



This project is co-funded by the European Union and the Republic of Turkey

**Technical Assistance for Assessment of Türkiye's Potential on
Transition to Circular Economy
EuropeAid/140562/IH/SER/TR**

Intesa Sanpaolo's commitment to the Circular Economy

Luigi Riccardo, Head of Circular Economy Desk at Intesa Sanpaolo Innovation Center

**Activity 1.2.2 - Circular Economy Workshops
4th of October, Ankara, Türkiye**

A young man and woman are working together on a project. They are looking at a circuit board with a red speaker attached. The man is pointing at the board while the woman looks on. They are in a well-lit room with large windows in the background.

Intesa Sanpaolo Innovation Center is the Intesa Sanpaolo Group company dedicated to the **frontiers of innovation**.

It explores future scenarios and trends, develops multidisciplinary applied research projects, supports startups, accelerates the business transformation of companies according to the criteria of Open Innovation and Circular Economy, favors the development of innovative ecosystems and spreads the culture of innovation, to make of Intesa Sanpaolo the driving force of a **more aware, inclusive and sustainable economy**.

A strong Bank for a sustainable world

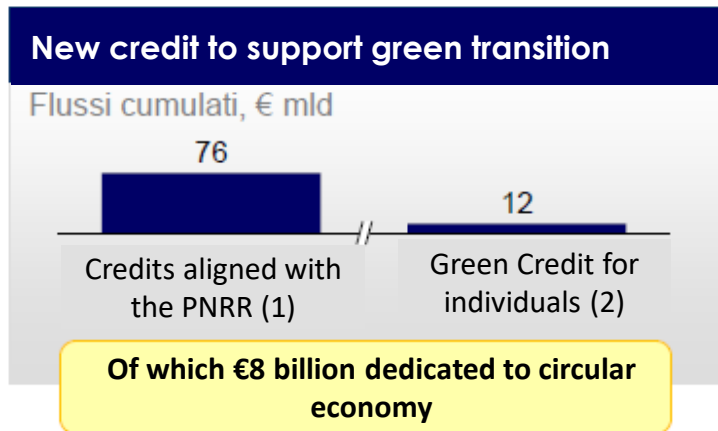
The Circular Economy as strategy that accelerate the achievement of ESG goals

The Business Plan Formula 2022-2025

Le nostre Persone sono la nostra risorsa più importante

<p>Massivo <i>de-risking</i> upfront, abbattendo il Costo del rischio</p>	<p>Riduzione strutturale dei Costi, grazie alla tecnologia</p>	<p>Crescita delle Commissioni, grazie a <i>Wealth Management, Protection & Advisory</i></p>	<p>Robust commitment to ESG, with a top position for social impact and a strong focus on climate</p>
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Supporting Corporate, SME and Retail customers in the ESG/climate transition through the strengthening of sustainable credit and dedicated advisory services



Enrichment of the offer...

...of dedicated investment and advisory products, such as **funds for the circular economy**

Support to SMEs/Corporates in the transition path

Offering businesses **innovation, education** and **connection** services

Enhancing the Bank's **strategic partnership** with the Ellen MacArthur Foundation.

1) 2021-2026
2) 2022-2025

Circular Economy Plafond



Intesa Sanpaolo's **2022-25 Business Plan** includes a specific action **to support the transition towards a circular economy** : the renewal of the CE Plafond, the credit facility up to € 8 bn.

The **€ 8 bn Circular Economy Plafond** provides the most innovative clients/projects with credit at favorable terms. Access to these facilities is evaluated against a set of **five eligibility criteria** developed in partnership with the Ellen MacArthur Foundation and three additional criteria related to green projects.



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



Utilization of renewable/recycled resources



Increase in efficiency and effectiveness of resources' consumption



Products that can be fully recycled or composted



Innovative technologies to enable circular business models



Production and transmission of renewable energy



Energy efficiency of production processes and buildings



Sustainable management of natural resources and soil, biodiversity

For the € 6 bn CE Plafond linked to the **2018-2021 Business Plan**, approximately **€ 7.7 bn was financed**, of which approximately € 5.5 bn in 2021

The Circular Economy generates opportunities both within the existing value chain and in the creation of new supply chains.



1. Solutions that extend the product-life of goods and/or materials

% food production with principles of circularity
% shelf life extension of fresh products



2. Utilization of renewable/recycled resources

Biomethane/gas and compost production from agricultural waste (m3, ton)
Use of packaging from bio-based sources (ton, %)



3. Increase in efficiency and effectiveness of resources' consumption

% reduction of water use in the production chain
% animal to vegetable protein replacement



4. Products that can be fully recycled or composted

% food waste used as an input for other products
Compostable food packaging (ton, %)



5. Innovative technologies to enable circular business models

Production with hydro / aeroponic technologies (ton, %)
Precision farming, drones and sensors

CE Lab – Circular Journey

Encouraging the transformation of companies towards a circular model can be different for each company, depending on the level of maturity it has reached, on the issues, technologies, etc. It is possible to design a **Circular Journey** where each company can find an answer to its needs by building a personalized path of Circular transformation.

CE LAB PILLARS



CIRCULAR EDUCATION

Training courses for companies, aimed at **disseminating knowledge** about Circular Economy and related **opportunities**, especially in terms of **business, competitiveness and resilience**.



CIRCULAR CONNECTION

Dissemination of circular culture on a national and international scale, through events, networking platforms, thematic reports and with the involvement of external actors and partners



CIRCULAR INNOVATION

Circular advisory, aimed at SMEs / Corporates. Business model analysis and **innovation services** (e.g. Circularity Assessment, Open Innovation programs)

Case History – Open Innovation



CALL4CIRCULAR PACKAGING

[Link web page](#)

Needs

Considering the recent regulatory changes in the packaging sector, the Ecopack company, leader in the cellulose-based molds sector, has launched a search for **innovative materials composed of vegetable fibers** for the construction of **primary containers and packaging** for liquid, solid and greasy food applications.

Solution

Open Innovation program aimed at mapping the most qualified innovative solutions, through the **scouting of startups**, which have specific **technical characteristics** (raw material from plant sources, structural and barrier properties, compostability certification, resistance to high temperatures).

Output

Collection of **+100 innovative realities** (startups and innovative SMEs) of the Italian and international ecosystem and in-depth presentation of **+10 solutions** that meet the technical needs of Ecopack. Activation of the **assessment phase** which includes **technical drill-downs** with startups to facilitate **tech-matching** and accelerate the industrial implementation of solutions.

CE strategies in finance: de-risking and new opportunities



In the last two years, equity and debt instruments linked to **circular investments** have increased considerably, for a financial sector that is increasingly able to seize the opportunities.

De-risking

Positive relationship between the de-risking effect and the degree of circularity, measured in terms of the decrease in PD, over a time horizon of one and five years

The more circular a company is...

+0.1

---> Circularity Score

...the lower its risk of defaulting on debt

-8.6%

---> 1-year probability of default

Superior risk-adjusted returns

The level of circularity of a company increases the returns on capital adjusted for the risk of its shares, through a causal relationship

The more circular a company is...

+0.1

---> Circularity Score

...the higher the risk-adjusted returns of its stock

+0.2

---> Sharpe Ratio

* The study is based on the analysis of a sample of 222 European companies belonging to 14 industrial sectors



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Thanks for your attention.



Türkiye Döngüsel Ekonomi

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IPA Çevre/Environment TÜRKİYE



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