

Principles for
Responsible Banking



Principles for Responsible Banking

Intesa Sanpaolo is a signatory of the Principles for Responsible Banking (PRB), launched in September 2019. In order to communicate the progress achieved with respect to the PRB, Intesa Sanpaolo has adopted a Self-assessment Reporting Template, shown below.



Reporting Requirements for Self-assessment	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response/ relevant information
Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.		

1.1. Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.

1.2. Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

- Intesa Sanpaolo is aware of the fact that many of the objectives set in the 2018-2021 Business Plan are strictly connected with certain Sustainable Development Goals.
- Intesa Sanpaolo has subscribed to a series of international initiatives and standards, including the Global Compact, UNEP-FI, Equator Principles, CDP, TCFD, PRI, PSI.
- In the new 2022-2025 Business Plan, ESG issues, with a strong focus on climate, represent one of the pillars for creating sustainable value and for further strengthening Intesa Sanpaolo's leadership in the ESG dimension.
- In 2021, Intesa Sanpaolo set itself the goal of achieving net-zero emissions by 2050 with reference to both its own emissions and those relating to the loan and investment portfolios, for asset management and the insurance business, and adhered to the related initiatives launched by UNEP FI: Net-Zero Banking Alliance (NZBA), Net Zero Asset Managers Initiative (NZAMI), Net-Zero Asset Owner Alliance (NZAOA) and Net-Zero Insurance Alliance (NZIA).
- Intesa Sanpaolo supports the transition to a low-carbon emissions economy through, for example, actions aimed at mitigating its direct emissions, financial support initiatives for the green investments of its customers or in-depth analyses of environmental and climate risk within its financial services.
- Intesa Sanpaolo attaches a central role to projects focused on the social, cultural and civil growth of the community in which it operates and has decided to make a commitment to greater social cohesion, in order to reduce inequalities, by supporting charitable bodies and associations in tackling poverty, ensuring access to credit for excluded individuals or those who are unlikely to access through traditional financial channels (Fund for Impact) and promoting youth employment through training courses ('Giovani e Lavoro' programme)

Consolidated Non-financial Statement [i]:

- Voluntary commitment to domestic and international initiatives and strategies for the United Nations Sustainable Development Goals (page 30)
- Financial inclusion and supporting production (page 115)
- Community support (page 141)
- Climate change (page 195)
- ESG and climate strategic objectives (page 213)

Principle 2: Impact and Target Setting

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

2.1. Impact Analysis

Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfils the following elements:

a) Scope: The bank's core business areas, products/ services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.

- The materiality analysis identifies the relevant economic, social and environmental issues in terms of their potential impacts, positive or negative, having an influence on the Bank's strategy and its Stakeholders
- Intesa Sanpaolo has implemented processes and defined specific responsibilities to understand and manage social and environmental risks that are significant because of their potential impact on the company's activities and the stakeholders and has also implemented the associated mitigation measures

Consolidated Non-financial Statement [i]:

- Management of environmental, social and governance risks (page 53)
- Materiality analysis and stakeholder engagement (page 68)
- Financial inclusion and supporting production (page 115)
- Transition to a sustainable, green and circular economy (page 180)
- Climate change (page 195)
- ESG and climate strategic objectives (page 213)

Reporting Requirements for Self-assessment	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response/ relevant information
<p>b) Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.</p> <p>c) Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/ regions in which it operates.</p> <p>d) Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/ salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.</p> <p><i>(Your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d)).</i></p> <p>Show that building on this analysis, the bank has:</p> <ul style="list-style-type: none"> • Identified and disclosed its areas of most significant (potential) positive and negative impact • Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts 	<ul style="list-style-type: none"> ▪ Intesa Sanpaolo defines the impacts of its activities and business, endeavouring to maximise its positive impacts, while reducing the negative ones. Among these, Intesa Sanpaolo strives to reduce its carbon emissions, optimising its activities, mitigating the environmental and social impacts associated with the financing activities, through a holistic approach for the integration of ESG/ Climate factors into its credit framework which includes, among other things, self-regulation policies in ESG sensitive sectors. ▪ Intesa Sanpaolo periodically conducts a materiality analysis (involving and interacting with its relevant stakeholders to identify, classify and assign priorities to address emerging risks and exploit strategic business opportunities) that meets some of the requirements of the Principle. ▪ Intesa Sanpaolo collaborates with other PRB signatories in the development, understanding and implementation of methodologies and tools for an overall impact assessment, which are necessary for an analysis of the impact of its portfolio. ▪ The Group also participates in Working Groups and in national and international initiatives on environmental, social sustainability and climate change issues. 	
Provide the bank's conclusion / statement as to whether it has met the Impact Analysis requirements		
Intesa Sanpaolo has met the impact analysis requirements by identifying the areas with the most significant impacts, both positive and negative, through a materiality assessment. The Group will continue to develop an Impact Analysis.		

2.2. Target Setting

Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.

- In the recently completed 2018-2021 Business Plan and in the new 2022-2025 Business Plan, Intesa Sanpaolo set itself key social, cultural and environmental responsibility goals that involve various stakeholders.

Consolidated Non-financial Statement [i]:

- Voluntary commitment to domestic and international initiatives and strategies for the United Nations Sustainable Development Goals (page 30)
- Main performance indicators – Financial inclusion and supporting production (page 115);

Reporting Requirements for Self-assessment	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response/ relevant information
<p>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	<ul style="list-style-type: none"> ▪ Intesa Sanpaolo, among the commitments defined in the new 2022-2025 Business Plan, has identified the granting of new MLT lending to the real economy, totalling ~328 billion euro; a total contribution through investments and donations of around 500 million euro to meet social needs; social credit amounting to 25 billion euro dedicated, among others, to non-profit organisations and categories struggling to access credit despite their potential; Net-Zero target on own emissions by 2030 with 100% of energy purchased from renewable sources at Group level; net-zero aligned emissions reduction targets for 2030 in the oil&gas, power generation, automotive and coal mining sectors which account for over 60% of the Non-Financial Corporates portfolio financed emissions in the sectors identified by the NZBA (phase-out policy for the coal mining sector with a reduction in exposure from 0.2 billion euro to zero by 2025); the commitment to planting more than 100 million trees, both directly and with dedicated financing to customers; support to the green and circular economy and the green transition with 88 billion euro, 8 billion euro of which dedicated to the circular economy; the increase in Assets under Management (AuM) in sustainable investments from 110 billion euro in 2021 to 156 billion euro in 2025¹ ▪ The Bank will review its objectives based on the impact analysis in line with the PRB requirements 	<ul style="list-style-type: none"> ▪ Main performance indicators - Sustainable investments and insurance (page 128) ▪ Main performance indicators - Community support (page 141) ▪ Main performance indicators - Transition to a sustainable, green and circular economy (page 180) ▪ Main performance indicators - Climate change (page 195) ▪ ESG and climate strategic objectives (page 213)

Provide the bank's conclusion / statement as to whether it has met the requirements relating to the Target Setting activity

Intesa Sanpaolo has met the Target Setting requirements

2.3. Plans for the Implementation and Monitoring of the targets

Show that your bank has defined actions and milestones to meet the set targets.

Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.

- Intesa Sanpaolo has implemented its own sustainability strategy as well as guidelines and specific policies in this regard. The implementation and monitoring of the sustainability strategy are assessed twice a year by the Board of Directors.
- The sustainability/ESG governance system is based on the involvement, not only of the Board of Directors, but also of the Committees that support the assessment and in-depth analysis processes related to ESG issues.
- With the aim of strengthening the Group's current positioning on ESG (Environmental, Social and Governance) issues and on combating climate change, the ESG Control Room has been operational since 2020, supporting the Steering Committee and exercising operational coordination for the implementation of the most important ESG initiatives and assesses the opportunity and solidity of new initiatives in this area. The Risks Committee, in view of the growing focus on sustainability issues, also confirmed by the provisions of the Bank's 2022-2025 Business Plan, sees the strengthening and expansion of the responsibilities already assigned to it in this area, and has accordingly been renamed "Risk and Sustainability Committee".
- The set targets are monitored on a regular basis with the definition of KPIs.

Consolidated Non-financial Statement [1]:

- Sustainability Governance (page 47)

Provide the bank's conclusion / statement as to whether it has met the requirements relating to the Plans for Implementation and Monitoring of the targets

Intesa Sanpaolo has met the requirements relating to the plans for Implementation and Monitoring of the targets.

¹ Eurizon perimeter – Funds pursuant to articles 8 and 9 SFDR 2088.

Reporting Requirements for Self-assessment	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response/ relevant information
<p>2.4. Progress in the Implementation of the Targets</p> <p>For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target. Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target. Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</p>	<ul style="list-style-type: none"> ▪ Every year, Intesa Sanpaolo publishes a Consolidated Non-Financial Statement (CNFS) which describes how the Group deals with corporate sustainability, how it implements its sustainability strategy, the targets set and the main results achieved; in the fourth quarter of 2021 it published the first TCFD Report focused on the Group's commitment to climate issues, and, for the third consecutive year, a half-yearly Consolidated Non-Financial Report providing evidence of the most relevant indicators. ▪ In recent years, Intesa Sanpaolo Group has shown its ability to generate value for all stakeholders, achieving important results even in challenging external contexts, especially during the period marked by the health emergency. The 2018-2021 Business Plan was therefore brought to completion with the attainment of results in line with the stated objectives. ▪ Details on the progress of each target can be found in the references provided. ▪ The Bank monitors progress in the implementation of the set targets and reports on the progress of the achievement on a regular basis through annual reports. 	<p>Consolidated Non-financial Statement [1]:</p> <ul style="list-style-type: none"> ▪ Main performance indicators (page 10) ▪ Voluntary commitment to domestic and international initiatives and strategies for the United Nations Sustainable Development Goals (page 30) ▪ 2018-2021 Business Plan (page 78) ▪ ESG and climate strategic objectives (page 213)

Provide the bank's conclusion / statement as to whether it has met the requirements relating to the Implementation of the Targets

Intesa Sanpaolo has met the requirements relating to progress in the Implementation of the Targets

Principle 3: Clients and Customers

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

<p>3.1. Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<ul style="list-style-type: none"> ▪ Intesa Sanpaolo aims to become an exemplary model for society, through a series of initiatives aimed at, among other things, granting loans to groups that have difficulty accessing credit despite their potential, ensuring support to people in need, mitigating the consequences of natural disasters for households and businesses, supporting the Circular Economy's development, and making the most of the artistic, cultural and historical heritage of the Group to promote art and culture in Italy and abroad. ▪ Intesa Sanpaolo has long been committed to supporting the transition to a low carbon economy through direct actions to mitigate its own emissions and green initiatives and projects for the benefit of its customers. To this end, Intesa Sanpaolo has allocated a 6 billion euro credit plafond for circular economy projects and a 2 billion euro credit plafond for S-Loans, which reward businesses for achieving specific sustainability targets; the Group has also made 76 billion euro available to support the Green Economy, the Circular Economy and the ecological transition as part of its commitment to supporting the National Recovery and Resilience Plan. The Group also developed the ESG Lab initiative, a physical and virtual meeting point for accompanying Italian businesses during the sustainable transition (two Labs were launched in 2021 and more are scheduled during 2022). 	<p>Consolidated Non-financial Statement [1]</p> <ul style="list-style-type: none"> ▪ Management of environmental, social and governance risks (page 53) ▪ Management of risks and potential impacts linked to climate change (page 59) ▪ 2018-2021 Business Plan (page 78) ▪ Financial inclusion and supporting production (page 115) ▪ Sustainable investments and insurance (page 128) ▪ Community support (page 141) ▪ Transition to a sustainable, green and circular economy (page 180)
<p>3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities.</p>	<ul style="list-style-type: none"> ▪ Intesa Sanpaolo Formazione continued to develop its digital training offering dedicated to companies through the Skills4Capital platform with numerous training contents on social and environmental impact issues. Furthermore, it designed Skills4ESG, an initiative aimed at raising awareness of ESG issues via a customer portal, a single access point for ESG training topics. 	

Reporting Requirements for Self-assessment	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response/ relevant information
<p>This should include information on actions planned/ implemented, products and services developed, and, where possible, the impacts achieved.</p>	<ul style="list-style-type: none"> ▪ Eurizon offers investors funds that apply selection criteria in compliance with the Principles for Responsible Investment with the aim of stimulating sustainability dynamics in the businesses invested in and to offer customers products that meet the new needs of sustainability. Eurizon Capital and Fideuram Asset Management SGR have also signed up to the Italian Stewardship Principles, which define the procedures for exercising administrative and voting rights in listed companies, in order to stimulate discussion and cooperation about social and environmental sustainability issues with listed issuers that the company invests in. 	

Principle 4: Stakeholders

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

4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/ results achieved.

- In the recently completed 2018-2021 Business Plan and in the new 2022-2025 Business Plan, Intesa Sanpaolo set itself key social, cultural and environmental responsibility goals that involve various stakeholders. In 2021, the stakeholder engagement activities, carried out in line with the AA1000 AccountAbility standard, covered the issues outlined in the materiality matrix, in particular with specific focus on COVID-19, as a result of the health emergency context that marked the two-year 2020-2021 period and the recovery strategies, with special reference to the National Recovery and Resilience Plan.

Consolidated Non-financial Statement [i]:

- Materiality analysis and stakeholder engagement (page 68)
- ESG and climate strategic objectives (page 213)

Principle 5: Governance & Culture

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

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

5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.

5.3 Governance structure for the Implementation of the Principles

- The Managing Director and CEO submits the establishment of strategic guidelines and policies on sustainability (ESG), including combating climate change, to the relevant Board Committees and to the Board of Directors, with the support of the Steering Committee. The Board of Directors approves the strategic and political guidelines 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 as stated in the Group's Code of Ethics. In addition, the Steering Committee - composed of the first organisational line - meets on a quarterly basis to examine sustainability issues (ESG). The Risks Committee, in view of the growing focus on sustainability issues, also confirmed by the provisions of the Bank's 2022-2025 Business Plan, sees the strengthening and expansion of the responsibilities already assigned to it in this area, and the Committee has accordingly been renamed "Risk and Sustainability Committee".
- The ESG Control Room supports the Steering Committee - Business Plan and Sustainability (ESG) Session - in the strategic proposition relating to ESG issues; it takes care of the operational coordination for the implementation of the most relevant ESG initiatives and assesses the opportunity and solidity of any new initiatives in this area. Overseen by the CFO Area and by the Strategic Support Department, it relies on the Sustainability Managers, identified in each Governance Area and Division, who guarantee an overall and integrated supervision of ESG initiatives for the relevant scope and contribute to the Group's strategic proposition on these issues. It was introduced as part of the ISP4ESG Programme and has been operational since October 2020.
- The ESG & Sustainability structure oversees the process of defining, approving and updating ESG and sustainability guidelines, in line with corporate strategies and objectives and, in coordination with the ESG Control Room, contributes to support the Steering Committee in preparing proposals for strategic guidelines and sustainability policies (ESG).

Consolidated Non-financial Statement [i]

- Sustainability Governance (page 47)
- Sustainable investments and insurance (page 128)

Reporting Requirements for Self-assessment	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response/ relevant information
<p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ol style="list-style-type: none"> target-setting and actions to achieve targets set remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected. 	<ul style="list-style-type: none"> With regard to Sustainable Investments, work was carried out for the implementation of the EU Regulation 2019/2088 (the Sustainable Finance Disclosure Regulation). Eurizon has defined a framework that provides for the involvement of numerous corporate bodies and structures, which contribute together towards the implementation of the Sustainability Policy and which bear witness to the across-the-board nature of responsibilities at all levels. In Fideuram - Intesa Sanpaolo Private Banking, within the Division's Steering Committee, a Sustainability session (ESG) was established that defines strategic actions and initiatives in the field of sustainability, also with respect to the guidelines of the ESG Control Room and in line with the principles of the Group's Code of Ethics; the Insurance Division launched an important project to strengthen the integration of ESG factors and accelerate the path towards the net-zero goal that provided for the involvement of the main areas of activity of the Division; moreover, the Sustainability Policy was published, which summarises the values and commitments of the Insurance Group, with the aim of promoting a responsible and sustainable business model. Intesa Sanpaolo supports the spread of a culture of sustainability through a range of training initiatives in and out of the Group's structures. 	

Provide the bank's conclusion / statement as to whether it has met the requirements relating to the Governance Structure for the Implementation of the Principles

Intesa Sanpaolo has met the requirements relating to the Governance Structure for the Implementation of the Principles.

Principle 6: Transparency & Accountability

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

6.1 Progress in the Implementation of the Principles for Responsible Banking

Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).

Show that your bank has considered existing and emerging international / regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.

Show that your bank has implemented/ is working on implementing changes in existing practices to reflect and be in line with existing and emerging international / regional good practices and has made progress on its implementation of these Principles.

- Intesa Sanpaolo publishes an annual Consolidated Non-Financial Statement (CNFS) drafted in accordance with the GRI Standards, taking into consideration the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the indicators required by the Sustainability Accounting Standards Board (SASB), where deemed applicable. In consideration of Intesa Sanpaolo's commitment to adopting and implementing the Stakeholder Capitalism Metrics developed by the World Economic Forum (WEF), the indicators defined by the WEF and the relevant information for disclosure purposes in accordance with the provisions of article 8 of the Delegated Act of the EU Taxonomy Regulation (Regulation EU 852/2020) were reported, where applicable and relevant for the Group.
- Intesa Sanpaolo published, for the third consecutive year, a half-yearly Consolidated Non-Financial Report providing evidence of the most relevant indicators and, in the fourth quarter of 2021, it published the first TCFD Report on the Group's commitment to climate issues.
- Intesa Sanpaolo annually publishes a Green Bond Report, reporting on the allocation of the proceeds and the environmental impacts and benefits derived, with reference to the Green Bonds issued by the Group.

Consolidated Non-financial Statement [i]

- Green Bonds (page 187)
- Methodology (page 300)

TCFD Report [i]

Consolidated Non-financial Report as at 30 June 2021 [i]

Provide the bank's conclusion / statement as to whether it has met the requirements relating to Progress in the Implementation of the Principles for Responsible Banking

Intesa Sanpaolo has met the requirements relating to Progress in the Implementation of the Principles for Responsible Banking.