

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

Please give a general description and introduction to your organization.

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

Intesa Sanpaolo is among the top banking groups in the euro zone, with a market capitalisation of 40.7 billion euro (as at 31 March 2016).

Intesa Sanpaolo is the leader in Italy in all business areas (retail, corporate, and wealth management). The Group offers its services to 11.1 million customers through a network of more than 4,100 branches well distributed throughout the country with market shares no lower than 13% in most Italian regions.

Intesa Sanpaolo has a selected presence in Central Eastern Europe and Middle Eastern and North African areas with approximately 1,200 branches and 8.2 million customers belonging to the Group's subsidiaries operating in commercial banking in 12 countries. Moreover, an international network of specialists in support of corporate customers spreads across 28 countries, in particular in the Middle East and North Africa and in those areas where Italian companies are most active, such as the United States, Brazil, Russia, India and China.

The Group operates through seven business units:

- 1) The Banca dei Territori division: focus on the market and centrality of the territory for stronger relations with individuals, small and medium-sized businesses and non-profit entities. The division includes the Italian subsidiary banks and the activities in industrial credit, leasing and factoring carried out through Mediocredito Italiano.
- 2) The Corporate and Investment Banking division: a global partner which supports, taking a medium-long term view, the balanced and sustainable development of corporates and financial institutions, both nationally and internationally. Its main activities include capital markets and investment banking carried out through Banca IMI. The division is present in 28 countries where it facilitates the cross-border activities of its customers through a specialist network made up of branches, representative offices, and subsidiary banks focused on corporate banking. The division operates in the public finance sector as a global partner for public administration.
- 3) The International Subsidiary Banks division: includes the following commercial banking subsidiaries: Intesa Sanpaolo Bank Albania, Intesa Sanpaolo Banka

Bosna i Hercegovina in Bosnia and Herzegovina, Privredna Banka Zagreb in Croatia, the Prague branch of VUB Banka in the Czech Republic, Bank of Alexandria in Egypt, CIB Bank in Hungary, Intesa Sanpaolo Bank Romania, Banca Intesa in the Russian Federation, Banca Intesa Beograd in Serbia, VUB Banka in Slovakia and Banka Koper in Slovenia.

4) The Private Banking division: serves the customer segment consisting of Private clients and High Net Worth Individuals with the offering of products and services tailored for this segment. The division includes Fideuram - Intesa Sanpaolo Private Banking, with over 5,800 private bankers.

5) The Asset Management division: asset management solutions targeted at the Group's customers, commercial networks outside the Group, and the institutional clientele. The division includes Eurizon Capital, with 227 billion euro of assets under management.

6) The Insurance division: insurance and pension products tailored for the Group's clients. The division includes Intesa Sanpaolo Vita, Fideuram Vita, and Intesa Sanpaolo Assicura with direct deposits and technical reserves of 133 billion euro.

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

CC0.2

Reporting Year

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

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

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

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

Enter Periods that will be disclosed

Thu 01 Jan 2015 - Thu 31 Dec 2015

CC0.3**Country list configuration**

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

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

CC0.4**Currency selection**

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

EUR(€)

CC0.6**Modules**

As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sub-industries, companies in the oil and gas sub-industries, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco industry group should complete supplementary questions in addition to the main questionnaire. If you are in these sector groupings (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net. If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see <https://www.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx>.

Further Information

Attachments

[https://www.cdp.net/sites/2016/63/9363/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC0.Introduction/Intesa Sanpaolo Italian Leader with a European Scale.pdf](https://www.cdp.net/sites/2016/63/9363/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC0.Introduction/Intesa%20Sanpaolo%20Italian%20Leader%20with%20a%20European%20Scale.pdf)

Module: Management

Page: CC1. Governance

CC1.1

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

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

CC1.1a

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

The person responsible for climate change strategy is the Chief Governance Officer (CGO) who responds to the Chief Executive Officer of Intesa Sanpaolo and to the Management Board of Intesa Sanpaolo. Responsibility for climate change is included in our Environmental and Energy Policy as well as in the Code of Ethics, approved by the Management Board. Since 2010 the Bank's strategy on climate change has been introduced in the Annual Report (approved by the Boards) and a specific Report on the implementation of the Code of Ethics is annually presented to the Control Committee. The CGO is supported in this responsibility by the CSR

Service, that acts as group-wide coordination centre on the topic. In detail, the role of the CSR Service is as follows: • define strategies and policies which can work towards integrating climate change in the bank's activity; • supply support and advice to the various structures in carrying out specific projects; • cooperate with the relevant departments with regard to staff training; • support the bank's communications with regard to climate change through the production of information material, the reporting of crisis areas, analysis of information requests; • define guidelines on environmental matters in order to improve the enforcement of company strategies and policies in this field, with particular attention to energy consumption and relative emissions; • monitor company's activities which generate impacts on the environment by providing guidelines for a progressive improvement of the Group's environmental footprint, also through promoting awareness and training, as well as technological innovation; • maintain and progressively extend the perimeter for applying the environmental and energy quality management Systems; • coordinate the reporting process by publishing the Sustainability Report.

CC1.2

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

Yes

CC1.2a

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

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Energy managers	Monetary reward	Emissions reduction project Energy reduction project Energy reduction target Efficiency project Behaviour change related indicator	Meeting emission reduction targets. The energy manager is in charge of monitoring the most significant impacts, especially related to energy; preparation of energy balance; guidelines to identify and suggest improvements in line with the best practices; identification of optimisation activities, in particular in terms of purchases and management, to ensure the reduction of energy consumption, other resources and goods and waste; proposal of new technologies, solutions and products with lower environmental impact, based on cost-benefit analysis, to increase eco-efficiency. Her assessment and reward are directly based on reducing the Intesa Sanpaolo Group carbon footprint.
Facility	Monetary	Emissions	Meeting emission reduction targets. Teams responsible for facility management are incentivized and

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
managers	reward	reduction project Emissions reduction target Energy reduction project Efficiency project	assessed to successfully implement activities and initiatives that support energy efficiency and the reduction of CO2 emissions
Risk managers	Recognition (non-monetary)	Behaviour change related indicator	Integration of climate change related risks in risk assessments. The team of Risk Management is incentivized through corporate recognition based on success in this area.
Other: Research Company	Monetary reward	Behaviour change related indicator	Communicating climate change issue. "Studi e Ricerche per il Mezzogiorno" (SRM) is a Centre for Economic Studies and Researches inside the Intesa Sanpaolo Group whose objective is to develop analysis on Italian regional economy in the European and Mediterranean perspective, with a special focus on Southern Italy's economic, entrepreneurial and social tissue. SRM produces for its shareholders and offers to the business and academic community detailed economic studies and analysis with the aim to improve the knowledge of Italian economy. In 2011 and 2012 the analysts have had the goal to write papers on energy efficiency and water in order to sensitize the public on climate change issues and water resources that are constantly monitored and analyzed by the researchers. In 2014 and 2015 SRM developed another important research area: the maritime economy and logistics with focus on the green items.
All employees	Monetary reward	Behaviour change related indicator	Sustainable mobility. In order to simplify our employees commuting to reach the Bank's premises in areas not served by public transport in Turin, Milan, Venice, Vicenza, Naples, Bologna and Padua, Intesa Sanpaolo Group made available to employees 15 free shuttles. Thanks to this action, commuting costs paid by employees were reduced and CO2 emissions decreased. Moreover, in the cities of Florence, Turin, Milan, Naples, Venice and Padua employees can get subscriptions to public transport (trains, buses) directly from their workstation, avoiding trips and queues at the counters and taking advantage of discounts. Furthermore in 2015 the signing, thanks to the synergy with the Associazione Lavoratori di Intesa Sanpaolo (Association of the Intesa Sanpaolo employees), of the agreement with the car sharing and bike sharing service where available. The project has expanded also beyond national borders and has involved some of the Group's International Subsidiary Banks: Banka Koper in Slovenia, CIB in Hungary, Intesa Sanpaolo Bank Romania, Intesa Sanpaolo Bank Albania and the product company ISP Card (Croatia and Slovenia) .
All employees	Other non-monetary	Behaviour change related indicator	Sustainable mobility. Intesa Sanpaolo Card's employees participating in car-pooling are entitled to a company parking space in office garages since they are both helping in lowering the emission of CO2

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
	reward		and are sending a positive message on climate change issues. On the other hand the initiative has shown positive results in terms of business and team building, as it allows colleagues to discuss on different issues during the trips home-office and vice versa.
All employees	Other non-monetary reward	Behaviour change related indicator	Behaviour change. For the benefit of employees who are using bicycle to ride to work, CIB E PBZ have arranged wardrobes and toilets to enable them to change their outfit and prepare for work

Further Information

Page: CC2. Strategy

CC2.1

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

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

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

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Annually	Board or individual/sub-set of the Board or committee appointed by the Board	All geographical areas where the Group operates.	> 6 years	ISP considers climate change a fundamental part of its strategy which integrate CSR across all banking businesses. Through the monitoring process of the Code of Ethics and the Sustainability Report we evaluate climate change risks and provide objectives and guidelines aimed at implementing action plans to manage and mitigate them. Risks and opportunities related to climate change are regularly monitored through stakeholder engagement activities. Attention to climate change is a key dimension of Group's Environmental and Energy Policy, issued in 2007 and periodically updated integrating new targets. The Policy, approved by the Board, is available on our website. Targets for the reduction of energy consumption in the bank has been set for 2022 and 2035. Other targets to 2016 are published in the Sustainable Energy Action Plan. Environmental risks are regularly assessed for major projects through the Equator Principles and integrated in the credit procedure for sensitive sectors.

CC2.1b

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

Group level: since 2010 Intesa Sanpaolo CSR Service has been conducting a mapping activity of risks and opportunities on climate change involving all departments and divisions of the Bank through both direct interviews and meetings. The overall picture of the existing climate change related business activities, products and services is regularly updated. It also brings out critical points as well as promotes future developments regarding the management of climate change issues at Group level. External experts have been appointed in 2015 to address issues such as energy efficiency, green logistics and circular economy. A dedicated intranet section collects all presentations and papers to maximize the sharing of information and initiatives. Since 2010 Intesa Sanpaolo regularly carried out interviews to NGOs in order to investigate their view on socio-environmental risks of financial institutions like Intesa Sanpaolo, focusing on the issue of climate change. Intesa Sanpaolo has also joined the UN Global Compact and adheres to the UNEP FI where our representative is Co-Chair for Europe. Thanks to these partnerships we collect suggestions, share best practices regarding assessment and mitigation of environmental risks, participate in cutting edge international debate. Asset level: the identification of initiatives aimed at the rationalization of resources and reduction of pollutant emissions results from the detailed monitoring of energy consumption and the implementation of a structured action plan. The Sustainable Energy Action Plan (SEAP 2013-2016) provides for actions related to optimization of fuel management, improving energy efficiency, innovation, green purchasing, training. For every action undertaken annual and cumulative energy and cost saving are foreseen. For example datalogger installed in the Group Subsidiaries Intesa Sanpaolo in Italy at 100% coverage of electricity consumption: 5.4 M€ of investment, 3.15 M€ monetary savings, 5520 CO2 tons avoided.

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

Intesa Sanpaolo has been using the AA1000 Assurance standards across its operations and regularly carries out stakeholder engagement activities with customers, employees and NGOs to understand their expectations and the areas of greater interest. In particular the risks and opportunities related to climate change and environmental protection issues are monitored through specific stakeholder engagement activities that help us defining the most important and urgent ones. In 2015 the analysis , derived by interviews with clients, investors and employees, has provided key insights into the macro themes of environmental protection, focusing in particular on climate change, pollution prevention and abatement, conservation of energy and of natural resources. Stakeholders wish a continued involvement in initiatives and events dedicated to companies in the “green” industry as well as a greater commitment towards activities aimed at encouraging companies to invest in energy efficiency projects. The materiality matrix, published every year in the Sustainability Report, lists the Group’s sustainability issues, positioned with respect to both the relevance and the priority given by stakeholders and to the level of priority for the Group, also considering possible reputational or financial impacts on the Bank. Climate change is one of the most significant issue in the Matrix. A specific document called “Stakeholder Engagement 2015 and Improvement Objectives for 2016” has been published.

CC2.1d

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

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

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

Yes

CC2.2a

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

i) How the business strategy has been influenced: Responsibility for climate change is included in Intesa Sanpaolo Environmental and Energy Policy and in the Group's Code of Ethics. The CSR Service coordinates the issue. The short term strategy focuses on monitoring and managing direct and indirect environmental impacts. Regarding direct impacts the Group monitors and implements initiatives to improve the management of energy, waste, green purchasing and maintenance of buildings, to make its ecological footprint lighter. The Environmental Sustainability Team coordinated by the Group's Energy Manager is in charge of that. In 2015 we continued to monitor the three-year Sustainable Energy Action Plan for environmental improvement (it has been issued in 2013 - for the third time - and includes also the Subsidiary Banks in the foreign network), focusing on all areas of environmental sustainability and primarily on emissions reduction. The Plan has been presented to the top management and circulated within the bank through the intranet. The improvement actions implemented at the sites are supported by specific training for employees.

ii) What aspects of climate change have influenced the strategy: Intesa Sanpaolo is aware of the most significant impacts of climate change directly to its activities and indirectly to its clients, influencing many Bank's strategic choices. For example changes in regulation led to the implementation of an EEMS and the adoption of internal policies for reducing the ecological footprint, etc. The changes in physical climate parameters led to energy efficiency implementation and actions of mitigation (continuity plans).

iii) The most important components of the short and medium term strategy (by short term year we consider a span of one year, by medium term 2 to 5 years): many of the initiatives aimed at reducing direct and indirect emissions have become on-going activities with specific targets set every three years and monitored in the continuous (for example reducing paper consumption, utilizing recycled and certified paper). Other key short and medium term activities: employees training on risks and opportunities related to climate change, encouraging them to promote sustainable behaviour both at work and at home and positively influencing also clients (since 2010 more than 90,000 employees used the training Platform and around 1,500 attended the new course on Climate Change); as a financial intermediary we must consider as a priority those risks linked to our customers business thus contributing to innovate products and services to help reduce emissions of our clients (loans for the installation of photovoltaic systems and the production of renewable energy, interventions for energy efficiency, support for technological R&D in clean energy, managing a portfolio of CDM projects in the market for carbon assets, etc).

iv) The most important components of the long term strategy (over ten years): the bank's strategy to mitigate emissions includes: keep up to date and implement the certifications obtained (ISO 14001, ISO 50001, ISO 14064, etc.) for the EEMS; increase the use of energy from renewable sources; improve energy efficiency (reduction of consumption in lighting and air-conditioning, choice of energy-efficient equipment, plant maintenance, using recycled products, etc.); develop mobility management initiatives that reduce emissions from commuting and business meetings; monitor and report updated emissions data in an ever more accurate way (Sustainability Report, CDP, etc.); evaluate climate change risks in the lending activities. The main medium to long term strategy issue is the integration of climate change risks in all our lending activities. Since 2007 we consider climate change risks in big projects in all the sectors and countries through the Equator Principles and we also consider them in the qualitative risk management models for the small businesses and corporates. We are committed to continue to support the Start-Up Initiative, a training and promotion program for emerging high-tech companies with a main focus on Clean Tech: renewable energy and energy efficiency. In total 2,300 ideas have been evaluated and 650 start up companies have been trained. In 2015 the renewable energy sector has been influenced by Intesa Sanpaolo's engagement with Italian institutions and Ministers in charge of the changes of the incentive systems for renewable energy. Intesa Sanpaolo has also actively participated in many Abilab (Italian Banking Association) working groups, dedicated to building sector benchmarking and encouraging energy efficiency in banks.

v) Strategic advantage over competitors: thanks to the strategic choices in the recent years Intesa Sanpaolo has achieved several competitive advantages. One of the most important regards the volumes of funding granted in the field of renewable energy and energy efficiency to our clients, which in 2015 was around 1,495 million euro (3% of total financing). As further proof of the quality of the initiatives performed by Intesa Sanpaolo, in the past years the Bank has received many important awards.

vi) Substantial business decision: to control environmental risks, the Group has adopted the Equator Principles in 2007 and since January 2014 applied the new Equator Principles III that introduced additional requirements for both financial institutions and customers in terms of the fight against climate change.

vii) Example: as we are aware that the assessment of environmental risk in the disbursement of loans must cover not only large infrastructural projects but also loans granted to all kind of Bank customers, a specific questionnaire has been implemented with the objective of identifying any environmental risks connected to the activities of corporate customers as well as the most significant indicators to measure them. In 2015, this questionnaire has been integrated in the credit facility procedure of Intesa Sanpaolo and it can be used in order to evaluate corporate clients in all industries and in all countries where we operate. During 2016 the

integration of a blocking control in the procedure will be implemented, that will make mandatory the compilation of the questionnaire for companies belonging to the sectors most exposed to environmental risk, with an effect on the assessment of their creditworthiness. Among the sectors/industries selected as being most exposed to environmental risk, there are energy generation, mining, chemicals, pharmaceutical, constructions.

CC2.2b

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

CC2.2c

Does your company use an internal price of carbon?

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

CC2.2d

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

CC2.3

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

Direct engagement with policy makers
Trade associations
Funding research organizations
Other

CC2.3a

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

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Clean energy generation	Support with minor exceptions	Intesa Sanpaolo engages with the GSE (Gestore Servizi Energetici: energy services management entity), the Ministry of Economic Development and the Ministry of Environment, directly and through ABI, the Italian Banking Association. During 2015 the Intesa Sanpaolo was mainly involved in matters regarding the effects of changes in the incentive system ("Conto termico") of the energy efficiency sector in Italy and the incentives to the other renewable technologies.	To consolidate the incentives in order to allow the market to continue growing
Climate finance	Support	Through the Head of Sustainability of our subsidiary Eurizon, we participated in an event organized by the European Parliament to collect suggestions and recommendations on how to mobilise private finance in support of a low carbon and resource-efficient Europe.	The transition to a low-carbon economy will be capital intensive but capital markets are still not fully equipped for the low-carbon transition. A support by European laws is needed to help this transition.
Energy efficiency	Support	Through the FIRE (Italian Federation for the Rational Use of Energy) of which Intesa Sanpaolo is a member, has presented to the Chamber of Deputies of the Italian Parliament a document on the EU strategy for heating and cooling.	The document highlights the most significant and the most critical elements on the possibility of development of energy efficiency in relation to thermal energy used in housing, in the tertiary and in industry.
Other: Guidelines on energy and environment management	Support with major exceptions	Participation in the ABI working group for the issuance of the Guidelines on energy and environment management.	Indications on the best way to calculate and represent environmental indicators
Energy efficiency	Support	Intesa Sanpaolo recently joined the Energy Efficiency Financial Institutions Group ("EEFIG") that was established as a specialist expert working group by the European Commission and United Nations Environment Programme Finance Initiative ("UNEP FI"), in late 2013, as a result of the dialogue between Directorate-General for Energy ("DG Energy") and UNEP FI, as both institutions were engaging with financial institutions to determine how to overcome the challenges inherent to obtaining long-term financing for energy efficiency. EEFIG resulted from the joining of these forces to engage with the sector's stakeholders and financial institutions to create an open dialogue and work platform with the European Commission; and with UNEP FI helping to convene meetings and bring in a variety of active and interested players, among its members and beyond, as per its mission	Enforce a dialogue and work platform between the financial Sector and the Commission on the topic of energy efficiency finance.

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
		statement of “changing finance, financing change”. Founders believe that the creation of EEFIG represents the first time such a dialogue and work platform has been established between the Commission and the financial sector on the topic of energy efficiency finance.	
Climate finance	Support with minor exceptions	In 2015, through the Forum for Sustainable Finance, of which Intesa Sanpaolo is member of the Board, we have contributed to the activity of engagement with the Italian and the European Parliamentarians in order to support and disseminate the issues of sustainable finance	Integrate ESG issues in the policies and institutional choices
Other: Green logistic	Support with major exceptions	Intesa Sanpaolo take part of the SOS-LOGistica (Association for Sustainable Logistics). Sustainable Logistics means logistics that aim to offer the service and economical conditions demanded by the market, at the same time seeking all the most appropriate solutions from the environmental and mobility point of view, connected with the transport, delivery and recycling of products and goods. Sustainable Logistics seeks, finally, to promote more efficient logistics that are, at the same time, more respectful of the quality of life. This is based on the profound conviction that, in the majority of cases, “it costs to pollute” and the search for the most economical solution for the operations is not at all in conflict with the search for the most correct solutions from the environmental perspective.	In SOS Log, we want to promote and disseminate the culture of sustainability, bringing to light challenges and innovative solutions.
Energy efficiency	Support with minor exceptions	Intesa Sanpaolo, through FIRE, CEI and CTI, participate in 2016 in the review process of the ISO 50001 standard on energy management systems.	Thanks to our important experience on this field, we have done some insights, observations and useful items in order to ameliorate the technical legislation.
Climate finance	Support	Mediocredito, at the request of GSE (Italian Gestore Servizi Energetici), has worked on the definition of some aspects regarding the GRIN Convention governing the passage of the Green Certificate incentive mechanism, in accordance with art. 19 of DM 6/7/2012, in order to allow even discounting credit operations (factoring).	Mediocredito has worked in order to define, together with the GSE, financial aspects for switching to different forms of incentive
Other: Circular economy	Support	Intesa Sanpaolo has done various meetings with European Commission representatives in order to support the circular economy package (2 December 2015)	Intesa Sanpaolo is spreading the idea that circular economy should not be focused on waste management but on rethinking industrial processes and business model

CC2.3b

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

Yes

CC2.3c

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

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
ABI	Consistent	In order to create a shared basis for reporting between all the Banks, ABI Energia and the Competence Center ABI Lab on Energy and Environment, through its Energy Efficiency Monitoring Centre, has drawn up guidelines relating to reporting on eight out of the thirty GRI indicators most widely used by the banks in their Sustainability Reports. This document is aimed, on the one hand at harmonising the reporting methods so as to facilitate comparison of information between the various banks and create potential benchmarking, while at the same time also fostering further dissemination of sustainability reporting in the banks that have not yet adopted it.	Intesa Sanpaolo has provided a significant contribution to this activity, since it has been using these indicators as benchmarks to enhance its accountability through quality reporting for a long time. In detail, our methods for recording and monitoring the data, and the coefficients utilised for the calculation of the transformation factors were illustrated. The final version of the Guidelines, aligned with the Intesa Sanpaolo standards, emerged as an extremely concrete document, very useful for all the Italian banks.
ABI	Consistent	ABI, on the basis of the proposals of the member banks, has submitted to the competent Minister a number of comments and suggestions on the new version of the law regarding the incentive of thermal energy, called "Conto termico".	Intesa Sanpaolo has offered some suggestions to improve the law and could easily finance both the ESCO and the public bodies.
ABI	Consistent	ABI has done in 2015 a working group with ENEA and the Ministry of Economic Development to define precise rules for the application of European Directive 27/2012 implemented by Italian Law 102/2014.	Intesa Sanpaolo has participated actively in the working group by providing suggestions for identifying sites to be subjected to energy audit in banks.
ABI	Consistent	Definition of the criteria for the drafting of the Agreement CDP (Cassa Depositi e Prestiti) with ABI, pursuant to paragraph 5, Art. 26 of Law 116/2014 (incentives in photovoltaics). The agreement covers access to funding dedicated to CDP or guarantee for bank loans to be granted to cover the reduction of incentives as a result of the restructuring of tariffs.	Intesa Sanpaolo Group, through Mediocredito, Intesa Sanpaolo and Banca IMI, is participating actively in the working group in order to define the criteria for the agreement.
ABI	Consistent	In agreement with ABI and ENEA, following the publication of	Intesa Sanpaolo, through Mediocredito, is working on the

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
		Decree 102/2014 on energy efficiency, evaluation of the criteria for the drafting of the standard EPC (Energy Performance Contract Agreement) valid for the Public Administration and for the 'implementation of the national Fund for energy efficiency.	identification of the criteria for the EPC contract.

CC2.3d

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

No

CC2.3e

Please provide details of the other engagement activities that you undertake

- i) Method of engagement: Intesa Sanpaolo is actively engaging with the Italian Government, the European Commission and through its participation in the Unep FI initiative and the FFS (Forum Finanza Sostenibile). Intesa Sanpaolo is sure that a more proactive role of financial institutions in the climate change field comes from an active cooperation with the governments and the other public institutions. Intesa Sanpaolo participates to these initiatives through discussion groups, workshops, roadshows, survey research and web-bas consultations.
- ii) topic of engagement: Intesa Sanpaolo is strongly committed to encourage climate change mitigation and adaptation. We deem that a fundamental contribution from the governments is to provide stable regulations in each countries and common rules at international level.
- iii) nature of the engagement: Intesa Sanpaolo ha avviato tavoli di confronto sia con le istituzioni nazionali sia con quelle locali al fine di sempre meglio indirizzare la strategia nazionale sull'efficienza energetica. Attraverso il Forum per la Finanza Sostenibili sono stati affrontati i temi del cambiamento climatico collegati all'incontro di Parigi COP 21 e tramite Unep FI abbiamo seguito the workstrem of "positive impact" che ha dato seguito al tema della circolar economy
- iv) actions advocated: Intesa Sanpaolo engages continuously with the main institutional actors in charge of the advancement of renewable energies and energy efficiency also in Italy. Intesa Sanpaolo has signed one voluntary agreement with the Italian Ministry of Environment. The Agreement's goal of Sustenergy was to further strengthen cooperation in terms of energy saving and the promotion of renewable energy, to disseminate best practices and cooperate on pilot initiatives that present characteristics of innovativeness and replicability throughout the country. Among the many initiatives carried out jointly in recent years is noteworthy the guide "Business & Finance together for sustainable energy", the various initiatives held during the European Renewable Energy Weeks and the Italian awareness-raising tour of municipalities participating in Covenant of Majors. We are also members of the Board of the Forum per la Finanza Sostenibile (FFS) which is the Italian SIF (Sustainable Investment and Finance Association). FFS aims to support the Italian finance sector's participation in sustainable development through

innovative financial services. The association represents an influential voice for the sustainable and responsible finance industry in Italy with a positive influence on governments, NGOs, regulators, companies, professional advisers, the general public on this topic.

CC2.3f

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

Through its International Regulatory and Antitrust Affairs Office, Intesa Sanpaolo regularly monitors the numerous and profound changes in the regulatory framework defined at international and European levels, in order to be aware of possible changes and anticipate the future directives. In 2015 the Intesa Sanpaolo Group expressed its position in response to many public consultations.

The bank participates in the activities coordinated by the ABI (Italian Banking Association) for the definition of guidelines in the environmental field, bringing its experience and promoting best practices. Since Intesa Sanpaolo has an Environment and Energy Management System certified ISO 14001, ISO 50001 and ISO 14064, our contribution to these working groups is based on the sharing of good practice and on raising the level of the entire banking system. All these activities are reported internally and evaluated in order to verify the consistency with our strategy.

CC2.3g

Please explain why you do not engage with policy makers

Further Information

Page: CC3. Targets and Initiatives

CC3.1

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

Absolute target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
Abs1	Scope 1	55%	8%	2012	32229	2016	No, but we anticipate setting one in the next 2 years	The target relative to Scope 1 refers to the potential emissions from independent and central heating (gas and diesel) in Italy. At the moment is not possible for the Banks to have science based target because there isn't a methodology available.
Abs2	Scope 2 (location-based)	76%	13%	2012	168743	2016	No, but we anticipate setting one in the next 2 years	The target relative to Scope 2 refers to the potential emissions related to electricity consumption in Italy. At the moment is not possible for the Banks to have science based target because there isn't a methodology available.
Abs3	Scope 1+2 (location-based)	74%	17%	2012	207898	2022	No, but we anticipate setting one in the next 2 years	The target relative to Scope 1+2 refers to the potential emissions related to electricity consumption and to the potential emissions from independent and central heating (gas and diesel) in Italy. At the moment is not possible for the Banks to have science based target because there isn't a methodology available.
Abs4	Scope 1+2 (location-based)	74%	22%	2012	207898	2037	No, but we anticipate setting one in the next 2 years	The target relative to Scope 1+2 refers to the potential emissions related to electricity consumption and to the potential emissions from independent and central heating (gas and diesel) in Italy. At the moment is not possible for the Banks to have science based target because there isn't a methodology available.
Abs5	Scope 3: Purchased goods & services	100%	17%	2014	7446	2024	No, but we anticipate setting one in the next 2	The target relative to Scope 3 (Purchased goods and services) refers to the emissions related to paper consumption. At the moment is not possible for the Banks to have science based target because there

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
							years	isn't a methodology available.

CC3.1b

Please provide details of your intensity target

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

CC3.1c

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

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

CC3.1d

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

ID	Energy types covered by target	Base year	Base year energy for energy type covered (MWh)	% renewable energy in base year	Target year	% renewable energy in target year	Comment

CC3.1e

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

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Abs1	75%	100%	The goal at the time was exceeded (246%) because the last three season have been particularly mild temperature and have therefore offset the gas consumption.
Abs2	75%	93%	% complete as of 31/12/2015
Abs3	30%	91%	% complete as of 31/12/2015
Abs4	12%	71%	% complete as of 31/12/2015
Abs5	10%	16%	% complete as of 31/12/2015

CC3.1f

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

CC3.2

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

Yes

CC3.2a

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

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
Group of products	In 2015, 3% of Intesa Sanpaolo's total loans to business referred to environmental protection sectors, such as renewable energy, energy efficiency, environmental services, sustainable agriculture, amounting to more than 1.4 billion euro. As part of the Sustainable Energy and Leasenergy programme, Mediocredito Italiano, the Intesa Sanpaolo Group bank that brings together medium-long term financing, leasing and factoring, provides "tailor-made" financial solutions and specialist advisory services dedicated to businesses that invest in plants for the generation of energy from renewable sources or in energy efficiency processes. The Mediocredito Italiano Energy Desk, continues to focus its attention on energy efficiency, also participating in work groups to discuss the issue with the competent institutional authorities and structuring	Low carbon product	Other: 2015 UNFCCC National Inventory Report	3%	Less than or equal to 10%	

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
	partnerships on dedicated financial proposals with leading Italian players. In the area of non-profit organisations, Banca Prossima provides credit support for energy efficiency projects with solutions that help customers optimise the financial flows generated by the investment and thus reduce financing costs					

CC3.3

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

Yes

CC3.3a

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

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	3	125
To be implemented*	13	1967
Implementation commenced*	12	6445

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Implemented*	14	131708
Not to be implemented	0	0

CC3.3b

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

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Low carbon energy installation	The self-production of energy from renewable sources in Italy, such as photovoltaic, appears to be limited by the type of property: most branches are located on the ground floors of apartment buildings and have no exposure to the south; often branches and buildings, especially the larger ones, have technical and architectural constraints since they are situated in historical centres. However in 2015 two new photovoltaic plants were installed in Cagliari and Caserta.	16	Scope 2 (location-based)	Voluntary	7820	210550	4-10 years	21-30 years	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Building services	Relamping and replacement of lighting systems with LED on 3 buildings in Italy (Mi Bisceglie, Assago, Mi Monte di Pietà).	342	Scope 2 (location-based)	Voluntary	60350	3574000	4-10 years	16-20 years	
Low carbon energy purchase	In Italy we are reducing our use of carbon-intensive energy by including a high portion of renewable energy from hydroelectric source. The % of renewable energy purchased in Italy was 95% in 2015. The commitment to renewable energy continues in the International Subsidiary Banks as well, despite the limitations imposed by national legislation in a number of countries: 15% of the electricity purchased by VUB derives from a renewable source; since 2014 Banka Koper has been purchasing all of its energy from renewable hydroelectric sources, which join the two photovoltaic plants in Slovenia that generated around 53.5 MWh. Finally, all the electricity consumed by Bank of Albania, although coming from the national grid, is renewable.	125501	Scope 2 (location-based)	Voluntary	0	0	<1 year	Ongoing	
Energy efficiency: Building services	In 2015 in Italy were installed about 91 systems of collecting energy consumption (datalogger) managed via web that allow the activation of programs on and off of air conditioning and lighting.	56	Scope 2 (location-based)	Voluntary	32000	182000	4-10 years	Ongoing	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Building services	Substitution in Italy of boilers and air conditioning systems with condensing systems, heat pumps and cooling groups high yields. Replacing also plants containing R22 gas in Italy and in Hungary.	130	Scope 1 Scope 2 (location-based)	Mandatory	65560	6856453	11-15 years	16-20 years	
Process emissions reductions	In addition to this commitment to using more and more very low environmental impact paper, for years Intesa Sanpaolo has been involved in a programme to reduce as much as possible the consumption of paper, and the resulting CO2 emissions, in favour of digitalisation activities and electronic reporting that led to a reduction, in Italy in 2015, in paper purchase by almost 3% with a very important saving of CO2 emissions and costs	1330	Scope 3	Voluntary	1430000	0	<1 year	Ongoing	
Low carbon energy installation	In Hungary, in our CIB Group, replacement of all UPS units in the head office located in Petrezselyem with considerable energy savings.	15	Scope 2 (location-based)	Voluntary	7453	2433	<1 year	11-15 years	
Energy efficiency: Processes	To make the support for the initiative "M'illumino di Meno" in Italy even more tangible and join in with the customary "energy silence" promoted by the radio programme, the Bank will make a symbolic gesture: on 13 February the approx. 15,000 signs of the Intesa Sanpaolo	7	Scope 2 (location-based)	Voluntary	4500	0	<1 year	<1 year	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
	Group branches will be turned off from 4 p.m. to midnight								
Low carbon energy installation	Our Croatian bank, PBZ, has done a lot of energy efficiency activities: efficient air conditioning systems , new chillers and new energy efficiency thermal systems were installed .	45	Scope 2 (location-based)	Voluntary	13000	95200	4-10 years	11-15 years	
Low carbon energy installation	Thanks to an agreement with the Egyptian Ministry for Electricity and the United Nations, the Bank is currently replacing all its lighting system with new LED technology in the head office of Alexbank and in 7 bank branches.	25	Scope 2 (location-based)	Voluntary	24307	46653	1-3 years	6-10 years	
Low carbon energy purchase	Ongoing replacement of office machinery with "green" machinery (higher energy efficiency). In this row are accounted only the office machinery replaced in 2015. Since the machinery is replaced only when it becomes obsolete and the "green" ones have the same costs as the old ones, there is no additional investment for this programme.	960	Scope 2 (location-based)	Voluntary	617300	0	1-3 years	3-5 years	
Transportation: fleet	Renewal of vehicle fleet (15 cars) by replacing old cars with hight fuel consumption, with greener model in PZb (Croatia)	116	Scope 1		47000	169700	4-10 years	6-10 years	
Transportation: use	In keeping with the commitment towards a more sustainable mobility	1150	Scope 1 Scope 3	Voluntary	5475560	0	<1 year	Ongoing	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
	management, we are continuing to offer alternative activities aimed at a more effective use of external means of transport (trains, aircraft) reinforcing the systems of communication made available to employees such as video conferencing and Lync. To date, the system involves approximately 50.000 employees.								
Energy efficiency: Building services	In Intesa Sanpaolo Bank Albania, in order to achieve significant savings through actions of energy efficiency, it continues the initiatives started on 2014 with the gradual replacement of lighting with LEDs in new branches and Rebranding ones. We have also made the replacement of the neon signs in branches and HO with LED technologies. Parallel we replaced the old AC System with E.E HVAC Model in new Branches and Rebranding ones	16	Scope 2 (location-based)	Voluntary	511580	4500000	4-10 years	6-10 years	

CC3.3c

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

Method	Comment
Compliance with regulatory requirements/standards	The Intesa Sanpaolo Group establishes its objectives of reducing energy consumption in line with what is established by the Italian and European regulations. Moreover Intesa Sanpaolo is certified in compliance with voluntary standards ISO 14001, ISO 50001 and ISO 14064 that provide specific targets.
Dedicated budget for energy efficiency	As envisaged in the Sustainable Energy Action Plan 2013-2016 a dedicated budget for energy efficiency has been established
Dedicated budget for low carbon product R&D	Mediocredito Italiano has a specialist desk that can provide answers dedicated to companies wishing to grow through investment in innovation, offering consulting services and customized loans. In particular Nova + is the funding line of Mediocredito Italiano dedicated to all companies that want to innovate, of any size and industry. Intesa Sanpaolo cooperates with the Ellen MacArthur Foundation, the reference institution at international level in the field of Circular Economy. In June the Bank became member of the Ellen MacArthur Foundation to enter the Circular Economy acceleration sharing platform and in December it became a global financial partner of the Foundation. In its role as a global partner, Intesa Sanpaolo intends to help redefine the business strategies and business models of its customer companies, to make them evolve in an innovative and sustainable way and to ensure financial support for investments in support of the re-design of the industrial system.
Employee engagement	The Intesa Sanpaolo Group supports and promotes environmental awareness among its employees through various communication and training activities to sensitize employees on environmental issues. In particular with the intranet training platform "Ambientiamo" are now available also training modules on Climate Change.
Lower return on investment (ROI) specification	In "Sustainability rules for the purchase of office machinery" Intesa Sanpaolo is committed to assessing the environmental impact of products covered by these rules in the process of choosing and buying them, taking into account not only all the legal requirements and applicable compliance requirements in the field, but using specific environmental criteria to enable an accurate and measurable assessment.
Other	We utilize government incentives for energy efficiency actions in pour premises. For example we have used the Italian tax deductions in favour of saving energy to restructure many of our branches and we have installed photovoltaic systems using the facilities provided by law. Investigations are in place for future energy audits and low carbon energy installations related to these programs.

CC3.3d

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

Further Information

CC4.1

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

Publication	Status	Page/Section reference	Attach the document	Comment
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	Pages 129-130/Climate Change	https://www.cdp.net/sites/2016/63/9363/Climate Change 2016/Shared Documents/Attachments/CC4.1/ISP group Mainstream Report.pdf	Mainstream report
In voluntary communications	Complete	Pages 1-34	https://www.cdp.net/sites/2016/63/9363/Climate Change 2016/Shared Documents/Attachments/CC4.1/Q_AMBIENTE_eng.pdf	Environmental Paper
In other regulatory filings	Complete	Pages 126-141; 179-181 / Natural Capital	https://www.cdp.net/sites/2016/63/9363/Climate Change 2016/Shared Documents/Attachments/CC4.1/BILANCIO_SOCIALE_eng.pdf	Natural Capital section
In voluntary communications	Complete	Pages 1-8	https://www.cdp.net/sites/2016/63/9363/Climate Change 2016/Shared Documents/Attachments/CC4.1/ISO 14001 certificate.pdf	ISO14001 certificate
In voluntary communications	Complete	Pages 1-8	https://www.cdp.net/sites/2016/63/9363/Climate Change 2016/Shared Documents/Attachments/CC4.1/ISO 50001 certificate.pdf	ISO 50001 certificate
In voluntary communications	Complete	Pages 1-12	https://www.cdp.net/sites/2016/63/9363/Climate Change 2016/Shared Documents/Attachments/CC4.1/ISO 14064 certificate.pdf	ISO 14064 certificate
In voluntary communications	Complete	Page 1	https://www.cdp.net/sites/2016/63/9363/Climate Change 2016/Shared Documents/Attachments/CC4.1/ALEXbank internet website.pdf	Alex bank internet website
In voluntary communications	Complete	Pages 1-55	https://www.cdp.net/sites/2016/63/9363/Climate Change 2016/Shared Documents/Attachments/CC4.1/Tot Intesa Sanpaolo-Environment - Intesa Sanpaolo.pdf	Intesa Sanpaolo Group Internet website
In voluntary communications	Complete	Pages 1-2	https://www.cdp.net/sites/2016/63/9363/Climate Change 2016/Shared Documents/Attachments/CC4.1/PBZ impact-environment.pdf	PBZ internet website
In voluntary communications	Complete	Pages 1-3	https://www.cdp.net/sites/2016/63/9363/Climate Change 2016/Shared Documents/Attachments/CC4.1/CIB website environmental_impact.pdf	CIB internet website
In voluntary	Complete	Pages 1-3	https://www.cdp.net/sites/2016/63/9363/Climate Change 2016/Shared	Banka Koper

Publication	Status	Page/Section reference	Attach the document	Comment
communications			Documents/Attachments/CC4.1/Banka Koper environment.pdf	internet website
In other regulatory filings	Underway - previous year attached	Pages 49-51 /Managing our environmental impact	https://www.cdp.net/sites/2016/63/9363/Climate Change 2016/Shared Documents/Attachments/CC4.1/CIB bilancio sociale 2014.pdf	CIB social report
In other regulatory filings	Underway - previous year attached	Pages 69-81 /Environment	https://www.cdp.net/sites/2016/63/9363/Climate Change 2016/Shared Documents/Attachments/CC4.1/VUB bilancio sociale-2014_en.pdf	VUB social report

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

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

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

CC5.1a

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Voluntary agreements	Intesa Sanpaolo, as a financial services company active in asset management, investment banking and bank assurance, can be affected directly and indirectly by changes in voluntary standard related to climate change it has adopted. For examples, in case of changes in the certification schemes (ISO 14001, ISO 50001, ISO 14064) Intesa Sanpaolo will need to upgrade processes and to pay for specific advice.	Increased capital cost	1 to 3 years	Direct	Very likely	Low-medium	Potential financial impacts of changes voluntary standards are related to the need to adapt to new rules with consequent costs. For examples overall changes to processes and procedures related to certification would cost about 40,000 Euro.	Intesa Sanpaolo carries out a careful analysis of current standards and possible changes that may allow us to modify the risk for our Bank of being caught unprepared. We constantly monitor legislation and participate in specific training courses to become aware of what's new. In 2015, for example, our experts have attended a course organized by Assolombarda on the new 2015 version of ISO 14001 standard. Intesa Sanpaolo will adjust the procedures, documents and internal training courses of its Environmental Management System to the new version of the ISO14001 standard	The cost for the participation of the internal experts in specific courses amounted in 2015 to about 1,000 Euro. The adjustment of procedures, documents, and internal training courses to the new version of the ISO14001 standard will entail in 2015 an estimated cost of about € 45.000, which includes the cost of the consultancy firm E&Y, the cost of developing training courses (this is done through an external provider) , the cost of personnel dedicated to the activity of developing the new procedures.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								in the second semester of 2016. This action leaves the likelihood unchanged but reduces the magnitude should the event occur.	
Uncertainty surrounding new regulation	The lack of a clear strategy of the Italian government on renewable energies and energy efficiency regulation creates a situation of uncertainty, in particular with reference to incentives which have been removed during the last two years. This situation is very negative for Intesa Sanpaolo because it prevents the Bank from establishing a	Inability to do business	Up to 1 year	Indirect (Client)	Very likely	Low-medium	Financial implications refer to the inability to develop new products and to serve our customers properly, with a consequent decrease in revenues and market share. The bank's potential for financing the transition to a lower carbon economy is not fully used and the uncertainty on regulations represents a barrier to the expansion of the market .	In order to manage this risk Intesa Sanpaolo is engaging with regulators in order to be up to date on new rules and if possible anticipate them, always recommending to stabilize the incentives and to simplify the legislation. For example in 2015 through Abilab (Consortium of Italian Banks) we have continued to work on the new version of "Conto Energia" the italian incentive for thermal energy. Also in 2015, Fire (Energy Manager Italian Federation),	These activities are carried out by various departments of Intesa Sanpaolo, but we can assume that they involve an overall commitment of 3 FTE (full time equivalent) with an estimated gross cost of 45,000 Euro each.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	long term strategy on the implementation of new products and services on the "green sectors".						To give an idea of the volume of the business, funding for renewable energy, energy efficiency and other climate change related interventions in 2015 has amounted to 1,495 million euro and this volumes could be much increased if they were supported by clear regulations, incentives and a clear strategy by regulators.	of which Intesa Sanpaolo is a member, has presented to the Chamber of Deputies of the Italian Parliament a document on the EU strategy for heating and cooling. The document highlights the most significant and the most critical elements on the possibility of development of energy efficiency in relation to thermal energy used in housing, in the tertiary and in industry. This action has allowed to reduce the magnitude of this risk from medium to low medium.	
Air pollution limits	The risk of very stringent air pollution limits could cause financial problems to Intesa	Increased capital cost	1 to 3 years	Indirect (Client)	Likely	Low-medium	The possibility that new air pollution limits are introduced and new cap and trade schemes	In order to manage this risk Intesa Sanpaolo provides consultancy to its clients on developments in the law and on how	After a feasibility study on carbon trading that Intesa Sanpaolo did in 2011, we are working on the implementation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>Sanpaolo clients (fines and/or investments to adapt to the provisions of the law) in particular in some GHG intensive sectors (aviation, energy, metallurgical and cement), causing a reduction in their revenues and therefore in their capacity to repay loans.</p> <p>Directive 2009/29/EC, transposed in Italy by Legislative Decree 30/2013, implementing and expanding the EU ETS, sets out new rules for the period 2013-2020 with substantial</p>						<p>defined, will cause a reduction in revenues and/or increase in capitals costs to all those companies involved. In some cases it could also result in the inability to operate of Intesa Sanpaolo customers with a high financial impact on Intesa Sanpaolo itself.</p>	<p>to properly prepare to meet it. This activity is supported by in-depth, exhaustive sector studies. For example, Intesa Sanpaolo has commissioned a sector study on the waste-to-energy Sector and we are also working on the development of a carbon trading activity. Specifically, a feasibility study has been completed and in 2015 the bank has estimated the implementation timeline. These actions has helped to reduce the magnitude of impact, from medium to low-medium.</p>	<p>study. This study is Worth about 500,000 euros. In addition, in 2015, with a view to identifying the best practices and the international standards useful to operate with awareness and responsibility, Intesa Sanpaolo has commissioned an in-depth, exhaustive sector study on the waste-to-energy sector, from a specialist consultant, worth about 30,000 euros.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	emission reduction targets. The main sectors involved are: chemical industry and aviation. Intesa Sanpaolo could be affected because it has many clients in those industrial sectors.								
Fuel/energy taxes and regulations	Italy is a non-self-sufficient country from an energy standpoint. This makes it subject to the volatility of international markets. Furthermore, the real cost of energy is often affected by the tax element that may vary over time: for example, the cost of the incentive for	Increased capital cost	1 to 3 years	Direct	Likely	Medium	In view of the fact that any increase in the cost of energy or related taxes has significant impact on the income statement of Intesa Sanpaolo we are very careful to monitor the sector and to make estimates in this regard. For example	In order to mitigate this risk Intesa Sanpaolo put in place the following actions: signing contracts with electricity providers on a biennial basis instead of annual, fixing the price on a longer period and implement actions and initiatives to reduce electricity consumption. For example in 2015 actions for energy efficiency contributed to a energy saving of	These activities are carried out by various departments of Intesa Sanpaolo, but we can assume that they involve an overall commitment of 2 FTE (full time equivalent) with an estimated gross cost of 45,000 Euro each. Costs related to maintenance of systems in Intesa Sanpaolo included electric ones amounted in 2015

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	the Italian PV is charged in the bill to all end users. Intesa Sanpaolo costs related to energy can increase due to the introduction of new fuel or energy taxes. Furthermore an indirect increase of prices of other goods (eg. paper) could occur and have a negative impact on Intesa Sanpaolo capital costs.						Intesa Sanpaolo estimates that in Italy an increase of 1% in the price of electricity would cost around 800,000 euros yearly.	around 8 million euro. This action has allowed to reduce the magnitude of this risk from medium high to medium.	to more than 66 million Euro
Renewable energy regulation	Italy, as a member of the European Union, in order to meet the objectives 20/20/20 and the new European target to 2030, since 2007 has enabled	Reduced demand for goods/services	Up to 1 year	Indirect (Client)	Very likely	Medium	In general financial impacts of new renewable energy regulation are connected to a decrease in loans dedicated to the sector and	In order to mitigate these risks Intesa Sanpaolo offers specific advice for customers on new regulations and incentives directing the market towards energy efficiency sectors, which now provide incentives and state support,	The Intesa Sanpaolo subsidiary Mediocredito Italiano, with its specialized Energy Desk, offers consultancy on specific projects and on overall strategy in the field of energy

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>substantial incentives in favor of renewable energies, particularly photovoltaics. The last governments have, however, reversed the route, and incentives have plummeted (in particular for the photovoltaic Sector). The risk for Intesa Sanpaolo is to significantly reduce the profits arising from the funding allocated to this area.</p>						<p>of related revenues. The risk for Intesa Sanpaolo is to drastically reduce the revenues from "green loans". For example Intesa Sanpaolo financing for the green economy in 2014 has fallen by about 50% In 2015. This figure shows a rise in 2015 (1.495 million euro) mostly due to an improvement in the reporting methodology that allowed to capture data also for corporate finance. However, financing for the green economy to</p>	<p>rather than to those of renewable energies. For example, through the Energy desk of Mediocredito Italiano, several pilot projects on energy efficiency were funded in 2015 for a total of about 65,000 million euro. Moreover new credit guidelines have been defined with the aim of promoting investments in the sector of energy efficiency and energy saving, made both by businesses both by ESCOs (Energy Service Companies). These actions has allowed to reduce the magnitude of impact from medium high to medium, while leaving unchanged the likelihood that the event occurs.</p>	<p>supply. The desk employs 4 FTE (full time equivalent) with an estimated total gross cost of 180,000 Euro in 2015.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							<p>retail customers dropped from 12,300,000 euro in 2014 to 2,800,000 euro in 2015; green loans to SMEs dropped from 10,451,000 euro in 2014 to 6,019,000 euro in 2015; leasing for renewable energies showed a reduction from 77,783,000 in 2014 to 48,551,000 in 2015.</p>		
Product efficiency regulations and standards	The European regulation related to building energy efficiency, ED 2012/27, and the new Italian Law 102/2014 oblige all the European large corporate to invest in new	Increased capital cost	1 to 3 years	Direct	Very likely	Medium	<p>The introduction of new standards entails for Intesa Sanpaolo significant costs for the upgrade of processes and relevant advice. If</p>	<p>Intesa Sanpaolo is always in line with the latest European and international technical standards in the field. In case of changes in regulations and standards new professional experts should be trained and/or</p>	<p>In 2015, Intesa Sanpaolo spent about € 185,000 for energy audits carried out in compliance with Italian law 102/2014.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>efficiency measures both in its own premises and in the real estate portfolio and to perform a certain number of energy audits. In particular, Intesa Sanpaolo was required within 5 December 2015 to carry out energy audits in a representative sample of its production sites in all countries of the European Union. Intesa Sanpaolo in Italy, according to the recent ministerial explanations, has been required to carry 32 diagnosis by 5 December 2015.</p>						<p>Intesa Sanpaolo hadn't carry out the diagnosis until the 5th of December 2015 it would incur in fine between 4,000 and 40,000 euro. If the Intesa Sanpaolo diagnosis were not made in accordance with the requirements of the law the fine applied would be between 2,000 and 20,000 euro.</p>	<p>appointed. For example in order to monitor the obligation of the Italian law 102/2014 and the impact it will have on the Group Intesa Sanpaolo we had several meetings in 2015 with representatives of Abilab (Consortium of Italian Banks), the Ministry of Economic Development and ENEA (body technical authority checks) in order to identify sites on which to carry out energy audits as well as defining standar methodologies for the preparation of diagnosis. Intesa Sanpaolo Group has done 32 energy audits in accordance with ENEA. This action has allowed to reduce the</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								magnitude of impact from medium high to medium, while leaving unchanged the likelihood that the event occurs.	
Emission reporting obligations	The international standards for reporting appear to be increasingly strict and detailed concerning environmental data and related emissions. Intesa Sanpaolo annually prepares the Sustainability Report in which it reports on its emissions in a comprehensive and detailed way under the GHG Protocol and GRI4. If new emission reporting	Increased capital cost	1 to 3 years	Direct	Likely	Low-medium	In Intesa Sanpaolo expenses for the monitoring and reporting system amount to around 1 million euro per year. Any change to be introduced would produce further costs; just to give an idea, any single new KPI to be monitored and introduced in Intesa Sanpaolo database costs around 500 euros.	Intesa Sanpaolo is continuing investing in the present standards in order to reach the highest level of transparency and accuracy. Intesa Sanpaolo participated to the G4 Pioneer Interactive Focus Group, in order to contribute to the definition of the new Guidelines and decided to apply the new standard in 2015 reporting. GRI judged Intesa Sanpaolo latest Sustainability Report as "in accordance" option core. In addition Intesa Sanpaolo is actively involved in	These activities are carried out by various departments of Intesa Sanpaolo, we can assume that they involve an overall commitment of three FTE (full time equivalent) with an estimated gross cost of 45,000 Euro yearly each .

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	obligations were introduced and they applied different standards, Intesa Sanpaolo would need to invest again in new monitor systems.							many working groups of Abilab (Consortium of Italian Banks) focused on setting benchmarks for the sector and implementing new guidelines for bank's reporting. This action affects the likelihood of the impact while leaving the magnitude unchanged.	
General environmental regulations, including planning	Intesa Sanpaolo, as a financial services company can be affected directly and indirectly by changes in general environmental regulation, both at domestic level and at European level. For example, the European Directive on Energy	Increased capital cost	1 to 3 years	Indirect (Client)	Very likely	Low-medium	Potential financial impacts, both direct and indirect (clients) of new environmental and energy regulation are related to the need to adapt to new rules with the consequent costs. An estimate of these costs is difficult to	In order to mitigate the risk, Intesa Sanpaolo monitors new environmental regulations, adapts its policies and procedures where needed and participates in working Group in order to ensure that national and european measures are adequate and mitigate financial risks. in particular Intesa Sanpaolo participated in the	These activities are carried out by various departments of Intesa Sanpaolo, we can assume that they involve an overall commitment of three FTE (full time equivalent) with an estimated gross cost of 45,000 Euro yearly each

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>Efficiency established a set of binding measures to help the EU reach its 20% energy efficiency target by 2020 and the directive was transposed into Italian Law 102/2014 . This new regulation could represent a risk both directly for the Bank (see above "risk of product efficiency regulations) and indirectly for virtually all industries where the Bank's customers are active, and in particular for some industry such as energy distribution.</p>						<p>establish because virtually every client belonging to any industry can be affected, at different levels. Just to give an example, SMEs clients that need ot undergo energy audits could have financial difficulties if these are not incentivized.</p>	<p>Energy Efficiency Institution Group (EEFIG), promoted by the European Commission and UNEP FI in order to produce a series od recommendation for the European Commission on energy efficiency and the relative financial solutions. These actions can affect both likelihood and magnitude of impact. Magnitude is estimated to be reduced from medium to low medium.</p>	
International agreements	The agreement reached in	Increased capital cost	1 to 3 years	Indirect (Client)	Very likely	Medium-high	National measures /	An approach based on the	The activities related to the

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>Paris with the COP21 has profound implications for the Bank and for its customers and business partners. Domestic mitigation and adaptation commitments will involve the introduction of new public regulations and policies in a context of transition, which is currently unpredictable in the medium and long term. Given that it operates at international level, the Bank will have to monitor and observe the different approaches to climate change that will emerge</p>						<p>national pledges introduced as a consequence of the international Agreement of COP21 may cause a reduction in revenues and/or increase in capitals costs to all those companies involved. In some cases it could also result in the inability to operate of Intesa Sanpaolo customers with a high financial impact on Intesa Sanpaolo itself. The fossil fuels related industries are a particular</p>	<p>understanding of risks, impacts and interdependencies, which translates into an appropriate business strategy and specific policies, shall help minimize risks. For example, in order to mitigate and prevent the impact on the Bank of the transition towards a low carbon economy, Intesa Sanpaolo is in the process of defining policies and guidelines for managing environmental and social risks of sensitive sectors, starting from fossil fuels - coal and oil&gas. This action is expected to significantly reduce the likelihood because the Bank will not operate with companies exposed to this risk.</p>	<p>development of policies/guidelines to manage the risk of these sensitive sectors are carried out by an interfunctional working Group. We can assume that they involve an overall commitment of three FTE (full time equivalent) with an estimated gross cost of 45,000 Euro yearly each plus the technical advisory activity for a total of about 55,000 Euro.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>in different countries, as the Paris Agreement did not define a clear road map but leaves the responsibility to the individual countries to set their own commitments to achieve the common goal of limiting the increase in global temperature "well below" 2°C. The transition to a low greenhouse gas emissions economy will see an acceleration in the next decade and the change will focus on the energy sector, where many of the Bank's customers operate, with</p>						area of concern.		

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	an increasingly marginal role of coal plants in OECD countries and an increasing role of renewable energy and new green Technologies. In this context our clients operating in the fossil fuels industries are exposed to a high risk, which is reflected as a risk for the Bank.								

CC5.1b

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
-------------	-------------	------------------	-----------	------------------	------------	---------------------	----------------------------------	-------------------	--------------------

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in mean (average) temperature	The temperature change could have a significant impact on power and thermal consumption. In particular in Intesa Sanpaolo branches and sites because there are already significant thermal loads in the branches. Increase or decrease daytime temperatures could oblige operators to run operations sites under conditions that are beyond the temperature ranges for which they were designed. This can cause the need of more heating	Increased operational cost	>6 years	Direct	More likely than not	Medium-high	The potential financial implications of these risks are strictly related to the increase of energy or thermal consumption and associated costs. We estimate that for the variation of the average temperature of one degree, the cost for heating or cooling in Intesa Sanpaolo changes of about the 2%. In 2015 Intesa Sanpaolo expenses for thermal energy (oil and gas) amounted to around 11 million euros so if we assume the variation of 1 degree during	To mitigate the risk of heat consumption not suited to indoor and outdoor temperature Intesa Sanpaolo has identified target and also has installed temperature sensors that can provide the real time temperatures inside of our locations. By continuously monitoring temperature we can consequent timely intervention by the maintenance staff in order to avoid abnormal gas consumption: this action has allowed us in these years considerable saving. This saving is also due to the use of the "energy signature" in many palaces of the Intesa	These activities are carried out by various departments of Intesa Sanpaolo, but we can assume that they involve an overall commitment of 4 FTE (full time equivalent) with an estimated gross cost of 45,000 Euro each. Moreover Intesa Sanpaolo pays the utmost attention to energy efficiency of its branches. In 2015 many actions have been made in order to replace boilers or traditional conditioning systems with condensation systems, heat pumps and high yields refrigeration

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	or cooling equipment and more energy consumption.						summer time Intesa Sanpaolo would have spent additional 200,000 euros .	Sanpaolo group. Thanks to these actions, in addition to the replacement of the heating equipment with higher performance systems, we are confident that the magnitude of impact will be reduced from medium high to medium.	units. These improvements cost in 2015 approximately 6.8 million Euro.
Change in precipitation extremes and droughts	In Italy floods has becoming more and more frequent, causing damages to the agriculture sector but also to houses, premises and infrastructures in general. We must also consider that Intesa Sanpaolo is a global bank and it is present in regions highly	Reduction/disruption in production capacity	Up to 1 year	Indirect (Client)	Likely	Medium	Financial implications are related to the risk of default of companies severely damaged by rain and floods. In particular we consider the risk of potential reduction in agricultural productivity, especially for crops of wheat, but	Intesa Sanpaolo usually and rapidly suspends the payment of mortgages and loans instalments to retail customers and businesses in areas severely affected by weather events. These actions has allowed to reduce the magnitude of impact from medium high to medium.	In 2015 many severe floods hit many Italian areas. Measures were taken both through ad hoc loans and the suspension of the instalments payable for existing loans, in particular following the floods in the Emilia Romagna and the Marche regions, in Tuscany, in the

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>affected by floods such as the South East Asia and East Europe where we have corporate clients.</p>						<p>also fruits and vegetables. To give an example: financial implications of damages caused by floods in Tuscany in 2015 a total of 300 million euro of damages occurred. Many of the companies involved were Intesa Sanpaolo's clients.</p>		<p>Veneto region, in Sicily and in Milan. Intesa Sanpaolo supported businesses and families affected by these exceptional events with many different dedicated plafond (for a total of 180 million euro). International Subsidiary Banks too have also launched subsidized loan programs for households and retail customers damaged by bad weather, and in particular by the floods that have affected the populations in Albania in 2015, and in Bosnia and Herzegovina and Croatia in 2014.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Snow and ice	The heavy snow especially in mountainous areas of Italy may lead to the closure of some Intesa Sanpaolo branches during the year. It could also cause damages to the buildings and put at risk the possibility of commuting of employees.	Inability to do business	Up to 1 year	Direct	About as likely as not	Low-medium	It is difficult to estimate the potential financial implications of the risk of closure of some branches due to heavy snowfall. If an Intesa Sanpaolo branch should be destroyed the cost of the reconstruction would be around 2 million euro.	It should be noted here that our bank has long invited customers to use the platforms available online and telephone support services. The operations in the branches could therefore be limited, in case of closure of some branches, but not completely absent because we have a business continuity plans providing for the carrying out of basic operations. In these cases it is possible, for colleagues, operate via the web in a nearby branch or, in some cases, operate from home via web. Additional countermeasures are activated in order to ensure the safety of employees. When we have	Regarding costs related to implementation and management of Intesa Sanpaolo web, telephone and ATMs services amount to many millions euro every years. We can also estimate that in case of emergency 3 FTE with an estimated gross cost of 45,000 Euro yearly each, are involved in the emergency plan.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								had some branches closed for snowfall we have had an increase of the alternative channels without causing a significant impact. Such situations have occurred during past winters in the Italian mountain areas and were managed with no problem. This action leaves the likelihood unchanged but reduces the magnitude should the event occur.	
Snow and ice	The presence of hail can seriously affects fotovoltaic panels financed by Intesa Sanpaolo during the last years.	Reduction/disruption in production capacity	Up to 1 year	Indirect (Client)	About as likely as not	Low-medium	Hailstorms and snow could damage the fotovoltaic panels installed by Intesa Sanpolo customers and affect the possibility for them to repay their debit with the Bank.	In order to mitigate the risk of hail on the fotovoltaic panels Intesa Sanpaolo requires its customers to subscribe an insurance policy before arranging the loan. This action helps reduce the	For the implementation and management of the policy on fotovoltaic panels Intesa Sanpaolo involved 3 FTE with an estimated gross cost of 45,000 Euro yearly

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							Intesa Sanpaolo in the period 2007-2013 has granted loans for fotovoltaic projects for around 3.7 million euro.	magnitude of impact, from medium high to medium low.	each.
Sea level rise	In Italy, where there are thousands of kilometres of coastal areas, the risk of sea level rise is very high. The presence of Intesa Sanpaolo branches located in the coastal cities is risky because they could be affected by the increased level of the Mediterranean Sea with consequent inability to operate.	Inability to do business	>6 years	Direct	Very unlikely	Medium	We are aware of increased risk of flooding and erosion of coastal areas due to an increased incidence of extreme weather events and rising sea level. Intesa Sanpaolo is present in all coastal areas in Italy with numerous subsidiaries that could be damaged resulting in a high financial impact for us. If an Intesa Sanpaolo branch should	In case of extreme weather events or emergencies caused by the rising sea level, the Bank can activate its business continuity plans providing for the carrying out of basic operations. In these cases it is possible, for colleagues, operate via the web in a nearby branch or, in some cases, operate from home via web. Additional countermeasures are activated in order to ensure the safety of	Our continuity plans have been implemented in the past and the costs cannot be quantified precisely. The costs are attributable to the plans' ordinary maintenance, staff training and management of the back up sites. To give an example of a current expense we can mention the cost of a temporary branch used in an area devastated by an extreme

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							be destroyed the cost of the reconstruction would be around 2 million euro.	employees. In Genoa, for example, branches must follow a specific procedure in case the municipality sends a weather alert 3 that can predict rising sea levels as well as increase in river levels. This action helped to reduce the magnitude of impact, from medium high to medium.	event that amounted to about 80,000 Euro. We can also estimate that in case of emergency 3 FTE with an estimated gross cost of 45,000 Euro yearly each, are involved in the emergency plan.
Change in precipitation extremes and droughts	Extreme precipitations and floods can have an adverse impact on Intesa Sanpaolo. It could cause damages to the premises, to the data centres and put at risk the possibility of commuting of employees.	Inability to do business	Up to 1 year	Direct	Likely	Medium	Intesa Sanpaolo Card, our subsidiary in Croatia, estimated that potential damages to the equipment due to complete shutdown of electricity (both primary source and back-up generators) can range	In order to be prepared for worst case scenario during reconstruction of power supply, in ISP Card we installed three automatic water pumps that are 3m below the surface of basement. In case of water detection above certain level pumps start automatically	Overall costs of these activities were about 200,000 euro.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							<p>from 5.000 EUR up to 1.500.000 EUR (this is worst case scenario that all equipment malfunctions and the space is unusable due to water damage). In addition there is potential risk of revenue loss during period of transferring all operations to a different site. This cost varies depending on the day in the week, time in the day, impact on the banks, time needed to transfer production etc. Our estimate is that at minimum additional loss would be app. 1.000 EUR per</p>	<p>draining water from basement to street level. In the same view in Italy we reclaimed the riverbed Sangone bordering the main Intesa Sanpaolo data center in Moncalieri. Thanks to these actions we reduced the magnitude of impact, from medium high to medium.</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Tropical cyclones (hurricanes and typhoons)	The atmospheric phenomena following Hurricane Sandy has affected in 2012 the city of New York and Intesa Sanpaolo branch in Manhattan and we can not exclude that it may happen again in both the US and in other countries where our Group is present. This type of risk is therefore assessed very carefully.	Inability to do business	Up to 1 year	Direct	About as likely as not	Low- medium	day. The financial implications are linked both to losses of commissions and other revenues related to clients' operations and to physical damages to branches. As regards the Hurricane Sandy event, damages were estimated more than 300,000 USD all linked to damage to equipment and building. No other losses related to the operation were reported because the Disaster recovery / back up systems worked properly.	Intesa Sanpaolo set up continuity plans capable of ensuring the data storage and at least a minimum level of operation of the branch. The business continuity plan of the New York branch in that occasion proved to be effective providing for the carrying out of operations with the "key" personnel based at the branch itself and the secondary site of the New Jersey and with the support of other Group structures. Thanks to these actions we reduced the magnitude of impact, from medium to low medium.	Our continuity plans have been implemented in the past and the costs cannot be quantified precisely. The costs are attributable to the plans' ordinary maintenance, staff training and management of the back up sites. To give an example of a current expense we can mention the cost of a mobile medium / large branch (15 stations) used in an area devastated by an extreme event that amounted to about 80,000 Euro. We can also estimate that in case of emergency 3

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
									FTE with an estimated gross cost of 45,000 Euro yearly each, are involved in the emergency plan

CC5.1c

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	As the social awareness on the environmental issues has grown, Intesa Sanpaolo sees a growing interest among many stakeholders of the role that the financial services sector can and should have in promoting climate change attention.	Reduced stock price (market valuation)	1 to 3 years	Direct	More likely than not	Low-medium	Reputational issues can have a big impact on our brand value and share price. In case of a decrease in the share price of 1% the current market cap would decrease of 0.5 billion euro. Intesa Sanpaolo is recognized as a	Intesa Sanpaolo continuously monitors reputational risks through the management tools for the application of the Code of Ethics and through the process of the Sustainability Report. Since 2010 we have implemented a	In general there are no additional costs for managing these reputational issues as they are part of our core environmental and social risk process. We can consider the cost of the consultancy dedicated to Equator Principles related

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>Because of this awareness there may be for Intesa Sanpaolo reputational risks stemming from the involvement with clients /projects that are perceived by the public, media, shareholders and other stakeholders as substantially contributing to climate change. Intesa Sanpaolo also believes that there may be a reputational risk in case that its environmental performance can drastically be reduced.</p>						<p>bank that cares about the environment through direct actions on its energy profile and through a wide range of products and services. In case our commitment to the protection of the environment should be perceived as failing by some NGOs or ESG rating agencies we could be accused to be not coherent. Also the trust of our clients would fall, reducing our market share.</p>	<p>structured way of listening to NGOs with a focus on climate change issues. Intesa Sanpaolo also adopts the Equator Principles and has integrated the principles into the internal credit processes. The engagement in environment and climate-related working groups and initiatives (UNEP FI, Italian Ministry of Environment, etc.) allows us to participate in the dialogue with peers and partners. Thanks to these actions we reduced the magnitude of impact, from medium to low medium.</p>	<p>activities, which amounts to around 40,000 Euro per year. In order to strengthen, even in terms of organisation, the monitoring of reputational risks, in July 2015 the Reputational Risk office was set up, as part of the Enterprise Risk Management Department; such a structure is in charge of ensuring a structured monitoring of reputational risk also through the integration and enhancement of the contributions made by the corporate functions monitoring corporate reputation. In the Reputational Risk office 3 FTE are dedicated to reputational risk</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
									management for an estimated gross cost of 45,000 Euro yearly each.
Fluctuating socio-economic conditions	The new European regulations require that states and their citizens pay more and more attention to the environment and the achievement of targets, with greater spending on this sector. On the other hand, in Italy in recent years many floods and hailstorms have occurred and, added to the European crisis, have reduced the economic capacity of citizens. The risk for Intesa Sanpaolo is that the economic capacity of our customers will be reduced and our	Wider social disadvantages	1 to 3 years	Indirect (Client)	More likely than not	Low-medium	Climate change may have big impacts on the economy and could deplete the populations affected by natural disasters which, having no guarantees, may have limited access to credit. Intesa Sanpaolo clients could be impacted by extreme events with negative indirect impacts on our revenues. In 2015 in case of a decrease in our revenues of 1%, a financial impact of 171 millions euro would have occurred.	The environmental emergencies occurred in Italy 2015 saw Intesa Sanpaolo working alongside households and economic operators. Examples are the Intesa Sanpaolo Group's commitment to the environmental emergencies that occurred in Italy during 2015: from Veneto to Basilicata, Piedmont, Lombardy, Liguria, Tuscany, the Marche and Lazio, there were many episodes of rivers bursting, torrential rain, blizzards and floods right across the	The costs associated with the economy crisis and the natural disasters in Italy are difficult to quantify. The Intesa Sanpaolo Group, through the Banks of the Banca dei Territori Division, reacted quickly to support the businesses and families affected by these exceptional events in 2015 by granting numerous dedicated credit lines (for more than 8.8 million euro) and subsidised loans, and suspending repayments on mortgages and loans. In addition, together with the

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	customers can't refund the debt that they have with our bank.							country. Intesa Sanpaolo helped its clients both through ad hoc loans and the suspension of the instalments payable for existing loans. These actions has helped reduce the magnitude of impact from medium to low-medium.	Province of Treviso, Cassa di Risparmio del Veneto opened a solidarity current account, directly participating with its own contribution, to support the people of the Treviso area affected by the heavy rain that saw the Lierza torrent burst its banks.

CC5.1d

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

CC5.1e

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

CC5.1f

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

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

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

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

CC6.1a

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
--------------------	-------------	------------------	-----------	-----------------	------------	---------------------	----------------------------------	-------------------	--------------------

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
International agreements	New international agreements could lead to competitive advantages for Intesa Sanpaolo in terms of capacity to quickly respond to new requirements due to the wide activity of engagement with public institutions and continuous monitoring and research in this field.	Reduced capital costs	1 to 3 years	Direct	Likely	Medium	Intesa Sanpaolo could have competitive advantages both in terms of lower costs of compliance thanks to the activities of early involvement with international institutions and in terms of brand visibility.	Intesa Sanpaolo, through its commitment in many public frameworks, both national and international, has reached a wide experience and knowledge on climate change issues. Consequently, the bank participates in the major events in the energy field promoting the importance of financing the renewable energy sector, disseminating information about the regulatory framework and presenting its own best practices. The Energy Manager also gives classes	Intesa Sanpaolo estimate a cost of 2 FTE for engaging with public institutions on these issues, corresponding to about 90,000 euro.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								at the university, to spread knowledge and awareness about climate change issues to students (for examples the 26 of May the energy manager gave a classe at UNIROMA). In 2015 a representative of Intesa Sanpaolo has also participated in the COP21 meetings. Through these actions Intesa Sanpaolo has increased the likelihood of capitalizing on this opportunity from more likely than not to likely.	
International agreements	2020 European targets, converted in	New products/business services	3 to 6 years	Indirect (Client)	Very likely	Medium	In 2015 Intesa Sanpaolo financed the green	Studies and pilot projects are widely performed by	Research and update on legislation involve

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	national targets, and the new 2030 targets could bring with them the opportunity for Intesa Sanpaolo to design new financial products responding to the new rules, helping our clients to face them.						economy with 1,495 million euro (up from 643 in 2014) and we could expect a growth due to the future regulatory framework. Intesa Sanpaolo has also identified new opportunities in the business segment of venture capital. A new fund has been set up between Intesa Sanpaolo (through IMI Investimenti) and Quadrivio, which aims at collecting 120 million euro and at having a leadership role in Italy. Out of the 120 million, 70 million have been already committed from the	Intesa Sanpaolo, in order to be ready for new market conditions. Researches on environmental and energy issues are also an important tool in order to make informed decisions and develop skills relevant to our reference territories. Intesa Sanpaolo is convinced that support the development of technologies and fuels with low carbon content is essential for the transaction to a more sustainable economy. Osservatorio sul Mare (Sea Observatory) of Studi e Ricerche del	different departments of the bank. We can estimate a cost for management of approximately 135,000 Euro corresponding to 3 FTE. The researches and studies conducted by Studi e Ricerche per il Mezzogiorno cost in 2015 approximately 100,000 Euro.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							<p>funding partners. The fund will finance risk capital of developing enterprises and start ups in the sector, among others, of Cleantech with a particular focus on Circular Economy and new materials.</p>	<p>Mezzogiorno (SRM), a research company of Intesa Sanpaolo, is a high level research project and a permanent observatory that deeply involve climate change issues (the European Union strongly urges for the use of the maritime transportation in order to reduce road transport to reduce environmental impact , and also urges to use sustainable shipping for the same reasons). Another research area that has been successfully carried on by SRM in 2015</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								was green logistics. Finally we have considered SRM's researches on renewable sources of energy, which is an ongoing research area. Through these actions Intesa Sanpaolo has increased the likelihood of capitalizing on this opportunity, from as likely as not to very likely.	
Air pollution limits	Current or anticipated regulatory requirements offer opportunities to Intesa Sanpaolo because they can create a wider market for banking products in	Increased demand for existing products/services	1 to 3 years	Indirect (Client)	Very likely	Medium	New regulatory requirements offer to Intesa Sanpaolo the opportunity to expand the market in the field of renewable energy and energy efficiency with positive financial	Despite the downward trend of the regulatory framework linked to renewable energy incentives, Intesa Sanpaolo continues to provide a wide range of	Costs related to these activities are integrated into the Intesa Sanpaolo budgets. The department dedicated to the implementation of financing products allocated 5

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	favour of renewable energy and energy efficiency and for the upgrade of plants in order to meet air pollution limits.						impacts in terms of revenues. In 2015 Intesa Sanpaolo financed the green economy with 1,495 million euro (up from 643 in 2014) and we could expect a growth due to the future regulatory framework. The clean tech segment is also an interesting opportunity. A new fund has been set up between Intesa Sanpaolo (though IMI Investimenti) and Quadrivio, which aims at collecting 120 million euro and at having a leadership role in Italy. Out of the 120 million, 70 million have	environmental and energy efficiency products. In order to do so , Intesa Sanpaolo closely monitors the market and new opportunities arising. For example, the clean tech segment and the circular economy paradigm have been identified as an interesting opportunity. In 2015 A new fund has been set up between Intesa Sanpaolo (though IMI Investimenti) and Quadrivio, which aims at collecting 120 million euro and at having a leadership role in Italy. The	FTE to this activity with a cost of approximately 45,000 euro each.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							been already committed from the funding partners. The fund will finance risk capital of developing enterprises and start ups in the sector, among others, of Cleantech, with a particular focus on Circular Economy and new materials..	fund will finance risk capital of developing enterprises and start ups in the sector, among others, of Cleantech, with a particular focus on Circular Economy and new materials.. This action has allowed to increase the magnitude of impact from low medium to medium.	
Carbon taxes	Higher taxes on carbon emissions create the opportunity for Intesa Sanpaolo to offer consultancy services about energy efficiency and reducing emissions. The	New products/business services	1 to 3 years	Indirect (Client)	Likely	Medium	Financial positive implications are related to the possibility to increase revenues from consultancy and financing customers in updating their old technologies and plants. In 2015 Intesa	To fight against climate change, renewable energy and fuel efficiency are two related strategic tools. Mediocredito Italiano, Intesa Sanpaolo company specialized in consulting and customized	The Intesa Sanpaolo subsidiary Mediocredito Italiano, with its specialized Energy Desk, offers consultancy on specific projects and on overall strategy in the field of energy supply. The desk

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>opportunity to finance renewable energy plants is also noteworthy.</p>						<p>Sanpaolo financed the green economy with 1,495 million euro (up from 643 in 2014) and we could expect a growth due to the future regulatory framework..</p>	<p>financing, supports the growth of a sector so strategic for the Italian economy by providing high-level specialized skills to entrepreneurs. A specific desk, so called Desk Energy, offers advice to all entrepreneurs who are planning to invest in renewable energy or energy efficiency projects. The granting of funds is always preceded by an expert assessment on the project that serves at the same time as advice for customers and support to the</p>	<p>employs 4 FTE (full time equivalent) with an estimated total gross cost of 180,000 Euro in 2015.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								credit assessment of the bank. The expert opinion estimates the environmental impact in terms of CO2 emissions that the project enables to avoid. Through this action Intesa Sanpaolo has increased the likelihood of capitalizing on this opportunity from unlikely to likely and has also affected slightly the magnitude of impact.	
Emission reporting obligations	Being certified and reporting under GRI rules (also in 2016 we received the highest level of approval from the GRI itself) Intesa	Reduced operational costs	Up to 1 year	Direct	Very likely	Medium	Financial implications related to the possible changes in the reporting obligations are connected to savings in the implementation of new	Intesa Sanpaolo monitors and reports consumption and emissions for several years, creating a comprehensive database and	These activities are carried out by various departments of Intesa Sanpaolo, but we can assume that they involve an overall

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>Sanpaolo has a good expertise in reporting emissions. Eventual obligations will create the opportunity to find Intesa Sanpaolo among the front runner, with reputational and operational advantages.</p>						<p>systems, because we are already up to date, and to effective savings in energy consumption due to the actions taken. For example the implementation of new KPIs to be compliant with GRI4 didn't require the costs for a consultancy service, as Intesa Sanpaolo specialists have all the required expertise.</p>	<p>reaching a good level precision. Following our Sustainable Energy Action Plan (SEAP) we have been improving our expertise in monitoring the environmental performance and we have been verifying the targets fixed in the fields of energy use, emissions, paper and water consumption. According to the Plan, systematic and computerised monthly accounting of electricity consumption are in place as well as energy saving plans for the main operational facilities of the Bank that</p>	<p>commitment of three FTE (full time equivalent) with an estimated gross cost of 45,000 Euro yearly each</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>envisage the progressive reduction of electricity consumption. To achieve this result it was decided both to act on the management optimisation of the technological systems and to promote a greater energy efficiency for branch decor and furnishing. Intesa Sanpaolo in 2015 also participated in the public consultation over the EU non-financial reporting directive. Through this action Intesa Sanpaolo has increased the magnitude of impact from low medium to medium.</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Product efficiency regulations and standards	The introduction of efficiency regulations and standards for improving efficiency will produce in the long term cost savings for Intesa Sanpaolo as well as consistent emissions reduction.	Reduced operational costs	1 to 3 years	Direct	Likely	Medium	Standards for improving efficiency produce in the long term cost savings as well as emissions cut. Thanks to public incentives available in Italy, Intesa Sanpaolo has received in the period 2009-2015 deductions on taxes for around 22 million euro related to interventions for the energy efficiency of its buildings.	Among the various initiatives, which include interventions to optimize the management of technological systems and significant electricity savings obtained by the remote switch-off procedure for almost all PCs at the branches during the night and holidays, Intesa Sanpaolo adopted a policy to gradually replace all office equipment with more energy-efficient models. Implementation of this policy has generated a cumulative reduction in	Examples of costs sustained for the improvement of standards are those related to the changes of electrical devices in the branches and the installation of LED lamps. For example Intesa Sanpaolo has done the relamping and replacement of lighting systems with LED on 3 buildings (Milano Bisceglie, Assago, Milano Monte di Pietà). In 2015 costs related to this activity amounted to approximately 3,574,000 Euro.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								electricity consumption in the 2010-2015 period of about 24%: a very important achievement that puts the Intesa Sanpaolo Group among the leading companies in Italy and a milestone which is often now used as a sector benchmark. This action affected the likelihood of the impact while has left the magnitude unchanged.	
Cap and trade schemes	Intesa Sanpaolo is interested in finding new opportunities to offer its client carbon trading services.	New products/business services	1 to 3 years	Indirect (Client)	Likely	Low-medium	All the policy decisions regarding carbon market and cap and trade schemes have direct financial implications for both Intesa	Studies and pilot projects are widely performed by Intesa Sanpaolo, in order to be ready for new market conditions.	In the course of 2013 and in 2014 we commissioned a consulting firm specializing in environmental issues two studies (on

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							<p>Sanpaolo and the clients. Carbon trading is a very interesting financial market. It is also important being able to assess clients' exposure to the issue and pricing this risk in the transactions and in the new products offered. The Bank, through Banca IMI operates on derivative contracts on CO2 in international markets (EUA). Business volume as of end 2015: 10 million euro. Banca IMI is also working on the creation of a specific desk for carbon trading which could</p>	<p>Researches on environmental and energy issues are also an important tool in order to make informed decisions and develop skills relevant to our reference territories. The Bank, through Banca IMI operates on derivative contracts on CO2 in international markets (EUA). Banca IMI is also working on the creation of a specific desk for carbon trading. A feasibility study has been produced in the past year and in 2015 an estimate of the time for implementation has been completed. Through this</p>	<p>coal sector and waste to energy) to highlight international best practices and investigate specific legislation. These studies cost about 40,000 Euro each. Banca IMI. Costs for operating in the derivative contracts on CO2 and for developing carbon trading in Banca IMI can be estimated to be 2 FTE, corresponding to about 90,000 euros in 2015. These projects and activities are carried out by three different offices in Banca IMI.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							lead to interesting volumes of activity and have significant financial implication.	action Intesa Sanpaolo has increased the likelihood of capitalizing on this opportunity.	
Product efficiency regulations and standards	New legislations regarding building efficiency represent an opportunity to support greater investments of Intesa Sanpaolo customers, through specific loans. In case of public incentives to increase the sustainability of buildings, the bank has the opportunity to better promote these kind of	New products/business services		Indirect (Client)	Very likely	Low	Intesa Sanpaolo has the opportunity to promote new kind of mortgages. For examples wooden houses have an added value compared to the traditional ones because they ensure a high energy efficiency and durability, with very low maintenance costs, a healthiness of the internal microclimate. For these reasons, the opportunity for the Bank to finance the	New legislations regarding building efficiency represent an opportunity to support greater investments of Intesa Sanpaolo customers, through specific loans. Intesa Sanpaolo has launched during the recent years many loans to finance the improvement of energy efficiency in customers' buildings and also offers dedicated	Costs related to these activities are integrated into the Intesa Sanpaolo budgets but we can assume that they involve an overall commitment of one FTE (full time equivalent) with an estimated gross cost of 45,000 Euro yearly.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>loans. A new kind of mortgage has been launched, specific for wooden houses. The willingness to fund this type of real estate investment enables us to meet new forms of housing needs and represents an opportunity for business development in the sector of retail mortgages.</p>						<p>purchase of wooden houses is attractive. At the end of 2014 we had 6 loans for a residual debt of 900,000 euro, at the end of 2015 we had 4 loans for a residual debt of 645,000 euro.</p>	<p>consultancy and services. For example, The range of mortgage solutions has been enriched with the ability to finance the purchase, construction or renovation of prefabricated wooden houses. This mortgage represents a further evidence of the attention paid by the Intesa Sanpaolo Group to environmental issues and sustainable use of resources, and allows us to meet the needs of customers that are particularly sensitive to the principles of eco-sustainability.</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								Through these actions Intesa Sanpaolo has increased the likelihood of capitalizing on this opportunity, from unlikely to very likely.	

CC6.1b

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in mean (average) temperature	Intesa Sanpaolo uses detailed data base containing average and real temperatures in order to better measure consumption and correctly	Reduced operational costs	Up to 1 year	Direct	Very likely	Medium	It should be noted that in Intesa Sanpaolo during the 2010/2011 winter season the Group has experienced, in some buildings and branches in Italy covered by the SGAE system, the	Intesa Sanpaolo uses Meteorology studies and internet websites with average temperature all over the world to be aware of the best data to use in its database. In particular we	Installation of new dataloggers (91), that also monitor the internal temperature of our buildings, generated a cost of 182,000 euro in 2015 and the maintenance of the thermic check-up

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>evaluate variations and best practices. Change in temperature will be incorporated into the data base without difficulty.</p>						<p>application of the Building Heat Check-up (CTE) procedure: a web solution to monitor and limit the consumption of heating systems thanks to the actual readings of meters. This application enables the Bank to check the suitability of the installed thermal capacity and the proper management of the heating system in relation to the level of thermal insulation. Thanks to its use, significant savings were achieved: by comparing the savings of the 2010/2011 season with the 2014/2015 season, the sites where the CTE was applied</p>	<p>use a specific software that is called "Energy signature" that include CTE. With these instruments we can we can better manage our subsidiaries and our buildings in such a way as to minimize the costs by sudden temperature changes. This action affects the likelihood of the impact while leaving the magnitude unchanged.</p>	<p>procedure had a cost of around 2,000 Euro.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							achieved overall heat energy savings of approximately 20%, corresponding to around 400,000 euro.		
Snow and ice	Strong snow precipitation and hailstorm are very dangerous for agriculture and could affect financially the business sector. Intesa Sanpaolo can take the opportunity to offer its clients products and services to help counteract these occurrences.	New products/business services	Up to 1 year	Indirect (Client)	Very likely	Medium	Intesa Sanpaolo provides advisory services to the food farming, agro-industrial and agro-energy sectors. Utmost attention is paid to clients in this sector as they are those mainly responsible for maintaining the delicate environmental balance and for the promotion of rural areas, so much so that the Bank's financing operations often integrate EU funds aimed at the promotion and development of rural areas.	Intesa Sanpaolo provides advisory and financial services to the food farming, agro-industrial and agro-energy sectors. For example, Intesa Sanpaolo anticipates funds to consortia of production defence so that they can anticipate the direct producers. This action can affect the magnitude of the impact.	Costs in this area are represented by the investment needed to start and maintain a new company specializing in the sector.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other physical climate opportunities	Weather and catastrophic events can damage photovoltaic plants, houses and cars. Intesa Sanpaolo provides specific insurance products to cover this risk.	Increased demand for existing products/services	1 to 3 years	Indirect (Client)	Very likely	Low-medium	The opportunity for Intesa Sanpaolo to sell insurance products linked to weather events leads to an increase in revenues.	Intesa Sanpaolo offers its clients insurance products to cover the risk of damages from floods, snow, hail and consequent reduction of production capacity, through an external broker. The Group's insurance Division is integrating the risk of weather events in many insurance policies for houses and cars. In addition a specific policy assurance for PV systems linked to a small business investment for photovoltaic plants, was implemented. Through this action Intesa Sanpaolo has increased the	In order to implement the policy for the photovoltaic systems we have had 35,000 euros of costs linked to the software implementation.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								likelihood of capitalizing on this opportunity, from unlikely to very likely.	

CC6.1c

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	As a proof of the quality of the initiatives in the climate change area performed by Intesa Sanpaolo, in recent years the Bank has received a series of important awards. Being active in the mitigation of climate change	Increased stock price (market valuation)	Up to 1 year	Direct	Virtually certain	Medium-high	A better reputation leads to an advantage in terms of share price and positive financial implications connected to the opportunity for Intesa Sanpaolo to further enhance its position in the market.	Intesa Sanpaolo pays utmost attention to the relationship with ESG investors and analysts, responds to ESG questionnaires and participates in roadshows with investors interested in the environmental profile of the companies. As a result it is listed in several	For the relationship with ESG analysts and investors we can estimate a cost of 90,000 euros corresponding to 2 FTE. As regards participation in competitions, there aren't specific costs related to these activities also because

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	potential effects could also be attractive for SRI investors, causing a potential growth in the stock price.							sustainability indices. Intesa Sanpaolo, for its sustainability performance, was included in the Sustainability Yearbook 2016 published by Robeco SAM, that every year evaluates companies for their inclusion in DJSI, and received the Bronze Class Sustainability Award. We also attentively monitor the opportunity to participate in events promoting best practices, rewards or conventions. In 2015 within the "Distribution & Marketing Innovation Awards 2015", Intesa Sanpaolo has been awarded by Efma and	the participation in competitions do not include special fees that must be paid. Costs are mostly related to the actions put in place to reduce our emissions and to develop best practices in the environmental field.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>Accenture for the project of dematerialization of contracts, launched with the aim of eliminating the handwritten signature and paper use in branches. In 2015 it also received the Green Globe Banking Award for the best green practices in the banking sector, Direct Impacts category. The winning project is the New Executive Center in Turin, one of the high-rise buildings with the highest sustainability standards in the world, which has obtained the certification according to the international protocol LEED Platinum level.</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								Through this action Intesa Sanpaolo has increased the likelihood of capitalizing on this opportunity from very likely to virtually certain. It also affects the magnitude of impact.	
Changing consumer behaviour	All the new services provided to Intesa Sanpaolo clients (on line reporting of their current account operations, tablets for the digital signature, branches with 0 emissions) will be very attractive for customers sensitive to the issue. Also the offer of new products can take	New products/business services	Up to 1 year	Indirect (Client)	Likely	Medium-high	If customers are more sensitive to the climate change issue they will probably choose a bank like Intesa Sanpaolo that can demonstrate to be sensitive as well and that can offer them concrete solutions to reduce emissions (on line reporting, digital signature, etc). Financial implications are very positive both in terms of customers attraction/retention and in terms of	Intesa Sanpaolo is constantly working to find out best practices and cooperates with innovative companies and environmental NGOs to stay ahead in the most efficient technology and organizational processes. For example, in the car insurance field a new opportunity has been proposed to customers sensitive to environmental	Costs related to these activities are integrated into the company budgets.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	advantage of the growing awareness of customers.						savings in paper and energy consumption. In 2015 the cost saving resulting from all dematerialization initiatives and paper consumption reduction amounted to more than 1.4 million euro.	issues: customers who run less than 5,000 km get a discount of up to 25% of the insurance premium. Through this action Intesa Sanpaolo has increased the likelihood of capitalizing on this opportunity from unlikely to likely. It also affects the magnitude of impact.	
Induced changes in human and cultural environments	The focus on reducing emissions through innovative solutions is a fundamental part of Intesa Sanpaolo strategy to fight against climate change. It is not only an environmental choice but also	Reduced operational costs	1 to 3 years	Direct	Virtually certain	Medium-high	In addition to this commitment to using more and more very low environmental impact paper, for years Intesa Sanpaolo has been involved in a programme to reduce as much as possible the consumption of paper, and the resulting CO2 emissions, in	In 2015 the "Zero Carta" project allowed to save over 28 tonnes of paper, equal to approximately 53 tonnes of CO2. Other internal initiatives related to the reduction of data sheets for internal use have allowed a further annual	The costs for the launch of the project and for the implementation of the infrastructure were around 2 million euro.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>a great opportunity from the point of view of customer service and savings of costs.</p>						<p>favour of digitalisation activities and electronic reporting that led to a reduction, in Italy in 2015, in paper purchase by almost 3%. In 2015 the cost saving resulting from all dematerialization initiatives and paper consumption reduction amounted to more than 1.4 million euro.</p>	<p>saving of 477 tonnes CO2. With regard to customers, for the past years the Bank has been implementing the dematerialisation of various printing stages in addition to the Online reporting service and Internet points through which customers can consult the information sheets on Banking Transparency. All these actions have allowed avoiding the use of 1,260 tonnes of paper, corresponding to more than 2,490 tonnes of CO2 emissions avoided. The use of digital signatures that can be carried out at the</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>branches has now become customary: the print-outs avoided led to savings of 247 tonnes of paper (corresponding to around 250 tonnes of CO2 not emitted into the atmosphere considering the use of recycled paper). In 2015 the digitisation of all in-branch contracts was launched and this activity is expected to be concluded in 2016. The test was launched in May 2015, with a first saving of 57 tonnes of CO2; it provides for the possibility for the customer to no longer print the contracts that he/she enters into at the branch but to receive them directly on</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								his/her PC at home. Through this action Intesa Sanpaolo has increased the likelihood of capitalizing on this opportunity from very likely to virtually certain. It also affects the magnitude of impact.	
Changing consumer behaviour	An increasing number of Intesa Sanpaolo clients is interested in investing their savings in activities that are not only financially viable but also socially responsible and that, among other issues, act in favour of solving the climate change problem. This	Increased demand for existing products/services	1 to 3 years	Indirect (Client)	More likely than not	Low-medium	Business volume of SRIs funds is 1.4% of overall assets under management (AuM) but as consumer behaviour changes over time and consumers become more aware of climate change issues, the business volume linked to this product may increase. Eurizon Ethical International Equity and Eurizon Ethical Diversified are two	Since 1997 Eurizon Capital SGR has been the leading operator in Italy offering SRI funds that envisagewell-defined positive and negative selection criteria of the securities to be included in its portfolio and a Sustainability Committee independent from the SGR. The experience gained in managing these products has led	In Intesa Sanpaolo the management costs are about 165,000 euro including 45,000 euro for the Ethical Committee and 150,000 euro for the consulting services and contracts.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>represents and opportunity for Intesa Sanpaolo that can offer its clients to Invest in SRI (ethical) funds selected on the basis of positive criteria (inclusive principle) and negative (exclusive principle), both including environmental and climate change criteria.</p>						<p>SRI funds managed by Eurizon Capital (421,200,000 euro of assets under management in 2015). Eurizon Ethical Bonds is a SRI fund managed by Eurizon Capital (401,800,000 euro of assets under management in 2015).</p>	<p>to managers' fine-tuning their selection criteria over the years and adopting ethical benchmarks in order to provide objective financial measurement of the results. These products have the aim of gradually increasing the value of capital subscribed by implementing an investment policy based on strict ethical principles. Investments in ethical funds are selected on the basis of positive criteria and negative criteria. The best in class principle is used to identify companies that, in certain markets at risk, stand out for their social-</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>environmental initiatives. Environmental screening is entirely subject to this principle given that all major listed companies have a notable impact on the environment. For example, in 2015 among the main reasons for securities inclusion we generally consider: greenhouse gas reduction programs, biodiversity, clean tech, supply chain control and human rights. On the other side, exclusions are mainly triggered by the involvement in arms, antitrust violations, accounting frauds and discrimination.</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								These actions increase the likelihood of capitalizing on this opportunity and affect impact from low to low-medium.	
Induced changes in human and cultural environments	Changes in human and cultural environments are producing new paradigms like that of Circular economy that Intesa Sanpaolo has embraced. The Circular Economy unites economic growth from the consumption of exhaustible natural resources through the efficient use of the current stock of raw materials and products and	New products/business services	3 to 6 years	Indirect (Client)	About as likely as not	Medium	Intesa Sanpaolo intends to help redefine the business strategies and business models of its customer companies, to make them evolve in an innovative and sustainable way and to ensure financial support for investments in support of the re-design of the industrial system. Future business volume is still uncertain and difficult to predict. The present aim is to create a widespread culture on circular economy among our clients and the community in	Business strategies and business models of companies must be redefined according to the new paradigm of the Circular economy, in order to make them evolve in an innovative and sustainable way. Intesa Sanpaolo cooperates with the Ellen MacArthur Foundation, the reference institution at international level in the field of Circular Economy. In June 2015 the Bank became	In Intesa Sanpaolo the employees dedicated to the Circular Economy project are 3 FTE corresponding to about 135,000 euro yearly.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>promotes the recovery of natural capital. The goal is to avoid the destruction of value inherent in the current model, constructed according to the linear sequence of supply-production-sales-consumption-waste and to contribute in an immediate and concrete manner to combat climate change. The three key principles of Circular Economy are:</p> <ul style="list-style-type: none"> • optimization of the yield of productive resources through the re-design of products and services 						general.	<p>member of the Ellen MacArthur Foundation to enter the Circular Economy acceleration sharing platform and in December 2015 it became a global financial partner of the Foundation. In its role as a global partner, Intesa Sanpaolo intends to help redefine the business strategies and business models of its customer companies, to make them evolve in an innovative and sustainable way and to ensure financial support for investments in support of the re-design of the industrial system. These action has helped increase</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	placed on the market so that the components are reusable (potentially endlessly) at the end of the cycle of use; • conservation and recapitalization of natural capital thanks to the exclusive use of renewable energy; • minimization of negative external output with the ambition to gradually get, thanks to mechanisms for recovery, reuse and recycling, to zero-waste production scenarios.							the likelihood for Intesa Sanpaolo to capitalize on this opportunity from very unlikely to about as likely as not.	
Changing consumer behaviour	Intesa Sanpaolo started in 2015 a "Microgrid	Premium price opportunities	3 to 6 years	Indirect (Client)	About as likely as not	Medium	Intesa Sanpaolo made a first estimate for this project: we	In order to capitalize on the important opportunity for	Intesa Sanpaolo estimate a cost of about 10-20

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>project", a new value proposition of energy efficiency service for industrial customers. Energy efficiency for industrial application is still an important opportunity in Italy and Intesa Sanpaolo intends to capitalize on this opportunity.</p>						<p>assume that we will have about tens million euros revenues in the first five years.</p>	<p>further developing energy efficiency for industrial application in Italy, a new approach to investment and a new business model for energy efficiency services is needed. In 2015 Intesa Sanpaolo has completed a preliminary study on these market potential and opportunity. The following activities were undertaken: market analysis, designed an opportunity for the bank, designed a new business model. The expected outcome is to enable the development of a new market. Through these actions Intesa Sanpaolo has</p>	<p>million euro in the first 5 years for this project that includes consultancy, costs and the set up of a specific energy saving company.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								increased the likelihood of capitalizing on this opportunity from unlikely to about as likely as not. Being in the preliminary phase, there is a good potential for positively affecting likelihood and magnitude of impact.	

CC6.1d

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

CC6.1e

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

CC6.1f

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

Further Information

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

Page: CC7. Emissions Methodology

CC7.1

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

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Wed 01 Jan 2014 - Wed 31 Dec 2014	45276.62
Scope 2 (location-based)	Wed 01 Jan 2014 - Wed 31 Dec 2014	185962.62
Scope 2 (market-based)	Wed 01 Jan 2014 - Wed 31 Dec 2014	46206.82

CC7.2

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

Please select the published methodologies that you use

ABI Energia Linee Guida
Other

CC7.2a

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

National Inventory Report 2015 - UNFCCC
Common Reporting Format 2015 - UNFCCC
International Environment Agency (IEA)

CC7.3

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

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

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

CC7.4

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

Fuel/Material/Energy	Emission Factor	Unit	Reference
Diesel/Gas oil	2.660	kg CO2e per liter	UNFCCC and International Environment Agency (IEA) - Relevant country: Italy
Electricity	0.342	Other: kg CO2e per kWh	UNFCCC and International Environment Agency (IEA) - Relevant country: Italy
Natural gas	1.964	Other: kg CO2e per m3	UNFCCC and International Environment Agency (IEA) - Relevant country: Italy

Further Information

Page: **CC8. Emissions Data - (1 Jan 2015 - 31 Dec 2015)**

CC8.1

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

Financial control

CC8.2

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

43929.67

CC8.3

Does your company have any operations in markets providing product or supplier specific data in the form of contractual instruments?

Yes

CC8.3a

Please provide your gross global Scope 2 emissions figures in metric tonnes CO₂e

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
165726.07	40224.76	

CC8.4

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

Yes

CC8.4a

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

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

CC8.5

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

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 5% but	Data Gaps	Although we have extended a data collection also in our international network, we still have challenges in

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

CC8.6

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

Third party verification or assurance process in place

CC8.6a

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

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2016/63/9363/Climate Change 2016/Shared Documents/Attachments/CC8.6a/KPMG.pdf	Pages 1 and 2. See also Sustainability Report page 179 (Scope 1, 2 and 3 data).	ISAE3000	100
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2016/63/9363/Climate Change 2016/Shared Documents/Attachments/CC8.6a/ISO 14064 certificate.pdf	Pages 1-12	ISO14064-3	2

CC8.6b

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

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

CC8.7

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

Third party verification or assurance process in place

CC8.7a

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

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Market-based	Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2016/63/9363/Climate Change 2016/Shared Documents/Attachments/CC8.7a/KPMG.pdf	Pages 1 and 2. See also Sustainability Report page 179 (Scope 1, 2 and 3 data).	ISAE3000	100
Market-based	Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2016/63/9363/Climate Change 2016/Shared Documents/Attachments/CC8.7a/ISO 14064 certificate.pdf	Pages 1-12	ISO14064-3	3

CC8.8

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

Additional data points verified	Comment
Year on year change in emissions (Scope 1 and 2)	These data are included in the Sustainability Report that is reviewed by independent auditors.
Year on year change in emissions (Scope 2)	These data are included in the Sustainability Report that is reviewed by independent auditors.

Additional data points verified	Comment
Year on year emissions intensity figure	These data are included in the Sustainability Report that is reviewed by independent auditors.
Emissions reduction activities	These data are included in the Sustainability Report that is reviewed by independent auditors.

CC8.9

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

No

CC8.9a

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

Further Information

Sustainability Report pages 179 (Scope 1, 2 and 3 data), 198 and 199.

Attachments

[https://www.cdp.net/sites/2016/63/9363/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC8.EmissionsData\(1Jan2015-31Dec2015\)/BILANCIO_SOCIALE_eng.pdf](https://www.cdp.net/sites/2016/63/9363/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC8.EmissionsData(1Jan2015-31Dec2015)/BILANCIO_SOCIALE_eng.pdf)

CC9.1

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

Yes

CC9.1a

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

Country/Region	Scope 1 metric tonnes CO2e
Italy	36001.19
Albania	94.97
Serbia	1097.94
Egypt	1012.44
Slovenia	520.59
Hungary	505.54
Russia	94.12
Luxembourg	142.23
Croatia	963.22
Romania	835.64
Bosnia and Herzegovina	131.35
Slovakia	2529.75
Ireland	0.68

CC9.2

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

By GHG type

CC9.2a

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

Business division	Scope 1 emissions (metric tonnes CO2e)

CC9.2b

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

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude

CC9.2c

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

GHG type	Scope 1 emissions (metric tonnes CO2e)
CO2	43632.31
CH4	55.35
N2O	242.01

CC9.2d

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

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

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jan 2015 - 31 Dec 2015)

CC10.1

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

Yes

CC10.1a

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

Country/Region	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Italy	129200.3	5381.7	384136.52	362042.71
Albania	0	0	2391.19	2391.19
Serbia	9294.95	9294.95	12409.81	0
Egypt	9953.17	9953.17	22467.66	0
Slovenia	1328.95	28.69	4408.41	4050.66
Hungary	2607.24	2607.24	10644.65	0
Russia	1996.61	1996.61	7282.05	0
Ireland	54.79	54.79	185.99	0
Luxembourg	453.48	453.48	1472.33	0
Croatia	6542.45	6542.45	30449.78	0
Romania	852.42	852.42	2773.7	0
Bosnia and Herzegovina	892.15	892.15	4152.24	0
Slovakia	2549.55	2167.12	19854.42	2160.64

CC10.2

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

By business division

CC10.2a

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

Business division	Scope 2 emissions, location based (metric tonnes CO2e)	Scope 2 emissions, market-based (metric tonnes CO2e)
The Banca dei Territori division: focus on the market and centrality of the territory for stronger relations with individuals, small and medium-sized businesses and non-profit entities. The division includes the Italian subsidiary banks and the activities in industrial credit, leasing and factoring carried out through Mediocredito Italiano.	94854.45	4173.01
The Corporate and Investment Banking division: a global partner which supports, taking a medium-long term view, the balanced and sustainable development of corporates and financial institutions, both nationally and internationally. Its main activities include capital markets and investment banking carried out through Banca IMI.	2182.46	591.97
The International Subsidiary Banks division: includes the following commercial banking subsidiaries: Intesa Sanpaolo Bank Albania, Intesa Sanpaolo Banka Bosna i Hercegovina in Bosnia and Herzegovina, Privredna Banka Zagreb in Croatia, the Prague branch of VUB Banka in the Czech Republic, Bank of Alexandria in Egypt, CIB Bank in Hungary, Intesa Sanpaolo Bank Romania, Banca Intesa in the Russian Federation, Banca Intesa Beograd in Serbia, VUB Banka in Slovakia and Banka Koper in Slovenia.	36017.49	34334.80
The Private Banking division: serves the customer segment consisting of Private clients and High Net Worth Individuals with the offering of products and services tailored for this segment.	5430.60	601.61
The Asset Management division: asset management solutions targeted at the Group's customers, commercial networks outside the Group, and the institutional clientele.	919.18	61.61
The Insurance division: insurance and pension products tailored for the Group's clients.	1092.04	195.67
ISGS is the Group consortium responsible for IT, operational services, organization and security, property management, purchasing and the customers Contact Unit. It was also envisaged that staff administration and training, general services, legal and litigation and debt recovery.	25229.84	266.09

CC10.2b

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

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

CC10.2c

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

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

Further Information

Page: CC11. Energy

CC11.1

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

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

CC11.2

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

Energy type	Energy purchased and consumed (MWh)
Heat	45725.26
Steam	0
Cooling	0

CC11.3

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

203226.70

CC11.3a

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

Fuels	MWh
Diesel/Gas oil	32483.26
Natural gas	165345.81
Motor gasoline	5397.63

CC11.4

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

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Comment
Energy attribute certificates, Guarantees of Origin	363206.40	In Italy from last year we buy electricity certified with RECS and GO (Guarantee of Origin) certifications. The new GO Certificate correspond to 1 MWh of renewable energy. This certificate is issued for the electricity that is fed into the grid by qualified plants IGO (ex ICO-FER), and therefore this Certificate can be transferred from the energy producer directly to the buyers. The Italian GSE - (Electricity Services Operator) verified and ascertained the correspondence between the renewable energy produced and that one placed on the market.
No purchases or generation of low carbon electricity, heat, steam or cooling accounted with a low carbon emissions factor	2391.19	In Albania our subsidiary Bank of Albania buys electricity from the central state. The Albanian emission factor is equal to zero.
Contract with suppliers or utilities, supported by energy attribute certificates	3997.20	In Slovenia, through our subsidiary Banca Koper, we carried out a purchase procedure that specifies that the offers received must only relate to electricity from renewable sources. The company that won the bid is obliged by the contract to supply only electricity from renewable sources in 2015 coming from hydroelectric sources.
Grid-connected electricity generation owned, operated or hosted by the company, where electricity attribute certificates do not exist or are not required for a usage claim	1050.41	During the reporting period our onsite installations of photovoltaic plants in Italy and Slovenia generated 997 MWh which were entirely consumed for our internal needs.

CC11.5

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

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
467845.49	455853.09	11992.40	1050.41	1050.41	Committed to gradually reducing its dependence on fossil sources, the Intesa Sanpaolo Group has long consolidated its purchase of electricity in Italy from sources certified as renewable at all sites where this is possible with a percentage exceeding 95%. Moreover, although with limits due to architectural barriers, expansion of the photovoltaic facilities for the self-generation of electricity continued. In 2015, taking into account the partial operation of the new plants, the expected annual production was 925 MWh, while the production was actually 997 MWh. With regard to the self-generation of electricity, there is also a small cogeneration plant at the accounting centre in Parma (which covers approximately 37% of the electricity needs of the Parma complex and 3% of the overall needs of the ISP Group in Italy), in addition to the self-generation of energy from renewable sources through heat pumps used for heating which, in line with Legislative Decree 28/11 transposing Directive 2009/28/EC, corresponds to an additional 2,100 tonnes of CO2 emissions avoided per year. In fact, based on these regulations, the heat (thermal energy) produced by a heat pump that exceeds the quantity of energy required for its operation is considered to be a renewable source. The commitment to renewable energy continues in the International Subsidiary Banks as well, despite the limitations imposed by national legislation in a number of countries.

Further Information

Page: CC12. Emissions Performance

CC12.1

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

Decreased

CC12.1a

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

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Emissions reduction activities	8.3	Decrease	The Intesa Sanpaolo Group continued to limit energy consumption in 2015, through management optimisation actions and energy efficiency measures. The results confirm the important consumption reduction trend achieved in these years: electricity consumption, the energy most used in Italy due to the high level of automation and widespread use of heat pumps, showed a further reduction. This result was obtained through reductions in the scope as well as with energy efficiency measure. In the reporting year, 7,553 tCO ₂ e were reduced by our emissions reduction projects. Our total Scope 1 and 2 emissions in the previous year were 91,483 tCO ₂ e. Therefore, we arrived at a 8.3% decrease: $(7553/91483)*100 = 8.3\%$."
Divestment			
Acquisitions			
Mergers			
Change in output	1.4	Increase	The increase is due to the opening of new braches on our subsidiaries banks. In the reporting year we increased the area of 51,222 square meters. The total surface of last year was 3,626,287 square meters. Consequently there was an increase of 1.4% of the perimeter: $(51222/3626287) * 100 = 1.4\%$
Change in methodology	1.2	Decrease	This decreasing can be traced back to the update of processing factors following the evolution of energy production systems which take into account, in addition to greenhouse gases directly traced in equivalent CO ₂ (GWP), also the most significant gases indirectly involved: sulphur dioxide (SO ₂) and nitrogen oxides (NOX). The methodology that we have used is described in the Abi guidelines that we have contributed to write. In the reporting year we had a reduction of 1,068 tCO ₂ e emissions for the change in emission factors. Our total Scope 1 and 2 emissions in the previous year was 91,483 tCO ₂ e. Therefore, we arrived at a 1.2% decrease: $(1068/91483) * 100 = 1.2\%$. "
Change in boundary			
Change in physical operating conditions			
Unidentified			
Other			

CC12.1b

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

Market-based

CC12.2

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

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.000004907	metric tonnes CO2e	17149000000	Market-based	9	Decrease	The intensity figure per unit total revenue (total operating income) in 2014 was 0.000005414. The decrease of intensity figure is due to a decrease of CO2 emissions (-8%) and it is also influenced by the increase of the total operating income of about 1%. In absolute percentage terms the decrease of CO2 emissions accounts for the 123% while the increase of total operating income accounts for the -23%.

CC12.3

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

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.922863503	metric tonnes CO2e	full time equivalent (FTE) employee	91189	Market-based	7	Decrease	The intensity figure for FTE in 2014 was 0.996557697. The decrease of the intensity figure is due to a decrease of the total FTE (-1%) which accounts in absolute percentage terms for the 92% and the decrease of CO2 emissions (-8%) which accounts in absolute percentage terms for the 8%.
0.022883698	metric tonnes CO2e	square meter	3677509	Market-based	9	Decrease	The intensity figure for square meters in 2014 was 0.025227733. The decrease of the intensity figure is due to the opening of some branches and some buildings in the foreign countries (1%) which accounts in absolute percentage terms for the 121% and the decrease of CO2 emissions (-8%) which accounts in absolute percentage terms for the -21%.

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

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

CC13.1a

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

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

CC13.1b

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

CC13.2

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

No

CC13.2a

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

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

Further Information

CC14.1

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

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, calculated	7240.62	Purchased goods and services reported by Intesa Sanpaolo relate to graphic paper used in office and branch activities. The system boundaries cover cradle-to-grave phases and related transportation and energy wares, including pulp production, paper making and printing processes. Moreover, emissions generated by end-of-life treatment of paper reports delivered to the clients are estimated. Based on the annual purchased shares, both virgin woodfree uncoated paper and recycled paper are considered in the calculations. Transportation distances have been estimated as 500 km from the suppliers' places to Intesa Sanpaolo, 100 km for reports posting and 100 km for transportation to end-of-life treatment after use. The end-of-life scenario reflects the Italian statistics 2013 on paper waste disposal (CONAI and ISPRA), i.e. 79.5% recycling, 12.5% landfill and 8% incineration. According to the GHG Protocol Scope 3 Emission Standard (WBCSD/WRI), emissions from waste recycling processes as well as avoided emissions from substituted materials are not accounted. For all processes into the system boundaries, GHG emission factors have been sourced from Ecoinvent 3.0 (www.ecoinvent.ch). Emissions from virgin and recycled paper production represent a European average industry scenario. The released IPCC 2013 equivalence factors have been applied.	100.00%	
Capital goods	Relevant,	8655.99	Accounted capital goods include the most relevant IT equipment and	100.00%	

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

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
and distribution	provided				already reported on Scope 3 - (Purchased good and services) since emissions from transportation are already included in the cradle-to-gate emissions of purchased products.
Waste generated in operations	Relevant, calculated	252.14	The system boundaries include the end-of-life treatment of special waste generated throughout Intesa Sanpaolo's operations in the reporting year, from corporate headquarters as well as Italian and foreign branches. The most important waste categories, according to the EWC classification are packaging waste, electronic waste, exhausted toners and waste from demolition and construction activities. Household waste generated by employees in office activities have been excluded from the analysis. The phases under assessment include waste transportation to the treatment facilities and end-of-life treatment. Information on the actual end-of-life treatment have been sourced from the official waste registers that are filled according to the Italian waste regulations. According to the GHG Protocol Scope 3 Emission Standard (WBCSD/WRI), emissions from waste recycling processes as well as avoided emissions from substituted materials are set to zero, hence for waste flows sent to recycling, which are the major share of waste produced by Intesa Sanpaolo, only transportation emissions have been accounted. For the remaining waste flows sent to landfill, incineration or other treatment processes, representative emission factors from Ecoinvent 3 (www.ecoinvent.ch < http://www.ecoinvent.ch >) have been used. The IPCC 2013 equivalence factors have been applied.	0.00%	
Business travel	Relevant,	10188.92	Intesa Sanpaolo reports the business travel emissions arising from	100.00%	

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
	calculated		train, airplanes and personal cars. The model of data reporting adopted is designed in accordance with the GRI reporting standards and guidelines of ABIenergia for the application of the GRI environmental indicators in the banking sector. The model allows for an analysis of mobility useful for the definition of actions and policies that, with regard also to the profiles of economic sustainability, may reduce CO2 emissions. Taking into account the specificity of Mobility Management in Intesa Sanpaolo a set of indicators related to corporate mobility has been defined, that allows to address new GRI-G4 requests with regard to issues of mobility (EN3 and EN30) and adequately monitors them over time. Also the emission factor applied and the GWP values used to calculate emissions are included in these guidelines. The model is based on data related to the vectors used, transfers and video conferencing and data obtained through the application of appropriate coefficients. The analysis of environmental indicators in the Corporate Mobility in Intesa Sanpaolo - Italy shows that the most frequently used means of transport is the plane, followed by trips made by train and personal cars used for business trips.		
Employee commuting	Relevant, calculated	46625.2	In 2013 we started to calculate emission from employees commuting. In 2015 we have updated and integrated the data derived from the questionnaire submitted in 2013 to about 13000 employees in 11 cities. Starting from the primary data we have applied the emission factor used for the Sustainability Report 2015 and properly integrated with the data related to resources not accounted in the Sustainability Report. Public transportation and shuttles, motorcycles, personal cars and train have been considered.	0.00%	
Upstream leased assets	Not relevant, explanation				In our consolidation approach we include the

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
	provided				emissions from leased assets in Scope 1 and Scope 2.
Downstream transportation and distribution	Not relevant, explanation provided				The Intesa Sanpaolo Group doesn't produce goods that need downstream transportation and distribution
Processing of sold products	Not relevant, explanation provided				The Intesa Sanpaolo Group core business is to produce services for our customers. We don't use intermediate products by third parties.
Use of sold products	Relevant, calculated	959	In 2014 Intesa Sanpaolo started calculating emissions from internet banking operations in Italy. The most relevant operations were collected and classified with a twofold approach: type of operation (informative, dispositive) and platform (mobile, PC). The following information was also needed to perform the evaluation: time for each operation, average electricity consumption for PC and mobile devices and emission factors for electricity consumption. Operation time was estimated through expert judgment. Average electricity consumption for mobile and PC was retrieved from publicly available studies. The Italian electricity mix was used as reference for electricity consumption and emission factors were sourced from Ecoinvent 3 (www.ecoinvent.ch < http://www.ecoinvent.ch >). These emissions cover a scope 3 according to the GHG Protocol, including all the relevant life cycle stages from fuel supply chain to transmission losses.	0.00%	

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

CC14.2

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

Third party verification or assurance process in place

CC14.2a

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

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 3 emissions verified (%)
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2016/63/9363/Climate Change 2016/Shared Documents/Attachments/CC14.2a/KPMG.pdf	Pages 1 and 2. See also Sustainability Report page 179 (scope 1,2 and 3 data).	ISAE3000	14
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2016/63/9363/Climate Change 2016/Shared Documents/Attachments/CC14.2a/ISO 14064 certificate.pdf	Pages 1-12	ISO14064-3	1

CC14.3

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

Yes

CC14.3a

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

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Purchased goods & services	Change in output	0.7	Decrease	The decrease can be attributed to the reduction of the workforce.
Purchased goods & services	Emissions reduction activities	2.8	Decrease	Compared with the previous year we have reduced emissions linked to the paper consumption, in particularly in Italy where we have reduced the amount of paper purchased due to important dematerialization initiatives.
Business travel	Change in output	0.7	Decrease	The decrease can be attributed to the reduction of the workforce.
Business travel	Emissions reduction activities	2.8	Decrease	In 2015 Intesa Sanpaolo has been strongly committed to reduce emissions linked to transport. In particular, we have significantly reduced the emissions by plane (-10.7%), while transport by train, the less polluting means of transport, has been slightly increased.

CC14.4

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

- Yes, our suppliers
- Yes, our customers

CC14.4a

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

i) Methodology: The stakeholder engagement activities carried out starting from 2007 with the objective of defining the sustainability strategies have been integrated with the broader business activities over time. Continuous dialogue with our stakeholders allows us to understand the emerging environmental and social issues, expectations, reputational and operational risks connected to the decision of not developing initiatives in specific sectors, as well as the new business opportunities for the Bank in identifying innovative markets. To ensure an effective and strategic engagement process, we have adopted the AA1000 standards of Accountability (Institute of Social and Ethical Accountability) and the AA1000SES Stakeholder Engagement Standard (2015 edition), international institute for research on sustainability. Each year, the engagement process is developed in close collaboration with the internal structures responsible for dialogue within the company: the Customer Satisfaction Service for customers, Internal Communications and Labour/Management Relations for employees, Goods and Services Procurement Department for suppliers and the Investor Relations Service for shareholders. This method allows us to integrate the sustainability expectations into the analyses carried out by the structures.

In order to comply with the three principles of AA1000APS (inclusion, materiality and responsiveness), a management model was designed to monitor the entire engagement process: stakeholder mapping, assessments of the quality of the engagement initiatives, the proposals and critical issues that have come to light, the Bank's action plan arising from the balance between corporate strategies and the opinions of different stakeholders.

ii) Strategy for prioritizing engagement and results measurement: every year we reconsider both the stakeholder mapping (and related subcategories) and the issues strategic to Intesa Sanpaolo which arose from previous stakeholder engagement activities and from the analysis by institutional sources external to the Bank on which the Group has decided to concentrate its efforts.

The findings of this management and monitoring tool provide a clear picture of risks and opportunities arising from commitments made by the Bank to its stakeholders. The analysis of these results becomes one of the main sources of input in the periodic formulation of the improvement objectives plan published in the Sustainability Report and for the fine-tuning of a continuous monitoring plan for priority areas.

In fact, the model allows certain summary reports to be created based on aspects emerging from the engagement. These reports help to identify priority areas, to monitor action taken by the Bank in response to stakeholders' needs and to plan future engagement initiatives.

iii) Measure of success: Each year the CSR Unit evaluates the modalities of implementation depending on the type of engagement desired (operational or strategic), and also on the degree of maturity of the issue to be dealt with and on the extent of representation of the stakeholders to be engaged.

For example, for issues with a transversal impact on several activities of the Bank, such as climate change, methods more suitable to strategic engagement were selected (in-depth interviews and multistakeholder forums). On the contrary, for issues focused on a specific stakeholder such as quality of Intesa Sanpaolo "green" offering, methods such as quantitative questionnaires are more useful.

CC14.4b

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

Number of suppliers	% of total spend (direct and indirect)	Comment
285	62%	<p>A lot of engagement activities are in place: 1. CSR Unit and Purchase Department during 2014 carried out a survey on the quality of relationship between the Bank and its suppliers, the perceived application level of Intesa Sanpaolo Code of Ethics, the suppliers CSR performances and their own supply chain management. They represent the 62% of total spending during 2014. The sample was 285 suppliers (1.6 bln spent) with 47% of redemption. In 2016 we are planning to do another stakeholder engagement with suppliers. 2. Engagement activities towards our suppliers were carried out also through EcoVadis platform, an international company specializing in the evaluation of the social and environmental responsibility performances in the supply chain, including climate change related aspects. The platform covers 150 supply categories in 140 countries and envisages a supplier screening that includes 21 criteria regarding environment, society, fair sales practices and supply chain. The assessments are based on globally recognized standards such as the Global Reporting Initiative, the Global Compact of the UN and ISO 26000, and the supplier ratings are determined by combining information provided by the suppliers using a dynamic online questionnaire, analysis of documents and verification of the data by expert analysts and collection of information from NGOs, trade unions. The pilot project, started in late 2014 and ended in February 2015, involved 57 suppliers belonging to different product categories. The percentage of turnover covered by EcoVadis pilot test evaluation represented 25.7% on the total of procurement expenses.</p>

CC14.4c

If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details
Other	<p>We have data about the level through which the Intesa Sanpaolo suppliers who register to the portal manage their environmental impact. Intesa Sanpaolo CSR approach is based on continuous improvement in order to foster social and environmental oriented behavior internally and externally (amongst e.g. suppliers, customers, etc...) based on a consolidated path. For this reason we constantly monitor our suppliers' management approach on CSR issues through the Suppliers Portal and the EcoVadis platform which represents a further step in the direction of systematizing the evaluation on ESG performance. At the end of 2015, there were 7,511 suppliers registered in the Portal in Italy, up by 40% compared to 5,300 in 2013. The suppliers who completed the registration and answered the questions on socio-environmental issues were: 4,366 in Italy, 238 in Croatia, 417 in Serbia and 175 in Slovakia. An in-depth analysis of answers on social and environmental responsibility showed the following: 11% declare publication of a social and</p>

**How
you
make
use
of
the
data**

Please give details

environmental report, 3% hold SA 8000 certification, 18% have a code of ethics or policies describing their social commitment, 12% hold environmental certifications and 7% have an environmental policy. Data in Italy all on the increase compared to 2014 that in any event show how the awareness raised by our Group on the subject for many years has now pushed our suppliers to be more sensitive to these issues. In foreign countries, although it started later in the awareness of its suppliers, it shows a good percentage of coverage of CSR issues.

CC14.4d

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

Further Information

Sustainability Repor pages 179 (Scope1,2 and 3 data), 198 and 199

Attachments

[https://www.cdp.net/sites/2016/63/9363/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC14.Scope3Emissions/BILANCIO_SOCIALE_eng.pdf](https://www.cdp.net/sites/2016/63/9363/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC14.Scope3Emissions/BILANCIO_SOCIALE_eng.pdf)

Module: Sign Off

Page: CC15. Sign Off

CC15.1

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

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

Further Information

CDP