



# Green Bond Report 2021

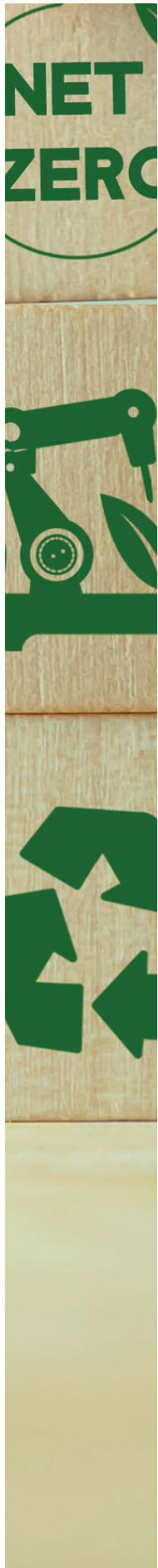
# Green Bond Report 2021

## 1. Introduction

This document is the annual report on the allocation and environmental impact of Intesa Sanpaolo's Green Bonds issued between 2017 and 2021, prepared in line with section 5 (Reporting) of the Intesa Sanpaolo Green, Social & Sustainability Bond Framework published in March 2021 (hereafter: "Framework").

The "Allocation Report" refers to the eligible outstanding amount as of December 2021.

The "Impact Report" covers the impacts generated in the period from 1 January 2021 to 31 December 2021.























## 1.1 INTESA SANPAOLO GREEN FUNDING

Intesa Sanpaolo was the first Italian bank to debut as “green” issuer in 2017. Green funding has become increasingly important in the overall group strategy.

The total amount of Intesa Sanpaolo Green Bonds currently outstanding is equal to EUR 3 bn.

## 1.2 ELIGIBLE GREEN CATEGORIES

The proceeds of any Intesa Sanpaolo Bond issued under the framework have been allocated exclusively to Eligible Loans as defined in the following list of Eligible Green Categories, aligned to the ICMA Green Bond Principles<sup>1</sup>.

Eligible Green categories	Description <sup>2</sup>	Impacted Sustainable Development Goals
<b>1 - Renewable Energy</b>	Production, transmission, infrastructure and associated assets, such as: Solar, Wind, Bio energy/Biomass and Hydro energy generation	  
<b>2 - Energy Efficiency</b>	Infrastructure, associated assets, technology and services that contribute towards reduced energy usage and or increased energy efficiency	  
<b>3 - Green Buildings<sup>3</sup></b>	Low-carbon buildings (EPC Label A / B) and refurbished buildings with a minimum 30% energy saving improvement (or at least two steps improvement in EPC label)	  
<b>4 - Environmentally sustainable management of living natural resources and land-use, biodiversity</b>	Sustainable agriculture, sustainable forestry (afforestation, reforestation, conservation) and urban greening	 
<b>5 - Circular Economy</b>	Various technologies, solutions, products and services aimed at increasing resource efficiency and enabling circular economy business models	        

1- Intesa Sanpaolo may consider future opportunities to update its Framework to expand this list of Eligible Categories and include new Eligible Categories as relevant to Intesa Sanpaolo financing strategy. Currently, the Framework refers to the ICMA Principles 2018, which are in line with the more recent version published in 2021.

2- Consult [Green, Social and Sustainability Bond Framework](#) for further details.

3- Belonging to the top 15% low-carbon buildings of the national buildings stock.

### 1.3 EXCLUDED CATEGORIES

An accurate process of green loans selection, data collection and checks has been set up by Intesa Sanpaolo through its specialist lending desks.

- Any kind of investment connected to: Fossil Fuels, Nuclear energy, Armament, Alcohol<sup>4</sup>, Gambling, Sex industry and Tobacco sector will be excluded.
- Any kind of investment to companies or projects connected to: Intensive agro-industrial activities with intensive use of agrochemicals or which entail deforestation, Animal maltreatment, Hazardous chemicals, will be excluded.
- Hydro projects up to 25 MW in installed capacity are eligible. If larger than 25 MW, one of the following international sustainability best practices has to be satisfied:
  - 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 standards.
- Regarding energy production from biomass, the use of vegetable oil is not allowed. Moreover, project sponsors must provide directly at least 70% of plant raw material.

Use of toxic materials and waste to energy practices from unsorted waste (not organic products) are excluded, since they are harmful to humans & environment and leads to loss of value & materials.

- Regarding solutions that extend the product-life or cycles of use of goods and/or materials: virgin plastic based products are excluded.
- Regarding products that substitute critical materials with biological or bio-based materials: biological or bio-based materials with strong sustainability risks and / or result in deforestation/competition with food production are excluded.
- Regarding processes fuelled by energy from conversion of biomass: biomass originating from non-sustainable sources and/or recyclable and hazardous waste is excluded.

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<sup>4</sup> - In accordance with the [IFC Exclusion List](#), production or trade in alcoholic beverages (except for beer and wine) is excluded.

## 2. Intesa Sanpaolo green bonds outstanding

### XS1636000561

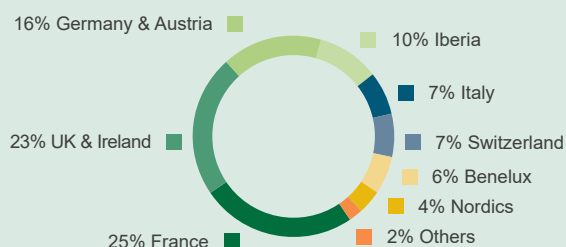
Contribution to the UN SDGs assessed by Vigeo Eiris

- **Year:** 2017
- **Focus on:** Renewable Energy & Energy Efficiency
- **Notional:** € 500 mln
- **Tenor:** 5 years
- **Maturity date:** 27 June 2022



The final book collected orders for about € 2 billion from 133 investors, allocated as follow:

#### ALLOCATION BY GEOGRAPHY



#### ALLOCATION BY INVESTOR TYPE



### XS2089368596

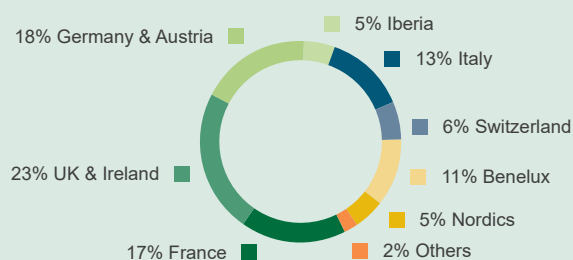
Contribution to the UN SDGs assessed by ISS

- **Year:** 2019
- **Focus on:** Circular Economy
- **Notional:** € 750 mln
- **Tenor:** 5 years
- **Maturity date:** 4 December 2024



The final book collected orders for over € 3.5 billion from 234 investors, allocated as follow:

#### ALLOCATION BY GEOGRAPHY



#### ALLOCATION BY INVESTOR TYPE



## XS1979446843 (EX UBI)

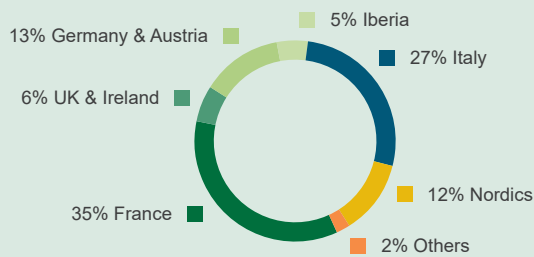
Contribution to the UN SDGs assessed by ISS

- **Year:** 2019
- **Focus on:** Renewable Energy & Energy Efficiency
- **Notional:** € 500 mln
- **Tenor:** 5 years
- **Maturity date:** 10 April 2024

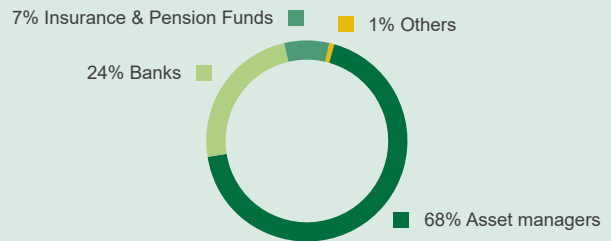


The final book was in excess of € 1,5 billion with ca. 150 high quality accounts involved allocated as follow:

### ALLOCATION BY GEOGRAPHY



### ALLOCATION BY INVESTOR TYPE



## XS2317069685

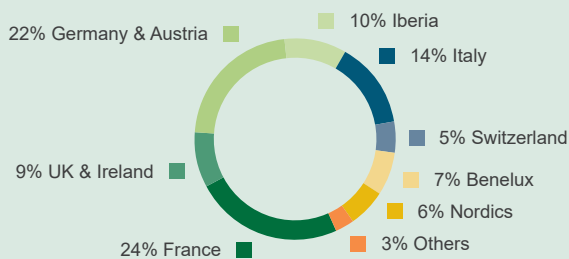
Contribution to the UN SDGs assessed by ISS

- **Year:** 2021
- **Focus on:** Green Buildings
- **Notional:** € 1,250 mln
- **Tenor:** 7 years
- **Maturity date:** 16 March 2028

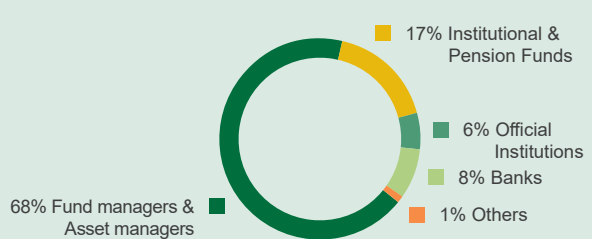


The final book collected orders for over € 3 billion from more than 200 investors, allocated as follow:

### ALLOCATION BY GEOGRAPHY



### ALLOCATION BY INVESTOR TYPE



## 3. Intesa Sanpaolo green portfolio | allocation report

### 31 December 2021

#### OVERVIEW

Percentage of Net Proceeds of Green Funding allocated to Eligible Green Loan Portfolio	100%
Percentage of Eligible Green Loan Portfolio financed (usage)	49%
Balance of net proceeds - (Available eligible green loans for new issues)	€ 3,128 mln
New Loans in the Renewable Energy & Energy efficiency Portfolios (since 31 Dec. 2020)	€ 416 mln
New Loans in the Green Buildings Portfolio (since 31 Dec. 2020)	€ 1,892 mln
New Loans in the Circular Economy Portfolio (since 31 Dec. 2020)	€ 695 mln

ISP GREEN LOAN PORTFOLIO					ISP GREEN FUNDING	
Eligible categories	# of loans	Signed Amount(€) <sup>5</sup>	Average tenor (years)	% out of Italy <sup>6</sup>	ISIN	Allocated Amount(€)
<b>Renewable Energy</b>	<b>885</b>	<b>1,965 mln</b>	<b>7.4</b>	<b>10.5%</b>		
- Photovoltaic	730	1,543 mln	7.1	8.0%	<b>XS1636000561</b>	<b>500 mln</b>
- Eolic	52	242 mln	8.3	34.1%		
- Hydroelectric	57	122 mln	9.2	-		
- Bioenergy	46	57 mln	6.4	-	<b>XS1979446843</b>	<b>500 mln</b>
<b>Energy efficiency</b>	<b>34</b>	<b>120 mln</b>	<b>5.6</b>	<b>61.8%</b>		
<b>Green Buildings<sup>7</sup></b>	<b>16,701</b>	<b>2,625 mln</b>	<b>25.9</b>	<b>-</b>		
- EPC label A	11,302	1,919 mln	25.9	-		
- EPC label B <sup>8</sup>	4,036	569 mln	26.2	-	<b>XS2317069685</b>	<b>1,250 mln</b>
- Building refurbishment	1,363	137 mln	25.6	-		
<b>Circular Economy</b>	<b>149</b>	<b>1,418 mln</b>	<b>3.9</b>	<b>32.1%</b>	<b>XS2089368596</b>	<b>750 mln</b>
	<b>Total</b>	<b>6,128 mln</b>				<b>3,000 mln</b>

5 - Signed amount only refers to outstanding eligible loans for every category.

6 - Albania, Australia, Bahrain, Japan, Germany, HK, Poland, Romania, Serbia, Singapore, Spain, UK, Ukraine, USA.

7 - Green mortgages disbursed from May 2020.

8 - Belonging to the top 15% as indicated in the Framework.

**FOCUS ON CIRCULAR ECONOMY ELIGIBLE CATEGORIES**

	<b>Signed Amount (€)</b>	<b>% out of Italy</b>
1. Solutions that extend the product-life or cycles of use of goods and/or materials	119 mln	-
2. Production processes fuelled by and/or products made of renewable or recycled resources	436 mln	12.6%
3. Products and/or services that significantly increase effectiveness and efficiency of the resource consumption, within the company or along its supply chain	647 mln	50.0%
4. Design and/or manufacture products that can be fully recycled or composted within an efficient framework of collection, separation and recycling after use	186 mln	41.8%
5. Innovative technologies to enable circular business models	30 mln	-



## 4. Intesa Sanpaolo green portfolio | impact report

### IMPACT REPORTING TABLE AT GREEN PORTFOLIO LEVEL

Eligible Loan Category	# of loans	Amount € mln	Share of total portfolio financing	Avoided GHG emissions (tCO <sub>2</sub> e) <sup>9</sup>
Renewable Energy	885	1,965	32%	1,456,300
Energy Efficiency	34	120	2%	92,900
Green Buildings	16,701	2,625	43%	52,700
Circular Economy	149	1,418	23%	3,950,000
<b>Total</b>	<b>17,768</b>	<b>6,128</b>	<b>100%</b>	<b>5,551,900</b>
<b>Estimated Impact per €1 M invested (GHG)</b>				<b>906</b>

Portfolio date: 31 December 2021. Based on the ICMA Harmonized Framework for Impact Reporting, June 2021

### METHODOLOGICAL APPROACH

Avoided GHG emissions are:

- calculated according to **The Global GHG Accounting and Reporting Standard for the Financial Industry** (hereafter PCAF Methodology) (PCAF, 2020);
- measured as gross figures: they do not take into account the emissions from the project implementation;
- estimated using a **life cycle assessment approach** in line with the main international standards (e.g. ISO 14040-44) and guidelines (e.g. GHG Protocol);
- computed considering the technical specification of each plan/project, if available, or estimated according to the emission factors provided by international LCA databases (e.g. Ecoinvent) or available literature;
- assessed adopting a **conservative approach**;
- proportionally allocated according to an **Attribution Factor**: the ratio between the outstanding amount of the deal as of 31/12/2021 and the initial value of the investment (debt + equity). The share between debt and equity is determined considering the loan to value (LTV).

Impact report analysis carried out by external consultants<sup>10</sup>.

9 - Avoided emissions only refer to outstanding eligible loans of the Portfolio.

10 - [Studio Fieschi](#)

## Renewable Energy



**Total Portfolio (€ Mln)**

**1,965**



**Annual avoided GHG emissions (tCO<sub>2</sub>e)\***

**1,456,300**



**Financed avoided GHG emissions intensity (tCO<sub>2</sub>e/€Mln)**

**741**

\* Absolute avoided GHG emissions are calculated by multiplying the estimated energy production by a country specific power mix emission factor. Financed avoided GHG emissions are calculated by multiplying the absolute avoided emissions by an attribution factor.

Renewable energy	Financed Energy production [MWh]	Financed emissions [tCO <sub>2</sub> e]	Projects [n°]
Photovoltaic	2,369,480	1,119,700	730
Wind power	354,627	216,100	52
Hydroelectric	195,344	80,400	57
Bioenergy	147,605	40,100	46
<b>Total</b>	<b>3,067,057</b>	<b>1,456,300</b>	<b>885</b>

- A statistically significant sample (consisting of 196 plants located in Italy) has been used for the calculation of the **energy production figures** (MWh/€M). The average annual energy production is based on actual production data (as of 31 Dec. 21) referred to the plants included in the sample over a 12 month period.
- The attribution factor has been calculated considering an average loan to value estimated by the ISP Energy Desk.
- For photovoltaic plants located outside Italy, the operating hours have been derived from World Bank data<sup>11</sup>.
- The **Operating Margins emission factors have been considered** (IFI, version 2021).

<sup>11</sup> - <https://globalsolaratlas.info/global-pv-potential-study>

## Energy Efficiency



**Total Portfolio (€ Mln)**

**120**



**Annual avoided GHG emissions (tCO<sub>2</sub>e)\***

**92,900**



**Financed avoided GHG emissions intensity (tCO<sub>2</sub>e/€Mln)**

**771**

\* Absolute avoided GHG emissions are calculated by multiplying the estimated energy saving by specific energy carrier emission factors. Financed avoided GHG emissions are calculated by multiplying the absolute avoided emissions by an attribution factor.

- A statistically significant sample has been used for the calculation of the energy saving figures (MWh/€M). The average annual energy saving of electricity or heat/fuel consumption is based on actual production data (as of 31 Dec. 21) of a plants sample over a 12 month period. Several types of projects have been included in the sample such as high efficiency cogeneration plant, trigeneration plant, LED lighting system, injection molding process.
- The attribution factor has been calculated considering an average loan to value estimated by the ISP Energy Desk.
- Avoided emissions linked to Energy Efficiency projects are calculated comparing the energy consumption after the project implementation to the baseline. Energy savings can be expressed in terms of electricity or heat/fuel saved.
- The emission factor considered for the grid electricity is the country residual mix<sup>12</sup>.
- Specific GHG emissions factors have been modelled with the LCA Simapro and the LCI database Ecoinvent.

<sup>12</sup> - National residual mix allows calculation of the origin of electricity supplied by electricity retailers but not covered by certificates of origin. Emission factor reflects the national electricity mix (fossil and non-fossil) excluding the electricity marketed through certificates of origin (e.g. GO). Residual mixes are disclosed for European countries by the Association of Issuing Bodies (AIB).

## Green Buildings



Total Portfolio (€ Mln)

2,625



Annual avoided GHG emissions (tCO<sub>2</sub>e)

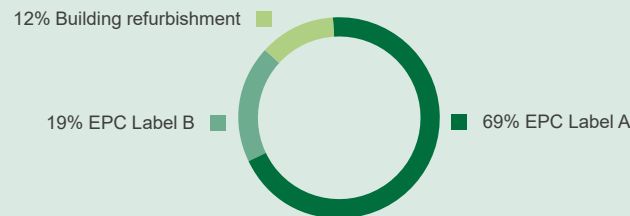
52,700



Financed avoided GHG emissions intensity (tCO<sub>2</sub>e/€mIn)

20

### AVOIDED GHG EMISSIONS (tCO<sub>2</sub>e)\*



\* Absolute avoided GHG emissions are calculated by **multiplying the estimated energy saving by an energy mix emission factor based on Italian residential energy consumption**. Financed avoided GHG emission are calculated by multiplying the absolute avoided emissions by the attribution factor.

Building type	[m <sup>2</sup> ]	Outstanding [€M]	Energy saving [MWh]	Avoided GHG emission [tCO <sub>2</sub> e]
EPC label A	1,330,635	1,919	205,400	36,400
EPC label B	443,836	569	51,200	9,800
Building refurbishment	242,062	137	40,300	6,500
<b>Total</b>	<b>2,016,533</b>	<b>2,625</b>	<b>296,900</b>	<b>52,700</b>

- EPC label A/EPC label B: energy savings are calculated comparing the energy consumption of the new building (based on EPC label) with its relative benchmark\*\*
- Building refurbishment: energy savings are the difference between the median energy consumption of the initial EPC label and the one achieved after the renovation
- Specific GHG emission factors have been modelled with the LCA software Simapro and the LCI database Ecoinvent

\*\* For each climatic zone, on the basis of buildings EPC label distribution in Italy (ENEA, 2020), a specific benchmark energy consumption has been considered.

# Circular Economy



**Total Portfolio (€ Mln)** **1,418**

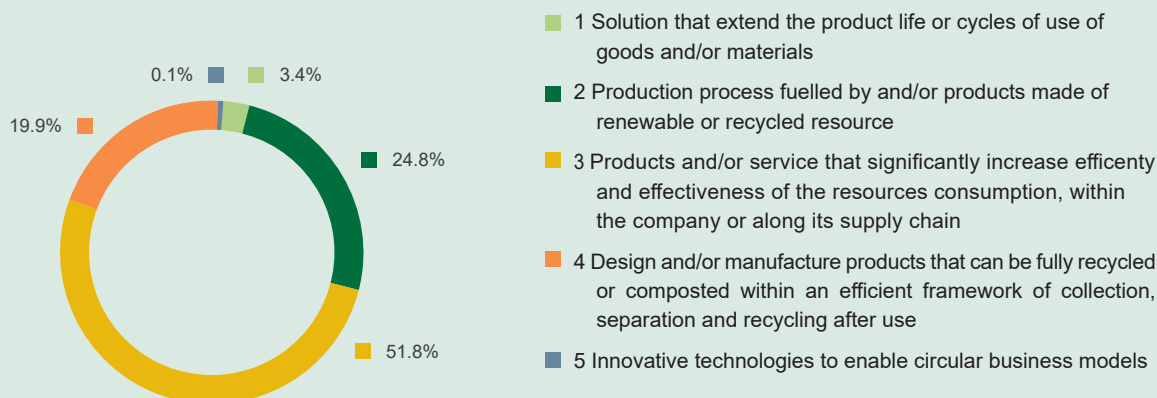


**Annual avoided GHG emissions (tCO<sub>2</sub>e)** **3,950,000**

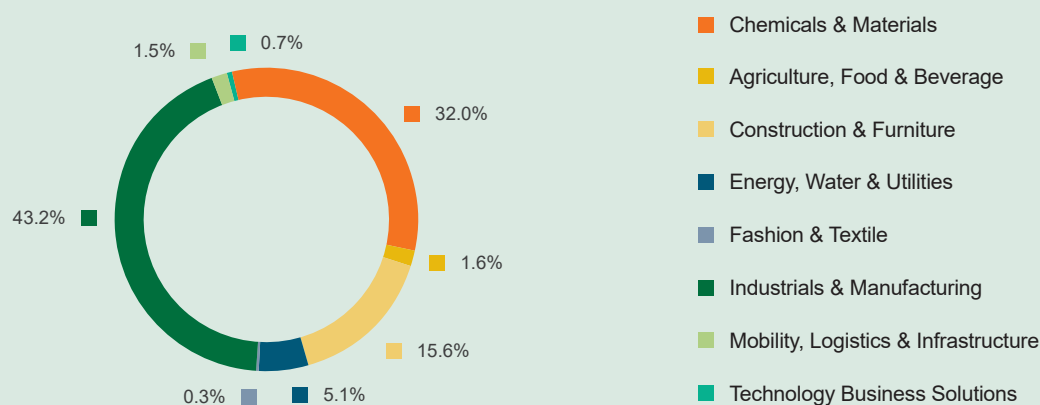


**Financed avoided GHG emissions intensity (tCO<sub>2</sub>e/€mIn)** **2,786**

## ALLOCATION OF AVOIDED GHG EMISSIONS BY ELIGIBLE CRITERIA



## ALLOCATION OF AVOIDED GHG EMISSIONS PER SECTOR



The total amount of the eligible portfolio analyzed is equal to around € 1,418 mln of outstanding (€ 2,072 mln financed) and corresponds to 149 loans financed.

For each project, Intesa Sanpaolo selected the KPIs on which basis it evaluated annual emissions avoided. Priority was given to the objectives that can be easily quantified in terms of material resources, water and energy.

Given the heterogeneity of the circular economy projects in general, it is not possible to have a unique set of indicators that applies to everyone. We have therefore chosen to select the most significant output performance indicators for each project and we report them below.

Output indicators	Materials, energy and other output flows		Avoided financed GHG emissions	
Amount of recovered materials thanks to product re-design, new business models and/or reverse logistics	123,103	tons	135,000	tCO <sub>2</sub> e
Increase of renewables energies utilization	331,783	MWh	140,686	tCO <sub>2</sub> e
Amount of biomethane produced	70,345,826	m <sup>3</sup>	136,075	tCO <sub>2</sub> e
Increase of bio based/recycled materials utilization	298,391	tons	703,908	tCO <sub>2</sub> e
Amount of waste and by-products re-inputted in production processes*	1,472,049	tons	2,038,559	tCO <sub>2</sub> e
Amount of non-wasted food	4,573	tons	4,584	tCO <sub>2</sub> e
Water saved or recovered	2,465,128	m <sup>3</sup>	658	tCO <sub>2</sub> e
Amount of fully recyclable goods produced	388,429	tons	780,888	tCO <sub>2</sub> e
Amount of fully compostable goods produced	13,111	tons	4,151	tCO <sub>2</sub> e
Investments in technologies not accountable with KPIs in other CE criteria	19.63	€M	5,492	tCO <sub>2</sub> e

The three most effective areas in terms of the ratio of GHG avoided and the amount financed, are related to:

- the amount of waste and by-products re-inputted in production processes (ca. 7,500 tCO<sub>2</sub>e/€M);
- the production of fully recyclable product (ca. 6,000 tCO<sub>2</sub>e/€M) and
- the material recovery through product redesign, new business models and reverse logistics (ca. 3,500 tCO<sub>2</sub>e/€M)

Related to the five Circular Economy eligible criteria we report:

CE Eligible criteria	Avoided GHG emissions	
1 Solutions that extend the product life or cycles of use of goods and/or materials	135,000	tCO <sub>2</sub> e
2 Production processes fuelled by and/or products made of renewable or recycled resources	980,670	tCO <sub>2</sub> e
3 Products and/or services that significantly increase efficiency and effectiveness of the resources consumption, within the company or along its supply chain	2,043,800	tCO <sub>2</sub> e
4 Design and/or manufacture products that can be fully recycled or composted within an efficient framework of collection, separation and recycling after use	785,039	tCO <sub>2</sub> e
5 Innovative technologies to enable circular business models	5,492	tCO <sub>2</sub> e

## 5. Project examples

### 5.1 BIOENERGY PLAN PROJECT – Ind. Eco. srl

The project consists in the construction of an advanced biomethane plant for a total capacity of 580 Sm<sup>3</sup>/hr by upgrading the landfill biogas and the liquefaction of the biomethane produced for its commercial distribution.

The plant located in the Municipality of Latina (LT) is expected to reach at full capacity a total biomethane production of 3,001,645 Sm<sup>3</sup> a year.

The project including an upgrading system for biogas treatment and a liquefaction and storage section is under construction with a total expected investment cost of € 5,025,000.



### 5.2 CHEMICALS & MATERIALS – Sintesi e Ricerca S.p.a.

SER S.p.a. is active in the production of special waxes for candles and any other industrial application. Strongly dedicated to innovation, the company built its thirty-year entrepreneurial success on solutions that are tailored-made to customer needs, employing 250 people today.

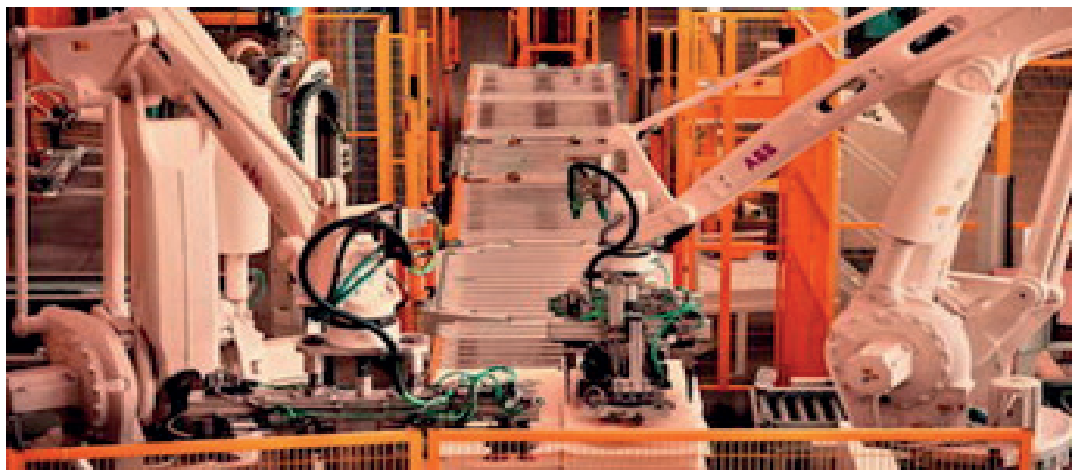
Its choices in innovation aim at developing state of the art technologies, designed in-house by the company, to produce unique and sustainable waxes.

The waxes produced in Santena (Turin, Italy) are used in food, cosmetics, agriculture, pharmaceuticals, packaging, rubber, adhesives, paints and many other sectors.

The support of Intesa Sanpaolo, for an amount of € 42 mln, allows for the development and construction of a wax processing technology that will use hydrogen to purify waxes.

The new plant will be able to process sustainable, renewable and plant-based waxes.

The use of hydrogen for purification is forecasted to eliminate about 500 tons/year of waste deriving from the current use of diatomite and activated carbon.





### 5.3 CHEMICALS & MATERIALS – Aquafil

Aquafil is one of the leading nylon producers in Italy and worldwide. The Group is present in seven nations and in three different continents, employing more than 2,650 people in 19 production facilities located in Italy, Scotland, Slovenia, Croatia, the United States, Thailand and China.

Aquafil is a pioneer in the circular economy, thanks also to the ECONYL® regeneration system, an innovative and sustainable system able to create new products from waste, creating an infinite cycle. Nylon waste is collected from locations around the world and includes industrial waste, as well as products - such as fishing nets and carpets - that have reached the end of their useful life. These waste materials are treated in order to obtain a raw material with the same chemical and performance characteristics as those derived from fossil sources. Polymers produced from ECONYL® caprolactam are distributed to the Group's production facilities, where they are processed into carpet and apparel yarn.

Intesa Sanpaolo and Aquafil have signed a financing agreement for an amount of €30 million aimed at achieving specific goals related to the circular economy.

The company goals include a significant improvement in the environmental impact through a reduction in water consumption and in waste materials through the recovery and reuse of waste.



## 6. Intesa Sanpaolo's commitment to the environment: an ongoing and consistent path

Intesa Sanpaolo is aware that a large banking group has a significant influence in terms of environmental and social sustainability, both in the short and long term, backing the fight against climate change, helping the transition to a low carbon economy and providing support towards a sustainable economy with dedicated financial products and services and through an activity of client engagement and training.

Environmental protection and attention to climate change are therefore key dimensions of Intesa Sanpaolo's strategy.

The long-term attention to environmental, social and climate-related issues is also expressed through the participation in a series of national and international initiatives and has led over the years to adhere to numerous international standards, amongst which the UNEP FI, the related Principles for Responsible Banking (PRB) and the Task Force on Climate-related Financial Disclosures (TCFD). Intesa Sanpaolo's first TCFD Report, drafted according to the Recommendations, was published in 4Q2021.

Again in 4Q2021, Intesa Sanpaolo decided to adhere to 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 – and, through the Intesa Sanpaolo Vita Insurance Group, to the Net-Zero Asset Owner Alliance (NZAOA) and the Net-Zero Insurance Alliance (NZIA), completing the Group's main Business Units' commitment to net-zero emissions by 2050.

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. Intesa Sanpaolo's 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). Further issuances of bonds under the Bank's Green, Social and Sustainable Framework are expected during the course of the Plan.

As concerns 2021 results, the year showed a strong acceleration in environment-linked financing. The Group disbursed over 8.7 billion euro in green and circular loans, equal to 11.3% of all Group's loans, of which 5.5 billion euros, in new loans to the Circular Economy and around 1.2 billion of S-Loans, an Intesa Sanpaolo innovative solution launched in July 2020 and targeted at SMEs, aimed at providing favorable financing conditions in the light of the company's engagement to improve their sustainability profile.

In 2021, Intesa Sanpaolo also took further measures in the fight against climate change through the update of its coal policy that envisages, for coal mining, a phase out by 2025, and the adoption of a new policy for the unconventional oil & gas sector with, among others, a commitment to phase out the Group's exposure to transactions envisaged in the policy by 2030.

Also, in 2021, thanks to the Green bond issue effected in March, the Green Bond Ratio, the percentage of outstanding green bonds at the end of the year out of the total amount of outstanding Senior Preferred and Covered Bonds intended for institutional investors (five-year moving average), increased to approximately 8% (3.6% in 2020).

Intesa Sanpaolo's commitment to sustainable finance is recognized by market participants and reflected in its positioning in the main ESG indices and rankings: among others, Intesa Sanpaolo is the only Italian bank listed in the Dow Jones Sustainability Indices and ranks first among European banks in three of the top ESG international assessments: MSCI, Sustainalytics and Bloomberg ESG Disclosure Score.



## Intesa Sanpaolo S.p.A.

Independent auditors' report on the section  
"Intesa Sanpaolo Green Portfolio - Allocation Report - 31 December 2021"  
of the Green Bond Report 2021



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## Independent auditors' report on the on the section "Intesa Sanpaolo Green Portfolio - Allocation Report - 31 December 2021" of the Green Bond Report 2021

(Translation from the original Italian text)

To the Board of Directors of  
Intesa Sanpaolo S.p.A.

We have been appointed to perform a limited assurance engagement on the section "Intesa Sanpaolo Green Portfolio - Allocation Report - 31 December 2021" of the Green Bond Report 2021 (hereinafter the "Allocation Report") of Intesa Sanpaolo Group (hereinafter the "Group") prepared to comply with the reference principles established in the Green Social and Sustainability Bond Framework. Our limited assurance does not extend to the sections "Intesa Sanpaolo Green Portfolio - Impact Report" and "Project Examples" of the Green Bond Report 2021.

### Managements responsibility

The Management is responsible for the preparation of the Allocation Report 2021 in compliance with the Green Social and Sustainability Bond Framework.

The Management is also responsible, within the terms provided by law, for that part of internal control that it considers necessary in order to allow the preparation of the Allocation Report 2021 that is free from material misstatements caused by fraud or not intentional behaviors or events.

### Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

### Auditors' responsibility

It is our responsibility to express, based on of the procedures performed, a conclusion about the compliance of the Allocation Report 2021. Our work has been performed in accordance with the principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and execution of work in order to obtain a limited assurance that the Allocation Report 2021 is free from material misstatements.

Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

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Capitale Sociale Euro 2.525.000,00 i.v.  
Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi  
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. di Milano 606158 - P.IVA 00891231003  
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998  
Iscritta all'Albo Speciale delle società di revisione  
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

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The procedures performed on the Allocation Report 2021 were based on our professional judgment and included inquiries, primarily with Group's personnel responsible for the preparation of the information included in the Allocation Report 2021, documents analysis, recalculations, and other procedures in order to obtain evidence considered appropriate.

We have performed the following procedures:

1. virtual interviews with the personnel of Intesa Sanpaolo Group involved in the preparation of the Allocation Report 2021;
2. assessing, through interviews with the personnel of Intesa Sanpaolo Group, the procedures followed to collect, aggregate and report allocation indicators included in the Allocation 2021;
3. in particular, regarding the significant information contained in the Allocation Report 2021, with reference to quantitative data, we have conducted both limited documentary evidence and analytical procedures, in order to collect information about the processes and procedures that support the collection, elaboration, processing and transmission of indicators. With reference to qualitative information, we have collected supporting documentation to verify consistency with the available evidence.

## Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Allocation Report 2021 of Intesa Sanpaolo Group has not been prepared, in all material aspects, in accordance with the Green Social and Sustainability Bond Framework.

Our conclusion does not extend to the information included in the sections "Intesa Sanpaolo Green Portfolio - Impact Report" and "Project Examples" of the Green Bond Report 2021.

Milano, 15<sup>th</sup> March 2022

EY S.p.A.  
Signed by: Massimo Testa (Auditor)

*This report has been translated into the English language solely for the convenience of international readers.*