

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green, Social and Sustainability Bond Framework

Intesa Sanpaolo S.p.A.
10th June 2022

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">• Green, Social and Sustainability debt securities¹
Relevant standards	<ul style="list-style-type: none">• ICMA Green and Social Bond Principles (June 2021), and Sustainability Bond Guidelines (June 2021)
Scope of verification	<ul style="list-style-type: none">• Intesa Sanpaolo Green, Social and Sustainability Bond Framework (as of 07.06.2022)• Intesa Sanpaolo Selection Criteria (07.06.2022)
Lifecycle	<ul style="list-style-type: none">• Pre-issuance verification
Validity	<ul style="list-style-type: none">• As long as there is no material change to the Framework

¹ Debt securities in various format and currencies (secured, unsecured, subordinated, CP)

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SCOPE OF WORK

Intesa Sanpaolo (“the Issuer”) commissioned ISS ESG to assist with its Green, Social and Sustainability debt securities by assessing three core elements to determine the sustainability quality of the instrument:

1. Intesa Sanpaolo’s Green, Social and Sustainability Bond (07.06.2022 version) – benchmarked against the International Capital Market Association’s (ICMA) Green and Social Bond Principles (June 2021), and Sustainability Bond Guidelines (June 2021).
2. The Selection Criteria – whether the projects contribute positively to the UN SDGs and perform against ISS ESG’s issue-specific key performance indicators (KPIs) (See Annex 1).
3. The alignment with the EU Taxonomy on a best-efforts basis² – whether the nominated asset categories are aligned with the EU Taxonomy Technical Screening Criteria (including the Climate Change Mitigation Criteria and Do No Significant Harm Criteria) and Minimum Social Safeguards requirements as included in the EU Taxonomy Climate Delegated Act (June 2021).
4. Green, Social and Sustainability debt securities link to Intesa Sanpaolo’s sustainability strategy – drawing on Intesa Sanpaolo’s overall sustainability profile and issuance-specific Use of Proceeds categories.

INTESA SANPAOLO BUSINESS OVERVIEW

Intesa Sanpaolo operates as a bank. It is classified in the Commercial Banks & Capital Markets industry, as per ISS ESG’s sector classification.

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Intesa Sanpaolo SpA engages in the provision of financial products and banking services. It operates through the following segments: Banca dei Territori, IMI CIB, International Subsidiary Banks, Private Banking, Asset Management, Insurance, and Corporate Centre. The Banca dei Territori segment oversees the traditional lending and deposit collection activities in Italy. The IMI CIB segment deals with corporate and investment banking; and acts as a partner for corporates, public administration, and financial institutions. The International Subsidiary Banks segment operates on international markets through subsidiary and associated banks. The Private Banking segment specializes in the asset management of private and high net worth individuals. The Asset Management segment develops solutions targeted at the firm’s customers, commercial networks, and institutional clientele. The insurance segment includes Intesa Sanpaolo Vita and Fideuram Vita. The Corporate Centre segment comprises of the group’s treasury. The company was founded in 1925 and is headquartered in Turin, Italy.

² Whilst the Final Delegated Act for Mitigation and Adaptation were published in June 2021, the Technical Screening Criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage ISS ESG evaluates the alignment with the EU Taxonomy on a “best efforts basis”. In addition, at the time of this SPO assessment, the Final Delegated Act for Circular Economy is not available (8th June 2022).

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ³
Part 1: Alignment with GBP, SBP and SBG	The issuer has defined a formal concept for its Green, Social and Sustainability debt securities regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the ICMA Green and Social Bond Principles, and Sustainability Bond Guidelines.	Aligned
Part 2: Sustainability quality of the Selection Criteria	<p>The Green, Social and Sustainability debt securities will (re-)finance eligible asset categories which include: renewable energy, energy efficiency, clean transportation, green buildings, environmentally sustainable management of living natural resources and land-use, biodiversity, circular economy, access to essential services, employment generation and programs designed to prevent and/or alleviate unemployment stemming from crises, socioeconomic advancement and empowerment, affordable housing.</p> <p>Renewable energy, Energy efficiency, Green buildings, Clean transportation, Education, Welfare and solidarity, SMEs financing, Microfinance use of proceeds categories have a significant contribution to SDGs 1 'No poverty', 4 'Quality education', 7 'Affordable and clean energy, 8 'Decent work and economic growth' 10 'Reduced inequalities,' 13 'Climate action'.</p> <p>Green buildings, Affordable housing, Forestry, Healthcare, and Welfare and solidarity use of proceeds categories have a limited contribution to SDGs 3 'Good health and well-being', 5 'Gender equality', 11 'Sustainable cities and communities', 15 'Life on land'.</p> <p>The remaining use of proceed categories improve the company's operations impacts and mitigate potential negative externalities of the issuer's financed sectors on SDGs 6 'Clean water and sanitation', 12 'Sustainable consumption and production'.</p> <p>The environmental and social risks associated with the use of proceeds categories for which the alignment with the EU Taxonomy has not been assessed have been well managed.</p>	Positive
Part 3: Alignment with EU Taxonomy of specific	ISS ESG assessed the alignment of some of Intesa Sanpaolo's project characteristics, due diligence processes and policies against the requirements of the EU Taxonomy (Climate Delegated Act of June 2021), on a best-efforts basis ⁴ . The issuer has requested an assessment to test EU Taxonomy compliance for the following Green Eligible Categories: Renewable Energy, Clean Transportation and Green Buildings. The assessment is limited to the assets located in the European Union. As assets have not been identified yet, the	



³ ISS ESG's evaluation is based on the Intesa Sanpaolo's Green, Social and Sustainability Bond Framework (June 2022 version), on the analysed selection criteria as received on the 20.05.2022, and on the ISS ESG Corporate Rating applicable at the SPO delivery date (updated on the 10.03.2022).

⁴ Whilst the Final Delegated Act for Mitigation and Adaptation were published in June 2021, the Technical Screening Criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage ISS ESG evaluates the alignment with the EU Taxonomy on a "best efforts basis".

<p>eligibility criteria</p>	<p>issuer will report on whether the projects selected comply with the EU Taxonomy. Based on robust processes for selection, the nominated project categories are considered to be:</p> <ul style="list-style-type: none"> • Aligned with the Climate Change Mitigation Criteria • Aligned with the Do No Significant Harm Criteria • Aligned with the Minimum Social Safeguards requirements 	
<p>Part 4:</p> <p>Green, Social and Sustainability debt securities link to issuer's sustainability strategy</p>	<p>According to the ISS ESG Corporate Rating published on 10.03.2022, the issuer shows a medium sustainability performance. The Use of Proceeds financed through this Green, Social and Sustainability debt securities are consistent with the issuer's sustainability strategy and material ESG topics for the issuer's industry. The rationale for issuing Green, Social and Sustainability debt securities is clearly described by the issuer.</p>	<p>Consistent with issuer's sustainability strategy</p>

PART I: ALIGNMENT WITH ICMA GREEN AND SOCIAL BOND PRINCIPLES (2021), AND SUSTAINABILITY BOND GUIDELINES (2021)

This section describes ISS ESG’s assessment of the alignment of the Intesa Sanpaolo Green, Social and Sustainability Bond Framework (dated 20.05.2022) with the ICMA Green and Social Bond Principles (2021), and Sustainability Bond Guidelines (2021).

ICMA GREEN AND SOCIAL BOND PRINCIPLES (2021), AND SUSTAINABILITY BOND GUIDELINES (2021)	ALIGNMENT	ISS ESG’S OPINION
<p>1. Use of Proceeds</p>		<p>ISS ESG considers the Use of Proceeds description provided by Intesa Sanpaolo’s Green, Social and Sustainability Bond Framework as aligned with the ICMA Green and Social Bond Principles, and Sustainability Bond Guidelines.</p> <p>The Issuer’s green and social categories align with the project categories as proposed by the ICMA Green and Social Bond Principles (2021), and Sustainability Bond Guidelines (2021), Criteria are defined in a clear and transparent manner. Environmental and social benefits are described and quantified.</p> <p>The issuer explicitly excludes harmful project categories, in line with best market practices.</p>
<p>2. Process for Project Evaluation and Selection</p>		<p>ISS ESG considers the Process for Project Evaluation and Selection description provided by Intesa Sanpaolo’s Green, Social and Sustainability Bond Framework as aligned with the ICMA Green and Social Bond Principles (2021), and Sustainability Bond Guidelines (2021).</p> <p>The project selection process is defined and structured in a congruous manner. ESG risks associated with the project categories are identified and managed through an appropriate process. Moreover, the projects selected show alignment with the sustainability strategy of the Issuer.</p> <p>The issuer clearly defines responsibilities for project evaluation and selection, and it’s transparent about it. In addition, it includes a wide range of internal stakeholders in the process.</p>

<p>3. Management of Proceeds</p>	<p>✓</p>	<p>ISS ESG finds that the Management of Proceeds proposed by Intesa Sanpaolo’s Green, Social and Sustainability Bond Framework as aligned with the ICMA Green and Social Bond Principles (2021), and Sustainability Bond Guidelines (2021).</p> <p>The proceeds collected will be equal to the amount allocated to eligible projects, with no exceptions. The proceeds are tracked in an appropriate manner and attested in a formal internal process. Moreover, the issuer discloses the temporary investment instruments for unallocated proceeds.</p> <p>The issuer discloses its strategy for the investment of temporarily unallocated proceeds and takes into consideration ESG criteria for it.</p>
<p>4. Reporting</p>	<p>✓</p>	<p>ISS ESG finds that the allocation and impact reporting proposed by Intesa Sanpaolo’s Green, Social and Sustainability Bond Framework as aligned with the ICMA Green and Social Bond Principles (2021), and Sustainability Bond Guidelines (2021).</p> <p>The Issuer commits to disclose the allocation of proceeds transparently and to report in an appropriate frequency. Intesa Sanpaolo explains the level of expected reporting and the type of information that will be reported. Moreover, the Issuer commits to report annually, until the bonds mature.</p> <p>Intesa Sanpaolo will, in addition, publish an annual impact report, in line with best market practice.</p>

PART II: SUSTAINABILITY QUALITY OF THE ISSUANCE

A. CONTRIBUTION OF THE GREEN, SOCIAL AND SUSTAINABILITY DEBT SECURITIES TO THE UN SDGs

Companies can contribute to the achievement of the SDGs by providing specific services/products which help address global sustainability challenges, and by being responsible corporate actors, working to minimize negative externalities in their operations along the entire value chain. The aim of this section is to assess the SDG impact of the UoP categories financed by the issuer in two different ways, depending on whether the proceeds are used to (re)finance:

- specific products/services,
- improvements of operational performance.







1. Products and services










The assessment of UoP categories for (re)financing products and services is based on a variety of internal and external sources, such as the ISS ESG SDG Solutions Assessment (SDGA), a proprietary methodology designed to assess the impact of an Issuer's products or services on the UN SDGs, as well as other ESG benchmarks (the EU Taxonomy Climate Delegated Acts, the ICMA Green and/or Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of UoP categories for (re)financing specific products and services is displayed on 5-point scale (see Annex 1 for methodology):

Significant Obstruction	Limited Obstruction	No Net Impact	Limited Contribution	Significant Contribution
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Each of the Green, Social and Sustainability debt securities' Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Solar energy Photovoltaic and concentrated solar power	Significant Contribution	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  7 AFFORDABLE AND CLEAN ENERGY </div> <div style="text-align: center;">  13 CLIMATE ACTION </div> </div>
Wind power	Significant Contribution	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  7 AFFORDABLE AND CLEAN ENERGY </div> <div style="text-align: center;">  13 CLIMATE ACTION </div> </div>
Hydropower (<10MW)	Significant Contribution	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  7 AFFORDABLE AND CLEAN ENERGY </div> <div style="text-align: center;">  13 CLIMATE ACTION </div> </div>

<p>Hydropower (>10MW)</p>	<p>Significant Contribution⁵</p>	
	<p>Limited contribution</p>	
<p>Energy efficiency Energy storage from renewable energy (including hydrogen storage, thermal energy storage, and pumped hydropower storage)</p>	<p>Significant Contribution</p>	
<p>Energy efficiency Smart grid technology and/or infrastructure</p>	<p>Limited contribution</p>	 
<p>Energy efficiency Co-generation of heat/cool and power (from solar energy, geothermal energy, bioenergy, using non-fossil gaseous and liquid fuels) where the life-cycle GHG emissions from the generation of heat/cool are lower than 100 g CO₂e per 1 kWh of energy output from the combined generation</p>	<p>Significant Contribution</p>	 
<p>Energy efficiency Construction, refurbishment and operation of pipelines and associated infrastructure for distribution of heating and cooling, ending at the sub-station or heat exchanger, which meet the definition of efficient district heating and cooling systems in accordance with the EU Directive 2021/27/EU</p>	<p>Significant Contribution⁶</p>	
<p>Clean Transportation</p> <ul style="list-style-type: none"> Infrastructure enabling low carbon road: Construction, modernisation, maintenance and operation of infrastructure that is required for zero tailpipe CO₂ operation of zero-emissions road transport, as well as infrastructure required for transshipment and operating urban transport, including electric charging points, electricity grid connection upgrades, hydrogen fuelling stations or electric road systems (ERS) 	<p>Significant Contribution⁷</p>	

⁵ This assessment differs from the ISS ESG SDG Solutions Assessment (SDGA) proprietary methodology designed to assess the impact of an Issuer's product and service portfolio on the SDGs. For the projects to be financed under Use of Proceeds categories that are based on with the Technical Screening Criteria defined by the EU Taxonomy Technical Annex, a significant contribution to climate change mitigation is attested. Assets compliance with EU taxonomy is not evaluated under the SPO.

⁶ This assessment differs from the ISS ESG SDG Solutions Assessment (SDGA) proprietary methodology designed to assess the impact of an Issuer's product and service portfolio on the SDGs. For the projects to be financed under Use of Proceeds categories that are based on with the Technical Screening Criteria defined by the EU Taxonomy Technical Annex, a significant contribution to climate change mitigation is attested. Assets compliance with EU taxonomy is not evaluated under the SPO.

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- Freight transport services by road
Purchase, financing, leasing, rental and operation of vehicles designated as category N1, N2 or N3 for freight transport services by road. The activity complies with one of the following criteria:
 - a. vehicles of category N1 have zero direct (tailpipe) CO₂ emissions;
 - b. vehicles of category N2 and N3 with a technically permissible maximum laden mass not exceeding 7,5 tonnes are ‘zero-emission heavy-duty vehicles’ as defined in Article 3, point (11), of Regulation (EU) 2019/1242

Clean Transportation

- Transport by electric vehicles: Financing of low carbon passenger cars and light commercial vehicles with specific direct tailpipe CO₂ emissions equal to zero.
- Infrastructure enabling low public transport: Construction, modernisation, maintenance and operation of infrastructure that is required for zero tailpipe CO₂ operation of zero-emissions road transport, as well as infrastructure required for transshipment and operating urban transport, including electric charging points, electricity grid connection upgrades, hydrogen fuelling stations or electric road systems (ERS)
- Urban and suburban road passenger transport: Financing of urban and suburban transport vehicles, for passengers and road/rail passenger transport with direct tailpipe CO₂ emissions equal to zero

Significant Contribution⁸

Limited contribution








Green Buildings

Significant Contribution⁹


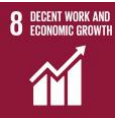







⁸ This assessment differs from the ISS ESG SDG Solutions Assessment (SDGA) proprietary methodology designed to assess the impact of an Issuer's product and service portfolio on the SDGs. For the projects to be financed under Use of Proceeds categories that are based on with the Technical Screening Criteria defined by the EU Taxonomy Technical Annex, a significant contribution to climate change mitigation is attested. Assets compliance with EU taxonomy is not evaluated under the SPO.

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<p><u>For buildings built before 31st December 2020:</u></p> <ul style="list-style-type: none"> Buildings with an Energy Performance Certificate (EPC) class A, or the building has a Primary Energy Demand (PED) which is within the top 15% of the national building stock Buildings, belonging to the top 15% of the national building stock as defined above, that have obtained at least the following recognized environmental standard: LEED 'Gold' or above, BREEAM 'Excellent' or above, HQE 'Excellent or above', CASBEE 'S' (Excellent) or above, Other equivalent internationally recognized Green Building certification. <p><u>For buildings built after 1st January 2021:</u> Buildings where the Primary Energy Demand (PED) is, or will be, at least 10% lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures</p>	<p>Limited contribution</p>	
<p>Green Buildings Refurbishments of buildings that achieve energy savings of at least 30% in comparison to the baseline performance before the refurbishment)</p>	<p>Significant Contribution¹⁰</p>	
	<p>Limited contribution</p>	
<p>Forestry Loans to sustainable forestry projects such as, but not limited to the following: Afforestation (e.g. planting, seeding, or natural regeneration on land that was previously designated for a different use or unused), reforestation (e.g. restoration of native species of an ecosystem), forest management / conservation forestry (e.g. prevention of deforestation, fires, etc.), restoration/conservation of peatland and wetland (e.g., floodplains, marshes) that do not aim at producing timber/paper/pulp or any type of products (even if certified)</p>	<p>Significant Contribution</p>	
<p>Forestry Loans to sustainable forestry projects for timber/paper/pulp or other products certified to FSC, PEFC are produced.</p>	<p>Limited contribution</p>	

¹⁰ This assessment differs from the ISS ESG SDG Solutions Assessment (SDGA) proprietary methodology designed to assess the impact of an Issuer's product and service portfolio on the SDGs. For the projects to be financed under Use of Proceeds categories that are based on with the Technical Screening Criteria defined by the EU Taxonomy Technical Annex, a significant contribution to climate change mitigation is attested. Assets compliance with EU taxonomy is not evaluated under the SPO.

<p>Welfare and solidarity Loans financing organizations in the following sectors: day care</p>	<p>Limited contribution</p>	<p>5 GENDER EQUALITY</p> 
<p>SMEs¹² in socio-economically disadvantaged areas Loans to SMEs located in the most socioeconomically disadvantaged areas in Italy. Socioeconomically disadvantaged areas are defined as areas (Italian regions) with GDP per capita lower than the national average and ranking in the worst 30% in terms of unemployment rate</p> <p>Relief from natural disaster and health or social emergencies Loans to companies, including SMEs and micro-enterprises, facing natural disaster (such as earthquakes, floods, etc.), health or social emergencies and the related economic downturn</p> <p>S-Loans Loans to SMEs (so called “S-loans”) in order to support them to finance ESG initiatives, to reach sustainable development objectives and to improve their ESG profile.</p> <p>D-loans Loans to SMEs (so called “D-loan”) in order to support their digital transformation through investments in digital projects.</p>	<p>Significant Contribution¹³</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 
<p>Access to affordable financial products Affordable loans to specific target groups: students and low-income families¹⁴ for tertiary education, study-related fees and ancillary costs (such as transportation, PCs, internet connection, books, language courses).</p>	<p>Limited contribution¹⁵</p>	<p>4 QUALITY EDUCATION</p>  <p>10 REDUCED INEQUALITIES</p> 
<p>Access to affordable financial products Affordable loans to specific target groups unemployed people close to retirement age¹⁶</p>	<p>Limited contribution¹⁷</p>	<p>10 REDUCED INEQUALITIES</p> 
<p>Microfinance Loans to fund micro-enterprises¹⁸ or microfinance initiatives.</p>	<p>Significant Contribution</p>	<p>1 NO POVERTY</p>  <p>10 REDUCED INEQUALITIES</p> 

¹² Small and medium-sized enterprises (SMEs) are defined in the EU recommendation 2003/361: enterprises which employ fewer than 250 persons and which have either an annual turnover not exceeding €50 million, or an annual balance sheet total not exceeding €43 million.

¹³ This project category is assessed as having a significant contribution to SDG 8, beyond the SDGA proprietary methodology

¹⁴ As per the “Per Merito”, “Per crescere” and “XME Studio Station” credit lines part of Intesa Sanpaolo Impact Fund <https://group.intesasanpaolo.com/it/sostenibilita/clienti/inclusione-finanziaria>

¹⁵ This project category is assessed as having a significant contribution to SDGs 4 and 10, beyond the SDGA proprietary methodology

¹⁶ As per the “Operazione Pensione” credit line part of Intesa Sanpaolo Impact Fund <https://group.intesasanpaolo.com/it/sostenibilita/clienti/inclusione-finanziaria>

¹⁷ This project category is assessed as having a significant contribution to SDG 10, beyond the SDGA proprietary methodology

¹⁸ In accordance with the EU definition. The European Union (EU) defines "micro-enterprises" as those that meet two of the following three criteria and do not fail to do so for at least 10 years: fewer than 10 employees balance sheet total below EUR 2 million and turnover below EUR 2 million.

Affordable Housing

Loans for the construction, renovation or upgrade of facilities in order to provide access to decent housing to people with economic difficulties¹⁹ with a pricing below the relevant market standard.

Limited contribution



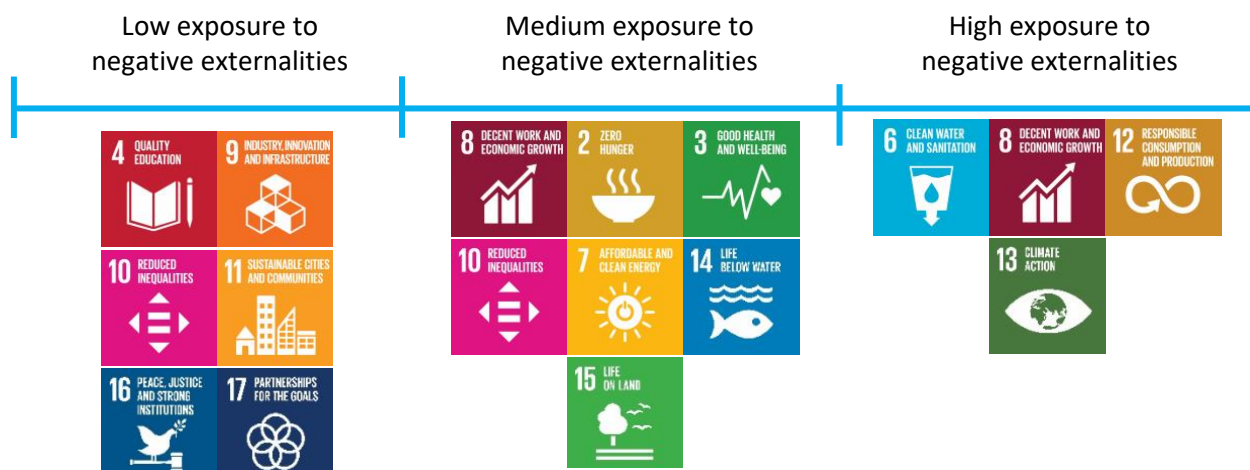
¹⁹ As per the income criteria defined by the relevant state/municipality where assets are located

2. Improvements of operational performance (processes)



The below assessment aims at qualifying the direction of change (or “operational impact improvement”) resulting from the operational performance projects (re)financed by the UoP categories, as well as related UN SDGs impacted. The assessment displays how the UoP categories are mitigating the exposure to the negative externalities relevant to the business model and the sector of the Issuer.

Intesa finances operations/processes in third-party sectors which are not listed in the Issuer’s Framework. As such, ISS ESG is not in a position to display the exposure to negative externalities linked to the sector of the operations/processes financed. This could have an impact on the overall sustainability quality of the issuance.

Exclusively for the projects under “Sustainable Agriculture” according to ISS ESG SDG Impact Rating methodology, potential impacts on the SDGs related to negative operational externalities²⁰ in the Food Products industry are the following:












The table below aims at displaying the direction of change resulting from the operational performance improvement projects. The outcome displayed does not correspond to an absolute or net assessment of the operational performance.

USE OF PROCEEDS (Processes)	OPERATIONAL IMPACT IMPROVEMENT ²¹	SUSTAINABLE DEVELOPMENT GOALS
<p>Energy efficiency equipment for buildings (e.g. insulation, LED lighting and HVAC (heat, ventilation and air conditioning), instruments for measuring and controlling the energy performance of buildings, etc.)</p>		

²⁰ Please, note that the impact of the Issuer’s products and services resulting from operations and processes is displayed in section 1 of the SPO.

²¹ Limited information is available on the scale of the improvement as no threshold is provided. ISS ESG only displays the direction of change.

<p>Sustainable Agriculture Agroforestry practices (e.g. integration of woody vegetation with crop and/or animal systems)</p>	✓	
<p>Sustainable Agriculture Organic agriculture (e.g. use of cover crop, implementation of minimum tillage technologies, etc.)</p>	✓	
<p>Sustainable Agriculture Optimized feeding strategies for livestock (e.g. use of feed additives to limit the formation of methane gas in the rumen, etc.)</p>	✓	
<p>Sustainable Agriculture Improved livestock health management and breeding techniques (e.g. improvement of the sanitary conditions of animals through better stables management, etc.)</p>	✓	
<p>Circular Economy Design and/ or manufacture processes that lead to fully recycled or composted products within an efficient framework of collection, separation and recycling after use.</p>	✓	
<p>Circular Economy Solutions that extend the product-life or cycles of use of goods and/or materials²²:</p> <ul style="list-style-type: none"> •Applying modular design or design for disassembly •Take-back schemes and redeploying products (reverse logistic) •Reuse, repair and/or products regeneration/ refurbishment •Servitization (pay-per- use) and/or models aiming at sharing goods (sharing economy) 	✓	
<p>Circular Economy Production processes fueled by and/or products made of renewable or recycled resources: Processes fueled by energy from solar, wind or conversion of biomass²³ to energy²⁴</p>	✓	
<p>Circular Economy Production processes fuelled by and/or products made of renewable or recycled resources: Products that substitute critical materials²⁵ with biological or bio-based materials²⁶</p>	✓	
<p>Circular Economy Products and/ or services that significantly increase effectiveness and efficiency of the resource consumption, within the company or along its supply chain:</p> <ul style="list-style-type: none"> • Applying principles of industrial symbiosis²⁷ and realizing 	✓	

• ²² Virgin plastic based products are excluded and will not be selected under this category.

²³ Only if they are part of larger circular value chains that aim to close material loops i.e. feedstock is separately collected at source and by products are used as fertilizers and where the biomass originates from sustainable sources and/or is a non-recyclable and non-hazardous waste.

²⁴ The transition to renewable energy sources is one of the key conditions that support a fully circular economy model. For this reason, financing companies or projects that foresee to use or to self-produce renewable energy in their processes is in line with the scope of the CE Plafond.

²⁵ Raw materials and natural resources such as water, agricultural resources as inputs of bio-based chemicals products, oil, natural gas, coal, metals, in addition to land and agricultural resources with supply limits.

²⁶ Sustainability of the biological or bio-based materials is taken into account in the evaluation of the projects, ensuring they have limited sustainability risks and are not resulting in deforestation/competition with food production.

²⁷ An industry or industrial process replace the raw materials for another. Application of this concept allows materials to be used in a more sustainable way and contributes to the creation of a circular economy.

an integrated supply chain that makes waste streams into feedstock

- Closing loops and/or apply circular economy and systemic design principles

Circular Economy

Innovative technologies to enable circular business models:

- Internet of Things to empower traceability services (reverse-logistic) and/or predictive maintenance
- Additive manufacturing/3D printing to increase the easy-to-repair degree and the materials
- Big Data analytics, Artificial Intelligence, Cloud Computing and Digital Solutions aiming at dematerialization services and/or marketplaces development for secondary raw materials or reuse practices
- Blockchain technology which allows certified traceability of the supply chain, quality & quantity check purposes, and origin derivation (material passport)



B. MANAGEMENT OF ENVIRONMENTAL & SOCIAL RISKS ASSOCIATED WITH THE SELECTION CRITERIA

The table below presents the findings of an ISS ESG assessment of the Selection Criteria against ISS ESG KPIs.

For the Eligible Green Categories – “Energy Efficiency”, “Environmentally sustainable management of living natural resources and land-use, biodiversity”, and “Circular Economy”, that are not assessed against the Substantial Contribution to Mitigation Criteria of the EU Taxonomy (Climate Delegated as displayed in Part IV), for assets under the Eligible Green Categories “Green buildings”, “Clean transportation” and “Renewable energy” if located outside the European Union, and for all the Eligible Social Categories, the table below presents the findings of an assessment of how the key ESG risks associated with them are managed.

ASSESSMENT AGAINST ISS ESG KPI²⁸

Biodiversity/environment

✓ The issuer has policies and processes in place to ensure that relevant projects meet high environmental and biodiversity standards. More specifically, assets it finances in Italy follow the environmental laws (regulated by Legislative Decree 152/2006, the Consolidated Environmental Law, which implemented Directive 2004/35/EC). The Italian Environmental Law has defined specific measures for environmental impact assessments (EIA) prior to the construction of infrastructure. Assets it finances in other European Union countries follow similar standards, as the EU Directive on Environmental Impact Assessment in accordance with Directive 2011/92/EU can be assumed to be transposed into national regulation. In adhering to internal policies, the issuer pledges not to finance companies or projects across all locations which stand out for their negative impact on: UNESCO World Heritage Sites, wetlands according to the Ramsar Convention, and IUCN protected areas, categories I to VI.

✓ The issuer has policies and processes in place to ensure that relevant sustainable forestry projects adhere to strict forest management requirements. It finances either projects certified according to international standards such as Verra and Gold Standard, or projects managed by developers that are aligned to FSC certification whenever FSC certification is not available due to the lack of domestic standard which integrates FSC certification in certain countries. The issuer also confirms that sustainable agriculture projects comply at least with European and National legislation on food security (“Hygiene Package Framework”), hence are subject to food safety management systems.

Safety

✓ The issuer has policies and processes in place to ensure that relevant projects provide for high safety standards and operational safety. More specifically, the

²⁸ ISS ESG can rely on the geographical location of the projects/loans to assess the E&S management risk system in place through national regulation. As Intesa Sanpaolo assumes that a significant share of the projects financed will indeed be carried out in Italy, ISS ESG will also rely on national legislation for the purpose of assessing the KPIs.

issuer confirms that projects financed follow Directive 89/654/EEC - workplace requirements of 30 November 1989 concerning the minimum safety and health requirements for the workplace. This directive sets out obligations for the employer including: traffic routes to emergency exits and the exits themselves to be kept clear at all times, technical maintenance of the workplace and of the equipment and devices to be carried out, the workplace and the equipment and devices are regularly cleaned to an adequate level of hygiene, and that safety equipment and devices intended to prevent or eliminate hazards are regularly maintained and checked.

✓ The issuer has policies and processes in place to ensure that relevant projects provide for high standards for operational safety. More specifically, it finances projects that follow the Eurocodes – a set of European standards for the design of buildings and other civil engineering works, which consider elements such as fire and seismic safety.

✓ The issuer has policies and processes in place to ensure that relevant sustainable forestry projects financed provide for fire management in place to plan, prevent and fight fires. More specifically, the issuer confirms that it finances projects certified according to international standards such as Gold Standard and Verra which require the project developer to conduct a risk analysis by describing all possible risks affecting the project (including wildfires) and potential mitigation measure to address them. At national level, the Bank will cooperate with project developers that have adopted methodologies/best practices for sustainable afforestation projects which provide requirements that prevent the risk of wildfires (e.g. Codice Etico Parchi per Kyoto). Additionally, it requires projects financed to respect national legislation regulating forest management practices with the aim of mitigating the risk of wildfires (D.Lgs. n. 34/2018).

Water management

✓ The issuer is committed to finance projects certified according to international standards such as Gold Standard and Verra, which requires projects to conduct water impact assessment. Whenever no relevant legislation is available at the national level, the issuer commits to collaborating with developers that have adopted widely recognized standards such as PEFC which includes guidelines concerning water management issues or will finance projects that have undergone a "Strategic Environmental Assessment" (SEA) procedure for environmental protection.

✓ The issuer has policies and processes in place to ensure that relevant social and affordable housing and social infrastructure have measures to reduce water consumption. More specifically, it commits to financing projects that adhere to the EU Energy Efficiency Directive, which sets requirements for metering/sub-metering and cost allocation obligation for heating, cooling and domestic hot water.

Waste management and pollution prevention

✓ The assets financed under this framework are subject to European directives (including the EU Directive on the Environmental Impact Assessment) and as such

provide for high standards regarding environmentally safe operation of plants (e.g. air emissions, disposal of residues).



There is no information as to whether relevant smart energy and circular economy assets undergo a comprehensive life-cycle-assessment. For other assets located outside the European Union no information is available on whether they comply with the thresholds set by the EU RoHS directive, they provide for a comprehensive environmental management system and measures to reduce transport-related emission noise.



The issuer has policies and processes in place to ensure that Smart energy, Energy efficiency and Circular economy projects fulfil the threshold requirement defined by the European Directive on the Restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS Directive).

Community dialogue



The issuer is committed to assess the consistency of its financing, investment and other services with the respect communities according to the following principles: right to life and right to health; right to self-determination of local communities; right of indigenous people to preserve, protect and develop their own traditions and cultures; right to an adequate life standard. In addition, community dialogue features as part of the planning process for all assets in the EU issued under this framework as European Union standard in terms of Environmental Impact Assessments (evaluation and acquisition of land rights, site permitting, and engagement with stakeholders).

Energy efficiency



The issuer has policies and processes in place to systematically ensure that the social housing assets it finances provide for good energy efficiency standards. As the issuer follows the EU Energy efficiency directive's rules and obligations for energy efficiency targets, which also apply to social and affordable housing projects. Under the proposal for a revised EED, energy efficiency improvement measures are set as a priority among vulnerable customers, which include customers living in social housing. As such, the social housing projects financed by the issuer would have appropriate energy efficiency measures.



The issuer has policies and processes in place to systematically ensure that the smart energy projects it finances provide for high standards regarding energy efficiency in transmission networks and utilise energy efficient data centres. More specifically, the issuer follows legislations including the 2012 energy efficiency directive (2012/27/EU), which was amended in 2018 as a part of the Clean Energy for all Europeans package. Such legislation sets energy efficiency targets and provides guidance's for the way the issuer assesses the projects it chooses to finance.

Information security



The issuer has policies and processes in place to systematically ensure that the relevant projects financed under this framework meet minimum requirements for the EU Cybersecurity Act, which has an EU-wide cybersecurity certification

framework for ICT products, services and processes. Projects that achieve this certification are aligned with established best practice for cyber security.



In adhering to EU Cybersecurity Act, the issuer confirms that it has processes in place to systematically ensure that relevant projects financed ensure information security in outsourced data processing (i.e. due diligence in provider selection process, corresponding contract requirements, monitoring and review of providers, etc.).

Labor rights, health and safety



The issuer has policies and processes in place to systematically ensure that the relevant projects financed under this framework provide for high labour standards, as the issuer complies with the principles of the ILO Conventions. High health and safety standards are applicable both to the employees (of the companies financed), and external teams including volunteers and contractors based on the fact that the majority of loans is located in Italy, a country with high health and safety standards.



The issuer has policies and processes in place to systematically ensure that the relevant projects financed under this framework provide for high labour and health and safety standards for workers in the supply chain of projects it finances, as the issuer complies with the principles of the ILO Conventions.

Site selection



The issuer has policies and processes in place to systematically ensure that the relevant Education/Health Care projects and Green buildings (commercial) and Social/Affordable Housing financed under this framework are located in metropolitan areas, and are therefore accessible by public transport.

Quality management



The issuer has policies and processes in place to systematically ensure that the relevant Education and Health Care projects provide for quality standards and management system in place. The education projects the issuer finances follow the Italian National Evaluation System, which implements the quality assurance process in school education, from the primary to the upper secondary level (DL 5/2012). As per the regulatory requirements, the quality of the healthcare projects the issuer finances is monitored through the accreditation of health care facilities as defined by the law; the implementation of clinical practice guidelines; the assessment of clinical performance measures; population-based, health related measures to assess the goals of the Health Improvement Programmes included in the National Health Plan (Decreto Ministeriale 2 aprile 2015 n. 70).

Inclusion



The issuer has policies and processes in place to systematically ensure that the relevant projects promote inclusion. More specifically, the issuer's Code of Ethics pages "Principles of conduct in customer relations" states that its services should be accessible to everyone and that the issuer should not discriminate customers based on their nationality, religion or sex. The issuer also commits to formulate its offers so that all social strata can find a response to their needs.

- ✓ The issuer has policies and processes in place to systematically ensure that the relevant projects financed under this framework provide for high social standards regarding non-discrimination. In particular, in adhering to the Racial Equality Directive (2000/43/EC), it commits to prohibiting discrimination on the ground of racial or ethnic origin.

Responsible marketing

- ✓ The issuer has policies and processes in place to systematically ensure that the relevant projects financed under this framework provide for responsible marketing. The issuer's Code of Ethics "Principles of conduct in customer relations" provides guidance for it to help customers to understand the products and services offered, and reduce misunderstanding and ambiguities as much as possible by providing exhaustive information, and promptly communicating any changes in contracts and conditions. In addition, the issuer is committed to provide clear and comprehensible information using a simple language.

Responsible sales practices

- ✓ The issuer has policies and processes in place to systematically ensure that the relevant projects financed under this framework provide for responsible sales practice. The issuer's Code of Ethics "Principles of conduct in customer relations" provides guidance for it to conduct sales practices in accordance with the needs of customers. It does so by conducting dialogue with its customers to identify their risk profiles as a fundamental starting point to offering advice and financial products that are consistent with their needs. Sales personnel is evaluated on KPIs regarding customer satisfaction and the correctness of client interactions; the KPIs are not linked to the distribution of specific products.

Responsible treatment of clients with debt repayment problems

- ✓ The issuer has policies and processes in place to systematically ensure that the relevant projects financed under this framework provide for responsible treatment of clients with debt repayment problems. For example, the issuer will offer the possibility to temporarily suspend repayment of mortgages or to shorten/extend the mortgage duration.

Controversy management

The issuer has a due diligence in place to identify potential ESG controversy related to financing under this framework. In case of controversy, the issuer commits to remove the controversial projects from the eligible pool.

PART III: ALIGNMENT OF SPECIFIC PROJECT SELECTION CRITERIA WITH THE EU TAXONOMY

ISS ESG assessed the alignment of Intesa Sanpaolo’s project selection process and company policies for some of the nominated Use of Proceeds project categories, with the relevant Climate Change Mitigation, Do Not Significant Harm Criteria (DNSH) and Minimum Social Safeguards requirements of the EU Taxonomy Climate Delegated Act²⁹ (June 2021), based on information provided by Intesa Sanpaolo. Where Intesa Sanpaolo’s projects and policies fully meet the EU Taxonomy Criteria requirements, a tick is shown in the table below, for the ISS ESG assessment against the EU Taxonomy Criteria requirements.

The eligibility criteria that do not overlap or comply with the EU Taxonomy have not been assessed in this section, notably: Energy Efficiency, Environmentally sustainable management of living natural resources and land-use, biodiversity, Circular Economy, Access to essential services, Employment generation and programs designed to prevent and/or alleviate unemployment stemming from crises, Socioeconomic Advancement and Empowerment, Affordable housing. Additionally, ISS ESG has limited the perimeter of the EU Taxonomy Assessment to assets that will be located in the European Union. The extra EU assets are not included in this analysis.

The rest of Intesa Sanpaolo’s project selection criteria overlap with the following economic activities in the EU Taxonomy for Substantial Contribution to Climate Change Mitigation.

- 4.1. Electricity generation using solar photovoltaic technology
- 4.2. Electricity generation using concentrated solar power (CSP) technology
- 4.3. Electricity generation from wind power
- 4.5. Electricity generation from hydropower
- 6.3. Urban and suburban transport, road passenger transport
- 6.5. Transport by motorbikes, passenger cars and light commercial vehicles
- 6.6. Freight transport services by road
- 6.15. Infrastructure enabling low-carbon road transport and public transport
- 7.1. Construction of new buildings
- 7.2. Renovation of existing buildings
- 7.7. Acquisition and ownership of buildings

Note: In order to avoid repetition, the evaluation of the alignment of Intesa Sanpaolo’s assets to the Do No Significant Harm Criteria to Climate Change Adaptation is provided in Section B.12 Similarly, the evaluation of the alignment to the DNSH to Protection and Restoration of Biodiversity and Ecosystems is given in Section B.13. They are applicable to all of the above activities.

B.1 4.1. Electricity generation using solar photovoltaic technology

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES ³⁰	ALIGNMENT
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		

²⁹https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts_en

³⁰ This column is based on input provided by the issuer.

The activity generates electricity using solar PV technology.	Solar PV projects automatically meet the Mitigation criteria.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA		
GENERIC CRITERIA FOR (2)	See B.12	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA		
The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.	Intesa Sanpaolo follows D.lgs n. 49/2014, Decreto RAEE, and D.lgs n. 152/2006 for the end-of-life management and treatment of photovoltaic modules. The manufacturer of PV EEE must provide financial guarantees for the PV panel's end-of-life management, by enrolling in an authorized consortium system. In Italy, under the fifth Conto Energia (DM 5 July 2012), the module manufacturer must guarantee the recycling of the photovoltaic modules by joining a European system or Consortium.	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA		
GENERIC CRITERIA FOR (6)	See B.13	✓

B.2 4.2. Electricity generation using concentrated solar power (CSP) technology

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES ³¹	ALIGNMENT
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		
The activity generates electricity using CSP technology.	CSP projects automatically meet the Mitigation criteria.	✓

³¹ This column is based on input provided by the issuer.

2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA

GENERIC CRITERIA FOR (2)

See B.12



3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA

Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed with the aim of achieving good water status and good ecological potential as defined in Article 2, points (22) and (23), of Regulation (EU) 2020/852, in accordance with Directive 2000/60/EC of the European Parliament and of the Council and a water use and protection management plan, developed thereunder for the potentially affected water body or bodies, in consultation with relevant stakeholders.

Where an Environmental Impact Assessment is carried out in accordance with Directive 2011/92/EU of the European Parliament and of the Council and includes an assessment of the impact on water in accordance with Directive 2000/60/EC, no additional assessment of impact on water is required, provided the risks identified have been addressed.

Intesa Sanpaolo confirms to act in accordance with the EU Regulation.

Applicable regulations are the following:

- The EU Water Framework Directive (2000/60/EC) requires all Member States to protect and improve water quality in all waters
- Directive 2008/56/EC of the European Parliament and of the Council and Commission Decision (EU) 2017/848 are in force in the EU
- Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy has been incorporated into the EEA Agreement and is in force
- Compliance with Equator Principles



4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA

The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.

Intesa Sanpaolo confirms that its lending due diligence ensures that all projects located within Europe are compliant with EU and national legislation and regulations regarding recyclability and dismantling of equipment, includes:

- The EU Waste Electrical & Electronic Equipment Directive (2012/19/EU) for projects locate in EU
- Decreto RAEE
- EEA agreement with incorporated Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on waste electrical and electronic equipment (WEEE) for projects locate in EEA



	<ul style="list-style-type: none"> European Waste Catalogue 	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA		
GENERIC CRITERIA FOR (6)	See B.13	✓

B.3 4.3. Electricity generation from wind power




EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES ³²	ALIGNMENT
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		
The activity generates electricity from wind power.	Wind projects automatically meet the Mitigation criteria.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA		
GENERIC CRITERIA FOR (2)	See B.12	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA		
In case of construction of offshore wind, the activity does not hamper the achievement of good environmental status as set out in Directive 2008/56/EC of the European Parliament and of the Council, requiring that the appropriate measures are taken to prevent or mitigate impacts in relation to that Directive's Descriptor 11 (Noise/Energy), laid down in Annex I to that Directive, and as set out in Commission Decision (EU) 2017/848 in relation to the relevant criteria and methodological standards for that descriptor.	<p>Intesa Sanpaolo acts in accordance with the EU Regulation. Applicable regulations are the following:</p> <ul style="list-style-type: none"> The EU Water Framework Directive (2000/60/EC) requires all Member States to protect and improve water quality in all waters Directive 2008/56/EC of the European Parliament and of the Council and Commission Decision (EU) 2017/848 are in force in the EU Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy has been incorporated 	✓

³² This column is based on input provided by the issuer.

	<p>into the EEA Agreement and is in force</p> <ul style="list-style-type: none"> • Compliance with Equator Principles 	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA		
<p>The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.</p>	<p>Intesa Sanpaolo confirms that its lending due diligence ensures that all projects located within Europe are compliant with EU and national legislation and regulations regarding recyclability and dismantling of equipment, includes:</p> <ul style="list-style-type: none"> • The EU Waste Electrical & Electronic Equipment Directive (2012/19/EU) for projects locate in EU • Decreto RAEE • EEA agreement with incorporated Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on waste electrical and electronic equipment (WEEE) for projects locate in EEA • European Waste Catalogue <p>Intesa Sanpaolo confirms that around 85 to 90% of wind turbines' total mass can be recycled at decommissioning and the European landfill ban on decommissioned blades by 2025.</p>	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA		
<p>GENERIC CRITERIA FOR (6)</p> <p>In case of offshore wind, the activity does not hamper the achievement of good environmental status as set out in Directive 2008/56/EC, requiring that the appropriate measures are taken to prevent or mitigate impacts in relation to that Directive's Descriptors 1 (biodiversity) and 6 (seabed integrity), laid down in Annex I to that</p>	<p>See B.13 for Generic Criteria.</p> <p>Intesa Sanpaolo confirms to act in accordance with the EU Regulation including Directive 2008/56/EC.</p>	

Directive, and as set out in Decision (EU) 2017/848 in relation to the relevant criteria and methodological standards for those descriptors.		
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B.4 4.5. Electricity generation from hydropower

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES ³³	ALIGNMENT
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		
<p>The activity complies with either of the following criteria:</p> <ul style="list-style-type: none"> (a) the electricity generation facility is a run-of-river plant and does not have an artificial reservoir; (b) the power density of the electricity generation facility is above 5 W/m²; (c) the life-cycle GHG emissions from the generation of electricity from hydropower, are lower than 100 g CO₂e/kWh. 	<p>Intesa Sanpaolo commits to only finance projects in line with the EU Taxonomy requirements as per the eligibility criteria of the framework.</p>	
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA		
<p>GENERIC CRITERIA FOR (2)</p>	<p>See B.6</p>	
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA		
<p>1 The activity complies with the provisions of Directive 2000/60/EC, in particular with all the requirements laid down in Article 4 of the Directive.</p> <p>2 For operation of existing hydropower plants, including refurbishment activities to enhance renewable energy or energy storage potential, the activity complies with the following criteria:</p> <p>2.1 In accordance with Directive 2000/60/EC and in particular Articles 4 and 11 of that Directive, all technically feasible and ecologically relevant mitigation measures have been implemented to reduce adverse impacts on water as well as on</p>	<p>Intesa Sanpaolo confirms to act in accordance with the EU Regulation. Applicable regulations are the following:</p> <ul style="list-style-type: none"> • Compliance with the provisions of Directive 2000/60/EC, including Article 4 in relation to the requirement of impact assessment prior to construction • Additional criteria specific to Intesa Sanpaolo in case of hydro plants larger than 25. If larger than 25 MW, one of the following international sustainability best practices has to be satisfied: 	

³³ This column is based on input provided by the issuer.

<p>protected habitats and species directly dependent on water.</p> <p>2.2 Measures include, where relevant and depending on the ecosystems naturally present in the affected water bodies:</p> <ul style="list-style-type: none"> (a) measures to ensure downstream and upstream fish migration (such as fish friendly turbines, fish guidance structures, state-of-the-art fully functional fish passes, measures to stop or minimise operation and discharges during migration or spawning); (b) measures to ensure minimum ecological flow (including mitigation of rapid, short-term variations in flow or hydro-peaking operations) and sediment flow; (c) measures to protect or enhance habitats. <p>2.3 The effectiveness of those measures is monitored in the context of the authorisation or permit setting out the conditions aimed at achieving good status or potential of the affected water body.</p> <p>3 For construction of new hydropower plants, the activity complies with the following criteria:</p> <p>3.1 In accordance with Article 4 of Directive 2000/60/EC and in particular paragraph 7 of that Article, prior to construction, an impact assessment of the project is carried out to assess all its potential impacts on the status of water bodies within the same river basin and on protected habitats and species directly dependent on water, considering in particular migration corridors, free-flowing rivers or ecosystems close to undisturbed conditions.</p> <p>The assessment is based on recent, comprehensive and accurate data, including monitoring data on biological quality elements that are specifically sensitive to hydromorphological alterations, and on the expected status</p>	<ul style="list-style-type: none"> - Hydropower Sustainability Protocol – Published assessment report, score of 3 or above (i.e., in line with “Good Practices”) on all relevant pillars or - International Finance Corporation (IFC) Standards – Publicly stated commitment to meet the requirements outlined by all eight IFC performance standard <p>The issuer commits to reporting on whether current and future assets will fully comply with the requirements 3.2, 3.3, 3.4, and 3.5 in the annual reporting.</p>	
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<p>of the water body as a result of the new activities, as compared to its current one.</p> <p>It assesses in particular the cumulated impacts of this new project with other existing or planned infrastructure in the river basin.</p> <p>3.2 On the basis of that impact assessment, it has been established that the plant is conceived, by design and location and by mitigation measures, so that it complies with one of the following requirements:</p> <ul style="list-style-type: none">(a) the plant does not entail any deterioration nor compromises the achievement of good status or potential of the specific water body it relates to;(b) where the plant risks to deteriorate or compromise the achievement of good status/potential of the specific water body it relates to, such deterioration is not significant, and is justified by a detailed cost-benefit assessment demonstrating both of the following:<ul style="list-style-type: none">i. the reasons of overriding public interest or the fact that benefits expected from the planned hydropower plant outweigh the costs from deteriorating the status of water that are accruing to the environment and to society;ii. the fact that the overriding public interest or the benefits expected from the plant cannot, for reasons of technical feasibility or disproportionate cost, be achieved by alternative means that would lead to a better environmental outcome (such as refurbishing of existing hydropower plants or use of		
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<p>technologies not disrupting river continuity).</p> <p>3.3 All technically feasible and ecologically relevant mitigation measures are implemented to reduce adverse impacts on water as well as on protected habitats and species directly dependent on water.</p> <p>Mitigation measures include, where relevant and depending on the ecosystems naturally present in the affected water bodies:</p> <ul style="list-style-type: none"> (a) measures to ensure downstream and upstream fish migration (such as fish friendly turbines, fish guidance structures, state-of the-art fully functional fish passes, measures to stop or minimise operation and discharges during migration or spawning); (b) measures to ensure minimum ecological flow (including mitigation of rapid, short-term variations in flow or hydro-peaking operations) and sediment flow; (c) measures to protect or enhance habitats. <p>The effectiveness of those measures is monitored in the context of the authorisation or permit setting out the conditions aimed at achieving good status or potential of the affected water body.</p> <p>3.4 The plant does not permanently compromise the achievement of good status/potential in any of the water bodies in the same river basin district.</p> <p>3.5 In addition to the mitigation measures referred to above, and where relevant, compensatory measures are implemented to ensure that the project does not increase the fragmentation of water bodies in the same river basin district. This is achieved by restoring continuity within</p>		
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the same river basin district to an extent that compensates the disruption of continuity, which the planned hydropower plant may cause. Compensation starts prior to the execution of the project.		
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA		
GENERIC CRITERIA FOR (6)	See B.13	✓

B.5 6.3. Urban and suburban transport, road passenger transport

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES³⁴	ALIGNMENT
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		
<p>The activity complies with the one of following criteria:</p> <p>(a) the activity provides urban or suburban passenger transport and its direct (tailpipe) CO₂ emissions are zero;</p> <p>(b) until 31 December 2025, the activity provides interurban passenger road transport using vehicles designated as categories M2 and M3 that have a type of bodywork classified as ‘CA’ (single-deck vehicle), ‘CB’ (double-deck vehicle), ‘CC’ (single-deck articulated vehicle) or ‘CD’ (double-deck articulated vehicle), and comply with the latest EURO VI standard, i.e. both with the requirements of Regulation (EC) No 595/2009 and, from the time of the entry into force of amendments to that Regulation, in those amending acts, even before</p>	<p>Intesa Sanpaolo will only finance projects that provide for urban or suburban passenger transport where direct (tailpipe) CO₂ emissions are zero.</p>	<p>✓</p>

³⁴ This column is based on input provided by the issuer.



<p>they become applicable, and with the latest step of the Euro VI standard set out in Table 1 of Appendix 9 to Annex I to Regulation (EU) No 582/2011 where the provisions governing that step have entered into force but have not yet become applicable for this type of vehicle. Where such standard is not available, the direct CO2 emissions of the vehicles are zero.</p>		
<p>2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA</p>		
<p>GENERIC CRITERIA FOR (2)</p>	<p>See B.12</p>	<p>✓</p>
<p>3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA</p>		
<p>N/A</p>	<p>N/A</p>	<p>N/A</p>
<p>4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA</p>		
<p>Measures are in place to manage waste, in accordance with the waste hierarchy, both in the use phase (maintenance) and the end-of-life of the fleet, including through reuse and recycling of batteries and electronics (in particular critical raw materials therein).</p>	<p>Intesa Sanpaolo confirms that all projects in Europe are compliant with national legislation, including End of Life Vehicles (ELV) Directive (2000/53/EC) and Directive 2005/64/EC of the European Parliament and of the Council of 26 October 2005 on the type-approval of motor vehicles with regard to their reusability, recyclability and recoverability and amending Council Directive 70/156/EEC.</p>	<p>✓</p>
<p>5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA</p>		
<p>For road vehicles of categories M, tyres comply with external rolling noise requirements in the highest populated class and with Rolling Resistance Coefficient (influencing the vehicle energy efficiency) in the two highest populated classes as set out in Regulation (EU) 2020/740 of the European Parliament and of the Council and as can be verified from the European Product Registry for Energy Labelling (EPREL).</p> <p>Where applicable, vehicles comply with the requirements of the most recent applicable stage of the Euro VI heavy duty</p>	<p>Intesa Sanpaolo confirms that all projects in Europe meet standard legislative requirements at European and national levels.</p>	<p>✓</p>

emission type-approval set out in accordance with Regulation (EC) No 595/2009.		
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A



B.6 6.5. Transport by motorbikes, passenger cars and light commercial vehicles

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES³⁵	ALIGNMENT
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		
The activity complies with the following criteria: (a) for vehicles of category M1 and N1, both falling under the scope of Regulation (EC) No 715/2007: i. until 31 December 2025, specific emissions of CO ₂ , as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are lower than 50gCO ₂ /km (low- and zero-emission light-duty vehicles); ii. from 1 January 2026, specific emissions of CO ₂ , as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are zero. (b) for vehicles of category L, the tailpipe CO ₂ emissions equal to 0g CO ₂ e/km calculated in accordance with the emission test laid down in Regulation (EU) 168/2013.	Intesa Sanpaolo will only finance low carbon passenger cars and light commercial vehicles with specific direct tailpipe CO ₂ emissions equal to zero.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA		
GENERIC CRITERIA FOR (2)	See B.12	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA		



³⁵ This column is based on input provided by the issuer.

<p>Vehicles of categories M1 and N1 are both of the following:</p> <p>(a) reusable or recyclable to a minimum of 85% by weight;</p> <p>(b) reusable or recoverable to a minimum of 95% by weight.</p> <p>Measures are in place to manage waste both in the use phase (maintenance) and the end-of-life of the fleet, including through reuse and recycling of batteries and electronics (in particular critical raw materials therein), in accordance with the waste hierarchy.</p>	<p>Intesa Sanpaolo confirms that all projects in Europe are compliant with national legislation, including End of Life Vehicles (ELV) Directive (2000/53/EC) and Directive 2005/64/EC of the European Parliament and of the Council of 26 October 2005 on the type-approval of motor vehicles with regard to their reusability, recyclability and recoverability and amending Council Directive 70/156/EEC, where new vehicles may only be sold in the EU if they may be reused and/or recycled to a minimum of 85% by mass or reused and/or recovered to a minimum of 95% by mass.</p>	<p style="text-align: right;"></p>
<p>5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA</p>		
<p>Vehicles comply with the requirements of the most recent applicable stage of the Euro 6 light-duty emission type-approval set out in accordance with Regulation (EC) No. 715/2007.</p> <p>Vehicles comply with the emission thresholds for clean light-duty vehicles set out in Table 2 of the Annex to Directive 2009/33/EC of the European Parliament and of the Council.</p> <p>For road vehicles of categories M and N, tyres comply with external rolling noise requirements in the highest populated class and with Rolling Resistance Coefficient (influencing the vehicle energy efficiency) in the two highest populated classes as set out in Regulation (EU) 2020/740 and as can be verified from the European Product Registry for Energy Labelling (EPREL).</p> <p>Vehicles comply with Regulation (EU) No 540/2014 of the European Parliament and of the Council.</p>	<p>Intesa Sanpaolo confirms that assets under this category have not been selected yet. The bank also confirms that projects in Europe will meet standard legislative requirements at European and national levels:</p> <ul style="list-style-type: none"> • Regulation (EC) No. 715/2007 • Directive 2009/33/EC • Regulation (EU) 2020/740 • Regulation (EU) No 540/2014 	<p style="text-align: right;"></p>
<p>6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA</p>		
<p>N/A</p>	<p>N/A</p>	<p>N/A</p>




B.7 6.6. Freight transport services by road

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES ³⁶	ALIGNMENT
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		
<p>1. The activity complies with one of the following criteria:</p> <ul style="list-style-type: none"> (a) vehicles of category N1 have zero direct (tailpipe) CO2 emissions; (b) vehicles of category N2 and N3 with a technically permissible maximum laden mass not exceeding 7,5 tonnes are ‘zero-emission heavy-duty vehicles’ as defined in Article 3, point (11), of Regulation (EU) 2019/1242; (c) vehicles of category N2 and N3 with a technically permissible maximum laden mass exceeding 7,5 tonnes are one of the following: <ul style="list-style-type: none"> i. ‘zero-emission heavy-duty vehicles’, as defined in Article 3, point (11), of Regulation (EU) 2019/1242; ii. where technologically and economically not feasible to comply with the criterion in point (i), ‘low-emission heavy-duty vehicles’ as defined in Article 3, point (12), of that Regulation. <p>2. Vehicles are not dedicated to the transport of fossil fuels.</p>	<p>Intesa Sanpaolo will only finance electric vehicles with zero tail-pipe emissions. Those vehicles are not to be dedicated to the transport of fossil fuels.</p>	
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA		
GENERIC CRITERIA FOR (2)	See B.12	
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A

³⁶ This column is based on input provided by the issuer.

4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA		
<p>Vehicles of category N1, N2 and N3 are both of the following:</p> <ul style="list-style-type: none"> (a) reusable or recyclable to a minimum of 85% by weight; (b) reusable or recoverable to a minimum of 95% by weight. <p>Measures are in place to manage waste both in the use phase (maintenance) and the end-of-life of the fleet, including through reuse and recycling of batteries and electronics (in particular critical raw materials therein), in accordance with the waste hierarchy.</p>	<p>Intesa Sanpaolo confirms that all projects in Italy are compliant with national legislation, including End of Life Vehicles (ELV) Directive (2000/53/EC) and Directive 2005/64/EC of the European Parliament and of the Council of 26 October 2005 on the type-approval of motor vehicles with regard to their reusability, recyclability and recoverability and amending Council Directive 70/156/EEC, where new vehicles may only be sold in the EU if they may be reused and/or recycled to a minimum of 85% by mass or reused and/or recovered to a minimum of 95% by mass.</p>	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA		
<p>For road vehicles of categories M and N, tyres comply with external rolling noise requirements in the highest populated class and with Rolling Resistance Coefficient (influencing the vehicle energy efficiency) in the two highest populated classes as set out in Regulation (EU) 2020/740 and as can be verified from the European Product Registry for Energy Labelling (EPREL). Vehicles comply with the requirements of the most recent applicable stage of the Euro VI heavy duty emission type-approval set out in accordance with Regulation (EC) No 595/2009.</p> <p>Vehicles comply with Regulation (EU) No 540/2014.</p>	<p>Intesa Sanpaolo confirms that assets under this category have not been selected yet. The bank also confirms that projects in Europe will meet standard legislative requirements at European and national levels:</p> <ul style="list-style-type: none"> • Regulation (EU) 2020/740 • Regulation (EC) No 595/2009 • Regulation (EU) No 540/2014 	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A

B.8 6.15. Infrastructure enabling low-carbon road transport and public transport

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES ³⁷	ALIGNMENT
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		
<p>1. The activity complies with one or more of the following criteria:</p> <ul style="list-style-type: none"> (a) the infrastructure is dedicated to the operation of vehicles with zero tailpipe CO2 emissions: electric charging points, electricity grid connection upgrades, hydrogen fuelling stations or electric road systems (ERS); (b) the infrastructure and installations are dedicated to transshipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transshipment of goods; (c) the infrastructure and installations are dedicated to urban and suburban public passenger transport, including associated signalling systems for metro, tram and rail systems. <p>2. The infrastructure is not dedicated to the transport or storage of fossil fuels.</p>	<p>Intesa Sanpaolo will finance EV charging stations, hydrogen fueling stations and electrified rail.</p>	
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA		
<p>GENERIC CRITERIA FOR (2)</p>	<p>See B.12</p>	
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA		
<p>Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed with the aim of achieving good water status and good ecological potential as defined in Article 2, points (22) and (23), of Regulation (EU) 2020/852, in accordance with Directive 2000/60/EC of the European Parliament and of the Council and a water use and protection management plan, developed thereunder for the potentially</p>	<p>Intesa Sanpaolo confirms compliance to the Water Framework Directive 2000/60/EC to achieve good status in all bodies of surface water and groundwater by 2027, the Groundwater Directive (2006/118/EC) and Environmental Quality Standards Directive (2008/105/EC) which both set additional groundwater and priority substance</p>	

³⁷ This column is based on input provided by the issuer.

<p>affected water body or bodies, in consultation with relevant stakeholders.</p> <p>Where an Environmental Impact Assessment is carried out in accordance with Directive 2011/92/EU of the European Parliament and of the Council and includes an assessment of the impact on water in accordance with Directive 2000/60/EC, no additional assessment of impact on water is required, provided the risks identified have been addressed.</p>	<p>standards relevant for assessments of the Water Framework Directive.</p>	
<p>4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA</p>		
<p>At least 70% (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material defined in category 17 05 04 in the European List of Waste established by Decision 2000/532/EC) generated on the construction site is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management Protocol. Operators limit waste generation in processes related construction and demolition, in accordance with the EU Construction and Demolition Waste Management Protocol and taking into account best available techniques and using selective demolition to enable removal and safe handling of hazardous substances and facilitate reuse and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste.</p>	<p>Intesa Sanpaolo confirms to act in accordance with the EU Regulation, including the Waste Framework Directive (2008/98/EC) to achieve 70% of material recovery of non-hazardous, non-soil and stone C&D waste, by 2020.</p>	<p style="text-align: right;">✓</p>
<p>5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA</p>		
<p>Where relevant, noise and vibrations from use of infrastructure are mitigated by introducing open trenches, wall barriers or other measures and comply with Directive 2002/49/EC.</p>	<p>In Italy, Intesa Sanpaolo confirms to abide by Directive 2002/49/EC of EU which aims at creating a common language for assessment and management of environmental noise.</p>	<p style="text-align: right;">✓</p>

Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works.		
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA		
GENERIC CRITERIA FOR (6)	See B.13	
Where relevant, maintenance of vegetation along road transport infrastructure ensures that invasive species do not spread.	Intesa Sanpaolo confirms that electrified railways in Italy is owned by Ferrovie dello Stato group (RFI) which acts in accordance with territorial protection. Actions include prevent and mitigate the impact of operations on the soil and the quality of underground and surface water; reclaim contaminated areas; minimise soil consumption; conserve habitats and natural ecosystems; protect and develop natural and archaeological heritage.	✓
Mitigation measures have been implemented to avoid wildlife collisions.		

B.9 7.1. Construction of new buildings

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES³⁸	ALIGNMENT
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		
<p>Constructions of new buildings for which:</p> <ol style="list-style-type: none"> The Primary Energy Demand (PED), defining the energy performance of the building resulting from the construction, is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council. The energy performance is certified using an as built Energy Performance Certificate (EPC). For buildings larger than 5000 m², upon completion, the building resulting from the construction undergoes testing for air-tightness and thermal integrity, and any deviation in the levels of performance set at the design stage or 	<p>Intesa Sanpaolo has eligibility criteria for buildings built after 1st January 2021, the Primary Energy Demand (PED) is, or will be, at least 10% lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures.</p> <p>Intesa Sanpaolo will report, on a best effort basis, on whether and in what aspects there is compliance with the criteria for buildings larger than 5000 m² should they be included in the financing.</p>	✓

³⁸ This column is based on input provided by the issuer.

<p>defects in the building envelope are disclosed to investors and clients. As an alternative; where robust and traceable quality control processes are in place during the construction process this is acceptable as an alternative to thermal integrity testing.</p> <p>3. For buildings larger than 5000 m², the life-cycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand.</p>		
<p>2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA</p>		
<p>GENERIC CRITERIA FOR (2)</p>	<p>See B.12</p>	<p>✓</p>
<p>3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA</p>		
<p>Where installed, except for installations in residential building units, the specified water use for the following water appliances are attested by product datasheets, a building certification or an existing product label in the Union, in accordance with the technical specifications laid down in Appendix E (of the Delegated Act):</p> <p>(a) wash hand basin taps and kitchen taps have a maximum water flow of 6 litres/min;</p> <p>(b) showers have a maximum water flow of 8 litres/min;</p> <p>(c) WCs, including suites, bowls and flushing cisterns, have a full flush volume of a maximum of 6 litres and a maximum average flush volume of 3,5 litres;</p> <p>(d) urinals use a maximum of 2 litres/bowl/hour. Flushing urinals have a maximum full flush volume of 1 litre.</p> <p>To avoid impact from the construction site, the activity complies with the criteria set out in Appendix B the Annex of the Delegated Act.</p>	<p>There is limited information to assess the types of water appliances used in the non-residential buildings.</p> <p>Intesa Sanpaolo confirms that they rely on the regulation, standard, inspection and certification process to mitigate the harm to water and marine resources, on its best effort. The standard and regulations include:</p> <ul style="list-style-type: none"> • NZEB methodology for buildings • Wastewater Directive • Flood Risk Management Directive • Groundwater Directive • Priority Substances Directive • Marine Strategy Framework Directive <p>Intesa Sanpaolo commits to reporting on whether current and future assets will fully comply with the requirements on the left in the annual reporting.</p>	<p>✓</p>

4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA

At least 70% (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material referred to in category 17 05 04 in the European List of Waste established by Decision 2000/532/EC) generated on the construction site is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management Protocol. Operators limit waste generation in processes related to construction and demolition, in accordance with the EU Construction and Demolition Waste Management Protocol and taking into account best available techniques and using selective demolition to enable removal and safe handling of hazardous substances and facilitate reuse and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste.

Building designs and construction techniques support circularity and in particular demonstrate, with reference to ISO 20887 or other standards for assessing the disassemblability or adaptability of buildings, how they are designed to be more resource efficient, adaptable, flexible and dismantlable to enable reuse and recycling.

Intesa Sanpaolo confirms that all buildings to be financed will be located in Italy with high construction and demolition waste recovery rate according to (98% as of 2022 according to Eurostat)³⁹.

Intesa Sanpaolo confirms that all projects in Italy meet standard legislative requirements at European and national levels.

Certain Italian regions have embedded into their legislation the Reference Practice UNI/PdR 75:2020 on selective deconstruction and waste recovery for circular economy in buildings.



5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA

Building components and materials used in the construction comply with the criteria set out in Appendix C to the Annex of the Delegated Act.

Building components and materials used in the construction that may come into

Intesa Sanpaolo confirms that all buildings to be financed will be located in Italy. Buildings have to meet the standard legislative requirements at European and national levels regarding prevention of






³⁹ https://ec.europa.eu/eurostat/databrowser/view/cei_wm040/default/table?lang=en

<p>contact with occupiers emit less than 0,06 mg of formaldehyde per m³ of material or component upon testing in accordance with the conditions specified in Annex XVII to Regulation (EC) No 1907/2006 and less than 0,001 mg of other categories 1A and 1B carcinogenic volatile organic compounds per m³ of material or component, upon testing in accordance with CEN/EN 16516 or ISO 16000-3:2011292 or other equivalent standardised test conditions and determination methods.</p> <p>Where the new construction is located on a potentially contaminated site (brownfield site), the site has been subject to an investigation for potential contaminants, for example using standard ISO 18400.</p> <p>Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works.</p>	<p>the use of substances in concern for buildings, including:</p> <ul style="list-style-type: none"> • EU Directive on Environmental Impact Assessment in accordance with Directive 2011/92/EU can be assumed to be transposed into national regulation • EU Regulation 1907/2006 (Dec 2006) concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), • CEN/TS 16516:2013 Construction products -Assessment of release of dangerous substances - Determination of emissions into indoor air 	
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6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA

<p>GENERIC CRITERIA FOR (6)</p> <p>The new construction is not built on one of the following:</p> <ol style="list-style-type: none"> arable land and crop land with a moderate to high level of soil fertility and below ground biodiversity as referred to the EU LUCAS survey; greenfield land of recognised high biodiversity value and land that serves as habitat of endangered species (flora and fauna) listed on the European Red List or the IUCN Red List; land matching the definition of forest as set out in national law used in the national greenhouse gas inventory, or where not available, is in accordance with the FAO definition of forest. 	<p>See B.13</p> <p>The Italian law classify the soil in different zones mandating where and what can be constructed. On zones A, B, and C it is forbidden to construct at all or only buildings with a specific purpose (traditional activities and pre-approved touristic activities). Only in zone D, which includes inhabited areas, buildings for general use are permitted.</p> <p>The issuer commits to reporting on how current and future assets will fully comply with the requirements on the left in the annual reporting.</p>	
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B.10 7.2. Renovation of existing buildings

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES ⁴⁰	ALIGNMENT
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		
<p>The building renovation complies with the applicable requirements for major renovations.</p> <p>Alternatively, it leads to a reduction of primary energy demand (PED) of at least 30%.</p>	<p>Intesa Sanpaolo has eligible criteria of refurbished buildings resulting in a reduction of primary energy demand (PED) of at least 30% and validated through an Energy Performance Certificate (corresponding to a change of at least two EPC classes)</p>	
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA		
<p>GENERIC CRITERIA FOR (2)</p>	<p>See B.12</p>	
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA		
<p>Where installed as part of the renovation works, except for renovation works in residential building units, the specified water use for the following water appliances is attested by product datasheets, a building certification or an existing product label in the Union, in accordance with the technical specifications laid down in Appendix E to the Annex of the Delegated Act:</p> <p>(a) wash hand basin taps and kitchen taps have a maximum water flow of 6 litres/min;</p> <p>(b) showers have a maximum water flow of 8 litres/min;</p> <p>(c) WCs, including suites, bowls and flushing cisterns, have a full flush volume of a maximum of 6 litres and a maximum average flush volume of 3,5 litres;</p> <p>(d) urinals use a maximum of 2 litres/bowl/hour. Flushing urinals have a maximum full flush volume of 1 litre.</p>	<p>There is limited information to assess the types of water appliances used in the non-residential buildings.</p> <p>Intesa Sanpaolo confirms that they rely on the regulation, standard, inspection and certification process to mitigate the harm to water and marine resources, on its best effort. The standard and regulations include:</p> <ul style="list-style-type: none"> • NZEB methodology for buildings • Wastewater Directive • Flood Risk Management Directive • Groundwater Directive • Priority Substances Directive • Marine Strategy Framework Directive <p>Intesa Sanpaolo commits to reporting on how current and future assets will fully comply with the requirements on the left in the annual reporting.</p>	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA		

⁴⁰ This column is based on input provided by the issuer.

At least 70% (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material referred to in category 17 05 04 in the European List of Waste established by Decision 2000/532/EC) generated on the construction site is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management Protocol. Operators limit waste generation in processes related construction and demolition, in accordance with the EU Construction and Demolition Waste Management Protocol and taking into account best available techniques and using selective demolition to enable removal and safe handling of hazardous substances and facilitate reuse and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste.

Building designs and construction techniques support circularity and in particular demonstrate, with reference to ISO 20887 or other standards for assessing the disassemblability or adaptability of buildings, how they are designed to be more resource efficient, adaptable, flexible and dismantlable to enable reuse and recycling.

Intesa Sanpaolo confirms that all buildings to be financed will be located in Italy with high construction and demolition waste recovery rate according to (98% as of 2022 according to Eurostat)⁴¹.

Intesa Sanpaolo confirms that all projects in Italy will meet standard legislative requirements at European and national levels.



5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA

Building components and materials used in the construction complies with the criteria set out in Appendix C to the Annex of the Delegated Act.

Building components and materials used in the building renovation that may come into contact with occupiers emit less than 0,06 mg of formaldehyde per m³ of material or component upon testing in

Intesa Sanpaolo confirms that all buildings to be financed will be located in Italy. Buildings have to meet the standard legislative requirements at European and national levels regarding prevention of the use of substances in concern for buildings, including:

⁴¹ https://ec.europa.eu/eurostat/databrowser/view/cei_wm040/default/table?lang=en

<p>accordance with the conditions specified in Annex XVII to Regulation (EC) No 1907/2006 and less than 0,001 mg of other categories 1A and 1B carcinogenic volatile organic compounds per m³ of material or component, upon testing in accordance with CEN/EN 16516 or ISO 16000-3:2011304 or other equivalent standardised test conditions and determination methods.</p> <p>Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works.</p>	<ul style="list-style-type: none"> • EU Directive on Environmental Impact Assessment in accordance with Directive 2011/92/EU can be assumed to be transposed into national regulation • EU Regulation 1907/2006 (Dec 2006) concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), <p>CEN/TS 16516:2013 Construction products - Assessment of release of dangerous substances - Determination of emissions into indoor air</p>	
<p>6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA</p>		
<p>N/A</p>	<p>N/A</p>	<p>N/A</p>

B.11 7.7. Acquisition and ownership of buildings

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES ⁴²	ALIGNMENT
<p>1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA</p>		
<p>1. For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A. As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings.</p> <p>2. For buildings built after 31 December 2020, the building meets the criteria specified in Section 7.1 of the Annex that are relevant at the time of the acquisition.</p>	<p>Intesa Sanpaolo has eligible criteria for buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A or the building has a Primary Energy Demand (PED) which is within the top 15% of the national building stock. For buildings built after 1st January 2021, the Primary Energy Demand (PED) is, or will be, at least 10% lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures.</p>	<p>✓</p>

⁴² This column is based on input provided by the issuer.

3. Where the building is a large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW) it is efficiently operated through energy performance monitoring and assessment.	Intesa Sanpaolo will not finance large non-residential buildings as per the criterion 3. on the left.	
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA		
GENERIC CRITERIA FOR (2)	See B.12	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A

B.12 Generic Criteria for DNSH to Climate Change Adaptation

EU TAXONOMY REQUIREMENT	PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁴³	ALIGNMENT
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA		
<p>The physical climate risks that are material to the activity have been identified from those listed in the table in Section II of the Delegated Act by performing a robust climate risk and vulnerability assessment with the following steps:</p> <p>(a) screening of the activity to identify which physical climate risks from the list in Section II of the Delegated Act may affect the performance of the economic activity during its expected lifetime;</p>	<p>Intesa Sanpaolo uses the Task Force on Climate-Related Financial Disclosures (TCFD) to identify, manage, and report climate risks. As part of the TCFD Banking Pilot project, the issuer has conducted a case study aimed at understanding the effects of the risk of flooding on a sample of mortgages in Italy (1,200 positions, located in 85 Italian provinces). For that, Intesa Sanpaolo used the most impactful scenarios of the Intergovernmental Panel on Climate Change (IPCC) for</p>	✓

⁴³ This column is based on input provided by the issuer.

(b) where the activity is assessed to be at risk from one or more of the physical climate risks listed in Section II of the Delegated Act, a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity;

(c) an assessment of adaptation solutions that can reduce the identified physical climate risk.

The climate risk and vulnerability assessment is proportionate to the scale of the activity and its expected lifespan, such that:

(a) for activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using climate projections at the smallest appropriate scale;

(b) for all other activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios consistent with the expected lifetime of the activity, including, at least, 10 to 30 year climate projections scenarios for major investments.

The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports, scientific peer-reviewed publications, and open source or paying models.

For existing activities and new activities using existing physical assets, the economic operator implements physical and non-physical solutions ('adaptation solutions'), over a period of time of up to five years, that reduce the most important identified physical climate risks that are material to that activity. An adaptation plan for the


physical risk ((RCP) 6.0, stabilisation scenario, and RCP 8.5, Business as usual scenario).

Moreover, Intesa Sanpaolo has developed a proprietary ESG rating model (in collaboration with Confindustria Piccole Imprese, the model has been validated by the ECB). For assets located in Italy, this rating model also covers the assessment of potential catastrophic events linked to the specific geographical area. Various physical risks have been taken into consideration and three variables were included in the final model: fires, earthquakes and floods. As mandated by the Italian Environmental Law (Legislative Decree 152/2006, which implements the Directive 2004/35/EC), Environmental Impact Assessments – including physical climate risk assessment – are conducted for the vast majority of assets.

Intesa Sanpaolo is working on expanding its' climate risk and vulnerability assessments to all relevant assets and to development of adaptation solutions. The issuer commits to reporting on whether current and future assets will fully comply with the requirements on the left in the annual reporting.

<p>implementation of those solutions is drawn up accordingly.</p> <p>For new activities and existing activities using newly-built physical assets, the economic operator integrates the adaptation solutions that reduce the most important identified physical climate risks that are material to that activity at the time of design and construction and has implemented them before the start of operations.</p> <p>The adaptation solutions implemented do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities; are consistent with local, sectoral, regional or national adaptation strategies and plans; and consider the use of nature-based solutions or rely on blue or green infrastructure to the extent possible.</p>		
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B.13 Generic Criteria for DNSH to Protection and Restoration of Biodiversity and Ecosystems

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES ⁴⁴	ALIGNMENT
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA		
<p>An Environmental Impact Assessment (EIA) or screening has been completed in accordance with Directive 2011/92/EU.</p> <p>Where an EIA has been carried out, the required mitigation and compensation measures for protecting the environment are implemented.</p> <p>For sites/operations located in or near biodiversity-sensitive areas (including the Natura 2000 network of protected</p>	<p>Intesa Sanpaolo is committed not to finance companies or projects which have a negative impact on: UNESCO World Heritage Sites, wetlands according to the Ramsar Convention 6, IUCN protected areas, categories I to VI. In addition, the issuer confirms to abide to national and supranational regulations mandating environmental impact assessment:</p> <ul style="list-style-type: none"> • for all member states of the European Union, EU Directive on Environmental Impact Assessment in accordance with Directive 2011/92/EU; • for assets that will be located in Italy – the Consolidated Environmental Law (Legislative Decree 152/2006) regulates the following issues: 	<p style="text-align: center;"></p>

⁴⁴ This column is based on input provided by the issuer.

<p>areas, UNESCO World Heritage sites and Key Biodiversity Areas, as well as other protected areas), an appropriate assessment, where applicable, has been conducted and based on its conclusions the necessary mitigation measures are implemented.</p>	<ul style="list-style-type: none"> ○ procedures for strategic environmental assessments, environmental impact assessments, and integrated environmental authorisations, ○ protection of soil and the fight against desertification, ○ protection of water from pollution and the management of water resources, ○ waste management and remediation of contaminated sites, ○ protection of air and the reduction of emissions into the atmosphere, and compensation for environmental damages. <p>In addition, for assets that will be located in Italy, an Environmental Impact Assessment is mandatory whenever the projects are likely to have significant effects on the environment.</p>	
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Minimum Social Safeguards

ISS ESG assessed the alignment of the due diligence and selection processes in place with the EU Taxonomy Minimum Social Safeguards as described in Article 18 of the Taxonomy Regulation⁴⁵. The results of this assessment are applicable for every Project Category financed under this framework and are displayed below:

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES	ALIGNMENT
<p>Alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.</p>	<p>Intesa Sanpaolo operates in Italy, where there is a National Contact Point to ensure implementation of OECD Guidelines for Multinational Enterprises. Intesa Sanpaolo also commits to sustaining the OECD Guidelines and the anti-corruption principles in the Code of Ethics.</p> <p>Intesa Sanpaolo commits to identifying, mitigating and, where possible, preventing potential violations of human rights connected with its activities, as</p>	<p style="text-align: center;"></p>

⁴⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020R0852>

	<p>recommended by the UN's Guiding Principles on Business and Human Rights.</p> <p>The ILO Core Conventions are ratified by Italy and the European countries where Intesa Sanpaolo operates. Moreover, Intesa Sanpaolo recognises the principles established by the fundamental conventions of the ILO in the Code of Ethics.</p>	
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PART IV: GREEN, SOCIAL AND SUSTAINABILITY BOND LINK TO INTESA SANPAOLO'S SUSTAINABILITY STRATEGY

A. INTESA SANPAOLO'S BUSINESS EXPOSURE TO ESG RISKS

This section aims to provide an overall level of information on the ESG risks to which the issuer is exposed through its business activities, providing additional context to the issuance assessed in the present report.

ESG risks associated with the Issuer's industry

Key challenges faced by companies in terms of sustainability management in this industry are displayed in the table below. Please note, that this is not a company specific assessment but areas that are of particular relevance for companies within that industry.

ESG KEY ISSUES IN THE INDUSTRY
Sustainability impacts of lending and other financial services/products
Customer and product responsibility
Sustainable investment criteria
Labour standards and working conditions
Business ethics

ESG performance of the Issuer

Leveraging ISS ESG's Corporate Rating methodology, ISS ESG assessed the current sustainability performance of the issuer to be medium. Please note that the consistency between the issuance subject to this report and the issuer's sustainability strategy is further detailed in Part III.B of the report.

Sustainability impact of products and services portfolio

Leveraging ISS ESG's Sustainability Solutions Assessment methodology, ISS ESG assessed the contribution of the issuer's current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs). This analysis is limited to the evaluation of final product characteristics and does not include practices along the issuer's production process.

Using a proprietary methodology, ISS ESG assessed the contribution of Intesa Sanpaolo's current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs). This analysis is limited to the evaluation of final product characteristics and does not include practices along the company's production process.

ISS ESG determined that, based on the information provided by the company, its overall business model has no net impact (contribution and/or obstruction) to the UN SDGs.

Breaches of international norms and ESG controversies

At issuer level

At the date of publication, ISS ESG has not identified any severe controversy in which the issuer would be involved.

At industry level

Based on a review of controversies over a 2-year period, the top three issues that have been reported against companies within the Commercial Banks & Capital Markets industry are as follows: Failure to prevent money laundering, Failure to mitigate climate change impacts and Failure to prevent deforestation / illegal logging.

Please note, that this is not a company specific assessment but areas that can be of particular relevance for companies within that industry.

B. CONSISTENCY OF GREEN, SOCIAL AND SUSTAINABILITY BONDS WITH INTESA SANPAOLO'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the issuer

Intesa Sanpaolo's key sustainability objectives and priorities relate to two key areas: environmental and social.

Environmental:

Intesa Sanpaolo's climate commitment is shown by its action to join the Net-Zero Banking Alliance (NZBA), the Net-Zero Asset Managers Initiative (NZAMI) through Eurizon Capital SGR, Fideuram Asset Management SGR and Fideuram Asset Management Ireland, the Net-Zero Asset Owner Alliance (NZAOA) and the Net-Zero Insurance Alliance (NZIA).

In addition, in 2021 Intesa Sanpaolo published its first TCFD (Task Force on Climate-related Financial Disclosures) report.

On February 4th 2022, Intesa Sanpaolo issued its 2022-2025 Business Plan, which, among others strengthened the focus on climate and environmental initiatives stating its commitment to net-zero for its own emissions by 2030, and setting, over one year ahead of the NZBA deadline, 2030 targets with respect to 4 identified high-emitting sectors (Oil & Gas, Power Generation, Automotive and Coal mining), covering over 60% of non-financial companies' portfolio financed emissions in the sectors identified by the Alliance. According to Intesa Sanpaolo, its commitment will also extend to protecting and restoring natural capital, planting more than 100 million trees over the four-year Plan horizon - directly as a Group or with dedicated financing for its clients – and through the adoption of a specific policy on biodiversity.

The Business Plan moreover confirms Intesa Sanpaolo's active support to individuals and businesses committed to reducing their environmental footprints, through the further promotion of green products and services. Intesa Sanpaolo has announced, within a total of over 400 billion of new lending available over the NRRP (National Recovery and Resilience Plan) horizon, a total of 76 billion euro to finance green and circular economy (the latter with a dedicated plafond of 8 billion over the period) and the ecological transition and 12 billion to finance green lending to individuals (mainly mortgages).

Since 2014, Intesa Sanpaolo has identified the so-called "Circular Economy" as a potential paradigm to tackle environmental issues while boosting competitiveness of companies. The current economic model of "Linear Economy" is based on a take-make-dispose approach, which generates negative externalities and critical losses of resources. Circular Economy, on the other hand, decouples economic growth from exploitation of finite natural resources. By redefining the approach to value creation, Circular Economy combines a resilient economic system with a positive approach towards natural capital. In 2015, Intesa Sanpaolo decided to start supporting the transition towards a Circular Economy by joining the Ellen MacArthur Foundation – the main global actor in the field – becoming the first Financial Services Global Partner, now strategic Partner. Circular Economy is included in the 2022- 2025 Business Plan of the Group as one of the key strategic pillars to become an Impact Bank.

Social:

Intesa Sanpaolo attributes central importance to the economic and social growth of the communities in which it operates. The Group's activities benefiting society also include initiatives to support the Third Sector and the financial inclusion of groups that find it difficult to access credit despite their potential.

The issues related to financial inclusion and supporting production have emerged with even more importance for the Group in the last two years because of the context linked to the COVID-19 pandemic, that hit hard the families and businesses to which Intesa Sanpaolo gave immediate support with a series of interventions aimed at alleviating the economic and social crisis.

Intesa Sanpaolo provides a range of products and services that promote financial inclusion and access to credit, in compliance with what the Group’s Code of Ethics states among its principles on customer relations, convinced that social inclusion enables people to improve their lives and to fully exercise their citizenship rights.

Intesa Sanpaolo places great importance on its role as an impact bank in support of Italy’s economic and social fabric.

Intesa Sanpaolo confirmed its position as an accelerator for the growth of the real economy in Italy: in support of the National Recovery and Resilience Plan (NRRP), the Group has made available over 400 billion euro of medium/long-term loans for businesses and households.

In its 2022-2025 Business Plan, Intesa Sanpaolo has also included important social and cultural initiatives: from meeting social needs with new initiatives, for example, in favor of the young and senior population (including one of the most extensive social housing program in Italy and the creation of community hubs), to providing support to financial inclusion through cumulative social credit flows to the tune of 25 billion euro, to the continuous commitment towards culture through, for example, the plan to double the Gallerie d’Italia exhibition spaces by 2025.

Rationale for issuance

Intesa Sanpaolo is issuing green financial instruments to fund the categories of activities aligned with its key sustainability objectives and priorities.

Contribution of Use of Proceeds categories to sustainability objectives and key ESG industry challenges

ISS ESG mapped the Use of Proceeds categories financed under this Green, Social and Sustainability Bonds with the sustainability objectives defined by the issuer, and with the key ESG industry challenges as defined in the ISS ESG Corporate Rating methodology for the Commercial Banks & Capital Markets industry. Key ESG industry challenges are key issues that are highly relevant for a respective industry to tackle when it comes to sustainability, e.g. climate change and energy efficiency in the buildings industry. From this mapping, ISS ESG derived a level of contribution to the strategy of each Use of Proceeds categories.

USE OF PROCEEDS CATEGORY	SUSTAINABILITY OBJECTIVES FOR THE ISSUER	KEY ESG INDUSTRY CHALLENGES	CONTRIBUTION
Renewable Energy	✓	✓	Contribution to a material objective
Energy Efficiency	✓	✓	Contribution to a material objective

Clean transportation	✓	✓	Contribution to a material objective
Green Buildings	✓	✓	Contribution to a material objective
Environmentally sustainable management of living natural resources and land-use, biodiversity	✓	✓	Contribution to a material objective
Circular Economy	✓	✓	Contribution to a material objective
Access to Essential Services	✓	✓	Contribution to a material objective
Employment generation and programs designed to prevent and/or alleviate unemployment stemming from crises	✓	✓	Contribution to a material objective
Socioeconomic Advancement and Empowerment	✓	✓	Contribution to a material objective
Affordable Housing	✓	✓	Contribution to a material objective

Opinion: ISS ESG finds that the Use of Proceeds financed through this bond are consistent with the issuer’s sustainability strategy and material ESG topics for the issuer’s industry. The issuer describes its rationale for issuing green, social and sustainability bonds.

DISCLAIMER

1. Validity of the SPO: As long as there is no material change to the Framework.
2. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to standardized procedures to ensure consistent quality of responsibility research worldwide. In addition, we provide Second Party Opinion (SPO) on bonds based on data provided by the issuer.
3. We would, however, point out that we do not warrant that the information presented in this SPO is complete, accurate or up to date. Any liability on the part of ISS ESG in connection with the use of these SPO, the information provided in them, and the use thereof shall be excluded.
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ANNEX 1: Methodology

EU Taxonomy

ISS ESG evaluates whether the details of the nominated projects and assets or project selection eligibility criteria included in the Green, Social and Sustainability Bond Framework meet the criteria listed in relevant Activities in the EU Taxonomy Climate Delegated Act (June 2021).

The evaluation shows to understand if Intesa Sanpaolo's project categories are indicatively in line with the requirements listed in the EU Taxonomy Technical Annex.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by Intesa Sanpaolo (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the project category location, were drawn on to complement the information provided by the issuer.

Environmental and social risks assessment methodology

ISS ESG evaluates whether the assets included in the asset pool match the eligible project category and criteria listed in the Green and Social Bond KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment "no or limited information is available" either indicates that no information was made available to ISS ESG or that the information provided did not fulfil the requirements of the ISS ESG Green and Social Bond KPIs.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by Intesa Sanpaolo (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the issuer.

Assessment of the contribution and association to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method, ISS ESG identifies the extent to which Intesa Sanpaolo's Green, Social and Sustainability debt securities contributes to related SDGs.

ANNEX 2: ISS ESG Corporate Rating Methodology

Methodology - Overview

The ESG Corporate Rating methodology was originally developed by Institutional Shareholder Services Germany (formerly oekom research) and has been consistently updated for more than 25 years.

ESG Corporate Rating - The ESG Corporate Rating universe, which is currently expanding from more than 8,000 corporate issuers to a targeted 10,000 issuers in 2020, covers important national and international indices as well as additional companies from sectors with direct links to sustainability and the most important bond issuers that are not publicly listed companies.

The assessment of a company's social & governance and environmental performance is based on approximately 100 environmental, social and governance indicators per sector, selected from a pool of 800+ proprietary indicators. All indicators are evaluated independently based on clearly defined performance expectations and the results are aggregated, taking into account each indicator's and each topic's materiality-oriented weight, to yield an overall score (rating). If no relevant or up-to-date company information with regard to a certain indicator is available, and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the indicator is assessed with a D-

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company as well as information from reputable independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

Analyst Opinion - Qualitative summary and explanation of the central rating results in three dimensions:

- (1) Opportunities - assessment of the quality and the current and future share of sales of a company's products and services, which positively or negatively contribute to the management of principal sustainability challenges.
- (2) Risks - summary assessment of how proactively and successfully the company addresses specific sustainability challenges found in its business activity and value chain, thus reducing its individual risks, in particular regarding its sector's key issues.
- (3) Governance - overview of the company's governance structures and measures as well as of the quality and efficacy of policies regarding its ethical business conduct.

Norm-Based Research - Severity Indicator - The assessment of companies' sustainability performance in the ESG Corporate Rating is informed by a systematic and comprehensive evaluation of companies' ability to prevent and mitigate ESG controversies. ISS ESG conducts research and analysis on corporate involvement in verified or alleged failures to respect recognized standards for responsible business conduct through Norm-Based Research.

Norm-Based Research is based on authoritative standards for responsible business conduct such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights and the Sustainable Development Goals.

As a stress-test of corporate disclosure, Norm-Based Research assesses the following:

- Companies' ability to address grievances and remediate negative impacts
- Degree of verification of allegations and claims
- Severity of impact on people and the environment, and systematic or systemic nature of malpractices

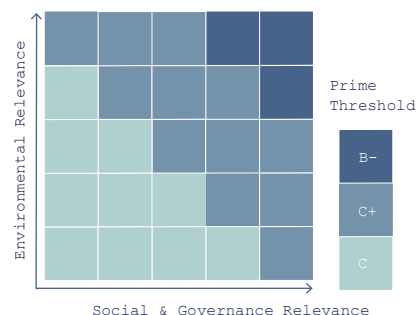
Severity of impact is categorized as Potential, Moderate, Severe, Very severe. This informs the ESG Corporate Rating.

Decile Rank - The Decile Rank indicates in which decile (tenth part of total) the individual Corporate Rating ranks within its industry from 1 (best – company's rating is in the first decile within its industry) to 10 (lowest – company's rating is in the tenth decile within its industry). The Decile Rank is determined based on the underlying numerical score of the rating. If the total number of companies within an industry cannot be evenly divided by ten, the surplus company ratings are distributed from the top (1 decile) to the bottom. If there are Corporate Ratings with identical absolute scores that span a division in decile ranks, all ratings with an equal decile score are classified in the higher decile, resulting in a smaller number of Corporate Ratings in the decile below.

Distribution of Ratings - Overview of the distribution of the ratings of all companies from the respective industry that are included in the ESG Corporate Rating universe (company portrayed in this report: dark blue).

Industry Classification - The social and environmental impacts of industries differ. Therefore, based on its relevance, each industry analyzed is classified in a Sustainability Matrix.

Depending on this classification, the two dimensions of the ESG Corporate Rating, the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the ISS ESG Prime Status (Prime threshold) are defined (absolute best-in-class approach).



Industry Leaders - List (in alphabetical order) of the top three companies in an industry from the ESG Corporate Rating universe at the time of generation of this report.

Key Issue Performance - Overview of the company's performance with regard to the key social and environmental issues in the industry, compared to the industry average.

Performance Score - The ESG Performance Score allows for cross-industry comparisons using a standardized best-in-class threshold that is valid across all industries. It is the numerical representation of the alphabetic ratings (D- to A+) on a scale of 0 to 100 with 50 representing the prime threshold. All companies with values greater than 50 are Prime, while companies with values less than 50 are Not Prime. As a result, intervals are of varying size depending on the original industry-specific prime thresholds.

Rating History - Development of the company's rating over time and comparison to the average rating in the industry.

Rating Scale - Companies are rated on a twelve-point scale from A+ to D-:

A+: the company shows excellent performance.

D-: the company shows poor performance (or fails to demonstrate any commitment to appropriately address the topic).

Overview of the range of scores achieved in the industry (light blue) and indication of the grade of the company evaluated in this report (dark blue).

Sources of Information - A selection of sources used for this report is illustrated in the annex.

Status & Prime Threshold - Companies are categorized as Prime if they achieve/exceed the sustainability performance requirements (Prime threshold) defined by ISS ESG for a specific industry (absolute best-in-class approach) in the ESG Corporate Rating. Prime companies are sustainability leaders in their industry and are better positioned to cope with material ESG challenges and risks, as well as to seize opportunities, than their Not Prime peers. The financial materiality of the Prime Status has been confirmed by performance studies, showing a continuous outperformance of the Prime portfolio when compared to conventional indices over more than 14 years.

Transparency Level - The Transparency Level indicates the company's materiality-adjusted disclosure level regarding the environmental and social performance indicators defined in the ESG Corporate Rating. It takes into consideration whether the company has disclosed relevant information regarding a specific indicator, either in its public ESG disclosures or as part of the rating feedback process, as well as the indicator's materiality reflected in its absolute weight in the rating. The calculated percentage is classified in five transparency levels following the scale below.

0% - < 20%: very low

20% - < 40%: low

40% - < 60%: medium

60% - < 80%: high

80% - 100%: very high

For example, if a company discloses information for indicators with a cumulated absolute weight in the rating of 23 percent, then its Transparency Level is "low". A company's failure to disclose, or lack of transparency, will impact a company's ESG performance rating negatively.

ANNEX 3: Quality management processes

SCOPE

Intesa Sanpaolo commissioned ISS ESG to compile a Green, Social and Sustainability debt securities SPO. The Second Party Opinion process includes verifying whether the Green, Social and Sustainability Bond Framework aligns with the ICMA Green and Social Bond Principles (2021), and Sustainability Bond Guidelines (2021) and to assess the sustainability credentials of its Green, Social and Sustainability debt securities, as well as the issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Green and Social Bond Principles (2021), and Sustainability Bond Guidelines (2021)
- ISS ESG Key Performance Indicators relevant for Use of Proceeds categories selected by the Issuer

ISSUER'S RESPONSIBILITY

Intesa Sanpaolo's responsibility was to provide information and documentation on:

- Framework
- Eligibility criteria
- Documentation of ESG risks management at the project level

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

ISS ESG has conducted this independent Second Party Opinion of the Green, Social and Sustainability debt securities to be issued by Intesa Sanpaolo based on ISS ESG methodology and in line with the ICMA Green and Social Bond Principles (2021), and Sustainability Bond Guidelines (2021).

The engagement with Intesa Sanpaolo took place in February to June 2022.

ISS ESG'S BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For more information on SPO services, please contact: SPOsales@isscorporatesolutions.com

For more information on this specific Green, Social and Sustainability debt securities SPO, please contact: SPOOperations@iss-esg.com

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