

Circular Economy

The 21st century economic paradigm for a positive development

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INTESA SANPAOLO
INNOVATION CENTER

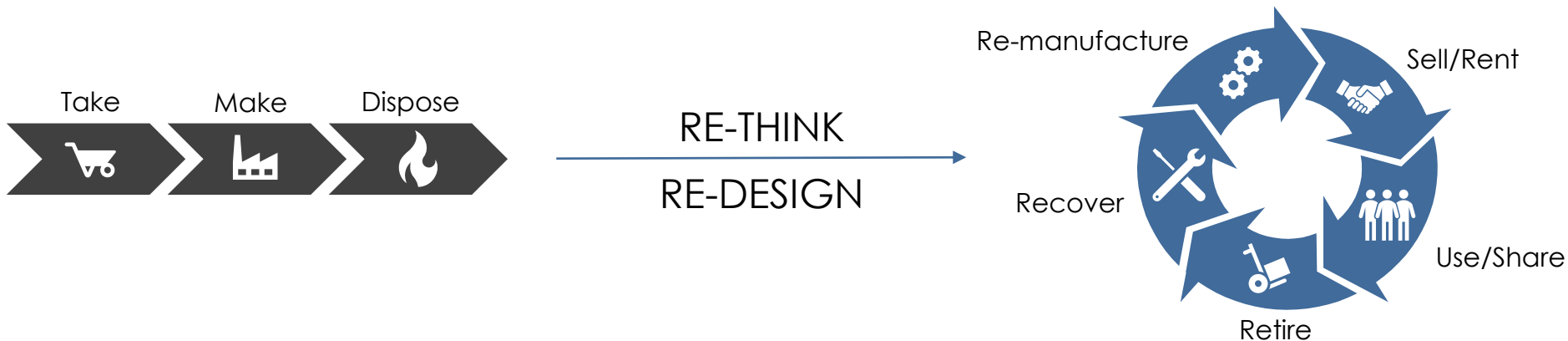
Vision

Innovation as a force for good

Mission

Exploring business models of the future to discover new assets and skills that support the long-term competitiveness of the Group and its customers as we become the driving force of the New Italian Economy

From Linear Economy to Circular Economy



Linear Risks

Price **volatility**
 Utilise **non-renewable resources**
 Supply chain **inefficiencies**
Consumer trends
 Planned **obsolescence**
Regulatory trends

Market risks
Operational risks
Business risks
Legal risks

Design out waste
and pollution

Keep products &
materials
in use

Regenerate natural
systems

Business Opportunities

- ✓ Improve **competitive positioning** of the company
- ✓ **Recover** by-products and components and **re-utilize** them
- ✓ **Reduce costs** for raw materials as production input
- ✓ Create **cross-sectorial value chains** for new opportunities
- ✓ **Customers' retention** through new service models

Regenerate **S**hare **O**ptimise **L**oop **V**irtualise **E**xchange

Intesa Sanpaolo: an Impact Bank

January 2019 **Carlo Messina** (ISP, CEO), **Andrew Morlet** (EMF, CEO) and **Robert Kapito** (Blackrock, President) highlighted the **strategic importance of CE** to generate a **positive impact** on both society and the environment.



The Banker
GLOBAL FINANCIAL INTELLIGENCE SINCE 1926

COMMENT & PROFILES

Why more banks must support the circular economy

Carlo Messina | 1/03/2019 9:00 am



Circular Economy redefines the approach to value creation. It is a disruption to the business model that Intesa Sanpaolo is supporting and more banks should be doing the same.

The financial sector, especially from a **de-risking** perspective, should play a crucial role in **unlocking opportunities** while supporting clients in reorienting their business strategies.

Intesa Sanpaolo and the Ellen MacArthur Foundation



Dame Ellen MacArthur is a successful solo long-distance yachtswoman. In 2005 she broke the world record for the fastest solo circumnavigation of the globe.

Her Foundation is the world most influential and authoritative player on Circular Economy. It works with Entrepreneurs, Government and Universities to accelerate system shift towards CE.



Since December 2015, Intesa Sanpaolo Group is the only **Financial Services Global Partner** of the Ellen MacArthur Foundation



CE100 is the Foundation's global platform for companies, innovators and regions to accelerate the transition to CE

The distinctive positioning of Intesa Sanpaolo

Long Term strategic relations with **key stakeholders** for a meaningful impact



Support to **Italy 2030** for Italian National Sustainable Development Strategy



Recognition of a Global distinctive positioning



EU Commission
"Circular
Economy
Financing Expert
Group"

WEF "Platform
for
Accelerating
the Circular
Economy"



"Banks should act as agents for change towards a low-carbon economy" Gregorio De Felice, Chief Economist ISP

13/06/2019, London - Ellen MacArthur Foundation Summit



"CE is a special opportunity to support our customers towards a more resilient and competitive model" Stefano Del Punta, CFO ISP

27/07/2019, Copenhagen - International Fund Forum 2019

Circular Economy Plafond

In its **2018-2021 Business Plan**, Intesa Sanpaolo stated its will to **support CE**, leveraging on two strategic initiatives: a **CE Plafond** on the credit side and a **CE Fund** on the equity one. The **€ 5 bln** CE Plafond provides credit at the best possible terms to the most innovative CE companies or projects. Access to this credit facility is evaluated against a set of five **eligibility criteria** developed in partnership with the Ellen MacArthur Foundation.

Solutions that extend the product-life or cycles of use of goods and/or materials



Production processes fueled by and/or products made of renewable or recycled resources



Products and/or services that optimize efficiency and effectiveness of the resources consumption, within the company or along its supply chain



Products that can be fully recycled or composted



Innovative technologies to enable circular business models



June 2019: **Intesa Sanpaolo and European Investment Bank** signed an agreement to provide MidCaps and SMEs committed to the transition towards CE with a **€ 250 mln** funding and framework loan.

Circular Economy Lab, Milan

A space dedicated to the Circular Economy, open innovation and young talents



The CE Lab, with the support of its partners, aims to become a primary hotspot contributing to the **dissemination of culture and knowledge** of CE.

It acts as an instrument of **public and private engagement** as well as for **business opportunities origination** within the Circular Economy space.



Positioning & Dissemination



CE Community



Italy CE Hotspot



Business Activation



Experimenting
Circularity



Open Innovation



Scouting &
Acceleration



Matching



INTESA SANPAOLO
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Circular Economy Lab

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A cross-sectorial transformation hub powered by national and international system enablers

Innovative Startups



University & Competence Center



Industrial partner



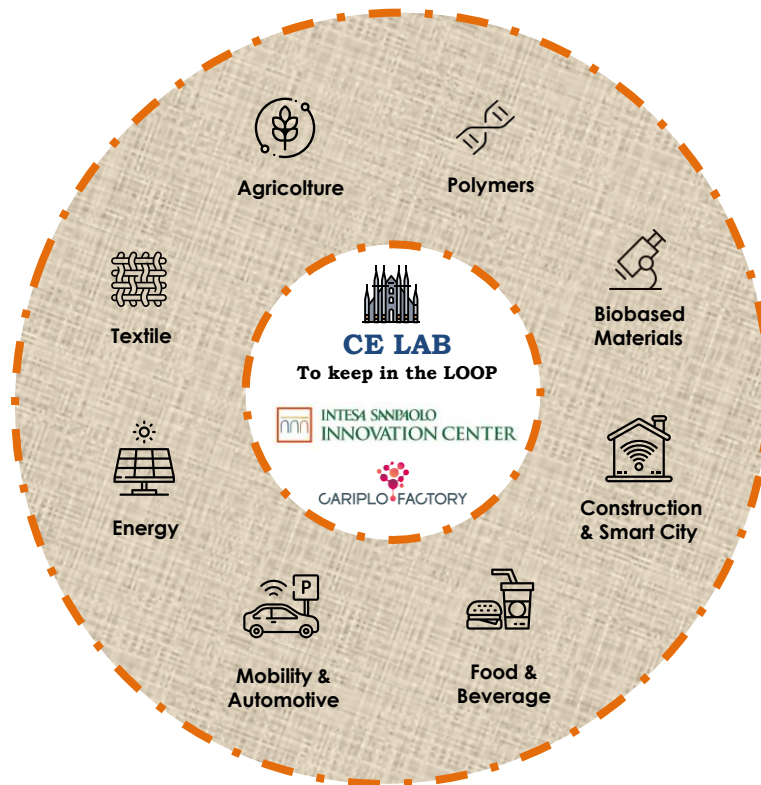
ELLEN MACARTHUR
FOUNDATION

INTESA



SANPAOLO

Fondazione
CARIPLO



Circular Opportunities

- ✓ **Circular Economy Knowledge Sharing:** promotion of the dissemination of knowledge of the circular economy through activities and projects that involve mutual stakeholders at national and international level
- ✓ **Innovation Circular Economy Ecosystem Development** supporting activities for Startups and SMEs but also large corporations that intend to adopt circularity principles through the promotion of the connections between companies, startups, technology providers and investors, through services and skills of Intesa Sanpaolo Innovation Center
- ✓ **Circular Economy Project:** Acceleration of circular transformation through Open Innovation Process and CE Advisor Programs

Open Innovation Programs in progress
(focus next slide)

Trace x
Novamont

Open Innovation
for Circularity



INTESA SANPAOLO
INNOVATION CENTER

Enabling Internal and External Transformation



Circular Bank

- ❑ Adoption of a corporate carpooling service as official **ridesharing** solution of the Bank
- ❑ Circular procurement of **refurbished ICT** components and re-sale of used ones
- ❑ **Plastic reduction** program, starting from introduction of water dispenser and steel bottles



Education

- ❑ Training on CE within the internal **Talent Program**, with more than 100 talents involved
- ❑ CE course for more than **50,000 employees** coming from multiple Group business units
- ❑ Lectures on Circular Economy for **high school**: more than 500 students involved at date
- ❑ Several **keynotes to national and international events** organized since 2016



Startups

- ❑ Circularity as preferred entry criteria for **StartUp Initiative**, ISP distinctive acceleration program
- ❑ Since 2016, 7 StartUp Initiatives **focused** on Circular Economy
- ❑ **Mentoring** on Circular Economy has involved more than 50 startups at date



To continue this conversation...



"The Circular Economy represents a huge opportunity to reconnect Business & Society, re-thinking financial instruments to support the re-design of the industrial ecosystem"

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