

## Principles for Responsible Banking

Intesa Sanpaolo is a signatory of the Principles for Responsible Banking (PRB), launched in September 2019. In order to communicate the progress achieved with respect to the PRB, Intesa Sanpaolo has adopted a Self-assessment Reporting Template, shown below.



Requirements	Bank's response and self-assessment	References
<b>PRINCIPLE 1: Alignment</b>		
<b>We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks</b>		
<p>Business model description in relation to the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks</p> <p>Business strategy alignment with the identified goals</p>	<ul style="list-style-type: none"> <li>Intesa Sanpaolo is aware of the fact that many of the objectives set in the 2018-2021 Business Plan are strictly connected with certain Sustainable Development Goals</li> <li>Intesa Sanpaolo has subscribed to a series of international initiatives and standards, including the PRI, PSI, Global Compact, UNEP-FI, Equator Principles, CDP and TCFD</li> <li>Intesa Sanpaolo supports the transition to a low-carbon emissions economy through, for example, actions aimed at mitigating its direct emissions (Environmental-Climate Change Action Plan), financial support initiatives for the green investments of its customers or in-depth analyses of environmental and climate risk within its financial services</li> <li>Intesa Sanpaolo has decided to make a commitment to greater social cohesion, in order to reduce inequalities, by supporting charitable bodies and associations in tackling poverty, ensuring access to credit for excluded individuals or those who are unlikely to access through traditional financial channels (Fund for Impact) and promoting youth employment through training courses ('Giovani e Lavoro' programme)</li> </ul>	<p><b>Consolidated Non-financial Statement:</b></p> <ul style="list-style-type: none"> <li>Commitment to domestic and international initiatives and the United Nations Sustainable Development Goals</li> <li>Access to credit and financial inclusion</li> <li>Relations with the community</li> <li>Environment and climate change</li> </ul>
<b>PRINCIPLE 2: Impact and Target Setting</b>		
<b>We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts</b>		
<p>Identification of the Bank's most significant (actual and potential) positive and negative impacts</p> <p>Setting SMART<sup>1</sup> targets that address the Bank's most significant impacts, and drive alignment with the Sustainable Development Goals, the Paris Climate Agreement and other relevant frameworks</p>	<ul style="list-style-type: none"> <li>The materiality analysis identifies the relevant economic, social and environmental issues in terms of their potential impacts, positive or negative, having an influence the Bank's strategy and its stakeholders</li> <li>Intesa Sanpaolo has implemented processes and defined specific responsibilities to understand and manage social and environmental risks that are significant because of their potential impact on the company's activities and the stakeholders and has also implemented the associated mitigation measures</li> <li>Intesa Sanpaolo, among the commitments defined in the 2018-2021 Business Plan, has identified the granting of new credit to the real economy over the medium-long term, totalling ~250 billion euro; supporting the green and circular economy with loans and services for the companies that adopt the circular model using innovative methods (5-billion euro plafond); the establishment of the Fund for Impact intended to allow the disbursement of 1.25-billion euros to categories experiencing difficulty in accessing credit despite their potential</li> </ul>	<p><b>Consolidated Non-financial Statement:</b></p> <ul style="list-style-type: none"> <li>Commitment to domestic and international initiatives and the United Nations Sustainable Development Goals</li> <li>Materiality analysis</li> <li>Management of environmental, social and governance risks</li> <li>Access to credit and financial inclusion</li> <li>Green Economy</li> <li>Improvement objectives</li> </ul>

<sup>1</sup> Specific, Measurable, Achievable, Relevant, Time-bound

Requirements	Bank's response and self-assessment	References
<b>PRINCIPLE 3: Clients and Customers</b>		
<b>We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations</b>		
Work with clients and customers to encourage sustainable practices and enable sustainable economic activities	<ul style="list-style-type: none"> <li>Intesa Sanpaolo takes heed of the impacts generated by customers, contributing to the spread of virtuous processes and conduct as regards the environment. Moreover, it also closely manages the risks connected with climate change by promoting adaptive behaviour or conduct designed to mitigate this phenomenon, while simultaneously developing a culture focused on prevention</li> <li>Eurizon implements an engagement process ('active share ownership') structured on various levels, from dialogue with the companies subject to supervision right up to the activation of voting rights in shareholders' meetings</li> </ul>	<p><b>Consolidated Non-financial Statement:</b></p> <ul style="list-style-type: none"> <li>Management of environmental, social and governance risks</li> <li>Management of potential risks and impacts related to climate change</li> <li>Green Economy</li> <li>Sustainable investments</li> </ul>
<b>PRINCIPLE 4: Stakeholders</b>		
<b>We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals</b>		
Consultation, engagement and partnering with stakeholders for the purpose of implementing the Principles and improving the Bank's impacts	<ul style="list-style-type: none"> <li>In its 2018-2021 Business Plan, Intesa Sanpaolo set itself key social, cultural and environmental responsibility goals that involve various stakeholders. In 2019, the stakeholder engagement activities, conducted in compliance with the AA1000 AccountAbility standard, addressed the topics outlined in the materiality matrix, with a particular focus on the CSR aspects contained in the Business Plan</li> </ul>	<p><b>Consolidated Non-financial Statement:</b></p> <ul style="list-style-type: none"> <li>Stakeholder engagement activities and results</li> <li>Improvement objectives</li> </ul>
<b>PRINCIPLE 5: Governance &amp; Culture</b>		
<b>We will implement our commitment to these Principles through effective governance and a culture of responsible banking</b>		
Governance structure	<ul style="list-style-type: none"> <li>The Managing Director and CEO submits to the competent Board Committees and the Board of Directors, with the support of the Steering Committee, the definition of the strategic lines and sustainability policies (ESG), including the fight against climate change. The Board of Directors approves the strategic and political guidelines on sustainability (ESG) - with the support of the Risk Committee - taking into account the objectives of solid and sustainable creation and distribution of value for all stakeholders, including the environment as stated in the Group Code of Ethics. In addition, the Steering Committee - composed of the first organizational line - meets on a quarterly basis to examine sustainability issues (ESG)</li> <li>The Corporate Social Responsibility (CSR) structure oversees the process for defining, approving and updating policies as regards sustainability (ESG), in accordance with the corporate strategies and targets. In these activities, CSR is supported by the CSR Delegates appointed in the main structures of the Parent Company and Subsidiary Banks</li> <li>Intesa Sanpaolo supports the spread of a culture of sustainability among its employees through a range of training initiatives within all the Group's structures</li> </ul>	<p><b>Consolidated Non-financial Statement:</b></p> <ul style="list-style-type: none"> <li>Sustainability Governance</li> </ul>
Foster a culture of responsible banking		
<b>PRINCIPLE 6: Transparency &amp; Accountability</b>		
<b>We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals</b>		
Reporting on positive and negative impacts, and progress made on targets and implementation of the Principles	<ul style="list-style-type: none"> <li>Intesa Sanpaolo publishes an annual Consolidated Non-financial Statement (CNFS) drafted in accordance with the GRI Standards and taking into consideration the recommendations issued in June 2017 by the Task Force on Climate-related Financial Disclosures (TCFD), adopted by Intesa Sanpaolo in October 2018</li> <li>Intesa Sanpaolo has decided to voluntarily publish, for the first time, a half-yearly Consolidated Non-financial Statement with a set of non-financial indicators</li> </ul>	<p><b>Consolidated Non-financial Statement</b></p> <p><b>Consolidated Non-financial Statement as at 30 June 2019</b></p>