
Letter to stakeholders

In 2022, the Intesa Sanpaolo Group laid the foundations and started the activities in pursuit of the objectives of the 2022-2025 Business Plan, based on four Pillars, including the ESG Pillar, which supports the creation of sustainable value, while, at the same time, strengthening the Intesa Sanpaolo's leadership in the social and environmental areas. The economic and financial results for 2022 confirm Intesa Sanpaolo's ability to generate solid profitability and create value for all stakeholders even in complex scenarios such as the current ones, marked by the Russia-Ukraine conflict, whose impact directly and indirectly involved households, businesses, and economies. In this context, Intesa Sanpaolo, in addition to demonstrating that it is fully capable of operating successfully even in complex situations and that it has built solid foundations for the future, continues to be a point of reference for sustainability thanks to its clearly defined social and environmental commitments, reflected, among other things, in its position at the top of the main international indices and rankings. Intesa Sanpaolo is the only Italian bank to be included in the Dow Jones Sustainability World and Europe Indices and in CDP's Climate Change "A List" as well as the first bank in Europe, second in the world and the only one in Italy, among the 100 most sustainable listed companies in the Global 100 Most Sustainable Corporations in the World 2023 ranking published by Corporate Knights; in 2022, it was also confirmed as the best European bank in terms of relations with financial analysts and institutional investors and in terms of ESG aspects and it is the only Italian bank in the ESG Reporting Awards 2022 world ranking, in the category dedicated to sustainability reporting in the Financial (Banking) sector.

Intesa Sanpaolo has signed up to all the main United Nations initiatives concerning sustainability in the financial sector, which form part of the achievement of the UN Sustainable Development Goals. Among others, it also joined the Global Compact, the Principles for Responsible Banking (PRB), the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI).

This year, Intesa Sanpaolo has produced an integrated and structured set of sustainability reports, which continue to revolve around the Consolidated Non-Financial Statement (CNFS), accompanied, for the second consecutive year, by the TCFD Report - dedicated to climate issues and the transition towards a low-carbon economy - and, for the first time, by a separate report, dedicated to the results achieved based on the PRBs, which in previous years had been included in the CNFS.

At the governance level, after strengthening its responsibilities in terms of sustainability, the Risks Committee has been renamed Risks and Sustainability Committee.

In 2022, special attention was paid to activities related to the commitment undertaken in the fourth quarter of 2021 by Intesa Sanpaolo, joining - directly or through its subsidiaries - the alliances for the reduction of emissions up to Net-Zero in 2050 promoted by the UNEP Finance Initiative to combat climate change (Net Zero Banking Alliance, Net Zero Asset Managers' Initiative, Net Zero Asset Owners' Alliance, Net Zero Insurance Alliance).

The new 2022-2025 Business Plan, published in February 2022, maintains, in continuity with the previous Plan, a strong focus on social issues but, at the same time, sets the first interim targets for 2030 on financed emissions (essentially loans to customers) in four sectors with the highest emissions, namely Oil&Gas, Power Generation, Automotive and Coal mining. The TCFD Report for 2022 includes, among other things, the first results of the activities carried out which show, at the end of 2022, an overall reduction of over 60% of absolute emissions in the four target sectors, despite the fact that the consequences of the Russia-Ukraine conflict on the availability and price of energy commodities have led to greater use of energy sources with a high intensity of emissions by companies operating in electricity production and distribution and greater lending needs for the purchase of natural gas and for collateralisation of the related hedging contracts.

In October 2022, with reference to the commitments undertaken by acceding to the NZAMI and the NZAOA, the Group's wealth management companies published their first aligned Net-Zero objectives.

During the year, several strategic and important projects for the Group were also carried out on sustainability issues, coordinated by the ESG Control Room set up within the ISP4ESG Programme launched in 2019 to consolidate Intesa Sanpaolo's leadership in terms of sustainability, a wide-ranging high-impact initiative, with the objective of integrating ESG into the Bank's business model and strategy, generating a concrete impact on the company and society. More specifically, Intesa Sanpaolo carried on the Group ESG Reporting project, launched in 2021, for the development of an integrated and transversal approach that is capable of addressing the new regulatory requirements and emerging best practices.

With regard to the commercial/product offering, the Group promotes the transition to a low-carbon economy through tangible measures such as the provision - for the European Green Deal and the National Recovery and Resilience Plan (NRRP) - of a 76 billion euro disbursement plan (2021-2026) dedicated to the green and circular economy and to the ecological transition, around 32 billion of which was already disbursed in 2021 and 2022. The Bank has also made available 12 billion euro, available over the Plan's time horizon, for new Green disbursements in favour of individuals; in 2022, 2.6 billion euro was already granted to retail customers for Green Mortgages.

In the Plan, the Group confirmed its commitment to supporting the circular economy, which it has been pursuing since 2015, announcing 8 billion euro in dedicated credit lines (3.1 billion euro was already disbursed in 2022, 2.2 billion euro of which relating to green finance) and renewing the partnership with the Ellen MacArthur Foundation and with Cariplo Factory.

To successfully assist SMEs along their path through sustainability the S-Loan was proposed starting in 2020, divided into 5 product lines, with 2.2 billion euro granted in 2022 (1.2 billion euro in 2021), which was highly appreciated by customers.

As set out in the 2022-2025 Business Plan, the Group has further strengthened its offering of sustainable investment products. Eurizon increased up to 54% (from 46%) the share of funds classified according to Articles 8 and 9 of the SFDR over the total assets of the funds under management, through a diversified range across all asset classes. In view of the ESG certification,

Fideuram trained over 4,000 bankers, private bankers and agents. The Insurance Division developed a dedicated ESG offering for the non-life business and enriched the ESG/climate offering within the Group's life insurance range.

More generally, in 2022 Intesa Sanpaolo provided concrete support to the economic system of the local territories in which it operates by allocating new medium-to-long-term loans to the real economy totalling over 81 billion euro, over 58 billion euro of which in Italy.

In addition to solutions designed to aid the transition to a more sustainable economy, the Group implemented important initiatives to foster social inclusion with a focus on non-profit businesses, vulnerable people with difficulties in accessing credit or who have been affected by natural disasters, and to urban regeneration. Over 9.3 billion euro was granted as social lending and for urban regeneration; these include 339 million euro of loans to non-profit organisations and 53 million euro as part of the Fund for Impact to directly support families and individuals and guarantee wider and more sustainable credit access through dedicated programmes.

With regard to funding, Intesa Sanpaolo placed its first Social Bond as senior preferred bond in October 2022 with a nominal amount of 750 million euro, which represented the largest issuance of that rank of securities by an Italian issuing bank. In September 2022, Intesa Sanpaolo also placed a Green Bond with a nominal amount of 1 billion euro, bringing the total amount of green bonds to 3.5 billion euro at the end of 2022. In March 2023, two highly successful green issues were carried out, in euro and in pound sterling, once again based on the Green, Social and Sustainable Framework updated in June 2022. Intesa Sanpaolo continued to devote strong and concrete attention to activities to combat poverty: with the aim of implementing over 50 million initiatives by 2025 as part of the Food and Shelter Programme for the needy, over 21.3 million initiatives were carried out in 2022 (including in support of the humanitarian emergency in Ukraine) including 15.9 million meals, over 2.2 million beds, about 3 million medicines and 264,000 items of clothing. Other major support to the community came from the monetary contribution disbursed by the Group totalling 97 million euro: in 2022, the areas that benefited from the largest number of initiatives included art and culture, in line with the commitments defined in the 2022-2025 Business Plan. In 2022, Intesa Sanpaolo disbursed, through its Charity Allowance, approximately 16 million euro in support of over 750 projects carried out by non-profit organisations in favour of the most vulnerable population.

Thanks to the Bank's commitment, the Gallerie d'Italia continued to be centres of excellence in the cultural offering with research projects, temporary exhibitions and the enhancement of art collections shared with the leading international players. The inauguration of two new museums, after major architectural transformation works on historic buildings owned by Intesa Sanpaolo in Turin and Naples, brought to 4 the number of buildings constituting the Intesa Sanpaolo museum complex, hosting 480,000 visitors - with the opening of all premises only since May 2022 - and also obtaining the prestigious award from *Artribune* as the best new museum of the year. The Plan's objective to double the Group's space and activities in the cultural dimension has already been achieved, emphasising the social dimension and the value of culture in terms of identity. Intesa Sanpaolo concentrated its endeavours in the digital transition, in particular: the Intesa Sanpaolo Mobile App, in addition to being recognised in first place among all the banking apps in the EMEA area by *Forrester* as "Overall Digital Experience Leader", represented a point of reference for over 12 million multi-channel customers with approximately one and a half billion logins and 146 million transactions carried out per year.

In line with the targets of the new Business Plan, the Group continued its activities for the launch of Isybank, a new Digital Bank, to which around 340 specialists have been dedicated; in particular the offering structure and functions have already been defined.

Intesa Sanpaolo recognises the strategic value of innovation and, to this end, it is committed to promoting approximately 800 innovation projects over the time horizon of the new Business Plan, 201 of which have already been launched in 2022, with special attention to the growth of start-ups with high-potential to which the Bank has dedicated non-financial services (e.g. acceleration programmes) and in connection with venture capital funds investing 54 million euro.

These results were possible thanks to the People working in Intesa Sanpaolo who represent the Group's key asset as well as the enabling factor of its present and future success. To support the Group's continuous growth and promote generational change, about 4,600 new hires are expected by 2025 (1,300 already occurred in the 2021-2022 period); the total number of training hours provided in 2022, equal to approximately 12.6 million hours, remained very high; 92% of Group people were provided training in ESG issues.

To respond to the needs for flexibility and work-life balance of the Group's People, a new organisational framework has been set up that provides greater flexibility in terms of daily work schedule, remote working and the introduction of a four-day working week on a voluntary basis with no change in remuneration. In the particularly challenging context of the 2022 crisis, the support to the Group's people also took the form of an extraordinary economic contribution of approximately 80 million euro paid to around 90,000 employees to mitigate the impact of inflation.

Intesa Sanpaolo was recognised as Top Employer 2023 by the Top Employers Institute for the second year running and ranked first in LinkedIn's Top Companies 2022 ranking.

It also maintained its position in the Bloomberg Gender Equality Index and, as of September 2022, it was ranked as the second bank worldwide in the Refinitiv Diversity & Inclusion Index.

On the strength of the results achieved in 2022, the Intesa Sanpaolo Group will keep on the path of commitment and responsibility defined by the strategic guidelines - including those relating to ESG issues - of the 2022-2025 Business Plan, in full compliance with the expectations of all Stakeholders and contributing to the promotion of a more sustainable economy.

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