

Equator Principles requirements: summary of the Operating Guides of Intesa Sanpaolo

Intesa Sanpaolo Operating Guides reflect the Equator Principles requirements, through a well-structured process that clarifies roles and responsibilities. The Introduction informs about the EP new scope of application.

Supporting documentation is provided in case of need during assessment, approval and monitoring stages of a project.

In order to intercept all the transactions to which the Equator Principles III apply, a reference to these Guides was introduced in the majority of Guides that address loan request.

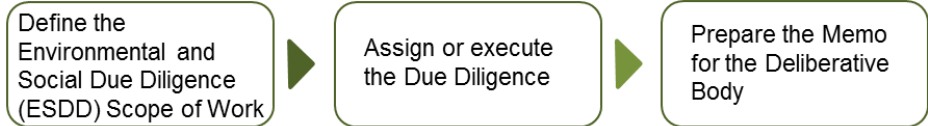
The following are the actions outlined by the Operating Guides and required to the adopting financial institutions (Equator Principles Financial Institutions or EPFIs) according to Equator Principles 1, 7, 8, 9 and 10.

It is understood that the sequence as it is represented may undergo minor changes, according to the peculiarity of any single transaction.

Principle 1 - Review and Categorization: the Bank will classify the project based on the International Finance Corporation (IFC) criteria, assigning a risk level (A-high, B-medium, C-low) according to the potential social and environmental impacts deriving from the project itself.



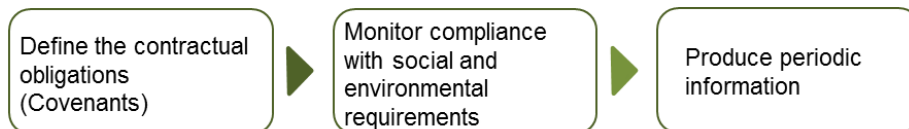
Principle 7 - Independent review: for all Category A projects and, as appropriate, Category B projects, an independent social or environmental expert not directly associated with the borrower will review the Assessment Documentation, including the Environmental and Social Management Plan, Management System and the Stakeholder Engagement Process. The same expert could propose an Action Plan if necessary.



Principle 8 - Covenants: the Bank will incorporate the environmental and social covenants in the financing documentation, requiring also Equator Principles compliance. It will work with the borrower so as to make the project respect all relevant host country environmental and social laws, regulation and permits and all the applicable standards, including Equator Principles Action Plan.

Principle 9 - Independent monitoring and reporting: to ensure ongoing monitoring and reporting over the life of the loan, the Bank will, for all Category A projects, and as appropriate, Category B projects, require the appointment of an independent environmental and/or social expert, or require that the borrower retain qualified and experienced external experts to verify his monitoring information which would be shared with the financing Banks.

Principle 10 - Reporting and Transparency: each adopting Bank commits to report publicly, at least once a year, on transactions that have reached Financial Close and on its Equator Principles implementation processes and experience.



Equator Principles **2, 3, 4, 5, 6, 8, 9 and 10** refer to those actions that, although required of the client, are outlined by the Operating Guidelines in any case, since they have to be verified by the Bank during the operational stages of the process. Here follows a summary:

Principle 2 - Environmental and Social Assessment: for all category A and category B projects, the borrower will conduct a Social and Environmental Assessment to address the relevant social and environmental impacts and risks of the proposed project. The Assessment should also propose mitigation and management measures relevant and appropriate to the nature and scale of the project. Furthermore, in limited high risk circumstances, it may be appropriate for the client to complement its Assessment Documentation with specific human rights due diligence. Finally, for all projects and in all locations, when Greenhouse Gas (GHG) emissions are expected to be more than 100,000 tons of CO₂ equivalent annually, an alternative analysis will be conducted to evaluate less GHG intensive solutions.

Principle 3 – Applicable Environmental and Social Standards: for projects located in [non-Designated Countries](#), the Assessment process will refer to the applicable IFC Performance Standards and the World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines). For projects located in Designated Countries, the Assessment process evaluates compliance with relevant host county laws, regulations and permits that pertain to environmental and social issues. The Assessment will establish the project's overall compliance with, or justified deviation from, the respective PS and EHS Guidelines.

Principle 4 – Environmental and Social Management System and Equator Principles Action Plan: for all category A and category B projects, the EPFI will require the client to develop or maintain an Environmental and Social Management System. Further, an Environmental and Social Management Plan (ESMP) will be prepared to comply with the applicable standards. Where the latest are not met to the EPFI's satisfaction, the borrower will prepare an Action Plan which is intended to outline gaps and commitments to meet EPFI requirements in line with the applicable standards.

Principle 5 – Stakeholder Engagement: for all category A and category B projects, the borrower will demonstrate effective Stakeholder Engagement as an ongoing process in a structured and culturally appropriate manner with affected communities and other stakeholders. For projects with significant adverse impacts on affected communities, the client will ensure an Informed Consultation and Participation process. The client will make the appropriate Assessment Documentation readily available to the affected communities in a culturally appropriate manner. Projects with adverse impacts on indigenous people will require their Free, Prior and Informed Consent.

Principle 6 – Grievance Mechanism: for all category A and, as appropriate, category B projects, the borrower will establish a grievance mechanism as part of the Management System (ESMS). He will inform the affected communities in the course of the Stakeholder Engagement process and ensure that the mechanism addresses concerns promptly and transparently, in a culturally appropriate manner, and is readily accessible to all segments of the affected communities.

Principle 8 - Covenants: the client will comply with the environmental and social covenants incorporated in the financing documentation.

Principle 9 - Independent monitoring and reporting: the client will retain qualified and experienced external experts to verify his monitoring information which would be shared with the financing Banks.

Principle 10 – Reporting and Transparency: for all category A and, as appropriate, category B projects, the client will ensure that a summary of the ESIA is accessible and available online; the client will also publicly report GHG emission levels during the operational phase for projects emitting over 100,000 tons of CO₂ equivalent annually.