



Climate change

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RELEVANT ISSUES

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RELEVANCE OF ISSUES AND MAIN IMPACTS

Climate change is an extremely important phenomenon. As well as its consequences and repercussions on the planet's ecosystem, the constant increase in global temperatures due to the growing concentration of greenhouse gases in the atmosphere is also impacting on the economic and social dynamics of present and future generations.

The United Nations Climate Change Conference (COP27) of November 2022 highlighted the need for immediate action on climate change and, despite the challenges of the energy crisis, the EU maintained its firm commitment to climate neutrality.

The importance of the issue was confirmed by the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), which emphasises the urgent need for effective and fair mitigation actions to combat climate change and the resulting threats to the wellbeing of people all over the world, ecosystems and biodiversity.

The European Union has made clear commitments to combating climate change with the aim of reducing emissions by at least 55% by 2030 and making Europe the first climate-neutral continent by 2050. To accelerate this transition, in 2019 the European Commission presented the European Green Deal, a roadmap for making the EU economy sustainable; later, at the start of January 2020, the Green Deal investment plan was presented, which aims to mobilise at least 1 trillion in sustainable investments over the subsequent decade. The EU's efforts to guarantee the transition to a low carbon economy are further underlined by the Recovery and Resilience Facility, a tool which provides subsidies and loans subject to the presentation of national recovery and resilience plans (NRRP) in which 37% of spending is allocated to the climate.

Effectively tackling the causes of climate change and adapting to its impacts therefore requires a collective effort at both global and national level as well as a systemic view of the problem. Recent geopolitical and socioeconomic developments have also helped us to focus more closely on the importance of improving the resilience of our social, environmental and economic systems to internal and external stress, including climate change.

Intesa Sanpaolo plays a frontline role in facilitating and supporting these climate change mitigation and adaptation processes thanks to the implementation of energy efficiency measures and initiatives to reduce the Group's direct and indirect emissions.

PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVES

Macro-issue	Project/Indicator	2022 Actions/Results	Plan Objectives for 2025 and Net-Zero Goals
Climate change	Atmospheric emissions ⁽¹⁾	<ul style="list-style-type: none"> Scope 1 + 2 Market-based⁽²⁾: 75,869 tCO₂ eq; -5.8% vs 2021; 0.019 tCO₂ eq/m²; +2.0% vs 2021; 0.751 tCO₂ eq/employee; -6.4% vs 2021 	<ul style="list-style-type: none"> Carbon neutrality of own emissions by 2030⁽³⁾ Net Zero by 2050 with regard to both its own emissions and those relating to the loan and investment portfolios, asset management and the insurance business - with participation in the Net-Zero Banking Alliance (NZBA), the Net-Zero Asset Managers Initiative (NZAMI), the Net-Zero Asset Owner Alliance (NZAOA) and the Net-Zero Insurance Alliance (NZIA)
	Energy consumption	<ul style="list-style-type: none"> Electricity: 413,063 MWh: -6.1% vs 2021; Thermal energy: 230,918 MWh -1.7% vs 2021 Renewable electricity purchased versus total purchases: ~91% (~88% in 2021) Electricity produced from renewable sources: 1,344 MWh Business travels: 107 million km 	<ul style="list-style-type: none"> Containment of energy consumption 100% renewable electricity at Group level in 2030 (level already reached in Italy in 2021) Maintenance of electricity production levels from photovoltaic energy
	Responsible management of resources	<ul style="list-style-type: none"> Paper purchased: 4,327 t, -24% vs 2021; Environmentally-friendly paper purchased (including recycled paper) vs total: 89.1% (79.7% in 2021) Paper saved: ~3,000 t Toner used: 75 t (114 t in 2021) Remanufactured toner used vs total: 63.2% (53.3% in 2021) Waste: 4,267 t (5,380 t in 2021) ISO 14001 and 50001 certified scope: 100% of Intesa Sanpaolo sites in Italy and CIB Bank in Hungary New Headquarters: Green Building Council LEED certification in the sustainable building management category 	<ul style="list-style-type: none"> Responsible use of resources
	Protecting and restoring natural capital	<ul style="list-style-type: none"> Launch of a project to develop a service focused on reforestation activities in line with the pledge in the Business Plan 	<ul style="list-style-type: none"> Commitment to restoring and increasing natural capital with over 100 million trees planted, directly and with loans dedicated to corporate customers Adoption of a specific policy on biodiversity

⁽¹⁾ Emission factors for the calculation of CO₂ established by Intesa Sanpaolo, in accordance with the Guidelines on the application in Banks of the GRI Environmental Standards issued by ABI Energia and on the basis of the main 2022 publications (UNFCCC, IEA, IPCC, AIB, etc.).

⁽²⁾ Market-based: the Scope2 data for purchased electricity considers the contribution, agreed contractually, of the guaranteed renewable source certificates, which therefore have zero emissions.

⁽³⁾ -53% vs 2019 through specific medium-long term actions aimed at reducing its consumption of natural gas, diesel oil and traditional electricity.

COMPANY POLICIES

Environmental protection is one of the key aspects of Intesa Sanpaolo's commitment to sustainability/ ESG and takes the form of self-regulated environmental and energy instruments and policies that define the strategic and operational guidelines which underpin the Group's environmental protection initiatives and its efforts to reduce its environmental footprint. The Group's Code of Ethics and the Rules for environmental and energy policy, approved by the top management, define the principles and guidelines that regulate the environmental responsibility of the Group and the monitoring of the impact of its activities.

To this end, by joining the net-zero alliances promoted by the UNEP Finance Initiative⁴ on credit, investments and insurance in 2021, Intesa Sanpaolo has set itself the goal of achieving net-zero emissions by 2050 in terms of both its own emissions and those connected with the loan and investments portfolios, asset management and the insurance business, with intermediate targets set for 2030. Having joined the NZBA, in its 2022-2025 Business Plan the Group published its Net-Zero-aligned 2030 emissions reduction targets for the Oil&Gas, power generation, automotive and coal mining sectors. In addition, in October 2022 wealth management companies Eurizon Capital SGR, Fideuram Asset Management SGR and Fideuram Asset Management Ireland and insurance group Intesa Sanpaolo Vita published their first intermediate goals, targeted at achieving net-zero greenhouse gas emissions for their assets under management by 2050.

Intesa Sanpaolo also supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and publishes a TCFD Report [\[1\]](#), which includes specific climate disclosures in line with these recommendations.

Direct impacts are monitored by an Environmental Management System extended to all Intesa Sanpaolo branches and buildings in Italy. An Energy Management System and a Worker Health and Safety Management System are also applied in Italy. It is therefore possible to talk about an Integrated Management System which meets all the requirements of the most recent reference standard in this area (ISO 14001, 50001, 45001) and, as such, is subject to annual auditing and certification by an international and independent third party which certifies its compliance.

Additional protection is provided by a team of internal structures which proposes, defines, implements and constantly monitors activities to support the reduction of the Group's greenhouse gas emissions. A structure within the Workplace Safety, Environment and Energy Head Office Department, which reports directly to the Employer and also includes the Energy Manager, coordinates all of the Group's actions as regards the reduction of its direct emissions. In addition, as Environmental Officer, the manager of the Workplace Safety, Environment and Energy Head Office Department has been given broad decision-making, organisational and spending powers, including the preliminary approval of any change in the production process that may be relevant for environmental purposes. The role of Mobility Manager has also been introduced in the Labour Affairs and Policies Head Office Department to cover applicable issues.

With regard to the activities that the Group has taken for years to reduce its emissions, these relate to various areas including, for example, the acquisition of electricity from renewable sources (with a commitment to purchase 100% of the Group's energy from renewable sources by 2030, a goal already achieved in Italy in 2021), energy efficiency and optimisation actions, and the development of mobility management initiatives to reduce emissions connected with travel. In addition, with regard to natural capital conservation, the 2022-2025 Business Plan includes the development of a specific biodiversity policy and a major reforestation project with the goal of planting over 100 million trees either directly or through customer loans.

With the aim of strengthening its commitment to reducing its environmental impact, the Intesa Sanpaolo Group recently updated its Green Banking Procurement rules defining, further to the previous criteria already applied, additional minimum sustainability requirements for purchases of paper, stationery, toner, electricity and office equipment, as well as for the redevelopment of real estate assets, the results of which are described in the following paragraphs.

The Group closely manages direct and indirect risks connected with climate change by promoting adaptive behaviour or conduct designed to mitigate this phenomenon, while simultaneously developing a culture focused on prevention. For a detailed analysis see the section Management of risks and potential impacts related to climate change (see page 65).

⁽⁴⁾ The UN Environmental Programme that promotes dialogue among financial institutions on economic performance, environmental protection and sustainable development.

STRATEGY FOR COMBATING CLIMATE CHANGE

The Intesa Sanpaolo Group is mindful of the challenge of climate change and recently reiterated - by participating in the Net-Zero initiatives promoted by UNEP FI - and expanded - in its 2022-2025 Business Plan - its commitment to helping achieve global climate targets, facilitating the transition towards a low carbon economy.

Also in line with the principles of its Code of Ethics, Intesa Sanpaolo views sound sustainability governance, solid risk management, the development of a suitable range of products, including loans, services and a wide array of sustainable and responsible investments, as well as the development of processes, rules and procedures to support the transition towards a sustainable, green and circular economy, as an integral part of its strategy for combating climate change. It focuses particular attention on knowledge sharing and training on climate and ESG topics both within the Group and with regard to its customers. It also makes a contribution through engagement processes with various stakeholders.

In fact, as well as managing its environmental footprint, Intesa Sanpaolo can also exert strong influence on activities and behaviour that it cannot directly control, helping to facilitate the transition in the process.

Intesa Sanpaolo has a long-standing commitment to environmental sustainability, focusing not only on climate change - as evidenced by the importance its stakeholders give to the topic and its presence in the list of material topics (see page 79) - but also seeking to safeguard nature. In fact, the 2022-2025 Business Plan envisages the development of a biodiversity policy and a commitment to a major reforestation project involving the planting of 100 million trees, both directly and through loans to customers. In particular, Intesa Sanpaolo is committed to providing its customers tools and services for the climate transition and the reduction of gross climate-changing gas emissions, supporting projects for the protection and replenishment of natural capital. Current studies are initially focused on small and medium-sized enterprises and include forest management activities, in line with the commitments outlined in the Business Plan.

Intesa Sanpaolo has chosen to pursue the goal of "Net-Zero" emissions in all its main business lines, comprising its own emissions but also those of its loans and investments portfolios, asset management and the insurance division, by 2050. In the fourth quarter of 2021, in addition to the Net-Zero Banking Alliance (NZBA), Intesa Sanpaolo also joined the Net Zero Asset Managers Initiative (NZAMI) through Eurizon Capital SGR, Fideuram Asset Management SGR and Fideuram Asset Management Ireland, and the Net Zero Asset Owner Alliance (NZAOA) and the Net Zero Insurance Alliance (NZIA) through Intesa Sanpaolo Vita.

As for financed emissions, in February 2022 the intermediate reduction targets for 2030, aligned with Net-Zero, were published for the Oil&Gas, Power Generation, Automotive and coal mining sectors, covering over 60% of the financed emissions of the non-financial companies' portfolio in the sectors identified by the NZBA. With regard to coal mining in particular, the exposure target is zero by 2025, in line with the phase-out present in the "Rules for lending operations in the coal sector", updated in July 2021. Furthermore, in 2021 the Rules for lending in the unconventional oil and gas sector were published, introducing specific exclusions and limitations for operations connected with the main unconventional resources and fragile ecosystems, with phase-out by 2030.

In relation to the aforementioned targets, the Group has drafted its first transition plan, respecting the requirements of the NZBA and following the indications of GFANZ (Glasgow Financial Alliance for Net Zero); the transition plan and the initial monitoring of the targets included in the Plan and relative to the NZBA are available in the TCFD Report [\[i\]](#).

The table below provides details on the metrics applied, the baseline and the 2030 goal for each target sector.

Sector and Scope*	Metrics	Baseline (30/06/2021)**	Target (2030)***
Oil&gas****(Scope 1,2,3)	gCO ₂ e/MJ	64	52-58
Power generation (Scope 1,2)	kgCO ₂ e/MWh	214	110
Automotive (Scope 3)	gCO ₂ e/vkm	162	95
Coal mining (exclusion policy)	€ bn exposure	0.2	zero by 2025

* NZBA sectors. Reference scenario: IEA Net-Zero 2050 The project choices, regarding the value chain, the scope of emissions considered and any proxies, are in line with the PCAF methodologies preliminary to SBTi validation. The exposures considered (On-balance sheet; Hold-to-collect (HTC) bonds, Equity banking books) for the purposes of target setting include Non Financial Corporate in the sectors considered, excluding SMEs. Oil&Gas - focus on "upstream operations" and "integrated players", with the exclusion of refining and distribution companies; Power Generation - Only includes "Generation" and "Integrated Power Generation" companies, excluding transport and distribution companies; Automotive - Only includes automobile manufacturers, excluding suppliers of components.

** Portfolio composition as of 30/06/2021; emissions data referring to 2019.

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

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

The targets will be monitored and extended in line with the requirements of the NZBA and SBTi. In 2022 Intesa Sanpaolo sought to obtain validation of its emissions reduction targets from the “Science Based Target initiative” (SBTi), a partnership between the CDP, the United Nations Global Compact (UNGC), the World Resources Institute (WRI) and the WWF. SBTi validates the targets as “science based” if they are in line with the latest scientific evidence to meet the goals of the Paris Agreement. The preparatory work for the presentation of the necessary documentation will continue in 2023.

The commitment to Net-Zero was also consolidated through the determination of intermediate targets – published in October 2022 - by Intesa Sanpaolo companies active in wealth management (members of the NZAMI and the NZAOA) (see pages 145 and 154).

With regard to its own emissions, in addition to having already reduced them by 55.5% in 2022 compared to 2008 levels, as part of its 2022-2025 Business Plan Intesa Sanpaolo has set itself the target, as part of its Net-Zero process, of achieving the carbon neutrality of its own emissions and acquiring 100% of its electricity from renewable sources by 2030 (a target already achieved in 2021 for branches and sites in Italy), introducing a new Own Emissions Plan.

In 2022 the Group also focused on the measures included in the Action Plan, presented in 2021 in response to the supervisory expectations of the European Central Bank as defined in the Guide on climate-related and environmental risks, which contained thirteen expectations associated with four macro areas: business models & strategy, governance & risk appetite, risk management and disclosure. The implementation of these measures will also continue in 2023, in line with the timeframes outlined in the Action Plan.

For a detailed overview of the strategy, the governance and risk management process, the transition plan, metrics and targets in the area of climate change see the second TCFD Report [\[i\]](#) published by the Group in parallel with the Consolidated Non-Financial Statement (CNFS).

PARTICIPATION IN WORKING GROUPS ON CLIMATE CHANGE ISSUES

In 2022 Intesa Sanpaolo took part in UNEP FI’s final TCFD and Climate Risk Programme. The project was launched in spring 2022 and offers participating financial institutions the opportunity to dialogue and network in order to address climate risks in the most effective way as well as the chance to share best practices in terms of managing the pillars of the TCFD recommendations. Climatic stress testing and climatic scenario analysis are two of the main themes addressed by the working group.

As a member of the Net-Zero Banking Alliance (NZBA), Intesa Sanpaolo continues to participate in the Financing & Engagement and Data & Methodologies task forces, organised by UNEP FI and dedicated to the banks that form part of the Alliance, with the aim of facilitating the activities necessary to achieve the Net-Zero target. In 2022 the activities of the working groups led to the publication of the “Supporting Notes for the Guidelines for Climate Target Setting for Banks” and the “NZBA Transition Finance” guide. Additionally, during COP27 the Alliance published its first Progress Report which illustrates the 2030 decarbonisation targets of the over 60 participating banks, including Intesa Sanpaolo, in the priority sectors identified by the NZBA. In 2022 the Alliance also set up five working groups for the following sectors: Commercial and Residential Real Estate; Oil&Gas; Iron and Steel; Power Generation and Automotive & Trucking. Through the specialists of the CIB IMI Division, Intesa Sanpaolo aims to contribute to specific activities in the Oil&Gas and Power Generation sectors.

Still in the area of Net-Zero, since February 2022 the Group has also participated in the Financial Institution Transition Plans Workstream organised by the Glasgow Financial Alliance for Net-Zero (GFANZ), which brings together the leading net-zero alliances to support the development and effective implementation of ambitious and credible net-zero emissions plans by financial institutions. In June Intesa Sanpaolo was referenced as a best practice in the Financial Institution Net-Zero Transition Plans Report.

The participation in working groups also involves the wealth management divisions with regard to the commitments undertaken by joining the respective Net Zero alliances.

Eurizon and Fideuram, among others, contribute to the activities of the IIGCC Net Zero Engagement Initiative (collective engagement). Intesa Sanpaolo Vita participates as Lead in the Net-Zero Insurance Alliance “Life&Health” working group. The Group is expected to join other working groups during the course of 2023.

OWN EMISSIONS REDUCTION PLANS

In accordance with the environmental responsibility commitments undertaken by the Group, since 2009 Intesa Sanpaolo has set medium to long term goals through the creation of specific action plans. The first Intesa Sanpaolo Environmental Plan covered the 2009-2013 period, and was followed by the plan relating to 2013-2016. Both Plans set measurable goals in the areas of energy savings, economic savings and the reduction of CO₂ emissions. The scope, limited to Italy in the first plan, has expanded over time to include the International Subsidiary Banks.

In 2017 the Group drew up the Climate Change Action Plan, with goals for 2022 and 2037, in which it outlined its targets for reducing the CO₂ emissions associated with its activities, taking 2012 as its benchmark year. The achievement of these targets is monitored on a yearly basis by the ESG & Sustainability structure. The significant expansion of the Group in 2021 with the arrival of the UBI Banca Group led to a recalculation of the 2012 baseline but did not substantially impact on the 2022 emissions reduction targets. The following 2022 targets were achieved:

- also considering the extension of the reporting scope, a 42% reduction in total emissions linked to energy consumption (direct and indirect with 2012 baseline) was achieved against a target of 36% for 2022;
- the target of purchasing 89% of electricity from renewable sources by the end of 2022 was met (91% of all electricity purchased comes from renewable sources);
- taking account of the constraints and characteristics of its real estate assets, the target of maintaining electricity production levels from photovoltaic energy over 1,000 MWh per year has been met: in 2022, the Intesa Sanpaolo Group produced 1,344 MWh of its own electricity.

Given its participation in the Net-Zero Banking Alliance and the increasing strategic significance of the issue of CO₂ emissions, in 2022 Intesa Sanpaolo published a new plan, called the Own Emissions Plan, to replace the previous Climate Change Action Plan. The emissions reduction target also respects the requirements of the SBTi and consists of two sub-targets for 2030:

- 100% of electricity purchased from renewable sources;
- a reduction of at least 53% in Scope 1 and 2 Market-Based emissions compared with 2019. Remaining emissions at 2030 will be offset with specific projects.

As well as the Workplace Safety, Environment and Energy Head Office Department, which coordinates the definition of targets and monitoring of same, the Financial Market Coverage Department and the Strategic Support Department, the process of drafting the new Own Emissions Plan involved the Real Estate and Logistics Head Office Departments, the International Subsidiary Banks Division, the IMI CIB Division, the Chief Operating Officer and Chief IT, Digital and Innovation Officer Governance Areas, as well as the Banca dei Territori Division and the Insurance, Asset Management and Private Banking Divisions.

ATMOSPHERIC EMISSIONS

The Intesa Sanpaolo Group's greenhouse gas emissions, reported in CO₂ equivalent in accordance with the international GHG Protocol (Greenhouse Gas Protocol), relate to:

- Scope1 direct emissions, relating to the use of fuel for heating, the fleet, and leaks of F-GAS⁶;
- Scope2 indirect emissions for centralised HVAC systems and electricity.

The Bank's commitment to containing its CO₂ emissions takes tangible form in its Own Emissions Plan which identifies specific 2030 targets aimed at reducing its consumption of natural gas, diesel and traditional electricity. The Group's strategy for reducing its Scope 1 and 2 emissions, which also takes account of the use and the composition of the company fleet with the goal of continuously improving its environmental performance in terms of emissions, produced significant results also in 2022 in terms of reducing energy consumption in accordance with the objectives of the plan.

In 2022 the Group continued to reduce its electricity consumption, which fell by 6% compared with the previous year thanks to energy efficiency actions, the reorganisation of the sales network and the scale back of premises. As regards its consumption of thermal energy, 2022 was influenced by various factors: as well as the international energy crisis, the Group's emissions reduction targets and the national regulations aimed at reducing energy consumption led to an average fall in thermal energy consumption of 2%. However, this result was heavily influenced by the opening of the new high-performance trigeneration power plant at the Parma

⁶⁾ Visit the Group website for more information [\[1\]](#).

⁶⁾ Fluorinated gases used as refrigerants in the refrigeration, air conditioning and heat pump sector (e.g. hydrofluorocarbons, HFCs), isolation gases in electricity grid connections (e.g. sulphur hexafluoride, SF₆) and in the electronics and pharmaceuticals sectors (e.g. perfluorocarbons, PFCs)

site which, though making it possible to produce over 25 GWh of electricity, also resulted in an increase in gas consumption. In fact, excluding the gas consumed by the trigeneration power plant, total gas consumption for independent heating systems fell by over 32%.

At an overall level, Scope1 + Scope2 Market-based greenhouse gas emissions fell by 6%: this result was achieved through continuous improvements in terms of energy efficiency, the purchase of more electricity from renewable sources by international subsidiaries and, in part, also through the commercial reorganisation that took place during the year (sale of former UBI Group branches and closures due to mergers).

This result is influenced by the increase in emissions connected with the fleet (+7%), considering the upturn in local activities in 2021, and emissions connected with leaks of F-GAS from air conditioning systems, for which the work to continuously improve the reporting process continues, particularly in some international subsidiaries.

Despite the slight increase in the number of people (workforce and external personnel present on an ongoing basis +0.6%), the amount of emissions per employee fell by 6%. Bucking the trend were emissions according to surface area (+2%): this result is influenced by the major reduction of surface area used (-8%) that was concentrated in the second half, influencing the overall report on annual emissions.

Furthermore, in addition to its Scope 1 and 2 emissions the Intesa Sanpaolo Group is also committed to reporting its indirect Scope 3 emissions which are connected with its activities but not directly controlled by the company (paper, waste, office equipment, etc.).

EFFICIENCY AND OPTIMISATION OF ENERGY CONSUMPTION

The drafting of the Own Emissions Plan accelerated various long-standing Group initiatives aimed at reducing energy consumption.

More specifically, in Italy a number of projects to modernise plants, replace lighting fixtures and maintain facades and windows and doors were completed in 2022 with estimated annual energy savings of over 1,523,000 kWh and a potential annual reduction in CO₂ emissions of 383 t. The initiatives carried out in the Group's international operations produced annual energy savings of around 58,000 kWh and a potential annual reduction in CO₂ emissions of 39 t. The Group reduces its emissions mainly through careful management of consumption and a reduction in energy demand thanks to the implementation of energy efficiency and optimisation actions, including the application of the internal Green Banking Procurement rules, which dedicate a specific chapter to the purchase of electricity from renewable sources and the redevelopment of properties based on environmental criteria. In 2022 the development and fine-tuning of the management and governance of the energy consumption of the buildings in Italy continued. This consumption is monitored by a centralised platform, Sigi Energia, which is connected to sensors installed in the buildings (dataloggers and temperature probes). With regard to large buildings, which produce lots of complex data, 2022 saw the ongoing implementation of the "Smart Building" consumption monitoring platform developed with Microsoft in 24 major properties. The prevention rules introduced to combat the spread of COVID-19 continued to be applied in the workplaces of the Intesa Sanpaolo Group in 2022, also through the attentive and improved management of air conditioning and ventilation systems. With this in mind, in both its branches and buildings in Italy Intesa Sanpaolo adopted standards above and beyond those established by the technical regulations in the sector, overestimating its requirements in order to ensure a wide margin of protection for both employees and customers.

Finally, a round table involving all of the company structures responsible for the management of business continuity was set up in the third quarter of 2022 to address the national energy emergency in Italy. During these meetings, rules and indications for optimising energy consumption were defined and the regulatory provisions for limiting the consumption of natural gas were applied (reduction in the number of hours heating systems are switched on for in 2022/2023 and lowering of temperatures by 1°C compared with normal levels).

2021-2022 EFFICIENCY MEASURES

A number of major efficiency measures introduced in 2021 and 2022 are outlined below.

Settimo Torinese Data Centre

- New uninterruptible power supply (UPS) system
- Replacement of existing refrigeration units
- New plant regulation and monitoring system

Overall, the measures introduced in 2022 will generate energy savings of 2,500 MWh/year.

Montebelluna Headquarters

- New air conditioning system to support continuous loads
- New plant regulation and monitoring system

Overall, the measures completed in 2021 have produced an energy saving of 1,500 MWh/year.

Via Monte di Pietà site in Turin

- New air conditioning system serving the building
- New plant regulation and monitoring system

Overall, the measures taken in 2021 and 2022 will generate energy savings of 200,000 MWh/year when fully adopted.

“Smart Building” programme

As part of its commitment to sustainability, Intesa Sanpaolo has introduced a programme to improve the performances of its real estate assets: occupancy, energy, facilities and comfort are the main action areas.

The Smart Building programme is based on a multi-year plan that began in 2020 with the first three buildings (piazza della Scala in Milan, via Montebello in Milan and Montebelluna), reducing their annual energy consumption by 15%, or 2.5 GWh a year. In 2021 the programme was extended to six more buildings with an overall reduction in the Group’s energy footprint of around 10 GWh.

New lighting system at Pravex Bank

Despite the complicated situation caused by the war, in 2022 Ukrainian subsidiary Pravex Bank continued to pay close attention to its sustainability and consumption.

In three major branches, in Černivci, Kropyvnyč'kyj and Poltava, the lighting fixtures were completely replaced with new LED lights in 2022. This measure will generate savings of around 8,000 kWh/year and has proven very popular with both customers and colleagues.

CONSUMPTION AND PRODUCTION OF RENEWABLE ENERGY

In addition to the energy efficiency measures aimed at reducing its environmental impact, the Intesa Sanpaolo Group has committed, where possible, to producing electricity through the installation of photovoltaic plants and to purchasing electricity from renewable sources. Renewable electricity accounted for 91% of all electricity purchased in 2022 (88% in 2021). The consumption of electricity from renewable sources amounted to approximately 85% of total electricity consumption. The reduction in this percentage compared with 2021 (87%) is due to the huge contribution made in 2022 by the new trigeneration power plant activated in Italy, which produced over 6% of the total electricity consumed. Meanwhile, renewable electricity accounted for 91% of all electricity purchased (88% in 2021).

The self-production of energy from renewable sources comes from the photovoltaic plants in Italy, 9 of which with a capacity under 20 kWp and 10 of large size, and from two plants in Slovenia. In 2022 the Intesa Sanpaolo Group self-produced 1,344 MWh of energy, saving around 186,000 euro on the purchase of electricity and avoiding 633 tonnes of CO₂ emissions.

Despite limitations imposed by some national legislation, the use of renewable energy outside of Italy continues to grow. Intesa Sanpaolo Bank (Slovenia) once again eliminated its emissions this year by purchasing all its energy from hydroelectric sources while Intesa Sanpaolo Bank Luxembourg, in the new Intesa Sanpaolo

House Luxembourg building (which became the headquarters of all Group companies in Luxembourg), acquires 100% of its electricity from renewable sources with Privredna Banka Zagreb (Croatia) just behind on around 98%.

The following international banks also use electricity from renewable sources: Intesa Sanpaolo Bank Albania in Albania (100%), Banca Intesa Beograd in Serbia (85% compared with 29% in 2021), VÚB Banka in Slovakia (58% compared with 20% in 2021) and CIB Bank in Hungary (18% compared with 11% in 2021).

MOBILITY

The Mobility Management function, part of the Labour Affairs and Policies Head Office Department, is dedicated to supporting employee commuting, to improve their quality but also to promote sustainable means of transport. The goal is to translate the feedback from Group's people into concrete actions in order to provide a structured range of options for daily commutes and implement the actions of the Home-Work Commuting Plans.

2022 saw the consolidation of the changes in legislation introduced the previous year with Intesa Sanpaolo significantly expanding the number of towns subject to analysis to 27. As well as a Mobility Manager, as required by the regulations, the Group organisation involves a coordination team and a Local Mobility Manager for every town in order to ensure extensive monitoring of the issues in line with the widespread presence of Intesa Sanpaolo.

The main Group projects and services for reducing the use of private individual transport and associated CO₂ emissions are:

- the consolidation of Flexible Work and Training, which innovatively combine the management of people's private lives with the company's organisational requirements;
- the execution of a trade union agreement on mobility;
- the Mobility Ticket platform, which promotes the use of public transport in some cities, enabling employees to request annual season tickets directly from their workstation, with the option of paying in monthly instalments and taking advantage of discounted fares where available;
- the company shuttle service to support mobility at some sites not served by local public transport (forecast savings of over 375 tonnes of CO₂ in Italy);
- the company carpooling service, a mode of transport based on the concept of several people with similar routes and working hours sharing the same private car. The aim is to share cars for commutes in order to improve the quality of transfers, make savings on transport expenses, and reduce traffic congestion, pollution and road accidents;
- the development of shared services (cars, mopeds, scooters, and bicycles). In Italy, ALI - the Intesa Sanpaolo employees' association - has entered into agreements with the main networks in several cities;
- the constant commitment to managing and upgrading the company fleet according to selection criteria that promote respect for the environment. Almost all of the car models outlined in the company policies are electric, plug-in or hybrid and these will therefore become part of the Group's transport assets upon the renewal of the contracts. The gradual electrification of the fleet has also resulted in the launch of projects for the installation of charging stations at the main company sites given the growing need to refuel the vehicles also when on company premises;
- the incentivisation of micromobility through various initiatives, such as the possibility of parking foldable bicycles and/or scooters in company spaces, a plan to install racks for the parking of traditional and electrically assisted pedal bicycles, and dedicated contributions by the Employees' Association (ALI);
- the development of remote communications for both listening and work activities, with the widespread use of Skype for Business and Teams in place of commuting and business trips.

In the International Subsidiary Banks the gradual overhaul of the company fleet has continued with the acquisition of electric, hybrid and more environmentally-friendly models, while the shuttle services at the Bank of Alexandria (Egypt) were used by around 300 colleagues. Meanwhile, car pooling solutions using company and/or private cars have been adopted at Intesa Sanpaolo Bank (Albania), CIB Bank (Hungary), Banca Intesa Beograd (Serbia), Pravex Bank (Ukraine), Intesa Sanpaolo Bank Romania, Intesa Sanpaolo Bank (Slovenia), Intesa Sanpaolo Banka Bosna i Hercegovina and VÚB Banka (Slovakia). In addition, in 2018 CIB Bank signed a contract for the use of car sharing using only electric cars, a project which involved around 1,600 users in 2022. Micromobility is on the rise thanks to the availability of Bank-owned bicycles and the creation of bike parking spaces, such as racks and specific rooms. Still at CIB, in 2022 around 1,500 employees commuted to and from work by bicycle.

RESPONSIBLE MANAGEMENT OF RESOURCES

According to the Code of Ethics, the Rules for the environmental and energy policy and the Green Banking Procurement rules, the Group's responsibilities include the close evaluation of the consequences of its activities on ecosystems and the reduction of its environmental footprint. For this reason, the responsible management of resources is a priority issue for the Intesa Sanpaolo Group in its attempts to mitigate its impact on the environment.

CERTIFIED ENVIRONMENTAL AND ENERGY MANAGEMENT SYSTEM

For years Intesa Sanpaolo has adopted an Integrated Management System (Health and Safety, Environment and Energy) for all of the Bank's owner-occupied properties in Italy. In order to guarantee compliance with the principles of continuous improvement, the Management System is periodically subject to internal audits and, on an annual basis, to a certification (ISO 14001, 50001 and 45001 standard) and surveillance process by an independent third-party body. In 2022 it positively concluded its audit of the Integrated Management System, confirming the validity of all certification.

As for internal controls on the System's performance levels, a monitoring system has been introduced which operates on various levels:

- controls performed by all structures that manage processes identified as "sensitive" from an environmental perspective, by Designated Personnel, by the Control units of the Regional Governance Centres of the Banca dei Territori Division and by Controls & Operational Risk – IMI CIB Division;
- controls performed by the Workplace Safety, Environment and Energy Head Office Department;
- controls performed by the Internal Audit function.

The application and coordination of the System is the responsibility of the Workplace Safety, Environment and Energy Head Office Department; It is supported by other corporate functions, each of which in relation to its own area of competence: the Real Estate and Logistics Head Office Department as the department that centralises activities related to real estate assets, the Development Policies and Learning Head Office Department for training requirements, the ICT Head Office Department for the management and streamlining of ICT infrastructure and the Banca dei Territori Division for network activities.

At least once a year the heads of the structures most closely involved in the application of the Management System are required to attend the Review Meeting, the most important moment for analysing and discussing the progress, suitability and efficacy of the Management System compared with the reference regulations and current legislation, also in light of the commitments undertaken by the Governance.

The same meeting also examines: the degree to which goals and targets have been achieved, the level of progress of actions defined during previous Management Reviews, the results of audits (full internal, legislative and audits performed by third parties), the results of self-assessment questionnaires, performances (e.g. electricity and gas consumption, waste production, paper consumption, training provided on health and safety and the environment, health surveillance levels, etc.) and any changes to the context in which the Organisation operates.

This context analysis provides a snapshot of issues connected with health and safety, the environment and energy, and highlights risks to mitigate and opportunities to take advantage of. It is a starting point for identifying the expectations of relevant stakeholders and focuses on aspects that can influence the Organisation or how the latter, in turn, can influence the external context in which it operates.

Just as new improvement targets are defined every year, so too are actions to mitigate potential risks that emerged in the aforementioned analysis and relative responsibilities, important for their effective management.

With regard to the international banks, thanks to the energy measures it has taken, CIB Bank - committed to responsible sourcing and use of goods and services that comply with regulations on protection and preservation of the environment - maintained its ISO 50001 certification, which applied to all of its properties in Hungary also in 2022.

PAPER, TONER AND STATIONERY

The extraordinary events of 2020 and 2021 have led to major changes in our working habits and methods and the introduction of new green banking procurement rules has resulted in a virtuous new approach in terms of reducing our overall paper consumption. Compared with 2021, there has been a 24% reduction in the use of paper and, most notably, a major decrease in purchases of traditional paper, confirmation

of the Group's increased focus on its environmental impacts. The figures per worker (43 kg in 2022 vs 57 kg in 2021) also underline the greater awareness of Group employees regarding the use of paper. Thanks to the various dematerialisation measures completed in the last five years, in 2022 around 2,987 tonnes of paper was saved, corresponding to 3,833 tonnes of CO₂ avoided and a theoretical cost saving of around 5.8 million euro. Confirmation of the reduction in paper use within the Group can also be seen in the ongoing reduction of toner purchases, which fell by 34% compared to 2021. These savings were made possible by actions taken both internally and regarding customers. In Italy, the paperless contracts project continued and, in addition to bank contracts, investment transactions and branch transactions, banking products and services related to pension plans and after-sales operations on POS contracts, in 2022 was extended to additional products and services dedicated to legal entities, pointing to a gradual extension of dematerialisation among legal entities, which will be further expanded in 2023 with the dematerialisation of the Circolante Impresa product, the activation of sales of Digit'ed training courses, the extension of the commercial cards to the APP remote offering and the activation of SELF-service sales of the "POS Transaction Advance" credit facility. The new simple and innovative customer experience, involving the use of the graphometric or remote digital signature to sign contract documents in all Bank branches, makes it possible to eliminate paper documents and improve the efficiency of managers through a considerable simplification of internal paper management and filing processes. The creation of a digital document archive facilitates the filing process and the search for documents while also guaranteeing improved storage, in line with the legislation in force, eliminating back office processing times. Digitalisation was also further promoted in both the Business-Bank relationship, with the introduction of new digital signature functionalities for contracts on the Inbiz Corporate Banking portal, and in the transactions of the Intesa Sanpaolo Group company SIREF Fiduciaria (Società Italiana di Revisione e Fiduciaria) with its customers. Furthermore, in the Eurizon Group the policies for the use of printers were reviewed and important investments were made to convert customer reports into digital format. In line with the 3-year programme for the digitalisation of all Group HR systems and services which concluded in 2020, the dematerialisation of colleague communications, for example for the signing of the new flexible work agreements which regarded almost all Group employees, continued also in 2022. The digital transformation process also continued in branches of the International Subsidiary Banks in 2022 through the "Digical ABC" and "Digical Onboarding" projects and the implementation of a new commercial service model in some Banks. Meanwhile, the dematerialisation measures adopted at Pravex Bank (Ukraine) mainly concerned remote working and the digital signature project. Finally, with regard to sustainable stationery, the application of the Green Banking Procurement rules led to the launch of a virtuous process for the purchase of low environmental impact materials throughout the Group. A total of around 8 tonnes of sustainable stationery was purchased in 2022, 4.2 tonnes of which containing paper (notepads, post-its, files, etc.), 3.7 tonnes of which ballpoint pens and the rest consisting of highlighters and stamps in recycled material and office supplies made of sustainable wood.

WATER

The Intesa Sanpaolo Group's consumption of drinking water from the network is predominantly connected with sanitation purposes and, to a much lesser extent, the generation of cold air for air conditioning. In 2022 the Group's per capita water consumption was 17 cubic metres per employee, largely consistent with the previous year..

ENVIRONMENTAL MONITORING AND HAZARDOUS WASTE MANAGEMENT

As part of its ethical and legal responsibilities, the Intesa Sanpaolo Group focuses particular attention on environmental monitoring and the management of hazardous waste for the environment, also with regard to the physical safety of employees and other staff and the healthiness of working environments. In 2022, in Italy the Workplace Safety, Environment and Energy Head Office Department managed specific measurement campaigns on the various environmental compartments: asbestos and man-made vitreous fibres, noise, radon, electromagnetism, water and air. The assessment of the environmental data obtained from the monitoring campaigns verified compliance with all regulatory limitations in force and made it possible to plan all necessary prevention and protection measures. With regard to radon and asbestos, the Workplace Safety, Environment and Energy Head Office Department evaluated the specific risk for all workplaces in accordance with the relative industry regulations, where necessary appointing expert consultants for the issues under examination. As part of the implementation of the management system for the prevention and control of infectious diseases adopted by Intesa Sanpaolo, in 2022 the monitoring activities to assess the microbiological quality of the indoor air and water in workplaces continued in Italy. The results of the air quality surveys were satisfactory: the level of internal microbial contamination was comparable to that of the external environment, confirming that the ventilation systems guarantee an adequate supply of air from the outside. In regard to legionella, all phases of the process designed to control and prevent the

risk of infection, including the management of any case of non-compliance and subsequent corrective actions, were carried out. Finally, spot checks for SARS-CoV-2 on work surfaces and devices used in branches highlighted the effectiveness of the daily cleaning/sanitisation activities adopted in response to the COVID-19 emergency.

WASTE MANAGEMENT

For the purposes of managing the waste produced at the Group's sites, the Italian territory was divided into a number of lots where companies specialised in waste collection, sorting and disposal activities operate. These companies are subject to an evaluation process during which the authorisations required to operate as transporters (including the number plates of the vehicles used) and recipients are also acquired. The various types of special waste are managed on the basis of their specific characteristics, while for separately collected waste such as paper, plastic and glass, compliance with the provisions issued locally applies.

Similarly, in other countries, waste collection and management take place in compliance with the reference national legislation. Particular attention is focused on the disposal of office equipment in Italy: before becoming waste, this equipment is subject to careful controls and possibly also reconditioning.

The management of Intesa Sanpaolo Group waste, including collection, transportation, recovery and disposal at external sites, is overseen by third parties in accordance with all the relevant legislation in force. Only 7.4% of the waste produced is disposed of (5.9% disposed of in landfills) with over 92% prepared for reuse, recovery or recycling.

In terms of effective measures carried out in the International Subsidiary Banks, in 2022 Bank of Alexandria worked with the company OutGreens to dispose of and recycle old ATMs. In 2022, 14 enclosures were recycled, making it possible to recover 587 kg of tin, 21 kg of aluminium and 248 kg of plastic material.

GREEN PROCUREMENT OF OFFICE EQUIPMENT

On the basis of the "Green Banking Procurement Rules" issued in June 2021, the Structures responsible for purchasing office equipment (photocopiers, printers, PCs, computer and standalone monitors, notebooks and ATMs/ MTAs) undertake to apply responsible purchasing and usage criteria. These were the main categories of office equipment centrally purchased in 2022 with the percentages of those subject to Green Banking Procurement criteria evaluations: notebooks 99%, mini-desktops 100%, desktops 100%, cash in cash out 100%, ATM/MTA 100%, monitors 35%, printers 81%.

In the promotion of sustainability, due consideration is given both to legislation and relevant compliance requirements in force, as well as to specific environmental evaluation criteria. Internal Carbon Pricing is also used as an additional support tool in the purchasing process, assessing energy efficiency in terms of the GHG emissions generated by energy consumption throughout the life cycle of the equipment.

In line with the principles of the circular economy regarding the reuse and extension of the useful life of products, in 2022 Intesa Sanpaolo sold over 1,200 functioning computer assets no longer used by the Bank to a company operating inside a prison in Milan which offers prisoners jobs reconditioning computer assets that would otherwise be disposed of. This initiative made it possible to return the unused assets to the economic cycle, helping to reduce the operating costs of managing technology assets (e.g. warehouse storage costs) and avoiding the generation of waste, with a consequent reduction in the Group's environmental impact due to waste disposal of around 564 kg of CO₂eq emissions avoided. It also facilitates the rehabilitation and reintegration of prisoners in the world of employment, tapping into their personal qualities and professional skills as part of a wide-reaching project of considerable economic and social impact.