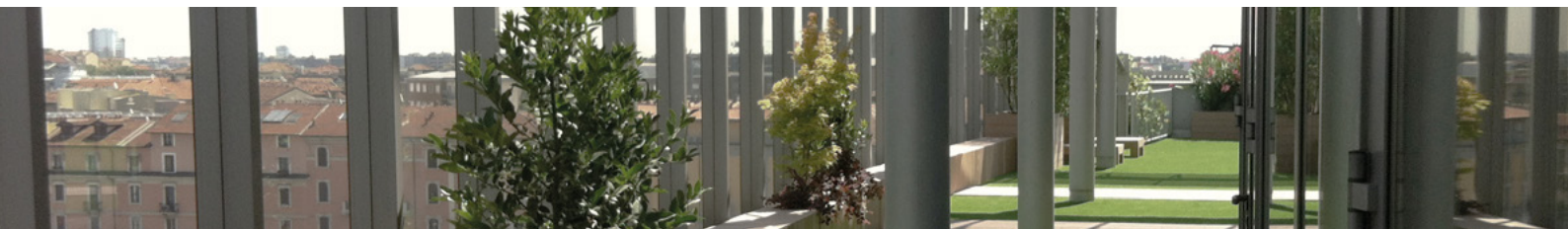


2015 Environment Paper

Intesa Sanpaolo's commitment to combating climate change



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Letter to the stakeholders

Climate change, considered until recently only in the context of environmental risks, is becoming a global economic and financial problem. This is demonstrated by the numerous studies on the subject (among others, the one promoted annually by IPCC - Intergovernmental Panel on Climate Change) and the growing attention of the political community - suffice it to read the statements from the UN summits and the European Commission - but also the turmoil that is affecting the world of institutional investors.

Intesa Sanpaolo is aware of the serious threat that climate change poses to natural capital, to society as a whole and the commitment necessary to deal with this sensitive issue.

It is a global challenge, which has never been addressed until now, and that for the first time sees the entire world committed towards a single great and vital objective: reducing the greenhouse emissions that are putting the delicate balance of our planet Earth at risk.

It is an objective that puts us in front of some major strategic choices and involves all individuals in their daily choices of conduct, the governments in their commitment to defining sound rules and regulations and the companies that are required to make radical changes in their approach to business.

Among these choices we must not forget the one that we have to face every day as a large financial institution: generating value for all our stakeholders.

But we want to do even more, undertaking to support a low-carbon economy focused on preserving the natural capital. For this reason, we have partnered with the Ellen MacArthur Foundation and we are committed to promoting and supporting a circular approach to the economy aimed at introducing some radical changes to the production and economic systems in order to increasingly minimise the impact on natural resources and regenerate the natural capital instead of consuming it.

The current context requires it: we are right in the middle of the path towards the new global agreement on climate change that will be discussed during the twenty-first United Nations Climate Change Conference scheduled for December 2015 in Paris. The 2014 data are unfortunately a negative benchmark, with the concentration of CO₂ in the atmosphere at record highs and the highest average temperature ever.

From engagement initiatives by international ESG rating agencies, to new low-carbon indices, to the more radical divestment from mining and oil companies carried out by several pension funds including the Norwegian sovereign fund with its 750 billion euro of capital invested, the international financial world is demonstrating how the issue of climate change is at the top of the priority list.

Combating climate change is one of the current and future priorities also for Intesa Sanpaolo.

Valter Serrentino
Head of Corporate Social Responsibility



Strategies and Governance on Climate Change

RESPONDING TO THE CHALLENGES OF CLIMATE CHANGE

Global warming is now a fact: the atmosphere has become warmer, the temperature, the rate of acidification and the global level of the oceans have risen, the cryosphere has reduced dramatically, and extreme climate events are becoming more frequent. Unequivocal scientific evidence offers us the same scenario viewed from multiple angles, but the result is always the same. If greenhouse gas emissions do not fall drastically in the coming years we cannot but expect precarious living conditions on earth and the irreversible loss of biodiversity.

Intesa Sanpaolo is aware of the way in which climate change might directly impact its activities and, indirectly, its customers, to the extent of influencing many of the Bank's strategic options.

The materiality matrix, published in the Sustainability Report each year, lists the Group's sustainability issues, ranked both in terms of relevance and the priority given by the parties concerned and at the level of priority for the Group, also considering the possible reputational and financial impact for the Bank.

Climate change is one of the most significant issues presented in the matrix, and this supports the definition of actions and strategic choices, above all the choice to keep its own ecological footprint down to a minimum.

Intesa Sanpaolo has almost 90,000 employees, who work in a little less than 6,000 branches, and almost 20 million customers worldwide. The impact generated by their activities is very significant as are the energy consumed, the travels made, the materials used. For years we have implemented strategies and innovative actions to measure it and limit it as much as possible: we buy energy from renewable sources, we put in place energy efficiency measures, we systematically reduce the use of paper, we rationalise travelling with the use of increasingly efficient communication technologies.

We also act as promoters of good practices in dealings with our customers, by financing their projects in the environmental sector and in particular in the context of energy production from renewable sources and energy efficiency. We are convinced that the eco-innovation theme should become a key part of the investment strategies and that the role of the green economy as a real driver of change could attract an increasingly large share of private and public funding.

At the international level, Intesa Sanpaolo has joined the Global Compact of the United Nations and adheres to UNEP FI (a partnership between the United Nations Environmental Programme and the financial sector) where our representative is co-president for the European Task Force. Thanks to these collaborations we collect and share tips and information on the issue of climate change, we share best practices in terms of assessment and mitigation of environmental risks and above all we participate in the international debate.



GOVERNANCE

Intesa Sanpaolo currently adopts the dual governance and control model, consisting of a Supervisory Board and a Management Board.

The Supervisory Board, whose members are appointed by the Shareholders' Meeting, appoints the members of the Management Board and supervises their activities. The Management Board is responsible for management of the Group, in accordance with the strategic guidelines defined by the Supervisory Board. The Managing Director, who is the only Chief Executive Officer with full powers, also sits on this Board.

The head of strategy on climate change within Intesa Sanpaolo is the Chief Governance Officer (CGO), who reports to the CEO of Intesa Sanpaolo; both report to the Management Board and the Supervisory Board. The importance attributed to climate change by our Bank is evident from the fact that the theme is present both in the Group's environmental and energy Policy and in the Code of Ethics, our constitutional charter which, starting from shared values, guides everyone's conduct towards our stakeholders and is approved by the Management Board. Furthermore, starting from 2010 the Bank's strategy on climate change has been introduced into the Financial Report (approved by both Boards) and in a specific report on the implementation of the Code of Ethics that is submitted on a yearly basis to the Control Committee of the Supervisory Board.

The CGO receives support in this duty from the CSR Unit, which acts as the coordination centre at Group level on this issue. In particular, the CSR Unit, which comprises a group of people entirely dedicated to the environmental sector, is entrusted with the following tasks:

- defining strategies and policies capable of supporting the integration of the climate change issue into the Bank's activities;
- providing advice to the Bank's various structures in the development of specific projects;
- collaborating with the competent departments on the subject of personnel training;
- supporting the offices in charge of the Bank's communications in relation to the climate change issue through the submission of information material, the reporting of crisis areas, the analysis of requests for information;
- defining guidelines concerning the environment, in order to improve the application of business strategies and policies in this sector, with particular attention to energy consumption and the related greenhouse emissions;
- monitoring in a timely manner all the aspects that generate environmental impacts by providing guidelines for a gradual improvement of the Group's environmental footprint, also through the promotion of awareness and training, as well as technological innovation;
- maintaining and gradually extending the scope of application of the Environmental Management and Energy System;
- coordinating the reporting process by publishing the Sustainability Report, which contains a section on Natural Capital.

MILESTONES

Since 2007, the year of the merger between Banca Intesa and Sanpaolo IMI, the Intesa Sanpaolo Group has adopted an Environmental Policy approved by the Management Board, which paid special attention to the protection of the environment right from the initial stages. Over time this commitment has extended more and more to the extent of including, within the policy, not only environmental but also energy issues, in an all-round commitment to combating climate change.

The Environmental and Energy Policy makes reference to the Intesa Sanpaolo Group Environmental and Energy Management System .

The Environmental Management System (SGA) - compliant with the UNI EN ISO 14001:2004 international standard - was set up in 2005 with the main objective of overseeing and managing the environmental aspects within the Group in the most effective way and is now a requirement increasingly sought by some ethical indices. In the beginning it was decided to test the Environmental Management System on a limited group of sites located in the Piedmont territory. Following the merger, the plans to implement the system on a wider scale were confirmed and in the following years the scope was extended first to other branches in Piedmont, and then in new areas across Italy: Lombardy, Veneto, Romagna, Apulia and Sardinia. It should be pointed out that the operational and management procedures monitored by the System are the same as those applied across all of the Group's branches.

In 2010, the only Bank and among the first companies in Italy, Intesa Sanpaolo also implemented an Energy Management System (SGE) in accordance with the UNI CEI EN 16001:2009 standard, then revised as UNI CEI EN ISO 50001:2011, which aims to pursue an improvement in energy performance through a model of systematic energy management based in particular on efficient consumption monitoring. From that point onwards, SGA and SGE have been integrated into a single System (SGAE), which adopts common procedures and is applied within the same scope.

With a view to an ongoing improvement, in 2013, within this same scope Intesa Sanpaolo concurrently obtained the certification for the quantification and reporting of its own greenhouse gas (GHG) emissions according to the UNI EN ISO 14064:2012 standard.

Today there are 214 branches included within the scope of the System and certified by an international third-party entity; in the next period a further extension to other geographical areas is planned, as well as its extension to some headquarter buildings.

This process bears witness to Intesa Sanpaolo's intention to keep up with the times by seizing new opportunities for improvement and optimisation of its performance and to put itself forward also as a point of reference for other entities in the sector. In addition, these certifications have contributed to make Intesa Sanpaolo stand out at the international level among the banks most focused on the environment and energy savings.



Photo by Valentina Lauro



OUR ENVIRONMENTAL POLICIES

Aware of being a company of significant size, whose electrical consumption in Italy is comparable to that of a city of about 300,000 inhabitants, Intesa Sanpaolo's top management has long been committed to reducing the environmental footprint resulting from the Bank's production activities and has promoted a radical change in the belief that growth can coexist with the concepts of "liability" and "sustainability".

Intesa Sanpaolo, by also accepting the demands coming from the stakeholders that require the Bank to play an active role in this important challenge for the future, acts as a point of contact in many areas:

- it collaborates with the GSE (Gestore Servizi Energetici), the Ministry of Economic Development and the Ministry of the Environment both directly and through the Italian Banking Association (ABI) on several fronts, for example the effects of changes in the incentive system (the so-called "Conto Termico") of the energy efficiency sector and the incentives to other renewable technologies;
- it has attended events organised by the European Parliament to gather suggestions and recommendations on how to mobilise private funding to support low-carbon emissions and the efficient use of resources in Europe;
- through the FIRE (Italian Federation for the Rational Use of Energy), it has helped provide advice and technical guidelines to the Italian Government for the development of the National Energy Strategy (SEN);
- it has joined the Financial Institutions Group (EEFIG), a group of experts established by the European Commission and the UNEP FI to determine how to overcome the challenges associated with the provision of long-term financing for energy efficiency;
- it is part of the Council for Sustainable Finance, which in 2014 organised a Forum aimed at the involvement of Italian and European members of Parliament for the support and the dissemination of sustainable finance issues.

Furthermore, over the last few years the Intesa Sanpaolo Group has prepared and adopted several "Rules" on the subject of environmental sustainability to disseminate and apply good practices within its own processes. The areas that have been subject to regulation are those associated with the purchase of office machinery, paper, the fitting and management of sustainable branch offices and the organisation of training or communication events with a low environmental impact.

In the banking sector a major component of the ecological footprint is linked to the use of paper and energy consumption in particular due to the machines used in offices: PCs, monitors, printers, photocopiers, servers, IT systems and equipment in support of the services (ATMs, information display terminals).

Sustainability Rules for the purchase of office machines

The distributed set of ICT machines generates overall consumption of the same order of magnitude as the large accounting centres. It comprises over 240,000 machines with a consumption of approximately 40 GWh/year.

In order to limit consumption and gradually improve the quality and efficiency of our machine inventory, at the end of 2011 an internal policy was adopted in relation to the purchase of office machines that defines the minimum environmental criteria and the operating procedures for the assessment, in the acquisition phase, of the environmental impacts generated directly or indirectly.

The criteria used are inspired by those of the Public Administration, within a broader framework of



European legislation and include: the evaluation of energy efficiency and the possible impact caused by the noise and the level of electromagnetic radiation emitted from the equipment; the presence of a limited quantity of hazardous and polluting substances as well as the optimisation of the use of consumables, especially paper (possibility of using recycled paper, double-sided option, etc.) and toner; the preliminary analysis of the entire life cycle of the equipment, with priority given to the machines that provide an overall lower environmental impact and the possibility of reuse or recycling, even as regards packaging.

For the technical evaluation of the offer a standardised algorithm was developed for the assessment of environmental and energy performance, with specific weights for environmental performance, environmental certifications and health and safety. From the standpoint of economic evaluation, operating costs are evaluated on the basis of the declared energy consumption according to the Energy Star method, taking into account the machine's average lifetime (4-5 years), and are added to the price of the initial investment.

Rules on the subject of sustainability for the purchase and use of paper and derivative materials

Overall, the supply of ecological material has reached a high percentage in Italy (about 93 %); preference is given to the supply of paper with a high post-consumption recycled fibre content and this is followed by a substantial portion of paper of certified origin (FSC and/or ECF/TCF).

The commitment taken on by Intesa Sanpaolo some time ago to encouraging the replacement of paper communications with electronic reporting has also made it possible to further consolidate the results it has achieved in the last few years, containing the use of paper and limiting its waste wherever possible, with a consequent reduction in related CO₂ emissions.

Through the digitisation of several printing steps, the customers' subscription to the online reporting service, the use of the digital signature for the signature of the main cashier desk's transactions, the adoption of specific internet work stations available to the customers for the consultation of information sheets on banking transparency and the elimination of paper handouts for training courses, in 2014 it was possible to avoid the use of more than 1,700 tons of paper, equivalent to about 3,600 tonnes of CO₂ not emitted into the atmosphere.

The calculation of these optimisations takes into account the entire life cycle comprising 6 different phases: paper production (recycled and not), transportation from the paper mill to users, printing, the delivery of documents to recipients (where applicable), final disposal and transportation to recycling centres, landfill or incineration. Over the years the calculation method has been reviewed and since 2014 it has been based on greenhouse gas emission factors (GWP100) updated in accordance with the new G4 version of the GRI (Global Reporting Initiative) indicators, with the calculation of associated primary energy consumption.

The performance relating to the use of environmentally-friendly paper obtained by the Banks and International Subsidiary Banks has improved significantly: Banka Koper, Intesa Sanpaolo Bank Romania, Intesa Sanpaolo Banka Bosnia i Hercegovina, VÚB Banka, Banca Intesa (Russia) and Intesa Sanpaolo Private Bank (Suisse) have reached percentages 90% above the total purchased; Intesa Sanpaolo Bank Albania, Privredna Banka Zagreb and CIB Bank have privileged the supply of recycled paper. The latter, in particular, has reached a utilisation rate equal to 98%. In general terms, a significant increase in the purchase of recycled paper must be noted between 2012 and 2014: the percentage for International Subsidiary Banks has risen overall from 7% to over 26%.

The initiatives aimed at the reduction of paper use are also significant: in Russia, Banca Intesa has reduced the paper material of the courses provided by encouraging distance training; Banca Intesa Beograd has introduced the electronic signature of all the documents adopted by the Executive Committee and the Board of Directors; Intesa Sanpaolo Bank Albania provides for the use of tablets for the signature of the forms required for withdrawals and payments; Privredna Banka Zagreb provides for the use of the biometric signature with the elimination of the paper support (by the end of 2014, approximately 1,100 devices were installed for this purpose and 64% of customers joined the initiative).

Rules of environmental sustainability for the setting up of sustainable branches

The policy takes into account a complex series of aspects that must be carefully considered from the planning phase in order to ensure high performance and a low impact in relation to consumption for heating, cooling, lighting, waste management and office equipment within the Group's branches.

For example - with a view to efficiency and sustainability - it sets the hours of operation of technological systems and the use of specific instrumentation for their optimal management (dataloggers capable of enabling the ongoing remote monitoring of electrical consumption, as well as their activation/deactivation in the scheduled time slots). Special attention must be paid to the correct sizing of the systems in relation to the characteristics of the site in order to optimise comfort and reduce consumption; but also the aspects related to the insulation of the building, the use of insulating windows and doors with transmittance in compliance with tighter applicable laws must be taken into account.

As regards lighting, preference is given to low energy lamps (compact fluorescent/linear with electronic ballast or led) having the lowest power available in compliance with the lighting design.

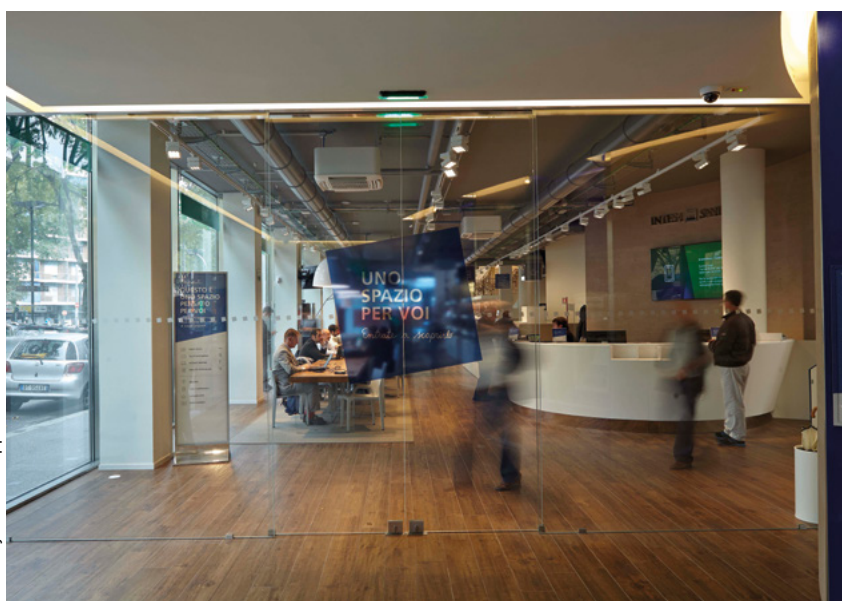


Photo by Andrea Cappello

The policy also stresses the importance of proper waste management through separate collection and the exclusive use of the firms appointed for the collection and disposal of special non-hazardous waste, while as regards office machines reference is made to the procurement procedure with sustainability criteria - in place for some time within the Bank - which takes into account a stringent evaluation of the environmental and energy impacts of the products and promotes the supply of those which, all performances being equal, ensure the least impact over an average time period spanning 4-5 years.

Sustainability rules for the organisation of communication events and training activities

The policy provides for the use of invitations and documents in electronic format, the choice of highly energy-efficient sites and displays that are reusable or made from recycled or recyclable raw materials and catering with the use of washable cutlery and crockery. The 2014 reports, submitted by the International Subsidiary Banks and Group departments involved, demonstrate a strong commitment to pursuing the requested criteria and improving the results obtained: more specifically, the Group's International Subsidiary Banks stood out for their constant commitment to improving, also a sign of their greater awareness of the issue and constant development of green solutions in the organisation of events.

The risks and opportunities related to Climate Change

Climate changes pose very significant risks to all businesses which, by mere sake of simplicity, can be divided into three large areas. Firstly, we find the risks related to regulatory changes: over time, the States and the international community may impose new standards for the protection of the environment and consequently provide for new obligations for businesses, which can sometimes be very burdensome. Companies must then monitor the legislation and be able to anticipate and adapt to the new obligations through a medium-term strategy that is not excessively onerous upon them.

Secondly, we find the risks related to changes in physical climate parameters such as increase in temperature, floods, snow storms, drought. Although it is difficult to predict some climate disasters, companies must take into account the risk that these may occur, perhaps in certain more exposed regions, and must take the necessary steps so that prevention is less costly than the ensuing damage. Finally, we have the residual risks related to climate change, such as for example the reputational risks of a company that does not appear to be attentive to the environment or risks related to the social and economic fluctuations of those people who have suffered any damage and, as such, are no longer able to purchase goods or repay their debts.

Therefore, as we have seen, it is fundamentally important to know how to properly assess these types of risks in order to be able to implement mitigation measures and actions in a timely and effective manner. The identification and management of these risks thus allows the Bank to avoid or limit the additional costs potentially generated by the consequences of climate change.

In parallel, every company can highlight, within the scope of its own activities, different business opportunities that arise when careful assessment of the situation allows to propose innovative products and services. Among the main risks associated with national and international regulatory changes, Intesa Sanpaolo identifies those related to the possible introduction of very stringent air pollution limits that may cause financial problems to the Bank's customers (fines, a business ban, considerable investments to comply with legal provisions), and in particular in some areas highly exposed to greenhouse gases (aviation, energy, metallurgy, cement), causing a reduction in their income and hence their ability to repay the funds received. In order to manage this risk, Intesa Sanpaolo, through its subsidiary Mediocredito Italiano with its specialised Energy Desk, provides high-level advisory services to its customers on legal



Photo by Onofrio Cellamare

developments and how to adequately prepare to deal with it. The Energy Desk is also active in financially supporting corporate customers in their energy efficiency projects, transforming any possible critical issues into a business opportunity. Sector studies (coal and “waste-to-energy” in particular) have also been commissioned to a specialised consulting firm in order to allow the customer relationship structures to explore these areas and be able to choose with greater accuracy the projects to be supported.

Another example of risk directly associated with climate change is related to floods, which have been more and more frequent in recent years in Italy with significant damage to the agricultural sector, but also to homes, establishments and infrastructures in general.

In order to aid those customers who have suffered damage, Intesa Sanpaolo, immediately after the event, suspends the payment of mortgages and instalments of the loans granted to retail customers and businesses in the areas severely affected by the climatic events. On the other hand, with regard to the risks associated with its own structures, in case of extreme climatic events or emergencies caused by the rise of the sea level, the Bank may implement its business continuity plans which entail the performance of the basic operations in suitable alternative structures to those that may have been damaged. Additional measures are also activated in order to ensure the safety of its employees.

WHAT WE HAVE DONE

ENVIRONMENTAL PERFORMANCE

The adaptation to climate change outlined thus far and its mitigation, i.e. the reduction of greenhouse gas emissions, are complementary actions and both represent priority areas for the Intesa Sanpaolo Group in order to address the issue of climate change.

A constant monitoring is essential for the timely reporting and the definition of a plan for the reduction of its own consumption and the resulting emissions. That is the reason why the Intesa Sanpaolo Group monitors its energy consumption and intervenes when particularly critical issues are highlighted. The Group is committed to gradually reducing its dependence on fossil sources and has long consolidated its purchase of electricity in Italy from sources certified as renewable (Guarantee of Origin) at all sites where this is possible. The Intesa Sanpaolo Group continued to limit its energy consumption in 2014 through management optimisation actions and energy efficiency measures. The results confirm the important consumption reduction trend achieved in these years: due to the high level of automation and widespread use of heat pumps, the consumption of electricity, the energy most widely used by the Group in Italy, fell by a further 6.8%, potentially corresponding to around 10,000 tons of CO₂ emissions avoided. In the 2012-2014 period, electricity consumption in Italy fell by around 15%: a very important achievement that puts the Intesa Sanpaolo Group among the leading companies in Italy to have launched energy efficiency activities, and a milestone which is often now used as a sector benchmark. The Group’s International Subsidiary Banks have also launched major energy efficiency measures in the various branches and main offices, setting themselves some important energy goals.

Projects implemented or under study by the Intesa Sanpaolo Group in 2014

Project development phase	Number of projects	Total estimate of annual CO ₂ eq savings (t)
Under study	3	125
To be implemented	8	1,296
Under implementation	23	10,956
Implemented	18	148,832
Planned and not activated	0	0

Some examples of projects launched in 2014 with the related estimate of annual savings

Project	Description	Forecast annual savings
Replacement of office equipment with "green" products	According to our internal policy, the replacement of office equipment with a set of "green" machines continues. The evaluation of the offer also takes into account environmental and energy saving parameters thereof for a useful life of the machine of 4 years.	<ul style="list-style-type: none"> ▪ CO₂ reduction: 620 t ▪ Cost Saving: € 350,000
Modernisation of electrical systems	Renovation of electrical installations in Italy. The measure also entails the installation of LED lamps.	<ul style="list-style-type: none"> ▪ CO₂ reduction: 15 t ▪ Cost Saving: € 7,900
Relamping	Some of the Group's International Subsidiary Banks, including Bank of Alexandria, PBZ Group and Intesa Sanpaolo Bank Albania launched an initiative aimed at replacing old installations with LED lighting.	<ul style="list-style-type: none"> ▪ CO₂ reduction: 480 t ▪ Cost Saving: € 564,080
Energy audits	In Hungary, within our CIB Group, energy audits were conducted in the 20 branches with the most consumption and actions were launched for the improvement of their energy efficiency.	<ul style="list-style-type: none"> ▪ CO₂ reduction: 211 t ▪ Cost Saving: € 66,827
Paper digitisation measures	Digitisation measures continued in Italy in order to cut down the amount of paper used in Branches for some of the services offered by the Bank.	<ul style="list-style-type: none"> ▪ CO₂ reduction: 3,752 t ▪ Cost Saving: € 1,553.400
Fleet modernisation	Fleet modernisation was undertaken through the purchase of two hybrid vehicles at Banka Koper (Slovenia) and the renewal of the car fleet with "greener" models in PZB (Croatia).	<ul style="list-style-type: none"> ▪ CO₂ reduction: 174 t ▪ Cost Saving: € 62,731
Use of video conferencing and instant messaging software	The Bank decided to invest more in the use of video conferencing and instant messaging systems in order to limit travels and reduce emissions from transport.	<ul style="list-style-type: none"> ▪ CO₂ reduction: 720 t ▪ Cost Saving: € 4,500,000

QUANTIFICATION AND REPORTING OF GREENHOUSE GAS EMISSIONS (GHG)

All the optimisation and energy efficiency actions monitored involve a reduction in greenhouse gas emissions. To this end, and also with a view to being totally transparent with its stakeholders, the Group answers the international Carbon Disclosure Project questionnaire and highlights its results year after year.

Intesa Sanpaolo Group's CO₂ emissions are divided - according to the international classification proposed by the GHG Protocol standard into Scope 1 (direct emissions), Scope 2 (indirect emissions) and Scope 3 (other indirect emissions). This division reflects the degree of control that Intesa Sanpaolo has on its own emissions, in particular scope 3 includes all the emissions which, albeit related to the company's core business, the Bank does not control directly, but has decided to report for transparency purposes. In particular, the following emissions were accounted for in 2014: emissions generated by employee travels and transfers, emissions linked to paper purchased, those related to generated waste and emissions from the Life Cycle Assessment (LCA) of the office equipment purchased.

Moreover, since 2013, within the same scope as the Environmental and Energy Management System in Italy, Intesa Sanpaolo has decided to quantify and report its greenhouse gas emissions (GHG) on a yearly basis, by certifying them in accordance with the UNI EN ISO 14064:2012 international standard.

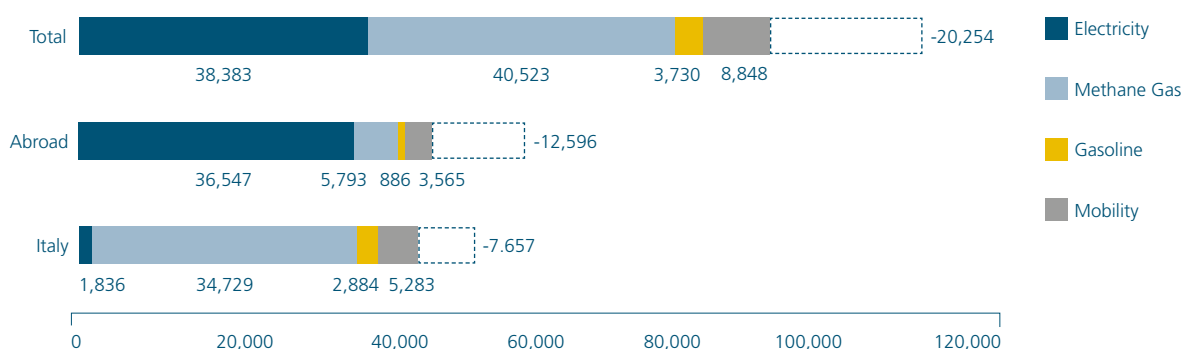
It must be noted that the Intesa Sanpaolo Group constantly updates the processing factors related to emissions into the atmosphere through complex research and development, based on the most recent publications, taking into account indirectly concerned gases (such as Nitrous oxide and Sulphur dioxide), in addition to greenhouse gases which have a direct impact. With reference to the emission factors related to Italy, those provided by the ABI Guidelines are used, whereas as regards the emission factors related to the International Subsidiary Banks the sources and the guidelines used are the ones most accredited at an international level: Istituto Superiore per la Protezione e la Ricerca Ambientale (ISPRA), the United Nations Framework Convention on Climate Change (UNFCCC), International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC).

The results confirm a declining trend for scope 1 and 2 emissions thanks to the actions described above aimed at energy optimisation and efficiency: in 2014, the decline is due to energy efficiency measures for 10.6 %, to changes in the monitored scope for 6.5 %, whereas the updating of processing factors only accounted for 1.1 %.

Summary table of GHG emissions in tonnes of equivalent CO₂ (year 2014)

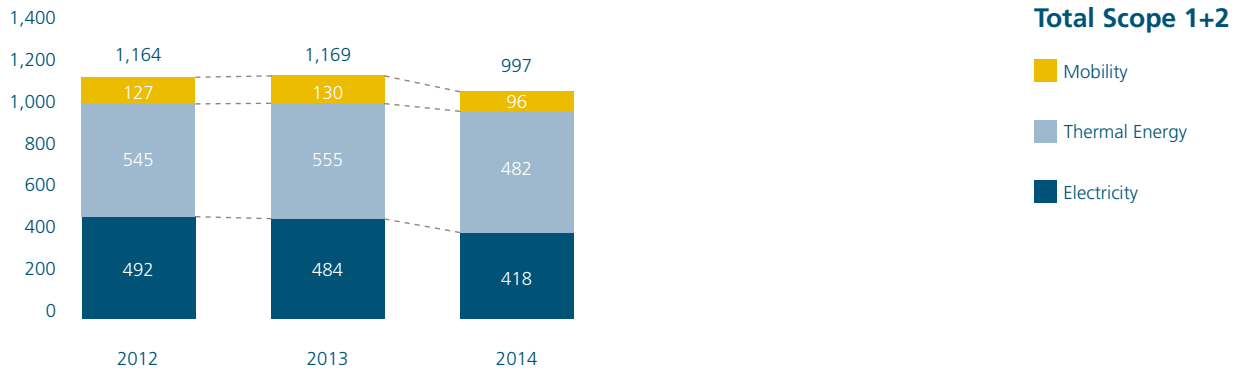
	Italy	International Subsidiary Banks	Group total with change against 2013	
Scope 1	37,400	7,876	45,277	-23.3 %
Scope 2	7,293	38,914	46,207	-12.3 %
Scope 3	20,132	5,232	25,365	-4.8 %

Scope 1+2 Emissions 2014 (TonCO₂ eq/year)



The shaded part highlights the result achieved in 2014 in terms of lower emissions compared to 2013

Division of direct (Scope1) and indirect (Scope2) emissions according to the GHG Protocol standard



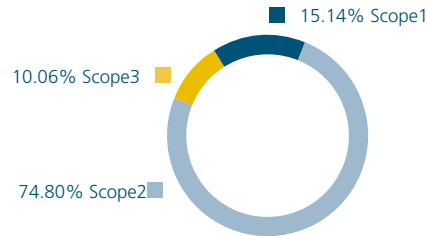
ISP Group – Scope 1+2 Emission detail breakdown (kgCO₂eq/employee)

Percentage breakdown according to the GHG standard of CO₂ eq emissions [%]

Italy



Abroad

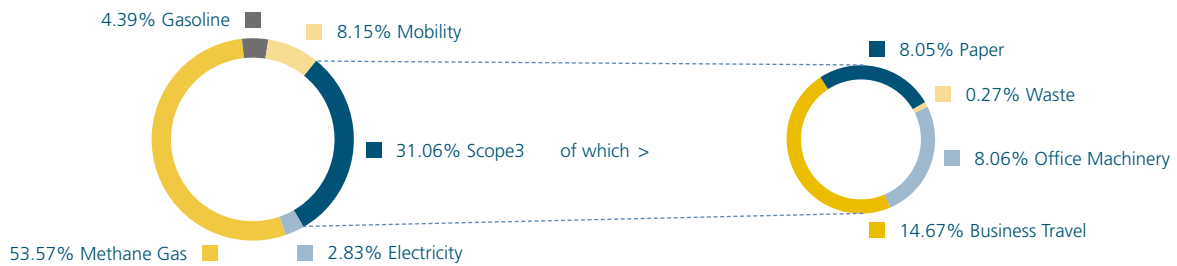


Detail percentage breakdown of CO₂ eq emissions [%]

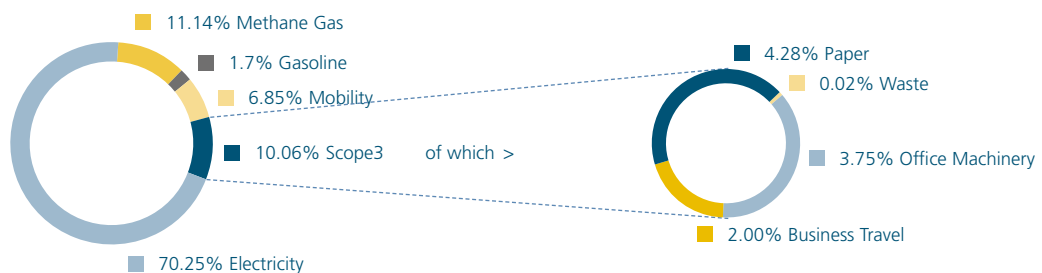
The two graphs below show how direct and indirect emissions affect the total emissions. It should be pointed out for example that the percentage of incidence of the emissions from electricity is very limited in Italy since 95% of the electricity purchased derives from a renewable source and, as such, can be considered as having zero emissions.

On the contrary, within our International Subsidiary Banks, the weight of electricity is still predominant since the supply of energy from renewable sources is not always feasible.

Italy



Abroad



BEST PRACTICES

“NEARLY 0” ENERGY BRANCH

A structured plan of action for environmental sustainability launched by the Intesa Sanpaolo Group gave rise to one of the most interesting challenges among those undertaken in recent years: the creation of a branch which can boast high energy performance and the most up-to-date technology capable of ensuring a very low energy requirement, significantly covered by energy generated from renewable sources.



The requalification project – thanks to which a class A energy certification was obtained – entailed a standalone building located in a residential area in Venezia Marghera, which is laid out on two floors above ground and a basement; the benefits concerned the entire surrounding area, especially in reference to the elimination of the emissions and noise produced by the air conditioning system previously used.

The Bank has adopted efficient solutions aimed at reducing the building’s energy consumption (achieving savings equal to 65%):

- insulation of the building’s exterior thanks to a thermal polyurethane cover placed both on the perimeter walls and on the horizontal coverage;
- installation of insulated doors and windows equipped with low transmittance glass and with low-carbon double-glazing;
- use of led lamps for interior and exterior lighting and for illuminated signs as well as of high-efficiency and low consumption fluorescent lamps controlled by presence/illumination sensors;
- supply of fixtures and fittings with ecological panels (FSC certified) and with class E1 formaldehyde emissions;
- installation of multipurpose office equipment.

The climate control system of the branch is ensured by a geothermal heat pump equipped with 6 vertical probes that reach a depth of 120 meters, while domestic hot water is produced by another air heat pump which, thanks to the heat exchange with the ambient air, ensures the simultaneous cooling of the adjacent engine room. The highly efficient air treatment unit is equipped with heat regenerators and fan coils with modulation of the fan speed. On the roof there is a photovoltaic system for independent power generation (with a potential of 9 kWp) characterised by cylindrical panels capable of capturing direct, diffused and reflected light. The use of these innovative solutions has led to a reduction in primary energy by 80% for heating and by 60% for cooling.

In order to monitor the savings achieved on an ongoing basis, a consumption management and monitoring system was installed, which makes it possible to remotely control the performance of the electrical loads and their switching off at scheduled times.



GALLERIE D'ITALIA

In recent years, an extraordinary exhibition space rose in the heart of the historical centre of Milan called "Gallerie d'Italia", which houses the most important artworks acquired over time by the Intesa Sanpaolo Group.

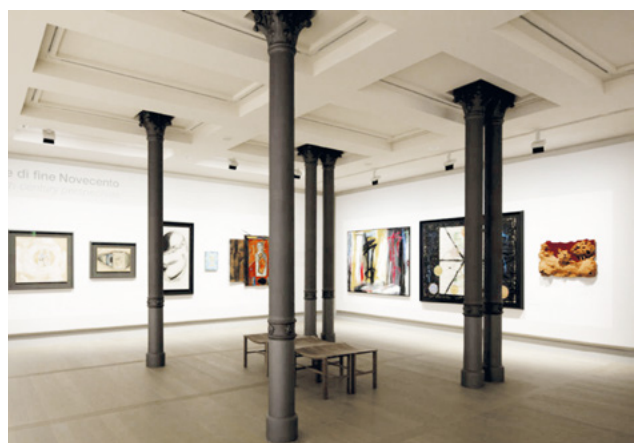
The eighteenth-century Palazzo Anguissola di Carlo Felice Soave, with the nineteenth century wing designed by Luigi Canonica, Palazzo Brentani by the same Canonica and the historical headquarters of the Banca Commerciale Italiana were subject to a major renovation work which restored a valuable complex of buildings in the city. Currently the exhibition unfolds through 16 rooms which comprise around 3 showrooms on a total area of approximately 8,300 square meters.



The museum is supplied with electricity from renewable sources and is equipped with an air conditioning system that ensures optimal temperature and relative humidity conditions in the exhibition rooms and in the storage room used for conservation purposes of the art pieces.

Concurrently, a great deal of attention was paid to the containment of energy consumption: the air treatment units installed are in fact equipped with air/air heat recuperators, fans with inverter engines and systems that reduce the amount of outside air flow to 30% during the museum's closing hours, in addition, the refrigeration plants were connected in a loop in order to allow optimisation of their use: the plants activated from time to time are commensurate with the requirements of the entire complex as opposed to each building.

The lighting system was also carefully designed: the use of spotlights with led lamps for the lighting of the rooms and of the works exhibited ensures electricity savings and makes it possible to eliminate the ultraviolet rays produced by traditional lamps. A modern integrated control system enables to manage and monitor consumption, temperature and humidity of the entire complex.



A SUSTAINABLE BUILDING: INTESA SANPAOLO VITA

Environmental responsibility, the search for efficiency and innovation and the idea of sharing are the guidelines that have characterised the intervention made to one of the Group's buildings: the Milan headquarters of Intesa Sanpaolo Vita in viale Stelvio.

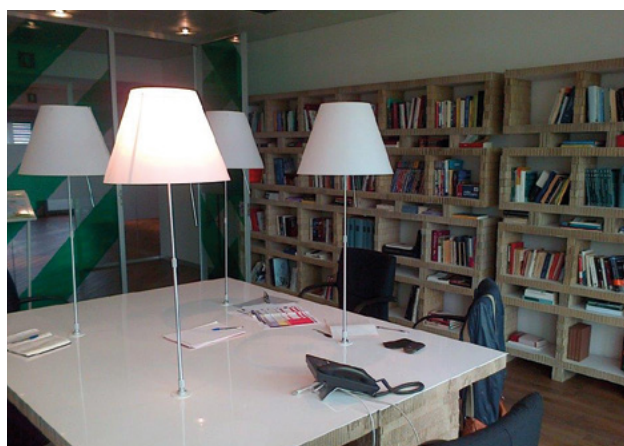
The result is a modern building which also features:

- a roof garden deriving from the transformation of the roof terrace with flowerpots decorated with evergreen plants, benches and walkways in environmentally-friendly wood for outdoor use;
- a botanical/didactic garden was created upon the initiative of Slow Food to involve and educate the employees on the issues of environmental sustainability and conscious consumption within the company;
- a library room at the disposal of employees, overlooking the green, for breaks or meetings with external guests, equipped with design furniture components in honeycomb cardboard – a recycled and recyclable, light, durable and fire-retardant material.



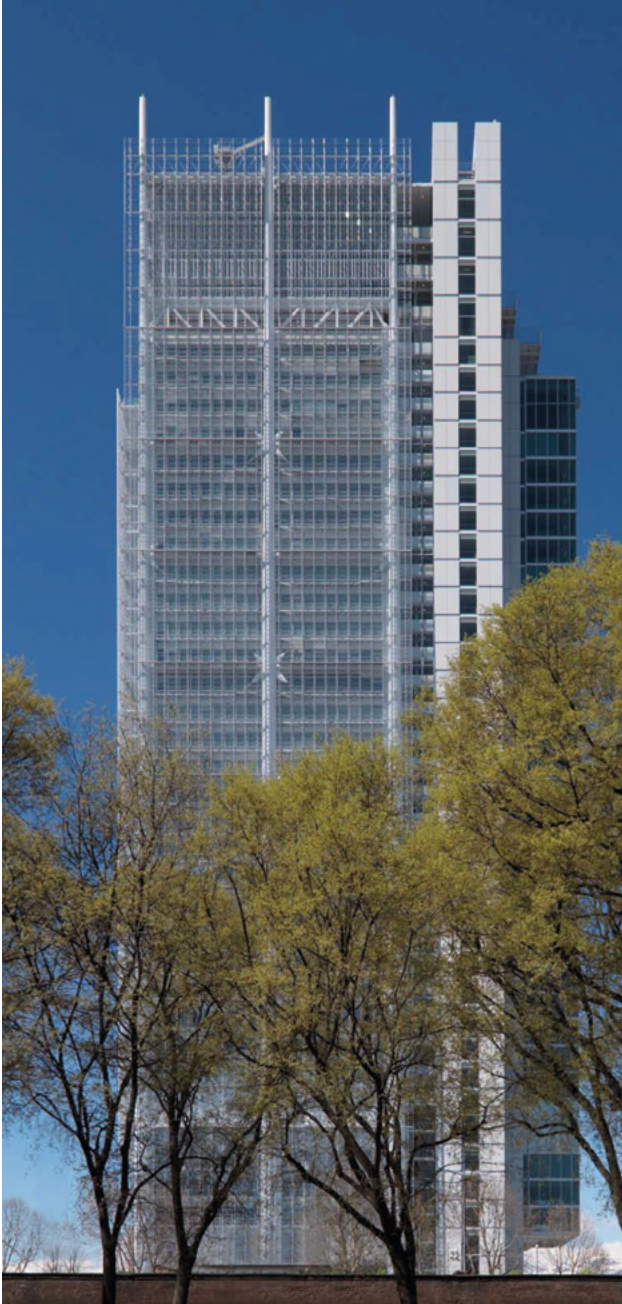
Intervention on the building has led to the replacement of the pre-existing plants with other more efficient and high-performance ones, the use of a 77-micron thermo-reflective film on the outer surface of the doors and windows to ensure an ideal thermal insulation of the building exterior, the installation of led lamps in conjunction with next-generation fluorescent lamps with presence sensors and the replacement of the flooring with a self-laying coating in woodgrain placed on floating parquet tiles capable of improving hygienic conditions and reduce the noise.

The renovation took place in a different city area from the conventionally financial one and the corner position of the building contributed to requalify the entire urban area which the municipal administration long identified as being worthy of intervention.



THE NEW HEADQUARTER

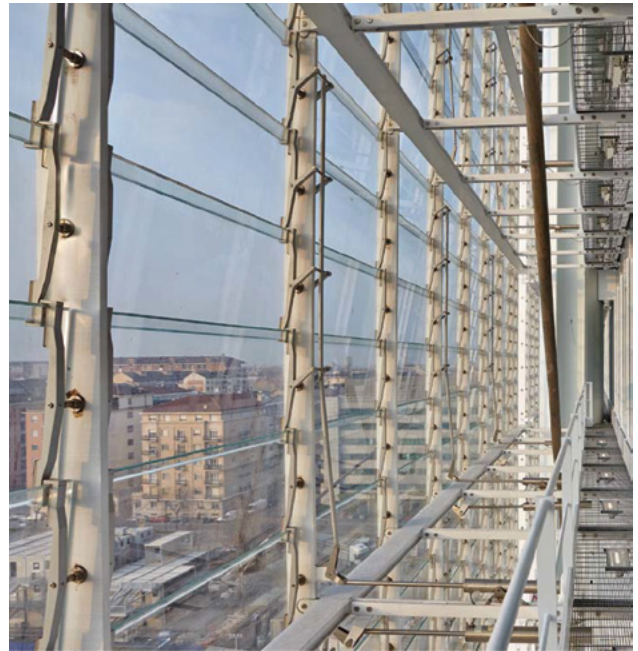
The most ambitious development of the last few years is undoubtedly the construction of Intesa Sanpaolo's New Headquarter, which rises on Turin's "Spina due", a few steps away from the newly renovated Porta Susa Railway Station.



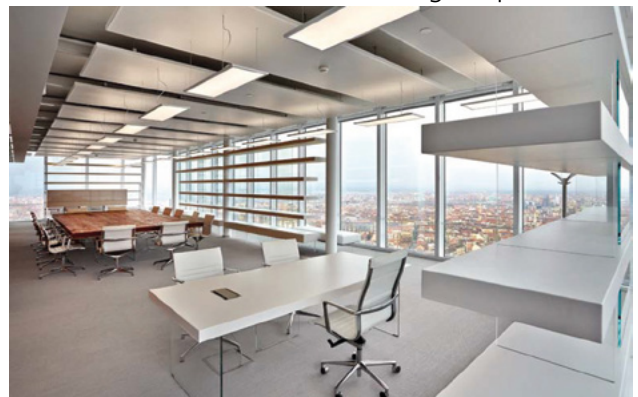
Designed by architect Renzo Piano, the skyscraper is 166 meters high and is laid out on 38 floors above ground, 27 of which are intended to serve the Bank's operations offices. It is a building that is "open to the city", with a multi-purpose room which, depending on the possible configurations, can accommodate several events; a comfortable natural environment is recreated in a triple height bioclimatic greenhouse, positioned at the top of the building.

By autumn 2015 the opening of a panoramic restaurant and a cafeteria is also planned. The beginning of September marked the opening of a corporate crèche which can accommodate about 50 children between the ages of 6 and 36 months.

The project is particularly attentive to the containment of overall energy consumption and has made the skyscraper one of the tall buildings with the highest sustainability standards in the world, as evidenced by the certification obtained according to the international LEED protocol (Leadership in Energy and Environmental Design), Platinum level.



The façades facing east and west are characterised by two glass windows about 2.5 meters apart equipped with shutters whose opening and closing is managed by a centralised system that can be programmed according to different climatic conditions: in the winter the use of sunlight is maximised for the purposes of heating the interiors, in summer the heat is dissipated thanks to the ventilation produced within the double glazing and the protection afforded by the mobile sun shields inserted between the two glass panes.

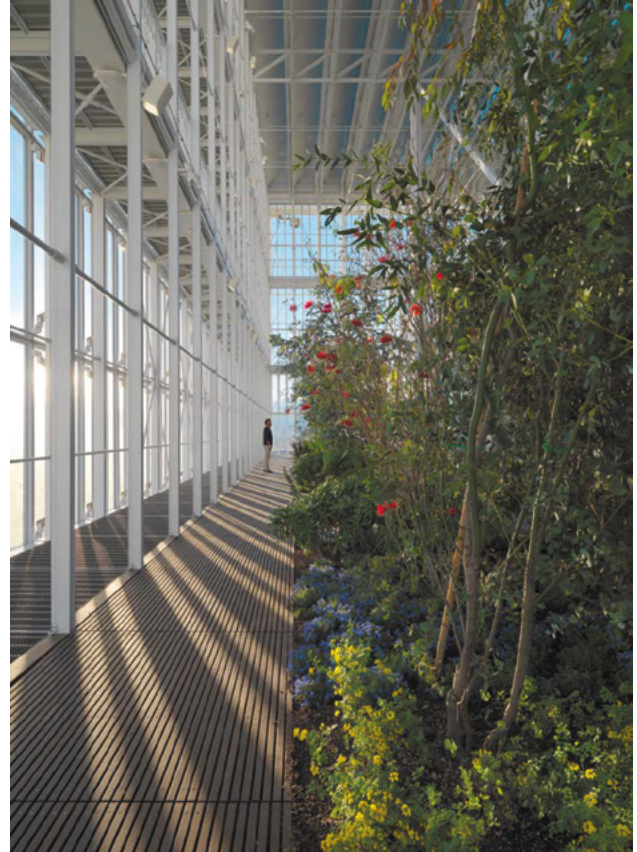


Photos by Enrico Cano e Andrea Cappello

The lighting system was also designed with a view to energy saving; if on the one hand the glass façades make it possible to use the natural light in the workplace, on the other hand, the artificial lighting is adjusted by a presence sensor system and the use of led technology enables to optimise consumption.

The system that produces the air conditioning fluids uses only electricity coming from renewable sources and ensures high energy efficiency by using, for production of both hot and cold fluids, groundwater drawn from wells located at the edges of the park adjacent to the building.

The air conditioning system entails operation in a heat pump without the use of gas and, in particular for cooling purposes, a free-cooling system that takes advantage of the natural ventilation of the double slab of each floor and uses the difference in pressure between the east and west sides.



Photos by Enrico Cano e Andrea Cappello

Finally, in the south façade of the building a photovoltaic plant is installed of more than 1,600 sqm composed of 336 polycrystalline silicon panels having a power of 162 kWp capable of ensuring an annual energy production equal to 110,000 /120,000 kWh.

The development of the workspaces also took into account comfort and efficiency: the air conditioning operates with radiant type standalone systems suspended from the ceiling in order to obtain temperature stability and the layout is characterised by the search for the maximum flexibility with large desks which can accommodate 4 or 6 people depending on the requirements, while the allocation of laptops, integrated mobile phones and the presence of a wifi network provide colleagues with maximum mobility.

OUR EMPLOYEES

Special attention is paid to the dissemination of a sustainability culture, in order to promote good practices and raise awareness of the fact that all production activities can have a significant environmental impact.

This principle is also supported by the launch - as from 2009 - of a training course called "Ambientiamo" which, over time, has become a permanent platform on environmental topics freely accessible by all colleagues, and which is based on the consideration that we all have the ability to influence our stakeholders (colleagues, businesses, families...) and therefore contribute, through our example, towards safeguarding the environment in which we live and in which future generations will live.

The training path, which has evolved over the years and has been enriched with new content, makes use, in a transversal and integrated manner, of all the media made available to employees, which merge into a single point of access: the Intranet page dedicated to Environmental Education. Since the start of the project accesses to the training modules on the platform Ambientiamo were more than 90,000.

Every employee can use tests, webgames, videos, insight modules on specific issues such as waste management, energy savings at home and in the office, sustainable mobility; these topics are complemented by lectures on the green products that Intesa Sanpaolo offers to its customers in order to support the development of renewable energy and energy efficiency and a three-module specifically designed to illustrate purposes, practices and regulatory requirements adopted within the branches that fall within the scope of application of the Environmental and Energy Management System.

"Ambientiamo" also contains a large section dedicated to renewable energies, which stems from the metaphor of the "four elements" (fire, earth, air and water): a short film introduces the theme and a video tutorial offers the opportunity to analyse in more depth the aspects associated with the operation of the different technologies.

I TEMI DI AMBIENTIAMO



In 2015, the courses addressed to Intesa Sanpaolo Group employees were further enriched with a course focused on Climate Change divided into four modules:

- How does the climate evolve?
- What is the impact of climate change?
- What are the institutions doing?
- What do I do? And what more can I do?

The material comes from an online course of the UN and was created with the support of the European Space Agency and the CNR, with the aim of proposing an active form of knowledge to stimulate the users' participation and raise awareness of the processes of change taking place.

Through his activities, man has always altered the surrounding environment, but for thousands of years nature has been able to reabsorb this phenomenon without suffering irreparable damage. It is since the start of industrialisation processes, however, that there has been a considerable acceleration as a result of the gradual population growth and technological evolution.

To deal with the situation by influencing choices it is necessary to have a good understanding of the topic, and it is with this aim that the course on Climate Change has been structured, specifically to acquire awareness and reflect on the impact that climate change may have on present and future generations.

Each module includes a teaser to introduce the topics, video tutorials that deal with the main concepts, podcasts to listen to real-life stories and anecdotes, and then interviews, interactive maps and insights.

MODULO 2 - QUAL È L'IMPATTO DEI CAMBIAMENTI CLIMATICI?



MODULO 4 - COSA FACCIO IO? E COSA POSSO FARE DI PIÙ?



OUR CUSTOMERS

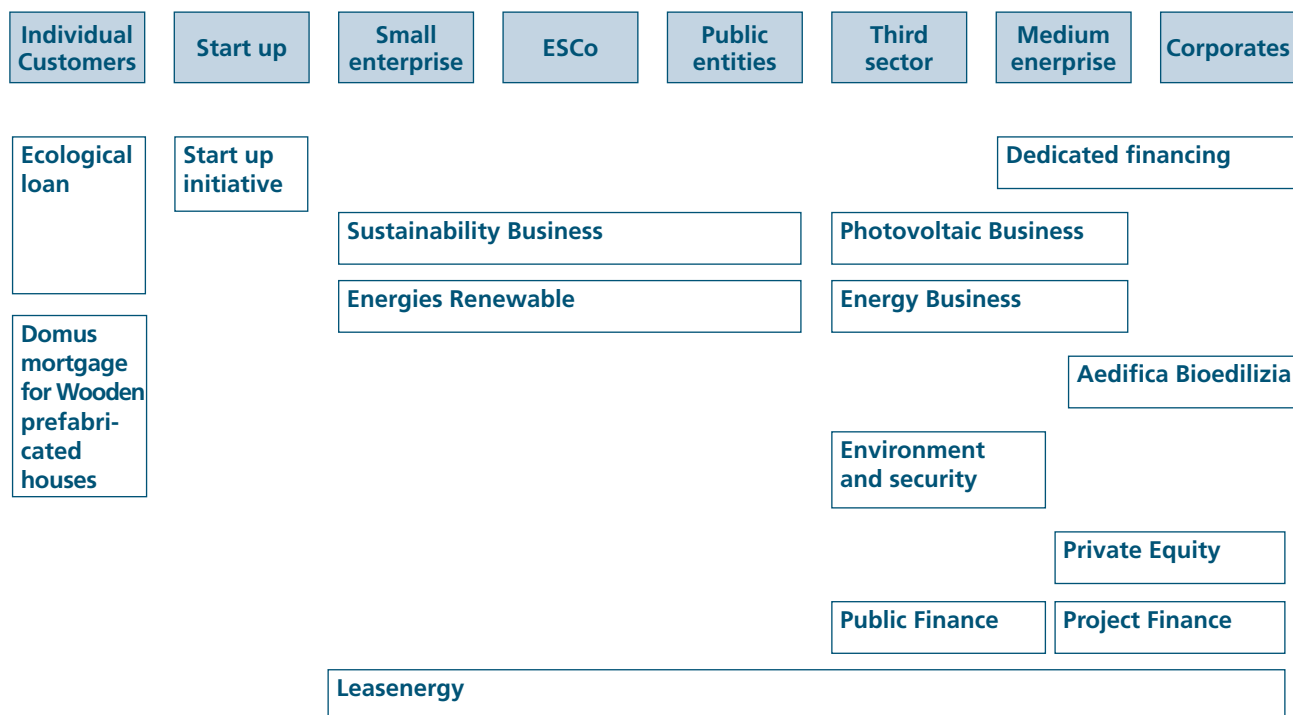
For a financial institution, customers represent the main lever to support a low carbon economy focused on preserving the natural capital: with this in mind, we act as promoter of good practices towards our customers with a transversal approach to all areas of the Bank's operations.

In order to boost and support the green economy, over the years Intesa Sanpaolo has developed a wide and diversified range of financing and advisory products dedicated to all types of customers, whether in Italy or abroad. According to the most recent ABI Report on Banks and the Green Economy, from 2007 to 2014 the banking system financed projects related to the production of renewable energy and geared to energy efficiency for around 27 billion euro, to which the Intesa Sanpaolo Group contributed approximately 11 billion euro.

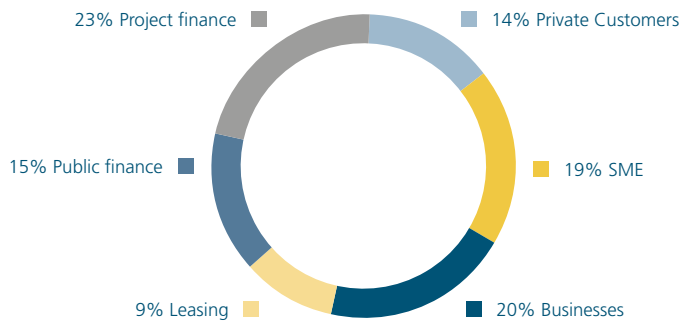
In 2014, over 2.3% of Intesa Sanpaolo's total loans covered the renewable energy, energy saving, agriculture and environmental protection sectors, for a total of approximately 643 million euro, with actions targeted at private customers, SMEs, large companies, the public administration, business start-ups, social enterprises and the Third sector, as well as large-scale projects.

Among these is Leasenergy, our leasing product dedicated to photovoltaic installations: over the last four years, we have funded more than 1,700 plants corresponding to an energy production from renewable sources of about 2.2 Gigawatts. We can estimate that the amount of renewable energy that Intesa Sanpaolo has funded through Leasenergy corresponds to emissions avoided for more than 1,106,820 tons of CO₂ equivalent.

Green products and services offered by the Intesa Sanpaolo Group in Italy



Loans for energy efficiency and renewable energy [%]



Among the tasks that the Bank has set itself there is also the support to customers in terms of information and advice. Of particular interest is the creation, within Mediocredito Italiano, of the Energy Desk, a specialised department that analyses projects and shares its knowledge about the renewable energy sector to support the Group's network of retail banks. The purpose of this economic-engineering competence centre is to provide support and answers, not only of a financial nature, to companies interested in developing these business sectors and at the same time identify new trends and areas of opportunity. The Mediocredito medium/long-term loans for renewable energies are always preceded by an examination of the project which constitutes consultancy for the customer and support for the bank's credit assessment at the same time. Banca Prossima, the Group Bank dedicated to social enterprises and the community also provides support, both with credit and advisory services, to energy efficiency projects for non profit organisations, with solutions that help customers optimise the cash flows generated by the investment and reduce financing costs.

Investments in research and technological innovation are of particularly strategic importance in the field of technology aimed at combating climate change. Also in this field, Intesa Sanpaolo Group is on the side of the entrepreneurs employing skills and financial tools to support the costs of research and development:

- the Intesa Sanpaolo Start-Up Initiative trains and promotes emerging high-tech companies, facilitating their contact with qualified investors (including venture capitalists, business angels, companies and private investors), with special attention to the Clean Tech sector (renewable energy, energy efficiency, water and the environment). Over the last 5 years, the Start-Up Initiative has selected and trained more than 750 start-ups, of which 500 were presented to 6,400 investors during 75 international events. Approximately 30% of the start-ups involved are active in the field of clean technologies. Out of the participating start-ups, 70 are success stories, having benefited from investments, financing and prizes;
- Atlante Ventures, the Intesa Sanpaolo Group Fund dedicated to Venture Capital, invests in the venture capital of innovative businesses which, albeit still small in size, present a high growth potential, including those active in the Cleantech sector.

In the context of the asset management business, in 2015 Eurizon Capital adhered to the Principles for Responsible Investment, thereby undertaking to incorporate the environmental, social and governance factors in the investment analysis and in the active shareholder policy, as well as to request from the companies in which it invests the appropriate dissemination of the information concerning them with regards to the ESG factors. The company, as co-Chair of the UNEP FI European Task Force (former co-Chair of the Investment Commission and Treasurer), has contributed to the formulation of these guidelines by participating in the round tables since their launch in 2005.

The company's adherence to the PRI is the natural continuation of the process began in 1996 when Eurizon Capital was the first operator in Italy to offer ethical funds, which provide for a clear and complex set of criteria for the selection of securities, a Sustainability Committee and the donations of proceeds. The ethical funds are mutual funds which invest in the financial instruments of issuers (companies, supranational organisations and governments) with a high social and environmental profile and at the end of 2014 they accounted for 1.2% of the total volume of assets under management. The range is now made up of an equity fund and two bond funds, all Italian. Investments in ethical funds are selected on

the basis of positive criteria (inclusive principle) to identify the presence of good social and environmental governance in companies or institutions under analysis and negative (exclusive principle) for those areas of activity that are considered to be in contrast with the ethical principles asserted by the funds. The “best in class” principle is also used to identify companies that, in certain markets at risk, stand out for their social-environmental initiatives. Environmental screening is entirely subject to the “best in class” principle given that all major listed companies have a notable impact on the environment, and this principle facilitates the selection of the most “virtuous” securities. During 2014, the application of these criteria led to a variation in the investable universe, and consequently the inclusion or exclusion of certain issuing bodies from the fund portfolio. The issue of climate change turned out to be relevant both for exclusion and inclusion purposes, among which we recall the plans aimed at the reduction of greenhouse gases, the protection of biodiversity, the use of clean technology and sustainable supply chain management.

The Fideuram group also offers a socially responsible investment solution, namely Fonditalia Ethical Investment. The sub-fund invests in the bonds of those States that stand out for the special focus on social and environmental issues, in bonds issued by Supranational Bodies in favour of developing economies and in funds specialised in microfinance, fair trade funds, equity funds and shares with a positive impact at social and/or environmental level.

As regards the credit granting process, Intesa Sanpaolo incorporates also in this area the environmental criteria and those linked to climate change: we monitor the environmental risks in the major projects through the Equator Principles assessment process and we are working on other internal credit processes in order to apply more stringent assessment criteria and more effective operating methods in the management of environmental risks connected to the disbursement of loans to all customers in the manufacturing sector.



The Equator Principles are voluntarily adopted international guidelines, based on the criteria of the International Finance Corporation, a body belonging to the World Bank, which support the financial institutions that adopt them in the management of social and environmental risks deriving from some types of financing. They envisage the assignment of a risk category (A, B, or C, where C indicates a low risk level) to projects to be financed, based on variables such as the socio-environmental characteristics of the country, the industrial sector and the characteristics of the project in question.



As from 1 January 2014, the application of the Equator Principles (EPIII, i.e. the third version of the EPs) has extended beyond the scope of Project Finance activities, including also the corporate financing aimed at projects relating to major infrastructure and industrial plants, for example energy and petrochemical plants, mines and transport and telecommunications infrastructures. The EPIII also introduces additional requests compared to the previous versions, both to financial institutions and customers, in the field of combating climate change and the engagement of the people involved in the projects.

Later during the year the new Operating Guidelines were drafted and published as corporate policy. To ensure correct use by all the parties involved in the lending processes, a training plan – well-articulated in terms of teaching methods and in the choice of participating departments – was launched.

Compared to the previous version, the Operating Guidelines are more integrated into the Group's credit policies. In fact, given the expansion of the scope of application of the Principles, reference to the new Guidelines is now present in all other lending procedures in order to detect, right from the application phase, all loans included in the scope of application of the Equator Principles. This integration ensures that the assessment process adopted by the Credit Department evaluates the loan based on financial as well as social and environmental considerations.

In 2014, the total value of the loans granted to projects subject to the Equator Principles' screening was 830 million euro, equal to 7.7 % of the total project finance loans.

The assessment of environmental risk in the granting of loans regards not only big projects but also loans granted to all types of Bank customers.

With the objective of identifying the most effective methods to assess any environmental risks connected to the activities of corporate customers as well as the most significant indicators to measure them, a work group comprising all bank departments involved was promoted. The work group prepared an analytical questionnaire with the aim of verifying potential environmental risks associated with our customers' activities and a pilot project is under way to test validity on a sample of significant companies.

An analysis was also developed of the product sectors into which the Bank's loans portfolio is divided, to assign an environmental risk rating - low, medium or high - according to their potential negative impact on the environment. This rating allows an initial assessment of businesses in each sector and implementation of a suitable risk analysis process.

Starting from these analyses and in line with the reputational risk management model adopted by Intesa Sanpaolo, a policy development plan was drawn up in relation to sensitive sectors, including with the goal of limiting the Group's exposure to fossil fuels.

All the company departments involved in environmental and climate change issues meet regularly at the "Green Table", an interdepartmental work group coordinated by Corporate Social Responsibility which discusses current topics and offers the opportunity to share new regulatory measures and internal best practices. From 2010 to date, the Green Table has encouraged new initiatives and projects. Among the objectives of the Table there is indeed also the need to improve the exchange of information and know-how among those dealing with the environment within the Group and to put into motion synergies and new ideas.

OUR SUPPLIERS

The supply system is a significant and equally sensitive area for Intesa Sanpaolo not only due the large volumes of goods and services that are purchased on a yearly basis, but especially because the entire supply chain - from the origination of the requirements to the end of the contractual relationship - takes into due consideration various specific aspects: transparency and fairness to ensure equal opportunities to potential suppliers, fairness and integrity in the management of the contract, and finally the compliance with principles based on social and environmental responsibility criteria.

Suppliers are thus required to consult the Intesa Sanpaolo Group's Code of Ethics at the time of submitting their application and to adhere to its principles in the performance of the relationship; similarly, the organisation, management and control Model (pursuant to Legislative Decree No. 231/2001), the Group's internal Code of Conduct and the Environmental and Energy Policy constitute reference documents, with the latter emphasising the awareness of being able to promote and encourage responsible conduct also through sustainable purchasing decisions that do not generate negative impacts on the surrounding environment.

The guiding principle that provides for the purchase of the good or service with the best quality/price ratio, corresponding to the aim to contain costs while ensuring adequate service levels, frequently goes hand in hand with the need to create favourable conditions for an economic development focused on the protection of the environment, human rights and the workers and the compliance with the regulations of health and safety in the workplace also in relation to the risks to which the service providers and suppliers operating on the premises of the Group banks or companies may be exposed to.

With a view to its procurement practices, Intesa Sanpaolo has for several years adopted a set of "Policies" which take account of the environmental criteria in the supply evaluation stage, the areas subject to regulation relate to the purchase of paper and derivative materials, the purchase of office equipment, the provision of services for the organisation of communication events and training activities.

In recent times, the Group has also launched a new project that seeks to provide the Bank's buyers with targeted support on the subject of responsible relations with suppliers in order to make it easier to read complex situations and have a wider view capable of highlighting the benefits of such an approach, which positively impacts on the reduction of the company's reputational risk.

The risk connected with the supply chain management must be monitored carefully, for the purpose of triggering a virtuous circle with a view to continuous improvement.

COMMUNITY

MONTE SAN GIORGIO PARK



The Monte San Giorgio dominates the plain in which the municipalities of Piossasco, Bruino and Sangano are located, about 30 km away from Turin; its slopes host the homonymous Park, which falls within the ecological regional network called "System of protected provincial areas". The Monte San Giorgio Park, belonging to the municipality of Piossasco, covers an area of a little less than 400 hectares and is located at an altitude between 330 and 837 meters.



In 2010, an agreement was entered into between the Province of Turin, the Municipality of Piossasco and Intesa Sanpaolo aimed at the enhancement of the natural resources of this park. The collaboration, which is still underway, has made it possible to requalify this large green area which houses numerous crops both for forestry and non-forestry purposes to be used for tree lines and gardens: white hornbeam, wild lime, mountain maple, wild cherry trees, mountain ash, whitebeam, field maple, lute tree, ash and birch.

The nursery inside the Park allows the production of approximately 3,500 trees a year which are planted

in areas with scarce vegetation; so far 5 local public bodies and 3 parks have benefited from these territorial reforestation projects.

Intesa Sanpaolo supports this initiative with the aim to promote biodiversity and the conservation and restoration of the natural heritage and to mitigate the impact of harmful emissions on the climate. Therefore, the quantity of CO₂ that can be absorbed each year from the trees planted so far once they have grown can be estimated at approximately one hundred tonnes.

However, the dissemination of the environmental sustainability culture has its weight: thus, some buildings have been restored inside the park where educational initiatives are held and targeted at the usual local audience, namely families and pupils in all the schools located in the area.

Courses are available for younger children which propose games and discovery as learning tools on topics relating to the changing of the seasons and the importance of following natural cycles; on the other hand, older students are given the opportunity to study in more depth the botanical aspects of the various species available, to understand the delicate ecological network that binds the human behaviour and the environment, to develop the spirit of observation and analysis of our surroundings or to get a better understanding of animal behaviour.

For the 2015 World Environment Day, the initiative "Un albero del Parco in Banca (A tree from Parco in Banca)" was also launched, thanks to which 270 trees in 20 and 40 litre pots were made available to the Group's colleagues: wild cherry trees, white hornbeams, field maples and mountain maples. The colleagues welcomed the initiative with surprise and enthusiasm and joined immediately and in a number exceeding expectations, to the extent that the reservations were sold out in the space of only two days; the requests for collection of the trees were received not only from Piedmont, but also from Lombardy, Liguria, Veneto, Emilia Romagna and Tuscany.



The results

THE ISSUE OF CLIMATE CHANGE IN SUSTAINABILITY INDICES

Over the last few years, climate change issues have acquired more and more significance for the purposes of inclusion in sustainability indices and international rankings based on evaluations conducted by research and rating companies, as well as brokerage firms and fund managers for the inclusion in portfolios built and managed according to criteria also of a non-financial nature. The sustainability indices select the stocks and shares of listed companies, in addition to the economic performance, also on the basis of conduct inspired by corporate social and environmental responsibility and the related performance. The analysis carried out for admission to these indices concerns, in addition to social, governance and business ethics issues, also and to a large extent the environmental issue, which is one of the three key areas on which the ESG (Environment, Social and Governance) analysis is focused. In some cases, assessments, indices and rankings were developed which are focused solely on the climate change or environmental sustainability issue.

According to the approach of different sustainability indices, most business sectors are influenced to varying degrees by climate change and consequently companies must prove that they have defined strategies tailored to the scope of the challenge posed by the issue to their sector. The analysis focuses on the risks associated with climate change but also on the company's ability to identify and respond to the business opportunities linked to this global challenge. This approach to the climate change issue based on the risks/opportunities binomial has caught on in the universe of ESG analysts and investors starting from the analysis and evaluation methodology developed by the Carbon Disclosure Project (CDP).

The CDP is an independent non-profit organisation that holds and manages the largest climate change information database in the corporate sector worldwide and represents 767 institutional investors interested in including the climate change issue in their own investment choices. Since 2007 Intesa Sanpaolo has responded in a timely manner to any requests from the CDP and has been included in the related indices. Membership of the CDP also requires commitment to making public the emissions of greenhouse gases and corporate strategies implemented to manage the issues regarding climate change.

On the basis of the CDP assessment, 113 listed companies, including Intesa Sanpaolo, were selected in 2015 for their advanced approach to climate change mitigation and are therefore included in the index "The A list: The CDP Climate Performance Leadership Index 2015".

Furthermore, the Intesa Sanpaolo Group has obtained the highest score for communication transparency (100 points) thus laying full claim to its title in the "CDP Italy 100 Climate Disclosure Leadership Index".



In addition to the CDP's questionnaire, Intesa Sanpaolo provides feedback to a number of other questionnaires or individual requests for information, both of a quantitative and qualitative nature, from investors and analysts on climate change issues. On the basis of the answers provided and the public information (Sustainability Report, internet site and thematic publications), the Intesa Sanpaolo stock is included in many indices and is well positioned at the global level in environmental rankings.

Among the main sustainability indices that consider the three ESG guidelines in the selection of stocks and shares and that include a more or less comprehensive assessment on climate change, the Intesa Sanpaolo stock is included in the following: Dow Jones Sustainability Indices (on the basis of the assessment by Robeco SAM), FTSE4Good Index Series, Global Compact 100 Index (global index of the 100 companies adhering to the Global Compact and that stood out for the best performance), Euronext Vigeo Indices (Euronext Vigeo Europe 120 and Euronext Vigeo Eurozone 120), Ethibel Excellence Index Europe and Global, MSCI Sustainability Indexes.

In addition to the CDP, Intesa Sanpaolo is also included in another category of indices specialised in the climate change issue, namely the MSCI Low Carbon Indexes.

It has also been included in some major rankings focused on environmental issues: "The World's Greenest Banks Ranking", Newsweek Green Ranking and Ecosocial Footprint, a database prepared by La Financière Responsable.



FTSE4Good



MSCI

2015 Constituent
MSCI Global
Sustainability Indexes



EURONEXT
vigeo
INDICES
Europe 120

EURONEXT
vigeo
INDICES
Eurozone 120

THE ACTION PLAN AND FUTURE GOALS

From the point of view of the direct impact, the achievement of the challenging targets that Intesa Sanpaolo has set itself in the environmental sustainability sector has required, over the years, the involvement of all the corporate departments involved in the climate change issue: Corporate Social Responsibility, Real Estate Department, Procurement Department, Training Department, Mobility Management have worked together to prepare a strategy to this effect. Therefore, a joint decision has been made to draw up annual plans, defined as Sustainable Energy Action Plan (SEAP) which, inspired by the European initiative for the Municipalities participating in the Mayors' Pact, are now on the second of four years.

The 2009/2012 SEAP, with baseline 2009, as a first strategic plan on the environmental issue, entailed actions relating to consumption management optimisation, energy efficiency improvement, innovation, green purchasing, training, and International Subsidiary Banks. The Plan also included a half-yearly monitoring action in order to support the Departments involved in the implementation and update the targets in response to any new needs/opportunities that could have arisen during the implementation stages. The results anticipated within the scope of the Plan were mostly achieved, in particular those that envisaged cost savings due to energy efficiency actions.

Thanks to the success of this first initiative it was then decided to continue with this choice by defining a new Sustainable Energy Action Plan for the 2013-2016 three-year period, which extended its scope of intervention also to some of the Group's International Subsidiary Banks, which decided to identify some challenging environmental objectives.

	SEAP 2009-2012 Baseline 2008	SEAP 2013-2016 Baseline 2012	
Electricity Energy (MWh)	662,824.96	440,536.92	▼
Thermal Energy (MWh)	300,839.99	202,139.57	▼
Paper (t)	9,470.96	6,506.40	▼
Of which environmentally-friendly (t)	137.96	5,504.87	▲
Waste (t)	5,504.20	2,056.98	▼
Direct CO ₂ emissions	49,055.14	45,085.28	▼
Indirect CO ₂ emissions	39,872.66	9,213.55	▼

Thanks to the monitoring of direct impact at Intesa Sanpaolo in Italy – of which the 2009-2012 SEAP was a key part – all indicators have improved significantly.

The SEAP currently underway provides for measures relating to the following business areas:

1. Environment and Energy Management System	Update of the quality Certification to the latest international standards and gradual extension to further operating units (branches and buildings) of the Group
2. Optimisation and energy efficiency measures	This appears to be the most important point of the Plan with ambitious consumption reduction targets; the plan entails the reduction in electricity consumption by 17% in 2016, management optimisation actions, renewal of the refrigeration units with high environmental impact, energy-efficiency measures on the CEDs and remote switching off of PCs
3. Energy monitoring actions and the drafting of environmental policies	Although much has already been done on the subject, the plan provides for the extension of the timely monitoring of electrical consumption to almost all of the Group's branches in Italy, the gradual transition of free market gas utilities with computerised procedures and the rationalisation of the use of paper and office equipment
4. Innovation	The innovative actions in the environmental field include the sustainable branch present within the 2015 EXPO, the New Headquarter of Turin and the renovation of the Intesa Sanpaolo Group Museums with a view to sustainability
5. Green purchases	This category includes purchases of electricity from renewable sources, green procurement materials, environmentally-friendly and recycled paper and ecologically sustainable office equipment
6. Employees	New training initiatives related to environmental issues but especially the increasingly widespread use of the "Lync" remote tool, so as to reduce any unnecessary trips as much as possible
7. International Subsidiary Banks	The following banks set themselves some important targets, namely the Hungarian CIB Bank, the Slovenian Banka Koper, the Slovak VÚB Banka, the Croatian PBZ, Intesa Sanpaolo Bank Romania, the Serbian Banca Intesa Beograd and Intesa Sanpaolo Banka Bosnia i Hercegovina with targeted actions in different areas (lighting, paper consumption optimisation, activation of energy consumption monitoring systems, car fleet replacement, heat consumption optimisation, waste reduction, purchase of eco-friendly paper and a reduction in water consumption)

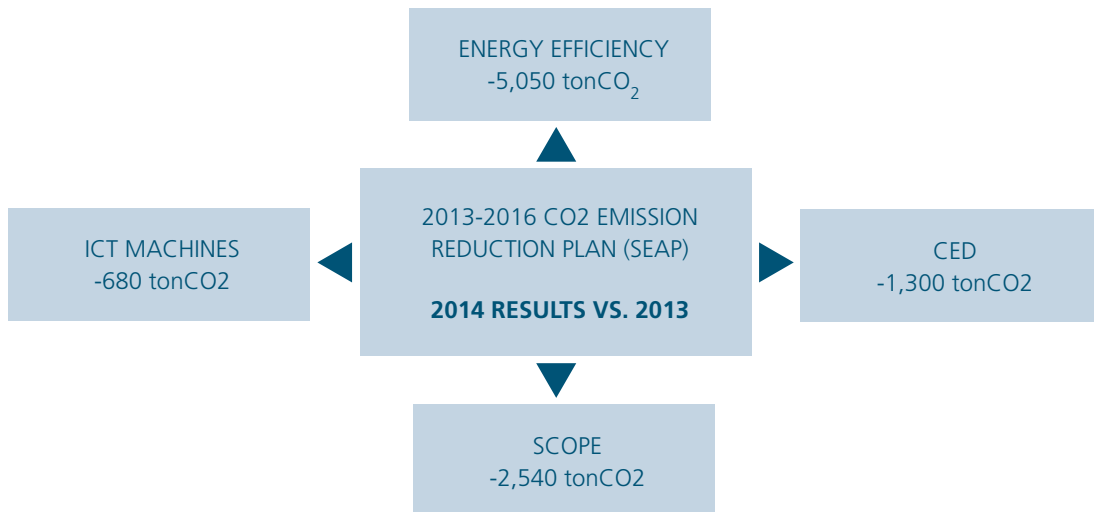
Each action in turn envisages projected and final indications with regards to:

- economic investment (extra budget);
- energy saving;
- economic saving;
- avoided CO₂ emission.

In general terms, it is estimated to be able to obtain a cumulative energy saving over the four years of the plan equal to over 250,000 MWh and a cumulative saving of over 105,000 tons of CO₂.

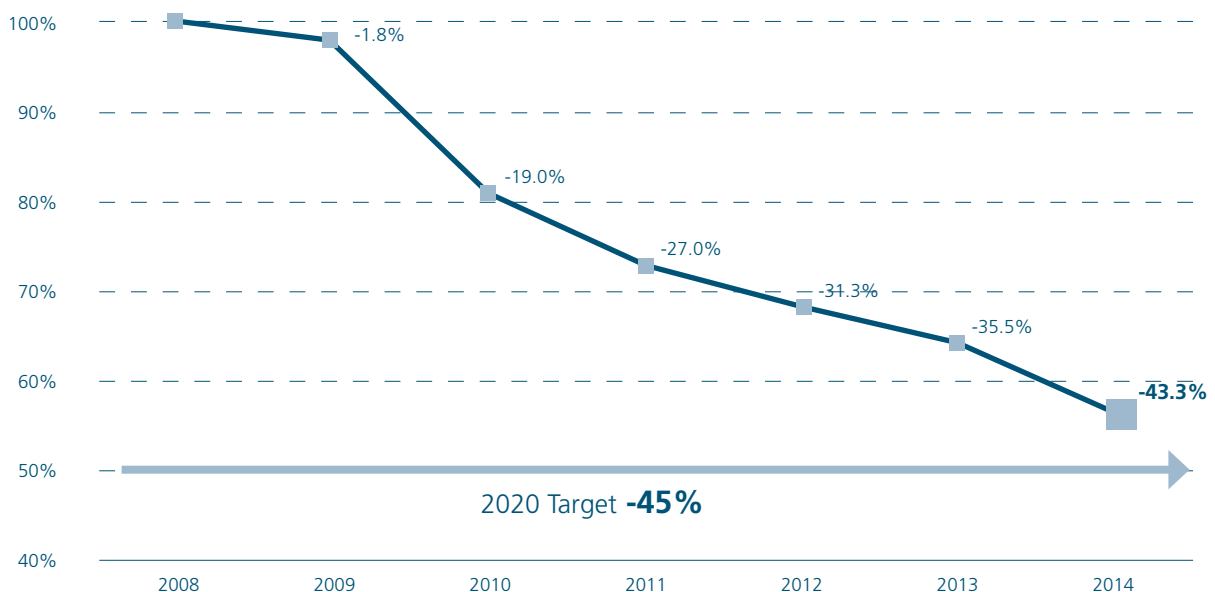
Also on the basis of this plan priority actions to be implemented are then defined on an annual basis which are published on our Group's Internet site in order to ensure the utmost transparency on the issue.

The following summary chart highlights the main results achieved in the first year of implementation of the new multi-year emission reduction plan (2013-2016 SEAP).



However, all these actions are aimed at increasingly reducing our impact on CO₂ emissions. Just as the European institutions have taken steps to impose ambitious emission reduction targets, in Italy the Intesa Sanpaolo Group has also for some time set itself some challenging targets that have already been almost achieved. This thanks to the optimisation and energy efficiency actions previously illustrated.

GHG emission performance in the Intesa Sanpaolo Group



Group - Emissions in tons of CO₂eq within Scope 1 (Direct) and Scope 2 (Indirect). Results compared to the 2008 reference year and reduction target by 2020.

Transparency towards stakeholders, the commitment to mitigating the negative impact of climate change, the responsibility towards future generations are therefore at the heart of all the actions undertaken by our Group in favour of the environment.

For this reason we are transparent in reporting in our publications and on our website our objectives and our results as can be seen from the table attached.

Indicator	2014 results	2016 objectives
Environmental loans: loans granted in 2014 to finance the renewable energies, agriculture and environmental protection sectors	643 million euro: more than 2.3% of the total loans granted by the Intesa Sanpaolo Group	Continued support for the renewable energies and energy efficiency sector through dedicated loans
Reduction in electricity consumption in Italy compared to 2012	15% reduction in electricity consumption	17% reduction in electricity consumption
Purchase of paper in Italy	Environmentally-friendly or recycled paper accounts for 93% of purchases	Environmentally-friendly or recycled paper to account for 98% of purchases
Reduction in "indirect emissions" potentially generated in Italy - Scope 2	13% reduction in indirect emissions potentially generated (Scope 2)	13% reduction in indirect emissions potentially generated (Scope 2), in line with the reduction in electricity consumption
Extension of "other indirect emissions" reporting (Scope 3)	Scope 3 reporting includes, in addition to indirect emissions from the purchase of paper, emissions relating to waste and office equipment	Gradual expansion of the scope and improvement in reporting
Environmental certification	UNI EN ISO 14001, UNI CEI EN ISO 50001 and UNI EN ISO 14064 certification on a significant sample of sites was already achieved several years ago	Maintaining environmental certifications on a significant sample of locations, implementing all of the required regulatory updates

As shown by this publication, for years our Bank has been committed on the subject, even when the same was still known only to "insiders". The commitment to increasingly disseminating an environmental culture within our company, to our customers and to our suppliers is the leitmotif of our daily work through which we believe we can help make the world we live in a better place.

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