



Intesa Sanpaolo Inaugural Green Bond

June 2017

Termsheet Intesa Sanpaolo Green Bond

Details	
Format	Senior Unsecured, Unsubordinated, RegS Bearer
Tenor	5 years
Size	EUR 500m ('no grow')
Exp. Issue Rating	Baa1 (Moody's) / BBB- (S&P) / BBB (Fitch) / BBBH (DBRS) all stable
Use of Proceeds	<p>The net proceeds from the issue of the Notes will be exclusively used to finance or refinance loans held by the Issuer or its subsidiaries to finance eligible projects within the list of Eligible Categories (the "Eligible Loans"). "Eligible Categories" are defined in the Issuer Green Bond Framework, made available on the Issuer's website in the investors relations section, and will include the following loan categories:</p> <ol style="list-style-type: none"> a. Renewable Energy: Loans that are used to finance investments in production, transmission, infrastructure and associated assets, specifically for solar, wind, bio-energy/biomass and hydro energy generation b. Energy Efficiency: Loans that are used to finance the following projects: <ol style="list-style-type: none"> i. New investments and ongoing maintenance in infrastructure, associated assets, technology and services that contribute towards reduced energy usage and or increased energy efficiency, such as: energy storage, energy efficiency in industrial facilities, high efficiency co-generation of heat and power, district heating, smart grids, LED lighting; ii. Construction of new building developments or renovation of existing buildings (including public service, commercial, residential and recreational) which meet recognised environmental standards such as: LEED – gold, BREEAM – good/very good, HQE – very good/excellent, CASBEE – A(very good)/S(excellent) or equivalent or, buildings which have reduced life cycle consumption of energy levels of at least 20% less than statute/city baseline. <p>Pending the full allocation of the net proceeds of the issue of the Notes to Eligible Loans, the Issuer will hold the unallocated proceeds in accordance with its normal liquidity management, including treasury liquidity portfolio, Cash, Time Deposit with banks or other form of available short term and medium / long term funding sources (e.g. Commercial Paper Programme, Bank Credit Line), that do not include GHG intensive activities (i.e. related to fossil fuels exploitation and to carbon intensive assets such as infrastructure dependent on fossil fuels; fossil fuel-fired power plants; high-carbon assets) nor any disputable activity (Alcohol, Animal maltreatment, Armament, Hazardous chemicals, Gambling, Genetically Modified Organisms (GMO) in food & feed, Nuclear energy, Sex industry, Tobacco).</p> <p>Until the full allocation of the net proceeds of the issue of the Notes, the Issuer undertakes to provide any Noteholder with an annual report regarding the allocation of net proceeds of the Notes to the various Eligible Loans, example loans from each sector, unallocated proceeds. Furthermore, the Issuer undertakes to report annually and until the maturity of the Notes, the environmental benefits resulting from each loan disbursed from the net proceeds of the Notes. Such annual reporting will be reviewed by external auditors and will be published on the Issuer's website: www.group.intesasanpaolo.com</p>
Second Party Opinion	Vigeo
Documentation	Under the Issuer's EUR 70,000,000,000 EMTN Programme pursuant to a Drawdown Prospectus
Listing	Luxembourg Regulated Market (application will be made for joining the Luxembourg Green Exchange platform)



Summary



Sustainability overview



Intesa Sanpaolo - Green Bonds



Appendix



Corporate Social Responsibility



Sustainability Corner

Sustainability overview



Sustainability in Intesa Sanpaolo

The **Business Plan 2014-2017** envisages a solid value creation for all stakeholders.

Customers

Bank of the real economy, innovative, multichannel

Shareholders

Business Plan 2014 - 2017

Employees

HR development

Community

Bank that contributes to the development of the community

Environment

Support and protection of the environment for an economic development of medium-long term



Solid and Sustainable Value Creation

The 2014-2017 Business Plan envisages a solid and sustainable value creation for all stakeholders, with more than EUR 200bn contribution to the economy.

€ bn, cumulative data	Benefits	2014-2016	Total envisaged in 2014-2017 Business Plan	
Shareholders	Cash dividends ⁽¹⁾	6.6	~10	<ul style="list-style-type: none"> EUR 10bn available for consumption/investments
Families and Businesses	Medium/Long term new lending to the “real” economy	137	~170	<ul style="list-style-type: none"> ~350,000 new investments financed Lending growth well above GDP growth
Employees	Personnel expenses	15.7	~21	<ul style="list-style-type: none"> More than 90,000 households Excess capacity absorbable through priority initiatives
	Training	3.8	~5	<ul style="list-style-type: none"> Million days
Suppliers	Purchases and investments	7.9	~10	<ul style="list-style-type: none"> More than 40,000 households
Public Sector	Taxes ⁽²⁾	7.4	~10	<ul style="list-style-type: none"> Comparable to an Italian annual Budget Bill (“Legge di Stabilità”)
Social Sector	MLT new lending to support social ventures	0.6	~1.2	<ul style="list-style-type: none"> Banca Prossima the largest Social Sector Lender in Italy

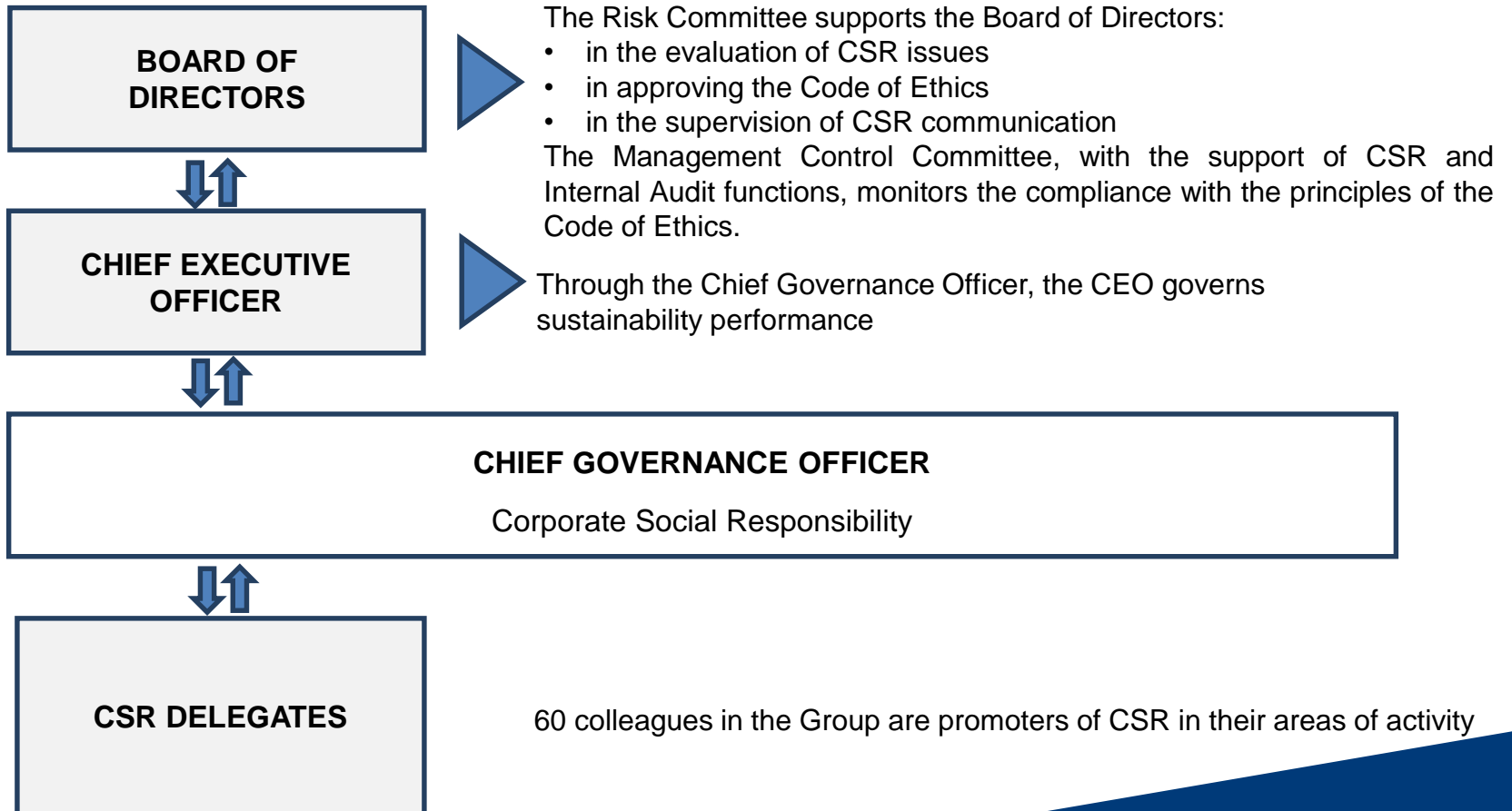
(1) Does not include additional pay-backs, which could be distributed subject to regulatory evolution

(2) Direct and indirect



Sustainability Governance

Corporate Social Responsibility (CSR) supports the Top Management in defining sustainability strategies and policies, designed to generate value for stakeholders. CSR reports through the Chief Governance Officer to the CEO and Board of Directors.



The CSR Model



- Code of Ethics
- Policies
- International Standards
- Reporting and Communication
- Training
- Climate Change
- SRI and Sustainability Indexes



ESG Indices and Rankings



Intesa Sanpaolo, with a total score of 86/100 (average score for banks was 61/100), was confirmed in the Dow Jones Sustainability Indices (World and Europe) and received the Bronze Class Sustainability Award 2017



Included in "The A List" 2016 index, which comprises 193 listed companies selected for their advanced approach towards the mitigation of climate change

Intesa Sanpaolo is also included in the following indices:

- MSCI Global Sustainability Indices and MSCI Low Carbon Indices
- FTSE4Good Indices (Global and Europe)
- Euronext Vigeo Europe 120 and Euronext Vigeo Eurozone 120
- Thomson Reuters Diversity and Inclusion Index



- Ethibel Excellence Investment Register and the Ethibel Excellence Index (Europe and Global)
- UN Global Compact stock index, which lists the 100 companies that adhere to the UN Global Compact ten principles and globally outstand for the commitment on sustainability issues as well as their financial performance.



Intesa Sanpaolo ranks 20th in the 2017 Global 100 ranking drawn up by Corporate Knights



International Principles and Initiatives

Intesa Sanpaolo has confirmed its commitment and adhesion to international sustainability principles, including UN Global Compact, Equator Principles, Principles for Responsible Investment (Eurizon)



Signatory of:



Environmental Principles and Policies

Environmental and Energy Policy

Protection of the environment and attention to climate change are key aspects of our commitment to responsibility. The Environmental and Energy Policy contains Intesa Sanpaolo long-term strategic commitments focused on mitigation and on the careful management of direct and indirect impacts.

International standards and initiatives

Intesa Sanpaolo also adhered to important international initiatives aimed at promoting dialogue among companies, international organisations and society and to pursue respect for the environment.



Environmental Policies

A number of environmental policies are in place in order to reduce the impact of our activities.



Rules for the purchase and use of paper



Sustainability rules for the purchase of office machines



Rules concerning the organisation of events and training courses



Sustainability rules for the setting up of sustainable branches

Green Products and Services

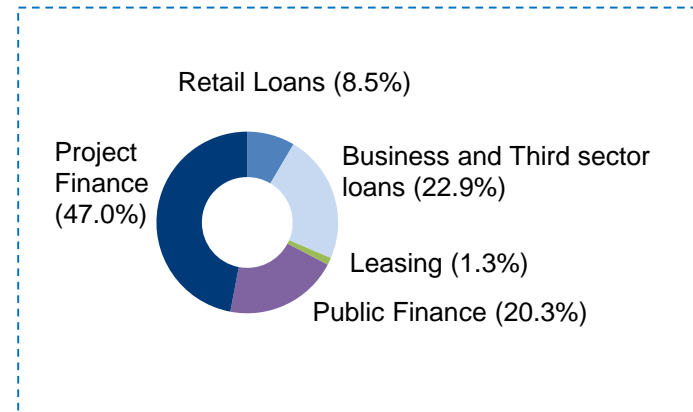
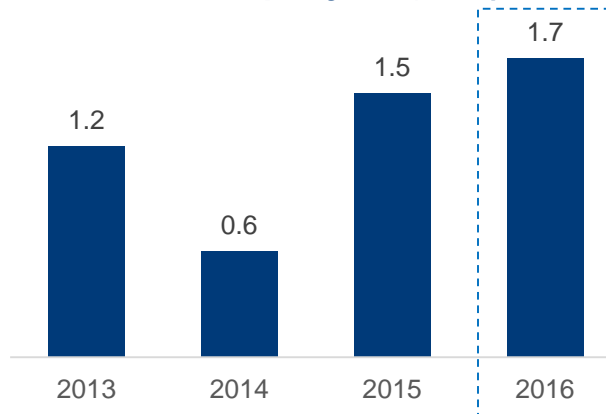
Green loans

The Bank provides a whole range of environmental and energy efficiency products, despite the downward trend of the regulatory framework linked to renewable energy incentives.

From 2007 to 2014 the Italian banking system financed around 27 billion* euro worth of projects related to the production of renewable energy and geared to energy efficiency, to which the Intesa Sanpaolo Group contributed approximately for 11 billion euro.

In 2016, 3.1% of Intesa Sanpaolo's total loans to business referred to environmental protection sectors, such as renewable energy, energy efficiency, environmental services, amounting to about 1.7 billion euro.

Loans to the Green Economy
amount per year (€ bn)



* According to the ABI Report on Banks and the Green Economy



Green Products and Services (cont.)

Advisory services

Mediocredito Italiano, the Intesa Sanpaolo Group bank that brings together medium-long term financing, leasing and factoring, made an important contribution with its "tailor-made" financial solutions for businesses and the public administration investing in renewable energy plants or in energy efficiency processes developed by energy intensive or Energy Service Companies ("ESCo"). These loans, overseen by the Energy Desk, are preceded by project appraisals that support the Bank's credit process. (See p.14 for further details)

Banca Prossima, the Intesa Sanpaolo Group bank dedicated to non-profit organizations, continued to support third sector companies that want to invest in energy efficient projects with solutions to save on energy costs and increase the overall sustainability of social activities.

Asset management

Eurizon Capital is signatory of the Principles for Responsible Investment and of the Carbon Disclosure Project. It has Ethical funds amounting for some 900 million euro, and manages 7 mandates with various ESG (Environmental, Social, Governance) criteria for some 870 million euro.

Circular economy

Through its "**Circular Economy**" project, the Intesa Sanpaolo Group is seizing strategic opportunities to become an innovative and exclusive financial leader for the circular economy, redefining traditional financial tools to support transition to a new model for economic development, which is sustainable over time. As a Global Partner of the Ellen MacArthur Foundation, Intesa Sanpaolo promotes the best experience of leading international companies with Italian SMEs, creating synergies and shared value.



Mediocredito Italiano's Green Lending

- As of December 31, 2016 **Mediocredito Italiano** has granted MLT loans in the energy sector for a total remaining debt of about **1.7 billion euros**, representing a share of **12.2% in its overall MLT portfolio**.

Distribution of the Mediocredito Italiano's green portfolio by type of energy projects (as of 31/12/2016)

Energy source	MLT loans (€/m)	%
Photovoltaic	1,402	81.6%
Biomass / Biogas	120	7.0%
Hydroelectric	98	5.7%
Energy Efficiency	51	3.0%
Wind	47	2.7%
Total	1,718 €/m	100.0%

- All projects financed by Mediocredito Italiano are located in Italy.
- Usually the maximum duration is up to:
 - ✓ 7 years for energy efficiency loans
 - ✓ 15 years for bio-energy / biomass, photovoltaic and wind loans, and
 - ✓ 20 years for hydroelectric loans.
- The final maturity must, however, allow for a 2 year tail over the duration of the incentive period applicable to the renewable energy plant.



Management and Control of Social and Environmental Risks

ESG Risk in Loans

Environmental and social risks are considered in rating models for corporate customers as qualitative issues. They are embedded in the qualitative questionnaire that must be completed by the relationship managers.

Intesa Sanpaolo monitors these risks with particular reference to major projects through the Equator Principles assessment process and is working on other internal credit processes in order to apply more stringent assessment criteria and more effective operating methods.

In particular, in 2016 a questionnaire on environmental risks for corporate customers was revised and a target group of customers was identified for a test stage.

The Bank adopted the Equator Principles in 2007 and in 2014 the Operating Guides for EP Implementation were updated, following the widening scope of the Equator Principles III. 315 transactions have undergone Equator Principles screening since 2007.



In 2016 the overall value of loans granted for projects subject to Equator Principles screening was 2bn euro (for 14 projects/loans associated to projects, of which 6 classified as A, 7 classified as B and 1 as C).

Controversial sectors

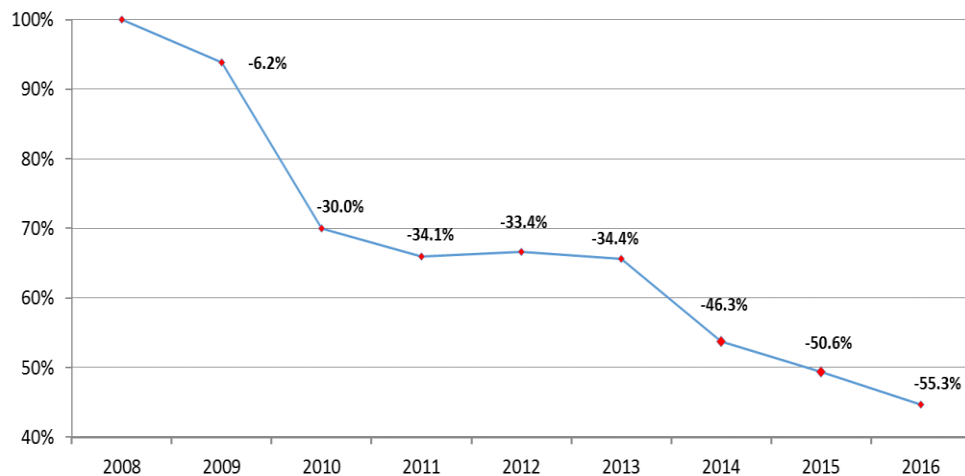
The Bank since 2007 has issued internal rules which limit its participation in activities that involve the production and trade of military weapons.

A project to issue other policies for sensitive sectors or areas is under way (starting from the coal and oil & gas).

Intesa Sanpaolo Environmental Performances

- By engaging actively on energy saving and environmental awareness, Intesa Sanpaolo has earned its status of industry benchmark both nationally and globally.
- By implementing several projects, the bank has been able to achieve considerable savings in terms of energy and financial resources, as well as minimizing CO2 emissions. This is evidenced by the high scores attributed to Intesa Sanpaolo for its environmental performance in the main international ESG indices.

EMISSIONS SCOPE 1+2 (tCO₂eq)
Reference Year 2008



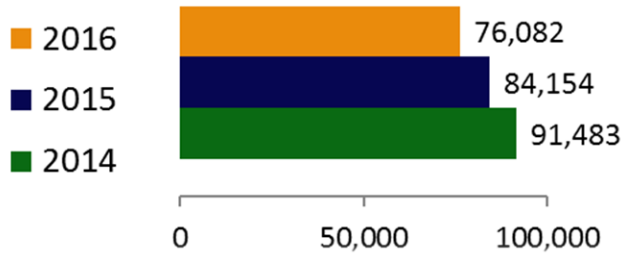
SCOPE 2: MARKET-BASED

Intesa Sanpaolo in Italy consumes
as much electric power as a city of
300,000 citizens

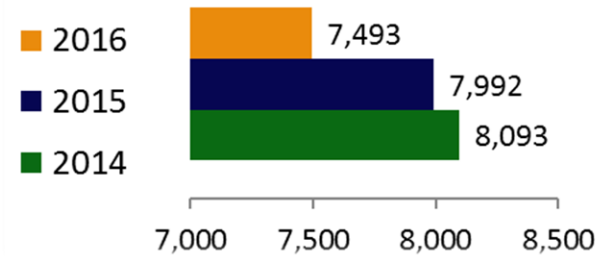


Intesa Sanpaolo Environmental Performances (cont.)

EMISSIONS SCOPE 1+2 (tCO₂eq)

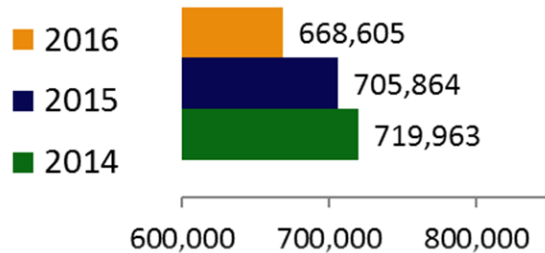


TOTAL PAPER CONSUMPTION (tons)



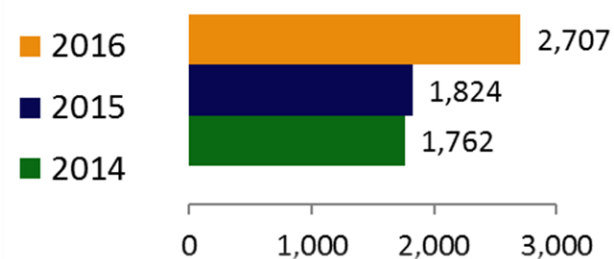
57% recycled
30% FSC and/or
ECF/TCF
2% other
environmental
certifications

TOTAL ENERGY CONSUMPTION (MWh)



80% of
electricity from
renewable
sources
(97% in Italy)

ITALY – DEMATERIALIZATION: USE OF PAPER
AVOIDED (Tons)



An Environmental Management System integrated with an Energy Management System is in place in over 220 sites, certified by an external body, DNV.



Intesa Sanpaolo - Green Bonds



GREEN BOND FRAMEWORK SUMMARY



ELIGIBLE CATEGORIES



VIGEO EIRIS SECOND PARTY OPINION

Green Bond Framework

- **Intesa Sanpaolo's Green Bond Framework** has been developed to demonstrate how Intesa Sanpaolo will issue Green Bonds to fund new and existing loans/projects and businesses with environmental benefits in alignment with the Green Bond Principles, 2016*.
- The proceeds of any Intesa Sanpaolo Green Bond will be either dedicated to green projects directly from Intesa Sanpaolo or from any one of Intesa Sanpaolo's subsidiaries dedicated to green financing (i.e. Mediocredito Italiano, Banca Prossima, etc.), which will be funded via intercompany loans.
- **For its Inaugural Green Bond Issue, Intesa Sanpaolo will consider only the Mediocredito Italiano Green financing as eligible for the Use of Proceeds.**

Use of Proceeds

- **Renewable Energy** - Investments in production, transmission, infrastructure and associated assets, specifically for: Solar, Wind, Bio-energy / Biomass and Hydro energy generation
- **Energy Efficiency I** - New investments and ongoing maintenance in infrastructure, associated assets, technology and services that contribute towards reduced energy usage and or increased energy efficiency, such as: energy storage, energy efficiency in industrial facilities, high efficiency co-generation of heat and power, district heating, smart grids, LED lighting
- **Energy Efficiency II** - Construction of new building developments or renovation of existing buildings (including public service, commercial, residential and recreational) which meet recognised environmental standards

Project Evaluation and Selection

- An internal team of qualified individuals (the "Green Bond Working Group"), made up from the Treasury Department (Head of MLT Funding), CSR (Head of CSR) and, for the Inaugural Green Bond Issue, the Energy Desk of Mediocredito Italiano (Coordinator of Energy Desk), will review and approve, as appropriate, each proposed loan based on the defined Eligible Categories and Criteria listed in the Use of Proceeds section of the Green Bond Framework
- The Green Bond Working Group is responsible to maintain and update the Green Bond Register

Management of Proceeds

- Intesa Sanpaolo will establish a Green Bond Register for the Green Bond(s) issued. The Register will contain, for each Green Bond issued, Green Bond details (eg: ISIN, pricing date, maturity etc.) and details on the eligible loans allocated for that Green Bond (eg: Eligible loan category utilised, summary detail on project / use of proceeds, amount of loan outstanding, disbursement date, loan maturity, and expected (social and) environmental benefits)

Reporting

- Intesa Sanpaolo will report annually, until full allocation, on the use of proceeds and annually, until maturity, on environmental benefits via a 'Green Bond Report' which will be published via www.group.intesasnpaolo.com.
- The report will include allocation and impact data
- The report will be verified by annual external assurance process

*<http://www.icmagroup.org/Regulatory-Policy-and-Market-Practice/green-bonds/green-bond-principles/>



Eligible Loan Categories

Intesa Sanpaolo's Green Bond Framework currently considers for **two types of Eligible Loan Categories**:

	Further detail	Benefit
1. Renewable Energy	I. Investments in production, transmission, infrastructure and associated assets, specifically for: Solar, Wind, Bio-energy / Biomass and Hydro energy generation	Renewable energy—wind, solar, geothermal, hydroelectric, and biomass—provides substantial benefits for climate, environment, health and economy. Increasing the supply of renewable energy would allow people to replace carbon-intensive energy sources and significantly reduce global warming emissions.
2. Energy Efficiency	<p>I. New investments and ongoing maintenance in infrastructure, associated assets, technology and services that contribute towards reduced energy usage and or increased energy efficiency, such as: energy storage, energy efficiency in industrial facilities, high efficiency co-generation of heat and power, district heating, smart grids, LED lighting</p> <p>II. Construction of new building developments or renovation of existing buildings (including public service, commercial, residential and recreational) which meet recognised environmental standards such as: LEED – gold, BREEAM – good/very good, HQE – very good/excellent, CASBEE – A(very good)/S(excellent) or equivalent or, Buildings which have reduced life cycle consumption of energy levels of at least 20% less than statute/city baseline</p>	<p>Energy efficiency means using less energy to provide the same service. Increasing efficiency of energy consumption seems to be the most straightforward and practical way to climate change mitigation. Investing in energy efficiency also has an impact on the costs that private and business companies have to bear in their energy bills.</p> <p>The construction and operation of a green building will promote a healthy environment for all involved, and it will not disrupt the land, water, resources and energy in and around the building. Green buildings are designed in such a way to reduce overall impact on environment and human health by: reducing trash, pollution and degradation of environment, efficiently using energy, water and other resources and protecting occupant health and improving productivity.</p>



Eligible Loan – Project Evaluation and Selection

Selection Process

The selection process of Eligible Loans is structured, published on Intesa Sanpaolo's website, and fully integrated in Intesa Sanpaolo's existing investment process. Internal roles and responsibilities are defined as follows:

- The analysis of loans eligibility is managed by Mediocredito Italiano functions. External experts can be involved on specific projects depending on workload and are expected to comply with Mediocredito Italiano guidelines.
- The Credit Evaluation function evaluates client's reputation and creditworthiness.
- Then Mediocredito Italiano approves the disbursements to be made.

Green Bond Working Group

The Green Bond Working Group is in charge of the oversight of the process:

- Business teams (i.e. for the Inaugural Green Bond Issue the Energy Desk of Mediocredito Italiano) will propose loans as Use of Proceeds of each Intesa Sanpaolo Green Bond.
- The internal Green Bond Working Group will review and approve, as appropriate, each proposed loan based on the defined Eligible Categories listed by the Use of Proceeds.
- Loans determined as eligible will be marked accordingly and added into a Green Bond Register.
- The Green Bond Working Group is responsible to maintain and update the Green Bond Register.



Second Party Opinion

Vigeo Eiris confirms that the Bond intended by Intesa Sanpaolo is a “Green Bond” with positive contribution to sustainable development, aligned with the Green Bond Principles.

Vigeo Eiris analysis confirms:

The definition of Use of Proceeds is clear and the content is relevant, aligned to Intesa Sanpaolo’s strategy.

Vigeo Eiris confirms that the Bond intended by Intesa Sanpaolo is a “Green Bond” with positive contribution to sustainable development, aligned with the Green Bond Principles.

Vigeo Eiris reaches a reasonable level of assurance on the Bond contribution to sustainability:

- **Issuer:** Intesa Sanpaolo displays an overall robust³ ESG performance (see Part I).
 - ▶ Intesa Sanpaolo ranks eighth in the “Diversified Banks” Vigeo Eiris sector which covers 31 European companies and achieves robust performance for its Environmental and Social pillars, while the Governance domain remains limited.
 - ▶ Vigeo Eiris’ assurance that ESG risk factors of Intesa Sanpaolo are adequately managed ranges from reasonable, for human capital, legal and operational risks, to moderate regarding reputational risks.
 - ▶ Intesa Sanpaolo faces frequent controversies regarding Environment, Business Behaviour, Corporate Governance, Community Involvement and Human Rights domains. The severity of these cases ranges from significant to high. The company is overall reactive: it reports transparently in all cases, including for cases with high level of severity.
 - ▶ Regarding the 9 disputable activities analysed by Vigeo Eiris, Intesa Sanpaolo’s involvement in the armament industry is minor (due to the involvement in the financing of armament companies).

- **Issuance:** The Issuer’s Green Bond framework is coherent with Intesa Sanpaolo’s main strategic priorities and is considered to be robust (see Part II):

- ▶ The net proceeds of the Bond issuance will be used to finance and refinance Eligible Loans related to energy, which contribute to climate change mitigation, in line with three United Nations Sustainable Development Goals. Objectives and expected benefits associated with the Eligible Loans are visible, relevant, partially precise and measurable, and will be assessed and quantified by the Issuer.
- ▶ The processes for categorisation, evaluation and selection of Eligible Loans are clearly defined, made publically available on Intesa Sanpaolo’s website, and robust in terms of transparency, bond governance and relevance of defined process and eligibility criteria.
- ▶ The rules for the management of proceeds are clearly defined by the Issuer and would enable a documented and transparent allocation process, based on robust management of proceeds commitments.
- ▶ The Issuer is committed to report annually, publically on the use of proceeds (until the complete fund allocation) and on environmental benefits of selected loans (outputs and impacts) at category level (until bond maturity). The reporting commitments and process are robust, reaching an overall reasonable level of assurance on its capacity to report on the Green Bond’s use and impacts.

Beyond the Green Bond Principles requirements, in line with international standards, certain ESG factors have been integrated in the evaluation and selection process, covering main ESG risks related to the Eligible Loans. Regarding monitoring and reporting on ESG management, the Issuer will report at corporate level only, through its annual Sustainability Report. We have suggested reinforcing disclosure at project level and reporting related to loans ESG management.

In addition, Vigeo Eiris considers that the Eligible Loans align with the following United Nations Sustainable Development Goals (UN SDGs):

Eligible Loan Category	UN SDGs
Renewable Energy	UN SGD 7. Affordable and clean energy UN SDG 13. Climate action
Energy Efficiency	UN SGD 7. Affordable and clean energy UN SDG 12. Responsible consumption and production UN SDG 13. Climate action



Reporting

Green Bond Report

- Intesa Sanpaolo will report annually, until full allocation, on the use of proceeds via a 'Green Bond Report' which will be published via www.group.intesasanpaolo.com. The report will be verified by annual external assurance process.
- The Green Bond Report will include the aggregate amount allocated to the various Eligible Loans categories, example loans from each sector (subject to confidentiality), confirmation of direct (from Intesa Sanpaolo) or indirect (from Intesa Sanpaolo's subsidiary) funding of green loans, remaining balance of funds which have not yet been utilized, share of re-financing versus new financing.
- Intesa Sanpaolo will confirm that the use of proceeds of the green bond issuance conforms to this Green Bond Framework.

Criteria	Reporting Indicators at category level	Reporting Indicators at Bond level
Use of Proceeds	<ul style="list-style-type: none"> • Number of loans • Amounts invested (in EUR) • Loan Maturity • Direct or Indirect funding 	<ul style="list-style-type: none"> • Number of loans • Amounts invested (in EUR) • Loan Maturity • Total Allocated amount vs total amount proceeds (in %) • Balance of unallocated proceeds (in EUR and %) • Description of the unallocated proceeds management • Overall refunding amount vs new funding (in % of allocated amount and in % of total amount)

Reporting on Environmental Benefits

Intesa Sanpaolo will also report annually on the environmental benefits resulting from each loan disbursed from the Green Bond, until the bond maturity:

- Output: annual estimates and/or assessment of major outputs disclosed at category level, annually and up to the complete allocation of bond proceeds;
- Impacts: annual estimates of ex-ante and/or ex-post impacts (where feasible) based on specific indicators developed by Intesa Sanpaolo, disclosed at category level.

Green categories	Environmental benefits	Output reporting indicators	Impacts reporting indicators	Methodologies and assumptions
Renewable Energy	Climate change mitigation	<ul style="list-style-type: none"> • Installed capacity (MW) • Estimated renewable energy production (MWh, future projects) • Renewable energy produced (MWh, past and future projects, where feasible) 	CO2 emissions avoided (tons)	GHG Protocol
Energy Efficiency	Climate change mitigation	<ul style="list-style-type: none"> • Energy savings in MWh (future projects: ex-ante estimation, past projects: ex-post annual measurement, where feasible) • Environmental labels obtained (for buildings, #) 	CO2 emissions avoided (tons)	GHG Protocol



Appendix



Equator Principles

The Bank adopted the Equator Principles in 2007 and in 2010 the Operating Guide for EP Implementation was issued as internal rules integrated into Group credit policies. The Guide was updated in 2014, following the widening scope of the Equator Principles III.



In 2016 the overall value of loans granted for projects subject to Equator Principles screening was 2bn euro.

THE EP IN 2016*

SECTOR	A	B	C	Total
PROJECT FINANCE				
Oil & gas	4	1		5
Mining				0
Power		3	1	4
Infrastructures		2		2
Total	4	6	1	11
PROJECT RELATED CORPORATE LOANS				
Oil & gas	2			2
Infrastructure		1		1

315 transactions have undergone Equator Principles screening since 2007

* Number of projects closed in 2016

Some case studies of assessed projects are presented on the website.



Responsible Investments

Signatory of:



Eurizon Capital, the Group’s asset management company, is signatory of the Principles for Responsible Investment and a signatory of CDP. It was also one of the first companies to subscribe the Italian Stewardship Principles for a responsible exercise of ownership and voting rights in listed companies.

Its investment process excludes all companies directly involved in cluster bombs and landmines from active managed portfolios. This complete exclusion applies to all flexible funds without a benchmark. The other funds cannot invest in those stocks exceeding the percentage weight in their benchmark. The investment process, in collaboration with MSCI, provides for the monthly composition of a list of stocks with the lowest ESG rating, at disposal of analysts and asset managers, which is highlighted in the evaluation tables produced by the analysts on each stock.

Eurizon Capital has 3 ethical funds, selected on the basis of both positive criteria and negative criteria plus a “best in class” approach. An independent Sustainability Committee is in place in order to guarantee correspondence of the management choices with the established ethical principles. In 2016, Eurizon managed also 7 institutional mandates with various ESG approaches for some 870m euro.

Fonditalia Ethical investment is the socially responsible investment solution of the Fideuram Group. It invests in bonds issued by Supranational Bodies in favor of developing economies, in funds specialized in microfinance, fair trade funds and similar instruments targeting sustainable development and in bonds of those States that stand out for a special focus on social and environmental issues. An Ethics Committee verifies consistency between the actual fund portfolio composition and the ethical principles.

SRI funds	2014	2015	2016
Total Assets of the 3 Eurizon SRI funds (€ millions)	643.5	823.0	902.0
Percentage of Eurizon ethical funds over total assets of Italian registered funds [%]	1.2	1.4	1.3
Fideuram Ethical Funds (€ millions)	24.9	32.3	40.0

