Through this action Intesa Sanpaolo has increased the magnitude of impact from medium to medium high.	
Product efficiency regulations and standards	Thanks to the introduction of efficiency regulations, standards for improving efficiency in the technologies, and energy efficiency incentives, Intesa Sanpaolo will have, in the long term, cost	Reduced operational costs	1 to 3 years	Indirect (Supply chain)	Likely	Medium	Standards for improving efficiency produce in the long term cost savings as well as emissions cut. Thanks to actions taken over the last few years, the Group has benefited from tax subsidies in Italy, with an economic	Thanks to public incentives available in Italy, Intesa Sanpaolo has done energy efficiency actions in Italy and abroad, including a greater distribution of web-based metering systems, the replacement of	These activities are carried out by various departments of Intesa Sanpaolo, but we can assume that they involve an overall commitment of three FTE (full time equivalent) with an

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	savings as well as consistent emissions reduction.						return of around 5 million euro from 2014 to 2016, of which 1 million in 2016.	boilers with condensation systems, high-performance heat pumps and refrigerating units, the modernisation of electrical systems and introduction of LED lighting. Among the various initiatives, which include interventions to optimize the management of technological systems and significant electricity savings obtained by the remote switch-off procedure for almost all PCs at the branches during the night and holidays, Intesa Sanpaolo adopted a policy to gradually replace all office equipment with	estimated gross cost of 45,000 Euro yearly each.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								more energy-efficient models. Lastly, in line with the internal policy on sustainable branches, site renovation or the construction of new branches is based on energy efficiency and improved management criteria. These actions affected the likelihood of the impact while has left the magnitude unchanged.	
Cap and trade schemes	Cap and trade, or emissions trading, is a common term for a government regulatory program designed to limit, or cap, the total level of specific chemical by-	New products/business services	1 to 3 years	Indirect (Client)	Likely	Low-medium	It is also important being able to assess clients' exposure to the issue and pricing this risk in the transactions and in the new products offered. The Bank, through	Studies and pilot projects are widely performed by Intesa Sanpaolo, in order to be ready for new market conditions. Researches on environmental and energy	Costs for operating in the derivative contracts on CO2 and for developing carbon trading in Banca IMI can be estimated to be 2 FTE, corresponding to about

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>products resulting from private business activity. Cap and trade's purpose is to create a market price for emissions or pollutants that did not previously exist and address possible negative externalities. All the policy decisions regarding carbon market and cap and trade schemes have direct financial implications for both Intesa Sanpaolo and the clients. Carbon trading is a very interesting financial market. Intesa Sanpaolo is interested in</p>						<p>Banca IMI operates on derivative contracts on CO2 in international markets (EUA). Business volume as of end 2016: 10 million euro. Banca IMI is also working on the creation of a specific desk for carbon trading which could lead to interesting volumes of activity and have significant financial implication.</p>	<p>issues are also an important tool in order to make informed decisions and develop skills relevant to our reference territories. The Bank, through Banca IMI operates, on behalf of the counterparts that make the request, on derivative contracts on CO2 in international markets (EUA). Banca IMI is also working on the creation of a specific desk for carbon trading. A feasibility study has been produced in the past year and in 2016 an estimate of the time for implementation has been completed. Through this</p>	<p>90,000 euros in 2016. These projects and activities are carried out by three different offices in Banca IMI.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	finding new opportunities to offer its clients carbon trading services in order to help them to manage their emissions with the respect of regulation.							action Intesa Sanpaolo has increased the likelihood of capitalizing on this opportunity.	
Product efficiency regulations and standards	Some forecasts indicate that the market for sustainable restructuring in Italy will continue to grow up to 2050, also thanks to the new European and Italian regulations that will push for this. New legislations regarding building efficiency represent an opportunity to support greater	New products/business services	1 to 3 years	Indirect (Client)	Very likely	Low	Intesa Sanpaolo has the opportunity to promote new kind of mortgages. With its loan for "prefabricated timber-frame houses", the bank also responded to the needs of customers who are more aware of environmental issues and at the end of 2016 Intesa Sanpaolo made 18 loans for a total amount of 2.8	New legislations regarding building efficiency represent an opportunity to support greater investments of Intesa Sanpaolo customers, through specific loans. Intesa Sanpaolo has launched during the recent years many loans to finance the improvement of energy efficiency in customers' buildings and also offers dedicated	Costs related to these activities are integrated into the Intesa Sanpaolo budgets but we can assume that they involve an overall commitment of one FTE (full time equivalent) with an estimated gross cost of 45,000 euro yearly.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>investments of Intesa Sanpaolo customers, through specific loans. Also the presence of public incentives to increase the sustainability of buildings (ecobonus in Italy for example), helps bank to better promote these loans for sustainable buildings or for sustainable restructuring. The willingness to fund this type of real estate investment enables us to meet new forms of housing needs and represents an opportunity for business development in the sector of</p>						<p>M€. For energy efficiency initiatives in the retail customer segment we have financed in 2016 more than 90 M€ and we assume we can continue with a new product called "Valorizzazione Immobiliare (Adding value to real estates)".</p>	<p>consultancy and services. In 2016, the Bank continued to disburse retail customer loans for environmental purposes. These loans were for, among others, the replacement of door and window fixtures and high-performance boilers, the energy-efficiency renovation of property, the purchase of ecological equipment and installation of solar and photovoltaic panels. With its loan for "prefabricated timber-frame houses", the bank also responded to the needs of customers who</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	retail mortgages.							are more aware of environmental issues. Through these actions Intesa Sanpaolo has increased the likelihood of capitalizing on this opportunity, from unlikely to very likely.	
Product efficiency regulations and standards	The re-use of raw materials that are now disposed as waste is one of the key principles of the Circular Economy Package adopted in December 2015 by the European Commission. Through its "Circular Economy" project, the Intesa Sanpaolo Group is seizing strategic	New products/business services	1 to 3 years	Indirect (Client)	Very likely	Low-medium	According to GEI's estimates (Group of Business Economists whose Chairman is a Manager of the Intesa Sanpaolo Group), a significant share of investments in the driving sectors of the Italian economy will be attributed to projects with impacts on circular economy. The amount is	Intesa Sanpaolo intends to help redefine the business strategies and business models of its customer companies, to make them evolve in an innovative and sustainable way and to ensure financial support for investments in support of the re-design of the industrial system. The present aim is to create a widespread culture on	Costs related to these activities are integrated into the Intesa Sanpaolo budgets. The department dedicated to the implementation of financing products allocated 3 FTE to this activity with a cost of approximately 45,000 euro each.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>opportunities to become an innovative and exclusive financial leader for the circular economy, redefining traditional financial tools to support transition to a new model for economic development, which is sustainable over time. As a Global Partner of the Ellen MacArthur Foundation, Intesa Sanpaolo promotes the best experience of leading international companies with Italian SMEs, creating synergies and shared value</p>						<p>expected to be in nearly 10 billion a year and will mainly affect three areas: · about 40% will be directed towards sustainable construction; · about 3 billion euros annually will affect the wide range of food and agriculture made in Italy; · over 2.5 billion annually will be referred to the mobility and transport chain.</p>	<p>circular economy among our clients and the community in general. During 2016, numerous initiatives took place and significant partnerships were forged. Firstly, a tool to evaluate the circular nature of businesses, with a specific questionnaire for production, service and distribution companies, was tested on an initial group of 20 companies. Opportunities were analysed with some 30 national and international companies active in the circular economy, to evaluate the characteristics</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								of new business models and possibilities for partnership with the Intesa Sanpaolo Group in this sector.	

#### CC6.1b

Please describe your inherent opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in mean (average) temperature	Intesa Sanpaolo uses detailed data base containing average and real temperatures in order to better measure consumption and correctly evaluate variations during the winter season in order to act promptly and reduce gas consumption. Change in	Reduced operational costs	Up to 1 year	Direct	Very likely	Medium	The CTE procedure makes it possible to monitor actual meter readings and correctly manage the heating system based on the building's level of thermal insulation, which has	Actual heating is appropriately monitored at ISO 50001 certified branches, which have a Building Heating Check-up Procedure in place. Intesa Sanpaolo uses meteorology studies and internet websites with average temperature all over the world to	Installation of new dataloggers (227 in 2016), that also monitor the internal temperature of our buildings, generated a cost of 454,000 euro in 2016 and the maintenance of the thermic check-up

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	temperature will be incorporated into the data base without difficulty.						generated overall savings of 21% over the last five years, equal to around 45,000 euro. This procedure is also applied in 50 big buildings and we estimate that if during the winter season the temperature increases, thanks to this procedure that allows immediate intervention, we can save more than 1% of the gas consumption correspond to about 15,000 euro.	be aware of the best data to use in its database. In particular we use a specific software that is called "Energy signature" that include Building Heat Check-up (CTE) procedure: a web solution to monitor and limit the consumption of heating systems thanks to the actual readings of meters. This application enables the Bank to check the suitability of the installed thermal capacity and the proper management of the heating system in relation to the level of thermal insulation. Monthly readings on the counter are made in the branches and buildings with	procedure had a cost of around 2,000 Euro.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								CTE. In the middle and at the end of the heating season CTE is applied so that management improvements can be made in case of temperature variations and, through end-season data, improvements to plant management can be initiated (i.e. more insulation, replacement of the boiler in case the power is underestimated, replacement of window frames with low transmitting glasses). This action affects the likelihood of the impact while leaving the magnitude unchanged.	
Snow and ice	Climate change can change	New products/business	Up to 1 year	Indirect (Client)	Very likely	Medium	Intesa Sanpaolo	Intesa Sanpaolo provides advisory	Costs related to these activities

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>impact of weather events with strong winds, heavy snowfalls and major avalanche events. In 2016, heavy snowfall occurred in Italy, covering the central-southern part of the country, and were almost completely absent in many areas of the north-central region where usually it is snowing more often. These precipitations can create serious damage to southern Italy's agriculture that is not prepared to deal with these snowy phenomena and to houses/real estates/premises whose roofs, in the coastal area, may not have been built to withstand snow loads. Intesa Sanpaolo can</p>	services					<p>provides advisory services to the food farming, agro-industrial and agro-energy sectors. Financial positive implications are related to the possibility to increase revenues from consultancy in the agricultural sector and financing customers in renovation of premises. For example in 2016, the Bank continued to disburse retail customer loans for real estate renovation.</p>	<p>and financial services to the food farming, agro-industrial and agro-energy sectors. For example, Intesa Sanpaolo anticipates funds to consortia of production defence so that they can anticipate the direct producers. Intesa Sanpaolo, in line with the objective of becoming the 360 ° reference for the home needs, intends to improve the quality of the real estate assets of the customers, providing useful support to identify their needs and solutions, from the most appropriate financing to the most innovative protection, thus facilitating cross</p>	<p>are integrated into the company budgets. These activities are carried out by various departments of Intesa Sanpaolo, but we can assume that they involve an overall commitment of two FTE (full time equivalent) with an estimated gross cost of 45,000 Euro yearly each.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	take the opportunity to offer its clients products and services to help counteract these occurrences and to renovate customers' house							selling. This action can affect the magnitude of the impact.	
Other physical climate opportunities	Weather and catastrophic events can damage companies, agriculture, houses and cars. Major international studies, including "Natural Catastrophes: Risk Relevance and Insurance Coverage in the EU", show that the most exposed countries to climate risk are those where dedicated insurance products are purchased to a lesser extent. The main deficiencies occur in the	Increased demand for existing products/services	1 to 3 years	Indirect (Client)	Very likely	Low-medium	The opportunity for Intesa Sanpaolo to sell insurance products linked to weather events leads to an increase in revenues. In 2016, for examples, 7,800 "Business - Trade protection" and "Business – Agriculture Protection" policies were stipulated, which provide optional coverage for potential damage	Intesa Sanpaolo offers its clients insurance products to cover the risk of damages from floods, snow, hail and consequent reduction of production capacity. The Group's insurance Division is integrating the risk of weather events in many insurance policies for houses and cars. "A casa con me (At home with me)" insurance safeguard the home from any damage or unforeseen	Costs related to these activities are integrated into the company budgets.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>housing stock, which is not adequately insured against the risks associated with extreme environmental and climatic events. This means for the Intesa Sanpaolo Group the opportunity to develop the market in this direction in the future, even through the awareness of its customers.</p>						<p>caused by wind or rain.</p>	<p>damage, whether it is a habitual or a holiday property, property or lease, villa or apartment. A specific option cover the occlusion of pluvial and gutters caused by snow and total or partial collapse of the property caused directly by the weight of the snow. Regarding companies "Business - Trade protection" and "Business – Agriculture Protection" policies provide optional coverage for potential damage caused by wind, rain and snow. At an international level, Banca Intesa Beograd offered its "Agroprotect" product to fund</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								business development projects for different types of crops, which includes an insurance policy covering crop damage caused by hail, fire and rain. Through this action Intesa Sanpaolo has increased the likelihood of capitalizing on this opportunity, from unlikely to very likely.	

**CC6.1c**

Please describe your inherent opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	As a proof of the quality of the initiatives in the climate	Increased stock price (market valuation)	Up to 1 year	Direct	Virtually certain	Medium-high	A better reputation leads to an advantage in terms of share	Intesa Sanpaolo pays utmost attention to the relationship with	For the relationship with ESG analysts and

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>change area performed by Intesa Sanpaolo, in recent years the Bank has received a series of important awards. Being active in the mitigation of climate change potential effects could also be attractive for SRI investors, causing a potential growth in the stock price.</p>						<p>price and positive financial implications connected to the opportunity for Intesa Sanpaolo to further enhance its position in the market. In case of an increase in the share price of 1% the current market cap would increase of 0.4 billion euro.</p>	<p>ESG investors and analysts, responds to ESG questionnaires and participates in roadshows with investors interested in the environmental profile of the companies. The Group's commitment to the environment was also recognised by various organisations: first, with its inclusion in the 2016 "A List" of the CDP for its performance in relation to climate change mitigation, and then with its inclusion in the 2016 Newsweek Green Rankings and the "Industry Carbon Leader 2016" award from ET Index Research. In 2016 it also received the</p>	<p>investors we can estimate a cost of 90,000 euros corresponding to 2 FTE. As regards participation in competitions we have paid 500 euro in order to participate to the Green Globe Banking Award.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								Green Globe Banking Award for the agreement with Federesco (the National Federation of Energy Service Companies) and Banca Prossima. Through this action Intesa Sanpaolo has increased the likelihood of capitalizing on this opportunity from very likely to virtually certain. It also affects the magnitude of impact.	
Changing consumer behavior	All the new services provided to Intesa Sanpaolo clients (on line reporting of their current account operations, tablets for the digital signature,	New products/business services	Up to 1 year	Indirect (Client)	Likely	Medium-high	Financial implications are very positive both in terms of customers attraction/retention and in term of increase of revenues due to the sale of products with low environmental impact. Within the	Intesa Sanpaolo is constantly working to find out best practices and cooperates with innovative companies and environmental NGOs to stay ahead in the most efficient technology and	Costs related to these activities are integrated into the company budgets.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	branches with 0 emissions, green product and services, etc) will be very attractive for customers sensitive to the issue. In general the growing awareness of customers on this issue is very important for the Intesa Sanpaolo Group. If customers are more sensitive to the climate change issue they will probably choose a bank like Intesa Sanpaolo that can demonstrate to be sensitive as well and that can offer them concrete solutions to reduce emissions (on line reporting,						offer on "Travel With Me" in 2016 there is a reduction of the traditional formula at unlimited kms, preferring the one to consumption. Indeed, the unlimited formula dropped by 7.95% (102,939 contracts against 94,755 in 2015), while the one consumed, introduced in 2016, led to the subscription of 23,801 insurance product. The formula with a maximum of 5000 km marked a steady trend (+ 0.05%), while the one with 8000 km decreased by 23.47% (38,553 units versus 29,505 in 2015). Overall, production increased by 3.46%, with 196,886 insurance policies sold. We can estimate a	organizational processes. For example, support for investments in research and technological innovation to tackle climate change was considerable. The Intesa Sanpaolo Start-Up Initiative Programme continued to promote business initiatives with a high technological content, with a particular focus on the Clean Tech sector and Circular Economy. Furthermore in 2016 "Viaggia con me" (Travel with me), the product range for customers to reduce insurance costs as well as environmental impact, was extended to	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	digital signature, etc).						future increase in the sale of insurance policies with these characteristics.	include a distance formula, offering customers considerable discounts on travelled distances of up to 3,500 Km. This new formula allows customers to save and encourages them be more careful about vehicle use Through this action Intesa Sanpaolo has increased the likelihood of capitalizing on this opportunity from unlikely to likely. It also affects the magnitude of impact.	
Induced changes in human and cultural environments	The focus on reducing emissions through innovative solutions is a fundamental part of Intesa	Reduced operational costs	1 to 3 years	Direct	Virtually certain	Medium-high	In 2016, the Group focussed on various digitalisation initiatives. Thanks to this strategy, the reduction in paper amounted	In addition to the commitment to using more and more very low environmental impact paper, for years Intesa Sanpaolo has	The costs for the launch of the project and for the implementation of the infrastructure were around 2

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>Sanpaolo strategy to fight against climate change. It is not only an environmental choice but also a great opportunity from the point of view of customer service and savings of costs.</p>						<p>to 2,700 tonnes in 2016, corresponding to 4,300 tonnes less of CO2 emissions and savings of around 3 million euro. Regarding future financial implication, we can estimate that we can continue with this saving.</p>	<p>been involved in a programme to reduce as much as possible the consumption of paper. In 2016, the project to digitalise contracts continued in Italy with an estimated saving of at least 815 tonnes of CO2 as well as a saving from the use of electronic signatures of around 230 tonnes of CO2. The project started in 2011, but since 2015 it has been possible to expand the branch digitalisation process. Today contracts and documents for a numerous services are digitalised, in addition to teller transactions. Since 6 June</p>	<p>million euro.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>2016, only electronic or remote digital signatures can be used at all personal and retail Group branches to sign contracts that have already been digitalised. The new procedure to sign documents for the sale of banking, financial and insurance products and services lets customers display all commercial documents and estimates electronically on tablets and sign contracts electronically or by remote digital signature. Digitalised bank documents are filed electronically in digital document archives, while</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								customer documents may be delivered by Internet Banking, email or, if requested, as hard copies. Through this action Intesa Sanpaolo has increased the likelihood of capitalizing on this opportunity from very likely to virtually certain. It also affects the magnitude of impact.	
Changing consumer behavior	An increasing number of Intesa Sanpaolo clients is interested in investing their savings in activities that are not only financially viable but also socially responsible and that, among other	Increased demand for existing products/services	1 to 3 years	Indirect (Client)	More likely than not	Low-medium	Business volume of SRIs funds is 1.3% of overall assets under management (AuM) but as consumer behaviour changes over time and consumers become more aware of climate change issues, the business volume linked to this product may	Eurizon Capital was the first operator in Italy (1997) to offer ethical funds. These funds envisage clear, well-defined positive and negative selection criteria for the securities to be included in their portfolio, a Sustainability Committee	In Intesa Sanpaolo the management costs are about 165,000 euro including 45,000 euro for the Ethical Committee and 150,000 euro for the consulting services and contracts.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>issues, act in favour of solving the climate change problem. This represents an opportunity for Intesa Sanpaolo that can offer its clients to Invest in SRI (ethical) funds selected on the basis of positive criteria (inclusive principle) and negative (exclusive principle), both including environmental and climate change criteria.</p>						<p>increase. In 2016 Eurizon Capital SGR, the asset management company of the Intesa Sanpaolo Group, supported its own institutional customers through the management of assets with ESG criteria, providing assistance in choosing from available solutions and according to the expectations, needs and awareness of these issues of each customer. Eurizon manages seven institutional mandates with various ESG approaches for approximately 870 million euro. During the year, a new fund was launched - Eurizon Flessibile Azionario - which incorporates environmental,</p>	<p>(external to and independent from the SGR) and the donation of revenues. In asset management and the development of sustainable and responsible investment products, Eurizon Capital has confirmed its commitment to activities in line with the Principles for Responsible Investment signed in 2015. Investments in ethical funds are selected on the basis of positive criteria to identify the presence of good social and environmental governance and negative for those areas of activity considered to be in contrast with the ethical</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							social and governance issues in the process to select issuers to invest in.	principles asserted by the funds. During 2016, new benchmarks provided by MSCI were added to the Ethical System. At the same time, the asset management company introduced an additional research service focussed on environmental, social and governance (ESG) issues supplied by MSCI ESG. The reasons for inclusion cover: programmes to reduce greenhouse gases, the protection of biodiversity, the use of clean technologies, the involvement of suppliers and protection of minorities in the	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								workforce. These actions increase the likelihood of capitalizing on this opportunity and affect impact from low to low-medium.	
Induced changes in human and cultural environments	Changes in human and cultural environments are producing new paradigms like that of Circular economy that Intesa Sanpaolo has embraced. Intesa Sanpaolo is the only financial sector partner of the Ellen MacArthur Foundation, the most important global player in the Circular Economy field. The Circular Economy unties	New products/business services	3 to 6 years	Indirect (Client)	About as likely as not	Medium	According to GEI's estimates (Group of Business Economists whose Chairman is a Manager of the Intesa Sanpaolo Group), a significant share of investments in the driving sectors of the Italian economy will be attributed to projects with impacts on circular economy. The amount is expected to be in nearly 10 billion a year and will mainly affect three areas: · about 40% will be directed towards sustainable construction; · about 3 billion	Intesa Sanpaolo intends to help redefine the business strategies and business models of its customer companies, to make them evolve in an innovative and sustainable way and to ensure financial support for investments for the re-design of the industrial system. Intesa Sanpaolo cooperates with the Ellen MacArthur Foundation, the reference institution at international level in the field of Circular	Costs related to these activities are integrated into the Intesa Sanpaolo budgets. In Intesa Sanpaolo the employees dedicated to the Circular Economy project are 3 FTE corresponding to about 135,000 euro yearly.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>economic growth from the consumption of exhaustible natural resources through the efficient use of the current stock of raw materials and products and promotes the recovery of natural capital. The goal is to avoid the destruction of value inherent in the current model, constructed according to the linear sequence of supply-production-sales-consumption-waste and to contribute in an immediate and concrete manner to combat climate</p>						<p>euros annually will affect the wide range of food and agriculture made in Italy; · over 2.5 billion annually will be referred to the mobility and transport chain. Intesa Sanpaolo average market share in June 2017 is around 16%. We consider to be able to count on our competitive positioning being global partner of the Ellen MacArthur Foundation for and upside of some percentage points.</p>	<p>Economy. During 2016 Intesa Sanpaolo was involved in numerous institutional panels on the circular economy with companies, public and private organisations, multilateral agencies and universities taking part. Initiatives included the conference on the “Circular Economy in the Fashion Industry” in association with IEFE Bocconi and the conference “Innovation and Competitiveness: the Italian approach to the Circular Economy” in association with ENEA, ENEL, Costa Crociere and Barilla, as</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>change. The three key principles of Circular Economy are:</p> <ul style="list-style-type: none"> <li>• optimization of the yield of productive resources through the re-design of products and services placed on the market so that the components are reusable (potentially endlessly) at the end of the cycle of use;</li> <li>• conservation and recapitalization of natural capital thanks to the exclusive use of renewable energy;</li> <li>• minimization of negative external output with the ambition to gradually get,</li> </ul>							<p>well as involvement in the first master's course in Italy on the bio/circular economy in association with Novamont and four leading Italian universities (Turin, Milan Bicocca, Bologna and Naples Federico II) in order to promote this new paradigm and the talent generation. Through these actions Intesa Sanpaolo has increased the likelihood of capitalizing on this opportunity, from unlikely to very likely. These action has helped increase the likelihood for Intesa Sanpaolo to capitalize on this opportunity from very unlikely to about</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	thanks to mechanisms for recovery, reuse and recycling, to zero-waste production scenarios.							as likely as not.	
Changing consumer behavior	Intesa Sanpaolo followed up its "Microgrid project", a new value proposition of energy efficiency service for industrial customers. Energy efficiency for industrial application is still an important opportunity in Italy and Intesa Sanpaolo intends to capitalize on this opportunity.	Premium price opportunities	3 to 6 years	Indirect (Client)	About as likely as not	Medium	Intesa Sanpaolo made a first estimate for this project: we assume that we will have about tens million euros revenues in the first five years.	In order to capitalize on the important opportunity for further developing energy efficiency for industrial application in Italy, a new approach to investment and a new business model for energy efficiency services is needed. After completing the preliminary study on the market potential, in 2016 Intesa performed a preliminary business plan and completed the search for an industrial partner to set up	Intesa Sanpaolo estimate a cost of about 10-20 million euro in the first 5 years for this project that includes consultancy, costs and the set up of a specific energy saving company.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								together a final business plan. The expected outcome is to enable the development of a new market. Likelihood is currently linked to the partnership proposal that the industrial partner is preparing.	

---

CC6.1d

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

---

CC6.1e

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

---

**CC6.1f**

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

---

**Further Information**

**Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading**

**Page: CC7. Emissions Methodology**

---

**CC7.1**

**Please provide your base year and base year emissions (Scopes 1 and 2)**

<b>Scope</b>	<b>Base year</b>	<b>Base year emissions (metric tonnes CO2e)</b>
Scope 1	Sun 01 Jan 2012 - Mon 31 Dec 2012	58993.85
Scope 2 (location-based)	Sun 01 Jan 2012 - Mon 31 Dec 2012	221035.45
Scope 2 (market-based)	Sun 01 Jan 2012 - Mon 31 Dec 2012	54539.09

---

**CC7.2**

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use	
ABI Energia Linee Guida	
Other	

---

**CC7.2a**

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

National Inventory Report 2016 - UNFCCC  
Common Reporting Format 2016 - UNFCCC  
International Environment Agency (IEA)

---

**CC7.3**

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Fifth Assessment Report (AR5 - 100 year)
N2O	IPCC Fifth Assessment Report (AR5 - 100 year)
CH4	IPCC Fifth Assessment Report (AR5 - 100 year)

---

**CC7.4**

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference
Diesel/Gas oil	2.66	kg CO2e per liter	UNFCCC and International Environment Agency (IEA) - Relevant country: Italy
Electricity	0.325	Other: kg CO2e per kWh	UNFCCC and International Environment Agency (IEA) - Relevant country: Italy
Natural gas	1.963	Other: kg CO2e per m3	UNFCCC and International Environment Agency (IEA) - Relevant country: Italy

---

**Further Information**

**Page: CC8. Emissions Data - (1 Jan 2016 - 31 Dec 2016)**

---

**CC8.1**

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Financial control

---

**CC8.2**

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

40225.81

---

**CC8.3**

**Please describe your approach to reporting Scope 2 emissions**

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

---

**CC8.3a**

**Please provide your gross global Scope 2 emissions figures in metric tonnes CO<sub>2</sub>e**

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
150425.96	35856.54	

---

**CC8.4**

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

Yes

**CC8.4a**

Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

Source	Relevance of Scope 1 emissions from this source	Relevance of location-based Scope 2 emissions from this source	Relevance of market-based Scope 2 emissions from this source (if applicable)	Explain why the source is excluded
In Scope 1 we are excluding Hydrofluorocarbons (HFCs) greenhouse gas emissions.	Emissions are not relevant	No emissions from this source	No emissions from this source	In Scope 1 perimeter the Hydrofluorocarbons are not relevant for our business because they are present in a very small number of facilities. The percentage of average hydrofluorocarbons emissions, which we have excluded by the reported boundary, has been estimated in less than 3% of scope 1 total emissions.

**CC8.5**

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 5% but less than or equal	Data Gaps Assumptions	Although we have extended a data collection also in our international network, we still have challenges in getting all the data across the whole organizational structure. We use estimates where data are not

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
	to 10%	Extrapolation Data Management	available due to a lack of information. We can have some uncertainty due to errors in billing by fuel suppliers, errors of attribution of invoices or errors in data entry or extrapolations, in particular for natural gas for heating. In general the Bank attempts to continually increase the amount of actual data available.
Scope 2 (location-based)	More than 2% but less than or equal to 5%	Data Gaps Assumptions Extrapolation Data Management	Although we have implemented a data collection in our international network, we still have challenges in getting all the data across the foreign networks and Italian societies. We use estimates where data are not available due to a lack of information. We can have some uncertainty due to errors in billing for gas and diesel for heating in condominiums: data can be not accurate and we can have some errors in data entry or extrapolations. With reference to electricity we can have some troubles due to errors of attribution of invoices or in billing by suppliers. In general the Bank attempts to continually increase the amount of actual data available.
Scope 2 (market-based)	Less than or equal to 2%	Data Gaps Assumptions Extrapolation Data Management	Although we have implemented a data collection in our international network, we still have challenges in getting all the data across the foreign networks and Italian societies. We use estimates where data are not available due to a lack of information. We can have some uncertainty due to errors in billing for gas and diesel for heating in condominiums: data can be not accurate and we can have some errors in data entry or extrapolations. With reference to electricity from traditional sources in this case, although a low incidence, we can have some troubles due to errors of attribution of invoices or in billing by suppliers

#### CC8.6

**Please indicate the verification/assurance status that applies to your reported Scope 1 emissions**

Third party verification or assurance process in place

#### CC8.6a

**Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements**

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Annual process	Complete	Limited assurance	<a href="https://www.cdp.net/sites/2017/63/9363/Climate%20Change%202017/Shared%20Documents/Attachments/CC8.6a/KPMG%20CDP%20letter%202016%20ISP.pdf">https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/CC8.6a/KPMG CDP letter 2016 ISP.pdf</a>	Pages 1 and 2. See also Sustainability Report page 183/184/185 (scope 1, 2 and 3 data).	ISAE3000	100
Annual process	Complete	Limited assurance	<a href="https://www.cdp.net/sites/2017/63/9363/Climate%20Change%202017/Shared%20Documents/Attachments/CC8.6a/ISO_14064-1_PRJC-Z0496176-2016-GHGI-Intesa_Sanpaolo_VS_Rev.2_signed.pdf">https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/CC8.6a/ISO_14064-1_PRJC-Z0496176-2016-GHGI-Intesa_Sanpaolo_VS_Rev. 2 signed.pdf</a>	Pages 1-13	ISO14064-3	2

#### CC8.6b

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emission Monitoring Systems (CEMS)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission

#### CC8.7

Please indicate the verification/assurance status that applies to at least one of your reported Scope 2 emissions figures

Third party verification or assurance process in place

#### CC8.7a

Please provide further details of the verification/assurance undertaken for your location-based and/or market-based Scope 2 emissions, and attach the relevant statements

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Market-based	Annual process	Complete	Limited assurance	<a href="https://www.cdp.net/sites/2017/63/9363/Climate%20Change%202017/Shared%20Documents/Attachments/CC8.7a/KPMG%20CDP%20letter%202016%20ISP.pdf">https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/CC8.7a/KPMG CDP letter 2016 ISP.pdf</a>	Pages 1 and 2. See also Sustainability Report page 183/184/185 (scope 1, 2 and 3 data).	ISAE3000	100
Market-based	Annual process	Complete	Limited assurance	<a href="https://www.cdp.net/sites/2017/63/9363/Climate%20Change%202017/Shared%20Documents/Attachments/CC8.7a/ISO_14064-1_PRJC-Z0496176-2016-GHGI-Intesa_Sanpaolo_VS_Rev.2_signed.pdf">https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/CC8.7a/ISO_14064-1_PRJC-Z0496176-2016-GHGI-Intesa_Sanpaolo_VS_Rev. 2 signed.pdf</a>	Pages 1-13	ISO14064-3	3

#### CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

Additional data points verified	Comment
Year on year emissions intensity figure	These data are included in the Sustainability Report that is reviewed by independent auditors with a limited assurance in accordance with ISAE3000 standard.
Year on year change in emissions (Scope 1 and 2)	These data are included in the Sustainability Report that is reviewed by independent auditors with a limited assurance in accordance with ISAE3000 standard.

Additional data points verified	Comment
Year on year change in emissions (Scope 2)	These data are included in the Sustainability Report that is reviewed by independent auditors with a limited assurance in accordance with ISAE3000 standard.
Year on year change in emissions (Scope 3)	These data are included in the Sustainability Report that is reviewed by independent auditors with a limited assurance in accordance with ISAE3000 standard.
Emissions reduction activities	These data are included in the Sustainability Report that is reviewed by independent auditors with a limited assurance in accordance with ISAE3000 standard.
Year on year change in emissions (Scope 1)	These data are included in the Sustainability Report that is reviewed by independent auditors with a limited assurance in accordance with ISAE3000 standard.

---

#### CC8.9

**Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?**

No

---

#### CC8.9a

Please provide the emissions from biologically sequestered carbon relevant to your organization in metric tonnes CO2

---

#### Further Information

For assurance see also Sustainability Report page 183/184/185 (scope 1,2 and 3 data).

---

#### Attachments

[https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC8.EmissionsData\(1Jan2016-31Dec2016\)/RAPPORTO S\\_ENG.pdf](https://www.cdp.net/sites/2017/63/9363/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC8.EmissionsData(1Jan2016-31Dec2016)/RAPPORTO%20S_ENG.pdf)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

Yes

---

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e
Italy	33256.59
Albania	92.28
Serbia	1079.45
Egypt	518.78
Slovenia	317.31
Hungary	472.84
Russia	200.98
Luxembourg	109.2
Croatia	775.89
Romania	580.02
Bosnia and Herzegovina	105.8
Slovakia	2423.15
Ireland	0.34
Ukraine	293.18

---

**CC9.2**

**Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)**

By GHG type

---

**CC9.2a**

**Please break down your total gross global Scope 1 emissions by business division**

Business division	Scope 1 emissions (metric tonnes CO2e)

---

**CC9.2b**

**Please break down your total gross global Scope 1 emissions by facility**

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude

---

**CC9.2c**

**Please break down your total gross global Scope 1 emissions by GHG type**

GHG type	Scope 1 emissions (metric tonnes CO2e)
CO2	39934.66
CH4	48.01
N2O	243.14

---

CC9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)
----------	----------------------------------------

---

**Further Information**

**Page: CC10. Scope 2 Emissions Breakdown - (1 Jan 2016 - 31 Dec 2016)**

---

CC10.1

**Do you have Scope 2 emissions sources in more than one country?**

Yes

---

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Italy	116393.66	4582.65	363008.58	343016.47
Albania	0	0	2298.93	2298.93
Serbia	8649.23	8593.87	12409.22	79.42
Egypt	7693.98	7693.98	18189.07	0
Slovenia	1025.54	29.45	4704.94	4338.22
Hungary	3413.68	3263.24	14068.90	531.6
Russia	1612.42	1612.42	7016.30	0
Ireland	47.40	47.40	152.06	0
Luxembourg	386.34	386.34	1266.68	0
Croatia	5760.45	4859.61	29570.95	3237.13
Romania	737.36	542.70	2529.75	604.55
Bosnia and Herzegovina	785.52	662.67	4032.40	441.43
Slovakia	2254.52	1916.34	19528.49	2062.06
Ukraine	1665.86	1665.86	5636.06	0

**CC10.2**

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By business division

**CC10.2a**

**Please break down your total gross global Scope 2 emissions by business division**

<b>Business division</b>	<b>Scope 2, location-based (metric tonnes CO2e)</b>	<b>Scope 2, market-based (metric tonnes CO2e)</b>
The Banca dei Territori division: focus on the market and centrality of the territory for stronger relations with individuals, small and medium-sized businesses and non-profit entities. The division includes the Italian subsidiary banks and the activities in industrial credit, leasing and factoring carried out through Mediocredito Italiano.	83705.36	3632.05
The Corporate and Investment Banking division: a global partner which supports, taking a medium-long term view, the balanced and sustainable development of corporates and financial institutions, both nationally and internationally. Its main activities include capital markets and investment banking carried out through Banca IMI.	1947.63	506.49
The International Subsidiary Banks division: includes the following commercial banking subsidiaries: Intesa Sanpaolo Bank 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, CIB Bank in Hungary, Intesa Sanpaolo Bank Romania, Banca Intesa in the Russian Federation, Banca Intesa Beograd in Serbia, VUB Banka in Slovakia and Banka Koper in Slovenia.	33598.56	30840.15
The Private Banking division: serves the customer segment consisting of Private clients and High Net Worth Individuals with the offering of products and services tailored for this segment.	5000.44	388.61
The Asset Management division: asset management solutions targeted at the Group's customers, commercial networks outside the Group, and the institutional clientele.	817.11	57.15
The Insurance division: insurance and pension products tailored for the Group's clients.	1011.39	192.85
ISGS is the Group consortium responsible for IT, operational services, organization and security, property management, purchasing and the customers Contact Unit. It was also envisaged that staff administration and training, general services, legal and litigation and debt recovery.	24345.48	239.25

CC10.2b

**Please break down your total gross global Scope 2 emissions by facility**

Facility	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
----------	----------------------------------------------	--------------------------------------------

---

**CC10.2c**

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
----------	----------------------------------------------	--------------------------------------------

---

**Further Information**

**Page: CC11. Energy**

---

**CC11.1**

**What percentage of your total operational spend in the reporting year was on energy?**

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

---

**CC11.2**

**Please state how much heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year**

Energy type	MWh
Heat	49366.09
Steam	0
Cooling	0

---

**CC11.3**

**Please state how much fuel in MWh your organization has consumed (for energy purposes) during the reporting year**

183100.04

---

**CC11.3a**

**Please complete the table by breaking down the total "Fuel" figure entered above by fuel type**

Fuels	MWh
Diesel/Gas oil	41153.38
Natural gas	137814.28
Motor gasoline	4132.38

---

**CC11.4**

**Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the market-based Scope 2 figure reported in CC8.3a**

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Emissions factor (in units of metric tonnes CO2e per MWh)	Comment
Energy attribute certificates, Guarantees of Origin	349972.65	0	In Italy from last year we buy electricity certified with RECS and GO (Guarantee of Origin) certifications. The new GO Certificate correspond to 1 MWh of renewable energy. This certificate is issued for the electricity that is fed into the grid by qualified plants IGO (ex ICO-FER), and therefore this Certificate can be transferred from the energy producer directly to the buyers. The Italian GSE - (Electricity Services Operator) verified and ascertained the correspondence between the renewable energy produced and that one placed on the market.
Contract with suppliers or utilities, supported by energy attribute certificates	4338.22	0	In Slovenia, through our subsidiary Banca Koper, we carried out a purchase procedure that specifies that the offers received must only relate to electricity from renewable sources. The company that won the bid is obliged by the contract to supply only electricity from renewable sources in 2016 coming from hydroelectric sources.
Contract with suppliers or utilities, with a supplier-specific emission rate, not backed by electricity attribute certificates	2298.92	0	In Albania our subsidiary Bank of Albania buys electricity from the central state. The Albanian emission factor is equal to zero.

**CC11.5**

**Please report how much electricity you produce in MWh, and how much electricity you consume in MWh**

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
467845.49	455853.09	11992.40	1050.41	1050.41	Energy consumption fell by 6.7% in 2016 compared to 2015, with an estimated economic return of over 800,000 euro. This important target was achieved through management optimisation and energy efficiency actions in Italy and abroad, including a greater distribution of web-based metering systems, the replacement of boilers with condensation systems, high-performance heat pumps and refrigerating units, the modernisation of electrical systems and introduction of LED lighting. Electricity consumption, which accounts for around 70% of all Group consumption, went down by 4.7% overall compared to 2015. 2016 figures confirmed the long-term reduction trend: from 2010 to 2016, electricity consumption went down by 28%, reinforcing the Group's commitment to reducing its own environmental footprint and placing Intesa Sanpaolo among leaders in this sector.

#### Further Information

#### Page: CC12. Emissions Performance

#### CC12.1

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

#### CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Emissions reduction activities	6	Decrease	The Intesa Sanpaolo Group continued to limit energy consumption in 2016, through management optimisation actions and energy efficiency measures. The results confirm the important consumption reduction trend achieved in these years: electricity consumption, the energy most used in Italy due to the high level of automation and widespread use of heat pumps, showed a further reduction. This result was obtained through reductions in the scope as well as with energy efficiency measure. Last year, 5,039 tCO2e were reduced by our emissions reduction projects, and our total Scope 1 and 2 emissions in the previous year were 84,154 tCO2e, therefore, we arrived at a 6% decrease: $(5,039/84,154)*100 = 6\%$ ."
Divestment			
Acquisitions			
Mergers			
Change in output	1.8	Decrease	This decreasing is due to the closure of some branches and some buildings. Last year we decreased the area of 64,642 square meters, and our total surface in the previous year was 3,677,509 square meters, therefore we arrive at 1.8% through $(64,642/3,677,509)*100 = 1.8\%$
Change in methodology	1.8	Decrease	This decreasing can be traced back to the update of processing factors following the evolution of energy production systems which take into account, in addition to greenhouse gases directly traced in equivalent CO2 (GWP), also the most significant gases indirectly involved: sulphur dioxide (SO2) and nitrogen oxides (NOX). The methodology that we have used is described in the Abi guidelines that we have contributed to write. Last year we had a reduction of 1,554 tCO2e emissions by the change in emission factor and our total Scope 1 and 2 emissions in the previous year was 84,154 tCO2e, therefore, we arrived at a 1.8% through $(1,554/84,154)*100 = 1.8\%$ ."
Change in boundary			
Change in physical operating conditions			
Unidentified			
Other			

**CC12.1b**

**Is your emissions performance calculations in CC12.1 and CC12.1a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

**CC12.2**

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.000004494	metric tonnes CO2e	16929000000	Market-based	8	Decrease	The intensity figure per unit total revenue (total operating income) in 2015 was 0.000004907. The decrease of intensity figure is due to a decrease of CO2 emissions (-10%) due mostly to energy efficiency actions and consequent reduction of CO2 emissions. In absolute percentage terms the decrease of CO2 emissions accounts for the 88% while the decrease of total operating income accounts for the 12%.

**CC12.3**

Please provide any additional intensity (normalized) metrics that are appropriate to your business operations

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.824633675	metric tonnes CO2e	full time equivalent (FTE) employee	92262	Market-based	11	Decrease	The intensity figure for FTE in 2015 was 0.922863503. The decrease of the intensity figure is due to an increase of the total FTE (1%) which accounts in absolute percentage terms for the 11% and the decrease of CO2 emissions (-10%) which accounts in absolute percentage terms for the 89%. The decrease of CO2 emission is due to energy efficiency actions and consequent reduction of CO2 emissions.
0.021058723	metric tonnes CO2e	square meter	3612866	Market-based	8	Decrease	The intensity figure for square meters in 2015 was 0.022883698. The decrease of the intensity figure is due to a decrease of square meters (-2%) which accounts in absolute percentage terms for the 15% and the decrease of CO2 emissions (-10%) which accounts in absolute percentage terms for the 85%. The decrease of CO2 emission is due to energy efficiency actions and consequent reduction of CO2 emissions.

#### Further Information

Page: **CC13. Emissions Trading**

#### CC13.1

**Do you participate in any emissions trading schemes?**

No, and we do not currently anticipate doing so in the next 2 years

---

**CC13.1a**

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership
-------------	-----------------------------------	----------------------	----------------------	------------------------------------------	----------------------

---

**CC13.1b**

What is your strategy for complying with the schemes in which you participate or anticipate participating?

---

**CC13.2**

**Has your organization originated any project-based carbon credits or purchased any within the reporting period?**

No

---

**CC13.2a**

Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits canceled	Purpose, e.g. compliance
---------------------------------------	--------------	------------------------	----------------------------	----------------------------------------	--------------------------------------------------------------	------------------	--------------------------

Further Information

Page: CC14. Scope 3 Emissions

CC14.1

Please account for your organization’s Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, calculated	6879.52	Purchased goods and services reported by Intesa Sanpaolo relate to graphic paper used in office and branch activities. The system boundaries cover cradle-to-grave phases and related transportation and energy wares, including pulp production, paper making and printing processes. Moreover, emissions generated by end-of-life treatment of paper reports delivered to the clients are estimated. Based on the annual purchased shares, both virgin woodfree uncoated paper and recycled paper are considered in the calculations. Transportation distances have been estimated as 500 km from the suppliers' places to Intesa Sanpaolo, 100 km for reports posting and 100 km for transportation to end-of-life treatment after use. The end-of-life scenario reflects the Italian statistics 2013 on paper waste disposal (CONAI and ISPRA), i.e. 79.5% recycling, 12.5% landfill and 8% incineration. According to the GHG Protocol Scope 3 Emission Standard (WBCSD/WRI), emissions from waste recycling processes as well as avoided emissions from substituted materials are not accounted. For all processes into the system boundaries, GHG emission factors have been sourced from Ecoinvent 3.0 (www.ecoinvent.ch). Emissions from virgin and recycled paper production represent a European average industry scenario. The released IPCC 2013 equivalence factors have been applied.	100.00%	
Capital goods	Relevant, calculated	9919.61	Accounted capital goods include the most relevant IT equipment and electronics purchased by Intesa Sanpaolo over the reporting year: desktop computers, laptops, LCD screens, printers,	100.00%	

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			<p>copying machines, scanners, mobile telephones, tablets and automated teller machines (ATM). The system boundaries include cradle-to-gate operations, i.e. the entire products supply chain until they are delivered to Intesa Sanpaolo. According to the GHG Protocol Scope 3 Emission Standard (WBCSD/WRI), emissions generated from capital goods manufacturing are totally accounted in the purchasing year, irrespective of the product service life. Emission factors have been sourced wherever possible from publicly available primary data, such as LCA reports, Environmental Product Declaration (EPDs) or sustainability reports from manufacturing corporates. This was for instance the case of Dell and Lenovo computers and monitors or Apple, Nokia and Blackberry mobile telephones and tablets. For the remaining products, emission factors from Ecoinvent 3 (<a href="http://www.ecoinvent.ch">www.ecoinvent.ch</a>&lt;<a href="http://www.ecoinvent.ch">http://www.ecoinvent.ch</a>&lt;<a href="http://www.ecoinvent.ch">http://www.ecoinvent.ch</a>%3c<a href="http://www.ecoinvent.ch">http://www.ecoinvent.ch</a>&gt;&gt;) datasets with a satisfactory representativeness have been applied. Transportation distances from the manufacturing countries - mostly China and other Eastern Asia countries have been taken into account. ATM machines have been modelled based on their average Bill-of-Materials and the use of corresponding Ecoinvent datasets. The IPCC 2013 equivalence factors have been applied</p>		
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, explanation provided				We don't have fuel and energy consumption not included in Scope 1 or 2
Upstream transportation and distribution	Not relevant, explanation provided				The transportation of purchased goods is already

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					reported on Scope 3 - (Purchased good and services) since emissions from transportation are already included in the cradle-to-gate emissions of purchased products.
Waste generated in operations	Relevant, calculated	265.24	The system boundaries include the end-of-life treatment of special waste generated throughout Intesa Sanpaolo's operations in the reporting year, from corporate headquarters as well as Italian and foreign branches. The most important waste categories, according to the EWC classification are packaging waste, electronic waste, exhausted toners and waste from demolition and construction activities. Household waste generated by employees in office activities have been excluded from the analysis. The phases under assessment include waste transportation to the treatment facilities and end-of-life treatment. Information on the actual end-of-life treatment have been sourced from the official waste registers that are filled according to the Italian waste regulations. According to the GHG Protocol Scope 3 Emission Standard (WBCSD/WRI), emissions from waste recycling processes as well as avoided emissions from substituted materials are set to zero, hence for waste flows sent to recycling, which are the major share of waste produced by Intesa Sanpaolo, only transportation	0.00%	

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			emissions have been accounted. For the remaining waste flows sent to landfill, incineration or other treatment processes, representative emission factors from Ecoinvent 3 ( <a href="http://www.ecoinvent.ch">www.ecoinvent.ch</a> < <a href="http://www.ecoinvent.ch">http://www.ecoinvent.ch</a> >) have been used. The IPCC 2013 equivalence factors have been applied.		
Business travel	Relevant, calculated	9794.20	Intesa Sanpaolo reports the business travel emissions arising from train, airplanes and personal cars. The model of data reporting adopted is designed in accordance with the GRI reporting standards and guidelines of ABlenergia for the application of the GRI environmental indicators in the banking sector. The model allows for an analysis of mobility useful for the definition of actions and policies that, with regard also to the profiles of economic sustainability, may reduce CO2 emissions. Taking into account the specificity of Mobility Management in Intesa Sanpaolo a set of indicators related to corporate mobility has been defined, that allows to address new GRI-G4 requests with regard to issues of mobility (EN3 and EN30) and adequately monitors them over time. Also the emission factor applied and the GWP values used to calculate emissions are included in these guidelines. The model is based on data related to the vectors used, transfers and video conferencing and data obtained through the application of appropriate coefficients. The analysis of environmental indicators in the Corporate Mobility in Intesa Sanpaolo - Italy shows that the most frequently used means of transport is the plane, followed by trips made by train and personal cars used for business trips.	100.00%	
Employee commuting	Relevant, calculated	54620	In 2013 we started to calculate emission from employees commuting. In 2016 we have updated and integrated the data derived from the questionnaire submitted in 2013 to about 13000 employees in 11 cities in Italy. Starting from the primary data we have applied the emission factor used for the Sustainability Report 2016 and properly integrated with the data related to resources not accounted in the Susteainability Report. Pubblc transportation and shuttles, motorcycles, personal cars and train have been considered. In 2017 we will submit a new questionnaire to our employees.	0.00%	
Upstream leased assets	Not relevant, explanation provided				In our consolidation approach we include

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					the emissions from leased assets in Scope 1 and Scope 2.
Downstream transportation and distribution	Not relevant, explanation provided				The Intesa Sanpaolo Group doesn't produce goods that need downstream transportation and distribution
Processing of sold products	Not relevant, explanation provided				The Intesa Sanpaolo Group core business is to produce services for our customers. We don't use intermediate products by third parties.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Use of sold products	Relevant, calculated	1009.34	In 2014 Intesa Sanpaolo started calculating emissions from internet banking operations in Italy. The most relevant operations were collected and classified with a twofold approach: type of operation (informative, dispositive) and platform (mobile, PC). The following information was also needed to perform the evaluation: time for each operation, average electricity consumption for PC and mobile devices and emission factors for electricity consumption. Operation time was estimated through expert judgment. Average electricity consumption for mobile and PC was retrieved from publicly available studies. The Italian electricity mix was used as reference for electricity consumption and emission factors were sourced from Ecoinvent 3 ( <a href="http://www.ecoinvent.ch">www.ecoinvent.ch</a> ). These emissions cover a scope 3 according to the GHG Protocol, including all the relevant life cycle stages from fuel supply chain to transmission losses.	0.00%	
End of life treatment of sold products	Not relevant, explanation provided				The Intesa Sanpaolo Group doesn't produce goods that need an end of life treatment.
Downstream leased assets	Not relevant, explanation provided				Intesa Sanpaolo leases a very small number of buildings to services companies. We estimate

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					that the emissions from these buildings are very few and therefore not relevant for the Scope 3.
Franchises	Not relevant, explanation provided				The Intesa Sanpaolo Group doesn't have franchises
Investments	Relevant, calculated	124988	We started to calculate the CO2 emitted by some facilities financed, in particular in 2014 we calculated the CO2 emissions in the "waste to energy sector". The method of calculation used is based on the multiplication of the "Task data" (fuel / waste used) which quantifies the activity and the corresponding emission factor specific to the different greenhouse gases (CO2, CH4, N2O). The method and emission factors used are directly taken from the document "Calculation Tool for Direct Emissions From Stationary Combustion" (GHG Protocol 4).	0.00%	
Other (upstream)					
Other (downstream)					

**Please indicate the verification/assurance status that applies to your reported Scope 3 emissions**

Third party verification or assurance process in place

**CC14.2a**

**Please provide further details of the verification/assurance undertaken, and attach the relevant statements**

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 3 emissions verified (%)
Annual process	Complete	Limited assurance	<a href="https://www.cdp.net/sites/2017/63/9363/Climate%20Change%202017/Shared%20Documents/Attachments/CC14.2a/KPMG%20CDP%20letter%202016%20ISP.pdf">https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/CC14.2a/KPMG CDP letter 2016 ISP.pdf</a>	Pages 1 and 2. See also Sustainability Report page 183/184/185 (scope 1,2 and 3 data).	ISAE3000	13
Annual process	Complete	Limited assurance	<a href="https://www.cdp.net/sites/2017/63/9363/Climate%20Change%202017/Shared%20Documents/Attachments/CC14.2a/ISO_14064-1_PRJC-Z0496176-2016-GHGI-Intesa_Sanpaolo_VS_Rev.2_signed.pdf">https://www.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/CC14.2a/ISO_14064-1_PRJC-Z0496176-2016-GHGI-Intesa_Sanpaolo_VS_Rev. 2 signed.pdf</a>	Pages 1-12 NOTE: the percentage covered by the verification is 0.2 (not possible to insert this number in the right column)	ISO14064-3	1

**CC14.3**

**Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?**

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Purchased goods & services	Emissions reduction activities	5	Decrease	Compared with the previous year we have reduced emissions linked to the paper consumption, in particularly in Italy where we have reduced the amount of paper purchased due to important dematerialization initiatives.
Purchased goods & services	Change in output	1.2	Increase	The increase can be attributed to the increase of the workforce.
Business travel	Emissions reduction activities	7	Decrease	In 2016 Intesa Sanpaolo has been strongly committed to reduce emissions linked to transport. In particular, we have significantly reduced the emissions by personal cars (-19.8) in favor of lower emission carriers.
Business travel	Change in methodology	3.1	Increase	This increasing can be traced back to the update of processing factors following the evolution of energy production systems which take into account, in addition to greenhouse gases directly traced in equivalent CO2 (GWP), also the most significant gases indirectly involved: sulphur dioxide (SO2) and nitrogen oxides (NOX). The methodology that we have used is described in the Abi guidelines that we have contributed to write.
Business travel	Change in output	1.2	Increase	The increase can be attributed to the increase of the workforce.

CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

- Yes, our suppliers
- Yes, our customers

**Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success**

i)Methodology (customer and supplier): The stakeholder engagement activities carried out starting from 2007 with the objective of defining the sustainability strategies have been integrated with the broader business activities over time. Continuous dialogue with our stakeholders, in particular customer and suppliers, allows us to understand the emerging environmental and social issues, expectations, reputational and operational risks connected to the decision of not developing initiatives in specific sectors, as well as the new business opportunities for the Bank in identifying innovative markets. To ensure an effective and strategic engagement process, we have adopted international standards and guidelines:

- AA1000 consists of a set of standards that provide guidelines for the preparation of sustainability reports (AA1000APS - Accountability Principles Standard) and stakeholder engagement (AA1000 Stakeholder Engagement Standard, edition 2015);
- "G4 Sustainability Reporting Guidelines" of the Global Reporting Initiative;
- International Framework <IR> promoted by the IIRC, the main standard for integrated reporting that introduces the concept of "integrated thinking" as the basis of decision-making and value creation in the short, medium and long term.

Each year, the engagement process is developed in close collaboration with the internal structures responsible for dialogue within the company: Customer Experience Department for customers, Internal Communications and Labour/Management Relations for employees, Goods and Services Procurement Department for suppliers and the Investor Relations Service for shareholders. This method allows us to integrate the sustainability expectations into the analyses carried out by the structures and define improvement objectives. Furthermore, in 2016, in order to adapt the environmental management system to the new ISO 14001 standard, a context analysis was carried out with a definition of stakeholder relevance over the implemented management system. Finally, with regard to suppliers, a new compulsory CSR questionnaire has been launched including a section devoted entirely to environmental issues.

ii)Strategy for prioritizing engagement and results measurement: The stakeholder engagement process is the main step into the materiality analysis process that allows the Bank to reconsider/confirm the issues strategic to Intesa Sanpaolo. The findings of this analysis provide us a clear picture of risks and opportunities arising from commitments made by the Bank to its stakeholders and for the periodic formulation of the improvement objectives plan published in the Sustainability Report and for the fine-tuning of a continuous monitoring plan for priority areas.

iii)Measure of success (customer): Each year the CSR Unit evaluates the modalities of implementation depending on the type of engagement desired (operational or strategic), and also on the degree of maturity of the issue to be dealt with and on the extent of representation of the stakeholders to be engaged. For example, in 2016 for issues with a transversal impact on several activities of the Bank, such as climate change, methods more suitable to strategic engagement were selected (in-depth interviews and multi-stakeholder forums). On the contrary, for issues focused on a specific stakeholder such as quality of Intesa Sanpaolo "green" offering, methods such as quantitative questionnaires are more useful. The main findings emerging in 2016 show greater relevance to environmental issues than in 2015 with regard to the Business Products and Services Offering, Low Environmental Impact Solutions, Investments for strengthening the eco-compatible farming industry emerging during two Multi-stakeholder forums realized in the Lombardy Region and in South Italy Area. The Bank's direct environmental impact management is also more relevant than in 2015 for increased interest in all its aspects (reduction of atmospheric emissions and consumption and energy efficiency, reduction of water utilization, reduction and management of waste and paper).

Measure of success (suppliers): To consolidate the monitoring of compliance environment for suppliers, a project was started in the first half of 2016 with a new e-sourcing application called the "New Suppliers' Portal". The new solution, with a module tested in 2016 on 15 suppliers, requires potential suppliers to meet some obligations from as early on as registration, among which the compilation of a CSR questionnaire, with a particular environmental focus. Information of mandatory documents must be updated at least annually. The new supplier qualification process will also make it possible to obtain a Supplier rating that integrates CSR information, which will be monitored over time.

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Type of engagement	Number of suppliers	% of total spend (direct and indirect)	Impact of engagement
Compliance	5000	80%	NOTE: The total number of suppliers involved on the engagement is 7348 but we can't insert this number because the number limit is 5000. Intesa Sanpaolo CSR approach is based on continuous improvement in order to foster socially and environmentally oriented behaviors. For this reason we constantly monitor our suppliers' management approach on CSR issues, including environmental issue, through the Suppliers Portal. 5,263 suppliers on the "Suppliers' Portal" recorded in Italy by the Procurement Department completed registration and replied to specific questions on social/environmental issues in 2016. Analysis of replies shows the following breakdown: 11% declared they publish a social and environmental report, 19.17% have a code of ethics or policies describing their social and environmental commitment, 13% hold environmental certification and 8% have an environmental policy. These percentages have all increased compared to 2015 and show that the Group's focus on environmental issues have led suppliers to be more aware of these aspects as well. International banks using the Suppliers' Portal (VÚB Banka, Banca Intesa Beograd and Privredna Banka Zagreb) also report a good coverage. Suppliers of these banks completing registration and the questionnaire were 2,085 suppliers surveyed. Analysis of replies shows the following breakdown: 16% declared they publish a social and environmental report, 25.9% have a code of ethics or policies describing their social and environmental commitment, 13.3% hold environmental certification and 16.1% have an environmental policy. In foreign countries, although started later the awareness of suppliers, it shows a good percentage of coverage of CSR issues. With the gradual changeover to the "New Suppliers' Portal", all suppliers and sub-suppliers will be required to complete the CSR questionnaire, with a particular focus on environmental commitment (19 questions).

CC14.4c

Please explain why you do not engage with any elements of your value chain on GHG emissions and climate change strategies, and any plans you have to develop an engagement strategy in the future

Further Information

For assurance see also Sustainability Report page 183/184/185 (scope 1,2 and 3 data).

---

**Attachments**

[https://webadmin.cdp.net/sites/2017/63/9363/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC14.Scope3Emissions/RAPPORTO S\\_ENG.pdf](https://webadmin.cdp.net/sites/2017/63/9363/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC14.Scope3Emissions/RAPPORTO%20S_ENG.pdf)

**Module: Sign Off****Page: CC15. Sign Off**

---

**CC15.1**

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Carlo Messina	Chief Executive Officer	Chief Executive Officer (CEO)

---

**Further Information**

**CDP**