



Social Bond Investor presentation

October 2022

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- 1. Leading the Way to a Sustainable Future**
- 2. Green, Social and Sustainability Bond Framework (June 2022) and Contemplated Social Bond transaction**

Appendix

Commitment to leading the way to a sustainable future



A committed leading sustainable bank...

1

Strengthened ESG Governance framework, with the **Risks and Sustainability Committee** supporting the BoD in setting strategic ESG guidelines and policies

Steering Committee (first managerial lines) also in charge of Sustainability/ESG topics (at least one dedicated quarterly meeting)

Since 2019, ongoing internal project **ISP4ESG** with the aim to consolidate the Group's **ESG leadership**

ESG Control Room established in 2020 to support the Steering Committee in the **strategic proposition and coordination for the implementation of ESG initiatives**

Strong commitment to key international voluntary initiatives' (incl. **PRB, PRI, PSI, SDGs, WEP** and **TCFD** reporting) - ISP is one of the few European banks having signed up to **all** UNEP FI initiatives

ISP's commitment also recognized through the excellent positioning in **ESG ratings, indexes and rankings**

1 PRB =Principles for Responsible Banking, PRI =Principles for Responsible Investment, PSI =Principles for Sustainable Insurance; SDG =Sustainable Development Goals, TCFD =Task Force for Climate- related Financial Disclosures, WEP =Women Empowerment Principles; UNEP FI =United Nations Environment Programme Finance Initiative is a partnership between UNEP and the global financial sector to mobilise private sector finance for sustainable development



...that embodies social responsibility to the highest standard,...

2

Talented and highly-motivated employees

ISP People, the key priority: job protection and re-skilling, Quality of life and Diversity ("Diversity and Inclusion Principles", "Rules for Combatting sexual harassment", etc)

Tangible social contribution to the community in terms of **financial inclusion, culture, education and innovation** – in 2021 **€20.6bn** Loans for **high social impact** initiatives

Fund for Impact for financial inclusion with initiatives for **students, working mothers, female entrepreneurs** and people close to **retirement**

ISP has implemented multiple **projects** to support its **employees** following **increase in energy prices** and inflation, the **Ukrainian population** as well as **Pravex Bank colleagues** (about 800)

Continued enhancement of **Customer Service** - Digitalisation, Cybersecurity



...combats climate change,...

3

In 4Q21, ISP committed to **Net-Zero emissions by 2050** and is part of the **Net-Zero Banking Alliance (NZBA)**, Eurizon Capital and Fideuram become members of the **Net-Zero Asset Managers Initiative (NZAMI)**, ISP Vita becomes member of the **Net-Zero Asset Owner Alliance (NZA OA)** and **Net-Zero Insurance Alliance (NZIA)**

New **Own emission reduction plan to Net Zero in 2030**

In terms of **financed emissions**, the 2022-2025 Business Plan sets relative **emission reduction targets for 4 high-emitting sectors**

Commitment to request SBTi validation was published on the **SBTi** website in April 2022



...and supports its clients and the broader economy in the transition to a green and sustainable economy...

4

€76bn in new lending dedicated to the **Green Economy, Circular Economy and Ecological transition** as part of the Group's commitment in support of the Italian NRRP

€8bn circular economy plafond announced in the 2022-2025 Business Plan

Success of S-Loans, launched from July 2020 as an Innovative solution for **SMEs** to finance projects aimed at **improving their sustainability profile**

In August 2022, ISP issued a **new Green Bond for €1bn**, demand more than 2.3 bn
Four other Green Bonds issued in 2021, 2019 and 2017 for a total amount of **€3bn** (€1.25bn Green Buildings, €750m Circular; €500m renewables and energy efficiency and €500m renewable energy sectors by UBI)

Leadership in sustainable investments in Italy with **-€103bn** at end of 1H22



...with a comprehensive approach

5

Inclusion of **climate change** within the **Risk Appetite Framework (RAF)**

Inclusion of **"ESG"** components in the **Corporate rating model**

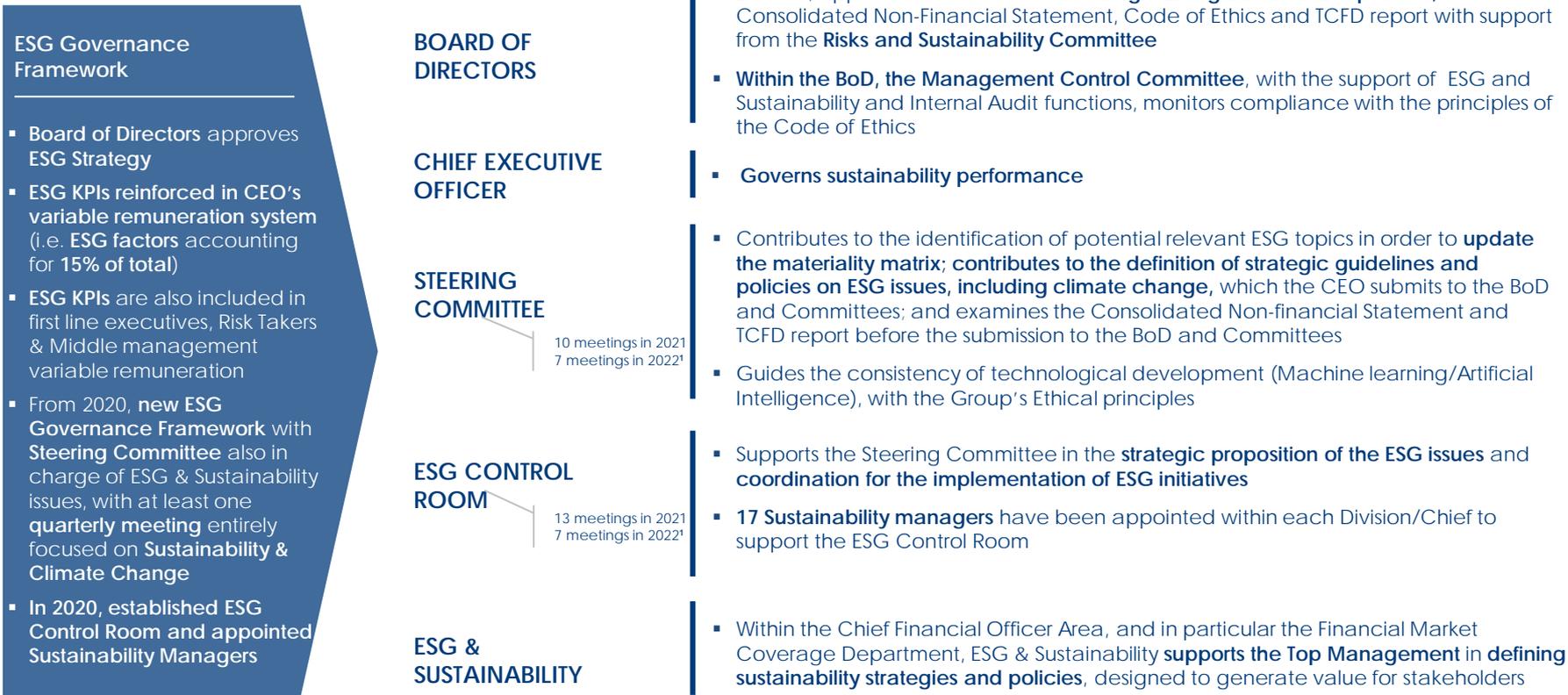
Adoption of Equator Principles' guidelines for the assessment of social and environmental risks for Project finance (since 2007)

Dedicated Guidelines on Governance of Group ESG Risks including sensitive sectors updated in 1Q22 and **Specific Sector Policies** to incorporate ESG considerations in credit procedures (e.g. controversial weapons, coal policy, Unconventional Oil and Gas)

Sectoral Heatmap and **ESG Scoring by counterpart** to be included in the credit framework

In October 2021, ISP published its first **TCFD Report**

Commitment to safeguard **natural capital through afforestation and a policy on biodiversity (BP2022-2025)**



Reinforced ISP ESG governance, with the "Risks Committee" becoming the "Risks and Sustainability Committee" with enhanced ESG responsibilities from April 2022

ISP's commitment is also confirmed through Key International Voluntary Initiatives and participation in international workgroups



Commitment to Voluntary Initiatives and Reporting

- Intesa Sanpaolo has joined various **international voluntary initiatives** with clear **commitments on sustainability and on strong disclosure reporting standards** fostering stakeholder engagement
- In addition to adhering to the **Sustainable Development Goals (SDGs)**, ISP joined as **Founding Signatory of the Principles for Responsible Banking (PRB)**, and also signed the **Principles for Sustainable Insurance (PSI)**, and the **Women's Empowerment Principles (WEP)**
- ISP is one of the few European banks to sign up to all **UNEP FI** initiatives in its business areas (PRI, PRB and PSI)
- In 4Q21, the Group completed the commitment to **Net-Zero emissions by 2050**, by adhering to the **Net-Zero Banking Alliance (NZBA)**, **Net-Zero Asset Managers Initiative (NZAMI)**, **Net-Zero Asset Owner Alliance (NZAOA)** and **Net-Zero Insurance Alliance (NZIA)**
- Among others, ISP has also joined workgroups in **Glasgow Financial Alliance for Net Zero (GFANZ)** and **NZBA Worktracks**, **UNEP FI TCFD & Climate Risk Program**, etc

NOT EXHAUSTIVE



Forum per la
Finanza Sostenibile



**EQUATOR
PRINCIPLES**



In support of

**WOMEN'S
EMPOWERMENT
PRINCIPLES**
Established by UN Women and the
UN Global Compact Office



Top ranking¹ for Sustainability

The only Italian bank listed in the Dow Jones Sustainability Indices



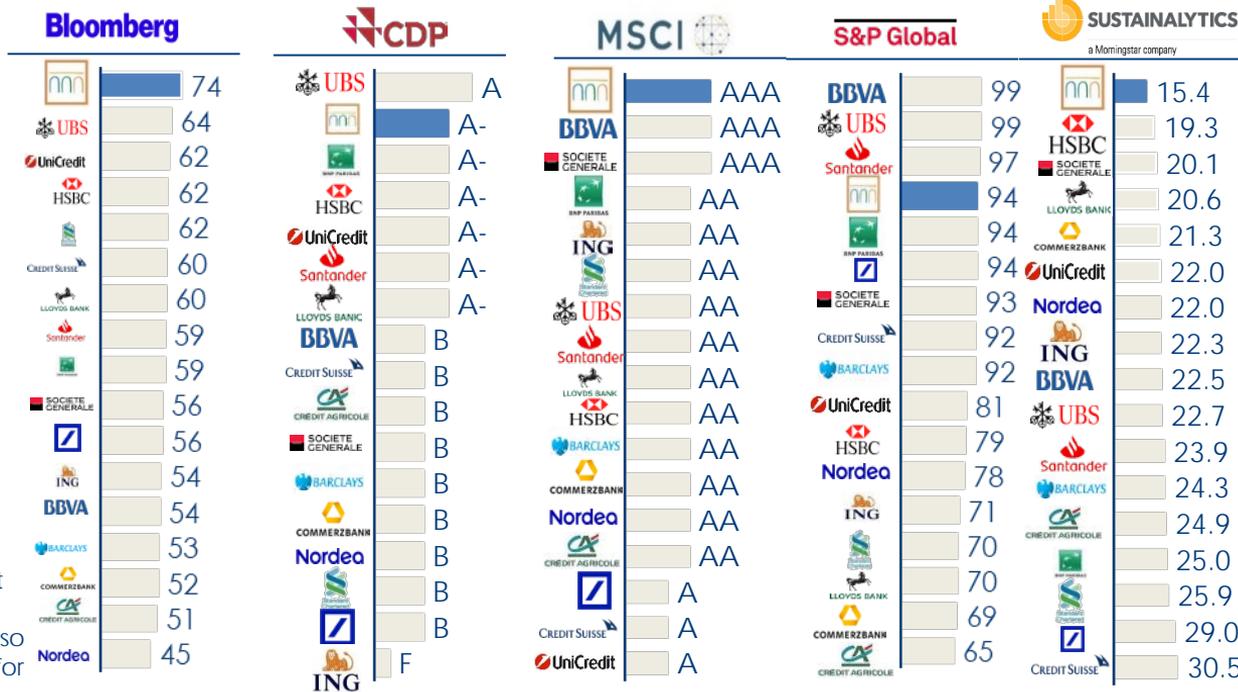
Ranked first among peer group by Bloomberg (ESG Disclosure Score), Sustainalytics and MSCI

In January 2022, ISP was confirmed in the **Bloomberg Gender-Equality Index**

In February 2022, ISP received the **S&P Global Sustainability Award – Bronze Class**



In the 2022 ranking by **Institutional Investor**, ISP was **confirmed first in Europe** for relations with institutional investors and financial analysts and for **ESG aspects**. ISP was also the first bank among the “**Most Honoured Companies**”. In July 2022, ISP was also confirmed as Italy’s Best Company for IR and ESG aspects



1 ISP peer group

Source: Bloomberg ESG Disclosure Score (Bloomberg as of 30.6.22), CDP Climate Change Score 2021 (<https://www.cdp.net/en/companies/companies-scores>); MSCI ESG Score as of 30.6.22 (<https://www.msci.com/esg-ratings>); S&P Global (Bloomberg as of 30.6.22); Sustainalytics <https://www.sustainalytics.com> ESG Risk Rating as of 19.8.22

ISP People: the most important asset with a full range of services and initiatives for their Welfare

In 2021

- ~96,700 employees
- 47% men and 53% women
- ~78,000 (81% of total) employees adhering to **Smart working**
- ~12.8 million training hours

Complementary Pensions



- Significant benefit for all employees **with an additional pension contribution** paid by the company
- ~121,000 members
- ~€12bn managed

Group Health Service



- Provides health benefits in addition to the national health service
- Coverage for about **210,000** people (incl. retired personnel)
- ~€152m in benefits paid in 2021
- Dedicated prevention campaigns

Employees Association



- The cultural, recreational and sports association for ISP Group employees
- ~160,000 members as of 2021
- ~€5m for different initiatives in 2021

Work-life balance



- **Smart working** allows people to work from home, hubs, and on-site with clients: ~78,000 people in 2021
- **Time bank** - Time made available by the company and employees for colleagues in need: ~15,500 days donated in 2021

Group Foundation



- **Group Foundation** to combat financial and social hardship supporting employees, former employees and retired employees with difficulties and the promotion of art and culture through the issuing of university and PhD study grants to disadvantaged students
- ~€2.5m donated in 2021

In 2022 ISP has provided 82,000 of its people with €500 each (overall close to €50m) to address rising food and energy prices, benefitting the Group's personnel (non-senior management) both in Italy and abroad

- **Women on the Board of Directors: 42%** (8 out of 19 members) from April '22, up from 37% in the previous BoD
- **Total women in the Group in 2021: 53.3%**
- **Management roles held by women in 2021: 38.8%²**



Initiatives

- Dedicated structure "**Diversity & Inclusion**" within the COO Area, with the purpose of increasing and enhancing gender equality, multiculturality, different experiences and characteristics
- **In 2022, Diversity & Inclusion objective** as one of the **ESG KPI** in the incentive system for the **CEO** and **~3,000 Group managers** (2,100 in 2021 and 1,200 in 2020)
- In 2020, Intesa Sanpaolo's Board of Directors approved **Diversity and Inclusion Principles**, stating the commitment to contrast all forms of discrimination, progressively reduce the gender pay gap and condemn all forms of harassment and abuse
- **Rules for Combatting sexual harassment** issued in April 2021
- "**Back@work**" dedicated to employees absent from work for long periods due to maternity, illness, etc aimed at maintaining a sense of belonging to the Group

Subscriptions and certifications

- **First Italian Bank** to obtain **Gender Equality European & International Standard** (GEEIS-Diversity) certification in May 2021
- Signing of the **UN's "Women Empowerment Principles"** for corporate action to promote gender equality and the empowerment of women
- Adhering to "**Parks - Liberi e Uguali**" to build a culture of **inclusion and respect**, capitalising on differences

ISP's commitment recognised in indexes and rankings

- **Included in 2022 Bloomberg Gender-Equality Index**
- **Included in Top 100 Company 2022 Refinitiv Diversity and Inclusion Index (16th place)**



Code of Ethics¹

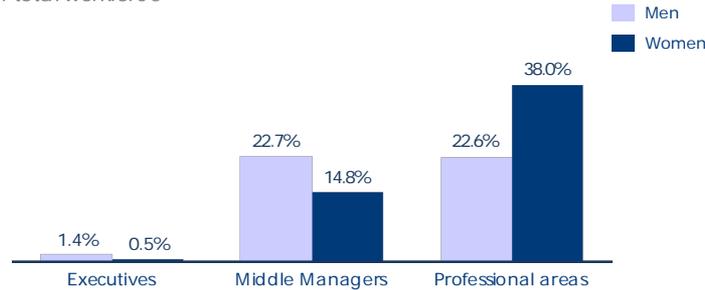
We are committed to eliminating all forms of discrimination from our conduct and to respecting differences in gender, age, ethnic origin, religion, political and union persuasions, sexual orientation and identity, language or disability

Diversity indicators as at end 2021

SELECTED EXAMPLES

Employees by category and gender

% of total workforce



Women/men remuneration ratio

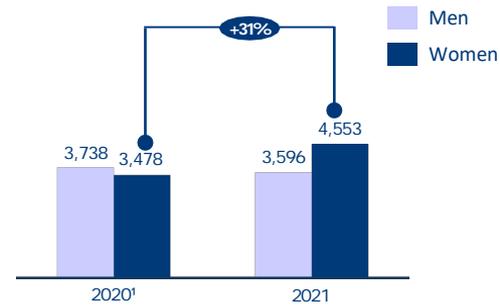
n.



- In Italy confirmed gender parity for Professional areas

Number of promotions by gender

n.



- The overall number of promotions increased vs 2020
- The increase refers in particular to women, who in 2021 represent ~56% of total promotions (48.2% in 2020)

2022-2025 Business Plan: Diversity targets

50%

New appointments of women to Senior roles (1-2 organisational levels below the CEO) in 2022-2025



expecting to achieve..

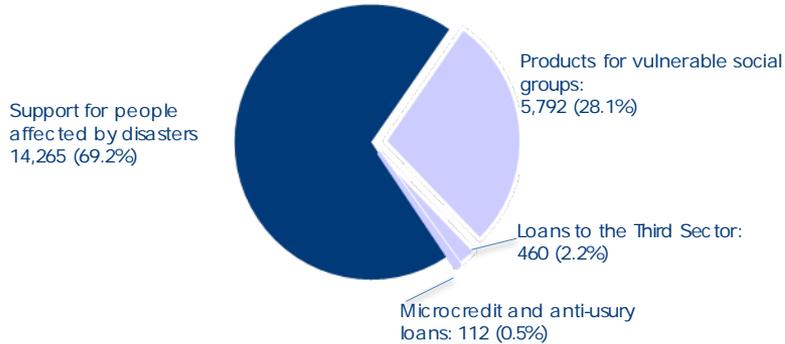
30%

of women in Senior leadership positions by 2025

The Group has an active and responsible role in the development and growth of the areas where it operates

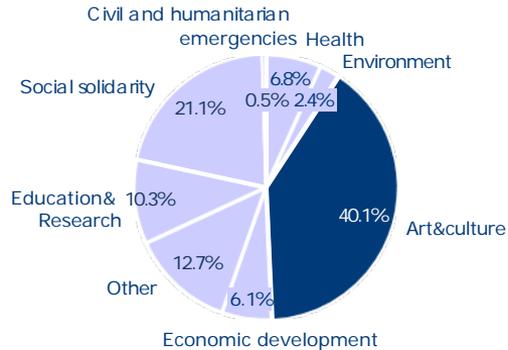
Breakdown of high social impact loans in 2021: €20.6bn

€ m, (%)



Breakdown of monetary contributions to the community in 2021: €80m

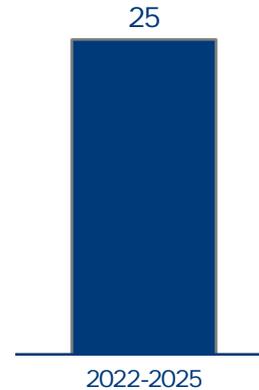
%



In 1H2022: €40m of monetary contribution

2022-2025 Business Plan - Social lending/contribution to society

Cumulative flows, € bn



- **Lending to Third sector** (Lending and dedicated services for non-profit organisations)
- **Fund for Impact** (Direct support to individuals unable to access credit through traditional financial channels - initiatives for students, working mothers, female entrepreneurs and people close to retirement, etc)
- Dedicated program for **urban regeneration**
- Lending to **vulnerable and underserved individuals** (eg. young couples, support to families affected by natural disasters, partnerships in micro-credit, etc)

In 1H2022 already granted >€5bn in social lending

Continuous commitment to culture

Culture project at the Gallerie d'Italia in 2021

- For preserving and promoting Italian culture and leveraging on the Group's considerable artistic heritage, one of the largest in Europe.



of the **Gallerie d'Italia**



Starting from April 2021 after the re-opening of the museum locations

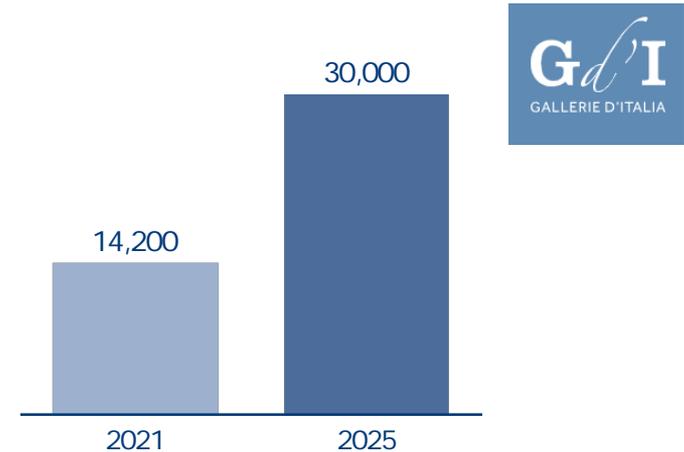


in 2021

- The Gallerie d'Italia **host the collections** of the Bank **and temporary exhibitions in partnership** with the main international museums, and they are home to free activities for students and to vulnerable categories
- Free entrance for all employees of the Group and under 18s

Gallerie d'Italia exhibition space

Sqm



- In May 2022, IS opened 1 new **Gallerie d'Italia** museum in the Bank's historic building in Piazza San Carlo Turin and enlarged spaces of *GdI* in Naples: total exhibition space reached **28,000 Sqm**

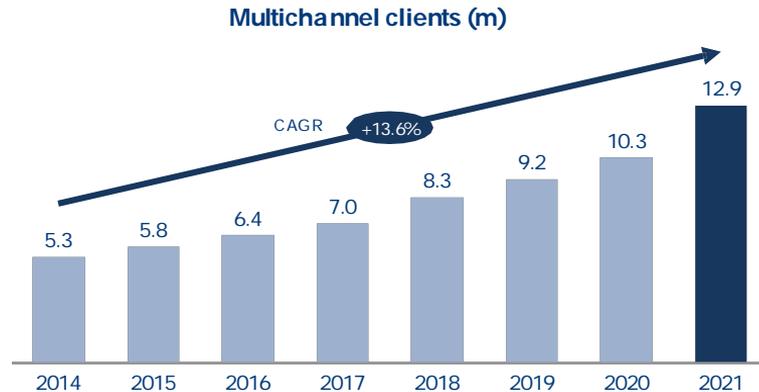
One of the most important corporate art collections in the world with over 35,000 art pieces

The Group is focused on continuously improving its customer service



Digital transformation: results achieved

- ~12.9m multichannel clients in Italy in 2021 of which ~8.1m using the new app at least once
- ~76% of activities digitalised in 2021 (60% in 2020)



Cybersecurity

- **Strategic importance** to the protection of information and the management of related processes, safeguarding the interests and rights of employees and customers
- **IT security guidelines** contain the reference model for management of information security, including cybersecurity for the Group
- **IT certifications for IT security system** (e.g. ISO 27001)
- **Anti-fraud system** activated, analysing all transactions via Internet Banking in real time
- **€91m fraudulent transactions** blocked for retail customers in 2021 (€20m in 1H22) and **€93m** for corporate customers in 2021 (€3.4m in 1H22)
- Dedicated **Information Security Officer** and CERT (Computer Emergency Response Team) active at Group level
- In 2021, ranked first, for the second consecutive year, among Italian corporates in the “**Cyber Resilience amid a Global Pandemic**”, organised by AIPSA – Associazione Italiana Professionisti Security Aziendale 
- The Intesa Sanpaolo mobile app was recognised as “**Overall Digital Experience Leader**” and cited as Best Practice in several categories among the European Banking Apps by Forrester

In October 2021, ISP launched Digital Loans (D-Loans) aimed at improving the digitalisation of companies

2022-2025 Business Plan (published in February 2022): strong focus on climate and environmental initiatives...

Participating in all lending, investments and insurance Net-Zero Alliances...

... while bringing ISP's own emissions to zero by 2030...

... and protecting and restoring natural capital



New Own Emissions Plan: Net-Zero own emissions target already in 2030 (~53% reduction already achieved in 2021 vs 2008)



100% renewable energy¹ at Group level in 2030 (level already achieved in Italy² in 2021)



Committed to planting 100m trees, directly and through dedicated financing to our clients (project launched in 1Q22 to develop a service model focused on afforestation and reforestation activities)



Adoption of a specific policy on biodiversity within the Plan timeframe

1 Purchased
2 Branches and buildings

... with ambitious 2030 financed emissions reduction targets already set for priority high-emitting sectors, starting from a contained emissions baseline

Net-Zero aligned targets for 2030 in high-emitting sectors¹...

High-emitting sectors ¹	Sector and scope	Metrics	Baseline 2019 ³	Target 2030 ⁴
		Oil & Gas² (Scope 1, 2, 3)	gCO ₂ e/MJ	64
	Power generation (Scope 1, 2)	kgCO ₂ e/MWh	214	110
	Automotive (Scope 3)	gCO ₂ e/km	162	95
	Coal mining (<i>exclusion policy</i>)	€ bn exposure	0.2	0 by 2025

... disclosed ahead of peers and covering a large part of the high-emitting portfolio

- Starting point on emissions intensity lower than European peers⁵ in high-emitting sectors
- 2030 targets disclosed more than a year ahead of the Net-Zero Banking Alliance deadline
- Over 60% of the Non-Financial Corporates portfolio financed emissions⁶ covered by 2030 reduction targets

Commitment to request SBTi validation was published on the SBTi website in April 2022

¹ Sectors consistent with Net-Zero Banking Alliance. Reference scenario: IEA Net-Zero 2050. Further information can be found on ISP's web site <https://group.intesasanpaolo.com/en/sustainability/environment/climate-change>

² The Group already has a policy in place to phase out unconventional Oil & Gas by 2030

³ Portfolio composition as of 30.6.21, latest available emissions data as of FY19

⁴ Targets may be updated over time following the evolution of the emission calculation methodology, the regular updates required by NZBA, SBTi and any issuance of new external guidelines

⁵ Only banks that have disclosed emission intensity

⁶ In sectors identified by Net-Zero Banking Alliance

2022-2025 Business plan: enabling the transition through sustainable lending and support to clients in the transition

Initiatives

Sustainable lending for Retail clients

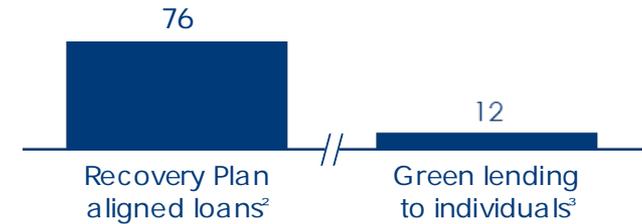
- **Further boost of sustainable lending for Retail clients** with a focus on the green energy transition

Support to SMEs/Corporates on the sustainability journey

- **Strengthening of sustainable lending to SMEs/Corporates** (e.g. sustainable finance, ESG advisory)
- **Dedicated Partner of**  and **strategic** 
- **New ESG Labs**, in collaboration with specialised partners to **support SMEs/Corporates in ESG transition**
- **Skills4ESG platform** for client training and engagement

New lending¹ to support the green transition

Cumulative flows, € bn



Of which €8bn dedicated to circular economy

ESG Labs



- ~100 dedicated ESG specialists
- At least one ESG Lab in each regional governance centre

1 Out of over €400bn¹ made available in support of Italy's National Recovery and Resilience Plan (NRRP)

2 2021-2026

3 2022-2025

Focus on Sustainable financing 2021-1H22

Green and Circular Economy

- ~€24bn disbursed in 2021 and 1H22 out of the €76bn of new lending available for the green economy, circular economy and green transition in relation to the "2021-2026 National Recovery and Resilience Plan"
- €1.4bn of Green Mortgages in 1H22 out of the €12 bn of new Green lending to individuals in 2022-2025 Business Plan

Plafond Circular Economy

- €8bn circular economy plafond announced in the 2022-2025 Business Plan; in 1H22, 192 projects assessed and validated for an amount of €5.3bn; granted €2.3m in 82 transactions (of which €1.2bn related to green finance) and €933m disbursed (of which €584m related to green finance). In 2022 renewed partnership with **Ellen McArthur Foundation**
- Circular Economy Lab** with the aim of supporting the transformation of the Italian economic system, accelerating the transition to the Circular Economy



Solutions that extend the product-life of goods and/or materials



Utilisation of renewable/recycled resources



Increase in efficiency and effectiveness of resources' consumption



Products that can be fully recycled or composted



Innovative technologies to enable circular business models



Production and transmission of renewable energy



Energy efficiency of production processes and buildings



Sustainable management of natural resources and soil, biodiversity

S-Loans

- Success of S-Loans, launched from July 2020, providing innovative solutions for **SMEs** to finance projects aimed at **improving their sustainability profile**, with a **reduced interest rate**, subject to the annual monitoring of **2 ESG KPIs**, reported in the company's annual report: **€2.9bn** granted since the launch of which **~€1.2bn in 2021 and €1.5bn in 1H22**
- During 2021 the product offer was expanded with **S-Loan Diversity**, **S-Loan Climate Change**, launched to mitigate the impact of climate change, **S-Loan Agribusiness**, for supporting sustainable growth in the agriculture sector and **S-Loan Tourism**, for supporting sustainable growth in the tourism.
- The **S-Loans** and **Circular Economy** loans may be eligible for the **SACE Green agreement**

ESG Labs

- Activated the first **three ESG Laboratories** (in Venice, Padua and Brescia), a physical and virtual meeting point to support SMEs in approaching sustainability, and evolution of the advisory services offered by partners (e.g. Circularity, Nativa, CE Lab and others)

In March 2022, ISP won the Milano Finanza Banking Awards for its S-Loan product and for the dedicated ESG training platform for corporate clients (Skills4ESG)

ISP was the first Italian bank to issue a green bond in 2017 - from 2021 Green Bond reporting¹ according to the “Portfolio Approach”

Green Bonds details

2017 Green Bond

- Focus on: Renewable Energy & Energy efficiency
- Notional: **€500m**
- Tenor: 5 years
- Maturity date: 27 June 2022 (expired)
- The final book collected orders for about **€2 billion** from **133 investors**

2019 Green Bond

- Focus on: **Circular economy**
- Notional: **€750m**
- Tenor: 5 years
- Maturity date: 4 December 2024
- The final book collected orders for over **€3.5 billion** from **234 investors**

2019 Green Bond (ex UBI)

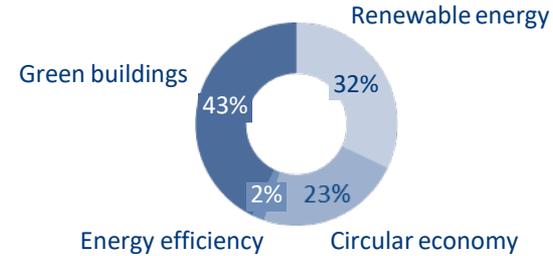
- Focus on: **Renewable energy & Energy efficiency**
- Notional: **€500m**
- Tenor: 5 years
- Maturity date: 10 April 2024
- The final book collected orders for about **€1.5 billion** from **150 investors**

2021 Green Bond

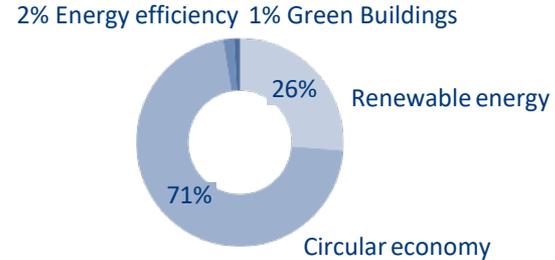
- Focus on: **Green Buildings**
- Notional: **€1,250m**
- Tenor: 7 years
- Maturity date: 16 March 2028
- The final book collected orders for over **€3 billion** from more than **200 investors**

In June 2022, ISP published an update of its “Green, Social and Sustainable Bond Framework” and related Second Party Opinion (ICMA Green Bond Principles 2021, Social Bond Principles 2021, Sustainability Bond Guidelines 2021 and seeking alignment with the EU Taxonomy regulation on sustainable activities and the Green Bond Standards).

€6.2 billion eligible Green Loan Portfolio



5.5m avoided GHG emissions (tCO₂e)



2022 Green Bond

- Focus on: **all eligible green categories within the Framework**
- Green Senior Non-Preferred**
- Notional: **€1,000m**
- Tenor: 5 years
- Maturity date: 6 September 2027
- The final book collected orders for over **€2.3 billion**

Focus on Sustainable investments (AuM)

- **Eurizon Capital** was the first asset manager in Italy, back in 1996, to offer Ethical Funds, and it is signatory of the **CDP** (respondent since 2007) and the **Italian Stewardship Principles**, for the responsible exercise of ownership and voting rights in listed companies
- Eurizon Capital with Fideuram are signatories of PRI (Principles for Responsible Investment)
- After the adoption of the **new European legislation on sustainability reporting in the financial services sector** (SFDR) - as at 30 June 2022, Eurizon has **188 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 **~€103 billion** of assets, representing **~49% of the company's funds AuM**
- **Fideuram Intesa Sanpaolo Private Banking** offers **58 funds**, classified according to art. 8 and 9 of the SFDR, for a total of **~€21 billion of assets** in 1H2022. Revised the **Advisory model** to embed ESG principles in need-based financial planning and launched a comprehensive training program for the ESG certification of bankers with more than 25,000 hours already provided in 1H22

Signatory of:



In **November 2021**, Intesa Sanpaolo joined the **Net-Zero Asset Managers Initiative (NZAMI)** through the subsidiaries: **Eurizon Capital SGR, Fideuram Asset Management SGR and Fideuram Asset Management (Ireland)**

ISP has adopted comprehensive approach to identify and manage ESG risks

ESG risk integrated into Risk Framework

- **Risk Appetite Framework (RAF)** includes also 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**
- **ESG** and climate change risks are **included in the reputational risk framework** e.g.
 - In the **reputational risk clearing process** when assessing financing transactions in sensitive sectors
 - In the **supplier partner selection** process and management of supply chain
 - **262 financing transactions** subject to ESG and reputational assessment in 2021

ESG in Corporate rating model

- **Integration of selected “ESG” components** in the **Corporate rating model** through collection of targeted information on presence/not presence of, for example:
 - **certifications** (such as quality, environmental, occupational health, information security,...), trademarks and patents¹
 - **insurance coverage** for operating risks (business interruption) and/or credit risks
- The **new rating models for Corporate counterparties**, developed in 2020, is to be validated by ECB. The analysis of ESG factors was further strengthened through the definition and introduction in the model of an internally developed score based on **ESG information** (provided in structured form by the external info-provider) in addition to the other components used to evaluate larger businesses. For Italian counterparties the **qualitative part** of the rating model will also assess the **physical risk** connected with **acute climatic events** (e.g. floods) in the related geographical area

Credit Policy enhancement

- **ESG armament policy in place**, regulating operations relating to the production and/or trade of military goods (even if permitted by applicable law) and establishing the exclusion of any financial support of activities related to the production of and/or trade in controversial weapons²
- **Group’s Guidelines for the governance of ESG risks revised in April 22 in line with regulatory developments and climate and environmental initiatives underway**
- **Specific sector policies** (e.g. Coal policy reviewed and approved Policy on Unconventional Oil and Gas in July '21)

¹ Information on certifications collected from external data providers such as Accredita include: certification ISO 14000, EMAS (Eco Management and Audit Scheme environmental efficiency)

² Including nuclear, biological and chemical weapons; cluster and fragmentation bombs; weapons containing depleted uranium; and anti-personnel landmines

ISP Risk Guidelines for ESG sensitive sectors



Risk Guidelines for ESG sensitive sectors (revised in April 2022 in line with regulatory developments and climate and environmental initiatives underway)

- **Intesa Sanpaolo** issued ESG Guidelines for the identification and management of clients/projects belonging to specific sectors (see website)
- The following **sectors** have been identified as **ESG sensitive**: Chemicals, Rubber and Plastics; Defence; Mining (other than coal); Coal mining; Pharmaceuticals and Biotechnology; Manufacturing; Gambling; Oil & gas; Electricity production; Logging and other forestry activities; Tobacco
- Particular attention is made for **the assessment of ESG/reputational risk profiles** related to operations in ESG sensitive sectors
- Operations are subject to **reputational and ESG clearing** according to the Group's criteria and rules
- ESG sensitive sectors of activity may be subject to specific **limitation or exclusion** for financing activities, taking into account the specific features of the sector and the purposes of the financing granted
- The Group adheres to the **Equator Principles** since 2007, **386 transactions** have undergone **EP screening** since 2007. In **2021, the overall value of loans** granted for projects subject to EP screening was **€1,428m** in **19 transactions** (in 1H22 **12 transactions** for overall value of **€815m**)
- The Bank undertakes not to finance companies and projects that are characterised by their negative impact on:
 - UNESCO World Heritage Sites¹;
 - wetlands² under the Ramsar Convention;
 - IUCN protected areas I to VI³
- In addition, the Bank undertakes not to finance companies and projects if these are located in areas of active armed conflict, or if evidence emerges, such as legal proceedings brought by the competent authorities, relating to human rights violations and forced or child labour practices⁴

¹ This is a list of sites officially recognised by the United Nations Educational, Scientific and Cultural Organization (UNESCO)

² This is a Convention of international importance that provides the framework for the conservation and prudent use of wetlands and their resources

³ For the list of protected areas please check https://group.intesasanpaolo.com/content/dam/portalgroupp/repository-documenti/sostenibilit%C3%A0/inglese/Guidelines%20for%20the%20governance%20of%20ESG%20risks%20regarding%20lending%20operations_Highlights.pdf

⁴ See the Group's General Principles of Governance "Human Rights Principles"

In July 2021, ISP reviewed its Coal Policy including a phase out of coal mining by 2025, and introduced a new policy on Unconventional Oil&Gas resources with a phase out by 2030

Armament Policy

ISP's participation in activities involving the **production** and **trade of military weapons is restricted** as follows:

- **Operations Not allowed** relating to the production and trade of weapons and weapons systems, although permitted by applicable law, in countries not belonging to the EU or NATO, unless the final user is an Italian governmental entity, military, or police force
- **Prohibited** engagement in any kind of banking activity related to the production of, and trade in, **controversial weapons** banned by international treaties, and in particular, nuclear, biological and chemical, cluster bombs and munitions, weapons containing depleted uranium and landmines

Coal Policy

- **Coal mining**
 - From the date of issue of these Rules, the Group will not increase its exposure relating to general purpose financial products and services towards companies belonging to the coal mining sector and will manage the current exposures in line with the phase-out as indicated below;
 - The Group will also not provide financial products and services to projects aimed at the construction or expansion of new coal mines or the purchase of companies operating in the coal mining sector
- **Coal-Fired Power Plants (CFPP)**
 - From the date of issue of these Rules, the Group will not increase its exposure relating to general purpose financial products and services towards companies having at least one of the following characteristics:
 - ✓ operating in the electricity production from coal and that do not have a documented plan/strategy for the progressive reduction of greenhouse gas emissions;
 - ✓ that do not document a maximum limit of 35% of the installed capacity deriving from coal by 2030;
 - ✓ that have plans to expand coal-fueled installed capacity or are engaged in the construction of new coal-fired power plants.
 - The Group will not provide financial products and services to projects aimed at the construction of new coal-fired power plants, the purchase or expansion of coal-fired power plants that are already in operation
- **Phase Out:** By **2025** the Group undertakes to terminate its exposure to counterparties belonging to the coal mining sector

Policy on Unconventional Oil&Gas

- The Group does not provide financial products and services to projects aimed at the development, construction and expansion of exploration and extraction activities relating to unconventional resources, as well as activities relating to transport infrastructures solely linked to exploration and extraction of unconventional resources. Furthermore, the Group will not increase its exposure relating to general purpose financial products and services towards companies with significant revenues from unconventional resources and will manage the current exposures in line with the **phase-out by 2030**
- The Group applies specific restrictions/limitations to tar sands (oil sands); shale/tight oil & gas
- In addition, taking into account the fragility of the ecosystems that characterizes some geographical areas, the following resources are also considered as unconventional more, and hence subject to specific limitations/restrictions:
 - onshore/offshore oil and offshore gas in the Arctic Region;
 - oil in the area known as "Amazon Sacred Headwaters"

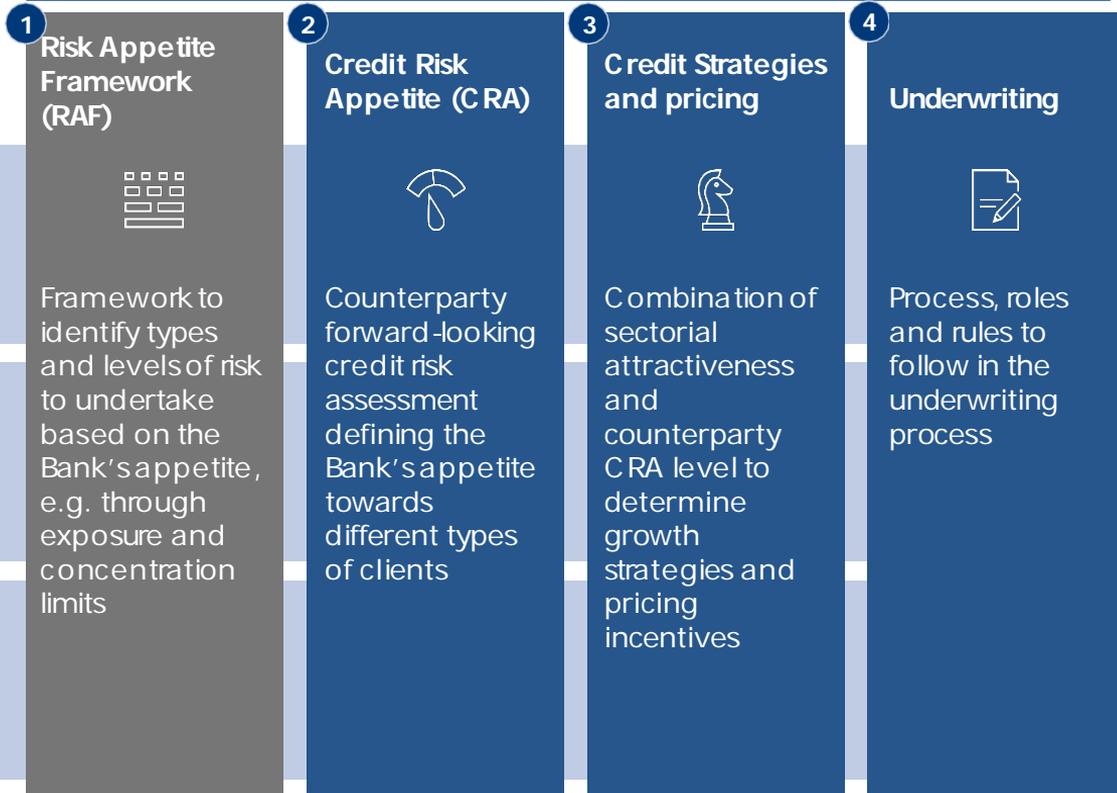
Climate and ESG metrics will be included with three levels of granularity across the entire credit framework

■ Not in scope of ESG/climate framework project

New ESG-climate metrics

Granularity	Description
A  Sector/ Micro-sector	ESG sectorial heatmap assessment
B  Counterparty	Internal ESG score at counterparty level
C  Transaction	Sustainable products framework vs. standard products/operations

Description of Credit Framework processes



Contents

1. Leading the Way to a Sustainable Future
2. **Green, Social and Sustainability Bond Framework (June 2022) and contemplated Social Bond transaction**

Appendix



In July 2022 Intesa Sanpaolo published an updated version of its Green, Social and Sustainability Bond Framework under which it can issue Green, Social and Sustainability debt securities to fund new and existing loans and businesses with environmental and/or social benefits, in alignment with the [GBP 2021](#), the [SBP 2021](#), the [SBGs 2021](#) and with the intention of seeking alignment with the EU Taxonomy, on a best effort basis, on selected Green Eligible Categories

Use of proceeds

- **Green Eligible categories** including: **Renewable Energy**¹; Energy Efficiency; **Clean Transportation**¹; **Green Buildings**¹; Environmentally Sustainable Management of Living Natural Resources and Land-use, Biodiversity and Circular Economy
- **Social Eligible categories** including: Access to essential services; Employment generation and programs designed to prevent and/or alleviate unemployment; Socioeconomic Advancement and Empowerment; Affordable Housing
- Intesa Sanpaolo has worked out a comprehensive **Exclusions and Limitations List**²

Process for Project Evaluation and Selection

- Business teams will propose loans to be included in the Green, Social and Sustainability bond pools
- The **Green, Social and Sustainability Bond Working Group** will review and approve proposed loans based on the defined Eligible Categories listed by the Use of Proceeds
- Eligible Loans will be marked accordingly and added into the Portfolios

Management of proceeds

- Intesa Sanpaolo defines an overall Eligible Loan Portfolio, which includes a Green sub-portfolio and a Social sub-portfolio. **The proceeds from the Bonds issued under this Framework will be managed on a portfolio basis** and the Bank will strive, over time, to maintain an aggregate amount of loans in the portfolio that matches or exceeds the balance of net proceeds of all outstanding Intesa Sanpaolo bonds issued under the Framework
- Any balance of issuance proceeds not allocated to fund Eligible Loans in the portfolio will be held in accordance with the Bank's normal liquidity management, that **do not include GHG intensive activities nor any disputable sector**

Reporting

- Intesa Sanpaolo will report **annually**, until maturity, on the **use of proceeds as well as on the environmental and social benefits** via a Green, Social or Sustainability Bond Report, as the case may be, which will be published on www.group.intesasanpaolo.com

External Review

- **Second Party Opinion** by ISS-ESG and **annual external assurance review** on the reporting

1. EU Taxonomy compliance for these categories has been assessed and detail can be found in the Second Party Opinion (SPO) released by ISS-ESG in June 2022
2. Comprehensive Exclusions and Limitations List to be found in the Green, Social and Sustainability Bond Framework (June 2022)

Main updates versus the previous version of the Framework and update rationale

Intesa Sanpaolo is aware of market and regulatory developments concerning ESG and intends to dedicate continuous effort to the further development of its Green, Social and Sustainability Debt Program in line with a best in class approach

Summary of 2022 Framework improvements

- Effort to align Green Eligible Categories with the **EU Taxonomy and/or with latest ESG market practice**
- Focus on most relevant Renewable Energy assets: Solar, Wind and Hydro-power **defined in line with the EU Taxonomy criteria**
- **Addition of Green Eligible Category 'Clean Transportation'**
- **Re-definition of Social Eligible Categories** in alignment with the ICMA Social Bond Principles 2021 and latest developments in the social bond market
- **Inclusion of 'S-Loans' and 'D-Loans' to directly support SMEs to reach their forward-looking ESG and digitalization objectives**
- Strengthening of the **Exclusions and Limitations** and **impact reporting indicators for Social Eligible Categories**

High-level EU Taxonomy assessment table¹

Eligible Category/Activity	Substantial Contribution to Climate Change Mitigation	Do No Significant Harm 'DNSH'	Minimum Social Safeguards 'MSS'	ISS-ESG Assessment
Renewable Energy	✓ In line with EU Taxonomy Final Delegated Act Climate Change Mitigation TSC²	✓ Intesa Sanpaolo's Policies such as the credit policy and company-wide risk management framework, including identification and measurement of climate risks,	✓ Operates in OECD countries	✓
Green Buildings		✓ Compliance with external risk management frameworks , e.g. Equator Principles	✓ Is committed to act in accordance with the UN Guiding Principles on Business and Human Rights	✓
Clean Transportation		✓ Compliance with Italian and EU Regulatory frameworks on environmental safeguard	✓ Recognises and refers to the principles outlined in the ILO Conventions via its Code of Ethics	✓

1. For a detailed assessment please refer to Annex 3 in the Intesa Sanpaolo Green, Social and Sustainability Bond Framework (June 2022) and the ISS-ESG SPO (June 2022, section on EU Taxonomy assessment). The EU Taxonomy alignment assessment has been conducted only for selected Green Eligible Categories: Renewable Energy, Green Buildings and Clean Transportation. The assessment is limited to the assets located in the European Union

2. Intesa Sanpaolo will report, on a best effort basis, on whether and in what aspects there is compliance with the criteria for buildings larger than 5000 m2 should they be included in the Green Eligible Portfolio

Summary of the Use of Proceeds Categories¹

 Green Eligible Categories

 Social Eligible Categories

1 – Renewable Energy

Solar, Wind and Hydro-power where the facility: a) is a run-of-river plant and does not have an artificial reservoir or; b) has power density 5W/m² or; c) life-cycle GHG emissions are lower than 100gCO₂e/kWh



2 – Energy Efficiency

Energy storage from RES, smart grids, cogeneration of heat/cool and power if life-cycle GHG emissions lower than 100 g CO₂e per 1 kWh of energy output, energy efficient equipment and district heating/cooling



3 – Clean Transportation

Electric vehicles, Infrastructure enabling low carbon road and public zero-emission transport, Urban and suburban road electric passenger transport, zero-emission heavy-duty vehicles



4 – Green Buildings

Built < 1st Jan 2021: EPC A, or within the top 15% of the national building stock
Built > 1st Jan 2021: NZEB – 10%²
Refurbished: 30% PED reduction (two steps improvement in EPC class)



5 - Environmentally Sustainable Management of Living Natural Resources and Land-use, Biodiversity

Sustainable agriculture (e.g. organic farming), sustainable forestry (afforestation, reforestation, forest management and conservation based on certifications and standards) and carbon farming



6 – Circular Economy

Various technologies, solutions, products and services aimed at increasing resource efficiency and enabling circular economy business models as defined in the Framework



1 – Access to essential services

Healthcare (hospitals for free/subsidized healthcare and home care), Education (including education facilities), Welfare and Solidarity, non profit organisation focused on Art and Culture



2 - Socioeconomic Advancement and Empowerment

'S-loans': Loans to SMEs to support them to finance ESG initiatives, 'D-loans': Loans to SMEs to support their digital transformation, Microfinance



2 – Employment generation and programs designed to prevent and/or alleviate unemployment stemming from crises

SMEs in disadvantaged areas in Italy (bottom 30% based on GDP per capita, at Region level)
SMEs facing natural disaster health or social emergencies



4 – Affordable housing

Loans for decent housing to people with economic difficulties (definition based on national regulation) with a pricing below the relevant market standard



- Detail on the Use of Proceeds Categories and relative Eligibility Criteria can be found in the Green, Social and Sustainability Bond Framework (June 2022)
- Defined as 'Primary Energy Demand'

Exclusions and limitations applying to the Framework

Intesa Sanpaolo has developed a comprehensive Excluded Categories and Limitations List applying to all the instruments issued under the Green, Social and Sustainability Bond Framework in accordance with best practice.

In addition, all Eligible Loans comply with external regulation requirements and are subject to the internal Sustainability Policies and Guidelines established by Intesa Sanpaolo



Excluded Categories and Limitations to the Framework

- Any kind of investment connected to: Fossil Fuels, Nuclear energy, Armament, Alcohol¹, Gambling, Sex industry and Tobacco sector will be excluded
- Any kind of investment to companies or projects connected to: Intensive agro-industrial activities with intensive use of agrochemicals or which entail deforestation, Animal maltreatment, Hazardous chemicals, will be excluded
- Hydro projects up to 25 MW in installed capacity are eligible. If larger than 25 MW, one of the following international sustainability best practices has to be satisfied:
 - ❑ Hydropower Sustainability Protocol – Published assessment report, score of 3 or above (i.e., in line with “Good Practices”) on all relevant pillars or International Finance Corporation (IFC) Standards
 - ❑ Publicly stated commitment to meet the requirements outlined by all eight IFC performance standards
 - ❑ Very large hydro projects 1000 MW in installed capacity are always excluded
- Use of toxic materials and waste to energy practices from unsorted waste (not organic products) are excluded, since they are harmful to humans & environment and leads to loss of value & materials
- Regarding solutions that extend the product-life or cycles of use of goods and/or materials: virgin plastic based products are excluded
- Regarding products that substitute critical materials with biological or bio-based materials: biological or biobased materials with strong sustainability risks and / or result in deforestation/competition with food production are excluded
- Regarding processes fuelled by energy from conversion of biomass: biomass originating from non-sustainable sources and/or recyclable and hazardous waste is excluded

1. In accordance with the IFC Exclusion List, production or trade in alcoholic beverages (except for beer and wine) is excluded.

Link to IFC Exclusion List: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/company-resources/ifcexclusionlist

Reporting commitments under the Framework

Allocation and Impact reporting will be provided annually until maturity of the instruments. On a best effort basis Intesa Sanpaolo will align the impact reporting with the portfolio approach described in the [ICMA "Harmonized Framework for Impact Reporting" dated June 2021](#) and the [ICMA "Working towards a Harmonized Framework for Social Bonds" dated June 2020](#). ISP intends to obtain external post-issuance verification on the Allocation Report

Allocation Reporting: Funds allocation per Eligible Category

Use of proceeds	Green Eligible Categories	Social Eligible Categories
	<ul style="list-style-type: none"> Number of loans Amounts invested in EUR Average Loan Maturity Total allocated amount vs total amount proceeds (in %) 	<ul style="list-style-type: none"> Balance of unallocated proceeds (in EUR and %) Description of the unallocated proceeds management New funding amount The geographical distribution of the assets (at country level)

Impact Reporting: Examples of environmental and social output and impact reporting metrics at Eligible Category level

1 – Renewable Energy <ul style="list-style-type: none"> Installed capacity (MW) (Estimated) renewable energy production (MWh) CO2 emissions avoided (tons) 	2 – Energy Efficiency <ul style="list-style-type: none"> Energy savings (MWh) CO2 emissions avoided (tons) 	3 – Clean Transportation <ul style="list-style-type: none"> N. of vehicles, charging stations and assets financed CO2 emissions avoided (tons) 	4 – Green Buildings <ul style="list-style-type: none"> Environmental Certifications/EPC labels obtained (for buildings, #) CO2 emissions avoided (tons) 	5 – Environmentally Sustainable Management of Living Natural Resources and Land-use, Biodiversity <ul style="list-style-type: none"> Sustainable agriculture/forestry hectares CO2 emissions avoided (tons) N. people benefitting
6 – Circular Economy <ul style="list-style-type: none"> Amount of fully recyclable goods produced (tons) CO2 emissions avoided (tons) 	1 – Access to essential services <ul style="list-style-type: none"> Number of organizations funded Number of beneficiaries 	2 – Socioeconomic Advancement and Empowerment <ul style="list-style-type: none"> Number of equal paying jobs created for women and other underrepresented gender groups Number of projects 	3 – Employment generation and programs designed to prevent and/or alleviate unemployment stemming from crises <ul style="list-style-type: none"> Number of jobs retained in case of social, natural emergencies Number of jobs created in disadvantaged areas 	4 – Affordable housing <ul style="list-style-type: none"> Number of units constructed or renovated (affordable and social housing) Number of potential beneficiaries

 Green Eligible Categories

 Social Eligible Categories

In accordance with the external ESG expert ISS-ESG the Intesa Sanpaolo Green, Social and Sustainability Bond Framework 2022 is in line with the ICMA 2021 GBPs, the ICMA 2021 SBPs and SBGs, and with market best practices

Key Framework pillars

Commentary

Use of proceeds

- The Use of Proceeds description is **aligned with the standards and with market best practices. Criteria are defined in a clear and transparent manner.** Environmental and social benefits are described and quantified. The issuer **explicitly excludes harmful project categories, in line with best market practices**

Project evaluation and selection

- The project **selection process is defined and structured in a congruous manner. ESG risks** associated with the project categories are identified and **managed through an appropriate process.** Moreover, the projects selected show alignment with the sustainability strategy of the Issuer. **Responsibilities are well defined**

Management of proceeds

- The proceeds collected will be equal to the amount allocated to eligible loans. The **proceeds are tracked in an appropriate manner and attested in a formal internal process.** Moreover, the issuer discloses the temporary investment instruments for unallocated proceeds
- The **issuer discloses its strategy for the investment of temporarily unallocated proceeds and takes into consideration ESG criteria for it**

Reporting

- The Issuer commits to disclose the allocation of proceeds transparently and to report in an appropriate frequency. Intesa Sanpaolo explains the level of expected reporting and the type of information that will be reported. Moreover, the Issuer commits **to report annually, until bonds mature**

EU Taxonomy

- Intesa Sanpaolo has asked ISS-ESG to assess certain Eligible Categories compliance with the EU Taxonomy and has received an **overall positive assessment. Categories are: Renewable Energy, Clean Transportation, Green Buildings.** The assessment is limited to the assets located in the European Union



1. ISS-ESG SPO can be found at www.group.intesasanpaolo.com

Contemplated Social Bond: Use of proceeds

The **first ISP Social Bond** will be issued under the updated Framework June 2022.

The bond proceeds will be allocated to (re)finance, on a portfolio basis, Eligible Social Loans within the Social Eligible Categories stated in the Green, Social & Sustainability Bond Framework dated June 2022 (slides n. 23 and n. 25)

The eligible social portfolio for ISP bonds as of 31/07/2022 is equal to approximately **€ 11,5 bn** and it is represented below. Size and distribution might vary over time depending on new Eligible Social Loans generation and potential early loan repayments. In order to be added to the portfolio Eligible Social Loans must align with the Social Eligibility Criteria defined in the Framework

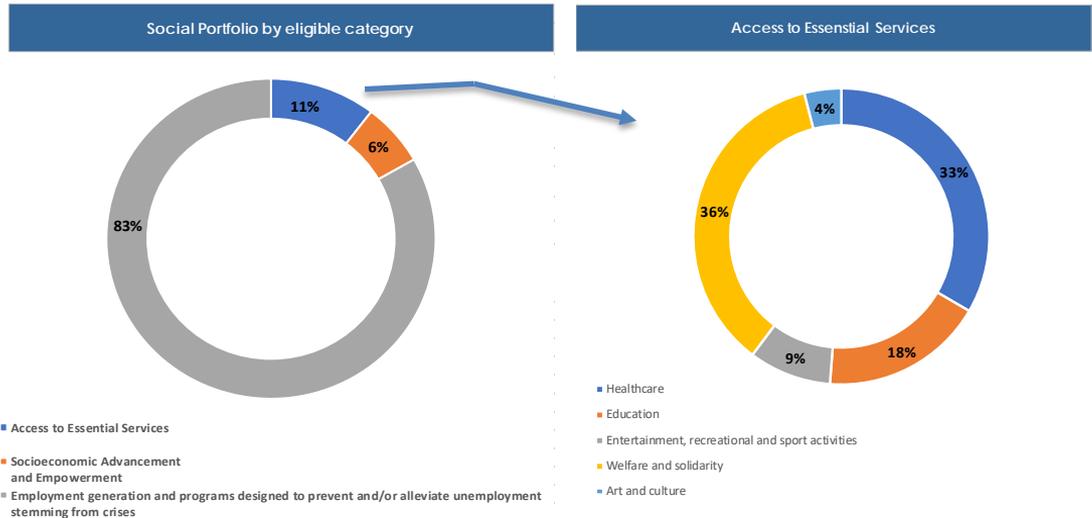
Eligible categories	Outstanding Amount (€ mln)
Access to Essential Services (No profit Entities)	1,196
Healthcare	399
Education	213
Entertainment, recreational and sport activities	108
Welfare and solidarity	427
Art and culture	48
Socioeconomic Advancement and Empowerment	729
S-Loans ¹	639
D-Loans ²	18
Access to affordable financial products (for vulnerable groups)	71
Employment generation and programs designed to prevent and/or alleviate unemployment stemming from crises	9,561
SMEs in socio-economically disadvantaged areas*	3,244
Relief from natural disaster and health or social emergencies ³	6,316
Total	11,486

(1) Loans to SMEs aimed at supporting them to finance ESG initiatives, reaching sustainable development objectives and improving their ESG profile.

(2) Loans to SMEs aimed at supporting their digital transformation through investments in digital projects

(3) Health emergency (Covid-19) partially guaranteed loans to SMEs only in socio-economically disadvantaged areas

(*) Socioeconomically disadvantaged areas are defined as areas (Italian regions) with GDP per capita lower than the national average and ranking in the worst 30% in terms of unemployment rate



Within its next Green, Social & Sustainability Bond Report, Intesa Sanpaolo intends to provide impact reporting indicators at category level for the Social Eligible Categories in the portfolio

Methodology used to calculate the impact of the Social Loans Portfolio

The **proceeds from the Social Bond** will be used to finance social loan categories listed in the Green, Social and Sustainability Bond Framework.

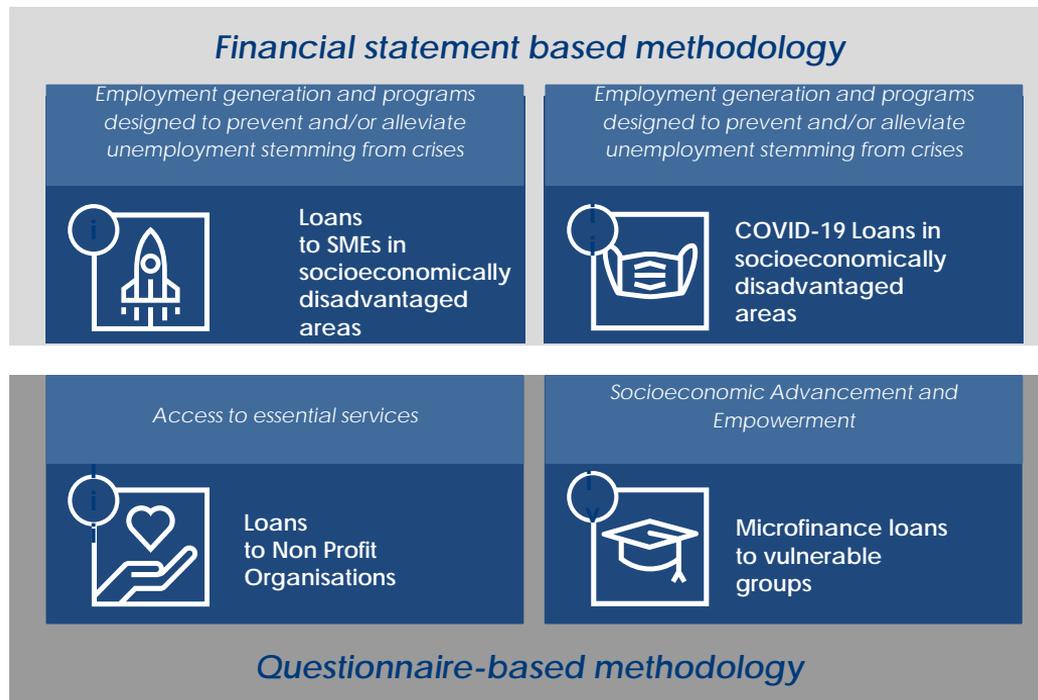
With respect to the “*Employment generation and programs designed to prevent and/or alleviate unemployment stemming from crises*” category, the portfolio is currently composed by **Loans to SMEs** and **COVID-19 partially guaranteed Loans to SMEs** located in socioeconomically disadvantaged areas.

The social impact of these loans is directly evaluated through **financial statements** and other information gathered by the Bank from a sample of representative clients.

Regarding “*Access to essential services*” category currently the portfolio includes **loans to Non Profit Organisations**. The social impact of these loans is a statistical projection of data collected through proprietary Intesa Sanpaolo **questionnaires** from a sample of Clients on the selected portfolio. These qualitative questionnaires aim at putting together the information needed to evaluate the loan’s impact on the beneficiaries once the loan is granted, in an ex-ante phase.

With respect to “*Socioeconomic Advancement and Empowerment*” category at the moment the portfolio is composed by **microfinance loans to vulnerable groups**, **S-Loans***, **D-Loans***.

* Social impact calculated internally



The four methodologies in practice developed by

Intesa Sanpaolo has hired PwC to establish four separate methodologies to assess social output and impact indicators for the following social eligible categories

Financial statement-based methodology

1

Loans to SMEs in socio- economically disadvantaged areas

Having access to the **latest financial information** on a large sample of SME clients makes it possible to calculate the direct impact of the measure. Our forecast is based on the following assumptions: (a) all the funds granted by the Bank are being employed by the firm (**no leftovers**), and (b) funds are invested in long term activities/assets, instead of being used to cover current expenses (**no current expenses**). Three multipliers are created for each business taking out a loan: (1) production value generated, (2) value added generated and (3) jobs created - each of those expressed per euro of total SME's long term asset.

The product between the multiplier and the residual debt amount of each corresponding entity then provides us with the value of the **three potential impact measures** "Production value generated/ Value added generated/ Jobs created through the loan" **for each SME**.

2

COVID-19 Loans in socio- economically disadvantaged areas

A recent study by [CERVED](#) estimates the share of Italian SMEs (in different financial conditions) which, during the pandemic, **could have avoided default through a liquidity injection**. In this case also the **latest financial information is available** for a large sample of SME clients. This allows to categorise them according to the very same discerning criteria of SME financial condition provided by the CERVED study and, hence, to link each business in the sample to a default probability. Furthermore, through the **ratio between the number of defaults and the number of shutdowns** in SMEs (retrievable from official national statistics) by economic sector (NACE codes), it is possible to project the overall number of businesses that remained active thanks to the loan (avoiding defaults or shutdowns).

Under the assumption that avoiding a default or a business closure would result in retaining (a) the whole production value, (b) the value added that the firm generates and (c) the whole number of employees it sustains, it is possible to project the **socio-economic impacts** (in terms of production value, value added and number of employees) that the **businesses have achieved through the loans**.

Questionnaire-based methodology

3

Loans to Non Profit Organisations

The impact assessment of Loans to Non Profit Organisations relies on the outcome of a survey that has involved a large share of Third Sector clients that have applied for a loan in 2022. Assuming that, on average, organisations belonging to the same economic sector (as defined by NACE codes) would allocate the funds received across the same ICNPO classified macro-sectors (e.g. healthcare, welfare & solidarity, etc.) we can estimate the **expected percentage of residual debt** that each organisation in the portfolio employs in each sector.

Marginal impact measures for each of the 5 impact sectors (i.e. the average amount of impact generated for every euro financed), are also derived from the information gathered through the survey. Multiplying these marginal effects by the previously measured projected amounts of residual debt spent in each sector gives us the overall **impact generated by the organisations in the portfolio that received a loan**.

4

Microfinance loans to vulnerable groups

Among the Bank's extensive offer of microfinance products to vulnerable groups, the bond's proceeds will also be invested in the Bank's **loans directed at worthy students** in tertiary education, as these loans' portfolio largely outnumbers the Bank's other products directed at vulnerable groups.

A large share of students who received the loan answered to our proprietary questionnaire. Combining the student's region of residence with the level of tertiary education pursued, allowed us to obtain a **projection of the answers** of those students who weren't administered the questionnaire - which in this case tried to assess whether the students would have changed their life plans, had they not received the loan from the Bank. The answers to the questionnaires are categorised into **45 clusters**, according to the region of residence and type of education of the respondents, to understand what the average impact amounts for students in each cluster are. The **average impacts** hereby obtained are further multiplied by the number of students with the same characteristics but for which the questionnaire is not available.

Output and impact reporting will be disclosed in the Green, Social, Sustainability Bond Report published by ISP on an annual basis starting from the next report (31/12/2022)

Main social output and impact reporting metrics

1 Loans to SMEs in socio-economically disadvantaged areas

-  Number of SMEs financed*
-  Number of jobs retained and created in the financed businesses*
-  Number of jobs created in low-income areas, among disadvantaged groups and other target populations
-  Production value generated in the financed SMEs in socio-economically disadvantaged areas
-  Value added generated in the financed SMEs in socio-economically disadvantaged areas

2 COVID-19 Loans in socio-economically disadvantaged areas

-  Number of SMEs financed*
-  Number of jobs retained and created in the financed businesses*
-  Number of businesses affected by natural/ health emergencies financed
-  Number of businesses affected by natural/ health emergencies that have **avoided default**
-  Number of jobs retained on the financed businesses affected by natural/ health emergencies
-  Production value retained in the financed businesses affected by natural/ health emergencies
-  Value added retained in the financed businesses affected by natural/ health emergencies
-  Number of businesses affected by natural/ health emergencies that have **avoided shutdown**
-  Number of jobs retained on the financed businesses affected by natural/ health emergencies
-  Production value retained in the financed businesses affected by natural/ health emergencies
-  Value added retained in the financed businesses affected by natural/ health emergencies

3 Loans to Non Profit Organisations

-  Number of organisations funded
-  Number of beneficiaries of the funded initiatives
-  Number of beneficiaries of **welfare and solidarity services**
-  Number of people assisted in emergency situations
-  Number of vulnerable individuals assisted (e.g. former inmates, victims of crime, etc.)
-  Number of beneficiaries of **healthcare services**
-  Number of patients served in general hospital and rehabilitation services
-  Number of services provided to patients who could not access the service
-  Number of beneficiaries of **education services**
-  Number of students served (primary school, secondary school and university)
-  Number of adults with gained access to education or vocational training opportunities
-  Number of beneficiaries of **entertainment, recreational and sport activities**
-  Number of beneficiaries of entertainment and recreational activities
-  Number of participants of sporting events or sport activities (of which people with disabilities)
-  Number of beneficiaries of **art and culture services**
-  Number of participants in supported cultural events
-  Number of young participants (<25 years old) in supported cultural events

4 Loans to vulnerable groups

-  Number of loans to target population
-  Number of university students who, in the absence of the loan, would have had to give up their studies

* Metrics common to multiple products within the same social eligible category.

Indicative Termsheet	
Issuer:	Intesa Sanpaolo spa
Issuer Rating:	Baa1 (negative) / BBB (stable) / BBB (stable) / BBB(high) (stable) by Moody's / S&P / Fitch / DBRS
Format:	Senior Preferred Unsecured, Unsubordinated
Maturity:	[tbd] years
Size:	Eur benchmark
Coupon:	Fixed annual
Use of Proceeds:	The net proceeds of the notes will be allocated to finance/refinance Social Eligible Categories as defined within the Issuer's Green, Social & Sustainability Bond Framework 2022
Listing:	Luxembourg
Joint Bookrunners:	Barclays, Citi, Credit Suisse, Imi-Intesa Sanpaolo, JP Morgan, Mediobanca e Morgan Stanley
Docs:	Base Prospectus for the Issuer's EMTN programme dated 22 December 2021 (the "Base Prospectus") as supplemented on 15 February 2022, 21 March 2022, 12 May 2022 and 08 August 2022
Governing Law:	Italian law

Appendix: Focus on ISP's projects to support the Ukrainian population

ISP has implemented multiple humanitarian projects to support the Ukrainian population and Pravex Bank colleagues

Donations and other support initiatives for Ukraine



- The **Extraordinary Fund** for the donation of **€10m** in support of the humanitarian emergency in Ukraine has been **fully utilised**: 60% for initiatives abroad (in Ukraine and at its borders) and 40% in Italy (for arriving refugees) thanks to collaboration agreements signed with important humanitarian organisations:
 - Agreements have been signed with **UNHCR¹, Caritas, CESVI², Banco Farmaceutico, Consiglio Italiano per i Rifugiati, Vicariato di Roma, Confederazione Nazionale delle Misericordie d'Italia, European Food Banks Federation, AVSI³, Azione Contro la Fame, Robert F. Kennedy Human Rights Italia** and **Bambini nel Deserto Onlus** to support projects for humanitarian protection, housing, direct economic support, health and psychological assistance, distribution of basic necessities and the integration of Ukrainian refugees in Italy
 - Concluded the fundraising in favour of UNHCR⁽¹⁾, through ISP **ForFunding** crowdfunding platform, collecting **€1.1m**; **the Bank has doubled the amount collected**
- **Fundraising:**
 - through **ForFunding**, to support **Fondazione RAVA** for **children's hospitals in Ukraine** (total amount collected: €354k) with a direct donation from ISP
 - through the **Group International Subsidiaries** in **5 Eastern European countries**, to support different **local NGOs** (total amount collected: €255k)
- The **ISP Charity Fund** has guaranteed support to two organisations directly operating in Ukraine: **Doctors Without Borders** and **Fondazione Soleterre** for the distribution of emergency medical supplies to hospitals, training for health facility staff, the reception and continuity care of children with oncological pathologies
- **Donated⁴ 6,300 hours of paid leave** to employees willing to volunteer to host refugees or to cooperate outside Italy with NGOs and non-profit organisations for humanitarian and social purposes. ISP people can contribute by donating their time, increasing the hours already provided by ISP

Key support initiatives for Pravex Bank colleagues



- **>260 people (95 families) have been welcomed** by the International Subsidiary Banks Division outside Ukraine
- **Arrangements to host ~210 Pravex Bank colleagues** and their family members in Italy in apartments, residences and other accommodations
Use of a Bank building to host ~35 workstations for Pravex Bank colleagues
- Contribution by ISP Onlus of €3,000 to each Pravex Bank colleague fleeing with children <18 years old (total of €250k)
- Identified additional initiatives to support and facilitate the integration of Pravex Bank colleagues' families (e.g. sports activities, support for administrative activities, ensure school access by providing devices for distance learning with Ukrainian schools)
- Partnership with Caritas to provide services (e.g. healthcare), linguistic and cultural assistance

1 United Nations High Commissioner for Refugees
 2 Cooperazione e Sviluppo
 3 Associazione Volontari per il Servizio Internazionale
 4 Agreed with Labour Unions

Appendix: Exposure in Russia and Ukraine

Press release on exposure to Russia and Ukraine

- Turin - Milan, 16 March 2022 – In relation to the recent events concerning Russia and Ukraine, Intesa Sanpaolo communicates that its exposure to Russian counterparties currently included in the SDN lists of names to which sanctions apply is equal to 0.2 billion euro and that the amount of the exposure to Russia and Ukraine currently under analytical assessment aimed at addressing in the best way the perspective evolution of the risk profile - in the context envisaged in the European Commission's "REPowerEU" and in the recent Versailles Declaration in respect of reducing the European Union's energy dependency well before 2030 - consists of loans to customers and due from banks of its local subsidiaries equal to around 1.1 billion euro and the rest of the Group equal to around 4 billion euro¹.
- Loans to Russian customers account for¹ around 1% of the Intesa Sanpaolo Group's total customer loans. Over two-thirds of loans to Russian customers refer to top-notch industrial groups, featuring long-established commercial relationships with customers that are part of major international value chains, with a significant portion of their proceeds coming from commodities export. Almost all these loans expire by 2027 and thus within the aforementioned time horizon envisaged in the energy plan launched by the European Commission with "REPowerEU" and referred to in the recent Versailles Declaration.
- For further details please refer to link: <https://group.intesasanpaolo.com/en/investor-relations/press-releases/2022/03/20220316-expru-uk>
- For an update on provisions in 1H22 please refer to: https://group.intesasanpaolo.com/content/dam/portalgroup/repository-documenti/investor-relations/presentazioni-en/2022/Presentazione_1H22_UK.pdf

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