



Transition to a sustainable,  
green and circular economy



# Transition to a sustainable, green and circular economy

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## RELEVANCE OF ISSUES AND MAIN IMPACTS

One of the strategic priorities of the European Union is to drive the modern, competitive and efficient transformation of the economy in terms of resources, while safeguarding the natural environment, combating climate change and making Europe carbon neutral by 2050. The financial pillars that underpin the EU's goals include the 2019 Green Deal and the national recovery and resilience plans that form part of the Next Generation EU instrument. In December 2023, the UN Climate Change Conference (COP28) declared the urgent need to address the interconnected global crises of climate change and the loss of biodiversity in the wider context of achieving the Sustainable Development Goals.

Intesa Sanpaolo has always believed that banks must play an active part in driving the transformation of the local economic and social context. Aware of its role and contribution to sustainable development processes, for a long time the Group has led the way in accelerating the transition to a low carbon economy in order to achieve global climate goals and contribute to protecting natural capital. In addition, the Group also considers its own potential impact for a Just Transition in order to promote socially equitable transition processes. Proof of this can be seen in its membership of the Net-Zero Banking Alliance and its participation in the Glasgow Financial Alliance for Net Zero (GFANZ), a global coalition of leading financial institutions committed to accelerating the decarbonisation of the economy; the 2022-2025 Business Plan also focuses closely on the climate and outlines a clear roadmap for the Group in terms of contributing to the ecological transition, with specific loans and credit plafonds to support the green and circular economy and the ecological transition.

The profound transformation of the system must involve the constant participation of all stakeholders: Intesa Sanpaolo creates opportunities for dialogue and the promotion of the culture of sustainable change through engagement initiatives, training, participation in work groups and awareness-raising activities.

## PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVE

Macro-issue	Projects/Indicators	2023 Actions/Results Cumulative value since 2022	Plan Objectives for 2025 2022-2025 Cumulative value
Transition to a sustainable, green and circular economy	New lending in relation to the areas of application of Mission 2 <sup>(1)</sup> of the NRRP	■ ~44.9 billion euro disbursed in 2021-2023	■ New lending to support the ecological transition: ~76 billion euro's worth of loans as part of the National Recovery and Resilience Plan (2021-2026)
	Loans in the environmental sustainability field <sup>(2)</sup>	■ ~3.7 million euro disbursed in 2023, equal to 6.2% of all loans	■ Customer support through the ESG/ climate transition
	of which Green Mortgages	■ ~1.7 billion euro of Green Mortgages disbursed in 2023 (~4.3 billion in 2022-2023)	■ Further boost to sustainable credit for retail customers with special emphasis on the ecological transition: 12 billion euro of green loans to individuals over the 2022-2025 Plan

<sup>(1)</sup> Focused on supporting green economy, circular economy and ecological transition.

<sup>(2)</sup> As of 2023, reporting follows the Rules for the classification of sustainable credit products and lending transactions approved by the Group at the end of 2022. This classification includes loans falling into the environmental sustainability, social sustainability and "other sustainability" categories. More specifically, the "other sustainability" category includes non-targeted transactions associated with sustainable covenants/KPIs. These covenants/KPIs must be documentable at the proposal stage and/or during the duration of the transaction and consistent with the classification categories defined in the Rules. Sustainable loans are broken down into the three afore-mentioned categories. For further details on reporting in accordance with the aforesaid Rules, see page 309.

## PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVE

Macro-issue	Projects/Indicators	2023 Actions/Results Cumulative value since 2022	Plan Objectives for 2025 2022-2025 Cumulative value
	"Other sustainability" loans <sup>(3)</sup>	<ul style="list-style-type: none"> <li>~3.6 billion euro was disbursed in 2023</li> </ul>	<ul style="list-style-type: none"> <li>Supporting the sustainable economy</li> </ul>
	Sustainable loans <sup>(3)</sup>	<ul style="list-style-type: none"> <li>~11 billion euro was disbursed in 2023</li> </ul>	
	Circular economy	<ul style="list-style-type: none"> <li>Circular economy credit plafond<sup>(4)</sup>: 5.6 billion euro disbursed in 2023 (8.7 billion since 2022)</li> <li>Continuation of the collaboration with the Ellen MacArthur Foundation, of which Intesa Sanpaolo is Strategic Partner, with a new 3-year agreement for the 2022-2024 period</li> </ul>	<ul style="list-style-type: none"> <li>8 billion euro dedicated to the circular economy</li> </ul>
	ESG-Linked loans for SMEs: S-Loan	<ul style="list-style-type: none"> <li>Continuous expansion of the range of S-Loan products dedicated to SMEs to finance projects aimed at improving their sustainability profile (6 product lines: S-Loan ESG, S-Loan Diversity, S-Loan Climate Change; S-Loan Agribusiness, S-Loan Tourism and S-Loan CER). ~5.2 billion euro granted since launch, of which ~1.7 billion euro in 2023</li> </ul>	<ul style="list-style-type: none"> <li>Supporting the sustainable economy</li> </ul>
	Green and sustainable culture and initiatives	<ul style="list-style-type: none"> <li>Launch of 13 ESG Laboratories (Venice, Padua, Brescia, Bergamo, Cuneo, Bari-Taranto, Rome, Naples-Palermo, Milan, Turin and Florence), physical and virtual meeting places to support SMEs in their approach to sustainability and an evolution of the advisory services provided by partners</li> </ul>	<ul style="list-style-type: none"> <li>Support to SMEs/Corporate customers in achieving their sustainability objectives by increasing the specialised advisory services provided through the activation of at least one ESG Laboratory in each Regional Governance Centre by 2025 and ~100 dedicated ESG specialists</li> </ul>
	Green and Social Bond Report	<ul style="list-style-type: none"> <li>In March 2024, the third annual Green and Social Bond Report based on the "Portfolio approach" was published. The Group report estimates the impacts and benefits of the entire portfolio of loans admissible for each of the green categories. A total of 6.5 million tonnes of CO<sub>2</sub> eq emissions [i] were avoided in 2023</li> </ul>	<ul style="list-style-type: none"> <li>Supporting the green economy</li> </ul>
	Green bonds	<ul style="list-style-type: none"> <li>A total of ~5.17 billion euro of Green Bonds were issued in 2023. In particular: in February 2023 a dual tranche Senior Non Preferred Green bond of a total of 2.25 billion euro was placed; in March 2023 a Senior Non Preferred Green bond for the sterling market was finalised for a total face value of 600 million euro; in May 2023 a dual tranche Senior Preferred Green Bond for a total of 2.25 billion euro was placed</li> </ul>	

<sup>(3)</sup> As of 2023, reporting follows the Rules for the classification of sustainable credit products and lending transactions approved by the Group at the end of 2022. This classification includes loans falling into the environmental sustainability, social sustainability and "other sustainability" categories. More specifically, the "other sustainability" category includes non-targeted transactions associated with sustainable covenants/KPIs. These covenants/KPIs must be documentable at the proposal stage and/or during the duration of the transaction and consistent with the classification categories defined in the Rules. Sustainable loans are broken down into the three afore-mentioned categories. For further details on reporting in accordance with the aforesaid Rules, see page 309.

<sup>(4)</sup> Credit plafond dedicated to the circular and green economy, which may include specific incentives.

## COMPANY POLICIES

In accordance with the principles of the Code of Ethics and the Rules for the environmental and energy policy, the Intesa Sanpaolo Group has always paid particular attention to the portfolio of green products and services it offers to its customers, also with the goal of contributing to combating climate change.

Furthermore, considering the evolution of regulatory and market factors, in order to provide greater internal and external transparency on products and transactions that are considered sustainable and in line with the guidelines of the European Banking Authority (EBA), the Rules on classification of sustainable credit products and lending transactions have been defined.

The Group's 2022-2025 Business Plan focuses closely on the goals connected with the transition to a low-carbon economy, supporting green initiatives and projects of benefit to its customers.

To give impetus and tangible support to the green economy, the Group has introduced specific credit plafonds and developed a broad and diverse range of loan and consultancy products dedicated to all types of customers, in Italy and abroad. In particular, Intesa Sanpaolo has allocated 88 billion euro to support the green economy, the circular economy and the ecological transition, of which 76 billion euro in relation to the areas of application of Mission 2 of the National Recovery and Resilience Plan (NRRP)<sup>(5)</sup> with 12 billion euro consisting of new credit to individuals; in this context, the new Plan has confirmed its commitment to the circular economy, promoting the spread of this model also with the support of the Ellen MacArthur Foundation and renewing the dedicated credit plafond<sup>(6)</sup> with 8 billion euro of new credit.

Intesa Sanpaolo's commitment to the ESG transition also takes the form of bonds dedicated to funding environmental projects. For these issuances, the Bank has developed specific Frameworks in line with the ICMA's Green Bond Principles and Sustainability Bond Guidelines.

However, financial resources alone are not enough to enable the sustainable transformation of businesses; the development of a new business culture focused on sustainability and the acquisition of specific skills are required. To this end, the Bank has put together a broad and structured range of solutions, including a dedicated online training platform, bespoke training and support programmes, and ESG Laboratories.

The Group's commitment to effecting global change can be seen in its participation in the international debate on environmental sustainability issues as well as its numerous initiatives, involving the various Divisions and Group companies, to spread the culture of environmental awareness.

<sup>(5)</sup> 2021-2026.

<sup>(6)</sup> Credit plafond dedicated to the circular and green economy, which may include specific incentives.

## LOANS AND SERVICES FOR A SUSTAINABLE, GREEN AND CIRCULAR ECONOMY<sup>(7)</sup>

### GREEN ECONOMY

In 2023, the Group's disbursements in the field of environmental sustainability<sup>(8)</sup> came to approximately 3.7 billion euro, 6.2% of all Group loans.

The product range covers all customer segments: retail customers (51.7%), businesses and Third sector (5.5%), corporate (42.9%).

In addition, Motore Italia Transizione Energetica (the program of the Group that provides a series of initiatives to encourage investment in energy from renewable sources), supported by a credit plafond of 76 billion euro relating to the scope of Mission 2 of the PNRR, provides several tools: loans to reduce energy dependency, instruments to mitigate rising commodity prices, and specialised advisory services to facilitate access to tenders and the implementation of complex projects.

### PRODUCTS AND SERVICES FOR RETAIL CUSTOMERS

The new Business Plan provides a further boost to sustainable credit for retail customers with special emphasis on the ecological transition, making 12 billion euro of green loans available to individuals. The Bank continued to provide loans and mortgages for environmental purposes to retail customers in 2023.

The provisions of the Energy Performance of Buildings Directive (EPBD) involve the gradual renovation of the buildings of EU countries. With this in mind, the banking industry is encouraged to perform a transformative role in directing financial investments towards activities that can contribute to reducing the European Union's dependence on fossil fuels, facilitating the achievement of the EU's zero-emission targets for 2050.

The loan solutions proposed by the Bank are not only available to support the purchase or construction of an energy-efficient property, but also to those who want to improve energy efficiency through, for example, the replacement of windows and doors and high-performance boilers, the purchase of environmentally-friendly vehicles and the installation of solar and photovoltaic panels.

The Bank proposes Green - Mutuo Domus: a subsidised mortgage (reduction of the APR and free energy certification for renovation purposes) which makes it possible to purchase and build a residential property in Italy with a high energy efficiency class (equal to or higher than B) or to renovate a residential property in Italy improving its energy performance rating by at least one class.

In 2023, around 12,100 green mortgages of a total value of approximately 1.7 billion euro were issued.

To this end, Intesa Sanpaolo participates in the EeMAP (Energy efficient Mortgages Action Plan) project.

Under the auspices of EeMAP, Intesa Sanpaolo has also taken part in Energy Efficient Mortgage Label (EEML), a project that aims to maximise the regulatory alignment of the portfolio with the main legal and political developments, such as the EU taxonomy, the Mortgage Credit Directive (MCD), the Capital Requirements Regulation (CRR), or equivalents at international level.

As part of the EEML project, Intesa Sanpaolo has reported the quarterly aggregate figures on its green and standard portfolios since 2021.

The range of green solutions has been enriched with a series of dedicated services, some of which are provided by partner companies. These additional and optional services help to assess the possible savings that can be made through energy redevelopment measures, for example.

In accordance with the regulatory context defined by the EU 2020/852 Regulation on the European Taxonomy, Intesa Sanpaolo has carried out a series of activities to obtain information on the energy performance of buildings in order to guarantee mortgage applications.

The knowledge and the comprehensiveness of the information on buildings subject to mortgages is of dual strategic value for the Bank:

- it gives it a better understanding of the property, with particular focus on its energy performance, in order to guarantee mortgages;
- it enables it to play an active role, proposing eventual renovation works to the customer in order to reduce energy consumption and protect the value of the property.

Among the insurance products that aim to cover customers' insurance needs in the Family, Health and Property areas, the XME Protezione insurance policy focuses on protection against natural disasters, providing coverage for the damage caused by atmospheric events such as floods and cloudbursts. The coverage will reimburse up to 80% of the customer's property value. As at December 2023, around 470,000 XME Protezione policies with flood and earthquake cover had been taken out.

<sup>(7)</sup> For more information see the 2023 Climate Report [i].

<sup>(8)</sup> Reporting follows the Rules for the classification of credit products and sustainable lending transactions approved by the Group at the end of 2022. For further details on reporting in accordance with the aforesaid Rules, one should refer to pages 283 and 309 of the Indicators section.

In the area of motor insurance products, the ViaggiaConMe policy is a usage-based solution which, besides encouraging policyholders to use their vehicles responsibly, reducing their premiums if they lower their mileage (monitored by a device installed in the car), also includes in its 24-hour roadside assistance and support free cover for a bicycle (or e-bike) belonging to the policyholder.

## PRODUCTS AND SERVICES FOR SMALL- AND MEDIUM-SIZED ENTERPRISES

Among the main products offered to SME customers, there is the sustainability-linked “S-Loan” to support small- and medium-sized enterprises that aim to improve their sustainability profile and to assist them on a path of structural change, associating their economic and financial decisions with their environmental and social impacts, through precise commitments undertaken with the Bank using specific ESG indicators (KPIs) subject to annual monitoring. In 2023, 37.2% of businesses chose an Environment KPI.

Corporations interested in improving their ESG profile can choose from six different products on the basis of their sustainable development goals, and more specifically:

- S-Loan ESG;
- S-Loan Diversity;
- S-Loan Climate Change;
- S-Loan Agribusiness;
- S-Loan Turismo;
- S-Loan CER.

S-Loan CER is a new loan facility, launched in 2023, which Intesa Sanpaolo makes available to businesses that decide to invest in renewable energies: the mechanism involves an incentive in the form of a subsidised interest rate, with an additional reward granted if the business allocates part of the energy produced and not self-consumed to the Renewable Energy Community (CER)<sup>(9)</sup>.

In 2023, around 1,100 projects of an overall value of approximately 1.7 billion euro were funded with S-Loans. These loans contributed to raising funds via the Intesa Sanpaolo crowdfunding platform For Funding, which identifies charity projects to support with donations connected with the sale of sustainable products (including S-Loans), encouraging the same companies to make donations in turn.

With regard to the type of loan chosen, the S-Loan solution can also be associated with the main government guarantees: Guarantee Fund, SACE SupportItalia and SACE Green Guarantee. The guarantee issued by SACE for the SACE GREEN instrument is equal to 80% and aimed at corporations - with a minimum risk rating and turnover of no more than 500 million euro - for medium-to-long-term loans of up to 15 million euro with duration of between 36 months and 20 years. In 2023, the Bank finalised 56 MLT Loans with Sace Green Guarantee worth over 192 million euro.

Solutions for professionals and businesses pursuing investment plans in the energy sector include the Energia Impresa loan.

In addition to the products, another distinctive feature of the business solutions is the support of MLT/Leasing Specialists who evaluate the technical/financial aspects of the investment and its relative sustainability, also requesting the assistance of the Energy & Utilities Desk, where necessary, in the project origination phase, in the structuring of the loan, in the technical due diligence phase, which is preceded by an appraisal - usually performed by an external consultant specifically appointed according to the regulations in force - to support the Bank's credit assessment, and in the formulation of the final opinion on the technical, economic and financial sustainability of the project. The Energy & Utilities Desk, composed of a team of professionals from the sector, provides assistance for entrepreneurs who have planned investments in renewable energies or who intend to diversify their energy sources, assessing their projects from a technical and business perspective and evaluating the financial sustainability of the investment: a comprehensive service that ranges from credit consultancy on risk assessment and the structuring of the most suitable financial solutions, to advice on new market opportunities, incentivising support measures (including those of the NRRP) and technology trends as enablers of the energy transition (e.g. investments in the production of energy from renewable sources, in energy efficiency, in the production of biomethane and hydrogen - green and blue -, in the distribution of methane gas, in the integrated water service and in the treatment of solid urban waste).

Within the scope of insurance products for the business world, in 2022 the Group launched the RC Ambientale (Environmental Liability) policy, the product of a partnership between Intesa Sanpaolo Assicura and the Pool Ambiente consortium and dedicated to business customers and retail companies. As well as protecting businesses from the risk of liability compensation claims being made against them, the product also seeks to safeguard the environment and thus communities spread a culture of prevention and provide instruments to

<sup>(9)</sup> An Energy Community is an association that produces and shares renewable energy, independently generating and managing cost-effective green energy while substantially reducing CO<sub>2</sub> emissions and energy waste. Citizens, businesses, public authorities and small and medium-sized enterprises can all form part of these communities.

manage and solve emergency environmental situations.

In 2023, Intesa Sanpaolo continued to support non-profit companies that wish to invest in energy efficiency projects to save on energy costs and increase the overall sustainability of their business.

## PRODUCTS AND SERVICES FOR CORPORATES

The IMI Corporate & Investment Banking Division continues to pursue its commitment to sustainability, promoting innovative financial solutions that respond to the growing need for products more in line with ESG criteria. During the year it assisted and supported businesses with sustainable strategic plans and investments for the transition towards a green and circular economy.

To this end, in 2023 an advisory team was set up at IMI Corporate & Investment Banking to support the Division's customers in sustainable finance operations and oversee all connected activities.

The financial offer includes the main ESG solutions: Sustainability-linked solutions and solutions with income linked to specific investments, which make it possible, depending on the circumstances, to use the Bank's dedicated circular economy credit plafond. In particular, in terms of sustainability-linked solutions, in 2023 the Group supported its customers with loans, bonds, guarantees, securitisations and hedging activities, while the transactions with earmarked income include Green loans, Green, Social and Sustainable bonds and Green Convertible bonds, as well as Project Finance dedicated to the world of renewable energy (wind, photovoltaic, biomass, hydroelectric).

During the year, the Division participated in numerous green, circular and sustainability-linked loan transactions (bilateral and syndicated); it also acted as Joint Lead Manager for the issuing of the first Cassa Depositi e Prestiti (CDP) Green bond of a total value of 500 million euro and reserved for institutional investors. IMI Corporate & Investment Banking was also appointed by BFF Bank S.p.A. to structure the Social Bond Framework and the EMTN (Euro Medium Term Notes) Programme for issues aimed at institutional customers.

The Division also played a leading role in various ESG transactions promoted by sovereign funds and pension funds, actively participating in numerous green loans for leading global companies in sectors such as agrifood, renewable energies, rail transport, logistics and telecommunications.

The IMI Corporate & Investment Banking Division manages relations with the European Investment Bank (EIB) and in 2023 acted as fronting bank for the modernisation of 178 km of the Palermo – Catania railway line, which will make it possible to reduce current journey times by a third with important repercussions for the economic, social and sustainable development of Sicily. The project forms part of the National Recovery and Resilience Plan (NRRP). Intesa Sanpaolo has allocated a notional 1 billion euro to the project; the EIB counter security is backed by InvestEU<sup>(10)</sup> and amounts to 50% of the loans offered in the form of bonds to support the constructors that win the tenders issued by Ferrovie dello Stato.

<sup>(10)</sup> The InvestEU investment fund is the programme designed to drive up private investment in the EU in order to boost long-term competitiveness and growth.

## CIRCULAR ECONOMY

The Intesa Sanpaolo Group has reiterated its commitment to the circular economy, promoting the spread of this model also with the support of the Ellen MacArthur Foundation (EMF), leading promotor of the transition to the circular economy, of which the Group has been Strategic Partner since 2015 and with whom it has a multi-year partnership that will expire at the end of 2024.

The transition to a circular economy is also pursued thanks to the contribution of the Intesa Sanpaolo Innovation Center, a Group company dedicated to leading-edge innovation as well as a competence centre with regard to the Circular Economy.

In order to promote and spread the paradigm of the circular economy, multiple initiatives were pursued and various new projects launched during the year. First and foremost, numerous activities to consolidate the Group's internal skills were held, including: the organisation of themed webinars on the circular economy (e.g. for the International Subsidiary Banks Division); the publication on the intranet of 12 videoclips called Circular Stories, which include interviews with customers and Group people on real life case studies; the development and publication on the Group website of podcasts on circular economy topics involving authoritative figures on the various subjects examined each time; the sharing of experiences and success stories with the Group's International Subsidiary Banks through the publication of 3 video cartoons and 2 podcasts.

In particular, with regard to the International Subsidiary Banks, 5 online sessions dedicated to Relationship Managers in the Corporate and SME segments were organised during the year. The training sessions involved 190 people with the aim of supporting customers in the transition towards a green and circular economy, also through the sharing of best practices at Group level. An additional focus area was added to the training sessions in 2023 in the shape of the new S-Loan, initially launched in three countries: Slovakia, Hungary and Serbia.

The spread of the concept of the circular economy was also promoted through the organisation of business events thanks to the collaboration between the Regional Governance Centres of the Banca dei Territori Division, the IMI Corporate & Investment Banking Division and as part of the ESG Laboratories initiative.

The Innovation Center also collaborated with the Bank's Art, Culture and Historical Heritage team in the organisation of "The Circle" photographic exhibition on the circular economy at the Gallerie d'Italia museum of Turin.

The Group has also demonstrated its commitment to the circular economy in the area of education. In 2023 the Intesa Sanpaolo Innovation Center, via the Circular Economy Lab (CE Lab)<sup>(11)</sup>, took part in the launch of the Circular Agent project for the creation of a digital platform by We-School, Italian leader in social impact projects for schools, dedicated to spreading the principles of the circular economy to lower secondary school pupils in the region of Lombardy. The project involves 50 local schools and began in November 2023 with the delivery of the first training modules.

The Group directly applied innovative circular economy models through two pilot projects in the ICT area ("Circular ICT" programme) which involved the sale of computer hardware no longer used by the Group with the aim of extracting value from the assets through circular economy practices (e.g. reconditioning, reuse), reducing warehouse storage costs and reducing the CO<sub>2</sub> emissions connected with disposal activities.

In order to tangibly support businesses in the circular transition process, the Group renewed its commitment to increasing the credit offer dedicated to the circular economy (originally announced in the 2018-2021 Business Plan) with plans to disburse another 8 billion euro as part of the 2022-2025 Business Plan. The opportunity of accessing loans dedicated to the circular economy is open to customers of the Banca dei Territori and IMI Corporate & Investment Banking Divisions and the International Subsidiary Banks and aimed at Italian and international businesses that adopt the circular solutions with innovative methods, offering them the best possible credit access conditions.

As part of the credit process and on the basis of specific circular economy criteria defined together with the EMF (regarding the circular framework) and specific green economy criteria (relating to the green framework, updated in April 2023 in line with the Intesa Sanpaolo Green, Social & Sustainability Bond Framework), Intesa Sanpaolo Innovation Center is responsible for providing a technical assessment on the level of circularity of the initiatives proposed by businesses and the degree to which they are eligible for financing. More specifically, the circular framework eligibility criteria are as follows:

<sup>(11)</sup> Multi-stakeholder innovation initiative set up in 2018 thanks to the collaboration between Intesa Sanpaolo, Intesa Sanpaolo Innovation Center, Fondazione Cariplo and Cariplo Factory, with the aim of supporting and accompanying the transformation of the Italian economy and spreading new value creation models in the collective interest, accelerating the transition to the circular economy.



- solutions that extend the product life or cycles of use of goods and materials (circular design activities; application of modular design; implementation of reverse logistics programmes; repair and regeneration or reconditioning of products; use of product-as-service, pay-per-use and/or sharing economy models);
- procurement of secondary or sustainable renewable resources and/or recycled material (including the use of renewable energy for self-consumption);
- solutions that significantly improve resource consumption efficiency within the company or along its value chain (application of principles of industrial symbiosis and realisation of an integrated value chain that turns waste into resources; implementation of cycle closure models and/or application of eco-design and systemic design principles; adoption of processes based on natural principles for the capture and storage of CO<sub>2</sub> and/or the capture and use of CO<sub>2</sub>, to contribute to achieving decarbonisation and net-zero impact goals);
- design and/or production of completely reusable, recyclable or compostable products, efficiently collected, sorted and valorised after use (compostable products, recyclable products);
- innovative technologies that enable circular economy models: Internet of Things systems for the implementation of traceability, reverse-logistics and/or predictive maintenance services; use of additive manufacturing and 3D printing for greater efficiency in the use of materials and to make them easier to repair; Big Data analytics, Artificial Intelligence and Cloud Computing to digitalise services and develop markets for secondary raw materials; regenerative agricultural practices and/or hydroponic/aeroponic/precision agriculture technologies, to improve soil health, increase biodiversity, produce food close to the place of consumption and farm in unfavourable zones; other innovative technologies that enable the principles of the circular economy, for example the production and/or distribution of green hydrogen; staff training and/or requalification activities to acquire new knowledge and skills on aspects of the circular economy; innovation incubation, acceleration and scouting, proofs of concept and/or open innovation projects aimed at developing circular economy solutions.

As regards the green framework, the eligibility criteria used are:

- renewable energies not for self-consumption and in particular investments in production, transmission, infrastructure and associated assets, such as solar, wind, bioenergy/biomass and hydroelectric energy;
- energy efficiency (storage of energy from renewable sources; smart grid technology and/or infrastructure; high energy efficiency equipment for buildings);
- sustainable mobility (financing of low carbon emission cars and light commercial vehicles and urban and suburban transport, for passengers and passenger transport by road/rail, with specific direct CO<sub>2</sub> exhaust emissions of zero; infrastructure that enables low carbon emission road and public transport);
- green constructions (new, existing and redeveloped buildings that satisfy specific criteria such as APE class A, high-level LEED/BREEAM certification);
- sustainable management of living natural resources, the use of the soil and biodiversity (projects and activities focused on developing and using sustainable farming practices, conservation, preservation and/or the restoration of nature and biodiversity, as well as natural habitats and ecosystems).

Thanks to the specialist support of the Intesa Sanpaolo Innovation Center, 384 projects were analysed in 2023 and 366 validated for a total of around 11.7 billion euro. The Group subsequently approved around 7.2 billion euro for 242 operations (4.8 billion euro relating to green criteria) and disbursed 5.6 billion euro taking account of previously agreed sums (of which 4.7 billion euro relating to green criteria); since 2022, a total of 834 projects have been analysed with 786 validated for a total of 20.8 billion euro, over 12 billion euro has been approved for 472 operations (of which 7.4 billion euro relating to green criteria) and 8.7 billion euro has been disbursed taking account of previously agreed sums (of which 6.9 billion euro relating to green criteria).

In general, support has been provided for numerous company projects for activities such as the replacement of critical and fossil fuel materials with recycled or organic materials, the reuse of urban organic waste for the production of biomethane and compost and the recovery of CO<sub>2</sub>, the revamping of renewable energy plants with the extension of their lifetimes and the increase in their production capacity, and the recovery of industrial waste for its reuse in new product lines.

Again in the financial sphere, the Group (with the Active Credit Portfolio Steering team) continued to extend the credit risk protection schemes in 2023 in order to optimise capital absorption. In the third quarter of 2023 a new synthetic securitisation of around 2.7 billion euro was completed on a portfolio of loans to businesses with high ESG Score and/or part of the circular economy.

Another synergy in the financial arena between the Group and the Ellen MacArthur Foundation was seen in the Asset Management Division with the signing of an agreement between the Intesa Sanpaolo Innovation Center and Eurizon Capital SGR which led, during the year, to the strengthening of the partnership with the Foundation in the auditing activities of Eurizon instruments for the assessment of the circularity of businesses in the mutual Eurizon Fund – Equity Circular Economy, as well as to the publication, in September 2023, of a white paper entitled “Identifying companies leading the transition to Circular Economy”.

In the area of research, the Group's collaboration with Bocconi University in the field of Circular Economy & Finance continued in 2023. The partnership is based on an agreement between the Intesa Sanpaolo Innovation Center and the university (renewed at the end of 2022 for another three years) aimed at exploring the relationship between the circular economy and sustainability, improving the metric used to measure the level of circularity of businesses, and evaluating the opportunities that the circular transformation of the economic sectors, beginning for example with the concept of de-risking financial portfolios, offers the financial sector. Another activity in the area of research was the collaboration between the Intesa Sanpaolo Innovation Center, via the CE Lab, and the Energy & Strategy Observatory of Milan Polytechnic for the preparation of the annual report on the state of the circular economy in Italy.

Intesa Sanpaolo collaborated with the Italian Circular Economy Alliance, of which it is promoter. More specifically, in 2023 the Intesa Sanpaolo Innovation Center contributed to the drafting of a report that highlights the role of the circular economy in activities to restore natural capital and biodiversity and participated in the drafting and presentation of the White Paper of the Community Valore Acqua, national initiative coordinated by The European House – Ambrosetti, contributing its specialist insights to the focus group on Circular Water. For the Bank, the project has been managed and coordinated by Institutional Special Projects and Policies, the scientific component has been entrusted to the Research Department. Given the wide transversality of the initiative, a working group has been set up which has also involved Intesa Sanpaolo Innovation Center, the IMI Corporate & Investment Banking Division, the Banca dei Division Territories and SRM.

In the area of non-financial services to support circular innovation, the activities of the CE Lab continued with the aim of supporting and accompanying the transformation of the Italian economy and spreading new value creation models in the collective interest, accelerating the transition to the circular economy. In 2023, the CE Lab guided and facilitated the process of identifying circular innovation requirements through the launch two Circular Open Innovation programmes for the Mobility and Healthcare sector and a Circular Workshop project for the Fashion sector. Intesa Sanpaolo and Intesa Sanpaolo Innovation Center signed a Strategic Master Agreement with the Ministry of Economy of the United Arab Emirates to promote the adoption of the principles of the circular economy and the design of a circular ecosystem in the country. The pilot phase of the project for the creation of a new Circular Assessment tool for evaluating and measuring the level of circularity of corporate customers, developed by CE Lab, was also launched during the year. Another example of the way the Group uses its circular economy expertise to support businesses is the activity carried out by the Intesa Sanpaolo Innovation Center, via the CE Lab, as Technical Partner of Tech4Planet, second National Technology Transfer Hub launched by CDP Venture Capital in collaboration with Milan Polytechnic, with the involvement of Turin Polytechnic and Bari Polytechnic, which includes helping to analyse the merits of the circular business models of the investments proposed and working with the other Technical Partners on activities to support the teams on circular economy issues.

## GREEN BOND

Intesa Sanpaolo was the first Italian bank to place a Green Bond in 2017 and since then become a regular issuer of ESG bonds. At the end of 2023 its outstanding Green bonds amounted to around 8.7 billion euro, a notable increase on the 3.5 billion euro of last year.

To support loans and projects for the green economy, the circular economy and the social sphere, in 2019 Intesa Sanpaolo, on the basis of the Sustainability Bond Guidelines (Sustainability Bond Framework - developed in line with the international standards established by the ICMA, in particular with the Green Bond Principles 2018, the Social Bond Principles 2018 and the Sustainability Bond Guidelines 2018), issued the first 750 million euro circular economy Green Bond to support loans granted by the Bank as part of the 6 billion euro credit line dedicated to the circular economy. The Bond obtained the Second Party Opinion of ISS ESG when issued. Thanks to this issue, in 2020 the Intesa Sanpaolo Group won the Environmental Finance 2020 Bond Award. In addition, UNEP FI (the United Nations Environment Programme Finance Initiative) cited the bond as an example of a sustainable bond in the Financing Circularity: Demystifying Finance for the Circular Economy report, recognising the Group's commitment to spreading the values of the circular economy.

Also in 2019, UBI Banca issued a 500 million euro Green Bond to refinance a select project finance portfolio in the renewable energies sector, focused essentially on solar and wind energy; the issue was carried out as part of a Framework drafted in accordance with the guidelines of the ICMA: the security obtained the Second Party Opinion of ISS ESG.

In March 2021, Intesa Sanpaolo issued a Green Bond of a nominal value of 1.25 billion euro: the proceeds will mainly be used to cover green mortgages issued for the construction or purchase of high energy-efficient properties or the redevelopment of buildings with an ensuing improvement of at least two energy efficiency classes, as per the 2021 Green, Social and Sustainability Bond Framework (aligned with the ICMA Green Bond Principles - 2018, ICMA Sustainability Bond Guidelines - 2018 and ICMA Social Bond Principles - 2020), which

established a list of eligible categories of green, social and circular economy funding for which the proceeds of issues may be used. The Green Bond obtained the Second Party Opinion of ISS ESG when issued.

In June 2022, Intesa Sanpaolo published the new Green, Social and Sustainability Bond Framework (GSS Framework), aligned with the ICMA Green Bond Principles 2021, ICMA Social Bond Principles 2021 and ICMA Sustainability Bond Guidelines 2021 as well as the European Green Taxonomy (on a “best effort” basis). The Framework obtained the Second Party Opinion of ISS ESG.

The bonds issued as part of the new Framework are designed to finance/refinance all projects that come under the green categories described in the document.

In August 2022 Intesa Sanpaolo placed the first Senior Non Preferred Green Bond for a nominal value of 1 billion euro.

In 2023 the Group significantly increased its number of Green bonds, taking its place among the leading European bank issuers of the year. In particular, in February 2023 Intesa Sanpaolo placed a dual tranche Senior Non Preferred Green bond of a total of 2.25 billion euro, receiving total orders of 5.3 billion euro.

In March 2023 a Senior Non Preferred Green bond for the sterling market was finalised for a total face value of 600 million euro. The Bond was the first Intesa Sanpaolo Green bond in sterling and, more generally, the Group’s first Senior Non Preferred bond on this market.

In May 2023 Intesa Sanpaolo placed a dual tranche Senior Preferred Green Bond for a total of 2.25 billion euro.

The Green Bond Ratio, the percentage of outstanding green bonds at the end of the year out of the total amount of outstanding Senior Preferred, Senior Non Preferred and Covered Bonds intended for institutional investors (five-year moving average), is equal to about 19.9%<sup>(12)</sup>.

In 2023, a total of 5.17 billion euro of Green Bonds were issued.

In March 2023, the second annual Green and Social Bond Report based on the “Portfolio approach” was published. In fact, the Group adopts an approach that estimates the impacts on and benefits for the entire portfolio of admissible loans for each of the green categories and, by looking at the estimated average impact per million euro financed, also makes it possible to calculate the number of tonnes of CO<sub>2</sub> avoided as a direct result of each acquired bond. The Green and Social Bond Report published in March 2024 contained all the figures and qualitative data relating to 2023.

Green loans portfolio		ISP Green Bonds <sup>(13)</sup>		
Admissible categories	Total <sup>(14)</sup> (€)	GHG emissions avoided(tCO <sub>2</sub> eq) <sup>(15)</sup>	ISIN	Total (€)
<b>Renewable Energies</b>	<b>2,337 m</b>	<b>2,812,800</b>	<b>XS2529233814</b>	<b>1,000 million</b>
- Photovoltaic	1,867 m		XS2450068619 <sup>(16)</sup>	18 million
- Wind	376 m		XS1979446843	500 million
- Hydroelectric	94 m		XS2317069685	1,250 million
<b>Energy efficiency</b>	<b>142 m</b>	<b>30,500</b>	<b>XS2089368596</b>	<b>750 million</b>
<b>Green Buildings</b>	<b>8,542 m</b>	<b>201,300</b>		
Buildings constructed since 1 January 2021			<b>2023 Issuances</b>	
- NZEB <sup>(18)</sup> -10%	818 m		XS2592650373	1,500 million
Buildings constructed until 31 December 2020			XS2592658947	750 million
- Energy class A	4,919 m		XS2598063480 <sup>(17)</sup>	673 million
- Other in Top 15%	2,805 m		XS2625195891	1,000 million
<b>Circular Economy</b>	<b>2,197 m</b>	<b>3,433,000</b>	XS2625196352	1,250 million
<b>Total</b>	<b>13,218 m</b>	<b>6,477,600</b>	<b>Totale</b>	<b>8,691 million</b>

<sup>(12)</sup> As at 31/12/2023.

<sup>(13)</sup> As at 31/12/2023.

<sup>(14)</sup> Only the outstanding loans admissible for each category.

<sup>(15)</sup> Emissions avoided per portfolio of admissible loans.

<sup>(16)</sup> Private placement of €2.4 bn in 2022.

<sup>(17)</sup> Public Issue GBP 600 million.

<sup>(18)</sup> Nearly Zero Energy Building.

## GREEN AND SUSTAINABLE CULTURE AND INITIATIVES<sup>(19)</sup>

Financial resources are not enough on their own to enable the sustainable transformation of businesses and society; we need to develop a new business culture focused on sustainability and the acquisition of specific expertise: for this reason, in its 2022-2025 Business Plan the Group set itself clear goals in terms of supporting customers in the ESG/climate transition and in 2023 launched numerous initiatives aimed at both its employees and customers (for circular economy initiatives and training see page 232).

### TRAINING AND ENGAGEMENT

Appendo is the multimedia platform which also in 2023 was the main tool used for sharing content on environmental topics with all the Group's people; the various modules available were used by over 67,000 Group people for a total of around 34,000 hours.

As regards environmental protection issues, two mandatory courses are available on the online platform for employees directly involved in the application of the Integrated Management System (around 6,000 people). For all other people an optional course is available with the aim of spreading good environmental practices. A series of news items was also published on the company intranet in order to raise awareness among employees of the importance of reducing their energy consumption both at work and at home.

In 2023, Real Estate colleagues in all of the International Subsidiary Banks were involved in reviewing projects aimed at reducing their emissions, in accordance with the goals of the 2022-2025 Group Business Plan. This analysis made it possible to define an up-to-date set of measures and to reprioritise them on the basis of contextual changes. Various meetings were held with the relevant functions of the subsidiaries during 2023 with the aim of raising their awareness and providing them with greater support.

The European Regulatory & Public Affairs (ERPA) function carried out internal training initiatives to raise awareness among the Group's people on environmental issues being discussed by European regulators. The Brussels structure provided training and consultancy for various central and business structures of the Parent Company, as well as for Group companies active in Italy and abroad. The meetings focused the attention on the objectives of the European Green Deal and more specifically on relevant legislative dossiers for the Group relating to the EU sustainable finance strategy, the Fit for 55 package of sectorial measures designed to reduce emissions, the RepowerEU package of measures aimed at reducing the EU's dependence on Russian fossil fuels, and the support plan for the raw materials and the technologies required for the transition to a sustainable economy in accordance with the Green Deal Industrial Plan.

The awareness-raising and training activities for the central and business structures focused on the main European legislative decisions, including the proposed Corporate Sustainable Due Diligence Directive (CSDDD), the reporting standards of the Corporate Sustainable Reporting Directive (CSRD), the technical screening criteria and the reporting requirements of the European Union Taxonomy, the proposed Regulation on the transparency and integrity of ESG rating activities, and the Regulation on European green bonds and voluntary disclosure for bonds marketed as sustainable bonds and for sustainability-related bonds. ERPA also made its contribution to the main bill of the Fit for 55 package.

In addition, as regards the EU sustainable finance strategy, ERPA made its contribution to the European institutions and authorities, where requested, by participating in European consultations and surveys, working groups and events on the topic, in relation for example to the Sustainable Finance Disclosure Regulation (SFDR), the European green mortgage and loan market, and the topic of greenwashing.

As part of the mandatory 30-hour training course at Eurizon Capital SGR, a number of ESG Learning Objects were delivered on, for example, the goals of the UN 2030 Agenda, the circular economy, sustainability-conscious loans and investments, and the Net Zero Goals, involving over 150 people.

As outlined in the 2022-2025 Business Plan, Intesa Sanpaolo is also committed to developing a sustainability-based business culture in customer companies: this is a key step for guiding them towards an economic transition that is not only sustainable from a financial perspective; to increase the knowledge and skills that customer businesses require in this area, a project was developed that involves both a dedicated online platform and custom training and support programmes, taking advantage of internal skills and external partnerships.

As of 1 July 2022, Intesa Sanpaolo Formazione S.p.a. was the subject of a complex corporate action which led to the change of its name (it is now Digit'ed S.p.a.), the sale of its shares and its ensuing exit from the Group. Digit'Ed continued to develop digital training activities dedicated to businesses through the Skills4Capital training platform, with the goal of supporting the growth of businesses, developing skills and taking advantage of the opportunities that arise in a continuously evolving market. Two different training programmes created by

<sup>(19)</sup> For further information see the 2023 Climate Report [1].

Intesa Sanpaolo and Intesa Sanpaolo-Digit 'Ed and focused in particular on ESG issues were made available in 2023:

- Esg Base, accessible online, for learning the basics on ESG principles and the logic and methods for introducing sustainability pathways in one's company;
- Esg Premium, a hybrid course (online and virtual classroom), for supporting businesses that wish to embark on or strengthen their sustainability transition and implement ESG solutions in their organisation.

Digit'Ed also maintained the Skills4ESG platform, aimed at raising awareness of ESG issues via a customer portal, a single access point for ESG training topics with dedicated content, news and success stories on ESG issues and sustainability, presentations of Group initiatives on sustainability issues with social, environmental and governance impact, and additional training services (e.g. advanced training courses, one-to-one training courses, multi-business workshops).

The ESG Laboratories, physical and virtual meeting places for supporting Italian businesses during the sustainable transition and tracing a development course designed to support long-term growth with positive impacts on the environment and people, also continued in 2023. The Laboratories, together with the local institutions that took part, encourage discussion and raise awareness of ESG issues among businesses and supply chains through in-depth meetings and workshops, with the aim of helping customers take their first steps towards initiatives that improve their sustainability profile with positive repercussions on business development. After the opening of the first ESG Laboratory in October 2021 in Brescia and the launch of 9 Laboratories in 2022, new workshops were also opened in the Italian provinces of Milan, Turin and Florence in 2023. The aim of the 13 Laboratories is to provide all of the tools necessary to invest in sustainable, digital and circular economy projects, matching the needs of companies with the expertise of qualified partners, universities and innovation centres.

Sixty-eight in-person and online events were held in 2023, focusing on numerous topics connected with the promotion and protection of the environment. The events were attended by around 1,500 businesses, both customers and non-customers.

In 2023, Intesa Sanpaolo launched the fifth iteration of "Imprese Vincenti", the programme designed to promote Italian small and medium-sized businesses that stand out for their entrepreneurial excellence; one of the central themes of the 2023 programme was sustainability, showcasing all SMEs that have adopted ESG criteria, demonstrating respect and strategic vision with regard to their impact on the ecosystems of the regions and communities in which they operate.

## **PARTICIPATION IN THE DEBATE AND ADVOCACY OF ENVIRONMENTAL SUSTAINABILITY**

The Group continued to make an important contribution to the international debate on environmental sustainability issues in 2023.

With regard to the issue of direct environmental impacts, the Bank continued to participate in the working group of the Italian Banking Association (ABI) on Green Banking, which provides an insight into the processes relating to energy and environmental management in the Bank according to the main international standards. The main focus of attention in 2023 was the in-depth discussion and examination of energy audits with ENEA with the four-year obligation to perform said audits in accordance with Legislative Decree 102/2014 coming round in 2023. The reporting of direct environmental impacts based on the GRI Standards also continued with the related annual survey (year 2022) and the updating of the ABI Lab guidelines on the application of the GRI standards in banks with the 2023 factors. The working group also began to draw up a document that "bridges" the current standards and the new ESRS Sector-Agnostic environmental reporting standards with the aim of drafting new banking sector guidelines in 2024 that incorporate the new European standards. Finally, in-depth studies began on the issues of self-production from renewable energy sources, participation in energy communities and carbon offsetting instruments. In regard to the latter, a project aimed at defining a methodological approach to offsetting CO<sub>2</sub> emissions in the banking sector will be launched in 2024.

In terms of sustainable finance, the Group's collaboration with the Italian Banking Association (ABI) was strengthened within specific working groups with the aim of raising awareness in the financial and non-financial sectors of environmental sustainability issues and the imminent impact of regulatory developments, particularly those associated with ESG disclosure.

At the European level, Intesa Sanpaolo interacted with lawmakers, the main trade associations and other stakeholders to promote and represent the various environmental sustainability initiatives of the Group. Through its office in Brussels, Intesa Sanpaolo brings its best practices to the attention of regulators, provides training to European officials on financial issues in support of sustainability, and underlines the specific characteristics

of its context so that these can be taken into consideration during the legislative process.

The Group also continued to collaborate with the main European trade associations, contributing to the work of:

- the European Banking Federation (FBE) and the Association for Financial Markets in Europe (AFME) in the area of sustainable finance;
- European Issuers as regards the Corporate Sustainability Due Diligence Directive (CSDDD) and Corporate Sustainability Reporting Directive (CSRD);
- the European Mortgage Federation – European Covered Bond Council (EMF-ECBC), leader of the Energy Efficient Mortgages Initiative (EEMI) in which representatives of the Intesa Sanpaolo Banca dei Territori Division participate. The initiative, which over the years has been recognised and funded by the European Commission, seeks to analyse available data on specific portfolios of mortgages in various EU countries and demonstrate the negative correlation between the energy efficiency of collateral real estate and the probability of mortgage default.

In 2023 Intesa Sanpaolo also worked with EMF-ECBC, ABI, EBF and AFME on the Energy Performance of Buildings Directive proposal and contributed to the drafting the sector's position papers in some of the main documents (legislative and non-legislative) published in 2023. The work of "Roundtable 4 – Access to Finance" of the European Commission's Renewable Low Carbon Fuel (RLCF) Industrial Alliance continued with Intesa Sanpaolo continuing to perform a coordination role.

With the aim of contributing to the spread and consolidation of the circular economy, the Bank continued its advocacy activities on this issue at international and national level in 2023. Among the international projects in this area, it participated in the United Nations Environment Programme - Finance Initiative (UNEP FI) aimed at promoting best circular economy practices in the global banking sector. Through the Intesa Sanpaolo Innovation Center, Intesa Sanpaolo played a leading role in the drafting of The Guidance on Resource Efficiency and Circular Economy Target Setting 2.0 report, published in April 2023 as part of the Principles for Responsible Banking. In addition, from July Intesa Sanpaolo and Intesa Sanpaolo Innovation Center took part in the Nexus Between Circular Economy, Climate and Nature task force (overseen by UNEP FI) and contributed to the discussion and the preparation of the first documents of the working group.

At national level, the Group joined, through the Intesa Sanpaolo Innovation Center, the Freight Leader Council, which brings together leading companies in the logistics sector with the aim of forming reflections, judgments and guidelines aimed at the institutions to promote the development and competitiveness of circular logistics; it also took an active part in the working groups of the Italian Circular Economy Stakeholder Platform (ICESP), a national platform involving over 300 organisations to promote the circular transition among a multitude of actors including public authorities, businesses, the research world and the general public.

Studi e Ricerche per il Mezzogiorno (SRM) is a Group research centre that aims to spread economic knowledge and culture, focusing on the development of southern Italy, the economics of maritime transport and logistics, and energy. In 2023, SRM published research and participated in numerous national and international meetings and seminars (held in person, online and in hybrid form) on the environment, the Green Economy, the Blue Economy and sustainability, improving its ability to analyse these phenomena. Among other things, SRM is also part of SosLog, the association for the development of sustainable logistics, whose mission is the dissemination of information, research and initiatives aimed at spreading the culture of sustainable transport and logistics.

As Founding Member of Res4Africa, Intesa Sanpaolo confirmed its commitment to the development of renewable energy in Africa in 2023.

Intesa Sanpaolo also remains committed to the Climate Investment Platform (CIP), having become the first Italian bank to join it in 2021: the initiative brings together public and private sector financial institutions to support the development of renewable energy projects all over the world. Intesa Sanpaolo is Energy & Strategy partner of Milan Polytechnic for a number of Observatories on market trends and technology development in the areas of renewable energy production, energy efficiency, hydrogen production and the national electric market. The Bank also took part in the 2023 edition of Futura EXPO, a three-day sustainability-themed show with a packed calendar of events and workshops organised by the Chamber of Commerce of Brescia and created with the goal of introducing innovations and developing the culture of sustainability through the green growth of the regions.

## STUDIES

The Group's commitment to the development of study and research projects in the environmental and social fields continued in 2023. Some of the most important publications and initiatives included:

- The Ninth Report on the Bioeconomy - The Bioeconomy in Europe - produced by the Research Department. As well as presenting new forecasts on the value of the bioeconomy updated to 2022, the Report includes an analysis of the textile and clothing supply chain and an in-depth analysis of the role of alternative fuels and biofuels;
- sector study "La filiera italiana dell'idrogeno e le sue potenzialità di crescita" (The Italian hydrogen supply chain and its growth potential), published in May 2023, product of a collaboration between the Research Department and H2IT, an association of the leading companies in the hydrogen supply chain and key player in the energy transition. The study presents the results of a survey carried out in 2022 among operators, highlighting their characteristics and needs, in particular with regard to research and innovation;
- the July 2023 quarterly report on local public services entitled "La chiusura del cerchio nel tessile-abbigliamento" (The closing of the circle in textiles and clothing) offers an updated and complete overview of the sustainability of the supply chain ahead of the introduction of new textile waste sorting regulations. The report provides exhaustive data on both special and urban textile waste and international trade relating to by-products and used textiles;
- the study "Il profilo delle imprese vincenti nel quadriennio 2019-2022: il ruolo degli impianti rinnovabili" (Profile of successful companies in the period 2019-2022: the role of renewable plants), published in October 2023 as part of the Industrial Sectors Analysis Report, produced by the Research Department together with Prometeia. The study highlights how companies that received incentives for the installation of systems powered by renewable energy were more successful at safeguarding their profitability in the testing economic climate of 2022;
- the Annual Italian Maritime Economy Report 2023 – produced by Studi e Ricerche sul Mezzogiorno. This publication centred on sustainability and the Blue Economy and was presented in Naples during an international conference as well as at numerous other national and international events. This year's focus areas include Green Ports and questions connected with the Green Transition in shipping, highly topical issues that will help Italy make its logistics system stronger and more competitive. The series of studies aimed, among other things, at highlighting the sustainability of logistics as a driver of development in manufacturing businesses, also continued in 2023;
- the 2023 Report on energy in the Mediterranean by the Mediterranean Energy Observatory - developed by SRM together with the Energy Security Lab (ESL) of Turin Polytechnic. This year's publication focused on geopolitical aspects of the European and Mediterranean energy transition and was presented at the European Parliament in Brussels in December, in the presence of MEPs and the Group's European stakeholders;
- the research study series "Un Sud che Innova e Produce" (A South that Innovates and Produces) - produced by SRM. The series was enriched with a new study on "Urban regeneration and energy efficiency in the Construction supply chain: challenges and opportunities for southern Italy". The study contains an in-depth analysis of the "value and importance of investments in the environmental transition by construction companies". It also assesses the profitability and productivity of construction companies that have invested in green patents.

## EVENTS AND INITIATIVES

In order to raise awareness of environmental issues among Group customers and people, Intesa Sanpaolo participates in various initiatives aimed at spreading the culture of sustainability and good practices as widely as possible. The main international events in which the Group participated in 2023 were: M'illumino di Meno, the energy savings day promoted by Radio 2 (every year Intesa Sanpaolo pledges to switch off the lights in its main offices at certain times), World Environment Day, promoted by UNEP FI, this year dedicated to combating plastic pollution, and European Week for Waste Reduction, promoted by the European Commission. Intesa Sanpaolo promoted both events by disseminating both internal and external communications via the company intranet, the ATM network, the company website and Group's social media accounts. The Intesa Sanpaolo Innovation Center also organised dedicated in-person events (Innovation Coffee) for Group people which could also be accessed online by the general public.

With the aim of improving environmental sustainability, also through the reduction of its own emissions as outlined in the Business Plan, Intesa Sanpaolo launched the Think Forestry initiative, which offers access to a network of national and international forestry initiatives, providing innovative tools to support businesses in their process of reducing their CO<sub>2</sub> emissions and managing residual emissions. Thanks to an agreement with company Rete Clima, the first step was an extensive tree planting programme to help contribute to the reforestation of Italy. Companies can access Think Forestry under special conditions, thanks to the reports

of managers. The Bank is playing a direct role, supporting the creation of new forests in some Italian cities and organising genuine tree planting events with an initial investment of 100 thousand euro that will make it possible to plant thousands of trees. The first tree planting events in Turin and Rome were held in 2023.

As part of its initiatives to protect the environment, Intesa Sanpaolo promoted the launch of the RI-PARTY-AMO project, developed in partnership with WWF and Jova Beach Party 2022, which aims to mobilise the entire country with the goal of protecting coastal zones and other critical areas of Italian environmental heritage. Comprising 340 national and local events, the cleaning tour, which concluded in August 2023, made it possible to clean up over 20.2 million m<sup>2</sup> of land. Over 10,340 volunteers helped to clean 216 beaches, 104 rivers, 18 lakes and 53 sea beds. The nature restoration projects in Fermo and Ladispoli were completed while work continues in Bresso, Albenga, Pollicoro and San Giuliano Milanese. The “Ri-Party-Amo Comes to School” programme involving around 4,270 primary and lower secondary school classes across Italy came to an end in the spring. Meanwhile, the Italian university workshops finished in the autumn with the final event held in November at Bicocca University in Milan. As part of the “Youth Training” plan, 15 scholarships were awarded to upper secondary school students.

In terms of protecting natural capital, in 2023 Intesa Sanpaolo also promoted the launch of a fundraising campaign to support the Priceless Planet Coalition, a project carried out together with Fondo Filantropico Italiano ETS in partnership with Mastercard, Conservation International and the World Resources Institute, organisations which have been working for years to protect forests, with the aim of planting 100 million trees by 2025. Intesa Sanpaolo donated part of the proceeds of the Green Mortgages disbursed in 2023 to the project, a total of 81,000 euro. The Bank's support for Forestami, an urban forestation project which aims to plant 3 million new trees in the Metropolitan City of Milan by 2030, also continued in 2023. Intesa Sanpaolo also made a donation to this project for every Green Mortgage and for some types of loans taken out by the Bank's customers, for a total of around 172,000 euro. This contribution took the total funds raised by Intesa Sanpaolo on behalf of Forestami via the For Funding platform, with which the Bank supported the project from November 2020 to 31 December 2023, to over 1 million euro<sup>(20)</sup>. All in all, this support has made it possible to plant over 22,400 trees in the Metropolitan city of Milan.

The IMI Corporate & Investment Banking Division organises and actively participates in numerous events throughout the year as sponsor or by making contributions of various kinds. In 2023, among other things, several webinars were held on ESG issues and the use of NRRP resources for initiatives related to sustainability. Of particular note were: the webinar ‘NRRP roadmap for the transition’; the sponsorship of the IREFI Forum on infrastructure and energy; the webinar ‘Green bond standard regulation: key features and implications’; the conference ‘The sustainability footprint of the Sovereign Wealth Funds’; the conference ‘2023 ISMO – Looking at sustainability from the mid corporate angle’.

As part of the collaboration between AITI (Italian Association of Business Treasurers), the IMI Corporate & Investment Banking Division launched a programme of ESG-related information events entitled “ESG for businesses and treasurers: status quo and prospects” for members of AITI and Andaf, Acmi, Assocontroller and Ancot. The course consists of 3 online webinars and will end in 2024.

Finally, the IMI Corporate & Investment Banking Division pursued various initiatives in 2023 as part of the “Research Lab in Sustainable Urban Regeneration” (SUR Lab) set up by the Department of Social and Political Sciences of Bocconi University with the support of Intesa Sanpaolo. In particular, Bank professionals attended the most recent “Economics of sustainable urban regeneration” courses, spoke at conferences and contributed to the Bocconi University “Massive Online Open Course” (MOOC), online since mid-December 2022.

In 2023, the Private Banking Division organised in-person events on ESG topics for customers of the Network. More specifically, 13 in-person events were organised - including 8 events in collaboration with BlackRock - on automotive and innovation topics connected with the impacts, prospects and opportunities of sustainability-conscious investments, with a focus on the automotive sector. Five events on climate change and the analysis of possible solutions, which also depend on our savings choices, were held in prestigious theatres in collaboration with Raiffeisen. Finally, a webinar aimed at all customers was held in collaboration with BlackRock and The European House - Ambrosetti to discuss issues related to sustainable mobility and the revolution that will impact the transport sector.

Outside of Italy, in 2023 the International Subsidiary Banks participated in two international initiatives connected with World Environment Day (5 June) and the International Day of Awareness of Food Loss and Waste (29 September), as well as various local initiatives. In particular, 6 banks participated in the United Nations World Environment Day: Bank of Alexandria (Egypt), CIB Bank (Hungary), Intesa Sanpaolo Bank Romania, Intesa Sanpaolo Bank (Slovenia) and PBZ (Croatia). Two webinars were held to mark these international days, the

<sup>(20)</sup> Of which over 700,000 euro donated by the Group.



first on measures to reduce plastic pollution, involving 300 employees, and the second on combating food waste, in which 370 people from the Division participated.

In collaboration with the VÚB Foundation, in 2023 VÚB Banka launched the third edition of Atlas, the first Slovakian award for ecology and the conservation of nature. This year 92 projects were presented with 55 going through to the selection phase and 7 winners chosen with the help of an expert jury.