

C0. Introduction

C0.1

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

The Intesa Sanpaolo Group (ISP) is one of the leading banking groups in Europe, with a market capitalisation of 45.3 billion euro (as at 30 June 2021), and is committed to supporting the economy in the countries in which it operates, particularly in Italy, where it is also committed to becoming an exemplary model in terms of sustainability and social and cultural responsibility.

In 2020 the merger with the UBI Banca Group contributed to strengthening ISP’s role for sustainable and inclusive growth.

ISP is the market leader in Italy in all operating sectors (retail, corporate and wealth management) and supplies its services to some 14.7 million customers via a network of around 5,300 branches across the country, with a market share of at least 12% in most regions. ISP has a strategic international presence, with roughly 1,000 branches and 7.1 million customers, including subsidiary banks operating in commercial banking in 12 countries in Central/Eastern Europe and in the Middle East and North Africa. It also has an international network specialising in providing support to corporate customers in 26 countries.

Within ISP’s commitment towards sustainability, a specific focus is dedicated to climate change issues with the awareness that innovation, the development of new products and services and corporate responsibility may contribute to tackle environmental changes and the related social impacts. This commitment has led over the years to adhere to numerous international standards, amongst them the UNEP FI and the UN Global Compact. In 2018 ISP decided to support the TCFD recommendations and in 2019 signed the UNEP FI Principles for Responsible Banking (PRB). Through its subsidiaries, it adheres to the Principles for Responsible Investments (PRI) and the Principles for Sustainable Insurance (PSI). ISP is also part of the Unep FI TCFD Banking Pilot project (phase 2 and phase 3). Moreover, within the Risk Appetite Framework (RAF), the Group introduced a specific reference to climate risk, working to develop its integration into the existing risk management framework with particular reference to credit risk and reputational risk.

In 2019, an ISP4ESG project was launched, aiming at placing ISP among the leaders in the ESG field including climate change. In 2020 ISP4ESG mainly focused on the ESG Governance and Sustainable Credit areas. An ESG Control Room was thus launched with the role of supporting the Steering Committee in the strategic proposition on ESG issues and operational coordination.

Several initiatives are focused on the mitigation and careful management of direct and indirect impacts on the environment. The Group continues its commitment to reduce its environmental footprint through, for example, the development of projects aimed at promoting the efficient use of natural resources and the purchase and production of energy from renewable sources. These actions have contributed to an overall reduction of emissions of 59.7% from 2008 to 2020 in line with the Climate Change Action Plan – that has long-term targets in terms of CO2 emissions reduction.

Regarding indirect impacts, ISP credit process considers, among others, environmental and social risks. In May 2020 ISP issued the "Guidelines for the governance of environmental, social and governance risks regarding lending operations" that define general criteria for limiting and excluding loans with a particularly high ESG risk. Along with these Guidelines, ISP issued a Coal policy which defines limitations and exclusion criteria with reference to credit operations in the coal sector. Since 2007 Intesa Sanpaolo has a particular focus on project finance in which environmental and social risks are assessed through the Equator Principles guidelines. In addition, ISP actively supports clients committed to reducing their environmental footprints, through the promotion of green products and services. In the context of the European Green Deal, ISP stated its willingness to make available 60 billion-euro loans in the coming years in Italy. In 2020, the Group disbursed approximately 2.5 billion euro of new loans for green and circular economy, corresponding to 2.9% of the Group total disbursed. The Bank’s established, for the period 2018-2021, a dedicated credit plafond to circular economy of 5 billion euro (recently extended to € 6 bn). In March 2021, ISP has placed a third Green Bond with a nominal value of €1.25 billion that was very well received by investors. Proceeds from the bond will be used to finance green mortgages for the construction or purchase of energy-efficient real estate.

ISP’s commitment is recognised by its positioning in the main social and environmental sustainability indices and rankings: ISP is included in the Dow Jones World and Europe Sustainability Indices and the CDP Leadership Band.

In the questionnaire data from UBI Banca have been excluded due to the merger of Intesa Sanpaolo with UBI Banca during the reporting period.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

- Albania
- Bosnia & Herzegovina
- Brazil
- Croatia
- Czechia
- Egypt
- Hungary
- Ireland
- Italy
- Luxembourg
- Republic of Moldova
- Romania
- Russian Federation
- Serbia
- Slovakia
- Slovenia
- Ukraine
- United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

EUR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Financial control

C-FS0.7

(C-FS0.7) Which organizational activities does your organization undertake?

- Bank lending (Bank)
- Investing (Asset manager)

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	Risks and opportunities arising from climate change are supervised by the Board of Directors through a Committee internal to the Board, the Risks Committee. The Risks Committee assures the best supervision of risks and guidance on the internal control system in this area. It pays special attention to activities that enable the Board to come to a fair and efficient determination of the Risk Appetite Framework (RAF) – which includes a statement on climate risk - and the risk governance policies. It assists the Board in the approval of the Code of Ethics and in the review of Environmental Social and Governance (ESG) matters, including climate change. It reviews the draft of the Consolidated Non-Financial Statement (CNFS) in view of its presentation to the Board and it reviewed the Climate Change Action Plan (which sets CO2 emission reduction targets). The Board approves the Code of Ethics and its updates, ESG policies and the CNFS with climate targets. A climate related decision made in 2020 by the Risks Committee (Board-level committee): The Risks Committee has examined and expressed its favourable evaluation on the proposed Guidelines for the governance of environmental, social and governance risks in lending activities and Rules for lending transactions in the coal sector before approval by the Board. The former defines the general criteria aimed at excluding the financing of companies with relevant environmental, social and governance risks, the latter define the limitations and exclusion criteria for the Group's credit operations in the coal sector. In 2020 ISP continued to strengthen its governance of sustainability and climate change. With the support of the Steering Committee, the Managing Director and CEO submits the definition of strategic guidelines and ESG policies including the fight against climate change to the relevant Board Committees and the Board of Directors. The BoD then approves the strategic guidelines and policies on sustainability (ESG) with the support of the Risks Committee, taking into account the objectives of solid and sustainable creation and distribution of value for all stakeholders, including the environment. Moreover, the Steering Committee – composed of the first organisational line – meets at least every quarter to examine sustainability (ESG) issues, including the fight against climate change

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Climate-related risks and opportunities to our investment activities Climate-related risks and opportunities to our insurance underwriting activities Climate-related risks and opportunities to our other products and services we provide to our clients The impact of our own operations on the climate The impact of our bank lending activities on the climate The impact of our investing activities on the climate The impact of other products and services on the climate	The Risks Committee periodically reviews the approach and the progress of processes and activities related to ESG issues, including climate change issues. To this end, ESG&Sustainability department periodically meets with the Risks Committee internal to the Board to agree upon the approach and report on the progress of processes and activities related to sustainability and non-financial reporting. In 2020 it took part in 4 meetings with the Risks Committee to provide information on the 2019 Consolidated Non-financial Statement, on the Consolidated Non-financial Statement as at 30 June 2020, on ISP's positioning in the main sustainability/ESG indices and rankings and on the Guidelines for the governance of environmental, social and governance risks in lending activities and Rules for lending transactions in the coal sector. During these meetings several climate issues are discussed, incl. the risks and opportunities arising from climate change, with regards to the different business lines of the Group. climate related financial and banking products, impacts and targets. Reg. the impact of our own operations on the climate, the Climate Change Action Plan with targets for 2022 and 2037 was reviewed by Risks Committee and approved by the CEO in 2017. These targets and achievements are included in the Consolidated Nonfinancial statements and are thus reviewed by the Risks Committee. In 2020 the subject of climate change risk was presented in different occasions by the Chief Risk Officer to the Risks Committee. The Risks Committee received a presentation on climate change risk, the EU Taxonomy and the integration of this risk within the risk management framework. It also examined a new version of the "Guidelines for the Governance of the Group's Most Significant Transactions", which introduces a specific category of transactions related to ESG risks. In 2020 the subject of climate change risk was presented by the CRO to the Risks Committee in occasion of the presentation of the Guidelines for the governance of environmental, social and governance risks regarding lending operations" and the "Rules on lending operations in the coal sector".

C1.2

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

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Financial Officer (CFO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities	Quarterly
Chief Risks Officer (CRO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	Quarterly
Other committee, please specify (Steering Committee - – composed of the first organisational line) <i>Steering Committee – composed of the first organisational line – meets quarterly to examine sustainability issues (ESG), including the fight against climate change.</i>	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	Quarterly
Environmental, Health, and Safety manager	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our own operations	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Chief Financial Officer

The CFO reports directly to the Managing Director and CEO and to the Board and meets regularly with the Risks Committee internal to the Board. Responsibilities for climate-related issues are assigned to the CFO to best integrate sustainability in the finance sector and improve transparency and efficacy in disclosure and market communication. The CFO assessment and management of climate-related issues is supported by the ESG&Sustainability Department which, through the CFO, supports Top Management in defining sustainability strategies and policies to generate value for stakeholders. Within the Sub-Department a team is focused on climate change issues.

Chief Risks Officer

The CRO reports directly to the Managing Director and CEO and to the Board and meet regularly with the Risks Committee internal to the Board. A specific responsibility on climate risks is assigned to the CRO, with the commitment to fully integrate climate change risk considerations in ISP's risk management framework - especially credit risk and reputational risk - and to monitor the exposure of the part of credit portfolio more sensitive to climate change risk, in line with the Group's Risk Appetite Framework (RAF).

Steering Committee

The Steering Committee – composed of the first organisational line – meets quarterly to examine sustainability issues (ESG), including the fight against climate change. The CRO and CFO are members of the Steering Committee composed of the first organisational line. The Steering Committee collaborates in the identification of sustainability issues that are potentially relevant for the definition and updating of the materiality matrix. Taking into account the objectives of solid and sustainable creation and distribution of value for all stakeholders, it collaborates in the definition of strategic guidelines and sustainability policies (ESG), including the fight against climate change, which the Managing Director and CEO submits to the relevant Board Committees and the Board of Directors. It also examines the CNFS prior to its presentation to the Board. In order to review these issues, the Committee meets at least quarterly as part of the Business and Sustainability Plan (ESG) session

The ESG Control Room supports the Steering Committee - Business Plan and Sustainability (ESG) Session - in the strategic proposition relating to ESG issues; it takes care of the operational coordination for the implementation of the most relevant ESG initiatives and assesses the opportunity and solidity of any new initiatives in this area. The ESG Control Room relies on the Sustainability Managers, identified in each Area and Division, who guarantee an overall and integrated supervision of ESG initiatives for the relevant scope and contribute to the Group's strategic proposition on these issues.

Environmental, Health and Safety Manager

He reports directly to the Managing Director and CEO and is in charge of the Safety and Protection Head Office Department, that ensures Group-level supervision of compliance risk with reference to the area of Environmental Protection. The Energy Manager within the Safety and Protection Department is in charge of monitoring the impacts related to the Group's energy consumption. The Safety and Protection Head Office Department is responsible for governing the Environmental and Energy Management System adopted by the Group and promoting improvement objectives, guaranteeing the maintenance of international ISO certification in collaboration with the competent structures. The assessment of risks to workers' health and safety also includes the assessment of the hydrogeological risk and hydraulic risk due to flooding and landslides. It monitors the most significant impacts related to the Group's energy consumption.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Company performance against a climate-related sustainability index	Among the non-financial KPIs for 2020, the CEO was assigned a Social and Environmental Impact KPI (Impact & ESG KPI , with a weight of 10%). This KPI is evaluated according to specific drivers; among them: support to the Green Economy and to the Circular Economy (YoY increase in loans to customers relating to Green / Transition Loans, Circular Economy Loans and Green mortgages). Among the non-financial KPIs introduced for 2021, the CEO has been assigned a ESG KPI (with a weight of 15%). This ESG KPI is evaluated according to specific drivers; among them: 1. support for the green economy and circular economy, declined as follows: - YoY increase in loans to customers relating to Green / Transition Loans, Circular Economy Loans and Green mortgages; - Reduction of the overall agreements (plafond or lines) towards the carbon energy sector compared to 31/12/2020.....(...) 2. sustainable finance growth (lending), 3. growth in sustainable investments (asset under management); The ESG KPI is then declined within the organization, beginning with the CEO's first line, on the basis of the levers used by Risk Takers and the Middle Management.
Energy manager	Monetary reward	Emissions reduction project Energy reduction project Energy reduction target Efficiency project Behavior change related indicator	The energy manager is in charge of monitoring the most significant impacts of energy consumption; preparation of energy balance; guidelines to identify 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 reward is directly based on reducing the ISP's carbon footprint. Annual incentives consider overall performance including qualitative aspects (behavioural skills, competencies level and annual results, compared with objectives).
Facilities manager	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Efficiency project	Activity incentivized: Energy reduction project; Emissions reduction project; Emissions reduction target; Efficiency project 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 consider overall performance including qualitative aspects (behavioural skills, competences level and annual results, compared with objectives).
All employees	Monetary reward	Behavior change related indicator	Sustainable mobility. To facilitate employees commuting to reach the Bank's premises in areas not served by public transport in Turin/Moncalieri, Milan/Assago and Padua/Sarmeola di Rubano, ISP offers free shuttles, thereby reducing commuting costs paid by employees and reducing CO2 emissions. At the Bank of Alexandria (Egypt), a shuttle service to Cairo and Alexandria is available. Moreover, in the cities of Florence, Turin, Milan, Venice, Bologna, Rome and Padua employees can request annual season tickets to public transport directly from their workstation, avoiding trips and queues at the counters and taking advantage of discounts. ISP Group has developed in sharing services (car, motorbike and bike). In Italy, ALI - the Intesa Sanpaolo employees' association - has entered into agreements with the main networks in a number of cities. Bicycles owned by the Bank are available at Intesa Sanpaolo Bank Romania, Intesa Sanpaolo Bank (Slovenia) and CIB Bank (Hungary) and as from this year also in VÚB Banka (Slovakia). Special bicycle parking spaces are available in Intesa Sanpaolo Bank Albania and Eximbank (Moldova) as well as in Privredna Banka Zagreb (Croatia), CIB Bank (Hungary) and VÚB Banka (Slovakia) where, in addition, employees can benefit from additional services (changing rooms and showers). COMPANY CARPOOLING The service, which initially started as a pilot project, has been available to all employees in Italy since October 2019. Other forms of car sharing have been implemented in Intesa Sanpaolo Bank Albania, CIB Bank (Hungary), Banca Intesa Beograd (Serbia), Pravex Bank (Ukraine), Intesa Sanpaolo Bank Romania, Intesa Sanpaolo Bank Slovenia, Intesa Sanpaolo Banka Bosna i Hercegovina and in VÚB Banka (Slovakia).

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	Yes, as an investment option for some plans offered	ISP's Pension Fund dedicated to ISP's employees, has launched in 2019 a specific retirement scheme characterized by strict ESG criteria and focused on climate change issues, which has been activated in 2020. At the end of 2020 it has gathered more than 60 million euro.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	2	0 = current
Medium-term	2	5	
Long-term	5		Climate change action plan foresees long term targets on GHG emissions reduction up to 2037.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

ISP, for Climate Change issues, considers substantive financial impacts, those that can affect, due to their severity, a number of business units, business operation continuity, stakeholders concern, asset impairment, reduction in profits and therefore a financial

impact on profit and loss account and balance sheet. The event can have a significant financial impact because of one of each aspect or for the combination of more than one. A substantive financial impact is defined for operational risk as losses exceeding 8,000,000 euro accounted over a period of twelve months and related to a single event. Operational losses are cross-checked with the general ledger accounts and are monitored within the operational risk management framework: the loss data collection process gathers and stores in a central database information on operational losses that exceed 3,000 euro.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

ISP has a company-wide risk management process comprising both indirect risks derived by clients and direct operations. ISP takes into account the environmental risks, associated with the activities of its client companies and the economic activities it invests focusing on sustainability issues related to sectors considered sensitive, i.e. with a significant risk. ISP pays particular attention to the risk arising from climate change. Key activities in climate risk management concern 1. identification, assessment and measurement of such risks and 2. implementation, development and monitoring of a company-wide risk management framework, incl. risk culture, risk appetite and credit limits. With the support of the various Governance Areas and Divisions, the Chief Risk Officer and Chief Financial Officer work together to identify and analyse the range of risks and opportunities related to climate change, incorporate them into the processes of risk assessment and monitoring and credit strategies, and to set objectives and guidelines for implementing actions to manage and mitigate said risks. A Group-level unique mapping of economic/ESG sectors and subsectors has been defined. Sectors and subsectors are identified starting from NACE codes. Such mapping takes into account climate risk and ESG sensitive sectors as defined according to the existing Group's guidelines. This mapping is the base for the monitoring of Group's exposure to climate sensitive business sectors. The reporting takes into consideration the Group's lending exposures with ref. to the regulatory segments: Institutions, public entities, corporate and SME, project finance, sovereign and structured finance. The analysis that highlights the business sectors more exposed to climate change risk is reported on a quarterly basis to the Steering Committee. At the end of 2020 Climate Change related credit limits have been defined for lending to Coal Mining and Oil&Gas; these limits were later introduced in the Risk Appetite Framework following approval by the Board. To monitor ESG and Reputational risks a proposal has been agreed on a short list of controversial client companies (defined in 1Q2021), often responsible for operations classified as dodgy deals. Case study transition risks: In relation to this process, as part of the pre-lending assessment by the Risk Manager a class of risk is assigned to corporate clients exposed to ESG risks, with a focus on climate risk. The assessment of transitional risk is of great importance for clients operating in climate sensitive sectors. For ex, in 1Q 2020 a risk clearing has been performed on a corporate client operating in the coal mining sector. The 1st check has been made by the relationship manager to evaluate the transaction's compliance with the limitation defined within ISP's Rules on lending operations in the coal sector. The risk assessment has been carried out considering the process established in the "Rules on the management of Most Significant Transactions" for ESG, and climate sensitive sectors. It has taken into account the exposure to ESG risks of the business sector and client and related effects on reputational profile of the company. Mitigating factors have been considered such as ISO 14001 certification and action plan to manage climate risks. This transaction is compliant both with the credit limit defined for the coal mining sector and with the phase-out defined within the RAF and has been assessed as feasible given the type of transaction (short-term refinancing), the company sustainability profile and the absence of expansion plans of the coal mining. With ref to operations, ISP analyses and contains possible risks on its properties. The Risk Assessment Document evaluating risks to workers' H&S includes the assessment of the hydrogeological risk due to flooding and landslides. Among physical risks impacting ISP's operations in the Italian territory, hydrogeological risk has been assessed as one of the most important. Floods can have an adverse impact on ISP as they can damage ISP premises, data centres and put at risk the possibility of commuting of employees. The assessment of buildings is conducted as a preventive measure in relation to local risk and building vulnerability, and subsequent to an external event, to maintaining the functionality of the buildings involved. Based on the provisions of the Italian Institute for Environmental Protection and Research, which divides the territory into 5 hazard classes (very high, high, medium, moderate and attention areas), more than 1,000 ISP's premises in Italy are subject to landslide and flood risk. In the Bank's assessment of flooding, the benchmark is based on the level of danger associated with a floodable area, and depends on the probability that the area can be flooded. For landslides, the benchmark is based on the level of risk associated with an area and depends on the relationship between the probability of occurrence of the event and its magnitude. These assessments enable ISP to implement actions and Emergency Plans taking into account the effects of critical events linked to natural events allowing for the management of different potential risk scenarios and for the mitigation of risk. Case study physical risks: An important initiative of 2020 reg. the situation in one of ISP's sites identified in the above mentioned process as highly vulnerable to hydrogeological risk because affected by the high water emergency caused by the rising sea level. The task has been to perform a vulnerability assessment of the 14 ISP's Venice branches located in Venice. The risk for each branch was analysed and procedures to manage the emergency identified. High tide bulletins are checked periodically to provide the competent structures with advanced warning and enable them to activate the procedures outlined in the Emergency Plans. In general, with regard to all direct risks related to climate change and to the occurrence of crisis events in Italy, ISP's model calls for the activation of Critical Events Management at the first alert of bad weather, which guarantees the continuous monitoring of the situation and supports the overall coordination of the actions agreed to by the territorial structures, in constant connection with the relevant central structures. In case of very serious calamitous events, the Emergency Management Operations Centre of the Business Continuity Management Dep. is also activated, which monitors the situation, assesses the temporary closure of buildings and initiates any other actions. In order to guarantee operational continuity in the areas most affected by bad weather, the local and central structures' crisis contacts are also activated for the timely reporting of critical issues, with particular reference to delays in the transport of valuables and correspondence, staff difficulties in reaching the workplace and difficulties of the branches with operations and systems.

C2.2a

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

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Climate related risks deriving from current regulation are considered relevant by ISP because in the event of non-compliance with Italian and European regulation, ISP can be affected, e.g. possible fines, that can have financial and reputational impacts, procedural adjustment costs relating to the implementation of new processes, negative impacts on the possibility of implementing new products and services. Thus ISP monitors possible changes to Italian and European regulations and related ISP's compliance. Chief Institutional Affairs and External Communication Officer Area is in charge of following the regulatory evolution and its impact on ISP with a focus on ESG regulation. In 2021 a centralized supervision of ESG/climate regulation at ISP's ESG Control Room was introduced with a specific process involving various ISP's structures and a strong role of the Chief Institutional Affairs and External Communication Officer Area and the Legal Department. For ex., since 2017 ISP aligned its sustainability reporting to European Directive regarding Non-financial Statement and art. 4 of Italian Leg. Decree 254/2016. The decree requires climate related disclosure including on climate governance, analysis and management of climate related risks and opportunities, potential impacts of the company's activities on climate change, potential impact of climate change on the company. The potential financial impact of non-compliance with the decree (incl. disclosure of management, policies, risks, actions and environmental KPIs) involves the cost of administrative sanctions as well as a reputational cost. In 2020 the identification of material issues for the Consolidated Non-financial Statement focused on the Action Plan on financing sustainable growth (which is an essential part of the European Green Deal, also considering the role of financial institutions towards the transition to more sustainable economy) and on the related documents made available by the European Commission during 2019-2021 (EU Regulations 2019/2088 - EU Taxonomy, EU Regulation 2019/2088 - Sustainable Financial Disclosure Regulation – SFDR, Report on EU Green Bond Standards, Report on climate benchmarks and non-binding Guidelines on climate reporting). The ECB Guide on climate-related and environmental risks was also taken into account. In case of non-compliance to these new regulations, ISP could incur in financial penalties, thus ISP needs to invest in new monitoring and reporting process.

	Relevance & inclusion	Please explain
Emerging regulation	Relevant, always included	Climate related risks deriving from emerging regulation are considered relevant by ISP because in the event of non-compliance ISP can be affected (possible fines that can have financial and reputational impacts, procedural adjustment costs, negative impact on the implementation of new products and services). Thus, ISP constantly monitors emerging regulations through the Chief Institutional Affairs and External Communication Officer Area, in charge of following the regulatory evolution and its impact on ISP. This is made by participating in national and international working groups and in public consultations launched by the European institutions. In 2021 a centralized supervision of ESG regulation at ISP's ESG Control Room was introduced with a specific process involving various ISP's structures and a strong role of the Chief Institutional Affairs and External Communication Officer Area and the Legal Department. For ex, ISP is evaluating with great attention the emerging regulation by the EBA (European Banking Authority) and ECB (European Central Bank) which is expected to impact substantially ISP's processes, risk management and business strategy. In 2020, ISP participated in the consultation for the development of the EBA's Draft guide on climate and environmental risks. Also, ISP participated in the EBA pilot sensitivity exercise on climate risk. ISP is also participating in the European Banking Federation and UNEP FI's working group on the usability of the EU Taxonomy for banks assessing the extent to which the EU Taxonomy on Sustainable Activities could be applied to core lending products. In 2020 phase one of this working group came to a conclusion with the publication of a report. In 2020 ISP participated in the following public consultations: - The Regulation (EU) 2020/852 (Taxonomy) on the establishment of a framework to facilitate sustainable investment and its delegated acts; - The Targeted consultation on the establishment of an EU Green Bond Standard; - The EBA Discussion paper on management and supervision of ESG risks for credit institutions and investment firms; - The Non-Financial Reporting Directive revision consultation; - The consultation on the renewed sustainable finance strategy; - The ESAs Survey on templates for Environmental and/or Social financial products under SFDR. In 2021, ISP participated in the consultation of the ECB and performed the self assessment and the action plan on climate and environmental risks as requested.
Technology	Relevant, sometimes included	Technology climate related risks, associated with technological improvements or innovations that support the transition to a lower-carbon, energy-efficient economic system, are considered relevant by ISP because in case of delays in scaling-up to new technological improvements ISP can be affected directly and indirectly (customers, suppliers), with possible financial impacts. ISP considers actions to advise clients on managing the transition towards a low-carbon economy. This is made also through the analysis of technological shifts - for ex through the development of research projects in the environmental field, supporting businesses and customers in developing innovative ways of rethinking goods and services. ISP continues to pursue its Circular Economy project thanks to which numerous initiatives were carried out in 2020 to promote this model in various domestic and international locations. For the 2018-2021 period (Business Plan), ISP has established a plafond of 5 bn euro (increased by 1 bn euro in 2020), aimed at companies which adopt the circular model with innovative procedures, granting the best conditions for accessing credit. In 2020, disbursements from the credit line amounted to 1.5 bn euro (2.2 bn euro since it was launched). Various projects were supported for initiatives such as the replacement of traditional materials with others from recycled or biological sources, the recovery of urban organic waste for biometane production, with the production of compost and recovery of CO2, the production of coloured compostable fabrics with dyes made from agricultural waste. In 2018 ISP launched the Circular Economy Lab, the 1st Italian laboratory - with Cariplo Foundation designed to generate value for ISP's business customers by developing research and circular innovation projects. Among the various projects, in partnership with Microsoft, it also launched a Call for Start-ups to combine the principles of the circular economy with the potential of the digital revolution. The initiative involved 400 start-ups (55% Italian and 45% foreign) and over 20 Corporate businesses and SMEs. In 2020 the Startup Initiative continued selecting innovative start-ups, providing them with coaching on approaching the market and introducing them to the stakeholders of the innovation ecosystem. The selection process integrates the circularity criteria in the assessment. An Italian start-up in the bioeconomy sector was heralded as Circular Economy success story
Legal	Relevant, always included	Legal climate related risks are considered relevant by Intesa Sanpaolo because in the event of litigation claims, ISP can be affected in different ways that can have reputational and financial impacts. Intesa Sanpaolo in order to guarantee complete and extensive compliance with legislative provisions regarding the environment in Italy and in the countries where the Group operates, constantly and precautionarily monitors possible changes to Italian and European regulations in order to counteract negative legal implications from its activities. i.e. In Italy the Safety and Protection Head Office Department and the Energy manager ensure compliance with environmental and energy rules which, if not addressed, can lead to litigation claims. The possible legal implications linked to climate risk are also considered in the lending operations with corporate clients or SME clients and they are subject to careful consideration and analysis in the loan origination phase as well as in the risk assessment. In 2021 a centralized supervision of ESG/climate regulation at ISP's ESG Control Room was introduced with a specific process involving various ISP's structures and a strong role of the Legal Department in order to evaluate the possible legal implications linked to climate regulation.
Market	Relevant, sometimes included	Market climate related risks are considered relevant by Intesa Sanpaolo because in the event of shifts in supply and demand for certain commodities, products, and services, ISP can be affected in different ways that can have both reputational and financial impacts. Market risks are integrated in the risks assessment with reference to operations, to the upstream phase (suppliers) and the downstream phase (customers). With reference to operations, ISP evaluates the potential direct impacts on its premises in Italy and in the countries where ISP operates (for instance through the exposure to unexpected shifts in energy cost). On the upstream side (suppliers), to mitigate risks from unexpected shifts in energy costs, Intesa Sanpaolo implements the following actions: - signing contracts with electricity providers on a biennial basis instead of annual with so-called structured price contract. The contract provides for a purchase method in which the price is fixed in advance in relation to the prices of the raw material present on the reference market (European Energy Exchange - EEX) - direct actions and initiatives to reduce electricity consumption. On the downstream side, ISP is impacted by market risk for example through the exposition to changing customer behaviour that ISP aims to intercept through the development of green economy and circular economy products and services. In addition to what is stated above, ISP risk evaluation takes into account market risk related to the companies and Business sectors financed that are particularly exposed to climate change impacts. To this extent ISP has issued a policy regarding the financing of the coal sector. To mitigate the risk of a reduced customers' demand for green goods and/or services due to shift in consumer preferences, Intesa Sanpaolo advises clients about benefits deriving from investments in renewable energy. For example, through the Energy desk (composed of a team of professionals from the sector), several projects on energy efficiency and renewable energy were funded in 2020.
Reputation	Relevant, always included	Reputation risks deriving from climate (all risks tied to changing customer or community perceptions of an organization's contribution to or detractor from the transition to a lower-carbon economy) are considered relevant because when ISP is affected by a reputational issue, financial impacts can occur. ISP's reputational risk governance model envisages that management and mitigation of these risks is pursued: 1. through compliance with standards of ethics and conduct by all employees; 2. systematically and independently by the structures tasked with safeguarding the company reputation, which maintain relations with stakeholders, within their respective areas of responsibility; 3. across the various corporate functions, through the Reputational Risk Management processes coordinated by the Chief Risk Officer 4. with an integrated monitoring system for primary risks (credit, operational, market risks) to limit exposure to those risks, and compliance with the related limits set in the Risk Appetite Framework. Within the Reputational Risk process ISP tries to capture risks associated with climate change that may result in additional costs for the Bank or its customers. As part of the Reputational Risk Management processes, of particular importance is ESG & Reputational Risk Clearing, aimed at the advanced identification and assessment of potential reputational and ESG risks associated with the most significant business operations, the main Capital Budget projects and the selection of the Group's suppliers. As part of ESG & Reputational Risk Clearing, a risk class is assigned to transactions/counterparties that are potentially exposed to reputational and ESG and climate risks in order to support decision-making processes and permit the informed acceptance of risk. In 2020 the clearing process was strengthened through the fine-tuning of the methodological approach and the introduction of a first-level control aimed at identifying the most relevant ESG risk profiles in the first phases of the corporate credit granting process; for example, ISP's financing to its corporate customers operating in a climate sensitive sector, such as coal or oil&gas, are subject to a reputational, environmental and social risk evaluation which analyses the various risk factors and possible impacts and assigns a class of risk to the client. In 2020 a total of 50 partnerships and 104 loan transactions were assessed, 10 of which were screened according to the Equator Principles.
Acute physical	Relevant, sometimes included	Acute physical risks (risks that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods) are considered relevant by ISP because in the event ISP is affected by severe weather atmospheric events there can be financial impacts on the Group properties or indirectly (customer activities). In particular there can be financial implications related to the increase of customers' probability of default for businesses seriously damaged by extreme atmospheric events or increased costs deriving from possible damages to the Bank's infrastructure i.e. adoption of a business continuity plan and measures to prevent physical damage to ISP's premises. Acute weather and atmospheric events are part of ISP risk assessment. ISP 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 allows for preventative actions in high risk locations. With regards to customer activities, in 2020 in the corporate rating model, the physical risk component of climate change was analyzed, and an ad hoc module, named CAT RISK, was developed, assessing the risk of fires, earthquake (not climate related) and floods. ISP also supports with a concrete and tangible commitment families and businesses affected by environmental disasters. Among these initiatives, it is worth noting that, in 2020, ISP provided support for families affected by extreme weather events for instance through a 25 million euro credit line for families and businesses in the city and province of Crotona. Also in the insurance segment ISP has integrated the acute physical risk and opportunity. Among the insurance products that aim to cover customers' insurance needs in the Family, Health and Property areas, the "XME Protezione" insurance cover, places special emphasis on protection against natural disasters, offering protection from damage caused by atmospheric events such as floods and cloudbursts. The coverage will reimburse up to 80% of the customer's property value. Over 105,000 "XME Protezione" policies with flood coverage had been taken out at the end of 2020. Furthermore, initiatives in 2020 were ongoing to implement scenario analyses and stress test methodologies, among them ISP published in the UNEP FI paper "Charting a New Climate" its case study - Physical climate risk measurement: the UNEP FI Phase I Excel tool applied to Energy and Oil & Gas companies.
Chronic physical	Relevant, sometimes included	ISP is starting to consider "Chronic physical risks" such as changes in precipitation patterns and strong variability in weather patterns, rising mean temperatures or rising sea levels. In particular Intesa Sanpaolo is aware that there can be financial indirect implications related to the increase of the probability of default of businesses suffering increased costs of production or reduced demand related to the climate change events. Therefore, on the medium-long term Chronic physical risks can be considered relevant. For instance, rising mean temperature could have a significant impact on power and thermal consumption in ISP's premises. The potential financial implications of these risks are strictly related to the increase of electric energy consumption and associated costs. To mitigate the risk of heat consumption not suited to indoor and outdoor temperature Intesa Sanpaolo has identified targets and has installed temperature sensors (in over 3,000 premises) that can provide the real time temperatures inside Bank's locations, which has allowed considerable savings. Moreover, Intesa Sanpaolo pays attention to energy efficiency of its branches. The actions and measures to reduce electricity and thermal energy consumption continued in 2020 both in Italy and in the International Subsidiary Banks. The actions undertaken confirm that the Intesa Sanpaolo Group also assesses the potential risks connected with climate change that may influence the future management costs of the properties. Rising sea levels could have a financial impact on ISP, i.e. in Italy, where there are thousands of kilometers of coastal areas, the risk of sea level rise can be considerable in the long term. Furthermore, initiatives in 2020 were ongoing to implement scenario analyses and stress test methodologies, among them ISP published in the UNEP FI paper "Charting a New Climate" its case study - Physical climate risk measurement: the UNEP FI Phase I Excel tool applied to Energy and Oil & Gas companies.

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Please explain
Bank lending (Bank)	Yes	The lending portfolio's exposure to climate related risks is presented on a quarterly basis to the Steering Committee in the context of the Group Loan Portfolio reporting. A more comprehensive lending portfolio's exposure to ESG risks is reported to the ESG Control Room. Another milestone of the ISP4ESG project is to assess the potential contribution of each business sector identified to the transition to a low carbon economy and its positive impact in terms of ESG factors. As a part of the overall ESG climate strategy each sector has been categorized according to an evaluation of its specific ESG risks and opportunities.
Investing (Asset manager)	Yes	In 2019 a wide project has been launched called ISP4ESG aiming to confirm ISP's leadership in the ESG field. One of the pillars of this project is assessing the exposure of the portfolios of the Group to ESG risks and opportunities with a focus on climate change risks and opportunities. Until now works have focused on lending portfolio but the assessment will also include the other business lines of the Group as the approach of this long term programme is comprehensive. Eurizon is getting ready for 2022 reporting requirements of the Sustainable Financial Disclosure Regulation – SFDR while its data providers have not fully updated their service with data on Principle Adverse Impact. The PAI of SFDR is intended to show investors and prospective investors how investment decisions made by a Financial Market Participant have or may have adverse impacts on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	see other rows

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Portfolio coverage	Assessment type	Description
Bank lending (Bank)	Majority of the portfolio	Quantitative	ESG and climate taxonomy has been defined within a working Group across the governance areas of Chief Risk Officer, Chief Lending Officer, Chief Financial Officer in coordination with the ISP4ESG project; the classification includes 55 sectors and more than 180 micro-sectors. The business sectors identified in this taxonomy are assessed according to the potential exposure to climate and ESG risks. The definition of the sectorial assessment is based on internal and external inputs: External inputs: Analysis of the main ESG / climate taxonomies utilized by peers – ESG Data Provider– Regulator (i.e., EU Taxonomy) – main International Roundtables (e.g., SASB, GRI, Equator Principles, UNEP FI, CDP, OECD, PACTA etc). Internal inputs: ESG and climate taxonomy – ESG internal Guidelines. The ESG Sectorial assessment is summarized in sector/microsector scores calculated as follows: Environmental: the final microsector score is calculated starting from the transition risk score adding a notching for other environmental factors (i.e., Physical risk, Water Management, Waste and Pollution, Ecological impact). Social and Governance: the score is calculated leveraging external analysis at sectorial level. ESG: the overall ESG sector/microsector score is calculated by means of a weighted average of the E, S and G Assessments. The goal of this materiality assessment is to quantify the Group's exposure to these risks. The assessment covers a vast majority of the lending portfolio and all of the portfolio where climate risks are material (for example individuals/non business clients are not in the scope of the assessment). Specifically the scope of the portfolio assessment includes loans to Corporate clients, SMEs, sovereigns and public entities, including loans of the International Subsidiary Banks of the Group. This mapping of the lending portfolio has utilized NACE codes as the main classification system. The assessment quantifies the credit portfolio exposures that are potentially most affected by climate risks both transition risk and physical risk. The work follows the TCFD approach, i.e. the logic of financial materiality (impact of climate change on the value of the counterparty and consequently on credit risk). The ESG sectorial strategy developed is comprehensive, it can be utilized to assess both risks and opportunities (for example, the potential contribution of each business sector identified, to the transition to a low carbon economy and its positive impact in terms of ESG factors). Business sectors strategy is identified by the following cluster: - Blue: sectors with a net positive contribution to transition or positive impact in terms of ESG factors; - White: sectors where the ESG assessment does not identify clear or unique material ESG risks; - Yellow: sectors with material ESG risk but where transition is deemed possible; - Orange: sectors with material ESG risk and where transition is not feasible; - Red: sectors with material ESG risk and which are considered not target of business activities because of policy and/or regulatory considerations.
Investing (Asset manager)	Minority of the portfolio	Quantitative	Eurizon Capital SGR has adopted - as an additional assessment element to support the investment decisions of the managers - a proprietary score that integrates environmental, social and governance factors, called "Eurizon ESG Score" (also "ESG Score" or "ESG Composite Score "). The Eurizon ESG Score proprietary model provides for an articulated system of aggregation of scores, attributed on a standardised scale, referring to the following 2 components: □ ESG Risk Score which estimates the environmental, social and governance impact of the business of individual issuers and the ability of the related choices to materially affect the generation of profits. This indicator therefore estimates the significance of the costs associated with ESG risks relating to the issuer's sector (e.g. regulatory restrictions on specific areas of activity); the component is calculated by weighting the scores of the Key Performance Indicators (KPI) considered material for each issuer, selected according to the sector to which they belong; an additional discretionary component is added to the KPI considered material, referring to the risks of disputes determined by aspects of "Privacy" and "Security"; □ ESG Opportunity Score which estimates the ability of issuers to take advantage of sustainable growth opportunities, in terms of their ability to generate future profits (e.g. technological innovations with environmental impacts). The indicator is measured as a percentage of revenues that derive from the sale of products and services aligned with sustainable development objectives and is calculated by adding the contributions of the KPIs considered material for each issuer, depending on the sector to which they belong. Regarding portfolio coverage (minority of portfolio), Eurizon Capital's proprietary score was initially developed to manage a sub-set of equity portfolios whose investment universe are the largest stocks, about 1600, of the developed countries. Recently it started to extend its proprietary coverage and the goal is to achieve full coverage within the next 2 years.
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS2.2d

(C-FS2.2d) Do you assess your portfolio's exposure to water-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	No, we don't assess this	<Not Applicable>	Water-related environmental and social risks are considered important within the Group for example when evaluating a project to be financed (for a large infrastructure or in the agribusiness sector etc). The impact of drought, flooding, water scarcity, water stress, are also included as part of the risk assessment in our operations. In the context of the corporate rating model, to enhance climate-conscious culture, in 2020 the physical risk component of climate change risk was analyzed, and an ad hoc module, named CAT RISK, was developed, assessing the risk of floods, fires, earthquake. However we have not yet planned to assess specifically the portfolio's exposure to water related risks and opportunities because we are at present focused on the assessment of the portfolio's exposure to climate related risks and opportunities (where there are however connections with water challenges). In 2019 a project called ISP4ESG was launched. After screening ESG best practices in the banking sector, the project aims at placing Intesa Sanpaolo among the leaders in this field including climate change. One of the pillars of this project is assessing the exposure of the portfolios of the Group to ESG risks and opportunities with a focus on climate change risks and opportunities. In this context water issues are being considered also, in the "environmental pillar" of ESG. However the focus on water and the measurement of the related exposure, would require an in depth dedicated analysis and assessment with dedicated resources.
Investing (Asset manager)	No, we don't assess this	<Not Applicable>	Water-related environmental aspects are valued within the ESG escalation procedure of the Investment Process. Issuers are considered eligible on the base of their positive and negative impact on various environmental aspects including water related ones. However we have not planned to assess specifically the portfolio's exposure to water related risks and opportunities.
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	No, we don't assess this	<Not Applicable>	Water-related environmental and social risks are considered important within the ESG /reputational evaluation of other products and services. However we have not planned to assess specifically the portfolio's exposure to water related risks and opportunities.

C-FS2.2e

(C-FS2.2e) Do you assess your portfolio's exposure to forests-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	Yes	All of the portfolio	The "Guidelines for the governance of environmental, social and governance risks regarding lending operations" define the general criteria for limiting and excluding loans with a particularly high Environmental Social and Governance risk, including climate risk; furthermore, they define the criteria applicable to single sensitive sectors through the application of specific sector Rules. The forestry sector is among the identified sensitive sectors, particularly for its high exposure to environmental and climate risk. In this context forests related risks are identified. ISP's exposure to the forestry sector has been assessed and it has resulted as one of the bottom ten sectors - one towards which our Group is less exposed to in terms of disbursement and granted amounts.
Investing (Asset manager)	No, we don't assess this	<Not Applicable>	Forests-related environmental aspects are valued within the ESG escalation procedure of the Investment process. Issuers are considered eligible on the base of their positive and negative impact on various environmental aspects including forests- related ones. However we have not planned to assess specifically the portfolio's exposure to forests related risks and opportunities.
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	No, we don't assess this	<Not Applicable>	Forests-related environmental and social risks are considered important within the ESG /reputational evaluation of other products and services. However we have not planned to assess specifically the portfolio's exposure to forests related risks and opportunities.

C-FS2.2f

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

	We request climate-related information	Please explain
Bank lending (Bank)	Yes, for some	As part of Reputational Risk Clearing (a pre-lending assessment performed by the Risk Manager in collaboration with the Client's Relationship Manager as needed) a class of risk is assigned to transactions/counterparties that are potentially exposed to reputational and ESG risks in order to support decision-making processes, thus enabling an informed acceptance of risk. In 2020, methodological developments have focused on strengthening the assessment of ESG risks associated with transactions/counterparties, with a particular focus on customers operating in sectors that are sensitive to climate change risk. In 2020 a total of 50 partnerships and 104 loan transactions were assessed, 10 of which were screened according to the Equator Principles. This assessment incorporates some climate risk information such as GHG emissions data and emissions reduction targets. Information is sourced from public documents (Sustainability Reports, web pages etc) when possible, or from requested written documentation.
Investing (Asset manager)	Yes	Issuers are selected on the base of an internal rating system which highly values environmental impacts. The engagement practice, part of the escalation procedure, focuses on climate related information specifically on impact and resilience. As of 2018 Eurizon, ISP's asset management company, has its own Engagement Policy in which it reaffirms its commitment to carry out in-depth research and to establish a fruitful dialogue with the management and/or control bodies of the relevant issuers. Eurizon implements an engagement process ('active share ownership') structured on various levels, from dialogue with the companies subject to supervision right up to the activation of voting rights in shareholders' meetings. In 2020, Eurizon carried out 840 engagement initiatives with 573 issuers, with about 24% primarily related to ESG issues. Fideuram, the other company within the ISP Group which operates in the asset management business, also has its own engagement policy.
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	see other rows

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Other, please specify (compliance to voluntary standards)
--------------------	-----------------------------------------------------------

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

Operational risk

Company-specific description

Intesa Sanpaolo, as a financial services company active in asset management, retail and corporate banking, investment banking and bank assurance, can be affected directly and indirectly by changes in voluntary standard related to climate change it has adopted. Among these voluntary standards, the ISO14001 and the ISO 50001 certifications are particularly important. ISP was the first Italian bank to have adopted an Integrated Management System in Italy that complies with international standards ISO 45001 (Occupational Health and Safety), ISO 14001 (Environment) and ISO 50001 (Energy). The certification scope, for the three schemes, has been extended over the years to include 100% of branches and buildings in Italy. The System, with particular reference to environmental, energy and climate issues, establishes a continuous monitoring process of the targets and internal checks are carried out in order to assess the level of performance achieved compared to planned performance. These standards evolve over time and in case of a change in the standards' requirement (as for examples the recent ISO 50001/2018 standards) Intesa Sanpaolo will need to upgrade processes and pay for specific advisory services and training. As mentioned below, the actual impact of not managing this risk for ISP would amount to 490,400 euro.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

490400

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Potential financial impacts of changes in voluntary standards are related to the need to adapt to new rules with consequent costs. We can assume that every time ISP has to implement a new certification scheme there is an estimated cost of about 490,400 euro. This cost includes cost of the consultancy firm (45%), cost of developing training courses (this is done through an external provider and costs around 8%) and cost of personnel dedicated to the activity of developing the new procedures (47%). Regarding the cost of personnel, we estimate 4 FTEs with an average gross cost of 57,600 euro yearly each, dedicated to this activity in the office inside the ISP Safety and Protection Department which is in charge of Environment and Energy Systems.

Cost of response to risk

116400

Description of response and explanation of cost calculation

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. ISP constantly monitors development in the relevant ISO standards and participates in specific training courses to become aware of state of the art and developments in this regard. For instance the Intesa Sanpaolo Energy Management System in 2020 was adapted to the changes occurred in the UNI EN ISO 50001: 2018 standard. The change consisted in the requirement to provide for, among other things, the conduct of an "Analysis of Context" in order to fully understand the reference scenario, define needs and expectations of stakeholders and better assess risks and opportunities. This analysis has been integrated in the wider process of ISP materiality analysis. Furthermore, in order to be compliant with the new legislation, a new Energy Procedure and a new Energy Analysis have been drawn up on the entire certified Italian perimeter. Currently in Italy, 100% of the 3,173 buildings are certified on the three schemes. Furthermore, due to the COVID - 19 in 2020 the Bank has decided to develop an infection risk prevention protocol, in accordance with the various management phases following the declaration of the pandemic status. This voluntary protocol " Mycare" was subject to an independent assessment carried out during the lockdown period, assessed and certified the organisational model and the measures adopted by Intesa Sanpaolo to combat and contain the spread of the COVID-19 virus in the workplace, according to the DNV COVID-19 Risk Management assessment protocol. ISP estimates about 116,400 euro of annual management cost, corresponding to the cost of 1.5 FTE completely dedicated to the constant monitoring of the ISO standards (with an estimated gross cost of 57,600 euro) and the cost of consultancy for updating of procedures (around 30,000 euro).

Comment**Identifier**

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Enhanced emissions-reporting obligations
--------------------	------------------------------------------

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

Policy and legal risk

Company-specific description

The international standards for reporting are becoming increasingly strict and consequently detailed environmental data and GHG related emissions are requested. Intesa Sanpaolo annually issues a Consolidated Non-financial Statement in which it reports on its emissions in a comprehensive and detailed way. For instance, in 2020 ISP Consolidated Non-Financial Statement – was drafted in accordance with art. 4 of Italian Legislative Decree 254/2016, the "Comprehensive" option of the GRI Standards defined in 2016 by the GRI (Global Reporting Initiative) and the "Financial Services Sector Supplements". Consideration was also given to the recommendations issued in June 2017 by the Task Force on Climate related Financial Disclosures (TCFD), adopted by Intesa Sanpaolo in October 2018, for the voluntary dissemination of transparent reporting on the risks and opportunities linked to climate change. In 2020, in particular, the identification of material issues for the Consolidated Non-financial Statement focused on the Action Plan on financing sustainable growth (which is an essential part of the European Green Deal, also considering the role of financial institutions towards the transition to more sustainable economy), and on the related documents made available by the European Commission during the period 2019-2021 (EU Regulations 2019/2088 - EU Taxonomy, EU Regulation 2019/2088 - Sustainable Financial Disclosure Regulation – SFDR, Report on EU Green Bond Standards, Report on climate benchmarks and non-binding Guidelines on climate reporting, etc.); the ECB Guide on climate-related and environmental risks and the Principles for Responsible Banking - PRB was also taken into account. In case of non-compliance to these new regulations, Intesa Sanpaolo could incur in financial penalties, thus ISP needs to invest in new monitoring and reporting process. For instance, if ISP non-financial statement is not drafted in compliance with the provisions of the articles 3 and 4 a financial administrative sanction would be applied to the board members. The risk of sanctions for Intesa Sanpaolo with the current perimeter would go from a minimum of 630,000 to a maximum of 2,650,000 euros.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

630000

Potential financial impact figure – maximum (currency)

2650000

Explanation of financial impact figure

The potential financial impact for ISP depends on the non-compliance with the law that involves the risk of administrative sanctions. In fact, if ISP non-financial statement is not drafted in compliance with the provisions of the articles 3 and 4 (including disclosure of management, policies, risks, actions and KPIs associated with environmental issues) a financial administrative sanction would be applied to the board members. The risk of sanctions for Intesa Sanpaolo with the current perimeter would go from a minimum of 630,000 to a maximum of 2,650,000 euros. The assessment of the risk of sanction was estimated on the basis of the following assumptions: - ISP Consolidated Non-financial Statement prepared not in compliance with the provisions of Legislative Decree 254/2016: the risk of sanctions can be estimated in an amount between 380,000 and 1,900,000 euros (sanctions in a range from 20,000 to 100,000 euros applied to 19 members of the Board of Directors) - ISP Consolidated Non-financial Statement containing relevant facts that do not correspond to the truth or that omits relevant facts: the risk of sanctions can be estimated in an amount between 250,000 and 750,000 euros (sanctions in a range from 50,000 to 150,000 euros applied to 5 members of the Management Control Committee) Therefore, the minimum potential financial impact is equal to 380,000 euro plus 250,000 euro, for a total of 630,000. The maximum potential financial impact is equal to 1,900,000 euros plus 750,000 euros for a total of 2,650,000.

Cost of response to risk

230400

Description of response and explanation of cost calculation

To meet new Italian and European regulation requirements ISP is continuing investing in its monitoring processes to align to the standards requested for reporting to the extent of reaching the highest level of transparency and accuracy. ISP is actively involved in many working groups of ABI (Italian Banking Association) focused on setting benchmarks for the Banking sector and implementing new guidelines for banks' sustainability reporting. Intesa Sanpaolo has provided a significant contribution to several ABI's documents, i.e. Guidelines on the Application in Banks of the GRI Environmental Indicators (ABI Energia) updated in 2018 also thanks to the contribution of ISP. ISP in 2019 has also participated actively in the European Lab Project Task Force on Climate-related Reporting created within the EFRAG (European Financial Reporting Advisory Group) which assessed the state of play of climate-related reporting by European companies and the current and potential use of climate-related information by investors and other users. The primary focus of the Task Force is on the TCFD recommendations with consideration of other reporting frameworks as appropriate and taking account of the EC's non-binding guidelines on non-financial reporting, which have been updated in 2019 on climate-related disclosures. Furthermore, Intesa Sanpaolo participated in the ongoing consultation to renew EU strategy on sustainable finance which includes the review of non-financial reporting directive (on April 2021 the European Commission has adopted a first ambitious and comprehensive package of measures which includes the proposal of new Corporate Sustainability Reporting Directive – CSRD; other legislations and standards will be afterwards published). These activities are carried out by various departments of ISP, we can assume that they involve an annual overall commitment of 4 FTEs with an estimated gross cost of 57,600 euro yearly each (operating in particular in the ESG and Sustainability structure and in the Group Management Planning and Control structure, in addition to the network of people who contribute throughout the Group to the collection of data and information to be included in the Consolidated Non-financial Statement).

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Market	Increased cost of raw materials
--------	---------------------------------

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

Operational risk

Company-specific description

ISP Group operates mainly in Italy, a country that is not self-sufficient from an energy standpoint. This makes it subject to the volatility of international markets and the cost of energy. 2020 was a particularly eventful year for the world and consequently the energy market was also affected. The total cost of energy consumption for Intesa Sanpaolo in 2020 was about 83 million euros. The economic crisis caused by the Coronavirus has significantly affected the economic forecasts. In 2020 the price of energy drop to levels which were unpredictable only a few months earlier. The blockade of major high-intensity industrial activities caused a sudden and unprecedented collapse in energy demand. Almost every country in Europe has witnessed a drop in electricity demand, varying on average between 2 and 7% on a weekly basis. In Italy the impact recorded was even double. In this international context, the volatility of the price of electricity and gas appears to be very high. Furthermore, the real cost of energy is often affected 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. In this context, the cost of electricity and gas may increase significantly in the years to come, both due to new taxes to develop renewable energies, and due to the increase in some raw materials such as gas. The increase in the cost of raw materials may affect not only the purchase of electricity and gas but also the purchase of secondary goods, such as paper, and have an impact on the bank's income statement. Intesa Sanpaolo estimates, based on 2020 data, a potential additional energy expenditure of around 2.3 million euro based on an estimated increase of 3% in the cost of electricity and of 0.5% in the cost of gas.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2335000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The cost of electricity and gas is subject to volatility in international markets. In the last 10 years we have witnessed an exponential increase in the cost of electricity (+ 15%) while the cost of gas has been practically unchanged. Furthermore, the real cost of energy is often affected by the tax element or by the increase of the cost of raw

materials that may increase the cost of energy. Intesa Sanpaolo estimates that on the energy expenditure for 2020 (about 83 million euro) a possible increase of 3% of the cost of electricity and a 0.5% of the cost of gas, that for example happened some years ago, would cost around 2.3 million euro.

Cost of response to risk

4178000

Description of response and explanation of cost calculation

In order to mitigate the risk of an increase of energy costs Intesa Sanpaolo has in place the following actions: - signing contracts with electricity providers on a biennial basis with so-called structured price contract. The contract provides for a purchase method in which the price is fixed in advance in relation to the prices of the raw material present on the reference market (European Energy Exchange - EEX) - implement actions and initiatives to reduce electricity consumption. To tackle the need for reduced energy consumption, ISP has set mid to long-term goals through the creation of specific action plans. The first ISP Environmental Plan covered the 2009-2013 period, and was followed by the plan relating to 2013-2016. Both Plans set measurable goals in the areas of energy savings, economic savings and the reduction of CO2 emissions. The scope of the plans, limited to Italy in the first Plan, has gradually increased with the inclusion of various International Subsidiary Banks. In 2017, the ESG&Sustainability department in association with the Real Estate and Logistics, Procurement and Safety and Protection Head Office Departments, the International Subsidiary Banks Division and the Chief Operating Officer and Chief IT, Digital and Innovation Officer Governance Areas, drafted a new Environmental Plan - the Climate Change Action Plan - with targets for 2022 and 2037. This Plan was reviewed by the Risks Committee and approved by the CEO. The ESG & Sustainability Dep. monitors the achievement of the targets on an annual basis and the results will be analysed with the relevant competent structures. The monitoring of the Environmental Plan highlighted for 2020 a trend in line with the CO2 emission reduction forecasts. The actions undertaken confirm that the Intesa Sanpaolo Group also assesses the potential risks connected with climate change that may influence the future management costs of the properties. Other than cost related to actions undertaken in 2020 to reduce electricity and thermal energy consumption (around 2.7 million euro for Heating, Ventilation and Air Conditioning, around 33,000 euro for lighting, around 442,000 euro for insulation and around 877,000 euro for maintenance programs) we need to add also an annual overall commitment of 2 FTEs (one in the Management System Department and one in the Real Estate Department) with an estimated gross cost of 57,600 euro each.

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
----------------	----------------------------------------------------------------------------------------

Primary potential financial impact

Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification

Credit risk

Company-specific description

In Italy, where ISP mainly operates, floods are becoming more common, causing damages to the agriculture sector but also to houses, premises and infrastructures. The risk for Intesa Sanpaolo is related to the increase of probability of default of businesses and private customers severely damaged for examples by storms and floods. Among these businesses, those operating in the agriculture sector are particularly hit by these extreme events. In the Italian economy the weight of this sector is very important; agriculture, fishery and forestry in 2019 (last data available from ISTAT - Italian national statistical institute) was worth 59.6 billion euro. A research carried out by ISP's Studies and Research Department points out that in 2019 the Italian agri-food system has generated a valued added of 64.8 billion euro and has employed over 1.4 million people, with a weight of respectively 4% and 5.5% on the total economy. Given the importance of this sector, a new structure has been created in ISP in 2021 – the Agribusiness Department, dedicated to agriculture. This Department is located in the Italian city of Pavia and counts on a network of 85 branches throughout the Italian territory and on about 1,000 specialists serving about 80,000 clients of the sector. The Department has the goal to help clients in all phases of business development and to sustain investments with a special attention to sustainability and circular economy criteria. In relation to ISP' business clients operating in the agriculture sector, ISP carefully considers the risk of a potential reduction in agricultural productivity, i.e. crop production, but also fruits and vegetables.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

60534000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The risk for Intesa Sanpaolo is related to the possibility of default of companies and private customers severely damaged by storms and floods. To give an example: financial implications of damages to the Italian agricultural sector in 2017 because of extreme weather conditions amounted to around 14 billion euro in the last decade 2010-2020 (Source "Coldiretti" - leading organization of farmers at national and European level). For ISP, the first player of the banking sector in Italy, this means a potential loss. For instance, in 2020 ISP has suspended repayments on existing loans for a total residual debt of 60,534,000 euro, for extreme natural events such as floods.

Cost of response to risk

288000

Description of response and explanation of cost calculation

The Intesa Sanpaolo Group supports with tangible commitment families and businesses affected by environmental disasters and extraordinary weather events that affect

Italy. In 2020, the Intesa Sanpaolo Group continued its tangible and concrete commitment to supporting households and businesses affected with specific focus on agricultural companies, penalised more than anyone else by exceptional weather events, through the activation of dedicated credit lines, new subsidised loans for redeveloping damaged structures (homes, shops, offices, artisan workshops and businesses), suspensions of payments on outstanding loans and preferential, simplified and expedited procedures for the new instruments. In particular, emphasising its strong bond with the areas in which it operates and to help the public and the economic fabric of affected zones to deal with the emergency situations, the following instruments were provided in 2020: a 100 million euro credit line for the Verona area; a 300 million euro credit line to help families and businesses throughout the Triveneto area; 200 million euro for all of the provinces of North-West Italy; a 25 million euro credit line for families and businesses in the city and province of Crotona which suffered damage as a result of the extreme weather events. Costs related to these activities are integrated into the company budgets. Also based on the number of branches involved we can assume an annual overall commitment of 5 FTEs on average, working in the network of branches involved in the process (an estimated gross cost of 57,600 Euro yearly each).

Comment

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
----------------	----------------------------------------------------------------------------------------

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

Operational risk

Company-specific description

Italy is one of the European countries most affected by landslides, with 620,808 landslides (area of approximately 23,700 km², equal to 7.9% of the national territory). These data derive from the Inventory of Landslide Phenomena in Italy (IFFI Project) carried out by ISPRA and by the Regions and Autonomous Provinces according to standardized and shared methods. At the same time Italy is the European country most exposed to risk of flood due to the morphological characteristics of the national territory, where spaces and distances granted to the hydrographic network by the mountain ranges and the sea are mostly very modest, exposed to alluvial events, known as sudden floods or flash floods, often triggered by short and intense weather phenomena. The Higher Institute for Environmental Protection and Research (ISPRA) has established 5 hazard classes in Italy: very high P4, high P3, medium P2, moderate P1 and areas of attention AA. The areas with high hydraulic hazard in Italy are equal to 12,405 km², the medium hazard areas amount to 25,398 km², the low hazard areas (maximum expected scenario) to 32,961 km². Extreme precipitations and floods can have an adverse impact on Intesa Sanpaolo: it could cause damages to ISP premises, data centres and put at risk the possibility of commuting of employees. The Italian regions with the highest average hydraulic hazard, based on data provided by the District Basin Authorities, are Emilia-Romagna, Tuscany, Lombardy, Piedmont and Veneto. Referring to the ISPRA's hazard areas specified above, Intesa Sanpaolo has evaluated that more than 200 ISP's buildings (including branches and the 3 data centres) in Italy are in these Regions valued in the high and very high hydrogeological risk range.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

1500

Potential financial impact figure – maximum (currency)

162000000

Explanation of financial impact figure

The estimates were made, for the maximum amount, on the basis of what could occur in case of flooding of the most important Datacenter of Intesa Sanpaolo located in the Piedmont Region (one of the Italian regions most exposed to hydrogeological risk – the site was in fact already flooded in November 2016). The amount considered is the worst case that could occur if we have to change all the information technology assets (154,000,000 euro), the cybersecurity assets (1,000,000 euro) and to restore all the buildings (7,000,000 euro). For the minimum amount the estimate was made on the basis of the possible occurrence of a slight flood in an Intesa Sanpaolo branch for restoration/drying and painting (1,500 euro)

Cost of response to risk

621000

Description of response and explanation of cost calculation

The Risk Assessment Document evaluating risks to workers' health and safety (Italian Legislative Decree 81/2008), updated annually, includes the assessment of hydrogeological risk due to flooding and landslides. The hydrogeological risk assessment of buildings is conducted both as a preventive measure and also following external events with a view to ensuring that the buildings involved meet all safety standards. Based on the provisions of the Italian Institute for Environmental Protection and Research (ISPRA), which divides the territory into 5 hazard classes (very high P4, high P3, medium P2, moderate P1 and attention areas AA), more than 1,000 ISP buildings in Italy are subject to landslide and flood risk. For the Bank's assessment of flooding, the benchmark is based on the level of danger associated with a floodable area, and depends on the probability that the area can be flooded. With regard to landslides, on the other hand, the benchmark is also based on the level of danger (from P1 to P4) associated with an area subject to landslides, but depends on the relationship between the probability of occurrence of the event and its magnitude. These assessments, together with the daily analysis of Arpa's weather alert bulletins and the bulletins of the Department of Civil Protection on critical national and regional issues, enable the ISP Group in Italy to implement actions that take account of the effects of critical events connected with natural phenomena deriving from climate change, making it possible to manage them, through the implementation of different potential risk scenarios, indicated in the Emergency Plans. In addition, one important initiative was completed in 2020: we have evaluated the performance of inspections on a sample of properties in areas of greater hydrogeological risk. This project was carried out with the aim of validating the methodology for the definition of a vulnerability index for the Bank's properties that can be used to identify priority action and analysis criteria in

the event of emergency situations. Based on the results of these inspections, possible intervention measures to make the buildings safe will then be identified in order to prevent the occurrence of potential risk situations. Annual costs related to these activities are 10 FTEs (with average remuneration of 57,600 euro each) from Real Estate Department and Safety Department) for an annual cost of 576,000 euros plus the advisory costs (about 45,000).

Comment

Identifier

Risk 6

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Rising sea levels
------------------	-------------------

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

Operational risk

Company-specific description

One of the consequences linked to climate change and specifically to the rise in temperatures is the rise in sea level. The striking example of climate change is Venice which in recent years has increasingly seen an increase in the frequency of exceptional tidal events (above 140 cm above average sea level). In Venice we have 14 branches that are annually impacted by the "high water". We know that this phenomena will increase in the future and for this reason we have analysed for each branch the specific risk in order to manage the emergency identified. High tide bulletins are checked periodically in order to provide the competent structures with advanced warning and enable them to activate the procedures outlined in the specific Emergency Plans. In Italy, where there are thousands of kilometers of coastal areas, the risk of sea level rise can be considerable in the long term. The presence of Intesa Sanpaolo branches located in the coastal cities is risky because they could be affected by the increased level of the Mediterranean Sea with consequent inability to operate. We have activated a process of geolocation of all the branches in order to estimate which branches, in addition to Venice where the phenomenon is now known, are at risk of flooding due to climate change. We currently estimate that around 50 Branches may be located in highly critical areas.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

35000

Potential financial impact figure – maximum (currency)

1750000

Explanation of financial impact figure

The data of ENEA (National Agency for New Technologies, Energy and Sustainable Economic Development) show that the Mediterranean has risen 30 centimeters in the past thousand years. A tripling of the average level is expected in the next hundred years. For these reasons ISP is aware of the increased risk of flooding and erosion of coastal areas due to an increased incidence of extreme weather events and rising sea level. Intesa Sanpaolo is present in all coastal areas in Italy with numerous subsidiaries that could be damaged resulting in a considerable financial impact for the Group in the long term. The evaluation of any costs on Intesa Sanpaolo's assets derives from the possible depreciation of the properties located along the coastal areas affected by this event. The assessment of the costs relating to the impact of this risk derives both from the possible depreciation of the value of the Intesa Sanpaolo properties and from the actions that must be implemented once a flood event has occurred. For example in Venice in October 2019 there was an exceptional increase in the water level that completely flooded the city exceeding all expectations. The branches in the city have been completely flooded. The restoration of a branch, with the purchase of new furniture, PCs, cables, doors and windows, drying and painting of the walls, costs 35,000 euros for a little branch affected. We estimate a potential financial impact between 35,000 euro (for a minimum of one ISP's branch impacted) and 1,750,000 euro (for about 50 ISP's branches impacted), considering branches next to the sea in the Italian territory)

Cost of response to risk

1276200

Description of response and explanation of cost calculation

In case of extreme weather events or emergencies caused by the rising sea level, ISP can immediately activate its business continuity plans providing for the carrying out of basic operations. In these cases it is possible, for ISP employees to operate via web in a nearby ISP branch or, in some cases, operate from home via web. Additional countermeasures are activated by ISP in order to ensure the safety of its employees. In Italy, in Liguria Region, for example, ISP branches must follow a specific procedure in case the municipality sends a weather alert. In the 14 Venice branches a specific risk for each branch was analysed and procedures to manage the emergency identified. High tide bulletins are checked periodically in order to provide the competent structures with advanced warning and enable them to activate the procedures outlined in the specific Emergency Plans. In order to mitigate as much as possible the effects deriving from the sea level rise in Venice for example, following the exceptional event of October 2019 and the risk analysis, we have activated a very important prevention project on the main branches. In the Murano (Venice) branch for prevention actions such as the purchase of bulkheads, the construction of tanks of water runoff, positioning of water-repellent materials, etc., we have spent 498.000 euro. For the same purpose we have spent 663.000 euro in San Leonardo (Venice) branch. The ISP staff dedicated to mitigating this risk is estimated in 2 FTEs (57600 euro each) from the Real Estate Department of Venice and one FTE from the Prevention and Protection Office with a broader view of the problem.

Comment

Identifier

Risk 7

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
---------------------	---------------------------

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

Operational risk

Company-specific description

ISP anticipates that carbon-pricing regulations may emerge over the medium- to long -term timeframe, and such regulations may result in a financial impact to the company's operations, including an increase in operating costs as well as potential capital expenditures to reduce emissions. According to ISP's assessment such new regulation is more likely to emerge first in Europe where ISP mainly operates. In detail we anticipate an increase in operating costs due to a taxation on ISP's direct emissions. To mitigate this risk ISP carries out actions to reduce direct emissions as described in its Climate Change Action Plan (Renewing thermal power plants with new energy efficient equipments - Reducing gas consumption- etc). ISP estimates that if a carbon pricing of 49.41 euro per tonnes CO2 (price of European Emission Allowances Futures Dec 2022 recorded on the 30th of April 2020) is applied on the 2020 Intesa Sanpaolo's Scope1 emissions (36,925 t), this would lead to an additional cost of 1,800,000 euro.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1800000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The expected new carbon tax will have an impact on the income statement of Intesa Sanpaolo. Intesa Sanpaolo estimates that if a carbon pricing of 49.41 euro per tonnes CO2 (price of EEX EUA Future Dec 2022 recorded on the 30th of April 2020) is applied on the 2020 Intesa Sanpaolo's scope1 emissions (36,925 t) this would lead to an additional cost of around 1,800,000 euro. This calculation is precautionary, as it does not consider the planned reduction in Scope1 emissions defined in the ISP's Climate Change Action Plan.

Cost of response to risk

2350000

Description of response and explanation of cost calculation

To anticipate new introduction of carbon pricing ISP carries out a careful analysis of current European legislation and possible changes that may impact and modify the risk for the Bank. ISP also carries out the following actions to reduce direct emissions as described in the ISP environmental plan "the Climate Change Action Plan" prepared in 2017 with targets set for 2022 and 2037. In the Plan, the Intesa Sanpaolo Group declines CO2 emission reduction targets, linked to its activities, taking 2012 as the reference year. The 2022 targets are supported by targeted actions. The targets for 2022 include a reduction compared to 2012 by 37% (a 43% reduction was already recorded in the period 2012-2020) of emissions related to energy consumption (direct and indirect). This reduction is tied to measures taken on electricity, natural gas for independent heating and fleet and in 2020 the further reduction was influenced by the effect of the COVID-19 emergency on energy consumption. Below, are listed the actions that are going to minimize the impact of a possible introduction of a carbon pricing: 1) Emissions from heat produced directly by the Bank -Renewing thermal power plants with new energy efficient equipment, Italy - Reduced gas consumption (Hungary, Serbia, Italy). 2) Emissions caused by the fleet - Replacement of the car fleet. The company fleet will continue to be renovated, which will result in savings coming from the replacement of Euro 4 or 5 cars with the less polluting Euro 6 cars (Italy, Croatia, Hungary, Serbia). The estimated cost of management takes into account: interventions on plants (about €1,563,632), replacement of windows and interventions on facades (about € 279,145), actions of energy efficiency (about € 398,502), 2 FTEs in the Real Estate Department with an estimated gross annual cost of 57,600 Euro each (115,200 euro), for a total of about €2,350,000.

Comment**C2.4****(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

C2.4a**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.****Identifier**

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Markets

Primary climate-related opportunity driver

Access to new markets

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

The Intesa Sanpaolo Group considers the opportunities arising from climate change within its overall strategy and provides a whole range of environmental and energy efficiency products that contribute to contrasting Climate-change effects. To this extent in June 2017 Intesa Sanpaolo became the first Italian bank to issue a Green Bond of 500 million euro connected with environmental sustainability projects. The projects financed by the bond must belong to the following three categories: - infrastructures for the generation and transmission of energy from renewable sources (solar, photovoltaic, wind, biomass and hydroelectric); - investments in infrastructure or processes for reducing the use of energy and fostering greater energy efficiency; - construction of new buildings or the redevelopment of existing buildings according to the best environmental standards. ISP Green bond is the first issued by an Italian bank. As of May 2020, 76 projects were financed with over 460,000 tonnes of CO2 emissions avoided annually. In November 2019, Intesa Sanpaolo successfully completed the placement of a green bond focused on the Circular Economy, intended to support the loans granted by the Bank under the 5 billion euro credit plafond dedicated to the Circular Economy. The 750 million euro issue, against a demand of over 3.5 billion euro, was mainly subscribed by institutional investors: Asset Managers (75%), Banks and Private banking (10%), Public Entities (10%), Insurance and Retirement Funds (4%). Thanks to this issue, the Green Bond Ratio, the percentage of outstanding green bonds at the end of the year out of the total amount of outstanding Senior Preferred and Covered Bonds intended for institutional investors (five-year moving average), is equal to about 3.6%. In 2021 Intesa Sanpaolo has placed a third Green Bond with a nominal value of €1.25 billion. Proceeds from the bond will be used to finance green mortgages for the construction or purchase of energy-efficient real estate.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

750000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The 750 million euro is the amount of the green bond focused on circular economy issued in 2019 to finance eligible green and circular projects and expand ISP environmental products and services. In December 2020 Intesa Sanpaolo published the first report on the use of the proceeds from the Green Bond, which were fully allocated during the first year. The report also includes the certification of the auditing company, and obtained the Second Party Opinion of ISS ESG. 50.5% of the proceeds (379 million euro approximately) have been allocated for the financing of new projects and 49.5% to refinance existing projects (371 million euro approximately). At 31 October 2020, out of the total eligible Corporate and Investment Banking's circular economy project portfolio - equal to 877.5 million euro - the breakdown of the projects was as follows: 36.9% (323.6 million euro) for production processes driven by renewable or recycled sources and/or connected products, 32.7% (286.6 million euro) for the development of products and/or services that significantly improve effectiveness and efficiency in the consumption of resources, inside the company or its supply chain, 12.5% (110 million euro) for solutions that extend the life cycle or products and/or materials, 12.3% (107.7 million euro) for innovative technologies that promote the circular economy model, 5.6% (49.6 million euro) for the design and/or realisation of products that can be entirely recycled or composted as part of an efficient process of collection, separation and recycling after use. All in all, the forecast annual savings in CO2 emissions come to over 255,000 tonnes, corresponding to 341 tonnes per million euro.

Cost to realize opportunity

300000

Strategy to realize opportunity and explanation of cost calculation

ISP commits to tackle climate change issues with innovative products and services. One of these products is the Green Bond issued in 2017. Another one is the green bond focused on circular economy issued in 2019 to support the loans granted by the Bank under the 6-billion-euro credit plafond dedicated to the Circular Economy. The 750-million-euro issue, against a demand of over 3.5 bn euro, was mainly subscribed by institutional investors: Asset Managers (75%), Banks and Private banking (10%), Public Entities (10%), Insurance and Retirement Funds (4%). Thanks to this issue, the Green Bond Ratio, the percentage of outstanding green bonds at the end of the year on the total amount of outstanding Senior Preferred and Covered Bonds for institutional investors (5-year moving average), is equal to about 3.6%. ISP was the first Italian bank to make in 2017 its debut as a green issuer, showing its strong commitment to the growth of sustainable finance in Italy. It continued to seize opportunities in this field in 2020. In 2021 ISP has placed a 3rd Green Bond with a nominal value of €1.25 bn. Proceeds from the bond will be used to finance green mortgages for the construction/purchase of energy-efficient real estate and for building refurbishment which have led to at least 2 steps of improvement in EPC label. In the future ISP is evaluating new Green/Sustainability/Circular Bond issuance. Substantive and ongoing activity is needed to develop this opportunity involving different organizational structures of the Group. For ex. in June 2020, ISP published its 3rd Green Bond Report on the use of Green Bond proceeds and its associated environmental benefits. In Dec 2020 ISP published the 1st report on the use of the proceeds from the Green Bond focused on the Circular Economy. The reports include the certification of the auditing company. In March 2021 ISP published the updated Green, Social and Sustainability Bond Framework to reflect the newer standards in the market and obtained the Second Party Opinion of ISS ESG. Costs related to these activities are integrated into ISP budgets. ISP estimates accessory costs is 300,000 euro for elaborating the framework and to cover the activities related to the issue of a bond. Out of the total estimated costs, those related to the issue (legal, listing, due diligence, Second Party Opinion.) amount to around 70%; the recurring costs throughout the life of the bond (annual reporting, audit, etc.) make up for some 30%.

Comment**Identifier**

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Intesa Sanpaolo is already very active in supporting individuals and businesses committed to reducing their environmental footprints through the promotion of green products and services. As widely demonstrated by international studies and research, climate change can also be regarded as a business opportunity and an economic development lever. Intesa Sanpaolo has the opportunity to expand the market in the field of renewable energy, energy efficiency and could lead to greater demand for environmental loans with positive financial impacts in terms of revenues. In 2020, the Group disbursed 1,985 million euro (almost 22 billion euro over the 2010-2020 period) for the Green Economy, corresponding to 2.3% of all Group loans. The offer involves all customer segments: retail customers (46%), businesses and Third sector (15%), corporate & project finance (39%). The development of green products and services is considered by Intesa Sanpaolo as an opportunity that has a potential for expansion in the coming years. In the context of the European Green Deal, ISP stated its willingness to make available 60 billion-euro loans in the coming years in Italy.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1800000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The figure represents the prudential estimate of ISP's annual green loans' disbursements, equal to 1.8 billion euro . This is average disbursements in the last three years: 1,985 million euro in 2020, 1,419 million euro in 2019; 1,922 million euro in 2018. The offer involves all customer segments: retail customers (46%), businesses and Third sector (15%), corporate & project finance (39%). A total of 95% of this figure is made up of loans in Italy, the remaining 5% of loans in other countries disbursed by the International Subsidiary Banks.

Cost to realize opportunity

576000

Strategy to realize opportunity and explanation of cost calculation

ISP carries out a careful analysis of current Italian and European legislation and possible changes (for example the EU green taxonomy, at present applied to investment, and its possible extension to banking / lending products). To manage this opportunity ISP is engaging with regulators (European Commission, Italian Ministry of Environment, etc.) to be up to date on new rules and if possible anticipate them. ISP is very active in supporting individuals and businesses committed to reducing their environmental footprints through the promotion of green products and services. This takes place through the bank branches of the Banca dei Territori Division, the Energy Desk for business loans, the support of the Innovation Center for the Circular Economy and innovation and the Corporate banking division. In 2020, the Group disbursed 1,985 million euro (almost 22 billion euro over the 2010-2020 period) for the Green Economy. The offer involves all customer segments: retail customers (46%), businesses and Third sector (15%), corporate & project finance (39%). The development of green products and services is considered by Intesa Sanpaolo as an opportunity that has a potential for expansion in the coming years. In the context of the European Green Deal, ISP stated its willingness to make available 60 billion-euro loans in the coming years in Italy. Annual costs related to these activities are integrated into the Intesa Sanpaolo budgets. Intesa Sanpaolo estimate a cost of 10 FTEs (57,600 euro each): 2 FTEs in Banca dei Territori Division for developing retail green products, 2 FTEs in the Energy Desk providing support to businesses that invest in renewable energy production plants and in the energy efficiency of their production processes, providing dedicated financial solutions and specialist advisory services, 2 FTEs in the Innovation Center developing the offer with regards to circular economy financing, 2 FTEs in the Corporate banking division developing the offer to Corporate and Large Corporate clients, 2 FTEs in the ESG & Sustainability Sub Department supporting the business functions of the Group in this respect.

Comment**Identifier**

Opp3

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

International studies and research show that climate change may also be a business opportunity and a lever for economic growth, considering the fact that, in order to achieve the European Union's climate and energy targets for 2030, the European Commission's Action Plan on sustainable finance estimates supplementary investments of 180 billion euro per year. To this end, Intesa Sanpaolo is active in promoting renewable energy, energy efficiency and the circular business model by supporting their development and assisting customers, committed to reducing their environmental impact, with the promotion of green products and services offered by the sales network both in Italy and abroad, resulting in increased revenues. ISP is a Strategic Partner of the Ellen MacArthur Foundation – the main promoter of the global transition towards the circular economy. In order to provide concrete support to companies involved in the transition process, the Intesa Sanpaolo Group, within the time-frame of the 2018-

2021 Business Plan, has decided to provide a plafond of up to 6 billion euro, aimed at companies which adopt the circular model with innovative procedures, granting the best conditions for accessing credit. The Intesa Sanpaolo Group is seizing strategic opportunities to become an innovative and exclusive financial leader for the circular economy, redefining traditional financial tools to support the transition to a new model for economic development, which is competitive and sustainable over time.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

6000000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

In order to provide concrete support to companies involved in the transition process, the Intesa Sanpaolo Group, within the time-frame of the 2018-2021 Business Plan, has decided to provide a plafond of up to 6 billion euro, increased by 1 billion euro in 2020, aimed at companies which adopt the circular model with innovative procedures, granting the best conditions for accessing credit. In 2020, the Plafond was extended to support businesses investing in green projects in the area of renewable energy production, energy efficiency and sustainable farming and biodiversity, and to support the Green Mortgages requested by customers for the purchase of new high energy efficiency houses (class B upwards) or the refurbishment of houses with consequent improvement of the energy class. In 2020, disbursements from the credit line amounted to around 1.5 billion euro. Since the plafond was launched, a total of 2.2 billion euro was disbursed, corresponding to 37% of the 6 billion plafond. Circular Economy Plafond Projects (green mortgages and UBI Banca disbursements excluded) % amounts disbursed by sector in 2020: Mobility, Logistics & Infrastructure 47.0% (about 296 million euro), Chemical & Materials 30.7% (about 193 million euro), Industrial & Manufacturing 9.2% (about 58 million euro), Energy, Water & Utilities 6.2% (about 39 million euro), other sectors 6.9% (44 million euro). The remaining amount of the plafond is still available during 2021, given the market structure, we would estimate approximately 1/5 of the Plafond to be allocated to startups and SMEs, with remaining amount going to Corporate initiatives. Numerous company projects were supported for initiatives such as the replacement of traditional materials with others from recycled or biological sources, the recovery of urban organic waste for biomethane production, with the production of compost and recovery of CO2, the production of coloured compostable fabrics with dyes made from agricultural waste. Intesa Sanpaolo is also committed in raising companies awareness through networking events, dedicated training, advisory and open innovation programmes.

Cost to realize opportunity

172800

Strategy to realize opportunity and explanation of cost calculation

Intesa Sanpaolo is committed to promoting the Circular Economy (CE) model, drawing on the support of the Ellen MacArthur Foundation, the main promoter of the global transition towards the CE. The cooperation agreement with the Foundation has been renewed for the 2019-2021 period. The Intesa Sanpaolo Innovation Center oversees the CE activities. In 2018 the Circular Economy Lab was launched, with the goal of supporting and assisting the transformation of the Italian economic system and disseminating new models of value creation in the collective interest, by accelerating the transition to the CE. For the 2018-2021 period (Business Plan), ISP has established a plafond of 6 billion euro available to companies which adopt the circular model. In particular, as part of the credit process, ISP, based on criteria defined together with the Ellen MacArthur Foundation, is responsible for providing a technical assessment on the level of circularity of the initiatives proposed. In February 2019, the Bank has allocated the first circular loan for investing in a plant for the recycling of plastic. Annual costs related to the management of the plafond and the related assessments is estimated in 3 FTEs (57,600 euro each) working in the Circular Economy Desk. Such FTEs are employed to assess deals that are potentially eligible to access the Plafond, as well as to monitor and coordinate the overall functioning of the Plafond.

Comment

Identifier

Opp4

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Move to more efficient buildings

Primary potential financial impact

Reduced direct costs

Company-specific description

Thanks to the attention that public opinion, the European Commission and the Italian legislator have placed in recent years in relation to the issue of emissions, energy saving and the possible impacts associated with climate change, Intesa Sanpaolo has carried out, also thanks to these legislative initiatives, numerous investments aimed at saving energy. These investments, often linked to public incentives, have allowed Intesa Sanpaolo to make significant savings in economic terms. ISP implemented energy efficiency actions in Italy and in the International Subsidiary Banks: 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, the use of LED lighting, interventions to optimize the management of technological systems, the switch-off for PCs at the branches during the night and holidays. ISP also adopted a policy to gradually replace office equipment with more energy-efficient models. In line with the Rules on sustainability for the purchase of office machines, ISP assesses the environmental impact connected with the purchase and responsible use of equipment like photocopiers, printers, computer, monitors, ATMs/MTAs. 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. In view of the fact that these issues will increasingly be at the center of the political debate, it is assumed that public incentives related to energy efficiency actions (such as replacement of fixtures, replacement of boilers, installation of photovoltaic systems, remote building control, etc) will increase and will allow ISP to carry out further electrical and thermal savings and consequently economic savings. The energy manager, together with colleagues from Real Estate Department, constantly monitors regulatory developments regarding public incentives aimed at energy saving and reports on the economic savings deriving from them.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

3256000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Based on the state incentives related to energy efficiency actions received in recent years (35 interventions equal to 970,000 euro tax deduction 2020, 30 interventions equal to 700,000 euro tax deduction in 2019, 46 interventions equal to 977,000 euro tax deductions in 2018) it can be estimated that in the next few years, more than € 1,000,000 per year in tax deductions can also be obtained for efficiency interventions, also given additional Italian state incentives being approved. Moreover, around 2,256,000 euro is the economic saving due to the implementation of energy efficiency actions and to the auto-production of photovoltaic energy (thereby avoiding the purchase of electricity). The sum of all activities adds up to 3,256,000 euro.

Cost to realize opportunity

3441000

Strategy to realize opportunity and explanation of cost calculation

ISP implemented energy efficiency actions in Italy and in the International Subsidiary Banks: 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, the use of LED lighting, interventions to optimize the management of technological systems, the switch-off of PCs at the branches during the night and holidays. ISP also adopted a policy to gradually replace office equipment with more energy-efficient models. In line with the Rules on sustainability for the purchase of office machines, ISP assesses the environmental impact connected with the purchase and responsible use of equipment like photocopiers, printers, computer, monitors, ATMs/MTAs. 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. To seize the opportunity linked to reduced energy consumption, ISP has set mid to long-term goals through the creation of specific action plans. The first ISP Environmental Plan covered the 2009-2013 period, and was followed by the plan relating to 2013-2016. Both Plans set measurable goals in the areas of energy savings, economic savings and the reduction of CO2 emissions. The scope of the plans, limited to Italy in the first Plan, has gradually increased with the inclusion of various International Subsidiary Banks. In 2017, CSR, in association with the Real Estate and Logistics, Procurement and Safety and Protection Head Office Departments, the International Subsidiary Banks Division and the Chief Operating Officer and Chief IT, Digital and Innovation Officer Governance Areas, drafted a new Environmental Plan -the Climate Change Action Plan- with targets for 2022 and 2037. The Plan was reviewed by the Risks Committee and approved by the CEO. The ESG & Sustainability Department monitors the achievement of the targets on an annual basis. The monitoring of the Plan highlighted for 2020 a trend in line with the reduction goals. We estimate a commitment of 5 FTEs (57,600 euro each) involved in research and reporting to obtain incentives: 1 in the Real Estate dep., 1 in the Logistics office, 1 in the Procurement Dep, 1 Energy Manager, 1 in the ESG & Sustainability Department (total 288,000 euro). Plus 442,000 euro for investments in the substitution of windows and 2,711,000 euro for investments in the substitution of plants.

Comment**C3. Business Strategy****C3.1****(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?**

Yes

C3.1b**(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?**

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	Yes, in the next two years	No, we do not intend to include it as a scheduled AGM resolution item	The definition of the Bank's ambition on the topic of climate change, and related strategic choices will be disclosed at the latest within the presentation of the Bank's Business Plan, to be published in early 2022. In this phase it is not foreseen to include this as a scheduled resolution item in the AGM.

C3.2**(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

C3.2b

(C3.2b) Why does your organization not use climate-related scenario analysis to inform its strategy?

I. Why climate-related scenario analysis is not used to inform your business strategy:

Since October 2018, Intesa Sanpaolo decided to support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), with the voluntary commitment to disseminate transparent reporting on the risks and opportunities linked to climate change. ISP knows that among the steps that need to be implemented to enforce the alignment path with TCFD recommendations the scenario analysis is one of the most important. A fully-fledged analysis in 2020 was not conducted because ISP has been working to develop the knowledge, to collect the necessary data and to minimize assumptions and use of proxy that could mislead the output of the analysis. To this end it is observing and testing different methodologies and new regulatory requirements, with particular focus on the underlying assumptions (e.g., reference scenarios), data sources (e.g., GHG emissions) and modelling techniques.

Even if a climate related scenario analysis is not so far linked to the long-term strategy, different pilots are ongoing and were performed already in 2020.

In 2020 Intesa Sanpaolo participated in the working group TCFD Banking Sector Pilot - Phase II. The pilot project involved 39 international banks, coordinated by UNEP FI, with the aim of improving methods for the assessment of risks related to climate change, also through long-term scenario analyses, and improving their disclosure, developing tools, frameworks and papers that enabled participants to analyse each of the TCFD recommendations in depth.

ISP published two case studies in two different papers: the first case study was published in the paper "Charting a New Climate" - Intesa Sanpaolo case study - Physical climate risk measurement- the UNEP FI Phase I Excel tool applied to Energy and Oil & Gas companies. The aim of the case study was to estimate the financial impact of physical climate change risk on this portfolio, which required translating climate risk data into a change in the probability of default (PD). A second case study, this time on transition risk, was published in the paper "Pathway to Paris" -Case study 3: Intesa Sanpaolo. In this case study ISP estimated the impact on a portion of its portfolio, referring to the oil&gas sector in the EU, with the aim to compare the differences between orderly and disorderly transition scenarios, assessing the "climate adjusted" probability of defaults (PDs) and proposing next steps to improve the analysis.

Other initiatives in 2020 were ongoing to implement scenario analyses and stress test methodologies, particularly with regard to the Large Corporate and SME portfolios.

Finally, as part of the EBA pilot sensitivity exercise on climate risk, a first exercise to apply the EU Taxonomy was performed on the credit portfolio which includes corporate counterparties domiciled in the European Union. The exercise involved the voluntary participation of 29 banks and enabled the EBA to perform an initial climate change risk (transition risk) sensitivity analysis.

II. Whether you expect it to be in the future:

ISP is working in order to implement the ECB expectations on CE risks and also to be ready for the 2022 climate stress test. Therefore, ISP will implement wider scenario analysis in 2021-2022 also building on the insights gained and methodology developed in the context of the pilot project with UNEP FI, EBA pilot and internal initiatives.

ISP in 2021 is continuing its experience with Unep FI through the participation to the TCFD banking pilot phase 3 (that commenced in January 2021). This pilot will more fully explore climate stress testing (with a specific module), the integration of physical and transition risk assessments, and sector-specific risks and opportunities.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Risks and opportunities arising from climate change have significantly influenced our product-related strategy and product portfolio. ISP's offer of products and services keeps evolving in line with new regulations and customers' preferences and includes range of green products and services to all customer segments and in all business areas. ISP, in the context of the European Green Deal, stated its willingness to make available 60 bn euro loans in the coming years in Italy for the green economy. In 2020, ISP disbursed 1985 million euro to the green economy (almost 22 bn euro in the 2010-2020 period), over 2.5 bn euro incl. circular economy. This takes place through the bank branches of the Banca dei Territori Division, the Energy Desk and the Corporate and Investment Banking Division, the support of the Innovation Center for the Circular Economy and innovation and the International Subsidiary Banks Division. Eurizon and Fideuram, ISP's asset management companies, offer a range of ESG and Ethical funds, that include environmental criteria. ISP's strategy includes the development of green bonds. In 2017, ISP was the first Italian bank to issue a 500-million-euro Green Bond connected with environmental sustainability projects. In June 2020 ISP published its 3rd annual Green Bond Report on the use of Green Bond proceeds and its environmental benefits. The report also includes the certification of the auditing company, the Second Party Opinion on the bond issue (Robust ESG performance) and Moody's assessment, which obtained the highest score (GB1 Excellent). In May 2020, the Bond proceeds were used as follows: 41.6% to refinance specific loans included in ISP's portfolio, 58.4% for the financing of new projects. In total, 76 projects were financed with over 460,000 tonnes of CO2 emissions avoided annually. 60.5% of the proceeds were allocated to photovoltaic power, 13.3% to wind power, 9.3% to hydroelectric power, 15.1% to bioenergy and 1.8% to energy efficiency. In 2019, ISP issued a Green Bond focused on Circular Economy and in March 2021 ISP has placed a third Green Bond with a nominal value of €1.25 billion (proceeds from the bond will be used to finance green mortgages). On the risk side, for loans to corporates operating in climate sensitive sectors (i.e. coal industry or oil&gas), environmental and social risks are assessed.
Supply chain and/or value chain	Yes	Risks and opportunities arising from climate change have influenced ISP's supply chain's strategy. ISP through its purchasing and partnership decisions pursues to minimize climate risks and maximize opportunities in its supply chain. In compliance with ISP's Code of Ethics, ISP constantly monitors the suppliers' management approach on CSR issues, including environmental issues, through the Suppliers Gate. The Supplier gate is the tool that led to the Group centralisation of sourcing, regulatory monitoring, supplier qualification and monitoring and adaptation of the contractual standards. The selection of suppliers takes place during the process of registration to the gate by means of an assessment (updated at least once a year) including analyses of the suppliers' business ethics, respect for human and labour rights, environment and climate change. If the result of this assessment is positive, the suppliers are registered in the Group Suppliers' Register and can be invited to the procurement events. The supplier's qualification process allows to obtain a supplier's rating, monitored over time, and to have an updated screening of the suppliers, for the duration of the contractual relationship. Compared to 2019, in 2020 a total of 133 suppliers (3.3% of total suppliers) improved their environment scoring, 35 additional suppliers indicated to have environmental certification (ISO14001 or EMAS), 17 additional ISO 50001 standard on energy management, 34 additional suppliers respond to CDP questionnaire and 28 additional suppliers have implemented environmental policies. Analysis of some latest available replies reported in the New Supplier Portal directly linked to climate change shows the following breakdown: 54% declared they measure their energy consumption; 24% measure their CO2 emissions and 7% respond to CDP. Furthermore, ISP can carry out actions with suppliers with particularly low scores linked to environment and climate. Starting from 2020, the risk clearing process was further strengthened through the methodological audit of the "ESG/reputational" questionnaire dedicated to the evaluation of suppliers and partners as part of the qualification process carried out by the Group's Purchasing Department, with the aim of integrating the sustainability profile assessment, in accordance with the first-level evaluations made for the credit granting process.
Investment in R&D	Yes	Risks and opportunities arising from climate change have significantly influenced ISP's strategy in the innovation field, through the promotion of innovative green products, services that reduce exposure to climate change risks and the support of innovative businesses. ISP pursues a Circular Economy project thanks to which numerous initiatives and actions were carried out in 2020 to promote the awareness and adoption of the model in various domestic and international locations. The Circular Economy Lab, launched in 2018 thanks to a Framework Agreement between Intesa Sanpaolo and Fondazione Cariplo with the goal of supporting and assisting the transformation of the Italian economic system and disseminating new models of value creation in the collective interest, accelerating the transition to the Circular Economy, was relaunched with the renewal of the partnership signed in July 2020. The Circular Economy Lab's strategy involves open innovation operating methodologies aimed at identifying innovative solutions and technologies in the area of the circular economy. A dedicated 5 billion euro plafond was allocated by ISP (subsequently increased to 6 billion euro), within the time-frame of the 2018-2021 Business Plan, to finance companies which adopt the circular model. In 2020, disbursements from the credit line amounted to around 1.5 billion euro (2.2 billion euro since it was launched). In June 2020 Intesa Sanpaolo was the winner of the ABI Award for Innovation in Banking Services in the Innovation in Sustainable Finance category thanks to its Intesa Sanpaolo Circular Economy Plafond project. The award recognises the company's willingness to contribute to the development and transformation of the Italian economic context, making a positive impact on both society and the environment. The Group is committed to the development of research projects in the environmental field. For instance, in 2020 was published the 98th edition of the Report analysing industrial sectors (ASI), by the Intesa Sanpaolo Research Department and Prometeia. It contains an analysis of the green transition of Italian industry as compared with that of its main European competitors. According to the analysis, after Germany the Italian manufacturing segment is the second least intensive for GHG emissions.
Operations	Yes	ISP is working on several actions to minimize the potential impacts of climate change in business operations. Adverse weather events can damage the Bank's infrastructure, increase costs (for example for changes in average outside temperature) and lead to interruptions in banking activities. ISP has a business continuity plan and measures to manage/diminish physical damages to its premises. The Risk Assessment document evaluating risks to workers' health and safety includes, among other risks, the assessment of hydrogeological risk for ISP's premises due to flooding and landslides. The assessment is conducted both as a preventive measure and subsequently to the occurrence of an adverse event, to maintain the functionality of the buildings involved. Based on the provisions of the Italian Institute for Environmental Protection and Research, which divides the territory into 5 hazard classes, over 1,000 ISP's buildings in Italy are subject to landslide and flood risk. These assessments enable ISP to implement actions and Emergency Plans that take account of the effects of critical events linked to natural events allowing for the management of different potential risk scenarios and for the mitigation of risk, particularly to workers and third parties. As hydrogeological risk has been assessed as one of the most important physical risks for ISP's premises and data centres, in 2020 ISP carried out a project to validate the methodology for the definition of a vulnerability index for the Bank's properties that can be used to identify priority action and analysis criteria in the event of emergency situations. Based on the results of these inspections, possible intervention measures to make the buildings safe will then be identified in order to prevent the occurrence of potential risk situations. Another initiative carried out in 2020 regards the vulnerability assessment of 14 Venice branches affected by the "high water" emergency caused by the rising sea level. The specific risk for each branch was analysed and procedures to manage the emergency identified. High tide bulletins are checked periodically in order to provide the competent structures with advanced warning and enable them to activate the procedures outlined in the specific Emergency Plans.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs	<p>ISP Group's financial planning takes into account climate-related risks and opportunities in relation to revenues and direct costs. ISP is active in supporting the transition to a low-carbon economy, promoting renewable energy, energy efficiency and the circular business model, and encouraging the development of its various customer segments, committed to reducing their environmental footprint, by promoting green products and services supplied via the sales network in Italy and abroad. In 2020 it expanded its range with innovative financial solutions that meet the growing need for products increasingly in line with ESG principles. In relation to revenues the planning has included: - a dedicated 6 billion euro plafond allocated by ISP, within the time-frame of the 2018-2021 Business Plan, to finance companies which adopt the circular model. - In the context of the European Green Deal, ISP has stated its willingness to make available 60 bn euro loans in the coming years in Italy for the green economy. The market of green bonds is particularly interesting, ISP's strategy is to develop this kind of products. ISP, as of June 2021, issued 3 green bonds (4 considering UBI Banca). Also, the IMI Corporate & Investment Banking Division participated as bookrunner in 12 Green, Social and SDG-linked bonds in the Euro market in 2020. In 2017, ISP was the first Italian bank to issue a 500-million-euro Green Bond connected with environmental sustainability projects (tenor: 5 years). In June 2020 ISP published its 3rd annual Green Bond Report on the use of Green Bond proceeds and its environmental benefits. The report also includes the certification of the auditing company, the Second Party Opinion on the bond issue (Robust ESG performance) and Moody's assessment, which obtained the highest score (GB1 Excellent). At 31 May 2020, the Bond proceeds were used as follows: 41.6% to refinance specific loans included in ISP's portfolio, 58.4% for the financing of new projects. In total, 76 projects were financed with over 460,000 tonnes of CO2 emissions avoided annually. 60.5% of the proceeds were allocated to photovoltaic power, 13.3% to wind power, 9.3% to hydroelectric power, 15.1% to bioenergy and 1.8% to energy efficiency. In 2019, ISP issued a 750-million-euro Green Bond focused on Circular Economy (maturity: 5 years). In December 2020 Intesa Sanpaolo published the first report on the use of the proceeds from the Green Bond focused on the Circular Economy, which were fully allocated during the first year. The report also includes the certification of the auditing company and obtained the Second Party Opinion of ISS ESG. 50.5% of the proceeds have been allocated for the financing of new projects and 49.5% to refinance existing projects. At 31 October 2020 the breakdown of the projects in the Circular Economy portfolio was as follows: 36.9% for production processes driven by renewable or recycled sources and/or connected products, 32.7% for the development of products and/or services that significantly improve effectiveness and efficiency in the consumption of resources, inside the company or its supply chain, 12.5% for solutions that extend the life cycle or products and/or materials, 12.3% for innovative technologies that promote the circular economy model, 5.6% for the design and/or realisation of products that can be entirely recycled or composted as part of an efficient process of collection, separation and recycling after use. All in all, the forecast annual savings in CO2 emissions come to over 255,000 tonnes, corresponding to 341 tonnes per million euro. Thanks to this two green bonds, the Green Bond Ratio, the percentage of outstanding green bonds at the end of the year (2020) out of the total amount of outstanding Senior Preferred and Covered Bonds intended for institutional investors (five-year moving average), is equal to about 3.6%. In March 2021 ISP has placed a third Green Bond with a nominal value of €1.25 billion (proceeds from the bond will be used to finance green mortgages). As for sustainable investments, in 2020 Eurizon managed 17.7 billion in Ethical and ESG funds (28.4% of the total assets of Italian funds) and Fideuram 708 million euro of Ethical/ ESG funds. Among sustainable funds, the assets under management of Eurizon Fund - Absolute Green Bonds, at the end of December 2020, amounted to over 2 bn euro. As at 10 March 2021, Eurizon's overall range reached 123 funds with environmental or social characteristics, in addition to other features, or which have sustainable investment objectives, classified under Articles 8 and 9 of the SFDR Regulation with 73 billion euro of assets, representing over 40% of the company's funds AUM. In terms of direct costs the Group has implemented a plan of energy efficiency and optimisation of energy consumption measures which allows for annual economic savings; thanks to these activities the economic savings amounted to around 2 million euro in 2020. Moreover, thanks to the energy efficiency actions planned by the Group and already implemented in recent years, in Italy the Group was able to claim tax deductions linked to public incentives for an amount of around 6.9 million euro in 2015-2020, around 970,000 euro in 2020.</p>

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C-FS3.6

(C-FS3.6) Are climate-related issues considered in the policy framework of your organization?

Yes, both of the above

C-FS3.6a

(C-FS3.6a) In which policies are climate-related issues integrated?

Type of policy	Portfolio coverage of policy	Description	
Bank lending (Bank)	Credit policy Risk policy	All of the portfolio	The "Guidelines for the governance of environmental, social and governance risks regarding lending operations" define: 1. General criteria for limiting and excluding loans with a particularly high ESG risk, including climate risk; 2. Detailed criteria applicable to single sensitive sectors through the application of specific sector Rules. The first of these Rules, issued in May 2020, are Rules for lending operations in the Coal sector. The general criteria of the "Guidelines for the governance of environmental, social and governance risks regarding lending operations" are applied by the Intesa Sanpaolo Group in all countries where the Group operates and to all the lending portfolio (100%). Furthermore, the Rules on the management of Most Significant Transactions document establishes that for the Most Significant Transactions to be approved by the BoD the CLO include in the credit application an ESG section with (i) an ESG peer analysis comparing borrower's ESG scores assigned by non-financial rating agencies in respect to competitors and (ii) a description of borrower's plans/commitments to tackle climate and transition risk, together with ESG past performance vs set objective (i.e. reduction in CO2 emissions, etc.). Within the MST framework, a specific category has been introduced in 2020 with reference to transactions with counterparties operating in sectors/countries sensitive from an ESG/reputational perspective (belonging to "grey/black list"). This policy is applied by the Intesa Sanpaolo Group and includes credit transactions as well as other type of transactions and partnerships. For those transactions falling under the Equator Principles discipline, a specific assessment is carried out, consistently with the internal Regulations and may be supported by due diligence and monitoring by third-party independent advisor (Rules concerning the Equator Principles and Rules Concerning Structured Finance documents). In 2020 a total of 50 partnerships and 104 loan transactions were assessed, 10 of which were screened according to the Equator Principles.
Investing (Asset manager)	Investment policy/strategy	All of the portfolio	In Eurizon Capital, Intesa Sanpaolo's asset management company, the ESG and SRI principles - including climate change issues, are applied to all actively managed funds, whether they are benchmark or flexible ones (100%). In terms of actively managed funds, specialised ESG products were made which use a proprietary rating platform to select securities based on their sustainability rating. Active management products also include ethical funds with dedicated benchmarks. The process of selecting and monitoring investments based on ESG and SRI principles carried out by the asset management company is structured on the basis of three phases: creation, by the Long-Term Sustainable Strategies office of the Investments Department, of a list of issuers with high exposure to ESG risks (critical issuers) and a list of issuers operating in sectors regarded as not socially responsible; sharing and verification of these lists with the Investments Department and the SRI Committee; monitoring of the observance (ex ante during the order preparation phase and ex post during the portfolio optimisation phase) of specific operating limits on investments in issuers operating in non-socially responsible sectors by the Compliance Department. Operating limits are set in various ways with the following specifications: for products whose investment policy is characterised by the presence of a benchmark, the maximum direct investment allowed is equal to the weight of the issuer in the benchmark; for products whose investment policy does not provide for the presence of a benchmark, direct investment in securities of issuing bodies belonging to the list is ruled out. Furthermore, the Group offers a range of ESG and Ethical funds, that follows sustainable investment criteria / policy. For Eurizon, 17.7 billion euro in Ethical and ESG funds (10.1% of the total assets of Italian and foreign funds); 55 dedicated products; 18 new funds launched in 2020. For Fideuram 707.6 million euro in Ethical/ESG funds, for Pramerica 6.1 billion euro in Ethical/ESG funds. Also Fideuram, the other asset management company of Intesa Sanpaolo Group, has its own investment policy integrating Environmental, Social and Governance criteria.
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Please select	Please select	

C-FS3.6b

(C-FS3.6b) Describe your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Type of exclusion policy	Portfolio	Application	Description
Coal	Bank lending	New business/investment for new projects	The IPS's "Rules for lending operations in the Coal sector", issued in March 2020, are applied by the Intesa Sanpaolo Group in all countries where the Group operates and to all financing provided by the Group with Customers/Projects which operate in thermal coal mining and in Coal Fired Power Plants (CFPPs). The policy applies to new loans to companies operating in the coal sector for general purposes and to projects in the coal sector. Exclusion criteria: The Group will not provide any new general purpose finance to companies with at least one of the following characteristics: <input type="checkbox"/> engaged in the construction of new coal mines; <input type="checkbox"/> involved in coal mining operations using Mountain Top Removal techniques; <input type="checkbox"/> with more than 50% or 30% of installed capacity for the production of energy from coal - respectively for companies based in non-OECD and OECD countries - unless the company demonstrates a documented plan/strategy for the progressive reduction of the use of coal and its threshold and/or requests financing directly related to the coal transition objectives, for ex. in the form of a "green loan", "sustainable loan" or "transition loan". The Group will not provide new loans for any project that contributes to one or more of the following objectives: <input type="checkbox"/> the construction of new coal mines; <input type="checkbox"/> the construction of new coal fired power plants; <input type="checkbox"/> the acquisition of companies already operating in the mining sector if this leads to mix of extracted raw materials where coal accounts for more than 50%; <input type="checkbox"/> the acquisition of CFPPs already in operation if this results in a coal related installed capacity of more than 30% on the total installed capacity for companies based in OECD countries and 50% for companies based in non-OECD countries. The "Rules for lending operations in the Coal sector" were reviewed in July 2021. With the revised Rules the Group undertakes to phase out by 2025 the share of financial services to counter-parties in the coal mining sector. The limits and exclusions envisaged for the coal mining and coal-fired power generation sector have been strengthened, highlighting the transition plans of companies operating in this sector. Also, in the revised policy a single threshold of 35% of installed capacity deriving from coal by 2030 has been introduced, for companies based in non-OECD and OECD countries.
Other, please specify (general exclusion criteria for all sectors)	Bank lending	New business/investment for new projects	the "Guidelines for the governance of environmental, social and governance risks regarding lending operations" define general criteria for limiting and excluding loans in all sectors of activities with a particularly high Environmental Social and Governance risk, with interdependencies also with climate change issues. According to these Guidelines, the Bank undertakes not to finance companies and projects that are characterised by their negative impact on: <input type="checkbox"/> UNESCO World Heritage Sites ; <input type="checkbox"/> wetlands under the Ramsar Convention; <input type="checkbox"/> IUCN protected areas I to VI .
Coal	Investing (Asset manager)	New business/investment for new projects	In 2020 Eurizon , ISP's asset management company, worked on a Coal Policy later approved during 1Q 2021, establishing that issuers with at least 25% of their revenues from the production of energy from coal and coal mining are excluded from the Investment Universe of the assets under management.
Oil & gas	Bank lending	New business/investment for new projects	The Intesa Sanpaolo's "Rules for lending operations in the Unconventional Oil&Gas sector", issued in July 2021, apply to all Group companies and in all countries in which they operate and to all financing provided by the Group with Customers/Projects which operate in the unconventional oil&gas sector and precisely: shale oil & gas", "tar sands" and "tight oil & gas, extraction of oil offshore and onshore in the Arctic, extraction of gas offshore in the Arctic, extraction of oil in the Amazon Sacred Headwaters. The "Rules for lending operations in the unconventional oil & gas sector" introduce limits and exclusions in relation to "shale oil & gas", "tar sands" and "tight oil & gas" resources, which are obtained using unconventional techniques and whose extraction generates higher greenhouse gas emissions than resources extracted with conventional techniques, resulting in greater environmental impact. The policy also excludes exploration and extraction in geographical areas characterized by fragile ecosystems, such as the Arctic or the Amazon Sacred Headwaters. The Group undertakes to phase out by 2030 exposure linked to unconventional resources.

C-FS3.7

(C-FS3.7) Are climate-related issues factored into your external asset manager selection process?

Yes, for all assets managed externally

C-FS3.7a

(C-FS3.7a) How are climate-related issues factored into your external asset manager selection process?

	Process for factoring climate-related issues into external asset management selection	Comment
Row 1	Assessment of asset manager's climate-related performance (e.g. active ownership, proxy voting records, under-weighting in high impact activities)	Eurizon's Board of Directors has in place an investment process to empower the selection of third-party funds with a screening of the fund house in sustainability terms. One of the screening criteria is the ability of the fund house to properly manage climate issues and report accordingly.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2016

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Base year

2012

Covered emissions in base year (metric tons CO2e)

249171

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

89

Target year

2022

Targeted reduction from base year (%)

28

Covered emissions in target year (metric tons CO2e) [auto-calculated]

179403.12

Covered emissions in reporting year (metric tons CO2e)

176995

% of target achieved [auto-calculated]

103.451616990512

Target status in reporting year

Achieved

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain (including target coverage)

Target also disclosed in CDP 2020 as ID: Abs1. The target for Scope 1+2 refers to the potential emissions related to electricity consumption and to the emissions from independent heating (gas) in the Intesa Sanpaolo Group (Italy and International Network). This target doesn't cover emissions from independent heating (diesel), central heating (diesel, gas), cogeneration (gas) and fleet. Currently, non-science based targets are released by banks, as the methodology was released only in October 2020. In

2017 Intesa Sanpaolo issued the Climate Change Action Plan, the Multi-Year Environmental Sustainability Plan established targets for 2022 and 2037. In the Plan, the Intesa Sanpaolo Group outlines its goals as regards reducing the CO2 emissions connected with its activities. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, which should allow the Intesa Sanpaolo Group to reach the challenging goals it has set. In 2020, as in 2019, CO2 emissions fell significantly. This reduction was partly due to the continuation of planned energy efficiency measures but, most of all, to the reduced use of Bank properties from March 2020 onwards because of the COVID-19 emergency.

Target reference number

Abs 2

Year target was set

2016

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2012

Covered emissions in base year (metric tons CO2e)

82675

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

73

Target year

2022

Targeted reduction from base year (%)

42

Covered emissions in target year (metric tons CO2e) [auto-calculated]

47951.5

Covered emissions in reporting year (metric tons CO2e)

47271

% of target achieved [auto-calculated]

101.959767880542

Target status in reporting year

Achieved

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain (including target coverage)

Target also disclosed in CDP 2020 ad ID: Abs2. The target for Scope 1+2 refers to the emissions related to electricity purchased not from renewable sources and to the emissions from independent heating (gas) in the Intesa Sanpaolo Group (Italy and International Network). This target doesn't cover emissions from independent heating (diesel), central heating (diesel, gas), cogeneration (gas) and fleet. Currently, non-science based targets are released by banks, as the methodology was released only in October 2020. In 2017 Intesa Sanpaolo issued the Climate Change Action Plan, the Multi-Year Environmental Sustainability Plan established targets for 2022 and 2037. In the Plan, the Intesa Sanpaolo Group outlines its goals as regards reducing the CO2 emissions connected with its activities. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, which should allow the Intesa Sanpaolo Group to reach the challenging goals it has set. In 2020, as in 2019, CO2 emissions fell significantly. This reduction was partly due to the continuation of planned energy efficiency measures but, most of all, to the reduced use of Bank properties from March 2020 onwards because of the COVID-19 emergency.

Target reference number

Abs 3

Year target was set

2016

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 3: Purchased goods & services

Base year

2012

Covered emissions in base year (metric tons CO2e)

16608

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2022

Targeted reduction from base year (%)

26

Covered emissions in target year (metric tons CO2e) [auto-calculated]

12289.92

Covered emissions in reporting year (metric tons CO2e)

8593

% of target achieved [auto-calculated]

185.614902919816

Target status in reporting year

Achieved

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain (including target coverage)

Target also disclosed in CDP 2020 as ID Abs3. 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 the methodology was released only in October 2020. In 2020, the reduction in the use of paper continued both in absolute terms (-24.5% compared to 2019) and on a staff member basis (-19.7% compared to 2019). These results were also achieved through the implementation of various paperless initiatives. The reduction in paper consumption also continued in 2020 thanks to the implementation of dematerialisation measures. Considering only the actions launched in the last five years, in 2020 around 2,370 tonnes of paper was saved, corresponding to 3,940 tonnes of CO2 avoided and a theoretical cost saving of around 4.2 million euro.

Target reference number

Abs 4

Year target was set

2016

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1

Base year

2012

Covered emissions in base year (metric tons CO2e)

12431

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

21

Target year

2022

Targeted reduction from base year (%)

27

Covered emissions in target year (metric tons CO2e) [auto-calculated]

9074.63

Covered emissions in reporting year (metric tons CO2e)

6101

% of target achieved [auto-calculated]

188.596608836332

Target status in reporting year

Achieved

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain (including target coverage)

Target also disclosed in CDP 2020 as ID: Abs4. This target refers to the emissions related to the fleet of the Intesa Sanpaolo Group (Italy and International Network). This target doesn't cover emissions from independent heating (gas, diesel) and cogeneration (gas). Currently, non-science based targets are released by banks, as the methodology was released only in October 2020. In 2017 Intesa Sanpaolo issued the Climate Change Action Plan, the new Multi-Year Environmental Sustainability Plan established targets for 2022 and 2037. In the Plan, the Intesa Sanpaolo Group outlines its goals as regards reducing the CO2 emissions connected with its activities. The plan, with 2012 baseline, includes actions for 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. In 2020 emissions related to the fleet of the Intesa Sanpaolo Group (Italy and International Network) decreased mainly due to COVID-19 emergency (-44.7%).

Target reference number

Abs 5

Year target was set

2016

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 3: Business travel

Base year

2012

Covered emissions in base year (metric tons CO2e)

9920

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

67

Target year

2022

Targeted reduction from base year (%)

34

Covered emissions in target year (metric tons CO2e) [auto-calculated]

6547.2

Covered emissions in reporting year (metric tons CO2e)

1210

% of target achieved [auto-calculated]

258.242409867173

Target status in reporting year

Achieved

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain (including target coverage)

Target also disclosed in CDP 2020 as ID Abs5. The target for Scope 3 (Business travel) refers to the emissions related to train and air-flight employees travels of the Intesa Sanpaolo Group (Italy and International Network). Currently, non-science based targets are released by banks, as the methodology was released only in October 2020. This target doesn't cover emissions from cars. In 2017 Intesa Sanpaolo issued the Climate Change Action Plan, the Multi-Year Environmental Sustainability Plan established targets for 2022 and 2037. In the Plan, the Intesa Sanpaolo Group outlines its goals as regards reducing the CO2 emissions connected with its activities. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, which should allow the Intesa Sanpaolo Group to reach the challenging goals it has set. In 2020 emissions decreased mainly due to COVID-19 emergency.

Target reference number

Abs 6

Year target was set

2016

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Base year

2012

Covered emissions in base year (metric tons CO2e)

249171

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

89

Target year

2037

Targeted reduction from base year (%)

41

Covered emissions in target year (metric tons CO2e) [auto-calculated]

147010.89

Covered emissions in reporting year (metric tons CO2e)

176995

% of target achieved [auto-calculated]

70.6498847740082

Target status in reporting year

Underway

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain (including target coverage)

Target also disclosed in CDP 2020 as Abs6. The target for Scope 1+2 refers to the potential emissions related to electricity consumption and to the emissions from independent heating (gas) in the Intesa Sanpaolo Group (Italy and International Network). This target doesn't cover emissions from independent heating (diesel), central

heating (diesel, gas), cogeneration (gas) and fleet. Currently, non-science based targets are released by banks, as the methodology was released only in October 2020. In 2017 Intesa Sanpaolo issued the Climate Change Action Plan, the Multi-Year Environmental Sustainability Plan established targets for 2022 and 2037. In the Plan, the Intesa Sanpaolo Group outlines its goals as regards reducing the CO2 emissions connected with its activities. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, which should allow the Intesa Sanpaolo Group to reach the challenging goals it has set. In 2020, as in 2019, CO2 emissions fell significantly. This reduction was partly due to the continuation of planned energy efficiency measures but, most of all, to the reduced use of Bank properties from March 2020 onwards because of the COVID-19 emergency.

Target reference number

Abs 7

Year target was set

2016

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2012

Covered emissions in base year (metric tons CO2e)

82675

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

73

Target year

2037

Targeted reduction from base year (%)

50

Covered emissions in target year (metric tons CO2e) [auto-calculated]

41337.5

Covered emissions in reporting year (metric tons CO2e)

47271

% of target achieved [auto-calculated]

85.6462050196553

Target status in reporting year

Underway

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain (including target coverage)

Target also disclosed in CDP 2020 as Abs7. The target for Scope 1+2 refers to the emissions related to electricity purchased not from renewable sources and to the emissions from independent heating (gas) in the Intesa Sanpaolo Group (Italy and International Network). This target doesn't cover emissions from independent heating (diesel), central heating (diesel, gas), cogeneration (gas) and fleet. Currently, non-science based targets are released by banks, as the methodology was released only in October 2020. In 2017 Intesa Sanpaolo issued the Climate Change Action Plan, the Multi-Year Environmental Sustainability Plan established targets for 2022 and 2037. In the Plan, the Intesa Sanpaolo Group outlines its goals as regards reducing the CO2 emissions connected with its activities. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, which should allow the Intesa Sanpaolo Group to reach the challenging goals it has set. In 2020, as in 2019, CO2 emissions fell significantly. This reduction was partly due to the continuation of planned energy efficiency measures but, most of all, to the reduced use of Bank properties from March 2020 onwards because of the COVID-19 emergency.

Target reference number

Abs 8

Year target was set

2016

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2012

Covered emissions in base year (metric tons CO2e)

113533

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2022

Targeted reduction from base year (%)

37

Covered emissions in target year (metric tons CO2e) [auto-calculated]

71525.79

Covered emissions in reporting year (metric tons CO2e)

64409

% of target achieved [auto-calculated]

116.941829747798

Target status in reporting year

Achieved

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain (including target coverage)

Target also disclosed in CDP 2020 as Abs8. This target refers to 100% Scope1+2 emissions related to Intesa Sanpaolo Group (Italy and International Network). Currently, non-science based targets are released by banks, as the methodology was released only in October 2020. In 2017 Intesa Sanpaolo issued the Climate Change Action Plan, the Multi-Year Environmental Sustainability Plan established targets for 2022 and 2037. In the new Plan, the Intesa Sanpaolo Group outlines its goals as regards reducing the CO2 emissions connected with its activities. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, which should allow the Intesa Sanpaolo Group to reach the challenging goals it has set. In 2020, as in 2019, CO2 emissions fell significantly. This reduction was partly due to the continuation of planned energy efficiency measures but, most of all, to the reduced use of Bank properties from March 2020 onwards because of the COVID-19 emergency.

Target reference number

Abs 9

Year target was set

2016

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2012

Covered emissions in base year (metric tons CO2e)

113533

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2037

Targeted reduction from base year (%)

43

Covered emissions in target year (metric tons CO2e) [auto-calculated]

64713.81

Covered emissions in reporting year (metric tons CO2e)

64409

% of target achieved [auto-calculated]

100.624365131826

Target status in reporting year

Achieved

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain (including target coverage)

Target also disclosed in CDP 2020 as Abs9. This target refers to 100% Scope1+2 emissions related to Intesa Sanpaolo Group (Italy and International Network). Currently, non-science based targets are released by banks, as the methodology was released only in October 2020. In 2017 Intesa Sanpaolo issued the Climate Change Action Plan, the Multi-Year Environmental Sustainability Plan established targets for 2022 and 2037. In the new Plan, the Intesa Sanpaolo Group outlines its goals as regards reducing the CO2 emissions connected with its activities. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, which should allow the Intesa Sanpaolo Group to reach the challenging goals it has set. In 2020, as in 2019, CO2 emissions fell significantly. This reduction was partly due to the continuation of planned energy efficiency measures but, most of all, to the reduced use of Bank properties from March 2020 onwards because of the COVID-19 emergency.

C4.2**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Target(s) to increase low-carbon energy consumption or production

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.**Target reference number**

Low 1

Year target was set

2016

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

MWh

Target denominator (intensity targets only)

megawatt hour (MWh)

Base year

2012

Figure or percentage in base year

76.11

Target year

2022

Figure or percentage in target year

81.31

Figure or percentage in reporting year

84.32

% of target achieved [auto-calculated]

157.884615384615

Target status in reporting year

Achieved

Is this target part of an emissions target?

Abs1 Abs2 Abs6 Abs7 Abs8 Abs9

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

Target also disclosed in CDP 2020 as - Renewable electricity consumption. The target applies to 100% of Intesa Sanpaolo Group perimeter. In 2017 Intesa Sanpaolo issued the Climate Change Action Plan, the Multi-Year Environmental Sustainability Plan established targets for 2022 and 2037. In the Plan, the Intesa Sanpaolo Group outlines its goals as regards reducing the CO2 emissions connected with its activities. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, which should allow the Intesa Sanpaolo Group to reach the challenging goals it has set. The Plan also sets renewable energy consumption and production targets. In particular, the percentage of energy use from renewable energy sources over the total energy use will increase from 76% in 2012 (base year) to 81% in 2022.

Target reference number

Low 2

Year target was set

2016

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

Target type: energy carrier

Electricity

Target type: activity

Production

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

MWh

Target denominator (intensity targets only)

megawatt hour (MWh)

Base year

2012

Figure or percentage in base year

0.07

Target year

2022

Figure or percentage in target year

0.3

Figure or percentage in reporting year

0.28

% of target achieved [auto-calculated]

91.304347826087

Target status in reporting year

Underway

Is this target part of an emissions target?

Abs1 Abs2 Abs6 Abs7 Abs8 Abs9

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

Target also disclosed in CDP 2020 as Renewable electricity production. The target applies to 100% of Intesa Sanpaolo Group perimeter. In 2017 Intesa Sanpaolo issued the Climate Change Action Plan, the Multi-Year Environmental Sustainability Plan established targets for 2022 and 2037. In the Plan, the Intesa Sanpaolo Group outlines its goals as regards reducing the CO2 emissions connected with its activities. The plan, with 2012 baseline, includes actions for energy efficiency and mitigation of impacts, which should allow the Intesa Sanpaolo Group to reach the challenging goals it has set. The Plan also sets renewable energy consumption and production targets. In particular the self-production of electricity from a renewable source - photovoltaic - rose from about 400 MWh in 2012 to over 1000 MWh in 2020, and similar production levels are forecast to be maintained over the years to come.

Target reference number

Low 3

Year target was set

2020

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

MWh

Target denominator (intensity targets only)

megawatt hour (MWh)

Base year

2012

Figure or percentage in base year

77.68

Target year

2022

Figure or percentage in target year

89

Figure or percentage in reporting year

85.12

% of target achieved [auto-calculated]

65.7243816254417

Target status in reporting year

New

Is this target part of an emissions target?

Abs1 Abs2 Abs6 Abs7 Abs8 Abs9

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

New target - renewable electricity purchased for consumption out of total electricity purchased. The target applies to 100% of Intesa Sanpaolo Group perimeter.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	42	1402
Implementation commenced*	17	2299
Implemented*	111	10132
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy consumption	Other, please specify (Renewable energy certificates (GO))
-------------------------------	------------------------------------------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

2602.26

Scope(s)

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

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

0

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

In 2020, thanks to the additional renewable energy purchases, were avoided 2,602.26 tCO2e. Without considering change in methodology for emission factors (see question 7.9a) in 2020 were avoided 4,006.66 tCO2e.

Initiative category & Initiative type

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

Estimated annual CO2e savings (metric tonnes CO2e)

2334.41

Scope(s)

Scope 1

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1605314

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

2711122

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

179.02

Scope(s)

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

51633

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

33240

Payback period

<1 year

Estimated lifetime of the initiative

6-10 years

Comment

Initiative category & Initiative type

Energy efficiency in buildings	Insulation
--------------------------------	------------

Estimated annual CO2e savings (metric tonnes CO2e)

15.23

Scope(s)

Scope 1

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

10962

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

442392

Payback period

>25 years

Estimated lifetime of the initiative

21-30 years

Comment

Initiative category & Initiative type

Energy efficiency in buildings	Maintenance program
--------------------------------	---------------------

Estimated annual CO2e savings (metric tonnes CO2e)

557.77

Scope(s)

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

371500

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

876855

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

Initiative category & Initiative type

Transportation	Employee commuting
----------------	--------------------

Estimated annual CO2e savings (metric tonnes CO2e)

500

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

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

0

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

Besides preparing the "Home Work Commute Plan" on staff commuting, activities continued to monitor the shuttle service run in Italy: in Turin/Moncalieri, Milan/Assago and Padua/Sarmeola di Rubano. In 2020, thanks to use of the service, an estimated 500 tonnes of CO2 were avoided.

Initiative category & Initiative type

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

Estimated annual CO2e savings (metric tonnes CO2e)

3943

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

4207915

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

0

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

The reduction in paper consumption also continued in 2020 thanks to the implementation of dematerialisation measures. Considering only the actions launched in the last five years, in 2020 around 2,370 tonnes of paper was saved, corresponding to 3,940 tonnes of CO2 avoided and a theoretical cost saving of around 4.2 million euro.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	The Intesa Sanpaolo Group establishes its objectives of reducing energy consumption in line with its targets (see Climate Change Action Plan). Moreover, ISP has adopted an Integrated Management System in Italy that complies with international standards ISO 45001 (Occupational Health and Safety), ISO 14001 (Environment) and ISO 50001 (Energy). The certification scope, for the three schemes, has been extended over the years to include 100% of branches and buildings in Italy. The System continuously monitors the company's goals and is subject to internal checks to assess the degree to which performance levels meet with expectations. The ongoing suitability of the measures adopted over time is guaranteed by a system of controls on three levels which involves conducting checks on a sample of branches and buildings and on the activities carried out at headquarters. While the first two levels consist of controls performed by internal company functions, the third level is entrusted to an international third party that certifies the conformity of the System and issues the certification. In 2020 Hungarian subsidiary CIB Bank successfully renewed the energy certification of its real estate and services, switching to the new ISO 50001:2018 standard. Being a large company, Intesa Sanpaolo and its subsidiaries must carry out energy audits every four years on the premises where they exercise control of energy consumption, pursuant to Italian Legislative Decree 102/14. In 2019, multi-site companies, such as Intesa Sanpaolo, had to carry out the audits on a proportionate and sufficiently representative number of sites in order to define a true picture of the company's overall energy performance and to identify, in a reliable manner, the most significant areas for improvement. Energy audits were conducted in 37 sites in Italy. The first analyses highlight saving opportunities on a limited number of properties with simple management interventions. Possible improvements were highlighted against short and medium-term investments regarding the replacement of UPS, installation of inverters and photovoltaic plants, as well as the replacement of lighting fixtures (with LED lights). In 2020, some activities were already in the implementation phase.
Dedicated budget for energy efficiency	A dedicated budget for the initiatives of energy efficiency included in the Climate Change Action Plan 2017-2022 has been established. Moreover, ISP has in place an Energy Desk that provides advisory and customized loans to companies wishing to invest in energy efficiency and renewable energies.
Dedicated budget for low-carbon product R&D	In the context of the European Green Deal, ISP stated its willingness to make available 60 billion-euro loans in the coming years in Italy. In 2020 the range of sustainable Mortgage solutions has been enriched with the introduction of Green - Mutuo Domus: a subsidised mortgage (reduction of the APR and free energy certification for renovation purposes) which makes it possible to purchase and build a residential property in Italy with a high energy class (equal to or higher than B) or to renovate a residential property in Italy improving its energy performance rating by at least one class. In 2020, over 5,100 green mortgages of a total value of over 800 million euro were issued. Moreover, Intesa Sanpaolo in its role as a strategic partner of the Ellen MacArthur Foundation 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. For the 2018-2021 period, the Intesa Sanpaolo Group has made a plafond of 5 billion euro, increased by 1 billion euro in 2020, available to companies which adopt the circular model with innovative procedures, granting the best conditions for access to credit. In particular, as part of the credit process, Intesa Sanpaolo Innovation Center, based on criteria connected with investments in the Circular Economy defined together with the Ellen MacArthur Foundation, is responsible for providing a technical assessment on the level of circularity of the initiatives proposed. ISP has a specialist Energy Desk, composed of a team of professionals from the sector, that provides assistance for entrepreneurs who have planned investments in renewable energies or who intend to diversify their energy sources, assessing their projects from a technical and business perspective and evaluating the financial sustainability of the investment: a comprehensive service that ranges from the credit consultancy on risk assessment and the structuring of the most suitable financial solutions, to advice on new market opportunities and technology trends in the area of new energies.
Employee engagement	The "Apprendo" multimedia platform is available for all employees in Italy: it provides training on environmental and climate change issues. The training module "The climate change challenge" has been available since 2019 and by the end of 2020 had been used by around 4,500 employees. As regards environmental protection issues, two mandatory courses are available on the online Apprendo platform for Intesa Sanpaolo resources directly involved in the application of the Environmental and Energy Management Systems (around 7,000 people). For all other resources an optional course is available with the aim of spreading good practices. The course was also made available to employees of Intesa Sanpaolo Vita, Intesa Sanpaolo Assicura and Fideuram Vita who occupy the properties that attained ISO 14001 certification. Similarly, to meet the requisites of the ISO 50001 standard, in 2020 CIB Bank (Hungary) once again trained around 2,000 employees on energy issues through an online platform and its top management with ad hoc training. The European Regulatory & Public Affairs structure also carried out internal training initiatives to raise awareness among employees on environmental issues under discussion with European regulators.
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. In June 2021 ISP issued new "Rules on Green Banking Procurement", this document includes rules for the purchase of office machines.
Other (Government incentives)	We utilize government incentives for energy efficiency actions in our premises. For example, we have used the Italian tax deductions in favour of saving energy to restructure many of our branches. Thanks to the measures implemented in recent years, in Italy the Group was able to claim tax deductions of around 6.9 million euro in 2015-2020, around 970,000 euro in 2020.

C4.5

(C4.5) 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

C4.5a

(C4.5a) 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

Group of products

Description of product/Group of products

Intesa Sanpaolo is active in promoting renewable energy, energy efficiency and the circular business model by supporting their development and assisting the various customer segments, committed to reducing their environmental footprint, by promoting green products and services offered through the sales network in Italy and abroad.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (To calculate avoided emissions: GHG Protocol; Ecoinvent; AIB (Association of Issuing Bodies); ICMA)

% revenue from low carbon product(s) in the reporting year

2.9

% of total portfolio value

Asset classes/ product types

Please select

Comment

% revenue from low carbon products: is not identified separately in our official reports. The 2.9% reported in column "% revenue from low carbon product(s) in the reporting year" refers to the percentage of loans disbursed for the Green and Circular Economy in 2020 (2.5 billion euro) out of all loans disbursed in 2020. The avoided emissions are calculated for a small part of the disbursements (ISP's green bonds). Intesa Sanpaolo, in the context of the European Green Deal, stated its willingness to make available 60 billion euro loans in the coming years in Italy. The % on green exposures of total portfolio value is in progress in order to link it to other European projects - see green taxonomy - for this reason ISP participates in the UN's Environment Programme Finance Initiative (UNEP FI) and the European Banking Federation working group to analyse the applicability of the EU taxonomy to core banking products with particular focus on climate-related activities. GREEN BONDS - In March 2021 Intesa Sanpaolo has placed a third Green Bond with a nominal value of €1.25 billion that was very well received by investors. Proceeds from the bond will be used to finance green mortgages for the construction or purchase of energy-efficient real estate. Back in 2017, Intesa Sanpaolo was the first Italian bank to issue a Green Bond (in June 2020, ISP published its 3rd Green Bond Report, in total, 76 projects were financed with around 460,000t of CO2 emissions avoided annually), followed by a Green Bond focused on circular economy in 2019 (in Dec. 2020 ISP published the 1st report on the use of the proceeds, the forecast annual savings in CO2 emissions come to over 255,000t, corresponding to 341t per m euro). SUSTAINABLE INVESTMENTS - Also, in April 2018, Eurizon (within ISP Asset Management division) expanded its range of sustainable investment offerings with Eurizon Fund - Absolute Green Bonds. In June 2020, the Global Impact Report was drafted, regarding Eurizon Fund Absolute Green Bonds, which details the results of the quantitative impact analysis. For every million euro invested 532 tonnes of CO2 were avoided. From April 2021 a new fund has been added: Eurizon Fund Green Euro Credit to finance environmental projects. The impact report for the new fund will be integrated into the green bond fund report.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2012

Base year end

December 31 2012

Base year emissions (metric tons CO2e)

58993.85

Comment

Scope 2 (location-based)

Base year start

January 1 2012

Base year end

December 31 2012

Base year emissions (metric tons CO2e)

221035.45

Comment

Scope 2 (market-based)

Base year start

January 1 2012

Base year end

December 31 2012

Base year emissions (metric tons CO2e)

54539.09

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

ABI Energia Linee Guida

IEA CO2 Emissions from Fuel Combustion

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

Other, please specify (UNFCCC: United Nations Framework Convention on Climate Change; EPA: United States Environmental Protection Agency)

C5.2a

(C5.2a) Provide details of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

National Inventory Report – UNFCCC

Common Reporting Format – UNFCCC

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

36925.04

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

123083.12

Scope 2, market-based (if applicable)

31799.96

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.4

(C6.4) 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

C6.4a

(C6.4a) 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

Scope 1 and 2 emissions from UBI Banca has been excluded due to the merger of Intesa Sanpaolo with UBI Banca during the reporting period.

Relevance of Scope 1 emissions from this source

Emissions excluded due to recent acquisition

Relevance of location-based Scope 2 emissions from this source

Emissions excluded due to recent acquisition

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions excluded due to recent acquisition

Explain why this source is excluded

Scope 1 and 2 emissions from UBI Banca has been excluded due to the merger of Intesa Sanpaolo with UBI Banca during the reporting period.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

3407.66

Emissions calculation methodology

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 2018 on paper waste disposal (CONAI and ISPRA), i.e. 81% recycling, 11% 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 3.5 (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. In 2019 the data was 4,584.03 metric tonnes CO₂e (2020 vs 2019 -25.7%)

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

100

Please explain

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

22843.46

Emissions calculation methodology

Accounted capital goods include the most relevant IT equipment and electronics purchased by Intesa Sanpaolo over the reporting year: desktop computers, laptops, LCD screens, printers, copying machines, scanners, mobile telephones, accessories (e.g. headphones), projectors, tablets and automated teller machines (ATM). The system boundaries include cradle-to-gate operations, i.e. the entire products supply chain until they are delivered to Intesa Sanpaolo. According to the GHG Protocol Scope 3 Emission Standard (WBCSD/WRI), emissions generated from capital goods manufacturing are totally accounted in the purchasing year, irrespective of the product service life. Emission factors have been sourced wherever possible from publicly available primary data, such as LCA reports, Environmental Product Declaration (EPDs) or sustainability reports from manufacturing corporates. This was for instance the case of Lenovo or Apple computers or Apple mobile telephones and tablets. For the remaining products, emission factors from Ecoinvent 3.5 (www.ecoinvent.ch) 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. In 2019 the data was 5,801.96 metric tonnes CO₂e (2020 vs 2019 +293.07% mainly due to the purchase of a large number of notebooks during the year)

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

100

Please explain

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

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

22901.9

Emissions calculation methodology

In 2017, Intesa Sanpaolo extended Scope 3 accounting to the company energy system. In accordance with the GHG protocol, Scope 3 emissions related to energy supply include fuel supply chain, infrastructure construction and operation, distribution and transmission losses. Energy consumption, divided by source (e.g. fossil, renewable) and type (electricity, heat), was collected for Italy and foreign banks. Where possible, regionalized data have been used to characterize the impacts of energy carriers (e.g. natural gas). Otherwise, average European/world scenarios have been applied. If available, Country-specific residual electricity mixes were used as reference for electricity consumption, otherwise average national electricity mixes have been used. Emission factors from Ecoinvent 3.5 (www.ecoinvent.ch) have been used. The IPCC 2013 equivalence factors have been applied. In 2019 the data was 26,128.07 metric tonnes CO2e (2020 vs 2019 -12.3%)

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

100

Please explain

Upstream transportation and distribution

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

9518.38

Emissions calculation methodology

In 2018, Intesa Sanpaolo extended Scope 3 accounting to upstream transportation activities. This activity addresses the emissions generated by transportation of money for the recharge of ATMs. In accordance with the GHG Protocol, Scope 3 emissions related to upstream transportation are calculated for third party transportation services purchased by the reporting company in the reporting year, using a distance-based approach. Available activity data were the number of recharges of ATMs for all Intesa Sanpaolo's banks placed in Italy and for most of the banks located abroad. The same boundary has been confirmed for 2020 assessment. Road transportation by van has been assumed to model the system. Distances have been calculated with online maps (Google Maps) based on the position of ATMs (addresses). Emission factors for road transport (van) include all the relevant life-cycle stages: fuel supply chain, combustion emissions and vehicle manufacturing. Emission factors from Ecoinvent 3.5 (www.ecoinvent.ch) have been used. The IPCC 2013 equivalence factors have been applied. In 2019 the data was 10,941.57 metric tonnes CO2e (2020 vs 2019 -13.0%)

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

0

Please explain

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

223.59

Emissions calculation methodology

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 emissions have been accounted. For the remaining waste flows sent to landfill, incineration or other treatment processes, representative emission factors from Ecoinvent 3.5 (www.ecoinvent.ch) have been used. The IPCC 2013 equivalence factors have been applied. In 2019 the data was 278.56 metric tonnes CO2e (2020 vs 2019 -19.7%)

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

0

Please explain

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

3041.8

Emissions calculation methodology

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 requests with regard to issues of mobility and adequately monitors them over time. Also, the emission factor applied and the GWP values used to calculate emissions are included in these guidelines. The model is based on data related to the vectors used, transfers and video conferencing and data obtained through the application of appropriate coefficients. In 2019 the data was 9528.42 metric tonnes CO2e (2020 vs 2019 -68.1%)

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

100

Please explain

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

33975.43

Emissions calculation methodology

In 2013 we started to calculate emission from employees commuting. For 2020 ISP has calculated emissions from employee commuting with the data derived from the questionnaire submitted to its employees (about 15,000 employees in 12 cities in Italy). Starting from the primary data we have applied the emission factor used for the 2020 Intesa Sanpaolo Consolidated Nonfinancial Statement and properly integrated with the necessary data from other resources. Public transportation and shuttles, motorcycles, personal cars and train have been considered. In 2019 the data was 49,344.88 metric tonnes CO2e (2020 vs 2019 -31.1%)

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

100

Please explain

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Intesa Sanpaolo includes the emissions from leased assets in Scope 1 and Scope 2.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

The Intesa Sanpaolo Group doesn't produce goods that need downstream transportation and distribution.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

The Intesa Sanpaolo Group core business is to produce services for our customers. We don't use intermediate products by third parties.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

205.81

Emissions calculation methodology

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 (payment, transfer) 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. In 2016, the study was extended to most of the foreign banks, adopting the same approach and boundary definition. In 2018 the study has been further expanded to include a larger share of foreign banks. The same boundary has been confirmed for 2020 assessment. If available, country-specific residual electricity mixes were used as reference for electricity consumption, otherwise average national electricity mixes have been used. Emission factors were sourced from Ecoinvent 3.5 (www.ecoinvent.ch). 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. In 2019 the data was 216.60 metric tonnes CO2e (2020 vs 2019 -5.0%)

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

0

Please explain

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

The Intesa Sanpaolo Group doesn't produce goods that need an end of life treatment.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Intesa Sanpaolo leases a very small number of buildings to services companies. We estimate that the emissions from these buildings are very few and therefore not relevant for the Scope 3.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

The Intesa Sanpaolo Group doesn't have franchises.

Other (upstream)

Evaluation status

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000003948

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

68725

Metric denominator

unit total revenue

Metric denominator: Unit total

17409000000

Scope 2 figure used

Market-based

% change from previous year

10

Direction of change

Decreased

Reason for change

The intensity figure per unit total revenue (total operating income) in 2019 was 0.000004375. The decrease of the intensity figure is due to a decrease of CO2 emissions. Degree to which different factors have influenced the decrease: • 78% Gross global combined Scope 1 and 2 emissions • 22% total operating income accounts. Both Emissions and revenues decreased during 2020 (emissions 2020 vs 2019 -13.1%). This result is also due to the emission reduction initiatives reported in answer C4.3b, but, most of all, to the reduced use of Bank properties from March 2020 onwards because of the COVID-19 emergency. The Intesa Sanpaolo Group continued to purchase renewable energy. In 2020, as much as 2,602.26 tCO2e were avoided thanks to the additional renewable energy purchased. In addition, Intesa Sanpaolo Group in 2020 continued to implement proactive emissions reduction initiatives, through management optimisation actions and energy efficiency measures. Scope 1 data in 2019: 45,398.34 metric tonnes CO2e (2020 vs 2019 -18.7%). Scope 2 market-based data in 2019: 33,708.67 metric tonnes CO2e (2020 vs 2019 -5.7%). Scope 2 location-based data in 2019: 144,970.63 metric tonnes CO2e (2020 vs 2019 -15.1%).

C7. Emissions breakdowns

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	4006.66	Decreased	5.1	The Intesa Sanpaolo Group in 2020 continued to purchase renewable energy. The data stated in column "change emissions" derives from the additional purchases in the reporting year. In 2020, 4,006.66 tCO2e (2,602.26 tCO2e with 2020 emissions factors) were avoided by the additional renewable energy purchases. ISP's total Scope 1 and 2 emissions in the previous year were 79,107.01 tCO2e. That led to a 5.1% decrease: $(4,006.66/79,107.01)*100 = 5.1\%$.
Other emissions reduction activities	3042.64	Decreased	3.8	The Intesa Sanpaolo Group in 2020 continued to implement proactive emissions reduction initiatives, through energy consumption optimisation actions and energy efficiency measures. The data stated in column "change emissions" derive from the initiatives reported in section c4.3b (scope1 and scope 2) net of the changes in emission factors. In 2020, 3,042.64 tCO2e (3,086.42 tCO2e with 2020 emissions factors) were avoided thanks to emissions reduction projects. Total Scope 1 and 2 emissions in the previous year were 79,107.01 tCO2e. Therefore, a 3.8% decrease was achieved: $(3,042.64/79,107.01)*100 = 3.8\%$.
Divestment		<Not Applicable >		
Acquisitions		<Not Applicable >		
Mergers		<Not Applicable >		
Change in output		<Not Applicable >		
Change in methodology	1122.22	Increased	1.4	This increase is due to the higher emission factors compared with 2019, as recommended in the ABI Guidelines "Linee guida sull'applicazione in banca degli Standards GRI in materia ambientale" (Guidelines on the application in Banks of the GRI Environmental Standards). In 2020 an increase of 1,122.22 tCO2e emissions was recorded due to the change in emissions factors. Total Scope 1 and 2 emissions in the previous year were 79,107.01 tCO2e. That results in a 1.4% increase: $(1,122.22/79,107.01)*100 = 1.4\%$.
Change in boundary		<Not Applicable >		
Change in physical operating conditions		<Not Applicable >		
Unidentified		<Not Applicable >		
Other	4454.94	Decreased	5.6	This decrease is due to different reasons, among them the reduced use of Bank properties from March 2020 onwards because of the COVID-19 emergency. Nevertheless, the Bank continued to operate during the lockdown and its buildings remained open at all times, albeit with a reduced number of people onsite and restricted opening hours for the branches. In 2020, ISP had a decrease of 4,454.94 tCO2e. total Scope 1 and 2 emissions amounted to 79,107.01 tCO2e in the previous year. That results in a 5.6% decrease: $(4,454.94/79,107.01)*100 = 5.6\%$.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

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

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	152833.9	152833.9
Consumption of purchased or acquired electricity	<Not Applicable>	325854.28	56963.71	382817.99
Consumption of purchased or acquired heat	<Not Applicable>	0	58836.95	58836.95
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	1082.18	<Not Applicable>	1082.18
Total energy consumption	<Not Applicable>	326936.46	268634.56	595571.02

C9. Additional metrics

C9.1

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

Description

Other, please specify (Paper)

Metric value

52.1

Metric numerator

kilograms of paper

Metric denominator (intensity metric only)

Staff member

% change from previous year

19.7

Direction of change

Decreased

Please explain

In 2020, the reduction in the use of paper continued both in absolute terms (-24.5% compared to 2019) and on a staff member basis (-19.7% compared to 2019). These results were also achieved through the implementation of various paperless initiatives. Considering only the actions launched in the last five years, in 2020 around 2,370 tonnes of paper were saved, corresponding to 3,940 tonnes of CO2 avoided and a theoretical cost saving of around 4.2 million euro. These savings were made possible by actions taken both internally and regarding customers. In Italy, for example, the paperless contracts project continued: in addition to bank contracts, investment transactions and branch transactions, banking products and services related to pension plans and after-sales operations on POS contracts, in 2020 it was extended to additional products and services dedicated to legal entities, including remote services and short-term loan products. These developments point to the gradual extension of dematerialisation among legal entities, which will be further expanded in 2021. Some of the Group's international branches, such as London and Hong Kong, launched actions to dematerialise the accounting documents of their customers. The digital transformation process also continues in the branches of the International Subsidiary Banks Division where the use of tablets, already in place for gathering signatures during transactions in Privredna Banka Zagreb (Croatia), VÚB Banka (Slovakia), Intesa Sanpaolo Bosna i Hercegovina, CIB Bank (Hungary), Intesa Sanpaolo Bank Slovenia, was extended to sales processes as well. In addition to paperless contracts, tablets are also used to simplify and improve the customer experience of clients and managers by offering processes that are fully integrated with online platforms. Pravex Bank (Ukraine) also launched actions to make its customer accounts paperless. As regards the internal actions carried out within the Group, as part of the three-year programme for the digitisation of all the Group's HR systems and services, the process of the dematerialisation of worker communications (merit, awards, assignments, transfers, part-time, etc.) continued, as did the preparatory activities for the project to review print management processes.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CDP letter and NFS 2020.pdf

Page/ section reference

Auditor statement: Pages 1 and 2. See also attached to the document Intesa Sanpaolo 2020 Consolidated Non-Financial Statement: - Scope 1, 2 and 3 data - pages 173/185/235 - Independent auditors' report pages 265-268

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CDP letter and NFS 2020.pdf

Page/ section reference

Auditor statement: Pages 1 and 2. See also attached to the document Intesa Sanpaolo 2020 Consolidated Non-Financial Statement: - Scope 1, 2 and 3 data - pages 173/185/235 - Independent auditors' report pages 265-268

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CDP letter and NFS 2020.pdf

Page/ section reference

Auditor statement: Pages 1 and 2. See also attached to the document Intesa Sanpaolo 2020 Consolidated Non-Financial Statement: - Scope 1, 2 and 3 data - pages 173/185/235 - Independent auditors' report pages 265-268

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Purchased goods and services

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CDP letter and NFS 2020.pdf

Page/section reference

Auditor statement: Pages 1 and 2. See also attached to the document Intesa Sanpaolo 2020 Consolidated Non-Financial Statement: - Scope 3 data - page 235 - Independent auditors' report pages 265-268

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Capital goods

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CDP letter and NFS 2020.pdf

Page/section reference

Auditor statement: Pages 1 and 2. See also attached to the document Intesa Sanpaolo 2020 Consolidated Non-Financial Statement: - Scope 3 data - page 235 - Independent auditors' report pages 265-268

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

Scope 3 category

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

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CDP letter and NFS 2020.pdf

Page/section reference

Auditor statement: Pages 1 and 2. See also attached to the document Intesa Sanpaolo 2020 Consolidated Non-Financial Statement: - Scope 3 data - page 235 - Independent auditors' report pages 265-268

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Upstream transportation and distribution

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CDP letter and NFS 2020.pdf

Page/section reference

Auditor statement: Pages 1 and 2. See also attached to the document Intesa Sanpaolo 2020 Consolidated Non-Financial Statement: - Scope 3 data - page 235 - Independent auditors' report pages 265-268

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Waste generated in operations

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CDP letter and NFS 2020.pdf

Page/section reference

Auditor statement: Pages 1 and 2. See also attached to the document Intesa Sanpaolo 2020 Consolidated Non-Financial Statement: - Scope 3 data - page 235 - Independent auditors' report pages 265-268

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CDP letter and NFS 2020.pdf

Page/section reference

Auditor statement: Pages 1 and 2. See also attached to the document Intesa Sanpaolo 2020 Consolidated Non-Financial Statement: - Scope 3 data - page 235 - Independent auditors' report pages 265-268

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Use of sold products

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CDP letter and NFS 2020.pdf

Page/section reference

Auditor statement: Pages 1 and 2. See also attached to the document Intesa Sanpaolo 2020 Consolidated Non-Financial Statement: - Scope 3 data - page 235 - Independent auditors' report pages 265-268

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 1)	Limited assurance - ISAE 3000 revised	These data are included in the 2020 ISP Consolidated Non-Financial Statement that is reviewed by independent auditors with a limited assurance in accordance with ISAE3000 (revised). See also attached Intesa Sanpaolo 2020 Consolidated Non-Financial Statement pages 173/185/235 (scope 1, 2 and 3 data) and pages 265-268 (Independent auditors' report on the consolidated non-financial statement) ISP Consolidated_Non_Financial_Statement_2020.pdf
C6. Emissions data	Year on year change in emissions (Scope 2)	Limited assurance - ISAE 3000 revised	These data are included in the 2020 ISP Consolidated Non-Financial Statement that is reviewed by independent auditors with a limited assurance in accordance with ISAE3000 (revised). See also attached Intesa Sanpaolo 2020 Consolidated Non-Financial Statement pages 173/185/235 (scope 1, 2 and 3 data) and pages 265-268 (Independent auditors' report on the consolidated non-financial statement) ISP Consolidated_Non_Financial_Statement_2020.pdf
C6. Emissions data	Year on year change in emissions (Scope 1 and 2)	Limited assurance - ISAE 3000 revised	These data are included in the 2020 ISP Consolidated Non-Financial Statement that is reviewed by independent auditors with a limited assurance in accordance with ISAE3000 (revised). See also attached Intesa Sanpaolo 2020 Consolidated Non-Financial Statement pages 173/185/235 (scope 1, 2 and 3 data) and pages 265-268 (Independent auditors' report on the consolidated non-financial statement) ISP Consolidated_Non_Financial_Statement_2020.pdf
C6. Emissions data	Year on year change in emissions (Scope 3)	Limited assurance - ISAE 3000 revised	Most of these data are included in the 2020 ISP Consolidated Non-Financial Statement that is reviewed by independent auditors with a limited assurance in accordance with ISAE3000 (revised). See also attached Intesa Sanpaolo 2020 Consolidated Non-Financial Statement page 235 (scope 1, 2 and 3 data) and 265-268 (Independent auditors' report on the consolidated nonfinancial statement) ISP Consolidated_Non_Financial_Statement_2020.pdf
C4. Targets and performance	Emissions reduction activities	Limited assurance - ISAE 3000 revised	Most of these data are included in the Non-Financial Statement that is reviewed by independent auditors with a limited assurance in accordance with ISAE3000 (revised). See also Non-Financial Statement pages 185-186, 172-190 and 265-268 (Independent auditors' report on the consolidated nonfinancial statement) ISP Consolidated_Non_Financial_Statement_2020.pdf

C11. Carbon pricing

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Change internal behavior
Drive energy efficiency

GHG Scope

Scope 3

Application

Business decision-making process that the internal carbon pricing mechanism applies to: procurement of IT equipment (e.g. computers, multifunctional printing devices, etc.). Degree of influence it has on business decisions: The evaluation is expected to support Intesa Sanpaolo in the selection of the most environmental-friendly supply.

Actual price(s) used (Currency /metric ton)

57

Variance of price(s) used

The shadow price used can be considered a static price (constant over time and geography), applied to a specific decision process (IT procurement) over the selection of IT equipment.

Type of internal carbon price

Shadow price

Impact & implication

The environmental impacts generated by office equipment in a large service company such as Intesa Sanpaolo is relevant. Following the SUSTAINABILITY RULES FOR THE PURCHASE OF OFFICE MACHINES, among the main environmental impacts are to be considered energy consumption and consequent emissions of carbon dioxide in the atmosphere, the use of hazardous substances and pollutants, waste generation, consumption of auxiliary materials (paper and toner). Intesa Sanpaolo introduced the use of an internal price on carbon, applied to procurement of IT equipment (e.g. computers, multifunctional printing devices, etc.). The internal price on carbon has been applied to IT equipment as an integration to the environmental criteria already in place for the evaluation of the different offers (e.g. energy efficiency, environmental labels, etc.). In 2020 Internal Carbon Pricing was used in four different agreements as an additional support tool in the purchasing process. The price selected for the monetization of GHG emissions (57 euro per metric ton) is derived from CE Delft, EnvironmentalPricesHandbookEU28 version, 2018. The internal price on carbon is applied to the GHG emissions generated by the electricity consumed by the IT equipment, based on product certifications (e.g. Energy Star) and/or declarations from suppliers. The resulting cost is added to the purchase cost and to the cost of use (energy) contributing to the life cycle cost of the machines. The evaluation supports Intesa Sanpaolo in the selection of the most advantageous supply considering a life cycle perspective. This application is expected to have a positive effect on the energy efficiency of the organization in a medium-long term.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, our customers

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Compliance & onboarding

Details of engagement

Climate change is integrated into supplier evaluation processes

% of suppliers by number

29

% total procurement spend (direct and indirect)

81

% of supplier-related Scope 3 emissions as reported in C6.5

42

Rationale for the coverage of your engagement

Intesa Sanpaolo ESG approach is based on continuous improvement to foster socially and environmentally oriented behaviours. For this reason, ISP constantly monitors the suppliers' management approach on CSR issues, including environmental issues, through the Suppliers Gate. The Supplier gate is the tool used by ISP that led to the Group centralisation of sourcing, regulatory monitoring, supplier qualification and monitoring and adaptation of the contractual standards. The selection of suppliers already takes place during the process of registration to the gate by means of an assessment (this assessment must be updated at least once a year) that considers not only the economic and financial data, the organisational and technical characteristics of each supplier, but also includes analyses of their business ethics, respect for human rights, labour rights, environment and climate change. If the result of this assessment is positive, the suppliers are registered in the Group Suppliers' Register and can be invited to the procurement events. The supplier's qualification process makes it possible to obtain a more precise supplier's rating which can be monitored over time and to have an updated screening of the suppliers, for all the duration of the contractual relationship. In 2020 the perimeter of the Intesa Sanpaolo Group's companies adopting the application solution "Supplier Gate" (and consequently asking their suppliers to answer the environmental questions) has been extended. At the end of 2020 the number of suppliers on the Supplier Gate whose registration was ongoing or completed amounted to 7,352 (5,569 in 2019). Even though the number of suppliers (involved in the engagement and present on the Supplier Gate) represents 29.0% of total suppliers (25,372 in 2017), ISP estimates that they represented in 2020 more than 81% of the total procurement spent (71% in 2017) and this percentage is going to increase thanks to the "Group Purchasing Rationalization" project included in the 2018-2021 ISP's Business Plan which will increase the number of suppliers registered in the Gate.

Impact of engagement, including measures of success

The Suppliers Gate has been bringing a substantial communication improvement with suppliers and an increase in the degree of transparency in the relationship. To measure the success of the engagement ISP compares the answers provided by the suppliers one year with the previous year. For each question ISP checked the answers, keeping track of the changes. From this elaboration it emerged that there are several cases of success: compared to the previous year, 133 suppliers (3.3% of total suppliers) improved their CSR environment scoring, 35 additional suppliers indicated to have the 14001 or EMAS certification, 17 additional suppliers the ISO 50001 standard, 34 additional suppliers now assess that they respond to the CDP questionnaire and 28 additional suppliers state that they have implemented environmental policies. Analysis of some latest available replies reported in the New Supplier Portal directly linked to climate change shows the following breakdown: 54% declared they measure their energy consumption; 24% measure their CO2 emissions and 7% respond to the CDP questionnaire. Furthermore, ISP is evaluating specific actions that will be carried out towards those suppliers with particularly low scores linked to environment and climate. Thanks to the questionnaire it is possible to take specific action against suppliers with unsatisfactory assessments or that do not meet the minimum requirements set by Intesa Sanpaolo Group.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Collaboration & innovation

Details of engagement

Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

9

Portfolio coverage (total or outstanding)

All of the portfolio

Please explain the rationale for selecting this group of customers and scope of engagement

ISP is committed to reduce its carbon footprint. Paper plays an important role in the activities of a large bank as Intesa Sanpaolo. For this reason, we have addressed through a specific policy the issue regarding both the quantities of paper consumption and the kind of paper used. In 2011 the Rules for the purchase and use of paper and derivative materials were released, in June 2021 ISP issued new "Rules on Green Banking Procurement", including responsible procurement and use of paper. The percentage in the column "size of engagement" (100%) refers to the total Intesa Sanpaolo Group customers. ISP Group has launched some awareness campaigns for its customers aimed at protecting the environment and reducing CO2 emissions. Over the years, several paperless initiatives were implemented, among them particularly worthy of note is the paperless contracts and accounts project, extended during the years to many banking products and services. The paperless contracts project, involving the exclusive use of graphometric or remote digital signature for signing documents instead of paper, available in all Retail and Personal branches, enables a simple and innovative interaction with customers. A significant contribution to the reduction of paper consumption is also due to the multichannel projects in Italy and in the Group's International Subsidiary Banks. One of the main goals of the 2018-2021 Business Plan is transforming the Group into a digital company with 2.8 billion euro of investments included in 2018–2021 ISP Business Plan. In addition, another campaign concerned the adherence to online customer reporting that started in 2010 is still ongoing. The documents and statements received in electronic format have the same value as paper, with the advantage of arriving in advance and being easily stored on PC, where the customer can consult them whenever he wants.

Impact of engagement, including measures of success

The results of the engagement are substantial. The reduction in the use of paper continued both in absolute terms (-24.5% compared to 2019) and on a staff member basis (-19.7% compared to 2019). ISP, in the area of multichannel and digital banking activities, has already achieved notable results in terms of customer engagement and the volume of services offered. In 2020, with regard to Italy (excluding Fideuram Intesa Sanpaolo Private banking and Banca 5) there were: 10.3 million multichannel customers (9.2 million in 2019), representing 88% of the total customer; 11.6 million digitised transactions (44.6 million since 2018) and 60% of activities digitised (35% in 2019); 6.6 million customers connected at least once to digital channels (Internet Banking and Mobile App) in 2020, including 6.5 million customers connected at least once to the new App since 2018 (+18.2% compared to 2019); 93.5 million average monthly accesses via App, with 73.9 million transactions carried out in 2020 (in 2019 there were approximately 48 million transactions); 85% of the retail customer product range available via multichannel platforms. Most customers have given their preference to receive a digital copy of the contract, statements and accounts abandoning the printed copy. Other examples of positive outcomes achieved: To measure the success in this field ISP monitors the consumption of paper and the saving of paper due to several paperless initiatives. ISP collects the data concerning the number of digital contracts, the tons of saved sheets and envelopes and the related avoided CO2 emissions. The calculation of the avoided emissions is carried out taking into account the life cycle assessment of the paper. Considering only the actions launched in the last five years, in 2020 around 2,370 tonnes of paper was saved, corresponding to 3,940 tonnes of CO2 avoided and a theoretical cost saving of around 4.2 million euro.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Direct engagement with policy makers
- Trade associations
- Funding research organizations
- Other

C12.3a

(C12.3a) 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	In 2020 ISP continued its engagement on the European sustainable finance initiatives. Given the maturity of the upcoming proposals, we engaged mainly with the European Commission. We worked on the following topics, both replying to public consultations (directly and/or through the relevant associations) or advocating some of our priorities on: - The Regulation (EU) 2020/852 (Taxonomy) on the establishment of a framework to facilitate sustainable investment and its delegated acts and follow-ups; - The Targeted consultation on the establishment of an EU Green Bond Standard; - The EBA Discussion paper on management and supervision of ESG risks for credit institutions and investment firms; - The Non-Financial Reporting Directive revision consultation; - The consultation on the renewed sustainable finance strategy; - The ESAs Survey on templates for Environmental and/or Social financial products under SFDR.	ISP continued its advocacy activity for the introduction of a "sustainable finance supporting factor" to foster investment in EU taxonomy compliant assets (trying to accelerate the EBA's mandate on this topic). On general terms, among others more detailed requests, we advocated for: - the need for a long-term strategy and global standards on the renewed Action Plan; - need for standardized and reliable climate data by companies; - enlargement of the scope of the NFRD, while keeping a balanced approach towards SMEs; - alignment as much as possible of the future EU sustainability reporting standard with the existing market initiatives; - going back to the original TEG's proposal on the technical screening criteria on green buildings under the first Eu Taxonomy delegated acts; - need for grandfathering, flexibility on the use of proceeds for economic activities not yet covered by the EU taxonomy and need for incentives under the possible EU Green Bond Framework; - need for financial education related initiatives under the renewed sustainable finance strategy; - a sequencing between non-financial and financial companies in the disclosures requirements (the financial sector has to collect the data on its exposures from the companies before being able to disclose meaningful information).

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Associazione Bancaria Italiana (ABI) - Italian Banking Association

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

In 2020, in the ABI working groups, the Italian banks have worked on Guidelines related to the Indoor Air quality due to Covid-19, with the ISS - Istituto Superiore di Sanità (Italian National Institute of Health) and to the implementation of green criteria on the procurement of the banks' raw materials and equipments.

How have you influenced, or are you attempting to influence their position?

Intesa Sanpaolo has participated actively in the working groups by providing suggestions in order to adapt the ISS rules to the branches and headquarters.

Trade association

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

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

EBF during 2020 has continued to work on sustainable finance through its dedicated working group on sustainable finance which replied to public consultations, produced position papers, proposed amendments and organised meetings. Furthermore the working group has been increased thanks to the launch of several sub-working groups, also actively participated by ISP. Within this framework in 2020 ISP has contributed to: - drafting the EBF feedback on the EC's Inception Impact Assessment on art. 8; - drafting the EBF response to the joint ESA consultation on Sustainable Finance disclosures; - drafting the joint letter of financial sector associations on new definitions of "sustainability preferences" across the delegated acts of MiFID II, the Insurance Distribution Directive (IDD) and Solvency II; - drafting the EBF response to the consultation on the Renewed Sustainable Finance Strategy; - drafting the joint associations letter on a centralized register for ESG data in EU; - drafting the EBF response to the consultation on Non-Financial Reporting Directive Review.

How have you influenced, or are you attempting to influence their position?

Intesa Sanpaolo has participated actively in the working group and in the sub-working groups by providing suggestions and amendments to all the work carried out. In particular ISP is chairing the sub-working group dedicated to indices and metrics.

Trade association

Associazione Bancaria Italiana (ABI) - Italian Banking Association

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

In order to create a shared basis for reporting between all the Italian Banks, ABI Energia and the Competence Center ABI Lab on Energy and Environment has drawn up the new guidelines "Linee guida sull'applicazione in banca degli Standards GRI in materia ambientale" released in 2020. This document is aimed, on the one hand at harmonising the reporting methods so as to facilitate comparison of information among 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. The new guidelines include new references/data sources/calculation resources for the emission factors.

How have you influenced, or are you attempting to influence their position?

Intesa Sanpaolo has participated actively in the working group by providing suggestions for identifying the rules and the models that were useful to draft the new ABI Energia Guidelines "Linee guida sull'applicazione in banca degli Standards GRI in materia ambientale" released in 2020. Intesa Sanpaolo has provided a significant contribution to this activity, since its environmental reporting is a benchmark in the Italian banking system. In detail, our methods for recording and monitoring the data, and the coefficients utilised for the calculation of the transformation factors influenced the final version of the Guidelines.

Trade association

Association for Financial Markets in Europe (AFME)

Is your position on climate change consistent with theirs?

Mixed

Please explain the trade association's position

AFME is a strong supporter of the EU's aim to be a world leader in driving the development of a more sustainable financial system, including via the implementation of its Sustainable Finance Action Plan. AFME's sustainable finance working group meets regularly to discuss, debate and develop strategies for increasing the role of environmental, social and governance (ESG) considerations in wholesale finance and ISP is an active member. Within this framework in 2020 ISP has contributed to the following publication: - AFME response to the ECB Guide on Climate and Environmental risks; - AFME response to the ESA's consultation on the draft RTS under the sustainable finance disclosures regulation; - AFME views on the proposed definition of "sustainability preferences" in MiFID II draft Delegated Acts"; - AFME Key messages for the future EU Renewed Sustainable Finance Strategy; - AFME response to the consultation on Non-Financial Reporting Directive Review.

How have you influenced, or are you attempting to influence their position?

Intesa Sanpaolo has participated actively in the working group and in the sub-working groups by providing suggestions and amendments to all the work carried out.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

No

C12.3e

(C12.3e) 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 other relevant EU institutions) and through its participation in the UNEP FI initiative and the FFS (Forum for Sustainable Finance). ISP 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, other policy makers and the academia. ISP participates in these initiatives through discussion groups, workshops, roadshows, survey research and web-based consultations.

ii) Topic of engagement:

ISP 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 country and common rules at international level.

iii) Nature of the engagement: listed are some of the activities undertaken in 2020

In 2020 ISP actively participated in three working groups of the European Financial Reporting Advisory Group (EFRAG). Of these, the Project Task Force on Climate-related Reporting concluded with the presentation of the How to improve climate-related reporting report in February 2020. The main objective was the analysis and identification of good corporate reporting practices, both as regards the financial impacts of climate risk on companies, and as regards the impact of companies' activities on the environment (the so-called double materiality) taking into consideration the needs of users and those who process the reports. ISP's collaboration with EFRAG continued with its participation in the "Project task force on preparatory work for the elaboration of possible EU non-financial reporting standards". The task force was set up in response to an official request for technical consultancy from the European Commission for the drafting of possible non-financial reporting standards that could form part of a revised European non-financial reporting directive. Finally, a representative of ISP was appointed to the "Advisory Panel on Intangibles (API)", which will provide the EFRAG Technical Expert Group the benefit of its accounting and industry expertise on specific aspects of intangibles.

In 2020 ISP actively participated, together with 25 EU banks, in Phase 1 of the Banking & Taxonomy working group coordinated by the European Banking Federation (EBF) and UNEP FI which completed Phase 1 with the publication of a report "Testing the application of the EU Taxonomy to core banking products: high level recommendations". The Taxonomy was tested through 40 case studies on a diversified set of banking products, from retail products to SME loans and through to corporate banking and project finance. Of these, 26 are published in the report, including one drafted by ISP.

In terms of European Commission initiatives, ISP continued the activity it began in 2017, regularly participating in the work of the Group of Experts for the financing of the Circular Economy, contributing in 2020 to the publication of the document Categorisation System for the Circular Economy which aims to identify the activities that significantly contribute to the goals of the circular economy also through the development of the associated technical screening criteria.

In Italy, ISP participates in the Working Group on Sustainable Finance, established by the Italian Ministry of the Environment (MATTM) decree no. 75 of 2020, which is tasked with developing proposals on sustainable finance issues within the framework of the United Nations Sustainable Development Goals. Thanks to the work carried out by the Working Group, the Ministry of the Environment has introduced a voluntary environmental sustainability certification system, currently at the trial stage, also with the collaboration of Intesa Sanpaolo. The system provides indicators and assessment metrics that make it possible to measure the level of environmental sustainability of a business project which, if virtuous, can access specific loans.

We are also 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 advisors.

Also, the Group's commitment to the development of study and research projects in the environmental field continued in 2020, see Intesa Sanpaolo 2020 Consolidated Non-financial Statement (pag.181-182).

C12.3f

(C12.3f) 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 Chief Institutional Affairs and External Communication Officer (CIAECO), Intesa Sanpaolo regularly monitors the numerous and profound changes in the regulatory framework defined at international, European and national level, in order to be aware of possible changes and anticipate the future directions. Regularly and, in general, whenever relevant, the structures within the CIAECO Area inform all the relevant functions of the banks (through seminars, regulatory alerts, newsletters, etc.) of the upcoming regulatory and policy initiatives on sustainable finance, ensuring that all the all the position expressed by the Group are consistent and in line with the strategy. In 2020 the Intesa Sanpaolo Group expressed its position responding to public consultations, drafting papers and proposing amendments both directly and through the relevant trade associations. All these activities are reported internally to all the organization structures involved in the issues of climate change risks and opportunities and evaluated in order to verify the consistency with ISP strategy: every reply to public consultations on climate issues are coordinated by the CIAECO Area, involving all the relevant functions of the Group and involving them in a drafting procedure that includes from 3 to 4 subsequent drafts before the definition of the final position.

The steering committee, composed of the first organizational line meets on a quarterly basis to examine climate change issues, including new regulation.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

ISP Consolidated_Non_Financial_Statement_2020.pdf

Page/Section reference

The attached document is the 2020 Intesa Sanpaolo Consolidated Non-financial statement. Many parts of the document are directly connected to climate change and GHG, among them: Environment and climate change chapter pp.171-190 (emissions figures,emissions targets and other metrics, strategy, opportunities, green products), pp.234-239 (emission figures, other metrics), TCFD Recommendations correspondence table pp.240, Management of potential risks and impacts related to climate change pp.69-75.

Content elements

- Governance
- Strategy
- Risks & opportunities
- Emissions figures
- Emission targets
- Other metrics

Comment

The Intesa Sanpaolo Consolidated Non-financial statement responds to the EU Directive regarding Non-financial Statement, Article 4 of Italian Legislative Decree 254/2016, the Core option of the GRI Standards defined in 2016 by the GRI (Global Reporting Initiative) and the "Financial Services Sector Supplements". Consideration was also given to the recommendations issued in June 2017 by the Task Force on Climate-related Financial Disclosures (TCFD), adopted by Intesa Sanpaolo in October 2018, for the voluntary dissemination of transparent reporting on the risks and opportunities linked to climate change. The Intesa Sanpaolo Non-Financial Statement was reviewed by independent auditors with a limited assurance in accordance with ISAE3000 (revised). See also: Intesa Sanpaolo 2020 Annual Report: pp. 70-71 Task Force on Climate-Related Financial Disclosures: Governance, Strategy, Management of risks and opportunities, Metrics and objectives; page 69 Support for the green economy and the circular economy. Intesa Sanpaolo website / Sustainability / "Environment and climate change" and "Risk management and control - Management of risks and impacts related to climate change".

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

Intesa Sanpaolo - Annual Report 2020.pdf

Page/Section reference

Intesa Sanpaolo 2020 Annual Report, pp. 70-71 Task Force on Climate-Related Financial Disclosures: Governance, Strategy, Management of risks and opportunities, Metrics and objectives. See also pp. 67-70 Sustainability.

Content elements

- Governance
- Strategy
- Risks & opportunities
- Emission targets
- Other metrics

Comment

Intesa Sanpaolo 2020 Annual Report, pp. 70-71 Task Force on Climate-Related Financial Disclosures: Governance, Strategy, Management of risks and opportunities, Metrics and objectives. See also pp. 67-70 Sustainability.

C-FS12.5

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

	Industry collaboration	Comment
Reporting framework	Equator Principles Principles for Responsible Investment (PRI) Task Force on Climate-related Financial Disclosures (TCFD) UNEP FI Principles for Responsible Banking UNEP FI Principles for Sustainable Insurance	
Industry initiative	UNEP FI UNEP FI TCFD Pilot Other, please specify (Phase 1 of the Banking & Taxonomy working group coordinated by the European Banking Federation (EBF) and UNEP FI; Ellen MacArthur Foundation - Circular Economy- Intesa Sanpaolo is Strategic Partner of the Foundation)	
Commitment	Please select	

C14. Portfolio Impact

(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Bank lending (Bank)	No, but we plan to do so in the next two years	<Not Applicable >	Intesa Sanpaolo knows that measuring financed emissions is the starting point to manage risks and identify opportunities associated with GHGs emissions. In 2020 ISP has been working to develop the knowledge necessary to perform this analysis and minimize assumptions and estimates that could mislead the output of the analysis. This research has taken some time and for this reason a fully-fledged analysis to understand how ISP portfolios impacts the climate has not yet been performed. For instance, one of the problems for ISP, as well as for the financial sector, is the lack of data, especially for SMEs customers. To build the necessary knowledge ISP is observing methodologies, especially the Global GHG Accounting and Reporting Standard for the Financial Industry developed by Partnership for Carbon Accounting Financials (PCAF) built on GHG Protocol. Since October 2018, Intesa Sanpaolo decided to support the recommendations of the TCFD. In the coming months ISP plans to publish a dedicated TCFD report and to disclose the Bank's ambition on the topic of climate change and strategic climate choices; the latter will be disclosed at the latest within the presentation of the Bank's Business Plan, to be published in early 2022. The Group's commitment to fight climate change is confirmed by the signature of the main sectors initiatives such as PRB (also in 2020 ISP adhered to 3 PRB working groups including the working group on IMPACT). ISP plans to perform an analysis by the next 2 years at least on a portion of its portfolio also in line with the European regulatory framework. To this end, ISP is working to develop the knowledge necessary to perform this analysis and is observing different working groups on the issue. For instance, ISP is continuing to participate in the Unep Fi TCFD banking pilot. In Phase 3 (started in January 2021), among the various activities, ISP will participate in the new module on portfolio-implied temperatures supervised also by SBTi and PCAF.
Investing (Asset manager)	No, but we plan to do so in the next two years	<Not Applicable >	ISP knows that measuring financed emissions is the starting point to manage risks and identify opportunities associated with GHGs emissions. ISP in 2020 has been working to develop the knowledge necessary to perform this analysis and minimize assumptions and estimates that could mislead the output of the analysis. This research has taken some time and for this reason a fully-fledged analysis to understand how ISP portfolios impacts the climate has not yet been performed. The Group's commitment to fight climate change is confirmed by the signature of the main sectors initiatives such as the Principles for Responsible Investments (PRI). Within the Asset management division, Eurizon, in response to the requirements of the EU Regulation 2019/2088 on Sustainable Financial Disclosure Regulation – SFDR, has already organised the collection of scope 3 data through its data providers. On the basis of these data Eurizon plans to perform an analysis within the next 2 years in line with the European regulatory framework.
Investing (Asset owner)	<Not Applicable >	<Not Applicable >	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable >	<Not Applicable >	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable >	See other rows

(C-FS14.1c) Why do you not conduct analysis to understand how your portfolio impacts the climate? (Scope 3 Category 15 “Investments” emissions or alternative carbon footprinting and/or exposure metrics)

i) An explanation as to why climate-related portfolio analysis has not been undertaken

ISP knows that measuring financed emissions is the starting point to manage risks and identify opportunities associated with GHGs emissions.

In 2020 ISP has been working to develop the knowledge necessary to perform this analysis and minimize assumptions and estimates that could mislead the output of the analysis. This research has taken some time and for this reason a fully-fledged analysis to understand how Intesa Sanpaolo portfolios impacts the climate has not yet been performed. For instance, one of the problems for ISP, as well as for the financial sector, is the lack of data, especially for SMEs customers.

To build the necessary knowledge ISP is observing methodologies, especially the Global GHG Accounting and Reporting Standard for the Financial Industry developed by Partnership for Carbon Accounting Financials (PCAF) built on GHG Protocol.

ii) A description of plans to implement climate-related portfolio analysis in the future

Since October 2018, ISP decided to support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), with the voluntary commitment to disseminate transparent reporting on the risks and opportunities linked to climate change. ISP knows that among the steps that need to be implemented to enforce full alignment with TCFD recommendations the analysis of how its portfolio impacts the climate is very important. In the coming months ISP plans to publish a dedicated TCFD report and to disclose the Bank’s ambition on the topic of climate change and strategic climate choices; the latter will be disclosed at the latest within the presentation of the Bank’s Business Plan, to be published in early 2022.

The Group’s commitment to fight climate change is confirmed by the signature of the main sectors initiatives such as Principles for Responsible Banking (PRB) (also in 2020 ISP adhered to 3 PRB working groups including the working group on IMPACT) and through its subsidiaries, the Principles for Responsible Investments (PRI) in asset management and the Principles for Sustainable Insurance (PSI) in the insurance sector.

ISP plans to perform an analysis by the next 2 years at least on a portion of its portfolios also in line with the European regulatory framework.

To this end, ISP is working to develop the knowledge necessary to perform this analysis and is observing different working groups on the issue. For instance, ISP is continuing to participate in the Unep Fi TCFD banking pilot. In Phase 3 (started in January 2021), among the various activities, ISP will participate in the new module on portfolio-implied temperatures supervised also by SBTi and PCAF.

Also, in 2019 a project called ISP4ESG was launched. After screening ESG best practices in the banking sector, the project aims at placing Intesa Sanpaolo among the leaders in this field including climate change. In 2020 the project mainly focused on the areas of ESG Governance and Sustainable Credit. With regard to the latter, the Group’s credit portfolio underwent ESG sector mapping to develop a proprietary debtor aggregation framework which is aligned with best practices on the market and a preparatory step for meeting the rapidly changing regulatory requirements. Also, a working group within the ISP4ESG project is focused on Asset Management.

Within the Asset management division, Eurizon, in response to the requirements of the EU Regulation 2019/2088 on Sustainable Financial Disclosure Regulation – SFDR, has already organised the collection of scope 3 data through its data providers.

C-FS14.3

(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Bank lending (Bank)	No, but we plan to do so in the next two years	Actions to align ISP portfolio to a well below 2-degree world have not been undertaken so far because ISP has been working to develop the knowledge necessary to implement the right strategy and ambition. ISP plans to take actions to align its portfolios to a well below 2-degree world by the next 2 years at least on a portion of its portfolios also in line with the EU regulatory framework and for this reason is investigating different methodologies: SDA Approach, PACTA, SBT portfolio coverage and Temperature rating. ISP is continuing to participate in the Unep Fi TCFD banking pilot. In Phase 3 of the Pilot, started in 2021, among the various activities, ISP will participate in the new module on portfolio-implied temperatures supervised also by SBTi and PCAF. In 2019 a project called ISP4ESG was launched. After screening ESG best practices in the banking sector, the project aims at placing Intesa Sanpaolo among the leaders in this field including climate change. In 2020 the project mainly focused on the areas of ESG Governance and Sustainable Credit. In the coming months ISP, on the topic of climate change, plans to publish a dedicated TCFD report and to disclose the Bank's ambition on the topic of climate change and strategic climate choices; the latter will be disclosed at the latest within the presentation of the Bank's Business Plan, to be published in early 2022. In May 2020 ISP issued the "Guidelines for the governance of environmental, social and governance risks regarding lending operations" that define general criteria for limiting and excluding loans with a particularly high ESG risk. Together with these Guidelines, ISP issued a Coal policy which defines limitations and exclusion criteria with reference to credit operations in the coal sector. Also, the Bank is developing tools that will be integrated in the credit framework to set up a process that incentivizes lending to counterparties with a strong ESG/Climate profile or that have started a transition toward more sustainable business models, while disincentivizing lending to the ones with higher ESG/Climate risk profile.
Investing (Asset manager)	No, but we plan to do so in the next two years	Actions to align ISP portfolio to a well below 2-degree world have not been undertaken so far because ISP has been working to develop the knowledge necessary to implement the right strategy and ambition. The Group's commitment to fight climate change is confirmed by the signature of the main sectors initiatives such as PRI. Within the Asset management division, Eurizon is active in data collection to satisfy the SFDR requirements and to assess portfolio "below 2-degree" alignment within the next two years. On this subject, in 2020 Eurizon worked on a Coal Policy which formally came into force during 1Q 2021, establishing that issuers with at least 25% of their revenues from the production of energy from coal and coal mining are excluded from the Investment Universe of the assets under management.
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	See other rows

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Financial Officer, who reports directly to the Managing Director and CEO.	Chief Financial Officer (CFO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms