

Sustainability Bond Framework

as of 18 November 2019

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Sustainability Bond Framework as of 18 November 2019

Intesa Sanpaolo is responsible for the preparation and fair presentation of this Sustainability Bond Framework (“the Framework”) as of 18 November 2019.

PURPOSE

As part of its broad commitment to sustainability, **Intesa Sanpaolo** (“the Bank” or “the Group”) developed this Sustainability Bond Framework (“the Framework”) under which it will issue sustainable bonds to fund new and existing loans/projects and businesses with environmental and social benefits, in alignment with the *Green Bond Principles 2018*, the *Social Bond Principles 2018* and the *Sustainability Bond Guidelines 2018* and with the intention of being aligned with the upcoming European regulation.

ASSERTIONS FROM MANAGEMENT

For each Bond issued under this framework, **Intesa Sanpaolo** Management asserts that it will adopt the following key pillars:

- (I) Use of Proceeds
- (II) Project evaluation and selection
- (III) Management of proceeds
- (IV) Reporting

as set out in this Framework. The Intesa Sanpaolo Sustainability Bond Framework also follows the recommendation of the Green Bond Principles and Social Bond Principles regarding External Review.

1.1 BACKGROUND AND INTESA SANPAOLO COMMITMENT

A large banking group like Intesa Sanpaolo is aware of having a significant impact on the social and environmental context in which it carries out its business thus choosing to act not only on the basis of profit, but also with the aim of creating long-term value for the Bank, its employees, customers, community and the environment.

This strategy aims at creating solid and sustainable value from an economic and financial, social and environmental point of view, built on the trust of all Intesa Sanpaolo stakeholders and based on the values outlined in the Code of Ethics.

The changes in the patterns of development of society and the economy on a global scale require effective responses at all levels, also from businesses and financial institutions specifically.

Globalisation has supported the growth of emerging economies, reducing the income gap with developed economies, but has also increased social inequality within countries almost everywhere; Intesa Sanpaolo is conscious that economic inequality and disparity of opportunities can no longer be ignored, not only for ethical reasons, but also to provide a sustainable future for the next generations and to ensure social stability in the present. In this sense, the Group includes in its strategy and takes into consideration the Sustainable Development Goals (SDGs) set by the United Nations, and wishes to provide a concrete response in implementing the social and environmental commitments undertaken which are an integral part of the Bank’s sustainable and responsible business model. Part of this commitment is carried on in emerging economies through the Fund for charitable, social and cultural donations of Intesa Sanpaolo that recognises in its Guidelines *“the importance of maintaining international solidarity and making a contribution to the efforts of countries and communities to alleviate world poverty and promote growth and well-being for all people”*. To this extent the Fund prioritises its international effort in countries that have a low or medium Human Development Index, paying special attention to the areas related to economic development and professional training; educational poverty; food poverty; health poverty; empowerment of women and young people and actions in poor and emerging countries struck by natural disasters (earthquakes, floods, drought, etc.).

Intesa Sanpaolo is focused on the creation of long-term and sustainable value for its stakeholders and it integrates this commitment by defining measures to contribute to global development, in order to support its customers, promote the development and well-being of people and communities, and protect the environment, including through combating climate change. Intesa Sanpaolo is committed to becoming a reference model in terms of sustainability and social and cultural responsibility.

Intesa Sanpaolo regularly identifies the material issues for the company and for its stakeholders and represents them in the Materiality Matrix, showing the positioning of the issues with respect to both the importance and priority given by stakeholders in stakeholder engagement processes, and the level of priority for the Group, intended also as financial or reputational impact on the Bank.

Among the key issues that emerged from such process and that increased their relevance in 2018 relative to 2017:

- Access to credit and financial inclusion
- Relations with the community
- Green economy

Finally, Intesa Sanpaolo's Corporate Social Responsibility commitment is recognised with Intesa Sanpaolo's inclusion in a number of sustainability indices, including, as the only Italian Bank featured, the Dow Jones Sustainability Indices and CDP's Climate Change A List 2018.

1.1.1 CIRCULAR ECONOMY

Since 2014, Intesa Sanpaolo has identified the so-called "Circular Economy" as a potential paradigm to tackle environmental issues while boosting competitiveness of companies. The current "Linear Economy" is based on a take-make-dispose approach, which generates negative externalities and critical losses of resources. Circular Economy, on the other hand, decouples economic growth from consumption of finite natural resources. By redefining the approach to value creation, Circular Economy combines a resilient economic system with a positive approach towards natural capital. In 2015, Intesa Sanpaolo decided to start supporting the transition towards a Circular Economy by joining the Ellen MacArthur Foundation – the main global actor in the field – as the only Financial Services Global Partner. Circular Economy was then included in the 2018-2021 Business Plan of the Group as one of the key strategic pillars to become an Impact Bank¹.

1.1.2 CLIMATE CHANGE CONTRAST AND GREEN ECONOMY

Climate change represents a complex challenge that is set to have a major impact on the future of our planet and society and has permanent effects on climate conditions (increase in average temperature, increase in sea level, etc.) which may lead to significant economic, environmental and social costs. These events may generate a loss of wealth and income for companies and families, thus having a potential impact on the financial system. Banks have a key role to play and a responsibility on the issue of climate change, because they have the possibility of directing loans and investments towards companies that are virtuous from an environmental point of view and operate with a view towards raising awareness and risk containment.

In November 2018, the European Commission published a long-term strategy to outline the transition towards achieving net-zero greenhouse gas emissions by 2050, while, in December, the UN Climate Change Conference (COP24), held in Katowice, reiterated the need to implement the Paris Agreement, preparing a series of technical standards aimed at limiting the rise in global temperature to within 1.5°C.

With its more than 90,000 employees, working in about 5,300 branches, and almost 20 million customers worldwide (as at 31 December 2018), Intesa Sanpaolo is conscious 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. Intesa Sanpaolo is backing the transition to a low-carbon economy through its actions to mitigate its direct emissions and with its support for green initiatives and projects.

The Bank's engagement takes the form of self-regulated environmental and energy policies that define the strategic and operational guidelines which underpin the Group's environmental protection initiatives and its efforts to reduce its environmental footprint. In accordance with the principles of the Code of Ethics and the Rules for environmental and energy policy, the Intesa Sanpaolo Group is active in promoting renewable energy, energy efficiency and the circular business model by supporting their development and assisting the various customer segments, committed to reducing their environmental impact.

This commitment was reaffirmed in the 2018-2021 Business Plan, with objectives concerning support to the production system thanks to a portfolio of green products and services and with a specific credit facility of up to 5 billion euro, aimed at companies which adopt the circular model. As regards direct impacts, the Intesa Sanpaolo Group Environmental Plan – Climate Change Action Plan – identifies mid and long-term objectives for reducing CO₂ emissions and increasing energy consumption and production from renewable sources.

It is important to define the process of transition towards a sustainable economy, also including a financial policy which seeks to mobilise and direct private capital towards green investments.

Since October 2018, the Group has decided to support the recommendations of the Task Force on Climate related Financial Disclosures (TCFD), with the voluntary commitment to disseminate transparent reporting on

¹ Source "ISP Business Plan 2018 - 2021": Intesa Sanpaolo aims to become a reference point for the society, generating positive impacts in favor of all its direct and indirect stakeholders.

the risks and opportunities linked to climate change, in order to include the main climate-related communications within the framework of financial disclosures for stakeholders.

1.1.3 SOCIAL INCLUSION IN COMMUNITY AND THIRD SECTOR COMMITMENT

Intesa Sanpaolo attributes a key role to projects focused on the economic, social, cultural and civil growth of the communities in which it operates: financing the real economy and the Third Sector, supporting those in need and fostering sustainable investments and investments in innovation.

This commitment of Intesa Sanpaolo particularly focuses on financial inclusion, through high social impact financing disbursed to the most vulnerable segments of customers, households affected by disastrous events, microcredit and the Third sector; the Bank has also established in 2018 the Fund for Impact (established by allocating 0.5% of the shareholders' equity, for an estimated value of ~250 million euro), which will make possible to disburse loans of around 1.2 billion euro to sections of society that find it difficult to access credit, in spite of their potential.

The Group's support for the real economy enables it to guarantee financial support to deserving businesses also in times of difficulty, helping them to develop innovative restructuring, revitalisation and growth solutions. In addition, the Bank has always assigned a central role to projects promoting the social, cultural and civil growth of the communities in which it operates and has set out various actions and developed initiatives to respond to needs arising from social emergencies.

1.2 SUSTAINABLE LENDING BY INTESA SANPAOLO

1.2.1 CIRCULAR ECONOMY

Through its "Circular Economy" project, the Intesa Sanpaolo Group is seizing strategic opportunities to become an innovative and exclusive financial leader for the circular economy, redefining traditional financial tools to support transition to a new model for economic development, which is sustainable over time. In September 2018, Intesa Sanpaolo launched its CE Plafond, a credit facility aimed to support the transition towards a Circular Economy. The CE Plafond, consisting of € 5 Bln within the 2018-2021 Business Plan, is dedicated to the most innovative companies or projects in the Circular Economy field across all Italian and foreign markets. Access to CE Plafond is regulated by both ordinary credit procedures and compliance with a set of eligibility criteria. Such criteria of "circularity" were developed in partnership by Intesa Sanpaolo Innovation Center and the Ellen MacArthur Foundation.

1.2.2 GREEN ECONOMY

Intesa Sanpaolo Group's offer to the green economy, equal to over 18 billion euros between 2010 and 2018, involves all customer segments and financing forms:

- Project finance
- Corporate and Public Finance
- Business and Third Sector
- Leasing
- Retail

The majority of loans disbursed by Intesa Sanpaolo Group have been granted for transactions for renewables and energy efficiency projects for SMEs and corporates.

This activity has been carried on mainly through the Banca dei Territori and Corporate and Investment Bank Divisions, that plays a leading role in the structuring of loans for the renewable energy sector, especially photovoltaic and wind power, and that supports corporate customers investing in renewable energy production plants and in the energy efficiency of their production processes, through dedicated financial solutions and specialist advisory services. In medium-long term financing, leasing and factoring the group supports businesses and the public administration investing in renewable energy plants or in energy efficiency processes developed by energy intensive or Energy Service Companies ("ESCO").

With regards to retail customers, loans were disbursed for, among others, the replacement of door and window fixtures and high-performance boilers, the energy-efficiency renovation of property, the purchase of ecological equipment and installation of solar and photovoltaic panels. With its loan for "prefabricated timber-frame houses", the Bank also responded to the needs of customers who are more aware of environmental issues, allocating resources to the purchase of these types of houses that meet certain safety and construction standards.

1.2.3 SOCIAL IMPACT LOANS

Intesa Sanpaolo puts a particular focus on financial inclusion and access to credit. Social impact loans are disbursed to the most vulnerable segments of customers, for microcredit initiatives and the Third sector and to households affected by catastrophic events.

In line with the 2018 - 2021 Business Plan the Fund for Impact was launched, which will make it possible to disburse loans to sections of society that find it difficult to access credit, in spite of their potential. The first initiative “per Merito” provides financing to students residing in Italy, with the aim of increasing, in a structural manner, access to Italian and foreign universities with no need for guarantees.

With regards to microfinance Intesa Sanpaolo has established various partnerships with mainly philanthropic or religious entities to provide credit to individuals or small companies in difficulty. The initiatives entail supporting microfinance and anti-usury loans of a social nature, thus providing income support for families, and those of a business nature, for the creation of micro and small enterprises.

The Third sector being a significant part of the Italian economy and society, Intesa Sanpaolo has long recognised its importance by providing financial services to not-for-profit organisations and the religious world. For this reason, specific relational models were developed for Third Sector customers that take into account the fact that intangible assets of these entities play an important and specific role in making their long-term financial exposure sustainable.

A number of products and services have been developed for the most vulnerable social groups to support their financial inclusion, with a particular focus on young clients. Furthermore, Intesa Sanpaolo provides concrete support for the creation of new business and companies right across Italy, focusing closely on the regions of southern Italy where it helps to drive social development and economic growth. In this area affected by high unemployment and social hardship, Intesa Sanpaolo scope of action is addressed to young people and innovative start-ups.

Finally, the Intesa Sanpaolo Group continues to confirm its concrete commitment to support families and businesses affected by environmental disasters or other catastrophes by providing subsidized loans intended for the restoration of damaged properties, suspensions on existing loans, actions in protection and preferential, simplified and expedited procedures.





2.1 USE OF PROCEEDS

The proceeds of any Intesa Sanpaolo Bond issued under this Sustainability Bond Framework will be exclusively allocated to Eligible Loans as defined within the following list of Eligible Categories, aligned to the ICMA Green Bond Principles or Social Bonds Principles or the Sustainability Bond Guidelines, as the case may be.

Intesa Sanpaolo may consider future opportunities to update the Framework to expand this list of Eligible Categories and include new Eligible Categories as relevant to Intesa Sanpaolo financing strategy.

2.1.1 CIRCULAR ECONOMY ELIGIBLE PROJECTS/LOANS

The Circular Economy Eligible Categories aim to finance companies whose projects are defined as circular according to the below mentioned 5 criteria and the related sub-criteria, through the € 5 Bln Circular Economy Plafond launched in 2018.


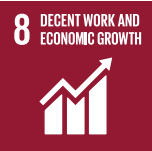



| Circular Economy Eligible Loans categories | Further details | Benefits | ICMA GBP Project Category | Impacted Sustainable Development Goals |
|--|---|---|--|---|
| 1 - Solutions that extend the product-life or cycles of use of goods and/or materials | <ul style="list-style-type: none"> Applying modular design or design for disassembly Take-back schemes and redepoying products (reverse logistic) Reuse, repair and/or products regeneration/ refurbishment Servitization (pay-per-use) and/or models aiming at sharing goods (sharing economy) | Solutions that extend the product life or cycles of use of goods allow to maintain the inner value of products and components at the highest possible level | <p>Pollution prevention and control</p> <p>Eco-efficient and/or circular economy adapted products, production technologies and processes</p> |  |
| 2 - Production processes fuelled by and/or products made of renewable or recycled resources | <ul style="list-style-type: none"> Products that substitute critical materials² with biological or bio-based materials³ Processes fuelled by energy from solar, wind or conversion of biomass⁴ to energy⁵ | Production processes fuelled by and/or products made of renewable or recycled resources allow to decouple production processes from fossil fuels and fossil-based raw materials | <p>Eco-efficient and/or circular economy adapted products, production technologies and processes</p> <p>Renewable energy</p> <p>Pollution prevention and control</p> <p>Clean transportation</p> |    |

² Raw materials and natural resources such as water, agricultural resources as inputs of biobased chemicals products, oil, natural gas, coal, metals, in addition to land and agricultural resources with supply limits.

³ Sustainability of the biological or biobased materials is taken into account in the evaluation of the projects, ensuring they have limited sustainability risks and are not resulting in deforestation/competition with food production.

⁴ Only if they are part of larger circular value chains that aim to close material loops i.e. feedstock is separately collected at source and by products are used as fertilizers and where the biomass originates from sustainable sources and/or is a non-recyclable and non-hazardous waste.

⁵ The transition to renewable energy sources is one of the key conditions that support a fully circular economy model. For this reason, financing companies or projects that foresee to use or to self-produce renewable energy in their processes is in line with the scope of the CE Plafond.

| Circular Economy Eligible Loans categories | Further details | Benefits | ICMA GBP Project Category | Impacted Sustainable Development Goals |
|--|--|---|---|--|
| <p>3 - Products and/or services that significantly increase effectiveness and efficiency of the resources consumption, within the company or along its supply chain</p> | <ul style="list-style-type: none"> ▪ Applying principles of industrial symbiosis⁶ and realizing an integrated supply chain that makes waste streams into feedstock ▪ Closing loops and/or apply circular economy and systemic design principles | <p>Products and/or services that significantly increase effectiveness and efficiency of the resources consumption enable a relevant saving of critical resources⁷. These practices are restorative and regenerative of the natural capital</p> | <p>Environmentally sustainable management of living natural resources and land use</p> <p>Pollution prevention and control</p> <p>Sustainable water and wastewater management</p> |     |
| <p>4 - Design and/or manufacture products that can be fully recycled or composted within an efficient framework of collection, separation and recycling after use</p> | <ul style="list-style-type: none"> ▪ Compostable products ▪ Recyclable products | <p>Design and/or manufacture products that can be fully recycled or composted allow to significantly reduce waste by re-using effectively products, components and materials</p> | <p>Environmentally sustainable management of living natural resources and land use</p> <p>Pollution prevention and control</p> |  |







⁶ An industry or industrial process replace the raw materials for another. Application of this concept allows materials to be used in a more sustainable way and contributes to the creation of a circular economy.



⁷ Raw materials and natural resources such as water, agricultural resources as inputs of biobased chemicals products, oil, natural gas, coal, metals (eg antimony, cobalt, gallium, germanium, indium, platinum, palladium, niobium, neodymium and tantalum), in addition to land and agricultural resources with supply limits.

| Circular Economy Eligible Loans categories | Further details | Benefits | ICMA GBP Project Category | Impacted Sustainable Development Goals |
|---|---|--|--|---|
| 5 - Innovative technologies to enable circular business models | <ul style="list-style-type: none"> ▪ IoT to empower traceability services (reverse-logistic) and/or predictive maintenance ▪ Additive manufacturing/3D printing to increase the easy-to-repair degree and the materials efficiency ▪ Big Data analytics, Artificial Intelligence, Cloud Computing and Digital Solutions aiming at dematerialization services and/ or marketplaces development for secondary raw materials or reuse practices ▪ Blockchain technology which allows certified traceability of the supply chain, quality & quantity check purposes, and origin derivation (material passport) ▪ Hydroponic/Aeroponic agricultural practices for urban farming, to produce food closer where it will be consumed and cultivate in areas with unfavourable conditions (e.g. soil, climate) ▪ Other innovative technologies that enable circular economy principles (e.g. smartgrids) | <p>Innovative technologies enable new business models and services, enhancing all the positive impacts connected to the Circular Economy, including the access to assets and resources for a wider target of consumers</p> | <p>Energy efficiency</p> <p>Eco-efficient and/or circular economy adapted products, production technologies and processes</p> <p>Climate change adaptation</p> |    |

2.1.2 GREEN ELIGIBLE CATEGORIES





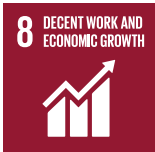

Green Eligible Categories are defined in the following three sub categories:

| Green Eligible Loans categories | Further detail | Benefits | ICMA GBP Project Category | Impacted Sustainable Development Goals |
|---------------------------------|---|---|--|--|
| 1 - Renewable Energy | <ul style="list-style-type: none"> Investments in production, transmission, infrastructure and associated assets, such as: Solar, Wind, Bio-energy / Biomass and Hydro energy generation | <p>Renewable energy – wind, solar, geothermal, hydroelectric, and biomass – provides substantial benefits for climate, environment, health and economy. Increasing the supply of renewable energy would allow people to replace carbon-intensive energy sources and significantly reduce global warming emissions</p> | <p>Climate change mitigation</p> <p>Renewable energy</p> |    |
| 2 - Energy Efficiency | <ul style="list-style-type: none"> New investments and ongoing maintenance in infrastructure, associated assets, technology and services that contribute towards reduced energy usage and or increased energy efficiency, such as: energy storage, energy efficiency in industrial facilities, high efficiency co-generation of heat and power, district heating, smart grids, LED lighting Construction of new building Developments or renovation of existing buildings (including public service, commercial, residential and recreational) which meet recognised environmental standards such as: LEED – gold, BREEAM – good/very good, HQE – very good/excellent, CASBEE – A(very good)/S(excellent) or equivalent or, Buildings which have reduced life cycle consumption of energy levels of at least 20% less than statute/city baseline | <p>Energy efficiency means using less energy to provide the same service. Increasing efficiency of energy consumption seems to be the most straightforward and practical way to climate change mitigation. Investing in energy efficiency also has an impact on the costs that private and business companies have to bear in their energy bills. The construction and operation of a green building will promote a healthy environment for all involved, and it will not disrupt the land, water, resources and energy in and around the building. Green buildings are designed in such a way to reduce overall impact on environment and human health by: reducing trash, pollution and degradation of environment, efficiently using energy, water and other resources and protecting occupant health and improving productivity</p> | <p>Green buildings</p> <p>Climate change adaptation</p> <p>Climate change mitigation</p> <p>Renewable energy</p> |    |

| Green Eligible Loans categories | Further detail | Benefits | ICMA GBP Project Category | Impacted Sustainable Development Goals |
|--|--|--|---|---|
| 3 - Environmentally sustainable management of living natural resources and land-use, biodiversity | <ul style="list-style-type: none"> ▪ Finance or refinance new and/or existing loans/projects in sustainable agriculture including the improvement and recovery of agricultural lands and local farming ▪ Finance or refinance new and/or existing loans/projects in sustainable forestry projects such as afforestation or reforestation, conservation ▪ Finance or refinance new and/or existing loans/projects in urban greening projects | <p>Ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality</p> <p>Increase of the agricultural productivity and incomes of food producers, family farmers, pastoralists and fishers</p> | <p>Climate change adaptation</p> <p>Climate change mitigation</p> <p>Environmentally sustainable management of living natural resources and land use</p> <p>Environmentally sustainable agriculture</p> |   |



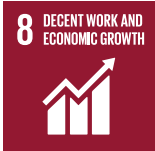


2.1.3 SOCIAL ELIGIBLE CATEGORIES

Social inclusion Eligible Categories are defined in the following four sub categories:

| Eligible sub categories | Further detail | Benefits and target populations | ICMA SBP Project Category | Impacted Sustainable Development Goals |
|--|---|--|---|---|
| 1 - Social infrastructure | <ul style="list-style-type: none"> Investments for the construction, refurbishment or maintenance of residential and commercial buildings in line with the highest social and environmental standards Financing of recreational facilities such as parks, green and public spaces, trails and similar Finance or re-finance, in whole or in part, new and/or existing loans/projects to encourage access to education and culture, by providing access to educational facilities, as well as allowing for a successful integration of disadvantaged groups in the education system. Construction of new schools, campus, student housing, including school sports facilities, providing accessible and affordable services to the population Financing the construction, development, maintenance or renovation of activities that strengthen the capacity of all countries, developing countries, for provisions of free or subsidized healthcare, and early warning, risk reduction and management of health crises | <p>Development of quality and sustainable infrastructures for all that contributes to the improvement of living conditions in urban agglomerations and underserved areas supporting economic development and human well-being, focusing on affordable and equitable access for all</p> <p>Activities that improve educational infrastructure and ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university. Increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p> <p>Improve the capacity for provisions of healthcare services</p> | <p>Access to essential services</p> <p>Socioeconomic advancement and empowerment</p> <p>Affordable basic infrastructure</p> |    |
| 2 - Natural disaster⁸ and SMEs related financing | <ul style="list-style-type: none"> Finance or re-finance, in whole or in part, new and/or existing loans/projects for the construction, development, maintenance or renovation of buildings, including public service, recreational facilities, commercial and residential buildings Finance or re-finance, in whole or in part, new and/or existing loans/projects to fund loans to the SMEs (companies employing fewer than 250 persons) | <p>Improve the Italian socio-economic conditions and economic growth through the support of areas and populations affected by natural disasters or economically underperforming Italian areas⁹</p> <p>Support Italian employment</p> <p>Support the SMEs to promote their growth and international expansion to support employment, facilitate access to the labour market, and thwart job insecurity</p> | <p>Access to essential services</p> <p>Employment generation</p> <p>Socioeconomic advancement and empowerment</p> |    |

⁸ According to law provisions and regulations applicable in the case.

⁹ Italian regions with a level of GDP (gross domestic product at market prices per inhabitant) lower than the national average (Source: Istat annual edition).

| Eligible sub categories | Further detail | Benefits and target populations | ICMA SBP Project Category | Impacted Sustainable Development Goals |
|--|--|---|---|---|
| 3 - Non-profit and Third Sector | <ul style="list-style-type: none"> ▪ To be eligible for funding Organizations' investments and day-to-day operations must be in sectors of general interest such as: <ul style="list-style-type: none"> ▪ healthcare, ▪ education, ▪ social, recreational and sports activities, ▪ welfare and solidarity, ▪ art and culture, including restoration of artistic heritage and conservation of the environment, public utility infrastructures and services | Organizations and projects works for the accomplishment of general interest initiatives, which strive for civic, solidarity and social utility purposes and aims at reducing exclusions and inequalities; the target populations of these financings are the people benefitting from positive socio-economic outcomes | <p>Access to essential services</p> <p>Socioeconomic advancement and empowerment</p> <p>Affordable basic infrastructure</p> |    |
| 4 - Benefit corporations and Certified B Corporations | <ul style="list-style-type: none"> ▪ B Companies are a new kind of business that balances purpose and profit. They are legally required to consider the impact of their decisions on their workers, customers, suppliers, community, and the environment | Reduced inequality, lower levels of poverty, a healthier environment, stronger communities, and the creation of more high quality jobs with dignity and purpose | <p>Access to essential services</p> <p>Socioeconomic advancement and empowerment</p> <p>Affordable basic infrastructure</p> |   |

2.2 EXCLUDED CATEGORIES AND LIMITATIONS

2.2.1 CIRCULAR ECONOMY

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

2.2.2 GREEN

- Any kind of investment connected to Fossil Fuels, Nuclear energy and Armament sector 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.
- Genetically Modified Organisms (GMO) in food & feed are not allowed.
- Intensive agro-industrial activities with intensive use of agrochemicals or which entail deforestation are not allowed.

2.2.3 SOCIAL

Proceeds from the Social Bond will not be made available to financing companies nor projects connected with the following sectors: Alcohol, Animal maltreatment, Armament, Hazardous chemicals, Gambling, Genetically Modified Organisms (GMO) in food & feed, Nuclear energy, Fossil Fuel, Sex industry, Tobacco.

3.1 PROJECT EVALUATION AND SELECTION

Business teams will propose loans as Use of Proceeds of each Intesa Sanpaolo Bond issued under this Sustainability Bond Framework.

An internal team of qualified individuals (the “Sustainability Bond Working Group”), made up from the Treasury Department, CSR and the Circular Economy Desk or the dedicated desks of sustainable lending, will review and approve, as appropriate, proposed loans based on the defined Eligible Categories and Criteria listed in section 2.1 “Use of Proceeds”.

Loans determined as eligible will be marked accordingly and added into the Sustainability Bond Register described in section 4. “Management of Proceeds” below.

The Sustainability Bond Working Group is in charge of the oversight of the process:

- Business teams will propose loans as Use of Proceeds of each Intesa Sanpaolo Sustainability Bond.
- The internal Sustainability Bond working group will review and approve, as appropriate, proposed loans based on the defined Eligible Categories listed by the Use of Proceeds.
- Loans determined as eligible will be marked accordingly and added into a Sustainability Bond Register.
- The Sustainability Bond Working Group is responsible to maintain and update the Sustainability Bond Register further described in section 4. “Management of Proceeds”.

The selection process of Eligible Loans is structured, published on Intesa Sanpaolo’s website, and fully integrated in Intesa Sanpaolo’s existing investment process. Internal roles and responsibilities are defined as follows:

- The analysis of loans eligibility is managed by the the dedicated desks of the Group.
- The Credit Evaluation function of each dedicated lending desk evaluates client’s reputation and creditworthiness.
- Then dedicated lending desk approves the disbursements to be made.

3.1.1 EVALUATION OF ECONOMIC, SOCIAL AND ENVIRONMENTAL PROFILE IN FINANCING

In compliance with the current Sustainability Bond Framework, Intesa Sanpaolo expects its customers and business partners to operate in accordance with relevant international, national and local laws and regulations. Thus, in order to assess loans eligibility, Intesa Sanpaolo executes legal and technical due diligences before supplying credit to its customers, considering the economical sustainability of the business plan, the respect of laws and regulations in the starting phase of the project financed and the environmental and social impacts generated (MWh expected production, in case of Renewable Energy Loans).

4. MANAGEMENT OF PROCEEDS

Intesa Sanpaolo will establish a Sustainability Bond Register for each Bond(s) issued under this Sustainability Bond Framework. The Register will contain, for each Bond issued, information including:

1. **Bond details:** ISIN, pricing date, maturity date, etc.
2. **Eligible Loans list:**
 - Eligible category utilised (from this Framework)
 - Summary detail on project / Use of proceeds
 - Amount of loan outstanding
 - Disbursement date
 - Loan maturity
 - Expected social and environmental benefits

The proceeds of any Intesa Sanpaolo bond under this Sustainability Bond Framework will be dedicated to projects directly from Intesa Sanpaolo or from any one of Intesa Sanpaolo's subsidiaries dedicated to circular, green or social financing, which will be funded via intercompany loans.

As such, the allocation from any Intesa Sanpaolo Bond issued under this Sustainability Bond Framework will be made into circular, green or social projects either directly or indirectly. This will be disclosed in the annual Sustainability Bond Report, further described in section 5. "Reporting" below.

Any balance of issuance proceeds not allocated to fund Eligible Loans will be held in accordance with Intesa Sanpaolo's normal liquidity management, including treasury liquidity portfolio, Cash, Time Deposit with Banks or Other form of available short term and medium / long term funding sources (e.g. Commercial Paper Programme, Bank Credit Line), that do not include GHG intensive activities (i.e. related to fossil fuels exploitation and to carbon intensive assets such as infrastructure dependent on fossil fuels; fossil fuel-fired power plants; high-carbon assets) nor any disputable activity (Alcohol, Animal maltreatment, Armament, Hazardous chemicals, Gambling, Genetically Modified Organisms (GMO) in food & feed, Nuclear energy, Sex industry, Tobacco).

In case of asset divestment, early loan reimbursement or if a project no longer meets the eligibility criteria, Intesa Sanpaolo will use the net proceeds to finance other Eligible Loans which are compliant with the eligibility criteria of the Sustainability Bond Framework.

The Issuer will monitor the investments of the proceeds allocated to Eligible Loans, through the review of the external auditor. This monitoring of the funds is integrated into the annual financial reporting and further described in section 6. "Verification" below.

5. REPORTING

ALLOCATION REPORTING

Intesa Sanpaolo will report annually, until full allocation, on the use of proceeds via a Sustainability Bond Report ("The Report") which will be published via www.group.intesasnpaolo.com. The report will be verified by annual external assurance process.

The allocation report will include:

- the total amount of proceeds allocated to eligible loans;
- the number of eligible loans;
- the balance of unallocated proceeds;
- the amount or the percentage of new financing and refinancing.

IMPACT REPORTING

Intesa Sanpaolo also intends to report annually on the environmental and social benefits (see Annex 2) resulting from the loans disbursed from the Sustainability Bond, until full allocation:

The impact report may provide:

- a description of some Eligible Projects;
- the breakdown of Sustainability projects by nature of what is being financed (financial assets);
- Environmental and Social Metrics, such as the ones described below.

Output: annual estimates and/or assessment of major outputs disclosed at category level, annually and up to the complete allocation of bond proceeds.

Impacts: annual estimates of ex-ante and/or ex-post impacts (where feasible) based on specific indicators developed by Intesa Sanpaolo, disclosed at category level.

When reporting on the identified outcomes, Intesa Sanpaolo may select alternative quantitative or qualitative indicators, to remain relevant to the selected Eligible Loans. For all Eligible Loans, Intesa Sanpaolo may integrate additional qualitative or quantitative indicators as considered appropriate to disclose relevant performances or details on loans management.

6. VERIFICATION – EXTERNAL REVIEW

Intesa Sanpaolo's Sustainable Bond issuance is supported by external reviews as described below.

Second-Party Opinion

Before each issuance, a leading second opinion Provider will perform a Second Party Opinion on the bond's sustainability credentials and its alignment with the Green Bond Principles or the Social Bond Principles or the Sustainability Bond Guidelines, as the case may be.

Post issuance external verification of the reporting

Starting one year after issuance, a verification or assurance of the reporting may be released on an annual basis by a third party ESG agency or financial auditor, including: bond proceeds allocation, the compliance of the allocated loans with the selection process and the reporting metrics.

ANNEX 1

REPORTING ON FUNDS ALLOCATION AT CATEGORY LEVEL AND BOND LEVEL

| Criteria | Reporting Indicators at category level | Reporting Indicators at Bond level |
|------------------------|---|--|
| Use of Proceeds | <ul style="list-style-type: none"> ▪ Number of loans ▪ Amounts invested (in EUR) ▪ Loan Maturity ▪ Direct or Indirect funding | <ul style="list-style-type: none"> ▪ Number of loans ▪ Amounts invested (in EUR) ▪ Loan Maturity ▪ Total Allocated amount vs total amount proceeds (in %) ▪ Balance of unallocated proceeds (in EUR and %) ▪ Description of the unallocated proceeds management ▪ Overall refunding amount vs new funding (in % of allocated amount and in % of total amount) ▪ The geographical distribution of the assets (at country level) |

ANNEX 2

REPORTING ON ENVIRONMENTAL AND SOCIAL BENEFITS: OUTPUT AND IMPACTS

ANNEX 2.1 – CIRCULAR ECONOMY

| Circular Categories | Environmental benefits | Output reporting indicators | Impact reporting indicators | Methodologies and assumptions |
|--|---------------------------------|--|--|-------------------------------|
| 1 - Solutions that extend the product-life or cycles of use of goods and/or materials | | <ul style="list-style-type: none"> Amount of recovered materials thanks to product re-design, new business models and/or reverse logistics (tons) | | |
| 2 - Production processes fuelled by and/or products made of renewable or recycled resources | | <ul style="list-style-type: none"> Increase of renewables energies utilization (MW) Increase of biobased/recycled materials utilization (tons) | | |
| 3 - Products and/or services that significantly increase efficiency and effectiveness of the resources consumption, within the company or along its supply chain | Climate change mitigation | | | |
| | Regeneration of natural capital | <ul style="list-style-type: none"> Amount of waste and by-products re-inputted in production processes (tons) | CO ₂ emissions avoided (tons) | GHG Protocol |
| | Design out waste and pollution | <ul style="list-style-type: none"> Amount of non-wasted food (tons) | | |
| 4 - Design and/or manufacture products that can be fully recycled or composted within an efficient framework of collection, separation and recycling after use | | <ul style="list-style-type: none"> Amount of fully recyclable goods produced (tons) Amount of fully compostable goods produced (tons) | | |
| 5 - Innovative technologies to enable circular business models | | <ul style="list-style-type: none"> Investments in technologies not accountable with KPIs in other CE criteria (€ mln) | | |

ANNEX 2.2 – GREEN

| Social categories | Social benefits | Output reporting indicators | Impacts reporting indicators | Methodologies and assumptions |
|---|---|--|---|----------------------------------|
| Renewable Energy | Climate change mitigation | <ul style="list-style-type: none"> ▪ Installed capacity (MW) ▪ Estimated renewable energy production (MWh, future projects) ▪ Renewable energy produced (MWh, past and future projects, where feasible) | CO ₂ emissions avoided (tons) | GHG Protocol |
| Energy Efficiency | Climate change mitigation | <ul style="list-style-type: none"> ▪ Energy savings in MWh (future projects: ex-ante estimation, past projects: ex-post annual measurement, where feasible) ▪ Environmental labels obtained (for buildings, #) | CO ₂ emissions avoided (tons) | GHG Protocol |
| Environmentally sustainable management of living natural resources and land-use | Climate Change Adaptation Environmentally Sustainable Management of Living Natural Resources and Land Use Environmentally Sustainable Agriculture | <ul style="list-style-type: none"> ▪ Ecologically sustainable agricultural production per hectare (tonnes) ▪ Additional forestation areas converted ▪ Area of natural landscape preserved | CO ₂ emissions avoided (tons) Number of people and/or enterprises (e.g. companies or farms) benefitting from measures to mitigate the consequences of floods and droughts | GHG Protocol Business reports |

ANNEX 2.3 – SOCIAL

| Social categories | Social benefits | Output reporting indicators | Impacts reporting indicators | Methodologies and assumptions |
|--|---|---|--|--|
| Social infrastructure | Access to Essential Services | <ul style="list-style-type: none"> ▪ Number of refurbished buildings and surface (square meters) ▪ Number of sporting/healthcare/education facilities built (square meters) | <p>Number of affordable housing dwellings provided</p> <p>Number of people reached with improved health care</p> <p>Number of beneficiaries with gained access to education and/or vocational training opportunities</p> | <p>Research paper from universities acknowledged or research center</p> <p>Report from Public bodies</p> |
| | Socioeconomic Advancement and Empowerment | <ul style="list-style-type: none"> ▪ Number and type of initiatives supporting public university education ▪ Number of residences constructed or renovated | <p>Number of students served</p> <p>Number of residents benefitting from basic infrastructure new/upgraded which is otherwise not accessible</p> <p>Amount of money saved by Public entities for other investments</p> | |
| Areas and populations affected by natural disasters and economically underperforming Italian areas | Access to Essential Services | <ul style="list-style-type: none"> ▪ Number of SMEs financed | <p>Number of jobs created in low-income areas, among disadvantaged groups and other target populations</p> | <p>Business and Labour Market statistics from official sources and research centres</p> |
| | Employment Generation | <ul style="list-style-type: none"> ▪ Number of enterprises that invest in research and development | <p>Number of employees of the financed SMEs (estimate)</p> | |
| | Socioeconomic Advancement and Empowerment | <ul style="list-style-type: none"> ▪ Number of refurbished buildings and surface (square meters) ▪ Number of houses constructed or renovated | <p>Number of residents benefitting from intervention on houses</p> <p>Number of businesses reopened</p> | |

| Social categories | Social benefits | Output reporting indicators | Impacts reporting indicators | Methodologies and assumptions |
|---|--|---|--|--|
| Non-profit and Third Sector | <p>Access to essential services</p> <p>Socioeconomic advancement and empowerment</p> <p>Affordable basic infrastructure</p> | <ul style="list-style-type: none"> ▪ Number of educational institutions funded – location and type ▪ Number of organizations funded | <p>Number of beneficiaries with gained access to education and/or vocational training opportunities</p> <p>Number of people reached with improved health care</p> <p>Number of health checks provided</p> <p>Number of people in low-income areas, or from disadvantaged groups and other target populations receiving assistance</p> <p>Number of jobs created in low-income areas, among disadvantaged groups and other target populations</p> | Organizations' Social impact reporting tools |
| Benefit corporations and Certified B Corporations | <p>Access to essential services</p> <p>Socioeconomic advancement and empowerment</p> <p>Affordable basic infrastructure, suppliers, community, and the environment</p> | <ul style="list-style-type: none"> ▪ Number of product and services ▪ Number of projects funded ▪ Number of organizations funded | <p>Number of jobs created</p> <p>Number of people benefitting from business operations</p> | B corporations' impact reporting tools |