

2020 Consolidated Non-financial Statement

in accordance with Legislative Decree No. 254 of 2016

Boards, Management, Auditors

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Deputy Chairperson Paolo Andrea COLOMBO

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Fabrizio DABBENE

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KPMG S.p.A.

(a) General Manager

(*) Member of the Management Control Committee

(**) Chairman of the Management Control Committee

(1) Appointed by the Shareholders' Meeting on 27 April 2020 after co-option by the Board of Directors on 2 December 2019

(2) Appointed by the Shareholders' Meeting on 27 April 2020 in substitution of resigning Director Corrado Gatti

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Letter to Stakeholders

In the context of the extraordinary emergency of 2020, Intesa Sanpaolo, relying on its financial strength, confirmed its ability to fulfil its role as a social accelerator by actively supporting the country in managing the impact of an extremely severe health, economic and social crisis through a strategy centred around sustainability. This situation was the backdrop for the merger with the UBI Banca Group, which contributed to strengthening Intesa Sanpaolo's role for sustainable and inclusive growth, also thanks to the sharing of common values between the two companies.

This document aims to serve as evidence of the strong commitment made by the Group on sustainability issues, enhancing the numerous initiatives and results achieved, albeit in a context of exceptional complexity such as that unfolding in 2020. The Intesa Sanpaolo Group is one of the few financial groups in Europe to have joined all the main United Nations initiatives relating to the financial sector in the sustainability area, which are part of the achievement of the UN Sustainable Development Goals: the Principles for Responsible Banking, the Principles for Responsible Investment, signed by Eurizon as far back as 2015, followed by Fideuram Asset Management SGR and Fideuram Asset Management in early 2021, the Principles for Sustainable Insurance, with the participation of Intesa Sanpaolo Vita; and finally the Women's Empowerment Principles, for the promotion of gender equality and the professional development of women.

The ISP4ESG programme, launched in 2019, was fully implemented in order to consolidate Intesa Sanpaolo's leadership in the field of sustainability and meet the continuous challenges posed by the external context and Stakeholders' expectations. The ESG Control Room was thus launched with the role of supporting the Steering Committee in the strategic proposition on ESG issues and operational coordination, also relying on the new role of the Sustainability Manager identified for each Division/Governance Area. As part of the Programme, various projects were launched which involved financing activities, primarily with an ESG sector mapping of the Group's loan portfolio, as well as investment and training activities.

Intesa Sanpaolo continued to work closely with businesses and families supporting the real economy with approximately 87 billion euro in new medium to long-term loans. Around 11,500 Italian companies returned from non-performing to performing status, protecting over 57,000 jobs. The ability to act as the engine of sustainable and inclusive development is also substantiated with the Group's disbursements for social and environmental purposes, equal to approximately 40 billion euro in 2020 and accounting for around 46% of the total. Approximately 37.2 billion euro is comprised of high social impact loans and around 32 billion euro directed towards supporting the production industry during the health emergency. Among these loans, the Fund for Impact initiatives stand out, whose credit plafond was extended with the integration of UBI Banca to allow the disbursement of 1.5 billion euro intended for excluded individuals or those who are unlikely to access credit through traditional financial channels despite their potential. After per Merito (51.5 million euro in loans were disbursed to 6,446 students in 2020), the offer was enriched with new solutions for working mothers in the first years of their children's lives with Mamma@work and XME StudioStation, a loan for families to support distance learning.

In order to support the production industry, even before the legislation implemented the relevant framework Intesa Sanpaolo suspended payments on outstanding loans, which in 2020 totalled - including renewals - 73 billion euro (of which 54 billion for companies and 19 billion for households) reaching close to 95 billion euro when also considering UBI Banca.

In 2020, the Group made available a programme for the disbursement of 50 billion euro in the coming years in the context of the European Green Deal. Overall, over 2.5 billion euro was directed to support the Green and Circular Economy, still a strong focus for the Group, seizing the opportunity to operate in support of the transition to a sustainable economy.

The 5 billion euro credit plafond in support of the Circular Economy - increasing to 6 billion euro after the acquisition of UBI Banca - allowed financing of approximately 1.5 billion euro (2.2 billion euro since the launch of the credit plafond in 2019) also including projects concerning renewable energy production, energy efficiency, sustainable agriculture and biodiversity as well as green mortgages (over 800 million euro was disbursed in 2020), in addition to the circular criteria developed in partnership with the Ellen MacArthur Foundation.

This context, with a focus on developing solutions aimed at the ESG transition of companies, led to the S-Loan, a new loan for SMEs based on the identification of specific KPIs connected to the investment with a dedicated credit plafond of 2 billion euro and 130 million euro already disbursed during the year.

The commitment to the environment also translated into the actions put in place to improve efficiency and reduce the Group's environmental impact, which led to a decrease in the Group's CO₂ emissions of 13.1% in 2020, also thanks to the reduction in the use of the company's business premises.

Intesa Sanpaolo, in recognising a strategic role to digitalisation and multichannel operations, accelerated the digital transformation process in order to enable all Group customers and employees to operate remotely in a fully effective, efficient and secure manner also during the health emergency. This took place through extensive use of smart working for over 65,500 Group employees. Thanks to cybersecurity policies aligned with international best practices, 10.3 million

multichannel customers were able to operate, equal to approximately 88% of total customers. Strong digital solutions were implemented with 60% of activities being digitised (35% in 2019) and over 2 million product sales on digital channels (+182% compared to 2019).

Recognition of the Group's work was reflected in the improvement of customer satisfaction indicators, as evidence of its endeavours during the health emergency.

The Group confirmed itself to be a leader in sustainable investments in Italy with an overall market share of 22.8% (30.4% including UBI Banca). In addition, in 2020 the Group's net inflows rose significantly, amounting to 8.4 billion euro (over 9 billion euro in 2020 when considering UBI Banca), compared to 2 billion euro in 2019. The amount of assets under management in the area of ethical and ESG funds amounted to over 18.4 billion euro in 2020 (about 24.6 billion when considering UBI Banca). On the insurance front, in order to promote the integration of ESG principles within the organisation, a Sustainability Policy was adopted, with guidelines for promoting a responsible and sustainable business model.

In 2020, the Group disbursed over 184 million euro to the community; some of the most high-profile operations include the 120 million euro donated to strengthen the national health system in the context of the COVID-19 pandemic. The Charity Allowance, through which the Bank allocates a share of the profits to support projects of solidarity, social benefit and the value of individuals, disbursed 16 million euro, 6.4 million of which in support of projects to combat the health emergency. An important initiative undertaken by the Group focuses on reducing inequalities, which during 2020 allowed for 16.1 million meals and over 994,000 beds to be offered, 228,000 medicines to be provided, and around 178,000 items of clothing to be given out to charitable organisations and associations.

With the *Giovani e Lavoro* programme, in collaboration with Generation Italy, a job orientation project was created, involving 1,400 companies at the end of 2020, despite the difficulties of the emergency context, with over 1,500 young people accepted on the courses since the start of the programme.

Intesa Sanpaolo was able to achieve its objectives thanks to the professionalism of its employees. In the context of COVID-19, in 2020 the Group guaranteed safe working conditions, accelerating the digitisation and reviewing - also with a focus on business continuity - organisational and regulatory processes, as well as technological and IT measures, to allow the extension of smart working in the Group.

A voluntary flu and pneumococcal vaccine campaign was also put in place for Group employees during the year. The pandemic also had a great impact on training activities, which reached 12 million hours in 2020, 11 million of which were provided with flexible methods.

The enhancement of diversity and the promotion of inclusion policies resulted in the approval of the Diversity & Inclusion Principles in 2020.

The 2018-2021 Business Plan confirms the importance Intesa Sanpaolo attaches to job protection: in 2020 more than 1,400 people were involved in professional reallocation and training programmes. Furthermore, following the integration of UBI Banca and also with a view to ensuring generational change, agreements were reached for the voluntary departure of around 7,200 Group employees with plans in place to hire 3,500 new workers.

Also in the light of these achievements, in 2020 Intesa Sanpaolo was recognised as an exemplary model, establishing itself among the most significant and virtuous entities and placing at the top of sustainability indices and rankings, confirming its presence in the Dow Jones Sustainability Indices, in CDP's Leadership Band and in the Corporate Knights Global 100 Most Sustainable Corporations in the World Index. It is also the only Italian bank to be included in the Refinitiv's Diversity & Inclusion Index, which selects the world's top 100 listed companies worldwide in terms of diversity and inclusion. And once again, Intesa Sanpaolo is the first European bank both in terms of relations with financial analysts and institutional investors and in terms of ESG aspects, according to Institutional Investor.

Finally, in the interest of increased transparency, this document, proposes a new executive summary section that allows an immediate and concise overview of the main performance indicators. The information framework is completed by a section dedicated to the achievement of the United Nations Sustainable Development Goals (SDGs), the consideration of the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD), the indicators provided by the Sustainability Accounting Standards Board (SASB), where deemed applicable, and the results and progress achieved with respect to the Principles for Responsible Banking (PRB).

These results testify to Intesa Sanpaolo Group's desire to keep sustainability at the centre of its focus and choices, while meeting the expectations of all its Stakeholders.

Carlo Messina




Gian Maria Gros-Pietro



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 Link to websites



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Methodology

The 2020 Consolidated Non-financial Statement - hereinafter also Statement - was drafted in accordance with Article 4 of Italian Legislative Decree 254/2016, the Comprehensive option of the GRI Standards defined by the GRI (Global Reporting Initiative) and the "Financial Services Sector Supplements". Consideration was also given to the recommendations issued in June 2017 by the Task Force on Climate-related Financial Disclosures (TCFD), adopted by Intesa Sanpaolo in October 2018, for the voluntary dissemination of transparent reporting on the risks and opportunities linked to climate change. Furthermore, the indicators provided for by the Sustainability Accounting Standards Board (SASB) were taken into account, where applicable. Following the commitment of Intesa Sanpaolo to the Principles for Responsible Banking (PRB), for the second year, the results and progress achieved by the Bank with respect to the six principles are included in the Statement.

MATERIALITY AND REPORTING PRINCIPLES

As required by Legislative Decree 254/2016, content was identified and chosen for this Statement in such a way as to clearly communicate the activities of the Group, its progress, its results and the impact of its activities, also in consideration of the GRI Standards principles of materiality, stakeholder inclusiveness, sustainability context and completeness. The materiality analysis (see page 43), conducted in compliance with the GRI Standards, made it possible to assess the topics based on their relevance in terms of their potential impact on both the Bank's activities and stakeholders. The GRI Standards principles were also applied to define the quality of information (balance/neutrality, comparability, accuracy, timeliness, clarity and reliability) and the reporting boundary. Further details on the information provided in the Consolidated Non-financial Statement are published in the Sustainability section of the website [\[1\]](#).

Links to this additional information are included within the Statement, in the descriptions and in the GRI Content Index. In addition, from this year a SASB content Index is included, which contains all the indicators of the standard covered by this Statement.

The 2020 Consolidated Non-financial Statement was subject to a limited audit by KPMG S.p.A. The report concerning the compliance of the information supplied with Legislative Decree no. 254/2016 and the GRI Standards that were chosen as the accounting standards, and which describes the steps involved and their related conclusions can be found on page 265. The limited audit did not cover the application of the instructions provided by SASB.

THE REPORTING PROCESS

All company structures contribute to the drafting of the 2020 Consolidated Non-financial Statement and to dialogue activities with stakeholders through the Sustainability Managers, identified for each Division/Governance Area, and the CSR Delegates who, appointed by the various heads of Group areas and companies, work in close contact with the CSR structure. Data collection is centralised on the same reporting platform used for monitoring the economic, financial and commercial performances of the Business Units. The Statement's reporting process was formalised with specific Guidelines and the related Process Guide, which establish the process, activities and roles and responsibilities of the Group structures and bodies involved in the drafting, approval and publication of the document.

MEASUREMENT SYSTEMS

The indicators illustrated in the 2020 Consolidated Non-financial Statement were identified on the basis of the indications of the reference standards (GRI Standards), obligations deriving from Intesa Sanpaolo's adoption of international sustainability protocols, and our commitment to ensuring that the process of achieving our improvement objectives is measurable. With the exception of certain estimates which are duly indicated, almost all of the data was acquired through accurate measurements. To ensure the accurate collection and consistent interpretation of the identified indicators, the data measurement systems are supported by a technical manual which establishes the relevance, calculation method and data source of quantitative indicators.

The data presented refer to the 2020 financial year and, where possible, are compared to the previous two years. Unless otherwise specified, re-statements concerning data published in previous years were not carried out.

REPORTING PERIOD AND BOUNDARY

The Statement is published on an annual basis, with the previous edition published in March 2020. Furthermore, this year as well, in September 2020 Intesa Sanpaolo decided to voluntarily publish a half-yearly Consolidated Non-financial Statement with the most relevant indicators.

The reporting boundary of the Intesa Sanpaolo 2020 Consolidated Non-financial Statement covers 99.71% of the scope of the 2020 Consolidated Financial Statements as regards number of employees (net of employees with non-standard contracts), and therefore makes it possible to understand the activities of the Group, its progress,

results and impacts, since all the companies representing the material issues, identified by the reference regulations and from discussions with stakeholders, were subject to reporting.

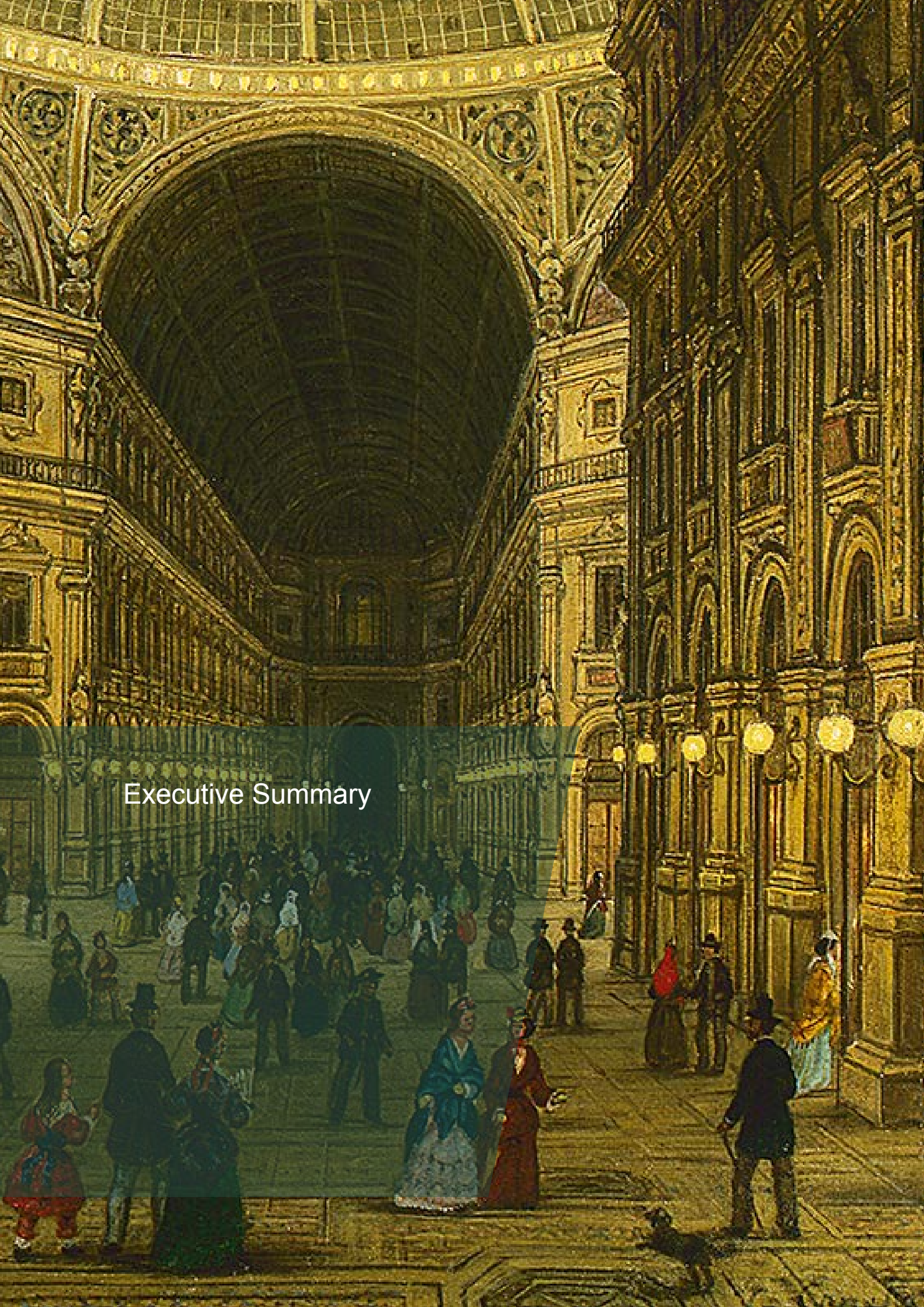
More specifically, compared to the previous edition, this year the UBI Banca Group (hereinafter, also UBI Banca or UBI) was included in the reporting scope, and its data, where possible, have been included in this Statement for regulatory purposes.

Therefore, in order to ensure comparability with previous years, this Statement presents both the data relating to the 2018-2020 trend of the Intesa Sanpaolo Group alone (excluding UBI Banca) and the 2020 data with reference to the new scope of the Intesa Sanpaolo Group, which includes UBI Banca. In particular, with regard to 2020, the flow data relating to UBI Banca are included with reference to the last 5 months of 2020, i.e. from the date of acquisition, while all other data are stated as at 31.12.2020. It was decided not to include the data referring to the indicators consisting of rates, per capita values and percentages, in which the flow data relating to UBI Banca's 5 months are compared to data as at 31.12.2020, since they are not significant/representative of the performance. With regard to the aspects related to the commitments of the 2018-2021 Business Plan, the results achieved in relation to the Intesa Sanpaolo Group alone (excluding UBI Banca) continued to be reported, consistently with the approach adopted by the Group.

The non-financial data of the Risanamento Group companies, for which the parent company Intesa Sanpaolo does not carry out management and coordination activities, remain excluded.

This edition of the Consolidated Non-financial Statement is also available on the website [\[i\]](#).

The Consolidated Non-financial Statement was prepared in accordance with current regulations and with particular reference to the areas outlined in Italian Legislative Decree 254/2016 in the social and environmental spheres that are applicable to the Group.



Executive Summary

Main performance indicators*

The COVID-19 pandemic hit the entire world in 2020. Italy was struck particularly hard, with the all-consuming crisis impacting heavily on families, businesses and society as a whole, and inevitably also influencing the performance and non-financial indicators of the Group.

In this context, Intesa Sanpaolo demonstrated its ability to act as a true leader in the countries in which it operates, and Italy in particular, in line with the commitments it undertook with the 2018-2021 Business Plan.

In terms of its results, of particular note was the approx. 87 billion euro of new medium to long-term credit granted, over 37 billion of which in the form of loans with strong social impact (around 43% of the total). Of this sum, around 32 billion was allocated to support the production system during the health emergency.

The Group's economic and capital strength enabled it, to among other things, expand the initiatives of the Fund for Impact, launched in 2018.

The Group also confirmed itself as a leader in sustainable investments in Italy with an overall market share of 22.8% and net inflows of over 8 billion euro during 2020.

Recognition of the Group's work during the health emergency was reflected in the improvement of customer satisfaction indicators.

Its monetary contribution to the community amounted to over 184 million euro, a strong increase with its most high-profile operations including the 120 million euro donated to strengthen the national health system.

Since 2018, its initiatives to reduce child poverty and support people in need have enabled it to provide over 17 million meals, beds, medicines and clothes.

In addition, under the 2019 bonus scheme, a sum of 6 million euro was donated by the CEO and Top Management to strengthen health initiatives.

The Group continued to focus closely on the environment, issuing over 2.5 billion euro in loans to support the Green and Circular Economy and continuing with its planned efficiency measures; the reduced use of the company's sites led to a substantial reduction in CO₂ emissions (-13.1%) compared with 2019.

Intesa Sanpaolo's ability to meet and exceed the goals it had set itself, even at an incredibly difficult time, is explained by the professionalism of the people that work for the Group, who were guaranteed safe working conditions during the pandemic. More specifically, around 65,500 people were able to work from home and training activities were further developed in 2020 compared with 2019, amounting to a total of around 11.8 million hours.

The extremely positive results obtained enable the Intesa Sanpaolo Group to continue in its role as a driver of inclusive and sustainable growth.

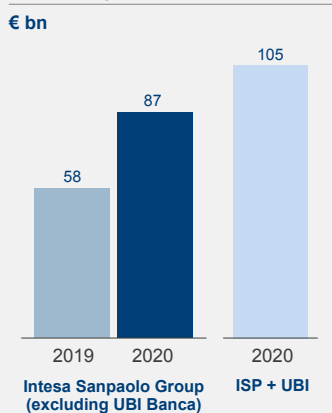
* For more in-depth insight with regard to the main impacts of COVID-19 on financial performance, one should refer to the section called "Intesa Sanpaolo Group's approach to the preparation of the financial statements as at 31 December 2020" in the Consolidated Annual Report.

IDENTITY AND PROFILE

Group value and solidity

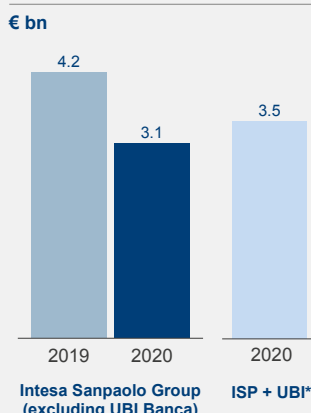


New medium/long-term credit granted to the real economy



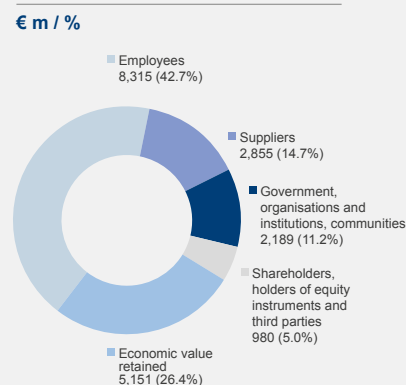
Intesa Sanpaolo continues to be an accelerator for the growth of Italy's real economy: of the ~87 billion euro of new medium/long-term loans disbursed in 2020 (approx. 105 billion including UBI Banca), ~77 billion euro was disbursed in Italy, ~63 billion euro of which to families and SMEs. The Bank is able to act as a driver of inclusive and sustainable growth for families, businesses and society thanks to its ability to maintain the resilience of its profitability over time, its growing levels of efficiency, and its capital strength, which is among the highest in the European banking sector.

Net income



In an extremely challenging climate and exceeding the goals it had set itself, in 2020 the Group recorded a net income of 3.1 billion euro (excluding the impact on the accounts of the combination with UBI Banca and the impairment of the goodwill of Banca dei Territori and the 5-month contribution of UBI Banca's activities), confirming the resilience of its profitability despite the impact of the pandemic. Including the 5-month contribution of UBI Banca's activities, the normalised net income is 3.5 billion euro, without considering the impact on the accounts of the combination with UBI Banca and the goodwill impairment. The net income comes to 4.5 billion euro when the write-down of loans for future impacts of COVID-19 (2.2 billion euro) are also excluded, up around 9% compared with the net income for 2019.

Economic value breakdown



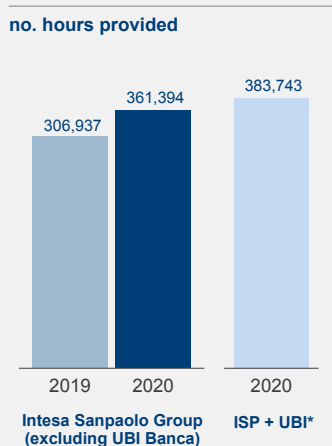
The economic value generated in 2020, equal to 19,490 million euro, is up compared with the 2019 value. In both financial years, the dividend policy was defined in accordance with the recommendations of the European Central Bank of 15 December 2020 - valid until 30 September 2021 - on dividend distributions during the COVID-19 pandemic. For 2020, a decision was made to submit a proposal to the Shareholders' Meeting for the distribution of a total dividend payout of 694 million euro, equal to the maximum allowed by the ECB Recommendations. In addition, again subject to the indications of the ECB, a distribution of cash reserves is envisaged after 30 September 2021, from the results for 2020, which when added to the above-mentioned dividends should lead to the payment of a total of 3,505 million euro of adjusted consolidated net income corresponding to a payout ratio of 75%.

GOVERNANCE AND RISK MANAGEMENT

Integrity in corporate conduct

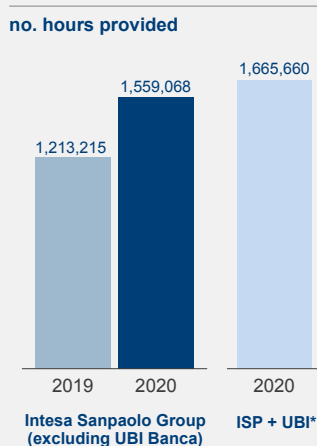


Training to prevent corruption and money laundering



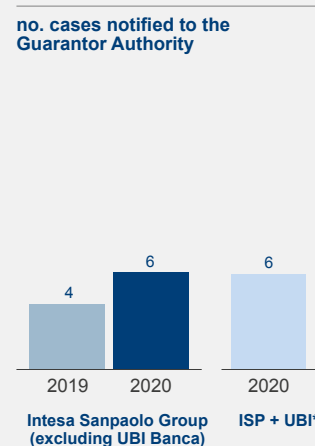
Training on anti-money laundering and anti-corruption is mandatory and follows multi-year cycles, also according to local laws. The increase in the number of hours of training confirms the Group's ongoing commitment to providing training that goes well beyond the minimum levels established by law in a field that is particularly delicate, also from a reputational perspective. Furthermore, in the past three years there were no cases of corruption-related dismissals or disciplinary action among Group workers. The Group's anti-corruption management system is certified according to UNI ISO 37001 international standards.

Consumer protection training



Training on consumer protection is on the increase. This rise is connected with the IVASS training undertaken by Banca dei Territori staff also in the form of smart learning.

Cases of customer data being lost or stolen



The number of cases brought to the attention of the Guarantor Authority remains very low.

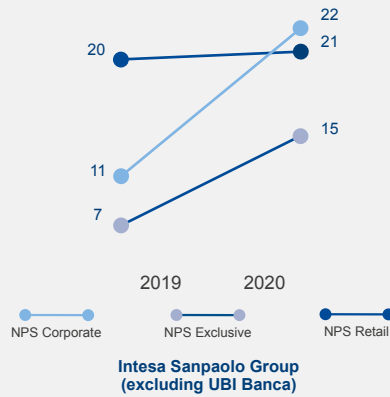
SOCIETY

Quality of service and customer satisfaction



Net Promoter Score

no. index points



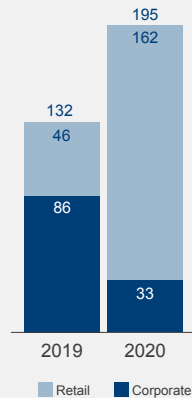
The NPS is an indicator that expresses the likelihood of customers to recommend a product, service or company, calculated in index points (between -100 and +100) subtracting the percentage of detractors (dissatisfied customers) from the percentage of promoters (loyal customers) obtained. The improvement in the 2020 NPS compared with 2019, in evidence for all customer segments, is the result of the strengthening of the Bank-customer relationship, also positively influenced by opinions on Intesa Sanpaolo's conduct during the health emergency: over 70% of interviewed customers felt that the Bank paid the right level of attention to customers' needs (with peaks of 79% for the Retail Businesses); about 80% believe that the Bank met Italy's needs and lastly over 80% (with peaks of 91% for Retail customers) felt that the safety measures taken in Branches were adequate. As for Corporate customers, the indicator, which in 2019 was impacted by the change to the service model (change of branch and/or manager), improved significantly in 2020 due to the full application of the new model. Additionally, for the first time in 2020, the Third Sector was subject to NPS surveys, obtaining a score of 25, the highest among all types of customers.

Innovation and digital transformation



Blocking of fraudulent transactions

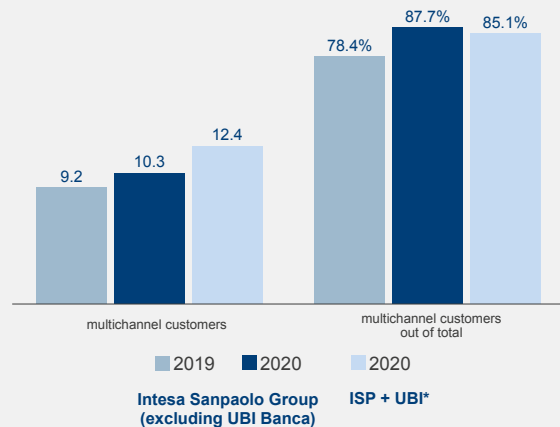
€ m



Customer fraud is on the rise in terms of number of cases and impact; in particular, there has been an increase in instances of fraud connected with the payment systems used by retail customers. This growth is also due to the increase in online purchases and sometimes to customers' lack of experience when using the Internet and online services during the COVID-19 emergency. Confirming the close attention it pays to monitoring cyber security, Intesa Sanpaolo won the 2020 AIPSA CTF cyber security prize, dedicated to Cyber Resilience during the global pandemic.

Multichannel banking in Italy

m / %



The Group is a European leader for its mobile app functionalities and strong digital solutions. With regard solely to the stand-alone ISP Group (excluding UBI), in 2020 the number of multichannel customers rose by 1.1 million and around 6.5 million customers use the Group's apps. Moreover, it is worth highlighting the sharp increase in the sales of products on digital channels, equal to over 2 million in 2020 (+182% compared to 2019). Multichannel customers and digital sales also increased due to the particular context linked to the COVID-19 emergency.

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

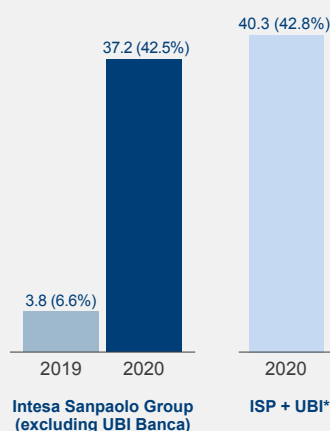
SOCIETY

Financial inclusion and supporting production



Loans disbursed for initiatives with high social impact

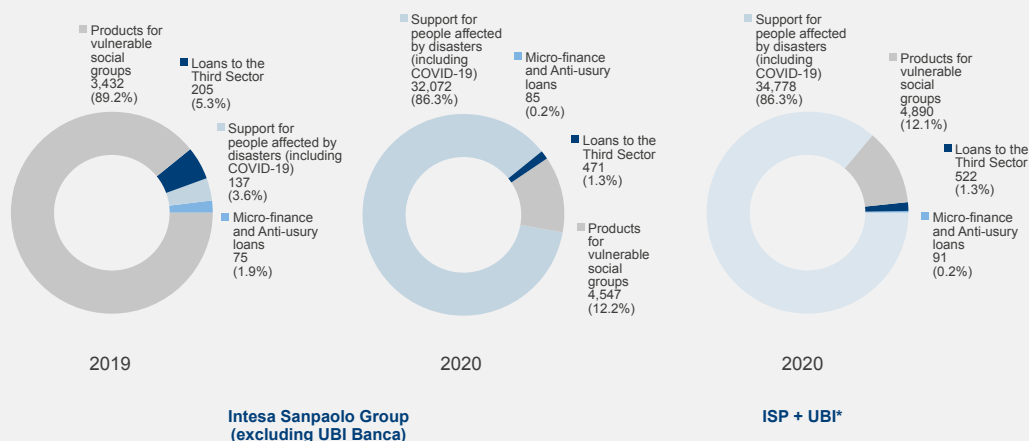
€ bn / % on loans



In 2020, high social impact loans represented 42.5% of all loans granted by the ISP Group (vs. 6.6% in 2019). There has been strong growth in the high social impact loans segment, as in 2020 these also included the loans issued to support families and businesses during the COVID-19 emergency. In particular, in 2020 the ISP Group finalised 31.9 billion euro in such loans (34.6 billion euro including UBI Banca, corresponding to 99.4% of total loans to support people affected by natural disasters), almost 30 billion euro of which as part of the "Liquidity Decree".

Social impact loans breakdown

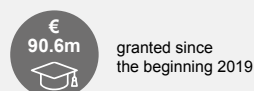
€ m / %



In 2020, the areas that underwent the greatest growth compared to 2019 were support for people affected by disasters, due to the inclusion of loans issued to major businesses and SMEs during the COVID-19 emergency, and products for vulnerable groups, which included advances on temporary redundant payments to support workers affected by the health emergency, and an increase in mortgages for young people.

Fund for Impact

per Merito: loans granted



XME StudioStation: granted (€ m granted)



In addition to the "per Merito" initiative, the first unsecured credit line dedicated to all university students residing in Italy and studying in Italy or abroad, the XME StudioStation initiative, which provides loans to families to support distance learning, was also launched as part of the Fund for Impact. In addition, the MAMMA@WORK initiative introduced a loan at highly advantageous rates to reconcile motherhood and work in the years immediately following maternity. Finally, two other new initiatives were announced to support working mothers in India and people over 50 who have lost their jobs or have difficulty accessing pension schemes.

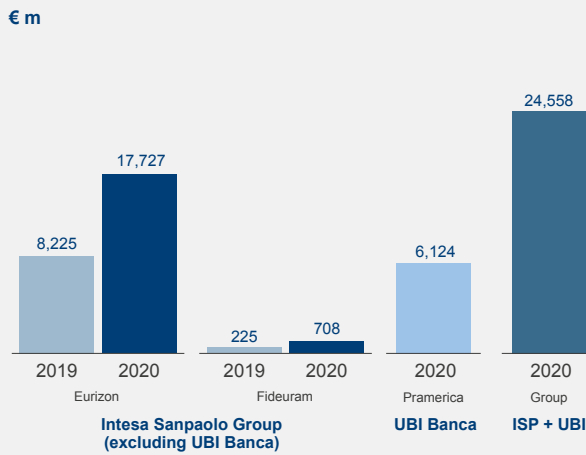
* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

SOCIETY

Sustainable investments and insurance

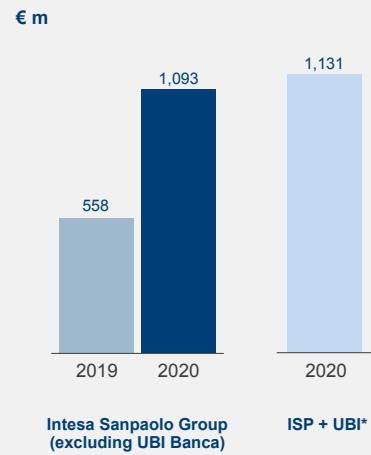


Ethical/ESG Funds



The ISP Group confirmed itself as a leader in sustainable investments in Italy with an overall market share of 22.8% (30.4% including UBI Banca) versus 27.3% in 2019. In addition, in 2020 the Group's net inflows rose significantly, amounting to 8.4 billion euro (over 9 billion euro in 2020 considering UBI Banca), compared to ~2 billion in 2019: for Eurizon, ~17,726.7 million euro of Ethical/ESG funds; 55 sustainable and responsible open-ended funds (18 launched in 2020); for Fideuram 707.6 million euro of Ethical/ESG funds; for Pramerica 6.1 billion euro of Ethical/ESG funds.

Gross non-motor insurance premiums**

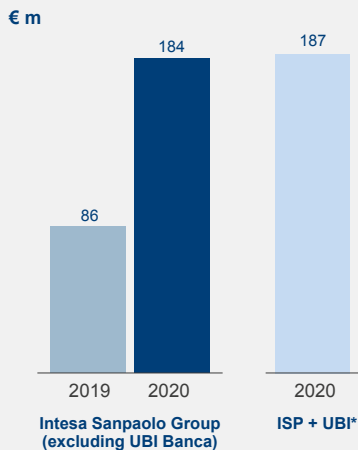


In 2020, Intesa Sanpaolo achieved its best ever results in the insurance sector with non-motor non-life insurance revenues rising to 500 million euro. The ISP Group is a European leader in the Life Assurance and Wealth Management businesses, investing over 1,200 billion euro of customer financial assets (including the UBI Group) in these areas, and a top-notch player in the Protection business (2nd leading Italian health insurance company and 3rd in the non-motor retail segment with Intesa Sanpaolo RBM Salute).

Community support



Monetary contribution to the community



The Group's monetary contribution to the community was significantly higher in 2020 (+114% versus 2019) due to the immediate support it provided to the health sector to help with the COVID-19 emergency. In fact, the all-consuming COVID-19 pandemic had a strong impact on families, businesses and society as a whole. The most high-profile operations included the 120 million euro donated to strengthen the national health system.

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

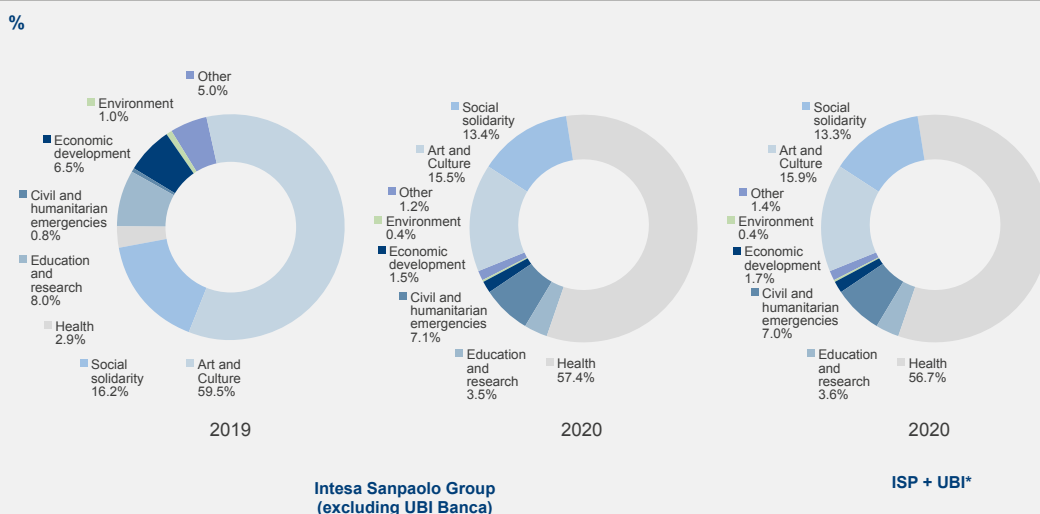
** 2020 figures include Intesa Sanpaolo RBM Salute's non-motor insurance premiums.

SOCIETY

Community support



Monetary contribution to the community by area of activity



In 2020, the action areas with largest growth compared to 2019 were healthcare and civil and humanitarian emergencies where the Group acted promptly by making major donations to support the health sector and people in need during the COVID-19 emergency. Attention also remained high in the other action areas.

Food and Shelter for people in need

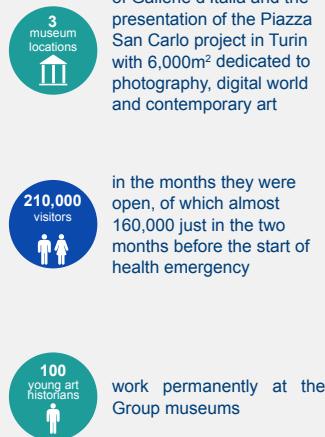
no. - cumulative value since the beginning of 2018



The project forms part of the initiatives to reduce child poverty and support people in need, with the targets being reached earlier than expected with respect to the 2018-2021 Business Plan goal. In recent years, the Group's support for people in need has exceeded 17 million meals, beds, medicines and clothes.

Culture project at the Gallerie d'Italia

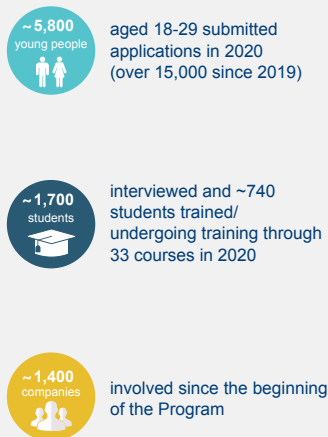
no.



With the 2018-2021 Business Plan, the Intesa Sanpaolo Group aimed at becoming an exemplary model in terms of social and cultural responsibility. Internationally renowned as Italian centres of cultural excellence, the Gallerie d'Italia host the Bank's collections, temporary exhibitions in partnership with leading international museums, and free activities for students and vulnerable categories.

ISP Giovani e Lavoro Program

no.



Always sensitive to social issues, the Intesa Sanpaolo Group aims to address the misalignment between the expertise requested by companies and the training provided to young adults. The "Giovani e Lavoro" program, in partnership with Generation Italy, is geared towards the training and inclusion of 5,000 young people in the Italian employment market over a multi-year period.

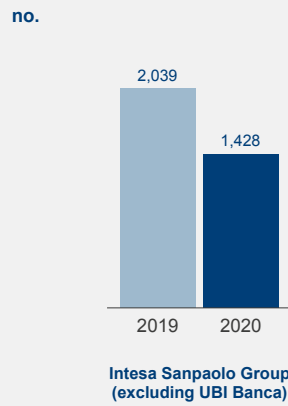
* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

PEOPLE

Employment protection

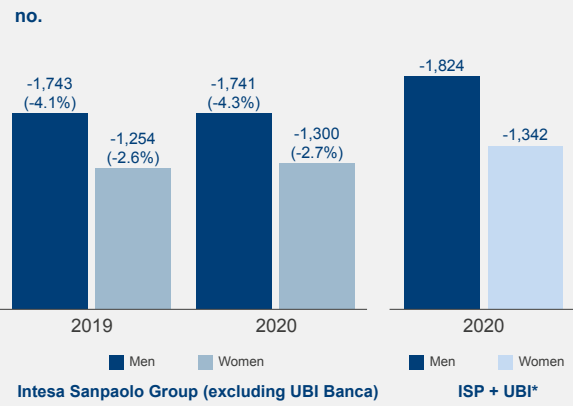


People reassigned to high value-added activities



The objectives of the Business Plan for 2021 include the professional retraining of ~5,000 resources. At the end of 2020, ~4,500 were already focused on priority initiatives, a confirmation of the close attention Intesa Sanpaolo puts on its people, who are regarded as one of the Bank's critical success factors. This figure has naturally fallen year-on-year because it reflects the gradual increase in complexity.

Turnover by gender

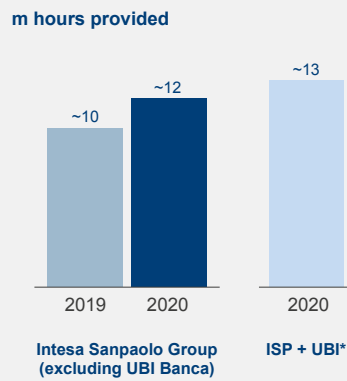


In 2020, the Group workforce turnover rate was -3.4% (-3.3% in 2019).

Retention, enhancement, diversity and inclusion of the Group's people

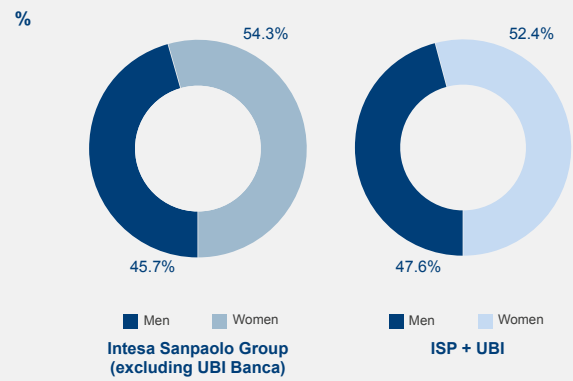


Training



The pandemic had a great impact on the way of working but, also thanks to digital technology, it was possible to quickly reorganise remote activities, activating communication campaigns to encourage flexible training. Distance training alone amounted to around 11 million hours in 2020. Smart learning made it possible to provide approximately 3.5 million hours to almost 35,000 branch Network workers, an average of approximately 100 hours per capita.

Breakdown of employees by gender



The company population is fairly evenly spread between male and female employees.

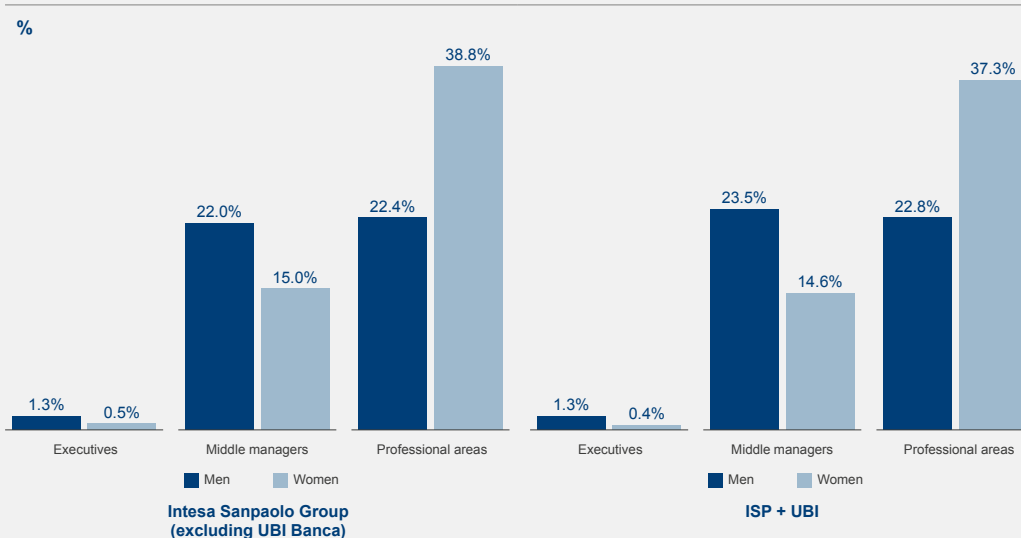
* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

PEOPLE

Retention, enhancement, diversity and inclusion of the Group's people

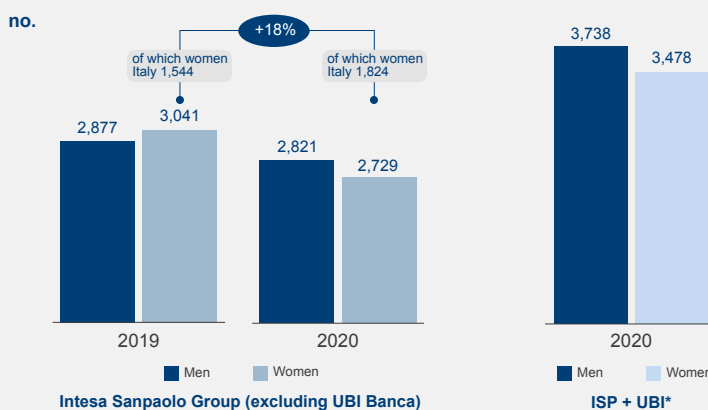


Employees by category and gender



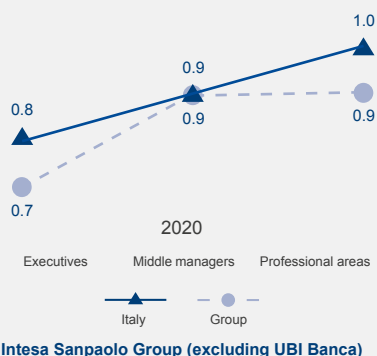
Compared with the total population, the breakdown by category and gender remains constant. Representing 28.6% of all female employees in the Group, the number of female managers (executives and middle managers) as a proportion of all managers, rose slightly compared with last year to 40%.

Number of promotions by gender



The overall number of promotions has been impacted by the fall in the international figure. In fact, there was an overall increase in promotions in Italy in 2020 (3,371 vs. 2,958 in 2019), particularly among women. The percentage of women promoted in Italy grew from 52.2% in 2019 to 54.1% in 2020.

Male/female salary ratio



At Group level, the male/female salary ratio in 2020 remained in line with that of 2019.

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

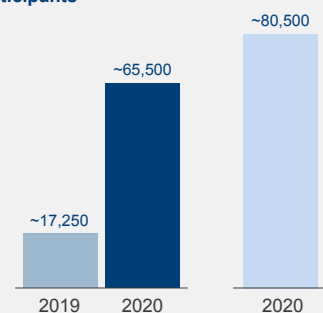
PEOPLE

Health, safety and well-being of the Group's people



Smart working

no. participants

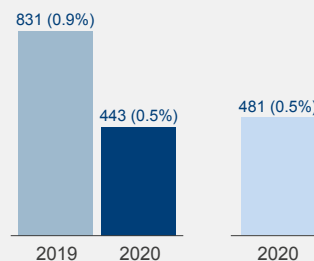


Intesa Sanpaolo Group (excluding UBI Banca)

ISP + UBI

Health and safety

Injuries: no. and % on the number of employees



Intesa Sanpaolo Group (excluding UBI Banca)

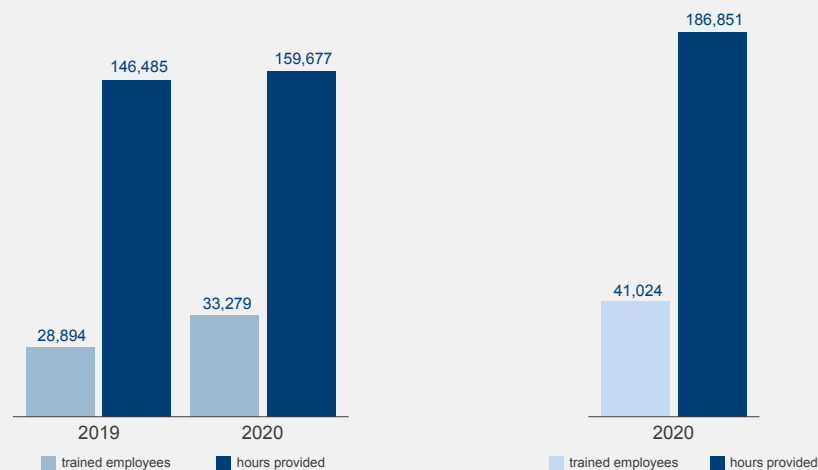
ISP + UBI*

People and digital technology represent the key enablers in the 2018-21 Intesa Sanpaolo Business Plan. In the context of COVID-19, in 2020 the Group guaranteed safe working conditions for its people, accelerating the digitalisation of its operations and reviewing - also with a view to business continuity - organisational and regulatory processes, as well as technological and IT measures, to allow the extension of smart working in the Group. Despite recourse to smart working on a larger scale, the provisions of the company agreements pertaining to 2014/2015 and of the 2019 national collective bargaining agreement on the subject remain valid, thereby confirming the voluntary participation and the principles and general rules of the employment relationship; in this regard, the requirements regarding the duration of daily and weekly working hours, or the rules governing breaks, time off and overtime, are relevant. In addition, digital coaches were provided to support the transition to smart working and share best practices and the Consultation and Support project was launched to provide mental wellness support to all Intesa Sanpaolo employees.

In 2020, the number of injuries fell significantly compared with 2019 (-46.7%) due to the effects of the COVID-19 pandemic. In fact, from February 2020 onwards, there was widespread use of remote working with a drastic reduction in the number of people physically present in the offices and therefore also in the number of home-work commutes.

Health and safety training

no. trained employees and hours provided



Intesa Sanpaolo Group (excluding UBI Banca)

ISP + UBI*

The Group remains focused on health and safety training, with the number of participants and the number of hours provided increasing in 2020. This rise, in line with the overall increase in training, is also due to the use of digital channels for this specific form of training.

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

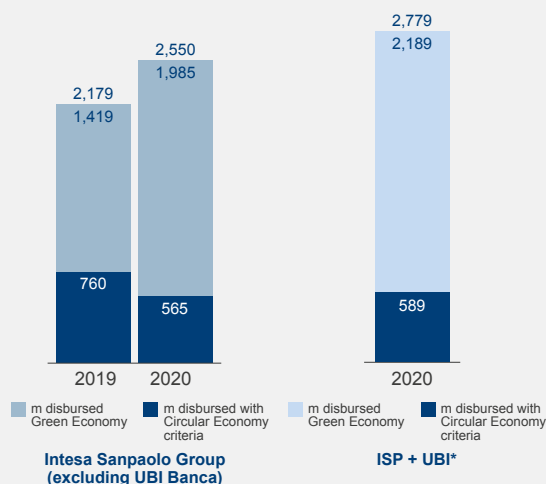
ENVIRONMENT AND CLIMATE CHANGE

Transition to a sustainable, green and circular economy



Loans disbursed for the Green and Circular Economy

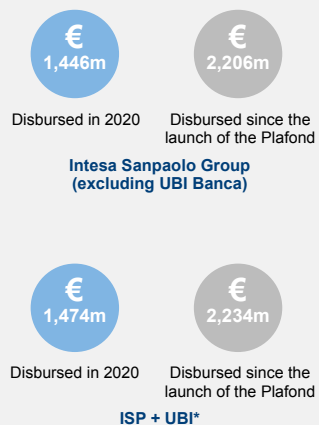
€ m



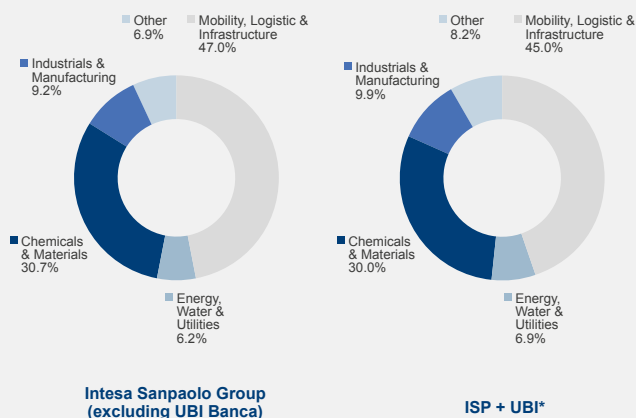
There was an increase in the number of green and circular loans granted thanks in particular to the launch of Green - Mutuo Domus. In 2020, more than 5,100 green mortgages were issued for a total value of over 800 million euro.

Circular Economy

Circular Economy Plafond: loans disbursed € m



Circular Economy Plafond Projects**: % amounts disbursed by sector in 2020



In 2020, the Plafond was extended to support businesses investing in green projects in the area of renewable energy production, energy efficiency and sustainable farming and biodiversity, and to support the Green Mortgages requested by customers for the purchase of new high energy efficiency houses (class B upwards) or the refurbishment of houses with consequent improvement of the energy class.

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).
 ** Green Mortgages excluded.

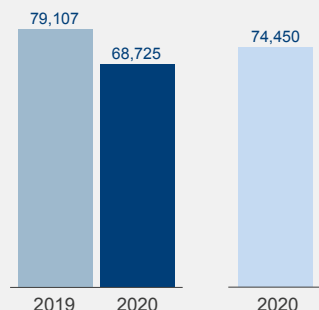
ENVIRONMENT AND CLIMATE CHANGE

Direct environmental impacts



Greenhouse gas emissions

Total Tons of CO₂ (Scope1 + 2 Market-based)**

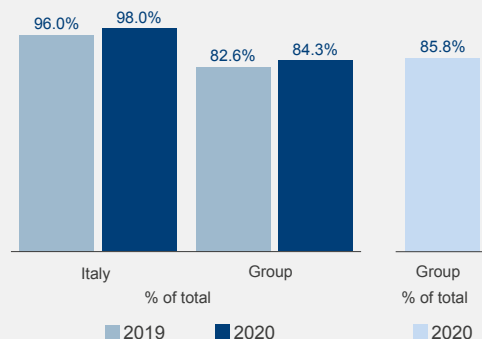


Intesa Sanpaolo Group (excluding UBI Banca) ISP + UBI*

CO₂ emissions fell significantly (-13.1% vs. 2019). This reduction was partly due to the continuation of planned energy efficiency measures but, most of all, to the reduced use of Bank properties from March 2020 onwards because of the COVID-19 emergency. Nevertheless, the Bank continued to operate during the lockdown and its buildings remained open at all times, albeit with a reduced number of people onsite and restricted opening hours for the branches.

Energy from renewable sources

% renewable electricity consumption vs total

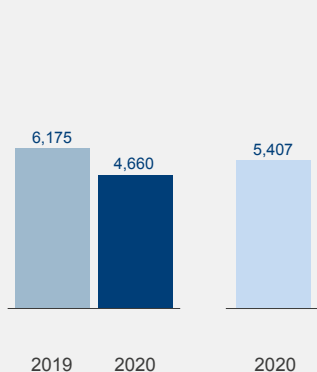


Intesa Sanpaolo Group (excluding UBI Banca) ISP + UBI*

The purchase and production of renewable energy, albeit in accordance with the limitations imposed by law in some states, continues to be one of the main environmental sustainability actions through which the Intesa Sanpaolo Group intends to pursue its goals. In 2020, the consumption of renewable energy grew in excess of 84% of total energy consumption.

Paper

Paper purchased (ton)

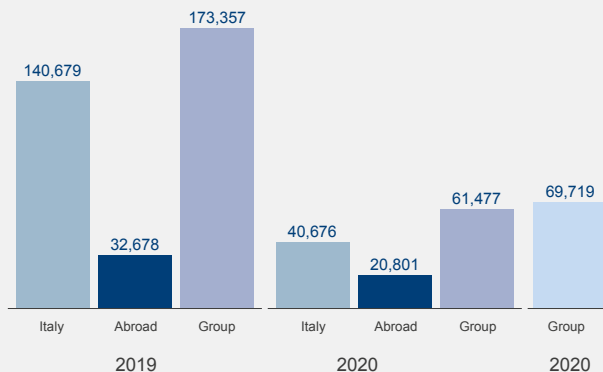


Intesa Sanpaolo Group (excluding UBI Banca) ISP + UBI*

In 2020, there was a reduction in the purchase of paper compared with 2019 due to the reduced presence of onsite staff and the continuation of the dematerialisation policies. The Group remained committed to purchasing paper with reduced environmental impact (recycled and environmentally-friendly), with this form of paper accounting for 85% of the total.

Transport

thousands of km



Intesa Sanpaolo Group (excluding UBI Banca) ISP + UBI*

In 2020, there was a significant reduction in corporate mobility largely due to the increase in remote working and the travel limitations imposed by the COVID-19 emergency.

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

** Market-based: for purchased electricity the Scope2 data considers the contribution, agreed contractually, of the guaranteed renewable source certificates, which therefore have zero emissions.

Main actions taken to face the COVID-19 emergency*

Immediate healthcare support



- €100m to strengthen the National Health System through the Civil Protection Department throughout Italy, and in particular in the most affected areas of Bergamo and Brescia. 16 hospitals and 3 COVID-19 Emergency Centres benefitted from the donation with the creation of 36 new hospital wards and 500 hospital beds mainly in Intensive and Sub-Intensive Care Units
- €10m to support families in financial and social difficulty due to the COVID-19 crisis, of which €5m donated to Ricominciamo Insieme project of the Diocese of Bergamo and €5m donated to the Diocese of Brescia
- €6m in donations from the CEO (€1m) and top management's 2019 variable compensation, to strengthen healthcare initiatives, with additional voluntary donations from ISP People and Board of Directors
- €3.5m donated through ForFunding – the ISP crowdfunding platform – to support Civil Protection Department initiatives related to the COVID-19 emergency
- €1m allocated from the ISP Charity Fund to boost COVID-19 scientific research
- €350k donated to Associazione Nazionale Alpini to accelerate the construction of a field hospital in Bergamo
- 102,409 doctors and nurses participated in the Generation COVID-19 training on PPE, NIV and emergency management

Continuous support to the real economy and to society



- €73bn⁽¹⁾⁽²⁾ suspension of existing mortgage and loan installments for families and companies (1st in Italy to launch the initiative before the regulation came into force), of which ~€54bn for enterprises and ~€19bn for households
- €50bn in credit made available to support companies and professionals to protect jobs and manage payments during the emergency
- €21bn⁽³⁾ in loans with a State guarantee
- €10bn in new credit facilities to boost ~2,500 Italian industrial supplier value chains through the enhancement of the Sviluppo Filiere Program
- €9bn in loans with a guarantee from SACE (1st in Italy to sign the collaboration protocol with SACE, providing immediate support to large corporates and SMEs under Liquidity Decree)
- €80m Programma Rinascimento, including impact loans to micro-enterprises and start-ups, for the recovery and the re-shaping of their business models for the post COVID-19 scenario, leveraging on growth and innovation projects boosting economic growth and social and territorial cohesion. Launched in Bergamo (€30m, in partnership with the Municipality) and in Florence (€50m, in partnership with CR Firenze Foundation)
- €125m (equal to 50%) of the ISP Fund for Impact will be used to reduce the socioeconomic distress caused by COVID-19
- Also within the scope of the Fund for Impact, XME StudioStation launched in August 2020: loans to families in support of distance learning (€1.2m granted in 2020)
- Ecobonus: support to families, condominiums and businesses through modular and flexible financial solutions benefitting from the provisions of the "Decreto Rilancio" which raise the deduction to 110% for expenses related to energy efficiency and measures to reduce seismic risk

Always close to its people



- Flexible working enabled for ~65,500 ISP People⁽⁴⁾, with "digital coach" to support the switch to smart working and share best practices
- Agreements with trade unions for extraordinary measures to support families and childcare and to enable the participation in the variable performance bonus regardless of any periods of prolonged absence from service in relation to the COVID-19 emergency
- Digital learning enabled for all ISP People in Italy
- 6 additional days of paid leave for ISP People who worked in the branch network or were unable to work remotely
- "Ascolto e Supporto" project offering mental wellness support to all ISP People

Steady attention to its customers



- ~100% of branches open and fully operational; advisory and cash desk service by appointment only in the Italian areas with a higher level of COVID-19 restrictions (red zones)
- Business continuity ensured by the online branch, Internet Banking, App and ATM/Cash machines (98% active)
- Activated remote advisory service, with ~25,500 Relationship Managers
- Free extension of Intesa Sanpaolo health insurance policy coverage to include COVID-19

(1) Suspensions granted until 31.12.20 (flows), including renewals

(2) ~€95bn including UBI Banca

(3) ~€25bn including UBI Banca

(4) ~80,500 including UBI Banca

* For more in-depth insight with regard to the main actions taken to deal with the COVID-19 emergency, one should refer to the individual chapters. Furthermore, for more in-depth insight regarding the main impacts of COVID-19 on financial performance, one should refer to the section called "Intesa Sanpaolo Group's approach to the preparation of the financial statements as at 31 December 2020" in the Consolidated Annual Report.

Sustainability indices, rankings and awards

Intesa Sanpaolo is included in the main sustainability indices and rankings defined by specialist ratings agencies that select companies not only for their financial performance but also for their results in the three ESG areas (Environment, Social, Governance), or in specific fields such as diversity.

Below is a summary of the main indices and rankings in which Intesa Sanpaolo is included:

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA

Sustainability Award
Bronze Class 2021
S&P Global



FTSE4Good



[i]

Dow Jones Sustainability Indices and S&P ESG Indices [i]

Included in the DJSI World and DJSI Europe, based on an annual assessment carried out by SAM with a best-in-class criterion among companies with the largest market capitalisation. DJSI World includes around 300 companies among the 2,500 largest businesses in the world included in the S&P Global BMI. DJSI Europe includes around 150 companies among the 600 largest European businesses included in the S&P Global BMI. Intesa Sanpaolo is also included in some indices of the S&P ESG Index Family. In February 2021, Intesa Sanpaolo received the S&P Global Sustainability Award – Bronze Class.

FTSE4Good Index Series [i]

Intesa Sanpaolo is included in 3 indices of the FTSE4Good Index Series, based on the ESG rating, assigned by FTSE Russell which exclusively uses the public information of over 7,200 companies in 47 different financial markets.

MSCI ESG Indexes [i]

Based on the analysis of the environmental, social and governance sustainability aspects of 8,500 companies, they are divided in order to represent the main ESG strategies. Intesa Sanpaolo, thanks to the AAA rating assigned solely to 2% of companies in the banking sector under review, is included in several families of indices including MSCI ESG Leaders Indexes and MSCI Low Carbon Indexes.



CDP [i]

CDP conducts an annual assessment to evaluate the approach to climate change mitigation (over 9,500 companies participating in 2020). Companies are assessed on 4 levels (communication, awareness, management, leadership) which represent the phases a company goes through as it progresses towards environmental protection, on a decreasing scale from A to D-.

In 2020, Intesa Sanpaolo was included in the Leadership Band, obtaining an A- rating.



Corporate Knights - 2021 Global 100 Most Sustainable Corporations in the World Index [i]

The index includes the 100 most sustainable companies in the world, which are assessed on the basis of public information, in relation to 24 indicators, within a universe of over 8,000 listed companies.



Euronext Vigeo Eiris Indices [i]

Intesa Sanpaolo is included in the Euronext Vigeo Europe 120 and the Euronext Vigeo Eurozone 120. The 120 companies included in both indices are selected on the basis of the assessment conducted by the rating company ESG Vigeo Eiris on approximately 5,000 issuers.



Solactive ESG Indexes [i]

Intesa Sanpaolo is included in the Solactive ESG indices, including Global and Europe Corporate Social Responsibility Indices - which use the criteria of the independent association Forum Ethibel - and in other ESG indices, such as Solactive ISS ESG Prime Index Series, which refer to ISS ratings.



STOXX® Sustainability Indices [i]

Intesa Sanpaolo is included in several families of STOXX® sustainability indices, including Low Carbon and Climate Indices. The STOXX® Global ESG Leaders Index selects companies using best-in-class criteria, based on the sustainability rating assigned by Sustainalytics. The index includes around 400 leading companies worldwide.



Standard Ethics Indices [\[i\]](#)

These indices analyse companies in terms of sustainability, governance and Corporate Social Responsibility. Intesa Sanpaolo is included in the Standard Ethics Italian Index, Standard Ethics Italian Banks Index, Standard Ethics European Banks Index and Standard Ethics European 100 Index.



ECPI Indices [\[i\]](#)

A family of over 50 indices based on the analysis of the public information of over 4,000 companies. Intesa Sanpaolo is included in the ECPI World ESG Equity and ECPI Euro ESG Equity, to name a few.



2021 Bloomberg Gender-Equality Index - GEI [\[i\]](#)

Thematic index dedicated to gender equality: it includes 380 companies analysed in terms of five areas of investigation. The initial target universe for the analysis includes over 11,500 listed companies.



Refinitiv - 2020 Top 100 Diversity & Inclusion Index [\[i\]](#)

Thematic index with over 7,000 listed companies ranked globally that selects the top 100 companies with the most diverse and inclusive workplaces.



World Benchmarking Alliance (WBA) - SDG2000 [\[i\]](#)

In January 2020, Intesa Sanpaolo was included in the SDG2000, a list that identifies the 2,000 companies belonging to 7 key sectors which, worldwide, have the potential to influence the achievement of the United Nations Sustainable Development Goals (SDGs) in 2030.

Intesa Sanpaolo has also received a number of awards in the field of sustainability, in particular:



Institutional Investor - 2020 Ranking [\[i\]](#)

Intesa Sanpaolo is the first European bank in terms of relations with financial analysts and institutional investors and in terms of ESG aspects.



ABI - Innovation Award for Banking Services (Premio Innovazione per i Servizi Bancari) - Sustainable Finance [\[i\]](#)

The Circular Economy Plafond project received the award recognising the company's willingness to contribute to the development and transformation of the Italian economic context, with a positive impact on both society and the environment.



National innovation award (Premio Nazionale per l'innovazione) - Premio dei Premi - XI edition 2020 [\[i\]](#)

Established by the Office of the President of the Council of Ministers with concession from the President of the Republic. Each year the award is given to the best innovation projects in the banking, industry, services, university, public administration and tertiary sectors, identified among the winners of the innovation awards assigned by the main business and professional associations (ABI, etc). Intesa Sanpaolo won with its Circular Economy Plafond project.



AIFIn - Financial Innovation - Italian Awards [\[i\]](#)

Intesa Sanpaolo was named "Innovative Financial Institution of the year 2020". In addition to the award, eight Group projects ranked in first and second place in the various categories, including S-Loan (Sustainability Loan) 1st in the "CSR and Sustainability" category.



Green Building Council Italia

Green Building Council - (Existing Buildings Operations & Maintenance – EB O&M) [\[i\]](#)

In 2020, the Turin Skyscraper obtained confirmation of the 2019 LEED Platinum (Leadership in Energy and Environmental Design) certification from the Green Building Council in the sustainable management category. In 2015, the New Headquarters had already received the LEED Platinum certification for the construction of the building, thanks to the design features and the technological solutions adopted.

2020 Environmental Finance Bond Awards - Award for Innovation [\[i\]](#)

Intesa Sanpaolo was among the winners - use of proceeds for the sustainability bond issued in 2019.



Identity
and profile

Group Presentation

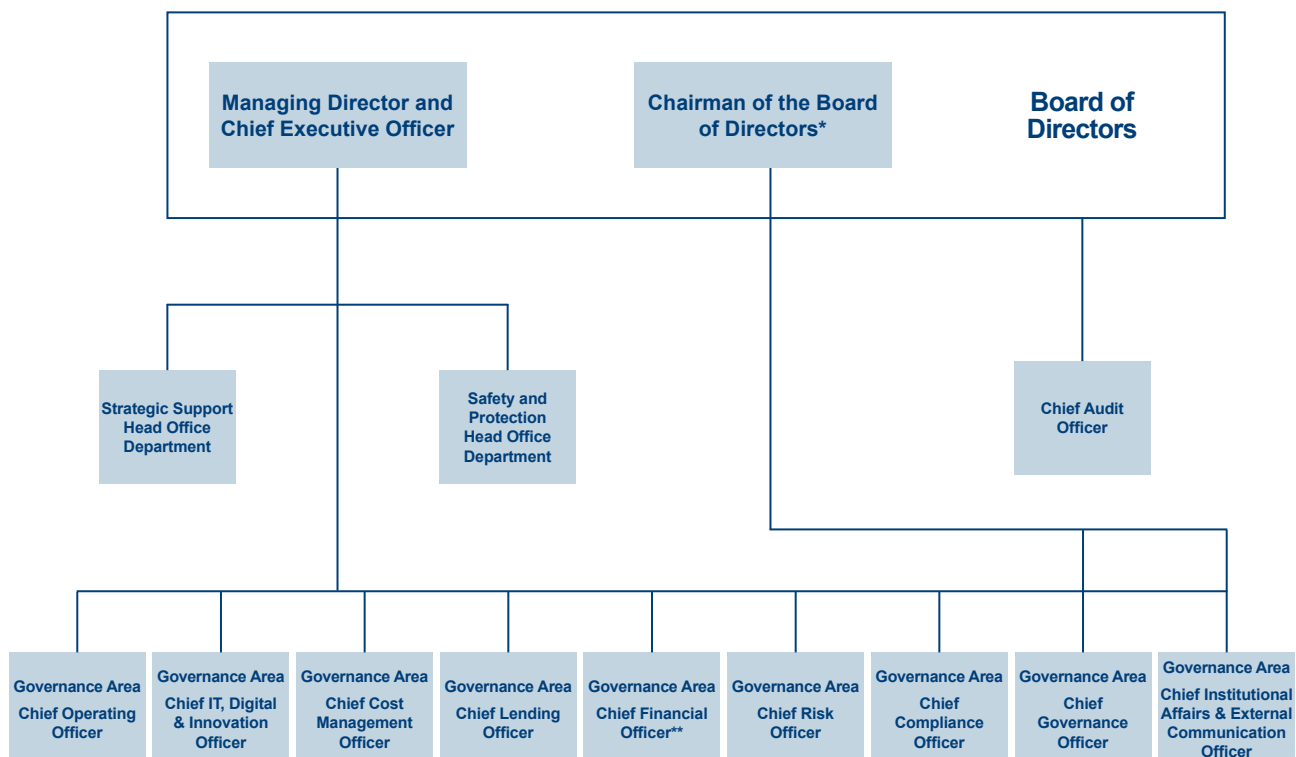
The Intesa Sanpaolo Group is one of the leading banking groups in Europe, with a market capitalisation of 41.5 billion euro⁽¹⁾, and is committed to supporting the economy in the countries in which it operates, particularly in Italy, where it is also committed to becoming an exemplary model in terms of sustainability and social and cultural responsibility.

Intesa Sanpaolo is the market leader in Italy in all operating sectors (retail, corporate and wealth management). The Group supplies its services to some 14.7 million customers via a network of around 5,300 branches across the country, boasting a market share of at least 12% in most regions.

Intesa Sanpaolo has a strategic international presence, with roughly 1,000 branches and 7.1 million customers, including subsidiary banks operating in commercial banking in 12 countries in Central/Eastern Europe and in the Middle East and North Africa. It also has an international network specialising in providing support to corporate customers in 26 countries, particularly the Middle East and North Africa, and in countries where Italian businesses are especially active, such as the United States, Brazil, Russia, China and India.

¹⁾ As at 26 February 2021

The Group is organised into Governance Areas and Head Office Departments reporting directly to the Managing Director and CEO, and six divisions - also reporting to the Managing Director and CEO - focusing on customers.



* Reporting to the Chairman of the Board of Directors: Chairman's Technical Secretariat.

** Reporting to the Chief Financial Officer: Manager Responsible for preparing the Company's financial reports.

The six divisions into which the Group's activities are organised are as follows:

Banca dei Territori	Focused on the market and the central role of the territory in strengthening relationships with individuals, small and medium enterprises, and non-profit entities. The division includes industrial credit, leasing and factoring activities as well as instant banking activities via the partnership between subsidiary Banca 5 and SisalPay (Mooney).
IMI Corporate & Investment Banking	Global medium/long-term partner of businesses, financial institutions and public authorities, on a national and international basis. Includes capital market & investment banking operations and is present in 25 countries, supporting the cross-border activities of its customers through a specialised network of branches, representative offices and subsidiaries that carry out corporate banking activities.
International Subsidiary Banks	Includes subsidiary banks performing commercial banking activities in the following countries: Albania (Intesa Sanpaolo Bank Albania), Bosnia-Herzegovina (Intesa Sanpaolo Banka Bosna i Hercegovina), Croatia (Privredna Banka Zagreb), Egypt (Bank of Alexandria), Moldova (Eximbank), Czech Republic (the Prague branch of VUB Banka), Romania (Intesa Sanpaolo Bank Romania), Serbia (Banca Intesa Beograd), Slovakia (VUB Banka), Slovenia (Intesa Sanpaolo Bank), Ukraine (Pravex Bank) and Hungary (CIB Bank).
Private Banking	Serves customers in the Private and High Net Worth Individuals segment by offering targeted products and services. The division includes Fideuram – Intesa Sanpaolo Private Banking, with 5,741 private bankers.
Asset Management	Asset management solutions aimed at the Group's customers, non-Group distribution networks and institutional customers. The division includes Eurizon, with assets managed totalling 273 billion euro.
Insurance	Insurance and pension products targeted at Group customers. The division is headed by the companies Intesa Sanpaolo Vita, Intesa Sanpaolo Life, Fideuram Vita, Intesa Sanpaolo Assicura and Intesa Sanpaolo RBM Salute, with direct deposits and technical reserves of 175 billion euro.

A detailed presentation of Intesa Sanpaolo's organisational structure is available on the Group's website [\[1\]](#).

International presence

■	ITALY 5,299 Branches
■	OTHER EUROPEAN COUNTRIES 830 Branches 3 Representative Offices
■	AMERICA 2 Branches 3 Representative Offices
■	ASIA 7 Branches 11 Representative Offices
■	AFRICA 176 Branches 2 Representative Offices
■	OCEANIA 1 Branch



Data as at 11 February 2021.

Competitive positioning*

Ranking in Italy

1	Loans		20.6%
1	Deposits ¹		22.0%
1	Pension Funds ²		23.5%
1	Asset management ³		24.8%
1	Factoring ²		27.6%

Figures as at 31 December 2020.

(*) Including UBI Banca and considering the impact of the going concern to be sold to BPER Banca.

(1) Including bonds.

(2) Figures as at 30 September 2020.

(3) Mutual funds; figures as at 30 September 2020.

Business Model*



* For more in-depth insights with regard to the main trends and factors that may affect the business model such as COVID-19, one should refer to the section called "Business continuity and the actions taken in relation to the Group's stakeholders" in the Consolidated Annual Report.

Group value and solidity

THE 2018-2021 BUSINESS PLAN

The 2018-2021 Business Plan seeks to maintain solid and sustainable value creation and distribution for all stakeholders. In addition, Intesa Sanpaolo, already a leader in the field of Corporate Social Responsibility, is seeking to become an exemplary group in terms of social and cultural responsibility. The Business Plan integrates the commitments set by the Group, 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. In particular, Intesa Sanpaolo wishes to become an exemplary group for society, through a series of initiatives aimed at, among other things, granting loans to groups who have difficulty accessing credit despite their potential, ensuring support to disadvantaged people, mitigating the consequences of natural disasters for households and businesses, supporting the Circular Economy's development, and making the most of the artistic, cultural and historical heritage of the Group to promote art and culture in Italy and abroad. In this sense, the Group, including in its strategy, takes into consideration the Sustainable Development Goals (SDGs) set by the United Nations, and therefore wishes to provide a concrete response not only in wording, but also in implementing the commitments undertaken, whose results have now become an integral part of the Bank's sustainable and responsible business model. Intesa Sanpaolo thus intends to seize every opportunity to strengthen the central role of sustainability and social and environmental responsibility within its overall strategy.

All this is made possible by the Bank's ability to consistently create value over time, reinforcing the Group's resilient and highly-diversified business model, in particular positioning itself as a leading player in wealth management & protection.

In a highly digitalised and competitive world, the Bank is continuing to achieve its goals by relying upon its values and the proven implementation capacity of a results-oriented delivery machine.

The Group's strategy hinges on a number of priorities that are now part and parcel of Intesa Sanpaolo, which aims to confirm its leadership as a Bank of the real economy, supporting households and businesses. With a strong balance sheet and a leading position, the Group fulfils requests for credit and responsibly manages customers' savings. Intesa Sanpaolo wishes to be a Bank with sustainable profitability, in which the operating results, productivity, risk profile, liquidity and soundness/leverage are carefully balanced.

The 2018-2021 Business Plan is based on three central pillars:

- significant de-risking at no cost to Shareholders;
- cost reduction through further simplification of the operating model;
- revenue growth seizing new business opportunities.

The enabling factors are people, who continue to be Intesa Sanpaolo's most important resource, and the completion of the digital transformation, which will make it possible to increase the levels of efficiency and offer advanced, high-quality products and services to customers.

People, in particular, benefit from a series of initiatives aimed at strengthening their involvement, promoting inclusion and ongoing dialogue with the company, developing the best talents, improving skills, maintaining employment levels, promoting internal fairness and facilitating a work/life balance through flexibility initiatives (see 2020 Financial Statements, page 66 [1]).

Through the Business Plan, Intesa Sanpaolo has set itself goals which will generate value for its stakeholders and for the achievement of which the Group has continued to develop the main strategic projects. As a solid Bank that is increasingly profitable, Intesa Sanpaolo is able to make a positive contribution for the interests of its shareholders and all other stakeholders.

These objectives are detailed in the various sections of the document, together with the progress achieved during 2020. These include:

Stakeholder	Benefits	2020 results	Plan Objectives for 2021 Cumulative value 2018-2021
Shareholders	Cash payout ratio	Overall cash payout ratio of 75% ⁽¹⁾ ⁽²⁾ (distribution of dividends and reserves) for a normalised 2020 net income of 3.5 billion euro ⁽³⁾ : <ul style="list-style-type: none"> • 694 million euro⁽⁴⁾ cash dividends to pay in May 2021 • Further cash distribution from reserves to meet the overall payout ratio of 75%⁽²⁾ possibly in the 4th quarter of 2021, subject to the approval of the ECB 	85% in 2018, 80% in 2019, 75% in 2020 and 70% in 2021
Households and businesses	New medium/long-term credit granted to the real economy	~87.4 billion euro (~205.6 from the beginning of 2018)	~250 billion euro
Employees	Personnel expenses	~5.5 billion euro (~17 from the beginning of 2018)	~24 billion euro
Suppliers	Procurement and investments	~2.7 billion euro (~8.4 from the beginning of 2018)	~11 billion euro
Public sector	Direct and indirect taxes	~2.1 billion euro (7.4 from the beginning of 2018)	~13 billion euro

(1) Subject to the future indications of the ECB regarding the dividend policy after 30.9.21, term indicated in the recommendation of 15.12.20.

(2) As per the 2018-2021 Business Plan.

(3) Excluding from the 2020 consolidated stated net income the items related to the combination with UBI Banca (effects of the PPA – including negative goodwill – and merger expenses) and the impairment of the goodwill of the Banca dei Territori Division.

(4) Maximum amount available for distribution pursuant to the ECB recommendation of 15.12.20 regarding the dividend policy in light of the COVID-19 epidemic.

ECONOMIC AND FINANCIAL PERFORMANCE AND DISTRIBUTION OF THE VALUE GENERATED*

ECONOMIC AND FINANCIAL PERFORMANCE**

The consolidated income statement for 2020 reported a net income of 3,277 million euro. The net income takes account of the effects of the acquisition of UBI Banca and, in particular, the final amount of the negative goodwill deriving from the business combination with UBI Banca and its subsidiaries as well as the merger expenses of the acquired entity. Furthermore, the income statement also includes the value adjustment made necessary by the goodwill allocated to the Banca dei Territori Division (912 million euro after tax), now entirely written down also in relation to the increase of the carrying value of the Cash Generating Unit following the integration of UBI Banca.

Without taking into account the income statement effects of the consolidation and integration of UBI Banca and its subsidiaries and the aforementioned value adjustment of the goodwill, the consolidated net income would have been 3,083 million euro as compared with the figure of 4,182 million euro for 2019. This fall compared with the previous financial period can be ascribed to the significant impact of the value adjustments to loans (4.2 billion vs. 2.1 billion euro in 2019) and the drop in net fees and commissions and profits (losses) on financial assets and liabilities as a consequence of the COVID-19 epidemic.

(*) For more in-depth insights with regard to the main impacts of COVID-19 on financial performance, one should refer to the section called "Intesa Sanpaolo Group's approach to the preparation of the financial statements as at 31 December 2020" in the Consolidated Annual Report.

(**) Commentary refers, unless otherwise specified, to the reclassified data published in the 2020 Consolidated Financial Statements of the Intesa Sanpaolo Group.

The figures of the Intesa Sanpaolo Group as at 31 December 2020 reflect the effects of the acquisition of UBI Banca and its subsidiaries, subject to consolidation from the date of acquisition (August). Changes in annual percentages are based on 2019 figures, restated, where necessary and if they are material, to take account of changes in the scope of consolidation, with the exception of the acquisition of UBI Banca and its subsidiaries. In fact, given the particular case in question, no adjustments have been made to the historic reclassified income statement and balance sheet data in order to retroactively reflect the effects of the acquisition. Consequently, unless otherwise indicated, the comments on performance trends refer to the income and capital components net of the UBI Group's data, in order to ensure a consistent comparison. Amounts are in millions of euro. For additional details or information, see the 2020 Consolidated Financial Statements of the Intesa Sanpaolo Group.

In detail, in 2020 the Intesa Sanpaolo Group had operating income of 19,023 million euro, including the UBI Group's contribution for the last five months of 2020 of approximately 1.6 billion euro. Net of this contribution, operating income declined by 4.2% on a like-for-like basis on 2019 due to the downtrend in profits (losses) on financial assets and liabilities designated at fair value (-25.3% at 1,441 million euro) and net fee and commission income (-4.8% at 7,582 million euro), only partially offset by the moderately positive performances of income from the insurance business (+5.9% at 1,343 million euro) and net interest income (+0.9% at 7,070 million euro). Overall, the resilience of revenues largely offset the adverse impacts of the persistent pandemic emergency on the income statement.

Operating costs continued to fall (-3.4% to 9,086 million euro, net of 885 million euro relating to UBI) both for personnel expenses (-3.8%), as a result of the downsizing of the workforce and the contraction of the variable component – the effects of which more than offset the remuneration increases linked to the renewal of the National Collective Bargaining Agreement – and for administrative expenses (-5.4%).

In contrast, amortisation and depreciation increased (+3.5%) as a result of the greater IT investments.

Net adjustments to loans (4,160 million euro, net of 54 million euro relating to UBI) doubled compared to 2019. This dynamic can be ascribed, in the context of the outbreak of the COVID-19 epidemic, to the revision of the scenario, applying the Group's methods and taking account of the prospective vision outlined by the ECB and the Bank of Italy.

Other net provisions and net impairment losses on other assets were up (338 million euro, net of 8 million euro relating to UBI, compared to 254 million euro for 2019), due to the higher net provisions for legal disputes.

Other income (expenses), which include realised profits (losses) on investments and income and expenses not strictly linked to operations, had a higher net positive balance (64 million euro, +16.4%) compared with 2019. Income from discontinued operations, amounting to 1,163 million euro (88 million euro in 2019), included the contribution of the business line consisting of the acquiring activities within the payment systems area transferred to Nexi and, in particular, the capital gain recognised at the end of the first half on completion of the sale (1,110 million euro) and the income from the business line sold (53 million euro).

As a result of the trends illustrated above, gross income amounted to 5,052 million euro (-23%), net of 667 million euro relating to UBI.

Taxes on income amounted to 1,190 million euro (net of 170 million euro relating to UBI).

There were also charges for integration and exit incentives (after tax) of 174 million euro, net of 1,387 million euro related to UBI, almost all of which (1,378 million) consisting of charges connected with the integration of the UBI Group in the Intesa Sanpaolo Group.

There was also the Effect of purchase price allocation of -102 million euro, which was joined by 2,062 million relating to the negative goodwill deriving from the company consolidation of UBI Banca and its subsidiaries (net of the additional charges of the Public Purchase and Exchange Offer not allocated to shareholders' equity and other charges strictly connected with the operation).

Also significant and up compared to 2019 are the charges aimed at maintaining the stability of the banking industry, which amounted to a total of 465 million euro after tax (360 million euro in 2019). These amounts do not include the charges relating to UBI, which amounted to 47 million euro after tax.

With regard to the balance sheet figures, at 31 December 2020 loans to customers totalled around 402 billion euro (net of 60 billion euro relating to the UBI Group), up compared to the end of 2019 (+6.6 billion euro, +1.7%), due to the varying trends in the components of the aggregate on a like-for-like basis. In this area, net non-performing loans declined sharply (-3.9 billion, -27.3%).

On the funding side, at the end of December 2020 direct deposits from banking business amounted to 457 billion euro (net of 68 billion euro relating to the UBI Group), up on the figure at the end of 2019 (+31.5 billion euro, +7.4%).

Direct deposits from insurance business – which includes technical reserves – was up compared to the end of 2019 (+6.7 billion euro, +4%), amounting to around 173 billion euro at the end of December (net of 2.7 billion related to the UBI Group).

At the end of 2020, the Group's indirect customer deposits amounted to 552 billion euro, net of the 89 billion euro attributable to the UBI Group. The increase of 3.3% since the beginning of the year is due to the balanced development of all components.

The effects of the COVID-19 pandemic have increased uncertainty regarding the prospects of individual businesses and the economy in general. From the very beginning of the dramatic public health and social emergency that swept Italy, Intesa Sanpaolo has been committed to tackling the situation effectively, whilst ensuring the continuity of its processes and services. With a detailed illustration of the impact of the pandemic and the strategies implemented by the Group provided in the 2020 Consolidated Financial Statements, here we will limit our analysis to underlining how the complexity of the context called for the even closer monitoring of the factors that enable the Group to pursue sustainable profitability: high liquidity, funding capacity, low

leverage, adequate capital base and prudent asset valuations.

At the end of December 2020 liquid assets amounted to 243 billion euro (289 billion including the contribution of UBI Banca), 164 billion of which (195 billion including the contribution of UBI Banca) readily available. The Basel III Liquidity Coverage Ratio and Net Stable Funding Ratio liquidity requirements were met in full. At 31 December 2020, the financing operations with the ECB to optimise the cost of funding and support the investments of corporate customers amounted to around 70.9 billion (around 82.9 billion including the contribution of UBI Banca), entirely made up of TLTRO III.

Funding sources were stable and well diversified with the retail component making up 83% of direct deposits from banking business (excluding the contribution of UBI Banca), including securities issued.

Wholesale medium/long-term funding (excluding the contribution of UBI Banca) came to 7.1 billion in 2020 and included senior bond benchmark transactions of 350 million sterling and 1.25 billion euro and Additional Tier 1 transactions of 3 billion euro (around 85% of which placed with foreign investors).

The Intesa Sanpaolo Group's leverage ratio was 7.2% as at 31 December 2020.

The capital base also remains high and well above regulatory requirements. At the end of the year, the Total capital ratio stood at 19.6%, while the ratio of the Group's Tier 1 capital to its total risk-weighted assets (Tier 1 ratio) was 16.9%. All in all, over the 12-month period the Group preserved its sound capital base: while risk-weighted assets increased by around 49 billion euro as a result of the consolidation of the UBI Group, Common Equity Tier 1 capital increased by over 9 billion euro, bringing the transitional Core Tier 1 Ratio to 14.7% from 13.9% at the end of 2019.

With regard to the valuation of financial assets, as mentioned it was necessary to make a value adjustment of the goodwill allocated to Banca dei Territori of 912 million euro (after tax) which has now been written off.

In general, it is worth pointing out that the Intesa Sanpaolo Group is carefully monitoring the development of the situation, including through specific scenario and stress analyses used to assess the related impacts in terms of profitability and capital adequacy.

Key indicators [millions of euro]	Intesa Sanpaolo Group (excluding UBI Banca Group)		ISP + UBI
	2019	2020	2020
Economic indicators			
Loans to customers	395,229	401,824	461,572
Direct deposits from banking business	425,512	456,969	524,999
Direct deposits from insurance business and technical reserves	165,945	172,606	175,279
Consolidated shareholder's equity	55,968	64,349	65,871
Consolidated net income	4,182	2,171	3,277
Dividends	-		694
Stock Exchange average capitalisation	36,911		34,961
Total assets	816,570	870,172	1,002,614
Economic value generated	17,371		19,490
Economic value distributed	-12,325		-14,339

Figures restated, where necessary and material, considering the changes in the scope of consolidation and discontinued operations. The figures relating to the UBI Group were not restated.

CALCULATION AND DISTRIBUTION OF ECONOMIC VALUE

The economic value generated by the Group in the year is calculated in accordance with ABI ("Italian Banking Association") instructions and consistent with international reference standards. The calculation is made by reclassifying consolidated income statement items recorded in the financial statements, as required under Bank of Italy Circular 262.

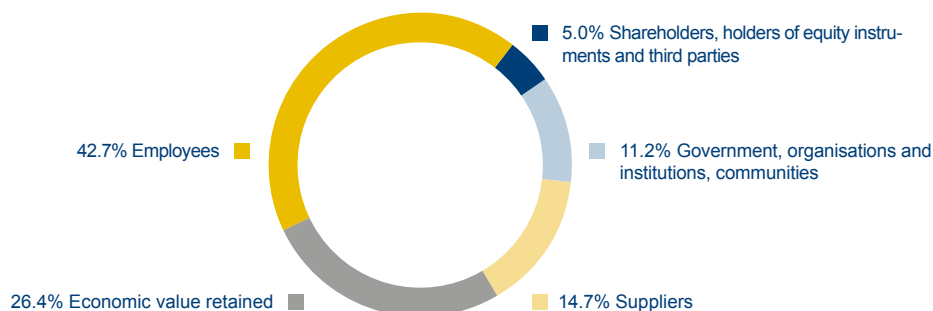
The economic value generated, which in 2020 was over 19 billion euro, came from net income from banking and insurance activities – which therefore takes into account the impairment losses on loans and other financial assets – plus the realised gains and losses on investments and other operating income. The amount of the economic value generated expresses the value of the wealth produced, most of which distributed among the stakeholders with which the Group interacts in various ways on a day-to-day basis. In particular:

- employees and other staff benefited from over 42% of the economic value generated, for a total of 8.3 billion euro. In addition to staff pay, the total also includes payments to the network of financial advisors. It also includes the employee benefits relative to the agreement on staff exit incentives signed with the trade unions as a result of the integration with UBI Banca;
- suppliers received almost 15% of the economic value generated, for a total of 2.9 billion euro in payment for goods and services, including those connected with the acquisition of UBI Banca;
- the Government, Organisations and Institutions recorded a total flow of funds of over 2 billion euro, around 11% of the economic value generated, over 1 billion euro of which referring to indirect taxes and duties, over 400 million euro to taxes on income from continuing operations, and over 700 million euro to levies and other charges concerning the banking industry, consisting of contributions to resolution and guarantee funds. There were also numerous social and cultural initiatives and other actions taken to support the charity funds and issue disbursements by way of social and cultural contributions, also following the outbreak of the COVID-19 epidemic;
- approximately 5% of the economic value generated was allocated to Shareholders, holders of equity instruments and minority interests, largely in terms of the proposed dividend, for a total of approximately 1 billion euro, subject to the ECB Recommendation of 15 December 2020 following the outbreak of the COVID-19 epidemic. In particular, the dividend proposed was 694 million euro, the maximum permitted according to this Recommendation. For more details see the Proposals to the Shareholders' Meeting in the Intesa Sanpaolo S.p.A. separate financial statements.

The remaining amount of the economic value generated, around 5 billion euro, was withheld by the corporate system and mainly comprises retained earnings, deferred tax assets and liabilities, amortisation and depreciation, and provisions for risks and charges. The aforementioned ECB Recommendation of 15 December 2020 on dividends had an impact on the significant amount of economic value withheld. In addition, as already alluded to, subject to the developments in the guidance from the Supervisory Authority after 30 September 2021, and in line with the 2018-2021 Business Plan, a distribution of reserves is envisaged, from the results for 2020, which when added to the above-mentioned dividend should lead to the payment of a total amount of 3,505 million euro of adjusted consolidated net income corresponding to a payout ratio of 75%.

BREAKDOWN OF 2020 ECONOMIC VALUE

ECONOMIC VALUE	Millions of euro	
ECONOMIC VALUE GENERATED	19,490	100.0%
ECONOMIC VALUE DISTRIBUTED	-14,339	73.6%
Employees	-8,315	42.7%
Suppliers	-2,855	14.7%
Government, organisations and institutions, communities	-2,189	11.2%
Shareholders, holders of equity instruments and third parties	-980	5.0%
ECONOMIC VALUE RETAINED	5,151	26.4%



Vision and values

“We work to provide quality banking and financial services to our customers and activate ways to promote development in all the areas in which we operate.

Conscious of the value of our activities in Italy and abroad, we promote a style of growth that focuses on sustainable results and the creation of a process based on the trust deriving from customer and shareholder satisfaction, a sense of belonging on the part of our employees and close monitoring of the needs of the community and the local area.

We compete on the market with a sense of fair play and are ready to cooperate with other economic entities, both private and public, whenever necessary to reinforce the overall capacity for growth of the economies of the countries in which we operate.

We take responsibility for prudent savings management, we commit to extending access to credit and financial instruments to everyone, and we support sustainable development of the entrepreneurial system, aware that our decisions have a significant direct and indirect impact on the natural environment and on the community. We want to contribute to the wellbeing (not only material) of both by supporting and implementing cultural initiatives and projects for the common good.”

(from the Code of Ethics [1])

The Intesa Sanpaolo Group growth 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 our stakeholders and based on the values outlined in the Code of Ethics.

Integrity

The Group pursues its goals with honesty, fairness and with a sense of responsibility in full compliance with the rules, professional ethics and spirit of signed agreements.

Quality

The Group's aim is to continually improve. It is forward-looking and anticipates challenges, cultivating widespread creativity with the objective of achieving innovation and worth.

Transparency

Transparency forms the basis for all our activities, communications and contracts in order to enable stakeholders to make independent, fully informed decisions.

Respect for specific qualities

The Group's intention is to combine its international and national dimension with its local roots, becoming a bank that “thinks big”, without losing sight of individuals.

Equality

We are committed to eliminating discrimination from our conduct, and to respecting differences of gender, age, race, religion, political beliefs, trade union membership, sexual orientation and identity, language or disability.

Value of individuals

The value of each and every individual guides the entire modus operandi of the Group, which adopts listening and dialogue as tools for continually improving relations with all stakeholders.

Responsibility in the use of resources

We strive to use all resources with the utmost care, encouraging conduct focused on optimisation and the prevention of waste and ostentation and prioritising choices geared towards long-term sustainability.

The Group is committed to complying with sustainable development principles and has been involved in important international initiatives that promote dialogue between companies, international organisations and civil society, and that pursue respect for the environment and human rights.

Voluntary commitment to domestic and international initiatives, partnerships and strategies for the United Nations Sustainable Development Goals



In support of



Signatory of:



Global Compact [i]

A UN initiative that promotes corporate social responsibility through the adoption of ten fundamental principles relating to human rights, labour rights, the environment and combating corruption.

Women's Empowerment Principles – WEPs [i]

Principles promoted by the UN that define guidelines for companies aimed at promoting gender equality and women's professional development in the workplace.

UNEP Finance Initiative [i]

The UN Environmental Programme that promotes dialogue among financial institutions on economic performance, environmental protection and sustainable development.

UNEP Finance Initiative – Principles for Responsible Banking – PRB [i]

UNEP FI Programme that intends to bring the banking sector closer to the UN Sustainable Development Goals and the 2015 Paris Agreement on Climate.

UNEP Finance Initiative – Principles for Sustainable Insurance – PSI [i]

UNEP FI programme for the insurance industry, with the aim of addressing the risks and opportunities related to environmental, social and governance issues. The Intesa Sanpaolo Group subscribes to the Principles as a signatory through Intesa Sanpaolo Vita.

Principles for Responsible Investment – PRI [i]

Principles on the integration of ESG criteria on investments, the result of the partnership between UNEP FI and the Global Compact. The Intesa Sanpaolo Group subscribes to the Principles as a signatory through Eurizon Capital SGR and the Group's Pension Fund.

Equator Principles [i]

Guidelines for social and environmental risk assessment and management in projects, based on criteria recommended by the International Finance Corporation, a World Bank organisation.

CDP [i]

Independent non-profit organisation which provides companies and countries with a global system of information on climate change. Joining CDP fosters the dissemination of information on greenhouse gas emissions and the management of risks and opportunities associated with climate change.

The Intesa Sanpaolo Group adheres to the CDP as a signatory through Eurizon Capital SGR.

Task Force on Climate-related Financial Disclosures – TCFD [i]

Established in December 2015 by the Financial Stability Board (FSB), the Task Force published eleven recommendations in June 2017 to promote transparent reporting of risks and opportunities linked to climate change by companies.

Global Reporting Initiative [i]

Organisation which develops (GRI Standard) Guidelines for sustainability reporting recognised at a global level. Intesa Sanpaolo is a member of the GRI Community.

B4SI [i]

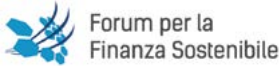
An internationally recognised reporting standard on investments in the community by businesses.

PARTNERSHIPS



Ellen MacArthur Foundation

The foundation is one of the main international promoters of the systemic transition towards the Circular Economy. Intesa Sanpaolo is the Strategic Partner of the Foundation, with which it has renewed the collaboration agreement for the three-year period 2019-2021.



Forum for Sustainable Finance

Multi-stakeholder association with the objective of spreading the culture and supporting the development of sustainable finance. It is the Italian representative of the EuroSIF (European Sustainable Investment Forum).

Intesa Sanpaolo participates in the Global Compact initiative and is an active member of the community of businesses that support the UN Sustainable Development Goals.

SDGs – SUSTAINABLE DEVELOPMENT GOALS



The Sustainable Development Goals were set by the United Nations 2030 Agenda and adopted by all 193 member states of the UN, including Italy, at the end of 2015. The 17 Global Goals and their 169 targets build on the Millennium Development Goals launched in 2005.

Intesa Sanpaolo is aware of the fact that many of the objectives set in the 2018-2021 Business Plan are strictly connected with certain Sustainable Development Goals. This link is also confirmed by the materiality analysis, which highlighted the importance of certain issues both in terms of impact on the Group's strategies and on its stakeholders. Therefore, the link with the Business Plan and the material issues (namely the topics that the materiality analysis has shown to be of key importance) have been bolstered by the various Sustainable Development Goals, as well as with the actions, projects and results of greatest significance in terms of their positive effects on the community.

This approach is proof of the Group's contribution to generating positive change at global level through a commitment that, considering the loans granted by the Group to support families and businesses and the investments, it extends to all SDGs and is focused on 12 objectives in particular.

Contribution to SDGs	1 NO POVERTY	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	7 AFFORDABLE AND CLEAN ENERGY	8 ECONOMIC GROWTH AND EMPLOYMENT	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Group value and solidity						■						
Direct environmental impacts					■						■	
Transition to a sustainable, green and circular economy					■					■	■	
Retention, enhancement, diversity and inclusion of the Group's people			■	■		■		■				
Health, safety and well-being of the Group's people		■				■						
Employment protection						■						
Quality of service and customer satisfaction		■										
Financial inclusion and supporting production	■	■	■	■		■	■		■			
Sustainable investments and insurance						■					■	
Community support	■	■	■						■			
Integrity in corporate conduct												■
Innovation and digital transformation							■					

These are the identified goals, the main actions carried out in 2020 and the strategies for the future, with specific reference to 2021, unless otherwise specified.

SDGs	2020 Actions	Objectives
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Intesa Sanpaolo for disadvantaged people (see page 134)
16.1 million meals, over 994,000 beds, 228,000 medicines and 178,000 items of clothing were given out in the 2018-2020 period.

Supporting the Third Sector (see page 110)
In 2020, approximately 470 million euro was granted to support social enterprises and the third sector.

Intesa Sanpaolo Fund for Impact (see page 107)
As part of the Fund for Impact, the 2020 per Merito loan funded the university studies of 6,446 students thanks to the disbursement of around 51.5 million euro. New types of loans were introduced during the year: the first is targeted at working mothers, Mamma@work, and aims to support them financially following maternity; the second, XME StudioStation, is a loan for families designed to support distance learning (1.2 million euro disbursed in 2020). Finally, two new initiatives were announced: one to support working mothers in India, and Obiettivo Pensione, a loan for people over 50 who have lost their job or have difficulty accessing pension schemes.

Microcredit (see page 107)
In 2020 approximately 85 million euro was granted for microcredit or anti-usury projects, in Italy and abroad.

Charity Fund (see page 130)
In 2020, the Intesa Sanpaolo Fund for charitable, social and cultural donations disbursed approximately 16 million euro to support over 750 projects carried out by non-profit organisations. The target of allocating a large share of resources (>70%) to donations supporting projects benefiting more vulnerable sections of the population was exceeded by a considerable amount, amounting to 92%.

- The 'Cibo e Riparo per le persone in difficoltà' (Food and Shelter for disadvantaged people) initiative to guarantee 10,000 meals a day, 6,000 beds a month and 3,000 clothing items and medicines a month by 2021.
- New medium- to long-term loans in support of social enterprises, totalling approximately 0.7 billion euro over the 2018-2021 period, thus confirming Intesa Sanpaolo's position as the largest third-sector lender in Italy.
- Intesa Sanpaolo Fund for Impact which will enable the disbursement of loans totalling 1.25 billion euro (with an increase in lending capacity to around 1.5 billion euro following the acquisition of UBI Banca) over the 2018-2021 period to sections of society who find it hard to access credit despite their potential.



Contribution to the community (see page 129)
100 million euro donated to strengthen the National Health Service via the Civil Protection Department, 10 million euro to the Dioceses of Bergamo and Brescia to support families in financial and social difficulty as a result of the pandemic, and 350,000 euro to the National Association of Alpine Regiments to accelerate the construction of a field hospital in Bergamo. All in all, the financial contribution to the community amounts to around 184 million euro (86 million in 2019) of which over 57% in the health area and 7% in civil and humanitarian emergencies.

Training for doctors and nurses (see page 132)
As part of the Generation project, 102,409 doctors and nursing staff participated in the training programmes on personal protection, non-invasive ventilation and management of emergencies connected with COVID-19.

Charity Fund (see page 130)
1 million euro allocated by the Charity Fund to support scientific research on COVID-19.

- Active commitment to supporting the health service during the health emergency.
- Guarantee of safe working conditions and business continuity for Group employees and customers.
- Support for well-being (Process and People Care) and flexibility programmes (24,000 workers working remotely in 2021).

SDGs	2020 Actions	Objectives
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Customer health and safety (see page 98)</p> <ul style="list-style-type: none"> ◦ Around 100% of branches open and fully operational; consultancy by appointment only and over-the-counter transactions by appointment only in the areas with the tightest restrictions due to the health emergency. ◦ Free extension of ISP health insurance to cover COVID-19. <p>Support for innovation (see page 118)</p> <p>From the early days of the pandemic, support was provided to the Sacco Hospital for research on COVID-19, offering expertise and human capital in the areas of IT, statistics and data science.</p> <p>Health, safety and well-being of Group employees (see page 162)</p> <ul style="list-style-type: none"> ◦ Flexible work extended to over 65,500 people with "digital coaches" to support the switch to remote working and share best practices. ◦ Adoption of organisational, prevention and protection measures in response to the health emergency, such as the introduction of hygiene regulations and codes of conduct, the supply of health equipment to workers, flexible working hours and shifts in order to guarantee a reduction in personal contact and social distancing. ◦ Voluntary flu and pneumococcal vaccine campaign for Group employees (17,493 flu vaccines and 7,575 pneumococcal vaccines administered). ◦ Launch of specific initiatives for the well-being of Group employees, such as Consultation and Support, a service that provides free psychological support, and Carelab, an integrated system of content and tools focused on diets, exercise, energy and emotional well-being. ◦ Health and safety training: 159,677 hours provided to 33,279 workers in 2020. 	
 <p>4 QUALITY EDUCATION</p>	<p>Training (see page 157)</p> <p>The Group's training solutions prioritised digital channels with quick, simple and interactive forms of participation, providing a total of around 11.8 million hours of training in 2020.</p> <p>Intesa Sanpaolo Fund for Impact (see page 107)</p> <p>With per Merito, a loan without collateral for all young university students residing in Italy and studying in Italy or abroad, launched as part of the Fund for Impact, 6,446 students received funding and approximately 51.5 million euro was granted in 2020. In August XME StudioStation was launched, a loan to support distance learning (1.2 million euro granted in 2020).</p> <p>Contribution to the community (see page 129)</p> <ul style="list-style-type: none"> ◦ Intesa Sanpaolo works in various ways with over 60 Italian universities through partnership agreements that include training initiatives, support activities for teachers and Master's courses, scholarships for students and PhD students, research and innovation projects. ◦ Investment in young people, their education and job promotion is also tangible in the Giovani e Lavoro programme, developed in collaboration with Generation Italy, a job orientation project which has involved around 1,400 companies and trained around 1,500 young people since the start of the programme. ◦ The P-Tech initiative, in partnership with IBM, aims to provide young professionals with training in the area of new digital skills: mentoring activities with 20 ISP mentors were held for 40 young professionals. 	<ul style="list-style-type: none"> ◦ 1 billion euro of investment in training and learning for employees, with the provision of around 46 million hours of training in the 2018-2021 period (11.9 million hours in 2021). ◦ Continuation of the per Merito initiative, part of the Fund for Impact, and introduction of new solutions. ◦ Supporting training and access to the Italian labour market for 5,000 young people over a multi-year timeframe with the Generation initiative.
 <p>5 GENDER EQUALITY</p>	<p>Mamma@work (see page 107)</p> <p>In 2020 a new subsidised loan, Mamma@work, was introduced to support working mothers financially following maternity.</p> <p>Inclusion and diversity management (see page 159)</p> <ul style="list-style-type: none"> ◦ Diversity & Inclusion Principles approved in 2020. ◦ Creation of a specific Diversity & Inclusion Operating Committee to align, discuss and share D&I initiatives with all structures; ◦ Number of managers also assessed on the basis of a KPI, equal to 10% of the overall evaluation, dedicated to the promotion of female talent, extended to more than 1,200 (1,100 in 2019). ◦ Continuation of projects to support empowerment and female talent. <p>Support for female entrepreneurship (see page 109)</p> <p>With Business Gemma, the loan that supports businesses run by women and self-employed women, 93 loans amounting to 3.2 million euro were granted in 2020. Banca Intesa Beograd and Intesa Sanpaolo Bank Albania entered into agreements with the European Bank for Reconstruction and Development (EBRD) as part of the Women in Business programme, respectively disbursing 163 loans amounting to around 1.2 million euro and around 500,000 euro for 9 loans, in 2020.</p>	<ul style="list-style-type: none"> ◦ Intesa Sanpaolo Fund for Impact, which will enable the disbursement of loans totalling 1.5 billion euro over the 2018-2021 period to sections of society who find it hard to access credit despite their potential. ◦ Launch of dedicated initiatives to ensure diversity and inclusion are fully promoted.

SDGs	2020 Actions	Objectives
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Loans and services for the Green Economy (see page 174) In 2020, the Group disbursed 1,985 million euro (almost 22 billion euro over the 2010-2020 period) for the Green Economy, corresponding to 2.3% of all Group loans. The proceeds of the 500 million euro Green Bond issued in 2017, 60.5% of which allocated to photovoltaic power, 13.3% to wind power, 9.3% to hydroelectric power, 15.1% to bioenergy and 1.8% to energy efficiency, financed 76 projects with annual savings of around 460,000 tonnes of CO₂ emissions.</p> <p>Renewable energy (see page 187) In 2020 electricity consumption from renewable sources amounted to 84.3% of total consumption. The Group itself produced 1,082 MWh of energy from renewable photovoltaic sources.</p>	<ul style="list-style-type: none"> ◦ An increase in the use of renewable energy sources, from 76% at the end of 2012 to 81% by the end of 2022.
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Supporting production and innovation (see page 112)</p> <ul style="list-style-type: none"> ◦ Approximately 87 billion euro in new medium/long-term loans was disbursed in 2020 (205 billion euro since 2018), over 77 billion euro of which in Italy and around 63 billion euro of which to households and SMEs. Over 37 billion euro consists of loans of high social impact (42.5% of the total), of which around 30 billion euro, backed by the government and SACE, to support the production industry during the health emergency. In addition, in accordance with the emergency regulatory framework, suspensions were granted for 73 billion euro of households and business mortgages and loans, including renewals. ◦ In response to the pandemic, the Group made 50 billion euro of credit available to support businesses and professionals, and as part of the strengthening of the Sviluppo Filiera (Supply Chain Development) Programme made 10 billion euro of new credit available to support ~2,500 Italian supply chains. ◦ In 2020 the Group facilitated the return from non-performing to performing status of around 11,500 Italian companies, with a positive impact on employment through the protection of approximately 57,000 jobs. ◦ The Renaissance Programme consists of grants and impact loans to help micro businesses and start-ups in specific communities get back on their feet and develop their business models following the COVID-19 pandemic, leveraging on development and innovation projects. Activated in Bergamo (30 million euro, in collaboration with the Municipality of Bergamo) and Florence (50 million euro, in collaboration with Fondazione CR Firenze). ◦ With Resto al Sud, the initiative promoted by the Italian Ministry of the Economy aimed at young people for the launch of start-ups in southern Italian regions, which takes advantage of the 1.25 billion euro made available by the Development and Cohesion Fund, 575 loans amounting to 26 million euro were disbursed. <p>Employment protection (see page 153) In 2020 the employment protection measures implemented by the Group made it possible to reassign around 1,400 employees to new priority activities (approximately 4,500 since 2018) and hire 386 people with specialised profiles. At the end of 2020, 380 people were hired on the new mixed work contract. Following the integration of UBI Group, agreements were reached for the voluntary resignation of around 7,200 Group employees with plans in place to hire 3,500 new workers.</p> <p>Assessment and incentive systems (see page 156) Over 80% of eligible employees joined the LECOIP 2.0 Plan for an Initially Allocated Capital value of around 84 million euro. Second-level agreements were signed for the pay-out of the Variable Result Bonus and the Protection Excellence System and, for the Insurance Division, the Variable Additional Bonus and the Social Bonus</p> <p>Talent development (see page 159) The International Talent Program, aimed at developing a new generation of managers with an international outlook, continued and had involved 310 Talents at the end of 2020.</p> <p>Welfare and quality of life in the company (see page 162) Flexible work extended to over 65,500 people with "digital coaches" to support the switch to smart working and share best practices.</p>	<ul style="list-style-type: none"> ◦ New medium- to long-term loans totalling around 250 billion euro disbursed to the real economy ◦ Hiring of at least 1,650 people in the 2018-2021 period to support the growth of the core business and facilitate generational change. ◦ Reassignment of excess capacity (5,000 people) into new high-value added initiatives (Proactive HR In-Placement) ◦ Support for well-being (Process and People Care) and flexibility programmes (24,000 employees to participate in smart working schemes by 2021) to improve individual productivity and satisfaction, part-time and mixed contracts. ◦ International Talent Program aimed at strengthening the international middle management community through training programmes and personalised career paths involving around 500 resources by 2021.

SDGs	2020 Actions	Objectives
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Digital Transformation (see page 100) Intesa Sanpaolo is a European leader for its mobile app functionalities and stands out for its strong digital solutions with:</p> <ul style="list-style-type: none"> ◦ around 10.3 million multichannel customers, equal to around 88% of total customers; ◦ 11.6 million digitised transactions in 2020 (44.6 million since 2018) and approximately 67.6 million since the launch of the initiative; ◦ about 85% of products available on multi-channel platforms; ◦ around 60% of activities digitised (35% in 2019). <p>In 2020 final agreements were signed with TIM and Google to begin development of two Cloud Regions in Italy, which will make it possible to take advantage of the potential of modern cloud-based technologies.</p> <p>Supporting production and innovation (see page 112) Via the Intesa Sanpaolo Innovation Center, workshops were developed for applied research projects:</p> <ul style="list-style-type: none"> ◦ Artificial Intelligence Lab: at the end of 2020, 7 research projects were ongoing and 4 scientific papers had been published, one of which regarding the partnership with the Sacco Hospital, to which the Group provided support for research activities connected with COVID-19. ◦ Neuroscience Lab: at the end of 2020, 7 research projects were ongoing on human resources, protection and corporate well-being. 11 events/seminars were held and 5 videos created to promote and spread this culture in the field of neuroscience. ◦ Development and promotion of start-ups: around 1,400 start-ups were analysed (approx. 2,650 since 2018) and 8 acceleration programs launched for 155 start-ups (390 since 2018) which were presented to selected investors and other stakeholders in the ecosystem (around 5,600 since 2018); 293 applications received, including 49 Italian start-ups, for the Techstars acceleration programme. <p>As a bank that grants specific public subsidies for research and innovation (in particular, the Sustainable Growth Fund, managed by the Ministry of Economic Development), in 2020 Intesa Sanpaolo approved 68 projects for around 312 million euro of investments in 145 beneficiaries. 28 innovation projects worth over 30 million euro were financed with Nova+ in 2020.</p> <p>Through the Innovfin guarantee, issued by the EIF with the financial support of the EU, around 63 million euro was allocated to 28 loans in 2020.</p>	<ul style="list-style-type: none"> ◦ 2.8 billion euro of investments in 2018–2021 to complete the digital transformation. ◦ 70% of activities digitised in 2021 (10% in 2017)
 <p>10 REDUCED INEQUALITIES</p>	<p>Inclusion and diversity management (see page 159)</p> <ul style="list-style-type: none"> ◦ The projects to encourage the inclusion of people with intellectual disabilities and people diagnosed with autism or autism spectrum disorder, continued. ◦ Creation of a section dedicated to Disability Management on the company Intranet. ◦ In 2020 a project was launched to analyse and discuss the prevention of gender harassment and violence in the workplace with the goal of adopting common measures. ◦ The commitment to the issue of dyslexia continued: in December 2018 Intesa Sanpaolo was the first bank in Italy to be certified Dyslexia Friendly. <p>Assessment and incentive systems (see page 156) The adoption of the Global Banding system to map managerial positions in the company was consolidated, also through the adoption of an international title valid for managerial positions in Italy and abroad.</p> <p>Intesa Sanpaolo Fund for Impact (see page 107) The per Merito loan launched in 2020 funded the university studies of 6,000 students thanks to the disbursement of around 51.5 million euro. New types of loans were introduced during the year: the first is targeted at working mothers, Mamma@work, and aims to support them financially following maternity; the second, XME StudioStation, is a loan for families designed to support distance learning (1.2 million euro disbursed in 2020). Finally, two new initiatives were announced: one to support working mothers in India, and Obiettivo Pensione, a loan for people over 50 who have lost their job or have difficulty accessing pension schemes.</p>	<ul style="list-style-type: none"> ◦ Launch of dedicated initiatives to fully promote diversity and inclusion (e.g. gender, age, nationality, religion, personal and social conditions)
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>Promotion of culture for social cohesion (see page 138)</p> <ul style="list-style-type: none"> ◦ The project for the fourth Gallerie d'Italia venue was presented in Turin in January. ◦ In 2020 the Bank accelerated the production of online content on the Gallerie d'Italia website and social channels. ◦ In the months in which they were able to open, the Gallerie d'Italia welcomed around 210,000 visitors and in the first months of the year, before the pandemic, 678 workshops were held for 17,000 children and 107 dedicated courses were held free of charge for people from socially vulnerable and disadvantaged backgrounds (2,000 participants). ◦ the Group's art portfolio consists of over 30,000 works. <p>Support to households and businesses affected by disasters (see page 108) The Group continued to support populations affected by earthquakes and other natural disasters by suspending mortgage repayments on affected properties for around 500 million euro of residual debt and providing subsidised loans of over 163 million euro (around 497 million euro since 2018).</p>	<ul style="list-style-type: none"> ◦ Proactive management of the artistic, cultural and historical heritage of the Group and promotion of art and culture in Italy and abroad.

SDGs	2020 Actions	Objectives
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Circular economy (see page 177)</p> <p>The Group's commitment to the Circular Economy, developed in partnership with the Ellen MacArthur Foundation, involved - for the 2018-2021 period - the creation of a dedicated 5 billion euro credit line (subsequently increased to 6 billion euro following the acquisition of the UBI Group) and the launch of the Circular Economy Lab, the first Italian laboratory - in conjunction with Cariplo Foundation - designed to generate value for the Group's business customers by developing research and circular innovation projects. In 2020, disbursements from the credit line amounted to around 1.5 billion euro (2.2 billion euro since it was launched). In December 2020 Intesa Sanpaolo published the first report on the use of the proceeds from the 750 million euro Green Bond issued in 2019 and focused on the Circular Economy, fully allocated during the first year, with annual savings of over 255,000 tonnes of CO₂ emissions, corresponding to 341 tonnes per million euro.</p>	<ul style="list-style-type: none"> ◦ Allocation of a dedicated credit plafond and launch of an investment fund for the Circular Economy.
 <p>13 CLIMATE ACTION</p>	<p>Environment and climate change (see page 172)</p> <p>All the actions carried out in 2020, in line with the Environmental Plan, confirm the Group's commitment to reducing its environmental footprint. In 2020, Scope1 + Scope2 greenhouse gas emissions decreased by 13.1% thanks also to the reduction in the use of the company's business premises.</p> <p>Climate Change Action Plan (see page 184)</p> <p>Since 2017 Intesa Sanpaolo has had a Multi-Year Environmental Sustainability Plan – the Climate Change Action Plan – with targets for 2022 and 2037. The positive data emerging from the monitoring of the Environmental Plan was also influenced by the effects of COVID-19. Following the integration of UBI in the Group, the Climate Change Action Plan was updated in 2020 with the revision of the 2012 baseline and also confirming the medium- and long-term emission reduction goals established by the original Plan within the new corporate structure. In addition, with regard to renewable energy a new goal of purchasing 89% of electricity from renewable sources by 2022 was established. In 2020 electricity purchased from renewable sources already amounted to 88%.</p> <p>Transition to a sustainable, green and circular economy (see page 174)</p> <p>As part of the programme of disbursements in favour of the European Green Deal, in 2020 the Group launched a loan designed to incentivise sustainable growth projects for SMEs (S-Loan). The loans enjoy subsidised rates, subject to the annual monitoring of two ESG KPI, which are reported in the company's financial statements. For this specific product a dedicated credit line of 2 billion euro has been allocated with 130 million euro disbursed in 2020.</p> <p>Management of potential risks and impacts related to climate change (see page 69)</p> <p>Since October 2018 Intesa Sanpaolo has supported the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), publishing information on the risks and opportunities linked to climate change, as outlined in the TCFD Reconciliation table (see p. 240).</p>	<ul style="list-style-type: none"> ◦ The Climate Change Action Plan, Intesa Sanpaolo's Multi-Year Environmental Sustainability Plan, envisages a reduction of 37% in CO₂ emissions in the 2012-2022 period. ◦ In the context of the European Green Deal, in January 2020 Intesa Sanpaolo stated its willingness to make 50 billion euro of loans available in Italy in the coming years.
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>Combating corruption (see page 77)</p> <ul style="list-style-type: none"> ◦ In March 2020 the Board of Directors approved the update of the anti-corruption guidelines to take account of the organisational changes in the Group and the new obligations that have been introduced by law. ◦ In 2020 the certification confirming the compliance of Intesa Sanpaolo's anti-corruption management system with the international ISO 37001 standards was renewed following the annual audit process. ◦ In 2020, training to prevent corruption and money laundering involved 74,511 employees for a total of approximately 361,394 hours provided. ◦ Activities to monitor the compliance of the detailed regulation on areas of greatest risk with the principles defined in the Group Anti-Corruption Guidelines continued. 	<ul style="list-style-type: none"> ◦ Verification of the compliance of internal regulations with the most recent update of the anti-corruption guidelines.

Materiality analysis and Stakeholder engagement

Non-financial and sustainability reporting focuses on key aspects that reflect the impacts, positive or negative, generated by the Group's activities in the economic, social and environmental sphere which are capable of significantly influencing the stakeholders' perception of it.

As well as constituting the core of non-financial and sustainability reporting, these aspects are also crucial for identifying and managing risks and opportunities, also contributing to shaping the company's strategy with regard to relevant issues for the business and its stakeholders. To this end, in line with the process outlined in the GRI Standards, Intesa Sanpaolo updates its materiality analysis on an annual basis.

The results of the Materiality analysis are graphically represented using a Cartesian coordinate system known as the Materiality Matrix which shows on the ordinate axis (y axis) the relevance that the material issues cover for the Group and its strategy, and on the abscissa axis (x axis) the relevance that they have for stakeholders based on their decision-making requirements and prospects. This representation makes it possible to disclose in summary form the significance ("materiality") of each issue on the basis of its overall position with respect to the two axes.

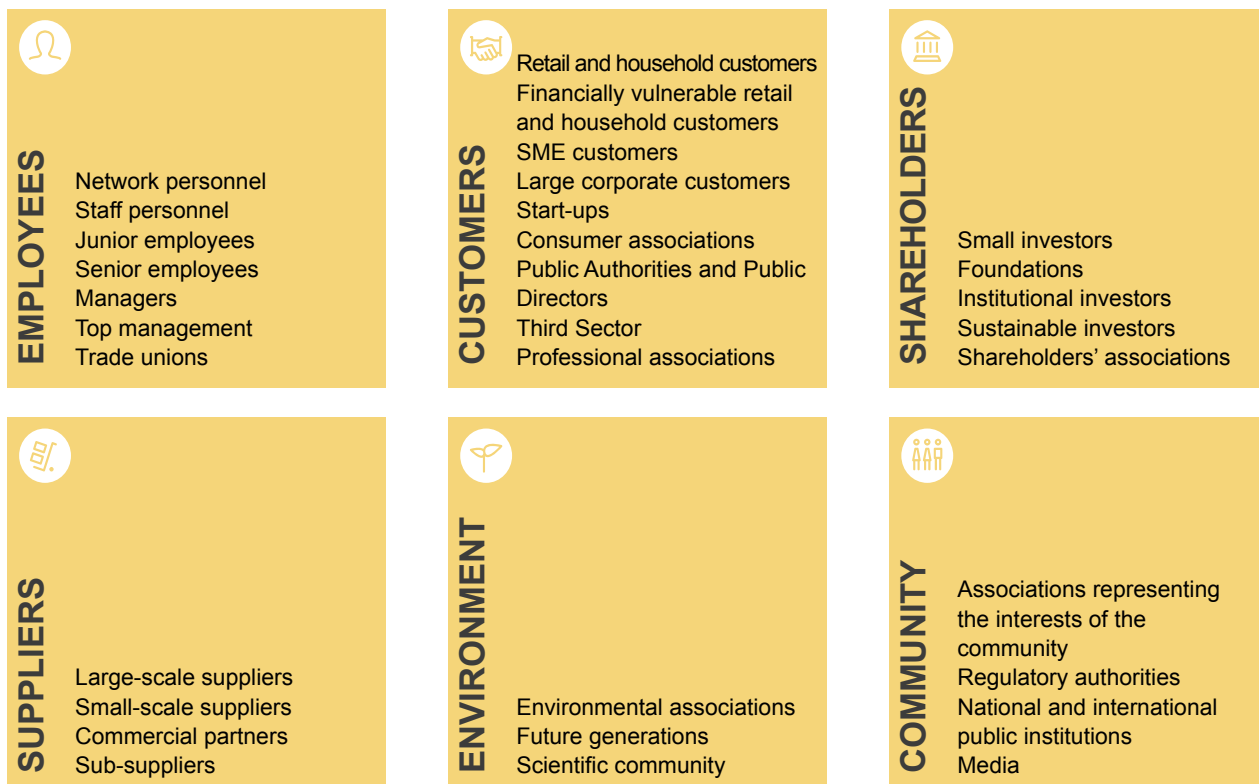
The Intesa Sanpaolo Group 2020 Materiality analysis process was set out in line with the following macro-phases:

- Stakeholder mapping of Intesa Sanpaolo Group;
- identification of the relevant issues for the Intesa Sanpaolo Group and its stakeholders based on benchmark analyses, national/international documentation and with respect to the strategic priorities defined in the 2018-2021 Business Plan;
- prioritisation of the issues through the involvement of Intesa Sanpaolo's Sustainability Managers (key contacts for ESG issues identified in each Area and Division of the Bank) and the stakeholders of the Group, in order to define the positioning of the relevant issues within the materiality matrix. In addition, the Steering Committee collaborates in identifying potentially relevant sustainability issues (ESG) for the definition and updating of the materiality matrix;
- validation of the materiality matrix.

STAKEHOLDER MAPPING

The stakeholder map represents the Group's network of relations, with which Intesa Sanpaolo exchanges views on a regular basis in order to identify and monitor their needs and prospects in relation to the issues deemed to be priority topics. The identification of the stakeholder map represents the first phase of the periodic updating process of the materiality analysis.

IDENTIFICATION OF THE RELEVANT ISSUES



Intesa Sanpaolo has identified the priority issues for the Group and for its stakeholders through an analysis that took into consideration the following elements:

- benchmark made on a panel of over 500 international banking and fintech organisations*;
- internal document sources, including the 2018-2021 Business Plan, the Code of Ethics, the Consolidated Non-financial Statements of the last three years, the communications of the top management, the minutes of the Shareholders' Meetings and company policies;
- external documents, including: reference standards and frameworks for sustainability performance reports (AA1000, GRI standards, International <IR> framework, SASB, Guidelines on reporting climate-related information), international documents linked to sustainability issues, Recommendations of the Task Force on Climate-related Financial Disclosures, Principles for Responsible Banking and the main regulations in the sector (e.g. Italian Legislative Decree 254/2016, EU Regulations 2019/2088 and 2020/852);
- Sustainability Reports/Consolidated Non-financial Statements and additional public documentation of other Italian and international financial groups;
- documents drafted by national and international institutions for the identification of general and specific megatrends in the banking sector;
- results emerged from the dialogue with the Sustainability Managers and with the stakeholders of the Intesa Sanpaolo Group.

In order to provide clear definitions to all stakeholders, these issues were described (see outline on pages 261-262) with their meaning to the Intesa Sanpaolo Group clearly explained. Finally, the issues were evaluated in terms of priority, related risks, areas of priority action and specific actions.

PRIORITISATION OF ISSUES AND DEFINITION OF THE MATERIALITY MATRIX

To assess the priority of each theme consideration was given both to the impact of the issues with respect to the company's goals and strategies, as reported on the "Impact on strategies" axis of the materiality matrix, and to the information requirements, expectations and needs of its stakeholders reported on the "Importance for stakeholders" axis of the same Matrix.

The prioritisation process of the issues on the "Impact on strategies" axis involved the Sustainability Managers of the Intesa Sanpaolo Group and took into consideration the aspects, particularly in the ESG area, to which the Group paid special attention in 2020.

The prioritisation process of the issues on the "Relevance for Stakeholders" axis was set out through a series of personalised stakeholder engagement initiatives, carried out in compliance with the AA1000 AccountAbility standard. The engagement plan was defined in collaboration with the internal functions which have direct relations with all categories of stakeholder on a daily basis.

During the engagement activities, in addition to requesting specific assessments from all stakeholders with regard to the identified sustainability issues, specific focus areas were carried out in the COVID-19 sphere, by virtue of the health emergency that characterised 2020 and its implications for public health and the economy.

This engagement is documented in minutes taken down in collaboration with the relevant parties and is managed by an independent third party. The topics proposed to individual stakeholders relate to different aspects of sustainability, not limiting the listening process to the issues traditionally connected with each category, thereby encouraging broader discussions and new perspectives.

* The benchmark analysis included a panel of organisations from the fintech world given the relevance for the banking sector of the reference macro-trends in the fields of innovation, digitisation and technology.

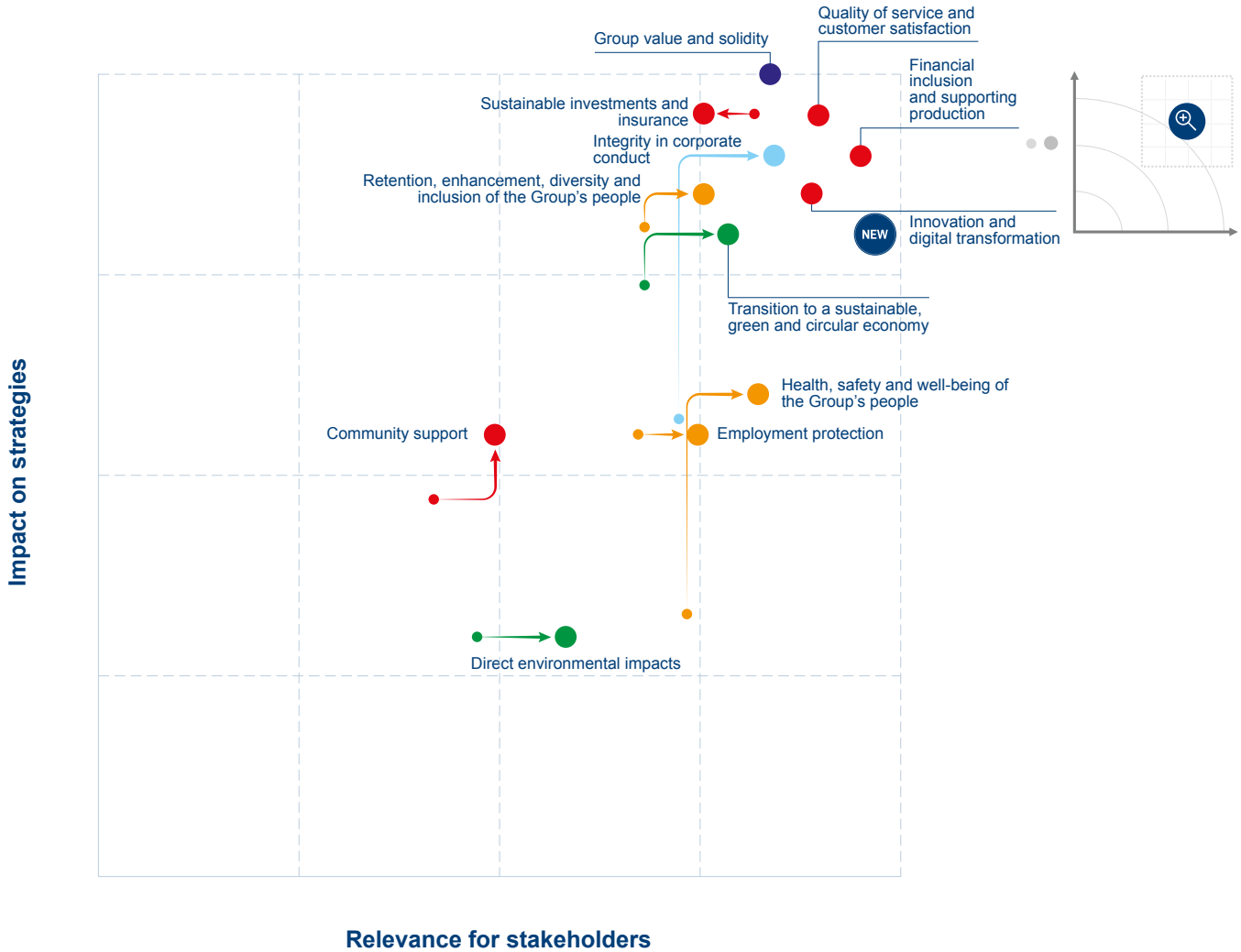
The following table outlines the methods used to engage stakeholders included in the materiality analysis, broken down into individual categories, and the summary of the related issues covered.

Stakeholder CATEGORY	Stakeholder	LISTENING METHOD	SUMMARY OF THE ISSUES COVERED
Customers	Retail customers	Online questionnaire filled out by a sample of 3,553 retail customers	<ul style="list-style-type: none"> Pursuit of the banking business in full compliance with the rules and principles of fairness in business Responsible, solid and sustainable governance Value creation and distribution models for the stakeholders of the Group Attention to service quality, customer relationship and satisfaction Group leadership in sustainable investments and integration of ESG factors in the conduct of insurance business Instruments for the disbursement of loans to sections of society that would otherwise find it difficult to access credit, loans and products with a high social impact Support to the community, through solidarity initiatives and projects carried out in partnership, donations and sponsorships Promotion of art and culture in Italy and abroad Promotion of a low-carbon and circular economic model Development of initiatives for environmental protection and the reduction of the environmental footprint relating to the Group's buildings, offices and branches
	Corporate customers	Telephone interviews carried out with a sample of 2,352 corporate customers	<ul style="list-style-type: none"> Talent development Development of internal skills, periodic training plans Assessment and incentive systems Diversity management and inclusion Employment protection measures aimed at allowing the updating and conversion of the skills of the Group employees towards priority activities and with higher added value Occupational Health and Safety Management compliant with the most advanced international standards. Flexibility plans, including smart working, to improve people's productivity and well-being Business continuity and management of the COVID-19 pandemic
Environment/ Community	Representative figures	Questionnaires and virtual one-to-one interviews for 3 representative figures of the Community and the territory	<ul style="list-style-type: none"> Communication, transparency and accessibility of non-financial disclosure Contribution to decarbonisation and transition to a low-emission circular economy model Support for families, communities and the country's production sector and society to cope with the COVID-19 emergency Support to non-profit organisations in the light of the so-called "Third sector reform" in order to promote the effective implementation of activities of general interest in the territory for the benefit of communities and the environment Exclusion policies adopted by Intesa Sanpaolo with regard to controversial sectors Employment protection, including in consideration of the potential economic and social implications for local communities and the country's social cohesion
Shareholders/ investors	SRI investors	Analysis of the outcome of investor requests that emerged during the virtual meetings held during the year	<ul style="list-style-type: none"> Group value and solidity, including in relation to the merger with UBI Banca Combating climate change and transition to a Green and Circular economy Sustainable finance, investments and insurance Green and ESG-related financial products Actions implemented by the Group to tackle the COVID-19 pandemic and ensure business continuity Group employee growth, well-being and protection (e.g. incentive plans, diversity, etc.) Innovation and digital transformation strategies and plans Support for the territory and communities, with particular reference to the actions implemented to support the country's production sector
	Small shareholders (E.di.va.)	Virtual one-to-one interview	<ul style="list-style-type: none"> Communication, transparency and accessibility of non-financial disclosure Organisational changes, including in relation to the merger with UBI Banca Support for communities, young people and the production sector in a particularly uncertain context Strengthening financial education and inclusion programmes Combating climate change Promotion of circular economy models Loans for environmental protection purposes Group value and solidity

Stakeholder CATEGORY	Stakeholder	LISTENING METHOD	SUMMARY OF THE ISSUES COVERED
Employees	Group Employees, in Italy and abroad	<p>Survey aimed at listening to the opinions and needs of more than 36,000 Group employees in Italy, and almost 14,000 Group employees abroad, over the period of the health emergency linked to COVID-19;</p> <p>+ Survey focused on sustainability issues conducted through a questionnaire which included the participation of the Branches and Division Head Office Departments/ Governance Areas/ Departments (questionnaire sent to 1,500 Group employees)</p>	<ul style="list-style-type: none"> • Dissemination and knowledge of good practices already in place • Employment protection • Actions implemented by the Group to address the COVID-19 pandemic • Health and safety of Group employees, including in relation to the context linked to the COVID-19 pandemic • Employee well-being (flexibility and work-life balance, relationship with colleagues and managers) • Management of smart working • Progressive digitisation of banking processes and dematerialisation, including with reference to the commitments contained in the Business Plan • Welfare Policies adopted by Intesa Sanpaolo • Group Employees' engagement methods • Integrity in corporate conduct
	Trade unions	Virtual focus group with 11 representatives from 5 trade unions	<ul style="list-style-type: none"> • Communication, transparency and accessibility of non-financial disclosure • Group value and solidity • Management of the COVID-19 emergency, with particular reference to the actions taken in order to safeguard the health and safety of the Group Employees, in the offices and branches • HR management and employment protection, including in consideration of the organisational changes that occurred during the year • Training and incentive mechanisms for Group employees • Group employee well-being (e.g. flexibility and smart working) • Ability to attract talent

The assessments collected made it possible to update the Intesa Sanpaolo Group 2020 materiality matrix, represented below:

2020 MATERIALITY MATRIX





- Group value and solidity
- Community
- Integrity in corporate conduct
- People
- Environment and climate change
- → Change from 2019

MAIN VARIATIONS IN THE 2020 MATERIALITY MATRIX

In 2020, the material issues identified in 2019 in response to the requests contained in Legislative Decree 254/2016 were essentially confirmed, including in terms of positioning. The analyses carried out made it possible to update the wording and related descriptions of specific issues in order to provide a better explanation of some of the key aspects that emerged. Furthermore, it was possible to grasp the changes driven by the sustainability/ESG context of reference within and outside the Group, also in consideration of the exceptional moment linked to the COVID-19 pandemic (such as the emphasis placed on the health and safety issue). Among the changes of 2020, in particular, "Innovation and Digital Transformation", previously included in the issue "Quality and innovation in customer relations", was highlighted as a separate topic.

Below are the main updates in terms of wording made to material issues in 2020 compared to those in 2019.

CHANGES OF MATERIAL ISSUES	2019	2020	
	<ul style="list-style-type: none"> Integrity in corporate conduct Employment protection Direct environmental impacts 	<ul style="list-style-type: none"> Integrity in corporate conduct Employment protection Direct environmental impacts 	
	<ul style="list-style-type: none"> Green Economy Company value and solidity Access to credit and financial inclusion Employee growth and development Employee well-being Quality and innovation in customer relations Relations with the community Responsible asset management and customer protection 	<ul style="list-style-type: none"> Transition to a sustainable, green and circular economy Group value and solidity Financial inclusion and supporting production Retention, enhancement, diversity and inclusion of the Group's people Health, safety and well-being of the Group's people Quality of service and customer satisfaction Community support Sustainable investments and insurance 	
	-	<ul style="list-style-type: none"> Innovation and digital transformation 	
	 No change	 Updated issues	 New issues

In terms of positioning, the topic "Group value and solidity" has not changed compared to 2019: it is the most important topic for Intesa Sanpaolo and among those of particular relevance for stakeholders in consideration of its cross-cutting nature and the interrelations of the latter with all the other issues identified.

In relation to the issues relating to Society, the positioning of "Financial inclusion and supporting production", as well as of "Quality of service and customer satisfaction", continues to be the topic of greatest relevance for the stakeholders of the Group compared to 2019. The matrix relevance of these issues also reflects the peculiarities of the year 2020 linked to the pandemic context and the absolute need to promote financial inclusion, support production and ensure customer satisfaction in a context generally perceived as uncertain. In this sense, this year's matrix highlights the relevance of the topic "Innovation and Digital Transformation" which is among the most relevant issues in consideration of the incontrovertible trends and the related impacts connected to Intesa Sanpaolo's operating sector. In the light of these dynamics, the topic "Sustainable investments and insurance", on the other hand, undergoes a slight decrease in relation to its relevance as perceived by the stakeholders. As already mentioned, this trend is linked to the greater attention paid in 2020 by stakeholders to the issues perceived as more related to the fight against the COVID-19 pandemic and the support to the country's social and economic cohesion. In particular, the topic "Community Support" is further enhanced compared to 2019, both for the Group and for the stakeholders, in consideration of the attention paid by the Bank to the development of projects aimed at supporting communities and younger generations.

In addition, the topic "Integrity in corporate conduct" is shown to be perceived as more relevant both for the Group and for the stakeholders, given that it is increasingly considered as a structural prerequisite of financial institutions and deemed to be fundamental and indispensable for the correct management of all other issues present in the

Matrix, as well as the foundation of customer relationships based on trust. In particular, in the context of a high rating on average, the engagement activities carried out highlighted the absolute relevance of this issue for the Group Employees, Trade Unions and Customers.

With regard to the issues relating to the Group Employees, in 2020, the greater emphasis placed on the topic "Retention, enhancement, diversity and inclusion of the Group's people" also reflects the attention paid to aspects such as new talent attraction, training and development investments, performance-based evaluation and incentive systems and the enhancement of diversity and inclusion, with the latter being an aspect that is also reflected in the recent establishment of a dedicated corporate structure and in the publication of the Diversity & Inclusion Principles. The change also reflects the views that emerged from the engagement of the Group Employees regarding the relevance of the training processes aimed at promoting growth opportunities and guaranteeing the strengthening of professional skills. The increase in relevance is also linked to the information needs resulting from the merger with UBI Banca and the management of the Group employees during the COVID-19 pandemic emergency. In this sense, the topic "Health, safety and well-being of the Group's people" has also seen an increase in relevance both for the Group and for its stakeholders. On the one hand, this variation is linked to the impacts that the pandemic has had and is still having on the strategies and the related initiatives implemented to deal with the health emergency (e.g. extension of smart working); on the other hand, for stakeholders, the increase in significance is attributable to the growing information needs in relation to health and safety issues and to the biological risk mitigation measures deriving from the COVID-19 pandemic. In relation to these issues, the Trade Unions have expressed the need for the Group to pay ever greater attention to the Group employees' health, including through the timeliness of implementation of prevention and protection initiatives as well as the dissemination of the smart working internal culture for the benefit of the workforce. Finally, "Employment protection" has gained increased relevance on the stakeholders axis, following the needs and expectations of the latter with regard to the organisational and dimensional changes in progress and the related possible implications, including with reference to the impacts deriving from the merger with UBI Banca and the related potential effects on employment protection, also in light of the NEXT (Nuove esperienze per te) project, which provides a reskilling training process as support during the change process and in new roles.

With regard to the topics relating to Environment and climate change, in 2020, the topic "Transition to a sustainable, green and circular economy" becomes particularly relevant, due to the Group's and its stakeholders' awareness of the role that a financial institution such as Intesa Sanpaolo can play in the transition towards a low carbon economic model and towards the circular economy. The issue represents an aspect of great interest both for the Group and for its stakeholders (especially investors), also in view of the commitment shown by Intesa Sanpaolo in relation to these areas. Consistently with the strong national and international focus on these aspects, sustainable investors confirm a strong interest in green financial products and, more generally, with ESG characteristics. The small shareholders show a more focused vision and underline the importance of the Bank's proactive role in combating climate change and promoting an increasingly circular economy by encouraging positive behaviours in this respect and the disbursement of loans for environmental purposes.

The topic "Direct environmental impacts" has gained increased relevance in the matrix compared to 2019, following the growing interest of stakeholders. In particular, in consideration of the general growing significance of issues relating to climate change, stakeholders have shown greater attention also towards the environmental impacts associated with buildings, offices and branches.

Although relations with suppliers is not a material issue, Intesa Sanpaolo recognises their considerable social and environmental value, and therefore provides summary disclosures on this matter in this document, and detailed information on the website [\[1\]](#).

MATRIX VALIDATION

All issues that are significant (i.e. that have a score of 3 or higher, on a scale of 0 to 5) for the Group or for at least one of its stakeholders have been considered material and have been reported and detailed in this document.

Each one is assessed in terms of its positive and negative impact on internal and external stakeholders and the company structures, and on the basis of potential associated business risks/opportunities. The reporting scope for each of the topics is specified on pages 261-262. The Materiality Matrix was shared with the Steering Committee and with the Risks Committee, which forms part of the Board of Directors.

ANALYSIS OF MATERIAL ISSUES IN THE WIDER CONTEXT OF SUSTAINABILITY

The results represented in the Materiality Matrix were examined in terms of their consistency, including with a context analysis on general sustainability issues and a sector analysis at national and international level. This analysis was also updated through the critical reading of the most relevant ESG documents published in 2020.

As regards national and international trends and objectives, additional aspects were identified to take into account the relevance that aspects such as the COVID-19 pandemic and issues such as sustainable finance, the fight against climate change and the increasing digitisation had in 2020.

IMPACTS, RISKS AND OPPORTUNITIES AT NATIONAL AND INTERNATIONAL LEVEL

MATERIAL ISSUE	RISKS AND OPPORTUNITIES	NATIONAL AND INTERNATIONAL TRENDS AND OBJECTIVES
Integrity in corporate conduct	<ul style="list-style-type: none"> • Corruption prevention • Compliance and data breach risk management • Investments in sensitive sectors • Fight against organised crime 	<ul style="list-style-type: none"> • Spread of organised crime • Incentive of ethical conduct • Fight against active and passive corruption • Protection of free competition • Compliance with labour laws • Privacy, Cyber & data security • Anti-Money Laundering • Anti-fraud
Group value and solidity	<ul style="list-style-type: none"> • Credit quality • Efficient use of capital and diversification • Attracting sustainability-conscious investors • Management of business, ESG and reputational risks • Changes in the organisational structure 	<ul style="list-style-type: none"> • Globalisation and competitiveness • Evaluation of long-term scenarios including climate-related risks and opportunities • Promotion of transparent and efficient financial markets • Dissemination of ESG values and culture • Assessment of the financial implications linked to ESG impacts
Quality of service and customer satisfaction	<ul style="list-style-type: none"> • Proximity to the customer and operational streamlining • Product innovation and service models • IT risk • Unfair commercial practice • Reputational risks associated with the application of ESG factors/criteria 	<ul style="list-style-type: none"> • Growth in bank deposits and increase in loans, due to or in relation to the uncertainty linked to the pandemic context • Business continuity and consumer satisfaction • Reorientation of the financial system towards an offer that incorporates the ESG criteria • Customer health and safety • Service digitisation
Sustainable investments and insurance	<ul style="list-style-type: none"> • Offer diversification • Management of reputational and ESG risks in investments and in relation to insurance products 	<ul style="list-style-type: none"> • Investors' attention to ESG aspects and to the measurement of the sustainability of investments, also as tools to combat climate change • Customer satisfaction with asset management by financial operators • Integration of ESG risk factors into investment management and insurance activities • Promotion of sustainable lifestyles • Dissemination of ESG integration practices negative/positive screening, impact investing
Transition to a sustainable, green and circular economy	<ul style="list-style-type: none"> • Risks linked to climate change • Management of reputational and ESG risks in loans and insurance products 	<ul style="list-style-type: none"> • Support to the growth of demand and supply of low carbon products and services • Increase in Italian companies' green competitiveness • Transition to a sustainable economy through a collaborative network and the promotion of circular development models • Support to loans for environmental projects Identification, management and reporting of governance, strategy, climate risk management, climate-related objectives promoted by the TCFD • Promotion of actions aimed at mitigation and adaptation to climate change • Increasing attention to the protection of biodiversity and ecosystem services
Retention, enhancement, diversity and inclusion of the Group's people	<ul style="list-style-type: none"> • Talent attraction • Investments in training • Diversity & inclusion management • Enhancement of human resources 	<ul style="list-style-type: none"> • Incentive of the banking consultant's proactivity for the dissemination of ESG products • ESG criteria in the incentivisation and inclusion of employees • Gender diversity, equal treatment and inclusion • Dissemination of periodic performance evaluation models integrated with ESG elements

MATERIAL ISSUE	RISKS AND OPPORTUNITIES	NATIONAL AND INTERNATIONAL TRENDS AND OBJECTIVES
Direct environmental impacts	<ul style="list-style-type: none"> Operational protection in risk situations Impact on costs and business investments Risks related to climate change 	<ul style="list-style-type: none"> Reduction and reporting of atmospheric emissions to combat climate change Responsible use of energy and natural resources Waste management Clean and accessible energy and water Promotion of concrete climate actions Dissemination of the environmental protection culture
Employment protection	<ul style="list-style-type: none"> Employment Labour law risks Changes in the organisational structure 	<ul style="list-style-type: none"> Uncertain employment levels due to the pandemic context Consultation and inclusion of employees Continuity of employment/Welfare, well-being and social safety nets
Financial inclusion and supporting production	<ul style="list-style-type: none"> Financial inclusion Support to SMEs Management of reputational and ESG risks in loans 	<ul style="list-style-type: none"> Increased levels of financial education including in terms of sustainability Integration of ESG risk factors into credit management Actions to eradicate poverty Support for young people and the production sector
Community support	<ul style="list-style-type: none"> Brand enhancement Group's leadership in society for the dissemination of the sustainability culture Promotion and measurement of activities with high social impact Investments in sensitive sectors and reputational risk Management of current socio-demographic changes 	<ul style="list-style-type: none"> Social and economic development of local communities Strengthening cooperation to achieve global sustainable development objectives Dissemination of social finance instruments Increase in social inequalities Rising average age of the population
Health, safety and well-being of the Group's people	<ul style="list-style-type: none"> Company welfare initiatives Work-life balance and flexibility Management of employees' health and safety risks 	<ul style="list-style-type: none"> Attention to company climate Attention to employees' health and safety Dissemination of welfare and well-being practices Application of protocols for the prevention and mitigation of biological risks
Innovation and digital transformation	<ul style="list-style-type: none"> Compliance and data breach risk management Service quality Privacy IT risk Market and services diversification 	<ul style="list-style-type: none"> Digital transformation/Digital identity, online payments and billing New technologies to ensure greater accessibility, effectiveness and excellence in the services provided Digital customer experience Dissemination of the use of Home Banking services Application of artificial intelligence and robotics



Governance and risk management

Governance structure

Intesa Sanpaolo adopts the "one-tier" management and control model, in which the management and control functions are exercised, respectively, by the Board of Directors and the Management Control Committee set up within it, both appointed by the Shareholders' Meeting.

Detailed information on the corporate governance system and remuneration – including references to diversity in the Board of Directors – is provided in the "Report on Corporate Governance and Ownership Structures" and in the "Report on the remuneration policy and the remuneration paid" published on the Bank's website, to which reference should be made. In particular, the model of attributions and responsibilities of the Bodies on ESG risks and the diversity profiles of the composition of the same Bodies are specifically represented in the Report on Corporate Governance and Ownership Structures.

THE BOARD OF DIRECTORS

The Board of Directors is tasked with corporate management and may therefore undertake all transactions considered necessary, useful or appropriate in achieving the corporate purpose, both of an ordinary and extraordinary nature. It performs strategic guidance and supervision functions for the Company and resolves on all the most important corporate deeds.

The Managing Director and CEO is the Chief Executive Officer and General Manager and supervises the company's management to the extent of his/her assigned powers, in compliance with the general planning and strategic guidelines set forth by the Board. The Chairman of the Board of Directors oversees the work of the Board, organises and directs the activity and performs all the tasks set by the supervisory regulations. He/She has a non-executive role and does not carry out, not even de facto, management functions.

Within the Board there is a Management Control Committee, appointed by the shareholders' meeting, which is made up of five independent directors pursuant to the Articles of Association and exercises the control functions also as an internal control and audit committee (pursuant to Italian Legislative Decree no. 39/2010). The Ordinary Shareholders' Meeting of 30 April 2019 set the number of members of the Board of Directors at 19, appointing directors for the three-year term of office on the basis of the lists submitted by shareholders. The ordinary Shareholders' Meeting of 27 April 2020 confirmed the appointment of a director co-opted by the Board of Directors on 2 December 2019, following the resignation of another director in November 2019; in addition, it appointed a new director within the Management Control Committee, in replacement of an outgoing member. All directors are non-executive, with the exception of the Managing Director and CEO; 14 directors are independent. Minority shareholders are adequately represented (5 members) and present in all Board Committees with the chairmanship of the Management Control Committee and the Committee for Transactions with Related Parties. The Directors meet the requirements of fitness for office required by the regulations of reference and the provisions of the Articles of Association.

The Board Committees are indicated below, which are appointed by the Board of Directors from among its members, and support the same Board with its duties of performing investigations, providing advice and making proposals:

- Nomination Committee;
- Remuneration Committee;
- Risks Committee;
- Committee for Transactions with Related Parties of Intesa Sanpaolo and Associated Entities of the Group.

The Committees are composed of five non-executive Directors, the majority of which are independent, with the exception of the Committee for Transactions with Related Parties of Intesa Sanpaolo and Associated Entities of the Group, which is entirely composed of independent Directors. All the Committees are chaired by independent directors.

RESPONSIBILITIES AND DIVERSITY OF THE MANAGEMENT AND CONTROL BODIES

According to Intesa Sanpaolo's Articles of Association, the Board shall adopt the necessary measures to ensure that each Director, and the Board as a whole, have a continually adequate level of diversification, including in terms of experience, age, gender and international orientation, in addition to competence, fairness, reputation, independence of mind, and time commitment.

In the document on the qualitative and quantitative composition of the Board of Directors published on the Bank's website in February 2019, in view of the renewal of the Corporate Bodies which took place with ordinary Shareholders' Meeting of 30 April 2019, the shareholders were asked to ensure that the new Board of Directors had the broadest gender diversity with adequate professional skills, as well as a diversity of age brackets amongst Directors, in addition to a comprehensive level of knowledge and experience.

With particular reference to the adequacy and diversity of the professional profiles required, a "Skills Directory"

has been drawn up in the document cited outlining the set of experiences, knowledge and skills – very good or distinctive, with a very broad, intermediate or limited dissemination – that are considered appropriate to achieve the optimal qualitative composition of the Board of Directors of Intesa Sanpaolo. The skills and expertise were subsequently strengthened and supplemented on the basis of training programs as well as of the intensive induction plan for both the new directors (onboarding) and the entire Board.

For further information on the skills declared by the individual directors at a distinctive level, reference is made to the Report on Corporate Governance and Ownership Structures (page 13).

The less-represented gender must be reserved a share of at least one third of the total members (7 members out of 19), as established by currently applicable laws on the matter of equal access to the administrative and control bodies of listed companies. Furthermore, in the current structure of the Board, the female gender is represented within all the Board Committees, reaches the majority of the members of the Committee for Transactions with Related Parties and has the chairmanship of the Risks Committee and the Nomination Committee.

The Board of Directors, also following the appointment of two new members in April 2020, assessed its composition as adequate, including in terms of diversity, and suitable for a properly balanced composition of the Board Committees. Senior officers of the subsidiaries are appointed by the Board of Directors, which operates according to uniform policies and principles at Group level and in compliance with the regulations and best practices applicable to each subsidiary, with specific importance given to the level of diversity, including in terms of age, gender, seniority of service, geographical origin and international orientation. In establishing the composition of the Bodies, the most adequate and effective mix of personal and professional profiles is sought for each subsidiary in terms of its nature, the structure of its activities and the risks taken. To this end, any indication made by the Management Body of each subsidiary during the annual self-assessment process is taken into account.

TRAINING AND UPDATING OF THE DIRECTORS

With the support of the Nomination Committee, the Board of Directors shall ensure that the Bank draws up and implements induction and training programmes for the members of the Board. In this context, following the Chairman's indications, Board Members are encouraged to participate in initiatives meant to enhance the degree of knowledge of the operating sectors of the Bank and the Group companies, company dynamics and their development, principles of sound risk management and regulatory and self-regulatory environment of reference, also through formal and informal meetings aimed at further review of strategic matters.

Specific induction sessions were held during 2020 (6 sessions) which concerned, among others: the evolution of ESG issues and the Intesa Sanpaolo Group's commitment as part of a dedicated programme (with the participation of 16 directors); the application of European legislation on the processing of personal data (EU Regulation 2016/679, so-called GDPR); the regulatory aspects on anti-money laundering and related penalties (with the participation of 17 directors); the evolution of Cyber Risk; the evolution of the relevant US law (Dodd Frank Act/Volcker Rule); Product Oversight Governance.

In addition, a number of onboarding sessions were held in 2020 aimed at the directors appointed by the Shareholders' Meeting of 27 April 2020.

To promote better understanding of the reference corporate and regulatory environment and its evolution, a collection of governance documents, regulatory references, key correspondence with the Supervisory Authorities, accounting positions and any additional documentation conducive to the performance of their duties is available to Board Members via a dedicated electronic platform and regularly updated.

The Board of Directors receives periodic reports from the corporate control functions on their activities, which illustrate the checks carried out, the results achieved, the weaknesses found and the proposals for action to be taken to eliminate them within the various company areas. These reports shall also cover anti-corruption issues.

Several Directors also hold positions on the Boards of Directors of leading Italian universities as well as on the Boards of foundations and third sector bodies active in the fields of art and culture, health, support to poverty and the circular economy and support to nutrition policies. In particular, a member of the Board of Directors, as well as Chairman of the Risks Committee, is a member of the Creares Scientific Council, a Centre for Research in Business Ethics and Social Responsibility which aims, among other things, to enhance research on business ethics, ethical finance, corporate governance and social reporting.

REMUNERATION

Full information, both in qualitative and quantitative terms, is provided in the Report on the remuneration policy and the remuneration paid ("Report on Remuneration"), available on the website [\[i\]](#). The Bank's Articles of Association envisage that the members of the Board of Directors be entitled, in addition to the reimbursement of expenses incurred due to their office, to a remuneration for the services rendered, which is determined by

the Shareholders' Meeting in a fixed amount for the entire period of their office. The Shareholders' Meeting also determines the additional remuneration for the office of Chairman and Deputy Chairperson. Pursuant to the Articles of Association, the Shareholders' Meeting has the duty to determine, at the time of the appointment of the Management Control Committee and for the entire term of office, specific remuneration for the Board Members of this Committee, consisting of an equal amount for each Member, but with a special addition for the Chairman.

Pursuant to the Articles of Association, the Managing Director is entitled to receive a fixed and variable remuneration tied to the position of General Manager, determined by the Board of Directors in line with the Remuneration and Incentive Policies approved by the Shareholders' Meeting.

As required by the Supervisory Provisions, in accordance with the principle of external competitiveness and in order to support the achievement of the ambitious strategic objectives, in 2017 the Shareholders' Meeting resolved to increase the incidence of variable remuneration to fixed remuneration up to a maximum of 2:1 for Group Risk Takers, including the Managing Director and General Manager.

Following the profound and sudden change in the macroeconomic context originating from the COVID-19 pandemic, as well as the ECB's invitation (with communications of 20 May 2020 and 28 July 2020) to banks to adopt the utmost prudence in the allocation of bonuses pertaining to 2020, with particular reference to Risk Takers, the Intesa Sanpaolo Group has provided for the reduction in the bonus pool of the Incentive System for the year 2020 with a consequent reduction in the bonuses to be paid to this cluster.

The variable component of remuneration, bound to the achievement of specific performance objectives linked to the creation of value for shareholders and adjusted for the risks assumed, is composed of the Annual Incentive System linked to the Managers' Performance Accountability assessment system and the 2018-2021 POP (Performance-based Option Plan) Long-Term Incentive Plan. In accordance with the Supervisory Provisions and the Group's Remuneration and Incentive Policies, both the short- and long-term variable components are subject to deferral and partly assigned in financial instruments subject to holding periods after the vesting period.

Specifically, under the Annual Incentive System, if the bonus accrued is equal to or less than 100% of the fixed remuneration, 55% is paid in shares and the remainder in cash. On the other hand, if the bonus accrued is more than 100% of the fixed remuneration, 60% is paid in shares and 40% in cash. Furthermore, the disbursement of 60% of the bonus is deferred for 5 years. The payment of the deferred amounts is subject to the verification of the malus conditions each year. Finally, the company reserves the right to activate claw-back mechanisms on bonuses already paid in the 5 years following their payment in the event of disciplinary measures against fraudulent or grossly negligent conduct and in the event of conduct that does not comply with the provisions of the law, regulations, articles of association or any codes of ethics or conduct resulting in a "significant loss" for the Bank or for customers.

The ESG (Environmental, Social and Governance) issue has become increasingly important in recent years in the context of remuneration policies. This phenomenon is due not only to growing pressure from the Regulator and the consequent evolution of the sector regulations, but also to the increasing awareness of the issue on the part of Proxy Advisors and international Shareholders.

Therefore, the Intesa Sanpaolo Group has included in the CEO's Performance Scorecard, among the non-financial KPIs, two specific indicators aimed at monitoring the issue from different perspectives. In particular:

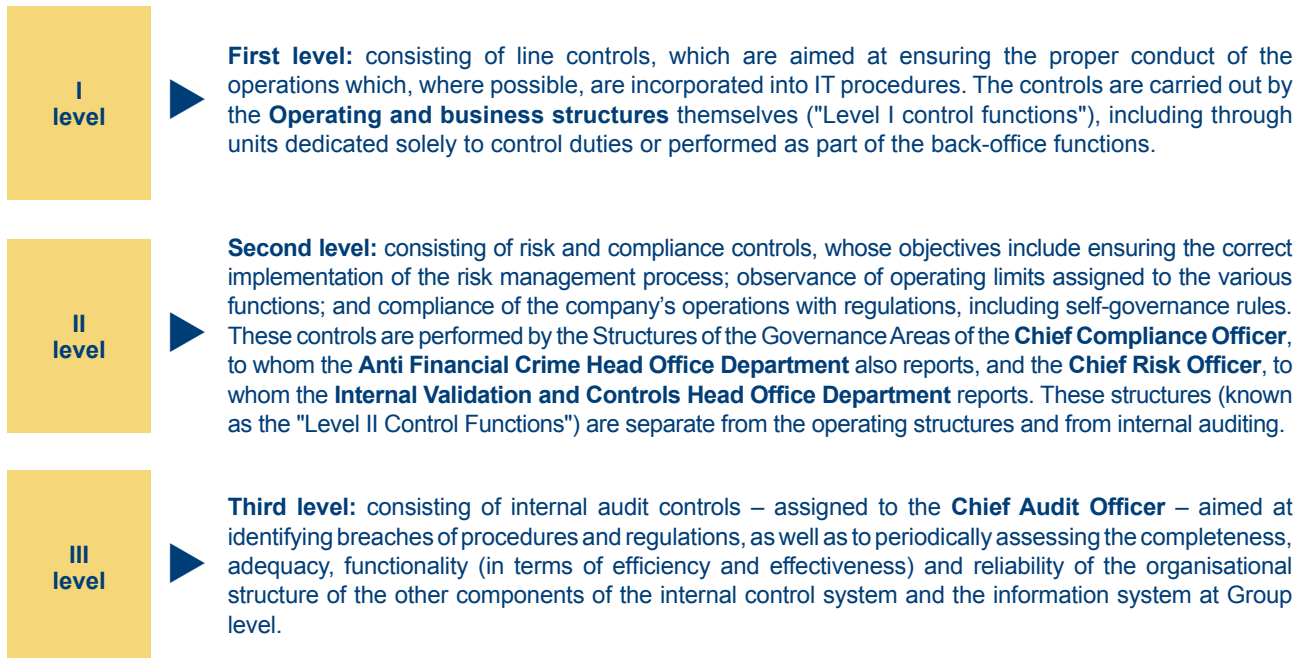
- in continuity with the past, the "Diversity and Inclusion" KPI (weight equal to 10%) was confirmed, assessed on the basis of the presence and positioning of Intesa Sanpaolo in international indices of specialised companies and relevant, within the scope of the related internal parameters, among others, to the enhancement of female talent and the gender pay gap, as well as the dissemination and promotion of Smart Working initiatives;
- the KPI "Impact and ESG" (weight equal to 10%) was introduced in 2020. This KPI was evaluated according to specific drivers aimed at monitoring, among other things, the Group's inclusion in the sustainability indices of specialist companies, support for the Green and Circular Economy, the Group's commitment to impact financing to foster inclusion and support for youth employability (see the Report on the remuneration policy and the remuneration paid), as well as the promotion of art and culture.

It should be noted that the "Diversity and Inclusion" KPI has also been assigned to all managers since 2018. With regards to the KPI "Impact & ESG", it is noted that the objective was structured, beginning with the CEO's first line, on the basis of the levers used and, in particular, it was assigned to 4 top managers and 35 managers involved in the sustainability projects to varying degrees.

THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

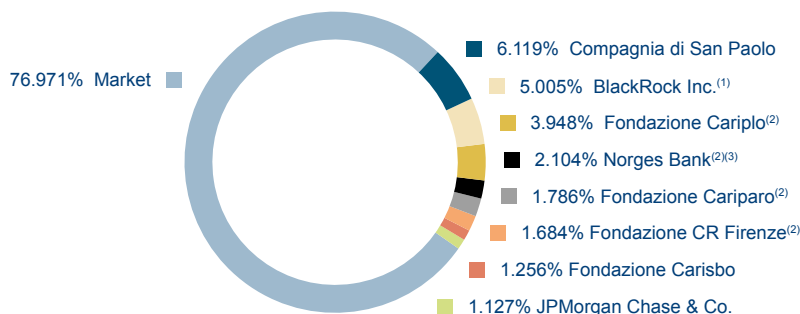
To ensure sound and prudent management, which combines business profitability with informed risk taking and operating conduct underpinned by fairness, the Bank has adopted the Integrated Internal Control System Regulation.

The internal control system has been designed to achieve constant monitoring of the identification, governance and control of the risks involved in our activities and is based on three levels:



SHAREHOLDER BASE

The share capital of Intesa Sanpaolo is equal to 10,084,445,147.92 euro, divided into no. 19,430,463,305 ordinary shares. In February 2021, Intesa Sanpaolo's shareholder base was composed as follows (holders of shares with voting rights exceeding 1%*):



(*) Italian regulations (Article 120 of the Consolidated Law on Finance) provide for the obligation to notify the investee company and Consob of the threshold of 3% of the share capital with voting rights held in a listed company being exceeded, as well as (Article 19 of the Consolidation Law on Banking) the prior authorisation of the European Central Bank to acquire a significant shareholding in a bank or that entails the possibility of exercising significant influence over the bank itself or the acquisition of a shareholding that attributes a share of the voting rights or of the capital at least equal to 10%. Due to the persistent uncertainty regarding the evolution of the economic and financial situation generated by the COVID-19 epidemic, Consob, with Resolution dated 13 January 2021, extended for a further three months (from 14 January to 13 April 2021) the additional provisional threshold of 1%, upon exceeding which it becomes necessary to fulfil the disclosure obligations laid down by Article 120 of the Consolidated Law on Finance (the so-called "transitional enhanced transparency regime"), most recently introduced with Resolution dated 7 October 2020. Anyone who, on the date of entry into force of the Resolution, holds a share above the 1% threshold and below the 3% threshold is required to disclose this within 10 business days from the aforementioned date.

Furthermore, shareholders that are fund management companies may be exempted from disclosure up to the 5% threshold.

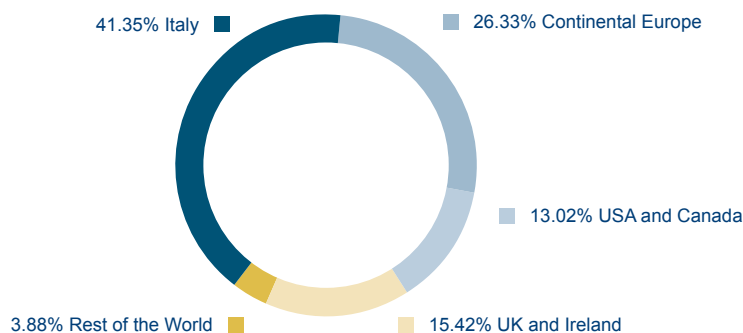
(1) BlackRock Inc. owns, as assets under management, aggregate investment equal to 5.066% as per form 120 B dated 4 December 2020.

(2) The percentage of equity investment was recalculated as a result of the changes in share capital that occurred following capital increases on 5 August 2020, 17 September 2020 and 5 October 2020, serving, respectively, the Public Purchase and Exchange Offer on UBI Banca shares, the consequent Procedure for the Fulfilment of the Purchase Obligation pursuant to Art. 108, sub-paragraph 2 of the Consolidated Law on Finance (TUF) and the subsequent Joint Procedure for the exercise of the Right of Squeeze-Out pursuant to Art. 111 of the Consolidated Law on Finance (TUF) and fulfil the Compulsory Squeeze-Out pursuant to Art. 108, sub-paragraph 1 of the Consolidated Law on Finance (TUF).

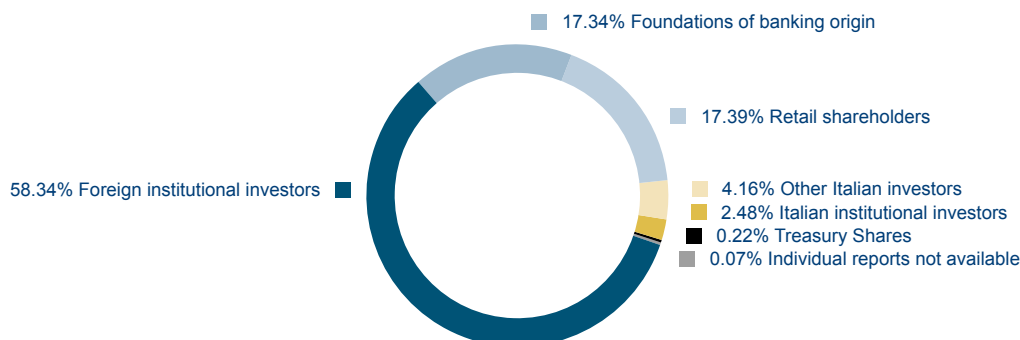
(3) Including on behalf of Government of Norway.

The estimate of shareholder composition by geographical area and by type of shareholders is provided below, based on the latest available survey of Intesa Sanpaolo's total shareholder base (May 2019) and integrated with the evidence of subscriptions to the Public Purchase and Exchange Offer on UBI Banca shares.

SHAREHOLDER COMPOSITION BY GEOGRAPHICAL AREA



SHAREHOLDER COMPOSITION BY TYPE OF SHAREHOLDERS



RELATIONS WITH SHAREHOLDERS AND THE FINANCIAL COMMUNITY

In its relations with the market, Intesa Sanpaolo adopts a specifically transparent form of conduct, especially with regard to annual and interim financial results and to Group strategies. This also takes place via meetings with the national and international financial community, in a framework of constant dialogue with the market based on fair and timely communication.

During 2020, communications with the financial community continued to focus on sustainable profitability and the Group's solidity as a firm point of reference for stakeholders. To guarantee access to all, again in 2020 this information was made available quickly, easily and economically through a number of channels like Internet and conference calls via a freephone number. The Investor Relations section of the website [IR](#) boasts well-organised content and updates on topics, always providing stakeholders with extensive, systematic information. In order to contribute to the creation of sustainable value over time, regular and frequent meetings were held with the financial community that consolidated long-term relations based on mutual trust.

Special attention was also paid to SRI (Socially Responsible Investment) investors and analysts, with dedicated events and road-shows.

INTESA SANPAOLO STOCK PERFORMANCE

The performance of Intesa Sanpaolo ordinary shares in 2020 mirrored that of the banking sector indices, showing a substantially stagnant trend in January, an upward trend in February, up to the third week, when they reached a peak, followed by a sharply downward trend until April, when the stock price reached its low, followed by a recovery until early June, a fluctuation until mid-September, a downward trend until the end of October and a recovery in the last two-month period, which brought the share price to end the year down 18.6% on the end of 2019.

Intesa Sanpaolo's capitalisation dropped to 37.2 billion euro at the end of 2020, from 41.1 billion euro at the end of 2019.

SHAREHOLDERS' MEETING

For Intesa Sanpaolo, Shareholders' Meetings are one of the main opportunities for contact and dialogue with shareholders, as well as important occasions for the disclosure of news, in accordance with the principle of non-selective disclosure and rules on price sensitive information. At the same time, the Shareholders' Meeting represents for shareholders an opportunity for active participation in the Bank's operations and a chance to express their opinions, through the methods and on the topics envisaged by law and by the Articles of Association.

Intesa Sanpaolo has always strived to encourage the broadest possible participation in the Shareholders' Meetings and to guarantee the best quality standards for the information provided in order to realise the full potential of the meeting.

The Shareholders' Meeting is called by the Board of Directors whenever it is deemed appropriate, or upon request by Shareholders representing at least one twentieth of the share capital.

The Shareholders' Meeting may also be called by the Management Control Committee, where required for the fulfilment of its duties, subject to sending notice thereof to the Chairman of the Board of Directors.

In 2020, the ordinary and extraordinary Shareholders' Meeting was held on 27 April.

RIGHT TO ATTEND AND VOTE

Each share gives the right to attend and vote at Ordinary and Extraordinary Shareholders' Meetings (each share carries one voting right).

Sustainability Governance

The strategic guidelines and policies on sustainability (ESG – Environmental, Social, Governance) are approved by the Board of Directors with the support of the Risks Committee, taking into account the objectives of solid and sustainable creation and distribution of value for all stakeholders.

In its 2018-2021 Business Plan, Intesa Sanpaolo committed to strengthening its leadership in corporate social responsibility, aiming to become a model of reference in terms of sustainability and social and cultural responsibility. The main ESG responsibilities of the Intesa Sanpaolo Bodies and Structures are specified below.

Board of Directors	With the support of the Risks Committee, the Board of Directors approves the Code of Ethics and its updates as well as the strategic guidelines and policies on sustainability (ESG), including the social and cultural responsibility model and the fight against climate change, taking into account the objectives of solid and sustainable creation and distribution of value for all stakeholders. With the support of the Risks Committee it also approves the CNFS, ensuring that it is drafted and published in compliance with applicable regulations.
Risks Committee	The Risks Committee supports the Board in assessing and analysing sustainability issues (ESG) related to the Bank's operations and in approving the strategic guidelines and policies on sustainability, including the social and cultural responsibility model and the fight against climate change, helping to ensure the best possible risk monitoring and taking into account the objectives of solid and sustainable creation and distribution of value for all stakeholders. It also supports the Board in the approval of the Code of Ethics and the CNFS, in particular by examining the contents of the materiality matrix, which identifies the most potentially relevant issues in the area of sustainability.
Management Control Committee	With the support of the functions responsible for sustainability (ESG) and internal auditing, the Management Control Committee monitors compliance with the principles and values contained in the Code of Ethics. With regard to the CNFS, it monitors compliance with the provisions set out in Italian Legislative Decree no. 254/2016 and reports on this in its annual report to the Shareholders' Meeting.
Managing Director and CEO	The Managing Director and CEO governs the sustainability performances and has the power to submit proposals to the Board for the adoption of resolutions within its remit.
Steering Committee	The Committee collaborates in the identification of sustainability issues (ESG) that are potentially relevant for the definition and updating of the materiality matrix. Taking into account the objectives of solid and sustainable creation and distribution of value for all stakeholders, it collaborates in the definition of strategic guidelines and sustainability policies (ESG), including the model of social and cultural responsibility and the fight against climate change, which the Managing Director and CEO submits to the relevant Board Committees and the Board of Directors. It also examines the CNFS prior to its presentation to the Board. In order to review these issues, the Committee meets at least quarterly as part of the Business and Sustainability Plan (ESG) session. It is also tasked with guiding the consistency of technological development, with specific reference to artificial intelligence/machine learning, with the Group's ethical principles.
ESG Control Room	The ESG Control Room supports the Steering Committee - Business Plan and Sustainability (ESG) Session - in the strategic proposition relating to ESG issues; it takes care of the operational coordination for the implementation of the most relevant ESG initiatives and assesses the opportunity and solidity of any new initiatives in this area. The ESG Control Room relies on the Sustainability Managers, identified in each Area and Division, who guarantee an overall and integrated supervision of ESG initiatives for the relevant scope and contribute to the Group's strategic proposition on these issues.
Corporate Social Responsibility	Within the Financial Market Coverage Department of the Chief Financial Officer Governance Area, Corporate Social Responsibility oversees the process of defining, approving and updating the guidelines on sustainability, in accordance with the company's strategies and objectives. It also updates the Code of Ethics and monitors its application with the support of the function responsible for internal audits. It draws up the CNFS. It oversees relations with the financial community with respect to sustainability issues. It oversees the promotion and implementation of sustainability aspects in the Group's strategies and operations, including climate change issues, also in collaboration with other structures. It is responsible for the Group's communication and training activities on sustainability. It oversees stakeholder involvement with respect to sustainability issues.

The sustainability governance system is based on the strong involvement of the Risks Committee, established within the Board of Directors to offer support, including in the assessment and analysis of ESG issues. To this end, Corporate Social Responsibility (CSR) periodically meets with the Committee to agree upon the approach and report on the progress of processes and activities related to sustainability and non-financial reporting. In

2020 it took part in four meetings with the Risks Committee (with the Management Control Committee invited to three of them) to provide information on the 2019 Consolidated Non-financial Statement, on the Consolidated Non-financial Statement as at 30 June 2020, drawn up on a voluntary basis and published in September, on Intesa Sanpaolo's positioning in the main sustainability/ESG indices and rankings and on the Guidelines for the governance of environmental, social and governance risks in lending activities and Rules for lending transactions in the coal sector.

In addition, it presented the Annual Report on the implementation and governance of the Code of Ethics to the Management Control Committee together with the Surveillance Body pursuant to Italian Legislative Decree 231/2001.

In these activities, CSR is supported by a network of about 60 CSR Contacts appointed in the main structures and by the CSR Delegates identified in each of the Banks that are part of the International Subsidiary Banks Division.

During 2020, CSR promoted specific initiatives, including responding to 15 assessments from investors and analysts on ESG and climate change issues, and holding 36 meetings with 54 parties including investors and analysts focusing on sustainability, in collaboration with Investor Relations and Investor Coverage.

The ISP4ESG internal Project launched in 2019 to consolidate the Group's leadership in sustainability was able to achieve important developments in the year just ended. This project, to be considered as a wide-ranging and high-impact initiative, promoted by the CFO in coordination with the Strategic Support Department, involves all the different Group structures and aims to integrate ESG logics into the Bank's business model and strategy.

The main activities carried out in 2020 were as follows:

- Preparation of a sector mapping of the Group's loan portfolio from an ESG perspective. This activity saw the involvement of the Chief Financial Officer, Strategic Support Head Office Department, Chief Risk Officer, Chief Lending Officer areas, as well as the participation of the BdT, IMI-CIB and ISBD Divisions. This debtor aggregation methodological framework makes it possible to analyse customer exposure by sector and was prepared taking into account market best practices and potential regulatory requirements. This mapping will become a preliminary step for dynamically orienting the loan portfolio towards more sustainable exposures, identifying new business opportunities and responding to regulatory requests (e.g. EU Taxonomy).
- The ESG Control Room was set up in October to support the Steering Committee, with the task of coordinating the numerous ESG initiatives already undertaken by the Divisions and Governance Areas and coherently evaluating new opportunities and cross-cutting projects within the ESG scope. Concurrently, the Sustainability Managers were appointed who, reporting directly to the Area and Division heads, guarantee an overall and integrated supervision of ESG initiatives for the relevant department and contribute to the Group's strategic proposition on these issues.
- In the last part of the year, the Sustainable Investments process was launched in order to develop new methodologies and common guidelines at Group level aimed at incorporating ESG factors in the offer of investment products, including in relation to new regulatory provisions.

With the ISP4ESG project, Intesa Sanpaolo is committed to generating a concrete impact within the company and on society; one of the pillars is the dissemination of the ESG culture both among the Group employees and by transferring their knowledge outside, particularly among its customers. Intesa Sanpaolo is about to release a basic ESG training course for its employees which will be available on the Group's e-learning platform, followed by initiatives for customer companies.

ESG TRAINING

Training activities within the Intesa Sanpaolo Group on ESG issues were the subject of a specific focus in terms of both planning and implementation. Thus, initiatives were launched which, through the provision of live and digital content, made it possible to provide a total of almost 57,000 hours of training, with around 802,000 accesses to digital platforms being registered. The Management School alone, through a catalogue of almost 130 hours divided into topics ranging from diversity to inclusion, from smart working to ethics and from the circular economy to environmental sustainability, managed to exceed 2,500 views during the year.

With the aim of disseminating a basic culture on ESG issues and strengthening its specialised expertise, a training programme of remote classrooms was launched within the IMI Corporate & Investment Banking Division, which involved a group representing all the Division's Head Office Departments.

The educational project entailed the involvement of a pool of employees interested in ESG matters, then called upon to act as "ambassadors" in their respective Structure. The live, interactive training experience in Italian and English saw the involvement of speakers within the Division and the Group. The series of meetings generated a constant exchange of information both within the IMI Corporate & Investment Banking Division and between the Division and the other Group structures in order to share not only introductory notions on ESG issues but also in-depth topics on product offering, business activities, business analyses, credit and risk.

The training course reached about 500 hours of total content in 2020, broken down into 13 separate modules which involved about 417 participations during the year.

Within the Insurance Division, initiatives dedicated to training on ESG issues were implemented for all company employees. More specifically, also through the involvement of market experts, meetings and in-depth events were organised for the Top Management and the Board of Directors of the Insurance Group on the integration of Sustainability into the business strategy.

In parallel with the managerial training, a process was conducted within Intesa Sanpaolo Vita which involved 10 employees across different areas (Products Area, Commercial Area and HR Area) who participated in a Specialised Training programme with the aim of investigating the impact of ESG factors on business and governance models. The 5 training modules that were held in live streaming between June and September, through experiences and authoritative external testimonies, dealt with issues related to the regulatory system, the national and international evolution of sustainable development, strategies and tools to identify, assess and manage the ESG performance of companies.

Also within the Private Banking Division and the product factories of Fideuram Asset Management SGR and Fideuram Asset Management Ireland, numerous activities were launched during the year, aimed at disseminating the internal culture on ESG issues: in particular, training courses on systems and processes, preparation for adaptation to new regulations on the subject of sustainability, initiatives in support of the community, personnel policies and operational measures aimed at reducing the environmental footprint have contributed to the dissemination and strengthening of the ESG culture. In 2020, a total of over 2,000 training hours were provided between the Division and the product factories to a total of over 28,000 attendees.

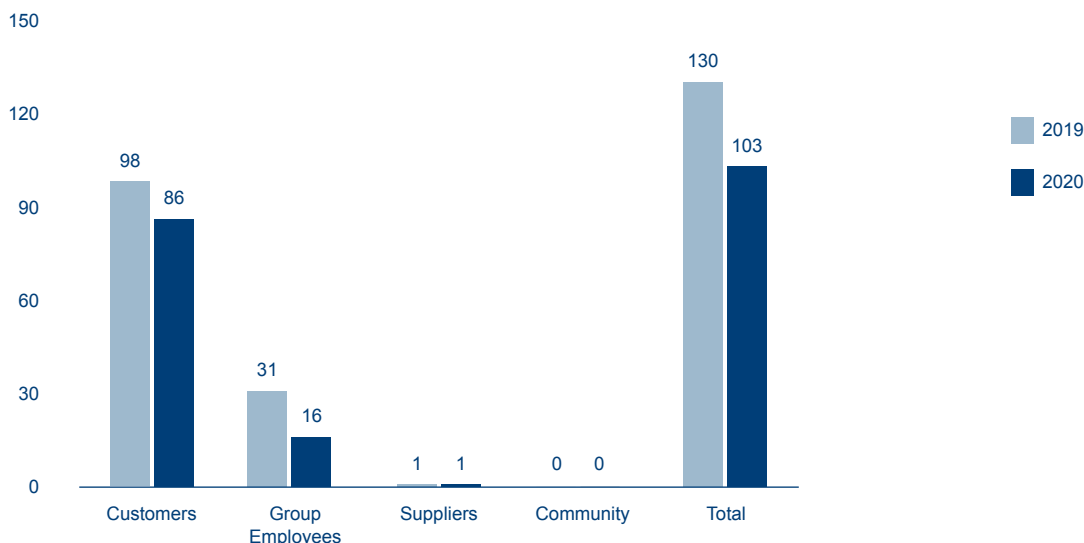
IMPLEMENTATION AND GOVERNANCE OF THE CODE OF ETHICS

The Code of Ethics is the self-regulation document for the integration of social and environmental considerations into company processes, practices and decisions. It contains voluntary commitments in the management of relations with all the Group's internal and external stakeholders, setting out the core values and foundations of the corporate culture.

The Code's implementation and governance mechanism is based on the following cornerstones:

- The principle of self-responsibility, where each structure is directly responsible and ensures adherence to the values and principles of the Code, setting the related objectives and action plans and, where appropriate, appointing a CSR Contact and Sustainability Managers.
- The commitments set out in the Code are given practical expression in the annual reporting process (Consolidated Non-financial Statement), which presents the management policies and procedures, initiatives, indicators and objectives for the issues relevant to the stakeholders and the business. Furthermore, in 2020 also the process was reinforced by the half-yearly non-financial reporting.
- The analysis and subsequent certification of corporate social responsibility governance by an independent third party in accordance with the principles and contents of standard ISO 26000, published annually on the website [\[1\]](#).
- The Governance was assessed according to the method UNI PdR 18:2016, which concluded with a rating of "Consistent and excellent" and a score of 45 on a scale from 15 to 45. The assessment highlighted a complete maturation of the Group CSR Governance, with the activation of a Control Room dedicated to ESG issues. The scoring for Italy shows an increase in relation to 4 issues (Integrity in corporate conduct; Sustainable investments and insurance; Transition to a sustainable, green and circular economy; Financial inclusion and supporting production), and the number of topics that attained the highest score stands at 6. The integration of ESG issues into cross-cutting processes (human resources management, health and safety, management of direct impacts on the environment, prevention of corruption) is mature and complete. The COVID-19 emergency has accelerated the assimilation of the ESG logic in the typical processes: credit granting, asset management, insurance product management. Further progress was made to strengthen the synergy with International Subsidiary Banks, creating, where possible, functional reporting to the head office department and the fine-tuning of internal reporting tools. In relation to the International Subsidiary Banks, there was an improvement in relation to all the topics, except for Diversity and Inclusion, which maintained the same score as the previous year. Still at an international level, a systemic approach emerges, capable of expressing objectives, action plans and monitoring in relation to the achievement of the preset targets.
- The CSR structure is responsible for the management of cases of non-compliance with the Code of Ethics. It receives reports sent in and, following the necessary checks, replies in collaboration with the structures concerned, ensuring to protect the reporting parties from any form of retaliation, discrimination or penalisation, and guaranteeing the utmost confidentiality, without prejudice to obligations laid down by the law. In 2020, 103 reports were received, down from the previous year (130 in 2019): 89 were received in Italy and 14 from abroad.

Non-compliance reports for stakeholders



- The highest number of reports came from customers (86), followed by those from employees (16). The category having the greatest impact in the area of customer complaints concerns the difficulty of access to branches or online services by people with disabilities (16 reports). 10 reports concern operating issues also connected to service management difficulties during the pandemic. The Group employees sent 16 reports, 5 of which from abroad; the issues most felt are tensions in the workplace and the integration difficulties experienced by employees with disabilities, who have been especially impacted by the measures imposed due to the health emergency. 3 reports were received from employees with disabilities in relation to the Diversity and Inclusion Policy, managed in collaboration with the new Diversity & Inclusion structure. Non-discrimination issues were constantly and carefully monitored in 2020 as well.
- The dissemination of the culture of sustainability: there has been a new growth in the views of the collection of 9 pieces of training modules (videos and drama series) on the values and principles of the Code of Ethics made available in 2018 and further expanded in 2019 with 6 new items dedicated to the analysis of sustainability issues within Intesa Sanpaolo, like the challenge related to climate change, human rights, financial inclusion and sustainable investments. In total, the videos available in the Collection had over 24,000 views in 2020, with a maximum of 6,700 views for the course dedicated to the "Principles of conduct in customer relations". Each course had at least 400 views in 2020 alone. Furthermore, in 2020 the training activities dedicated to the CSR delegates of the Banks of the International Subsidiary Banks Division continued. There were two main initiatives targeted at this community, also involving other interested local functions: the former aimed at supporting banks in the implementation and integration of the rules on donations, issued in 2019. The course involved a total of 35 employees in 4 online webinars lasting two hours each, held between June and October 2020. The latter aimed at sharing the Group's methodologies for local non-financial reporting, starting from the main international non-financial standards and also gathering suggestions to improve the process. The programme involved 25 participants in a single online session, held in December 2020.

Compliance with the principles and values of the Code of Ethics was monitored with the support of the Chief Audit Officer, so that it could be reported annually to the Management Control Committee and the Surveillance Body pursuant to Italian Legislative Decree 231/2001. Checks were conducted on 12 risk areas (for a total of 35 audits) that also considered social and environmental responsibility aspects and implications including:

- Transactions with Related Parties and associated entities;
- Personnel remuneration and incentive systems (in various Group companies);
- Mixed contract in Intesa Sanpaolo;
- Reporting on the loans granted by the Research and Development Special Fund;
- Checks on credit disbursement activities on specific segments or business areas, in correlation with the current pandemic emergency (loans to SMEs – Italian "Liquidity" Legislative Decree and corporate advances);
- Monitoring of innovation in the Banca dei Territori Division;
- Structure and management of the Fund for Impact (mainly with regard to aspects related to financial inclusion);
- Business Model of individual Group companies (ISP Forvalue) or specific partnerships (Banca 5 - Oval Money);
- Customer complaints management activities and in general measures aimed at assessing customer service quality (Follow up Anti-Fraud Controls in ISPB - cash withdrawals, card issuance and customer due diligence; Assessment on controls for investment and banking services in Fideuram ISPB);
- Sponsorships and donations (Art, Culture and Historical Heritage Head Office Department).

The audits did not identify any particular breaches or critical issues.

Management of environmental, social and governance risks

The Group has implemented specific processes and responsibilities to understand and manage risks in such a way as to ensure long-term soundness and continuity, extending the benefits to its stakeholders.

Below is an overview of the main ESG risks that are significant due to their potential impact on company activities and the related mitigation measures.

The following sections go into more detail and describe the main controls relating to some of the risks identified in the table below. A specific table explains in depth the risks associated with the environment and climate risk.

Issue	Potential risk	Potential impacts	Mitigation measures
Integrity in corporate conduct	Risks of non-compliance with applicable legislation (corruption, money laundering, taxation, free competition, privacy, labour law) and ineffective response to regulatory changes Risk of providing employees with insufficient or no training Reputational risks	Fines and penalties, limitations to conducting business Damage to reputation and brand	Compliance system divided into different levels to monitor the risk of non-compliance, with specialised functions Internal control system Definition of corporate internal regulations Specialist training for employees Introducing a whistleblowing system Guidelines for the governance of environmental, social and governance risks in lending activities and associated self-regulation policies for sensitive sectors Adherence to UNEP FI's Principles for Responsible Banking (PRB)
Service quality and customer satisfaction	Unfair commercial practices Inadequate customer service levels Inadequate customer communications Ineffective transition from traditional to digital channels Inadequate customer communications Business continuity in the event of an emergency, blocking or malfunctions	Loss of competitiveness, customers and market shares leading to reduced profitability Disputes and complaints Fines and penalties Damage to reputation and brand Damage to persons and objects during robberies	Model focussing on the level of service, on personalised advice, and on transparency Process of clearing for new products and services Careful and proactive management of complaints Innovation in the offer aimed at ensuring accessibility to services Business continuity plan
Multichannel approach and accessibility	IT risk		Prevention of IT risk
Health and safety of customers and employees	Accidents in the workplace Occupational diseases Robberies		Certification of the health and safety management system (ISO 45001) in all branches and buildings in Italy Assessment and management of infection risk Risk assessment for workplaces and work processes Coordination and rules for health and safety management systems in Banks of the ISBD scope Preventing and combating robberies

Issue	Potential risk	Potential impacts	Mitigation measures
Employee well-being	Health and safety of employees	Employee dissatisfaction with impacts on productivity	Risk assessment of subjective and social conditions Assessment of work-related stress Work-life balance initiatives Prevention and welfare for employees
Supporting production	Management of social and environmental risks in loans Transactions or loans in sensitive sectors Reputational risks	Non-performing loans or needs for provisions Damage to reputation and brand	Rating model which also includes intangible aspects of companies Risk clearing processes which include environmental, social and governance aspects Equator Principles for project finance Guidelines for the governance of environmental, social and governance risks in lending activities and associated self-regulation policies for sensitive sectors Opinions involving the assessment of social-environmental factors
Sustainable investments and insurance	Assessment and control of ESG risks in the investment portfolios Investments in sensitive sectors Reputational risks	Loss of competitiveness, market shares and customers who are conscious of ESG aspects, leading to reduced profitability Damage to reputation and brand	Subscription to PRI (Principles for Responsible Investment) and the Principles of Stewardship Subscription to PSI (Principles for Sustainable Insurance) Range of Ethical/ESG funds Company engagement activities
Retention, enhancement, diversity and inclusion of the Group's people	Inadequate employee growth and motivation Incapacity to acquire and maintain talent Insufficient focus on diversity and inclusion issues	Employee dissatisfaction with impacts on productivity Lack of adequately trained and qualified personnel Inadequate customer service levels	Investments in training activities Talent management programmes Recognition of employees' merit Initiatives to ensure diversity and inclusion Diversity & Inclusion Principles Sexual orientation and identity diversity regulations
Employment protection	Conflicts and related labour dispute risks	Disputes Strikes with impacts on service continuity for customers Employee dissatisfaction with impacts on productivity	Responsible management of corporate restructuring processes, with the reallocation of employees to other activities New hires to promote generational change Management of labour dispute risks

The strengthening of the overall risk management system also involves the identification, understanding and monitoring of so-called emerging risks, i.e. risks characterised by components that are little-known or rapidly evolving, potentially significant in the medium term to the Group's financial position and business model, even though their effects are not easy to assess and cannot yet be fully integrated into the most consolidated risk management frameworks.

The identification of these types of risks derives primarily from the continuous analysis of the external environment and the main findings gathered by the risk management function during the identification and assessment processes, but also involves comparison with peers and with market best practices, as well as with the Bank's other control/business functions.

In this context, Intesa Sanpaolo attributes particular importance to risks associated with third parties, climate change and geopolitical and geo-economic tensions.

In the current connected, digital and highly competitive global scenario, partnerships with third parties offer opportunities to achieve higher levels of efficiency, while optimising operating costs and permitting a greater focus on core activities, by investing in the bank's growth and improvement. At the same time, the increasing recourse to third parties also gives rise to relationships of dependency that may expose the bank to significant risks, relating in particular to control over the level of service offered, the management and protection of data, the continuity of systems, and concentration, compliance and reputational risks. The Intesa Sanpaolo Group seeks to contain risks arising from third parties, such as suppliers and outsourcers, with which it establishes collaborative relationships, in particular in the context of outsourcing. In view of this goal, it assesses the potential risks through an adequate selection of the supplier/outsourcer, a defined onboarding process and constant monitoring throughout the life cycle of each partnership.

The outlook for global economic growth shows significant vulnerabilities and downside risks, primarily relating to the uncertainty of the recovery of trade and global manufacturing and geopolitical tensions, which remain high. In addition, the spread of COVID-19, with its implications for public health, economic activity and commerce, is capable of exerting a significant negative effect on global growth.

As regards the risks connected with climate change, see page 69 (Management of potential risks and impacts related to climate change).

MONITORING OF ESG AND REPUTATIONAL RISKS

In accordance with its approach to Corporate Social Responsibility and the principles outlined in the Code of Ethics, the Intesa Sanpaolo Group is aware of the importance of the correct and responsible allocation of resources, following social and environmental sustainability criteria. Therefore, it promotes balanced development that can redirect capital flows towards sustainable investments that balance interests like the preservation of the natural environment, health, work, the well-being of the whole community and the safeguarding of the system of social relations.

To this end, it takes into account social, environmental and governance risks (ESG - environmental, social and governance) associated with the activities of customer companies and pays particular attention to the study of sustainability issues related to sectors considered to be sensitive, i.e. those having a significant risk.

In particular, the monitoring of such risks entails:

- their inclusion in the Risk Management framework, with particular reference to the Governance of environmental, social and governance risks in lending operations, the Governance of Reputational Risks¹ and the Management of the Most Significant Transactions;²
- their assessment within the processes related to the implementation of the Equator Principles³ and Reputational Risk Clearing;
- a specific focus on reputational and climate change risks within the "Risk Appetite Framework"⁴.

(1) Reputational risk is defined as the current or prospective risk of a decrease in profits or capital due to the negative perception of the Bank's image among customers, counterparties, the Bank's shareholders, investors and Supervisory Authorities.

(2) Transactions of particular importance, of a proprietary type or with individual customers or counterparties, potentially capable of having a significant impact on the overall risk profile and/or the specific risks of the Group.

(3) The Equator Principles (EP or Principles) are international Guidelines (that financial institutions adhere to on a voluntary basis) for the management of socio-environmental risks arising from project financing. The Principles are based on the criteria of the International Finance Corporation (IFC) of the World Bank (the Performance Standards), which concern, amongst other issues: the assessment of social and environmental impacts; the protection of workers' rights; the exclusion of child labour and forced labour; the prevention of pollution and the promotion of energy efficiency; risks to the health and safety of communities; the consultation of the populations concerned and protection of their rights; safeguarding biodiversity and the sustainable management of natural resources; and the preservation of cultural heritage.

(4) The RAF represents the overall framework within which corporate risk management is developed, and is divided into (i) general principles of risk appetite; (ii) monitoring of the Group's Overall Risk Profile; (iii) monitoring of the Group's Main Specific Risks.

ESG RISK GOVERNANCE MODEL

As part of the ESG risk management framework, of particular importance are the "Guidelines for the governance of environmental, social and governance risks in lending activities" and the associated "Rules on operations in the coal sector" which, published in 2020 and designed to strengthen the presence of ESG aspects in financing decisions; also connected with this area are the Rules for the Equator Principles, updated on the basis of recent changes in this area (publication of "EP IV" regulation).

According to the company ESG risk regulation, the Group pledges not to finance companies or projects which stand out for their negative impact on:

- UNESCO World Heritage Sites⁵
- wetlands according to the Ramsar Convention⁶
- IUCN protected areas, categories I to VI⁷

The Bank also pledges not to finance companies or projects if, during the assessment of the transaction, they are discovered to be located in areas of active armed conflict, or if evidence - such as legal proceedings promoted by the competent authorities - emerges of violations of human rights and forced or child labour practices.

The Group also clarifies the business sectors which it identifies as particularly sensitive from an ESG perspective and which may be subject to implementing rules that establish specific criteria for limitations or exclusion from financing activities; particular attention is also focused on the evaluation of the ESG/reputational risk profiles connected with operations in these sectors. Among the sensitive business segments from an ESG perspective, the coal sector and the arms production and trading sector are of particular importance and subject to a specific internal regulation.

In particular, as regards the coal sector the regulation defines the limits and exclusion criteria for the Group's lending operations in the segments of thermal coal extraction and coal-fired power plants, supporting customers in their efforts to reduce their use of coal for the production of energy (phase-out) and encouraging the transition towards low carbon-intensity alternatives, such as renewable sources and gas. The Group will continue to finance businesses that demonstrate a documentable mid to long-term strategy for gradually reducing their use of coal or which request financing directly connected with the low carbon transition, for example in the form of "green loans", "sustainable loans" or "transition loans".

In relation to the arms industry, in keeping with the values and principles expressed in the Code of Ethics and aware of the need to support national and European defence together with the countries of NATO, the Intesa Sanpaolo Group, with regard to the activities of its domestic and foreign subsidiaries, does not support operations connected with the production and/or trade of weaponry, even when permitted by applicable law, in countries that do not belong to the European Union and/or NATO. Any operations in countries which do not belong to the European Union or NATO are subject to the approval to Intesa Sanpaolo's Managing Director and CEO, after consultation with the Chief Compliance Officer, who shall assess such requests paying particular attention to the existence of intergovernmental programmes with the Republic of Italy. The company rules also prohibit the undertaking of any kind of banking or lending activity related to the production of and/or trade in controversial weapons and/or those banned by international treaties and in particular: nuclear, biological and chemical weapons; cluster and fragmentation bombs; weapons containing depleted uranium; and anti-personnel landmines. In addition to the provisions already adopted by Intesa Sanpaolo for its domestic and foreign subsidiaries, in accordance with the provisions of Italian Law 185/1990, there are specific rules for the Group's International Subsidiary Banks which forbid support for any operation connected with the production and/or trade of arms materials, with the exception of military supplies, by the Bank's customers to the Armed Forces and/or Police Forces of the country in which these Subsidiary Banks are located. The operations of the Group's Branches and International Subsidiary Banks are also subject to local regulations, when they are stricter than the Group regulations.

(5) A list of sites officially recognised by the United Nations Educational, Scientific and Cultural Organisation (UNESCO). The sites are selected on the basis of their cultural, historical or scientific value, or other relevant aspects, and are legally protected by international treaties.

(6) This international Convention provides a framework for the conservation and sustainable use of wetlands and their resources. Almost 90% of UN member states, from all the world's geographic regions, have acceded to the Convention to become "Contracting Parties". One of the key pledges of the contracting parties is the identification and addition of suitable wetlands to the list of wetlands of international importance, also known as the Ramsar list.

(7) A list of protected areas (i.e. "A clearly defined geographical space, recognised, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values"), which have been identified and classified (from category I to VI) by the International Union for Nature Conservation (IUCN), a membership union uniquely composed of both government and civil society organisations. The categories are defined as follows (<https://www.protectedplanet.net/>): - I Strict protection [Ia Strict Nature Reserve and Ib Wilderness Area] - II Conservation and protection of ecosystems (e.g. National parks) - III Conservation of natural features (i.e. natural monuments) - IV Conservation through active management (e.g. Habitat / species management area) - V Conservation and restoration of landscape / seascape (e.g. Protected landscape/seascape) - VI Sustainable use of natural resources (e.g. protected area with natural resource management).

With regard to the Equator Principles, to which Intesa Sanpaolo has adhered since 2007, the inclusion of the assessment of transactions subject to EPs in the risk management framework makes it easier to more clearly define the risk profile of the loans subject to assessment, meeting the objective of more integrated risk monitoring. The implementation process of the EPs is also fully integrated with the Group's credit policies in order to identify all loans, starting from the application stage, that come under the scope of the Principles.

In October 2020 the new "EP IV" standards came into force, extending the scope of application to refinancing loans and acquisition loans, and lowering the threshold for project-related corporate loans to 50 million dollars. The Group actively participated in the review process, making its contribution together with the other members of the Association.

In 2020, a total of 10 loans subject to screening according to the Equator Principles reached financial close (a total of 367 since 2007) for an overall granted value of 1,181.5 million euro.

The amount of granted credit subject to EP screening came to 78.4% of the total granted credit for project finance transactions. The table below shows the number of projects that reached financial close in 2020, broken down by category⁸.

	Total	Category A	Category B	Category C
Project Finance	9	2	4	3
Project related Corporate Loans	1	0	1	0

Finally, with the aim of developing a risk culture, in 2020 various distance learning activities dedicated to the Corporate & Investment Banking Division and the International Subsidiary Banks Division were launched with the goal of raising awareness of ESG risks and facilitating their integration in the operating activities carried out in order to implement and integrate the Group Guidelines. 85 employees from the International Subsidiary Banks Division took part in the training activities (61 from the international subsidiary banks and 24 from the head office in Italy). First launched in 2020, the training activities dedicated to employees in the two Divisions will continue in 2021.

REPUTATIONAL RISK GOVERNANCE MODEL

The reputational risk governance model of Intesa Sanpaolo envisages that management and mitigation of reputational risks is pursued:

- through compliance with standards of ethics and conduct by all employees: the Code of Ethics adopted by the Group contains the core values that Intesa Sanpaolo intends to commit itself to and sets out the voluntary principles of conduct for dealings with all stakeholders (customers, employees, suppliers, shareholders, the environment and, more generally, the community) with even broader objectives than those required by current legislation. As already noted, the Group has also issued voluntary conduct policies (human rights policy, environmental policy and arms industry policy) and adopted international principles (UN Global Compact, UNEP FI, Equator Principles) aimed at pursuing respect for the environment and human rights;
- systematically and independently by the structures tasked with safeguarding the company reputation, which maintain relations with stakeholders, within their respective areas of responsibility;
- across the various corporate functions, through the Reputational Risk Management processes coordinated by the Chief Risk Officer Governance Area. In this context, in addition to the ESG & Reputational Risk Clearing process, better described in the dedicated section, of particular note are Reputational Risk Monitoring process, which makes possible to monitor the evolution of Intesa Sanpaolo's reputation over time and identify its main areas of exposure, above all through the periodic analysis of its web reputation, and the Reputational Risk Assessment process with which Top Managers identify the main reputational risk scenarios to which the Group is exposed;
- with an integrated monitoring system for primary risks (like credit risk, operational risks, market risks) to limit exposure to those risks, and compliance with the related limits contained in the Risk Appetite Framework.

The Group aims to achieve constant improvement of reputational risk governance also through an integrated compliance risk management system, as it considers compliance with the regulations and fairness in business to be fundamental to the conduct of banking operations, which by nature are founded on trust.

(8) The EPs envisage the assignment of a risk category to the projects to be financed (A is high, B medium and C low), based on variables such as the socio-environmental characteristics of the country, industrial sector and the characteristics of the project in question.

Higher-risk projects, and medium-risk projects if necessary, are assessed by an independent advisor who identifies the main social and environmental impacts.

MANAGEMENT OF ESG AND REPUTATIONAL RISKS IN BUSINESS OPERATIONS

The Intesa Sanpaolo Code of Ethics requires that investment decisions and the credit policy take account of the socio-environmental risks associated with the activities of corporate customers. This commitment is also outlined in the Environmental and Energy Policy Rules, in the Principles on Human Rights and in the "Guidelines for the governance of environmental, social and governance risks in lending activities".

The assessment of creditworthiness, which includes the socio-environmental aspects, is conducted for all corporate customers, in accordance with the Rules of the Internal Rating System.

In particular, thanks to its long-term collaboration with Confindustria Piccola Industria, an innovative rating model has been developed, validated by the ECB. In the model, social and environmental aspects can also have a positive impact, leading to an improvement in the rating. In addition to the usual economic and financial assessments, the new model aims to make it easier to access credit, with more favourable financial terms, by highlighting the intangible qualities of the business, such as trademarks, patents, quality and environmental certifications, research and development activities, innovation and digitalisation, development and competitive positioning projects, management of business risk and being part of a supply chain.

The request to validate and authorise the use of new rating models, developed in 2020, for the creditworthiness assessment of Corporate counterparties, is scheduled to be sent to the Supervisory Authority in March 2021. In this context the analysis of ESG factors was further strengthened through the definition and introduction in the model of an internally developed score based on environmental, social and governance information (provided in structured form by the external info-provider) in addition to the other components used to evaluate larger businesses. For Italian counterparties the qualitative part of the rating model will also assess the physical risk connected with acute climatic events (e.g. floods) in the related geographical area.

In addition, in the credit origination phase Intesa Sanpaolo uses an indicator to guide corporate client relationship managers in the risk acceptance process (the Credit Risk Appetite). This indicator is based on the rating and a number of risk and resilience factors aimed at evaluating the long-term risk of the counterparty. In 2021 the Credit Risk Appetite will be strengthened by environmental, social and governance (ESG) factors including an external score that rewards the production of sustainable products or services above a certain threshold compared with overall turnover. This indicator is provided by an external info-provider and is available for larger Corporate customers. Further integrations may be evaluated during the year, particularly for smaller counterparties.

As part of the Reputational Risk Management (RRM) processes coordinated by the Chief Risk Officer Governance Area, of particular importance is ESG & Reputational Risk Clearing, aimed at the advanced identification and assessment of potential reputational and ESG risks associated with the most significant business operations, the main Capital Budget projects and the selection of the Group's suppliers/partners.

As part of ESG & Reputational Risk Clearing, a risk class is assigned to transactions/counterparties that are potentially exposed to reputational and ESG risks in order to support decision-making processes and permit the informed acceptance of risk.

In particular, in 2020 the clearing process was further strengthened through:

- the fine-tuning of the methodological approach and the introduction of a first-level control aimed at identifying the most relevant ESG risk profiles in the first phases of the corporate credit granting process (implementation scheduled for 2021);
- the integration of the evaluation of the ESG component in the analysis of the most relevant credit exposures in the Group's Most Significant Transactions;
- the methodological audit of the "ESG/reputational" questionnaire dedicated to the evaluation of suppliers and partners as part of the qualification process carried out by the Group's Purchasing Department, with the aim of integrating the sustainability profile assessment, in accordance with the first-level evaluations made for the credit granting process;
- the structural introduction in the internal report of the Enterprise Risk Management Head Office Department, in accordance with the Risk Appetite Framework (RAF) monitoring activities on the main reputational risks for the bank, of a section on the counterparties/operations with notable reputation and/or socio-environmental risk profiles.

With regard to regular clearing activities, in 2020 a total of 50 partnerships and 104 loan transactions were assessed, 10 of which were screened according to the Equator Principles (EP).

Management of potential risks and impacts related to climate change

Climate change represents a complex challenge that is set to have a major impact on the future of our planet and society. Climate change is responsible for the increase in extreme weather events (flooding, whirlwinds, forest fires, etc.), 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 the same way, banks must analyse and contain possible risks to their buildings and consequently to their daily operations.

The growing focus given to the possible consequences of climate change has led to a greater awareness among financial institutions of the need to develop specific knowledge about such risks and the opportunities associated with them.

Climate change risks are divided into "physical risks", associated with the physical impact of climate events, and "transition risks" arising from the process of adjustment to an economy based on low carbon emissions, associated with the changes in public policies, technology and consumer choices.

In October 2018, Intesa Sanpaolo decided to support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and make a voluntary commitment to publishing a transparent report on the risks and opportunities linked to climate change, in order to include the main climate-related communications in the framework of financial disclosures for its stakeholders, as shown in the "TCFD Recommendations" table on page 240.

GOVERNANCE

In 2020 Intesa Sanpaolo continued to strengthen its governance of sustainability and climate change. With the support of the Steering Committee, the Managing Director and CEO submits the definition of strategic guidelines and sustainability (ESG) policies including the fight against climate change to the relevant Board Committees and the Board of Directors. The Board of Directors then approves the strategic guidelines and policies on sustainability (ESG) with the support of the Risks Committee, taking into account the objectives of solid and sustainable creation and distribution of value for all stakeholders, including the environment as declared in the Group's Code of Ethics. Moreover, the Steering Committee – composed of the first organisational line – meets at least every quarter to examine sustainability (ESG) issues, including the fight against climate change.

To support the Steering Committee in its task of identifying and prioritising ESG initiatives on the basis of strategic relevance, in 2020 an ESG Control Room, overseen by the Chief Financial Officer and the Head of the Strategic Support Head Office Department, was set up with the aim of helping the Committee in its strategic proposal of ESG issues and coordinating the implementation of the initiatives.

The ESG Control Room is structured into two distinct sessions: "Strategy and Operations Session" and "Analysis and Monitoring Session". In addition to the permanent participants from the CFO Area and the Strategic Support Head Office Department, depending on the sessions and on the basis of the topics examined, the Control Room can also call on the support of the Sustainability Managers who, reporting directly to the Area and Division heads, guarantee the overall and integrated supervision of ESG initiatives for the relevant department and contribute to the Group's strategic proposals on these issues.

Confirming its commitment to the environment and to combating climate change, Intesa Sanpaolo actively participates in a series of international initiatives, including the Global Compact, the United Nations Environment Programme Finance Initiative (UNEP-FI), the Equator Principles and, since 2019, the Principles for Responsible Banking (PRB), an initiative that aims to formalise the banking sector's commitment to increasing social and environmental sustainability. Through its subsidiaries, it adheres to the Principle for Responsible Investment (PRI) in asset management and the Principles for Sustainable Insurance (PSI) in the insurance sector.

STRATEGY

Intesa Sanpaolo is aware that a large banking group has a significant influence in terms of environmental and social sustainability, both in the short and long term. In fact, in addition to directly managing energy consumption with a view to increasing efficiency and reducing greenhouse gas emissions in its buildings, Intesa Sanpaolo can exert an influence on activities and behaviour that it cannot directly control, in particular those of customers and suppliers.

Intesa Sanpaolo's climate strategy is mainly oriented towards the promotion of sustainable financial instruments to support the transition to a low-carbon economic model. Indeed, the integration of climate considerations into the provision of financial services can have a significant impact and contribute significantly to the fight against climate change.

Intesa Sanpaolo has a diversified business model – with revenues from financing, investment, insurance underwriting and asset management activities – to serve the various sectors of the economy at national and international level. This breadth and diversification help on the one hand to reduce the Group's vulnerability to different specific aspects of climate risk and to take advantage of a wide range of climate-related opportunities, but on the other hand it increases the breadth of analysis and action to be taken with respect to the transition to a low-carbon economy.

This strategy, confirmed in the 2018-2021 Business Plan, takes form through actions to support the production system from an environmental perspective, like the specific credit line of 6 billion euro for companies that adopt the circular model. Furthermore, in January 2020, in the context of the European Green Deal, Intesa Sanpaolo stated its willingness to make available 50 billion euro loans in the coming years in Italy. 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.

With the aim of consolidating Intesa Sanpaolo's leading role in the area of sustainability, identifying changes in the external context more quickly and meeting the expectations of our stakeholders more effectively, also in the area of climate change, the ISP4ESG project was launched at the end of 2019. In 2020 the project mainly focused on the areas of ESG Governance and Sustainable Credit. With regard to the latter, the Group's credit portfolio underwent ESG sector mapping to develop a proprietary debtor aggregation framework which is aligned with best practices on the market and a preparatory step for meeting the rapidly changing regulatory requirements.

PARTICIPATION IN WORKING GROUPS ON CLIMATE CHANGE ISSUES

Intesa Sanpaolo actively participates in various European and national working groups for the development and definition of frameworks and methodologies connected with the role of finance in combating climate change and managing associated risks.

In 2020 phase one of the Banking & Taxonomy working group coordinated by the European Banking Federation (EBF) and UNEP FI came to a conclusion with the publication of a report that evaluates the degree to which the EU Taxonomy on Sustainable Activities, designed for investment activities, can be applied to banking products for both the identification and labelling of loans and the reporting of same. 25 banks participated in the project, including Intesa Sanpaolo, together with 7 banking associations, including ABI (the Italian Banking association), and 5 observers (regulatory authorities etc.). The Taxonomy was tested through 40 case studies on a diversified set of banking products, from retail products to SME loans and through to corporate banking and project finance. Of these, 26 are published in the report.

Phase two of the TCFD banking pilot programme project, which the Group had participated in since 2019, was also completed in 2020. The pilot project involved 39 international banks, coordinated by UNEP FI, with the aim of improving methods for the assessment of risks related to climate change, also through long-term scenario analyses, and improving their disclosure, developing tools, frameworks and papers that enabled participants to analyse each of the TCFD recommendations in depth.

During the pilot project, the interfunctional Working Group (CRO Area, CFO Area, Corporate & Investment Banking Division) focused on defining a taxonomy of sectors that are most sensitive to climate change risk and then developed a scenario analysis exercise, both for physical and transition risk, for a portion of the Corporate credit portfolio, in accordance with the approach defined in the TCFD area. The scenario analysis (physical and transition risk) performed by Intesa Sanpaolo involved the Oil & Gas and Power & Utilities sectors and adopted a "top-down" approach, focusing on the general factors and characteristics of the reference sector, with the integration of "bottom-up" elements related to the specific features of the credit clientele in the reference portfolio at individual borrower level. The results of this exercise were used to draft a document on physical risk published by UNEP FI "Charting a New Climate" (Intesa Sanpaolo case study - Physical climate risk measurement: the UNEP FI Phase I Excel tool applied to Energy and Oil & Gas companies). In 2021 the second case study on transition risk was published in the paper "Pathway to Paris" (Case study 3: Intesa Sanpaolo).

Finally, as part of the EBA pilot sensitivity exercise on climate risk, a first exercise to apply the EU Taxonomy was performed on the credit portfolio which includes corporate counterparties domiciled in the European Union. The exercise involved the voluntary participation of 29 banks and enabled the EBA to perform an initial climate change risk (transition risk) sensitivity analysis.

RISK MANAGEMENT

Intesa Sanpaolo takes account of the social, environmental and governance risks associated with the activities of its corporate customers and the economic activities in which it invests, and focuses particular attention on the in-depth study of sustainability issues connected with sectors regarded as sensitive, i.e. those with a significant socio-environmental risk. In this context, the Bank pays particular attention to the risk arising from climate change (both physical risk and transition risk).

Key activities in climate risk management concern:

- the identification, assessment and measurement of such risks;
- the implementation, development and monitoring of a company-wide risk management framework, including risk culture, risk appetite and relative credit limits.

With the support of the various Governance Areas and Divisions, the Chief Risk Officer Area and the Chief Financial Officer Area work together to identify and analyse the range of risks and opportunities related to climate change in order to incorporate them into the ordinary processes of risk assessment and monitoring and credit strategies, and to set objectives and guidelines for implementing actions to manage and mitigate said risks.

Within the Risk Appetite Framework (RAF), the Group has introduced a specific reference to climate risk, working to develop its integration into the existing risk management framework with particular reference to credit risk and reputational risk.

The potential impacts, the related time horizon (short, medium, long) and the mitigation and adaptation actions taken for each potential risk observed are identified annually, with reference to both indirect and direct risks.

Indirect risks related to climate change

Potential risks	Timeframe*	Potential impacts	Actions
<p>Transition Changes in public policies Technological changes Changes in customer/ consumer preferences i</p>	Short/medium/long term	<p>LOANS Reduction of business or increase in costs for customer companies with possible consequences on creditworthiness and solvency</p> <p>ASSET MANAGEMENT Consequences of climate change on companies in the portfolio with consequent reduction in the value of assets under management</p>	<p>LOANS Assessment of ESG and climate risks on loans in sensitive sectors Inclusion of environmental risks when assessing creditworthiness Implementation of self-regulation policies for the assessment and management of the socio-environmental risk of loans in sensitive sectors</p> <p>Energy transition support through funding to the Green Economy and Circular Economy</p> <p>ASSET MANAGEMENT Assessment and control of ESG risks in the investment portfolios</p>
<p>Transition Changes in public policies Technological changes Changes in customer/ consumer preferences</p>	Short/medium/long term	<p>Reputational impact, negative perception from stakeholders and in particular from SRI investors due to nil or inadequate management of such risks</p> <p>Possible exclusion from sustainability (ESG) indices or a worse ESG position or lower rating</p>	<p>Inclusion of environmental risks when assessing creditworthiness Implementation of self-regulation policies for the assessment and management of the socio-environmental risk of loans in sensitive sectors</p> <p>Stakeholder engagement initiatives</p> <p>Participation in international working groups on climate change issues</p>
<p>Transition Changes in environmental regulations Introduction of new greenhouse gas emission limits or new related reporting systems</p>	Short/medium term	<p>Financial implications of environmental regulations and emission limits and/or taxes imposed on customers operating in certain economic sectors</p>	<p>Offering dedicated financial solutions and specialist advisory services for customers in the field of renewable energies and energy efficiency</p> <p>Participation in working groups and initiatives relating to climate change</p> <p>Active collaboration with policy makers to highlight the need for stable and clear environmental regulations</p>
<p>Transition Introduction of regulation on climate risks for the financial sector</p>	Short/ medium term	<p>Reduction of Group revenues deriving from excessive exposure to more vulnerable sectors to climate risk</p>	<p>Inclusion of climate risk in risk management systems</p> <p>Rebalancing of portfolios</p> <p>Supply of products and services connected with transition</p>

* 0-2 years short term; 2-5 years medium term; over 5 years long term.

Potential risks	Timeframe*	Potential impacts	Actions
Transition Changes in customer/ consumer preferences	Short/medium term	Reduction in Group revenues due to the increased competition generated by the growing demand for ESG products and the fall in demand for non-ESG services/products	Supply of Green and ESG products and services Green and ESG bond issues Support to the Circular Economy
Physical Extreme weather events (floods, heavy snowfall, whirlwinds)	Short/medium/long term	Financial implications for corporate and retail customers damaged by extreme weather events, with possible consequences on their creditworthiness and solvency	New subsidised loans intended to restore damaged structures Suspension or moratorium of repayments of loans issued to damaged customers Implementation of a credit plafond for the reconstruction of damaged properties in case of disaster events

* 0-2 years short term; 2-5 years medium term; over 5 years long term.

Direct risks related to climate change

Potential risks	Timeframe*	Potential impacts	Actions
Transition Changes in environmental regulations	Short/medium term	Possible fines in the event of failure to comply with new regulations	Constant and precautionary monitoring of possible changes to national and European regulations
Transition Introduction of new greenhouse gas emission limits or new related reporting systems Increase in cost of raw materials	Short/medium term	Costs for upgrading heating and air conditioning systems and for new monitoring tools Costs related to eventual taxes connected with greenhouse gas emissions Increase in costs of energy supply	Implementation and monitoring of the Climate Change Action Plan Energy efficiency actions Increase in the use of renewable energy sources Preventive actions to replace old systems with next-generation systems with a low environmental impact, as well as consumption monitoring systems during the renovation of branches and buildings
Transition Changes in environmental regulations and standards that the Group voluntarily adheres to (ISO standards)	Short/medium term	Costs of changing the processes of certification in the event of changes to standards	Continuous and precautionary monitoring of possible changes in standards Participation in specific training courses and workshops
Physical - acute Extreme weather events (floods, landslides, heavy snowfall, whirlwinds)	Short/medium/long term	Possible damage to the Bank's infrastructure and possible disruption of activities	Precautionary assessment of the hydrogeological risks for buildings Adoption of a business continuity plan and measures to prevent/mitigate/manage physical damage to the Bank's structures

* 0-2 years short term; 2-5 years medium term; over 5 years long term.

Potential risks	Timeframe*	Potential impacts	Actions
Physical - chronic Increase or reduction in average temperatures	Medium/long term	Increase in energy supply costs connected with greater heat or electricity consumption	Energy efficiency actions Increase in the use of renewable energy sources Preventive actions to replace old systems with next-generation systems with a low environmental impact, as well as consumption monitoring systems during the renovation of branches and buildings

* 0-2 years short term; 2-5 years medium term; over 5 years long term

In 2020 lots of attention was focused on activities aimed at integrating the governance of risks deriving from climate change, like part of the ESG risks, in the risk management framework, in accordance with the regulatory changes taking place.

The CRO Area focused on defining, in coordination with the ISP4ESG project, a first ESG/climate taxonomy, according to an approach based on consolidation and integration with the sector taxonomies that exist within the Group, and performing a first analysis of the Group's credit exposure in business sectors more exposed to climate change risk; consistent with the TCFD financial materiality approach (impact of climate change on the performance of the counterparty and consequently on the credit risk), this activity is essential not only for correctly identifying ESG/climate risks, but also for the development of correlated scenario analysis exercises. With regard to this aspect, in 2020 various exercises were also carried out as part of international initiatives; the skills acquired during these experiences made it possible to lay the foundations for the development of a structured methodological approach to scenario analysis, to be applied across the entire Group.

Various initiatives are also ongoing to implement scenario analyses and stress test methodologies, particularly with regard to the Large Corporate and SME portfolios. In an initial phase, the climate stress test analyses focused on the most relevant businesses in 3 specific sectors (Oil & gas, power generation and automotive), considering both physical risk and transition risk using a bottom-up approach. During the second phase, attention was focused on SMEs, concentrating on transition risk with the primary goal of developing a model to calculate a risk score for each counterparty, also thanks to a campaign of interviews with a selected sample of businesses. These pilot projects are an initial base for understanding relevant risks and their impact on the bank and the counterparties in the portfolio.

Finally, Intesa Sanpaolo took part in various international Working Groups aimed at sharing and further developing these skills and best practices in the area (see Box Participation in Working Groups on Climate Change Issues).

As part of the activities to monitor climate change risk, in May 2020 Intesa Sanpaolo issued the "Rules on operations in the coal sector" and the "Guidelines for the governance of environmental, social and governance risks in lending activities" with the aim of establishing specific criteria for limitations or exclusion from financing activities, thus strengthening its oversight of ESG issues when granting loans to sectors that are particularly sensitive from a social and environmental perspective (see pages 66-67).

With reference to direct impacts, Intesa Sanpaolo is committed to analysing and containing possible risks on its properties as well as taking immediate action in the event of environmental disasters.

For example, the Risk Assessment Document which evaluates risks to workers' health and safety (Italian Legislative Decree 81/2008) also assesses hydrogeological risk due to flooding and landslides. The hydrogeological risk assessment of buildings is conducted both as a preventive measure and also following external events with a view to ensuring that the buildings involved meet all safety standards. Based on the provisions of the Italian Institute for Environmental Protection and Research (ISPRA, Istituto Superiore per la Protezione e la Ricerca Ambientale), which divides the territory into 5 hazard classes (very high P4, high P3, medium P2, moderate P1 and attention areas AA), more than 1,000 Intesa Sanpaolo buildings in Italy are subject to landslide and flood risk. For the Bank's assessment of flooding, the benchmark is based on the level of danger associated with a floodable area, and depends on the probability that the area can be flooded. With regard to landslides, on the other hand, the benchmark is also based on the level of danger (from P1 to P4) associated with an area subject to landslides, but depends on the relationship between the probability of occurrence of the event and its magnitude taking into account both the speed of the landslide's movement and the extent of its spread over the area. These assessments, together with

the daily analysis of Arpa's weather alert bulletins and the bulletins of the Department of Civil Protection on critical national and regional issues, enable the Intesa Sanpaolo Group in Italy to implement actions that take account of the effects of critical events connected with natural phenomena deriving from climate change, making it possible to manage them, through the implementation of different potential risk scenarios, indicated in the Emergency Plans, in order to mitigate and reduce their potential damage, particularly with regard to workers and stakeholders.

In addition, two important initiatives were completed in 2020. The first regards the performance of inspections on a sample of properties in areas of greater hydrogeological risk. This project was carried out with the aim of validating the methodology for the definition of a vulnerability index for the Bank's properties that can be used to identify priority action and analysis criteria in the event of emergency situations. Based on the results of these inspections, possible intervention measures to make the buildings safe will then be identified in order to prevent the occurrence of potential risk situations. The second initiative regards the vulnerability assessment of 14 Venice branches affected by the "high water" emergency caused by the rising sea level. The specific risk for each branch was analysed and procedures to manage the emergency identified. High tide bulletins are checked periodically in order to provide the competent structures with advanced warning and enable them to activate the procedures outlined in the specific Emergency Plans.

In general, with regard to all direct risks related to climate change, in Italy the CEM (Critical Events Management) is activated when the first bad weather alert is issued. CEM guarantees the continuous and precise monitoring of the situation and supports the overall coordination of the actions agreed to by the territorial structures, in constant connection with the relevant central structures.

In the case of very serious calamitous events, the EMOC (Emergency Management Operations Centre) of the Business Continuity Management Department is also activated, which monitors the situation, assesses the temporary closure of buildings and initiates any other actions.

In order to guarantee operational continuity in the areas most affected by bad weather, the local and central structures' crisis contacts are also activated for the timely reporting of critical issues, with particular reference to delays in the transport of valuables and correspondence, staff difficulties in reaching the workplace and difficulties of the branches with operations and systems.

In 2020 an awareness raising activity was launched among the Group's international subsidiaries with the aim of identifying the climate change risks associated with the management of the Bank's properties: the majority of subsidiaries assessed the acute physical risks, such as hydrogeological risk, while chronic physical risks and transition risks will be analysed in 2021.

The Context Analysis of the three schemes of certification for the Integrated Environment, Energy, Health and Safety Management System, aligned with the UNI EN ISO 14001:2015, UNI CEI EN ISO 50001:2018 and UNI ISO 45001:2018 standards, also took account of the risks connected with climate change. Some areas were identified, including environmental and security regulations, environmental and climatic conditions, loans and services for the Green Economy, real estate, plant efficiency and maintenance, internal communication tools, for which the expectations of stakeholders were assessed, highlighting for each one strengths and weaknesses and ongoing or possible actions to mitigate a potential risk. For all highlighted risks, mitigation or risk acceptance actions were defined with the specific identification of the structures responsible for overseeing the actions according to a model that takes account of the value attributed to the impact and the probability of the risk occurring.

Integrity in corporate conduct

RELEVANT ISSUES

Fighting against corruption	page 77
Combating money laundering	page 79
Compliance with tax regulations	page 80
Protection of free competition	page 83
Privacy protection	page 84
Compliance with labour laws	page 85
Audits	page 85
Disputes and fines	page 86

WHY THESE ISSUES ARE RELEVANT

The Intesa Sanpaolo Group recognises that compliance with internal and external regulations and codes of conduct is of significant importance, also from a strategic viewpoint, and therefore it acts in the belief that respecting standards and fairness in business are essential elements in carrying out banking operations, which by nature are based on trust and transparency. Indeed, Intesa Sanpaolo believes that compliance with standards encourages the creation and maintenance of a competitive economic environment and protection of customer rights, which contributes to the development of local areas and communities.

Intesa Sanpaolo also seeks to be a reliable and professional partner for the regulators. In this context, the Group actively adheres to the principles of the United Nations' Global Compact that envisage the development of policies for combating corruption, protecting human rights, workers' rights and safeguarding the environment.

The Group has defined and implemented a well-structured system of risk assessment throughout the company structures, which is applied according to risk assessment criteria. Adherence to the rules and integrity of corporate conduct are also ensured through compliance activities focused on the monitoring of risk in relation to fighting corruption and anti-money laundering, counter-terrorist financing, embargo management and protecting competition. The Group adheres to the principle of active cooperation in preventing these phenomena, which represent a serious threat to the legal economy.

Intesa Sanpaolo monitors developments in international tax regulations guided by the OECD and aimed at countering base erosion and profit shifting from high-tax to low-tax countries, with the ongoing commitment to adhere to those principles.

Internal auditing involves constant and independent monitoring of the due conduct of the Group's operations and processes.

PERFORMANCE INDICATORS AND RESULTS ACHIEVED

Macro-issue	Projects/Indicators	2020 Actions/Results
Fighting against corruption and combating money laundering	Training to prevent corruption and money laundering	<ul style="list-style-type: none"> 74,511 employees trained (86.9% of the total) 361,394 hours provided
	Disciplinary sanctions due to staff corruption	<ul style="list-style-type: none"> 0
	Dismissals due to corruption	<ul style="list-style-type: none"> 0
	Internal advice and clearing on transactions in the highest corruption risk areas	<ul style="list-style-type: none"> 259
	Certifications	<ul style="list-style-type: none"> Confirmation of ISO 37001 Anti-bribery Management System certification obtained, following the annual audit process by the competent certification company
Protection of free competition	Training on free competition	<ul style="list-style-type: none"> 59,434 employees trained (69.3% of the total) 1,215,503 hours provided

Macro-issue	Projects/Indicators	2020 Actions/Results
Protection of free competition	Internal requests for antitrust advice and clearing on Group projects	<ul style="list-style-type: none"> Advice and clearing requests were made for 85 initiatives, of which 41 advice and 31 clearing requests have been completed (opinions not subject to changes or updates), with the rest still ongoing
Privacy protection	Training on Privacy protection Cases of customer data being lost or stolen	<ul style="list-style-type: none"> 61,852 employees trained (72.2% of the total) 72,165 hours provided In Italy 18 cases were assessed, for 14 of which no risk to the rights and freedoms of the data subjects was found and therefore it was not necessary to notify the Italian Data Protection Authority. For the remaining 4 cases the Italian Data Protection Authority was notified Abroad in the EU 24 cases of alleged personal data breach, 22 of which were found not to pose a risk to the rights and freedoms of the data subjects by the local Data Protection Officers, the remaining 2 cases were reported to the local authorities
Consumer protection	Training on consumer protection	<ul style="list-style-type: none"> 61,700 employees trained (72% of the total) 1,559,068 hours provided
Whistleblowing	Whistleblowing reports	<ul style="list-style-type: none"> 21 reports, of which 8 were judged to be not pertinent and 13 were subject to specific investigations

FIGHTING AGAINST CORRUPTION

The Group's Code of Ethics provides that business goals are pursued with honesty, fairness and with a sense of responsibility in full compliance with the rules, professional ethics and spirit of signed agreements. It recognises the strategic importance of the work aimed at ensuring compliance with internal and external regulations and codes of conduct, and sets high standards of compliance for all employees, which are also included in the Code of Conduct.

The Code of Ethics also establishes Intesa Sanpaolo's commitment to contributing to combating corruption, supporting the OECD (Organisation for Economic Co-operation and Development) Guidelines, and the anti-corruption principles established by the United Nations in 2003, including by taking a "zero tolerance" approach. The Group has adopted strict internal procedures and specific Guidelines over time to prevent the risk of corruption.

MODEL FOR THE MANAGEMENT OF ADMINISTRATIVE LIABILITY PURSUANT TO ITALIAN LEGISLATIVE DECREE 231/01

Italian Legislative Decree 231/01 establishes a system of administrative liability for Italian Companies for certain specifically identified crimes or offences, committed in their interest or for their benefit by their senior officers and/or employees. Intesa Sanpaolo has long had a specific Organisational, Management and Control Model in place that defines the principles of control and conduct that must be adopted to reduce the risk of committing crimes and offences envisaged by the Decree, including, in particular, corruption, environmental crimes and the violation of human rights.

In preparing the Model, the Bank first of all took into account all the existing regulations, procedures and control systems already being implemented, insofar as they were also suitable as measures for preventing crimes and illegal conduct in general, including those envisaged by Italian Legislative Decree 231/01.

The Bank identified the following as specific instruments already existing and aimed at planning the formation and implementation of company decisions and carrying out controls on business operations, including in relation to crimes and offences to be prevented:

- the corporate governance rules, adopted in compliance with the Corporate Governance Code for listed companies and the relevant company regulations and regulatory legislation;
- internal regulations and company policies;
- the Group's Code of Ethics, Internal Code of Conduct and Anti-Corruption Guidelines;
- internal control system;
- power and delegation system.

MODEL FOR THE MANAGEMENT OF ADMINISTRATIVE LIABILITY PURSUANT TO ITALIAN LEGISLATIVE DECREE 231/01

The Board of Directors delegates the structures the task of implementing the content of the Model and ensuring the constant updating and implementation of internal regulations and company processes, which are an integral part of the Model, in compliance with the principles of control and conduct defined for each sensitive activity.

The effective and concrete implementation of the Model is also guaranteed by:

- the Surveillance Body, in exercising the powers of initiative and control assigned to it in relation to the activities carried out by the individual organisational units in sensitive areas;
- the heads of the various organisational units of the Bank (Governance Areas, Divisions, Departments and Organisational Units) in relation to the activities at risk carried out by them. Without prejudice to the independent responsibility of each Italian-registered company of the Group regarding the adoption and effective implementation of its own Model, Intesa Sanpaolo in performing its duty as the Parent Company issues general criteria and instructions, and verifies the compliance of company Models with those criteria and instructions.

During 2020, the Model was subject to two updates:

- on 16 June, by resolution of the Board of Directors, the changes in the external regulations on tax crimes and cybercrime matters, the organisational changes connected to the merger by incorporation of Mediocredito Italiano and the outsourcing to Prelios of some of the management activities of non-performing loans, as well as some changes to information flows on whistleblowing were implemented;
- on 18 December, the Board of Directors approved the update of Model 231 in relation to the changes in the external regulations (Italian Legislative Decree no. 75/2020 which implemented the 2017 EU Directive on the fight against fraud to the European Union's financial interests), the organisational changes associated with the transactions carried out by Banca IMI, merged into Intesa Sanpaolo in July 2020, and other adjustments attributable to the assessment outcomes on the Model launched upon the initiative of the Surveillance Body.

The Italian companies of the Group began the adoption of these updates.

To provide the Surveillance Body with an overall picture of the planning of the various control structure activities (compliance, anti-money laundering, administrative/financial governance, internal audit), the Compliance function collects the respective plans from the relevant structures on an annual basis regarding the scheduled supervision of sensitive areas and incorporates them into the 231 Audit Plan. On the basis of this document, the Surveillance Body assesses the adequacy of the programme of audits on individual sensitive company activities and identifies any further actions needed to strengthen the audit plans proposed by the structures concerned.

The heads of the organisational units involved in sensitive processes pursuant to Italian Legislative Decree 231/01 certify the level of implementation of the Model, by means of an overarching self-diagnosis process on the work carried out, with a particular focus on compliance with the principles of control and conduct and the operating rules.

Lastly, constant attention is paid to training initiatives and the dissemination of compliance culture: in this regard, the new distance training course for the three-year period 2019-2021 has been designed to provide specific training modules.

The Group's Anti-Corruption Guidelines identify the principles and the sensitive areas and define the roles, responsibilities and macro-processes for the management of this risk, further strengthening an internal regulatory framework which already consists of the Code of Ethics, the Group's Internal Code of Conduct and – for the Italian Group companies – the Organisational, Management and Control Model adopted pursuant to Italian Legislative Decree 231/2001.

In March 2020 the Board of Directors approved the update of the Guidelines to take account of the organisational changes that occurred within the Group and the changes introduced by Law 3/2019 (particularly the new predicate offence of trafficking in illicit influences and the widening of the scope of persons who may be involved in international corruption offences).

The Guidelines define the commitment to comply with the regulatory provisions aimed at combating corruption in all its forms, where corruption means the direct or indirect offering or acceptance of money or other benefits capable of influencing the recipient, in order to induce or reward the performance of a function/activity, or alternatively its omission. In line with international best practices, the Group does not tolerate:

- any type of corruption, in any form, manner or jurisdiction, not even if activities of this kind are permitted, tolerated or not prosecuted under the laws in force in the countries in which the Group operates;

- any conduct involving the offer or acceptance of money or other benefits – directly or indirectly – with the aim of inducing or rewarding the performance of a function/activity, or alternatively its omission. Such conduct is not tolerated even with regard to small payments aimed at speeding up, facilitating or ensuring the performance of a routine activity, or any activity that forms part of the recipient's duties (known as facilitation payments). Benefits that cannot be granted include, for example, gifts and services offered free of charge (except for those envisaged by specific regulations on gifts, and entertainment and charitable expenses), the undue hiring of a person, the granting of credit on terms that do not conform to the principles of sound and prudent management and, more generally, all transactions that entail the generation of a loss for the Group and the creation of a profit for the recipient.

Monitoring in this area is assigned to the Anti Financial Crime Head Office Department, and its Manager is allocated the role of Group Anti-Corruption Officer.

The Anti-Corruption Guidelines have been approved by the main Group companies, including Fideuram Intesa Sanpaolo Private Banking, Intesa Sanpaolo Vita and Eurizon Capital. Within the scope of the International Subsidiary Banks Division, all banks have submitted the document for formal acknowledgement to their relevant bodies and have adapted the Guidelines to the regulatory environment. In addition, adjustments are underway with respect to the latest update of the Guidelines within the Parent Company.

In 2020, there were continued checks on the consistency of the detailed internal regulations with the general principles set out in the Anti-Corruption Guidelines, in order to implement the necessary alignment, in addition to a detailed analysis of the anti-corruption controls currently in place in the individual highest risk areas, in order to identify any strengthening measures. More specifically, the Guidelines on Financial Equity Investments were brought into line with the anti-corruption regulations and the process regulations concerning equity interests that can be held with reference to non-financial companies and the selection of suppliers for international branches were updated. In April 2020 Intesa Sanpaolo obtained confirmation of the ISO 37001 Anti-bribery Management System certification, following the annual audit process (maintenance audit) by the competent certification company.

During the year, the Anti Financial Crime Head Office Department processed 259 advice and clearing files for specific operations in the highest corruption risk areas, particularly concerning the purchase, management and sale of equity investments and other assets, donations, sponsorships and relationships with suppliers, the hiring of personnel, and gifts.

During 2020 specific classroom training initiatives were held for personnel dedicated to compliance issues and, finally, the e-learning course continued to be provided to the employees of the Group Italian companies and the international subsidiary branches.

There were no cases of disciplinary measures related to corruption incidents.

There were no significant penalties for non-compliance with laws or regulations relating to corruption.

COMBATING MONEY LAUNDERING

Intesa Sanpaolo pays particular attention to compliance with national and international regulations aimed at combating money laundering and terrorist financing, which it recognises as a serious threat to the legal economy with destabilising effects for the banking system, and it adheres to the principle of active cooperation in preventing these phenomena.

In compliance with the legislative provisions of the legislator and the sectoral supervisory authorities, and based on the international standards contained in the FATF (International Financial Action Task Force) Recommendations, the Group has adopted procedures, instruments and controls designed to mitigate the risk of being involved, even unknowingly, in acts of money laundering, terrorist financing, violation of embargoes and arms regulations.

The Group's governance system to combat money laundering and terrorist financing is based on Guidelines that constitute a systematic and functional reference framework, with active collaboration by the Group in preventing these illegal activities. Specific processes and procedures are in place in the areas of obligations of customer due diligence, reporting of suspicious transactions, storage and provision of data, information and documents, risk assessment and management, internal control and guarantee of compliance with all of the relevant provisions to prevent and impede the completion of transactions connected to money laundering, terrorist financing, violation of embargoes and arms regulations. The guidelines and standards established by the Parent Company are developed and implemented within the individual operating structures in accordance with the characteristics and complexity of the activity carried out, as well as in accordance with their size and organisational structure, in compliance with the requirements of local regulations and ensuring

the sharing of information at a consolidated level.

Procedures that provide automatic checks on the Group's register and transactions have been active for some time now, in order to mitigate the risk of having customers included in the list of entities subject to restrictions or freezing of assets (black list). The Group has also adopted a stricter approach, going beyond the regulatory requirements, by envisaging more detailed assessments of credit and reputational aspects to prevent its involvement, in any capacity, in transactions with counterparties or countries under embargo, even if the transaction is among those permitted by the restrictive provisions issued by the international authorities. In 2020, the implementation of the IT interventions identified in the context of the AML IV Directive was completed. With reference to the Provisions for the storage and provision of documents, data and information for the fight against money laundering and terrorist financing (issued on 24 March 2020 by the Bank of Italy), the regulatory and procedural alignment activities, some of which already carried out in 2019 on the basis of the information available at the time (Italian Legislative Decree 90/2017 transposing the IV AML Directive and consultation Document) have been completed, in subsequent steps, in February 2021. The activities of the multi-year programme for the overall review and strengthening of anti-money laundering, embargoes, anti-terrorism and anti-corruption controls at Group level (ENIF Programme - Enabling Integrated Anti Financial Crime) also continued.

RELATIONS WITH POLITICAL PARTIES AND MOVEMENTS

The Intesa Sanpaolo internal policies establish that political parties and movements cannot be recipients of donations and sponsorships. With regard to the financing of political parties, connected associations and individual candidates, specific rules state that the only form of new credit concession for them, that can solely be decided upon by the Board of Directors, consists of the advance on an annual basis of the "2x1,000 contribution" against the transfer, to be notified in accordance with the law, of the sums due to the parties for this form of contribution. In 2020 Intesa Sanpaolo did not grant financing in this area.

COMPLIANCE WITH TAX REGULATIONS

In compliance with the Code of Ethics, the entire Group is committed to observing principles based on values of honesty and integrity in managing tax matters, compliance with the tax regulations applicable in the countries in which the Group operates, and maintaining a collaborative and transparent relationship with the tax authorities, including through adherence to cooperative compliance schemes.

Intesa Sanpaolo places a particular focus on the evolution of tax regulations, both on a domestic and international level, aimed at countering base erosion and profit shifting, with the ongoing commitment to adhere to those principles. The Group has strengthened the internal control system for tax risk, known as the Tax Control Framework, to make it capable of covering the strategically important area of tax risk and meeting the requirements for access to the collaborative compliance scheme introduced in Italy, in accordance with Italian Legislative Decree 128/2015. On 10 December 2018, Intesa Sanpaolo was granted access by the Italian Revenue Agency to the Cooperative Compliance scheme, starting from 2017 when the application was submitted. Under this scheme, Intesa Sanpaolo and the Italian Revenue Agency can perform joint assessments on certain situations that could lead to tax risks thanks to ongoing, preventive contact, with a view to resolving any potential disputes before they occur.

In December 2017, the Intesa Sanpaolo Group adopted a tax strategy through the Principles in relation to tax matters [1], in order to ensure compliance with the tax and fiscal rules of the countries where it operates over time, and to guarantee the financial and reputational integrity of all the Group companies. In particular, guidelines have been established to ensure uniform management of taxation at all Group companies, based on approach of: (i) correct and timely determination and payment of taxes due by law and performance of the related obligations, (ii) containment of tax risk, understood as the risk of operating in violation of tax regulations or in conflict with the principles or with the aims of the legal system in the various jurisdictions in which the Group operates, both due to outside factors (primarily, uncertainty of the interpretation of tax laws due to ambiguity or lack of clarity of tax regulations) and internal factors (usually, incorrect and/or untimely compliance with mandatory requirements, failure to detect regulatory changes affecting the taxation of the Group; and transactions that may be challenged by the tax authorities as abusive).

The principles set out in the document are as follows:

- Corporate Responsibility - The Group, in compliance with the Corporate Responsibility principle, acts according to the values of honesty and integrity in the management of tax matters, in the knowledge that revenue from taxes is one of the main sources of resources contributing to the economic and social development of the countries in which it operates.

- **Legality** - The Group adopts conduct based on compliance with the tax regulations applicable in the countries in which it operates and on interpretations that allow it to manage tax risk responsibly, so that it can satisfy the interests of all its stakeholders and ensure its positive reputation.
- **Tone at the top** - The Board of Directors defines the principles of conduct in relation to Group tax matters and ensures its application, therefore assuming the responsibility of driving the spread of a corporate culture based on the values of honesty and integrity and principle of lawfulness.
- **Relationship** - The Group maintains a collaborative and transparent relationship with the tax authorities, guaranteeing, among other things, to provide them the information needed to fully understand the circumstances underlying the application of tax rules. To this end, Intesa Sanpaolo encourages the Group companies to adhere to cooperative compliance schemes, which supplement the national regulations, in order to create stronger relationships with the tax authorities.

The Principles of conduct in tax matters are adopted by Intesa Sanpaolo including in its capacity as Parent Company and are approved by the Board of Directors. On this assumption, the Principles must be implemented by all Group companies, subject to resolution of their bodies with strategic supervision duties. The interpretation of the provisions contained in the Principles of conduct on tax matters is the responsibility of the Parent Company which, through the Tax Department, also takes care of updating them.

The Guidelines were also approved for the management of tax risk within the collaborative compliance scheme with the Italian Revenue Agency, which govern the criteria and processes that Intesa Sanpaolo must adopt to ensure the adequacy and effectiveness of its Tax Control Framework, as well as the related Rules.

The types of tax risk that may arise in the context of business processes have been identified by Intesa Sanpaolo as:

- **Tax compliance risks.** These are risks of an operational nature and arise in both business processes (such as risks of not correctly performing all the operational tasks necessary to ensure correctness – in terms of completeness, accuracy and timely processing – of the relevant data for tax purposes), and in specific tax compliance processes (from data collection through to its processing and preparation of tax declarations/payments and communications sent to the tax authorities);
- **Tax risks of an interpretative nature in transactions/routine operations.** This type of risk relates to the uncertainty about the actual meaning of the regulations and the classification of actual cases with respect to theoretical circumstances, and arises within the following processes: regulatory alignment, advice given to the Structures of the Bank and interpretation choices adopted in tax compliance processes;
- **Tax risks of an interpretative nature in non-routine transactions.** These risks arise whenever non-routine transactions/operations are carried out, which are characterised by objective and defined uncertainty regarding the risk of adopting incorrect interpretations or, in any case, interpretations that are contrary to the principles and aims of the tax system.

Intesa Sanpaolo has adopted tax risk management processes and procedures, in compliance with the Principles of conduct in tax matters, which ensure, among other things:

- the correct assignment of roles, responsibilities and powers to each party involved, in whatever capacity, in processes with tax implications in order to ensure proper management of tax risk and minimise the likelihood of disputes;
- the involvement of the Tax Department in business decisions. Intesa Sanpaolo's processes must ensure full and constant involvement of the Tax Department in business decisions, with the aim of encouraging informed decisions in the event of a significant tax risk.

The business functions and the Head Office Departments that carry out transactions with potential tax impacts must comply with the Principles of conduct in tax matters and the Guidelines in the performance of the activities for which they are responsible. If the clearing processes adopted by the Bank do not already require the involvement of the Tax Department, it is the responsibility of the Business Function (Division or Head Office Department) proposing/structuring the transactions to involve the Head of the Tax Department in advance to allow an adequate assessment of the tax effects and risks arising from their implementation.

The Business Functions or Head Office Departments that carry out transactions with potential tax impacts:

- adopt conduct that is compliant with the guidelines received from the Tax Department, with reference to cases of tax relevance;
- promptly inform the competent corporate functions about changes in operations that may lead to reviewing corporate processes, so that the necessary tax risk assessments may be initiated and suitable safeguards adopted to mitigate their effects;
- carry out the planned first-level monitoring activities in the management of tax risk;
- they are responsible for the implementation of the actions identified, in agreement with the Tax Control Office, in order to mitigate the tax risks that have an impact on their respective processes.

Tax risk management, also following the Group Compliance Guidelines, is broken down into the following macro processes:

- regulatory alignment, aimed at monitoring external regulations and translating them into internal guidelines, processes and procedures, through:
 - the activities aimed at continuously identifying and interpreting the external regulations applicable to the Bank, through the ongoing monitoring of external regulatory sources and the consolidation, in the event of regulatory changes, of a univocal and shared interpretation;
 - the assessment of the impact of the applicable rules on corporate processes and procedures and consequent proposal of organisational and procedural changes aimed at ensuring adequate monitoring of non-compliance risks.
- advice and assistance to the Bank's corporate bodies and other structures and preliminary assessment of compliance with applicable regulations (clearing) of transactions (routine and non-routine), new products and services to be introduced to the market, innovative projects;
- discussions with the Italian Revenue Agency, in cases where the risk exposure values exceed the agreed-upon materiality threshold. If the tax position that Intesa Sanpaolo intends to adopt is not accepted by the Italian Revenue Agency, its final adoption must be approved by the Board of Directors;
- monitoring of the Tax Control Framework (Assurance): compliance risk monitoring takes place, in addition to preliminary activities, in verifying ex post the adequacy and effective application of internal processes and procedures and of the proposed organisational adjustments for its prevention and, more in general, checking the effective compliance with external and internal regulations by the corporate structures. Control on the Tax Control Framework is carried out by the Head of the Tax Control Office on the basis of an annual audit plan and according to the Group Compliance Guidelines and the Integrated Internal Control System Regulation.
- Dissemination of culture: tax risk monitoring also takes place through the dissemination of a corporate culture founded on the principles of honesty, fairness, and respect for the spirit and the letter of the rules.
- Information flows to the Corporate Bodies: at least annually, the Board of Directors, the Risks Committee and the Management Control Committee receive from the Head of the Tax Department all the information relating to the main policies and choices followed in the tax area, the progress of the discussions with the Italian Revenue Agency in the context of cooperative compliance, as well as with regard to the outcomes of the audit activities, including on the adequacy of the TCF, carried out during the period by the Head of Tax Controls. The Head of the Tax Department also promptly reports any non-compliance issues and events deemed to be particularly significant to the Corporate Bodies.
- Tax risk management process of an interpretative nature: regulatory alignment and advisory and clearing activities, as well as the preparation of tax returns, involve interpretative choices on the applicable regulations. In making these choices, the Tax Department must assess the degree of certainty of the position it intends to adopt. If the interpretation presents a high degree of uncertainty and has a significant impact on company operations, the Tax Department measures the exposure to tax risk, the acceptance of which is resolved upon, according to its relevance, according to the approval thresholds set out in the Guidelines. The methods used to assess the degree of certainty of the interpretation and the related impact on the Bank's operations and to determine the tax risk are defined by specific internal regulations and shared between the Tax Department and the Compliance, Governance and Controls Head Office Department and, within the scope of their responsibility, with those of the Chief Risk Officer.

Intesa Sanpaolo, in adopting tax risk management processes and procedures, in compliance with the "Principles of conduct in tax matters", ensures that the tax risk management processes guarantee adequate protection of internal and external stakeholders, both in terms of risk mitigation (also in consideration of possible reputational impacts), and in more general terms of safeguarding shareholders' value, defined as the interest of stakeholders in not diminishing corporate value.

During 2020, the Group, in addition to indirect taxes of 1.017 million euro (including UBI's contribution, equal to 170 million), recorded accrued income taxes for the year of 1,360 million euro (including UBI's contribution, equal to 110 million), for the most part in Italy, where the majority of operating income was earned, as per the table below.

2020 Figures [millions of euro]	Italy	Europe	Rest of the world
Taxes on income	-950	-348	-62
Operating income	15,193	3,072	758

The International Branches are presented in the geographical breakdown in relation to the country where these branches are located. As far as taxes on income are concerned, since Intesa Sanpaolo did not apply the option for the scheme of income exemption for international branches (known as Branch exemption), these branches' income is also taxed in Italy.

In compliance with the applicable regulations, Intesa Sanpaolo also publishes a country-by-country disclosure in which the following information is provided for each country (according to the rules established by the Bank of Italy): gross income, number of employees, profit or loss before tax and tax on profit or loss. The report is available at the following link [\[1\]](#).

* The comments refer to the reclassified data published in the 2020 Consolidated Financial Statements of the Intesa Sanpaolo Group, which can be referred to for additional details or information.

PROTECTION OF FREE COMPETITION

The Group constantly monitors and promotes free competition, and spreads a culture of compliance with antitrust regulations, working to ensure that the international, European and national rules and procedures are effectively applied and observed.

In the Group's Code of Ethics, Intesa Sanpaolo declares its commitment to compete fairly in the market and cooperate with other economic, private and public entities, whenever necessary, to strengthen the overall capacity of the countries where the Group operates. The Bank has an ongoing commitment to manage relations with institutions and organisations, in monitoring existing regulations and in conducting attentive advocacy on any bills that could impact the activities of the Group and of its stakeholders at the national, European and international level, with a view to limiting legal, economic and reputational risks and exploiting new opportunities.

Due to the growing importance of antitrust issues, the Group has long since adopted a risk control system for antitrust compliance, under the responsibility of the Institutional Affairs Department. In this regard, it has adopted an extensive Antitrust Compliance Program that among its key elements includes the establishment of a specific internal team to monitor compliance with antitrust rules, the adoption of a Group Antitrust Regulation (which has incorporated the Antitrust Compliance Policy), the Antitrust Conduct Rules and the Antitrust Inspection Rules, as well as a training and information programme. The control of this area has been extended beyond the more traditional forms of antitrust (mergers, abuses of dominant positions and agreements) to also include EU regulations on state aid and the recent Italian regulations in support of Italy's competitiveness.

In 2020 the Group continued to raise awareness and spread the culture of antitrust compliance within the Group through the creation of 10 Web TV clips (with subtitles in Italian and English), the publication of 15 articles for the Group's communications magazine "Mosaico" (also translated in English) and the circulation of specific "Antitrust Update" reports. Furthermore, a dedicated course is available to all employees in Italy.

PRIVACY PROTECTION

Intesa Sanpaolo is continually committed to implementing regulatory, organisational and technological measures aimed at adequately meeting the needs of privacy protection. These actions reflect the principles of the Group's Code of Ethics which commit the Bank to adopting criteria of absolute transparency in informing customers and employees about their data privacy rights and how their personal information is processed. This commitment is set out in Corporate rules for the processing of personal data and in Guidelines on the protection of personal data of natural persons, approved by the Board of Directors, which provide an overall framework for conduct for all Bank staff, as well as for those who work in cooperation with it. The EU Regulation no. 2016/679 of the European Parliament and Council of 27 April 2016 [General Data Protection Regulation (GDPR)], which came into force on 25 May 2018, makes each data controller responsible, based on the principle of accountability, for implementing regulatory, organisational and technological measures to adequately comply, following a risk-based approach, with the regulatory principles of the GDPR: Data Protection by design and by default, appointment of the Data Protection Officer, Privacy Impact Assessment, Register of Processing Activities, subjective role of Third Parties, and Data Breach. The GDPR alignment project under the responsibility of the Privacy structure has defined the organisational measures and continues to develop the technological and IT security measures needed to comply with the requirements of the European Regulation in Italy and for the Group companies located within the EU, following a risk-based logic and depending on the solutions available on the market and the complexity of the measures.

The Data Protection Officer, who is supported by the Privacy structure in the Safety and Protection Head Office Department, provides supervision, for the Parent Company and the Group Companies that have signed specific service agreements, of the privacy regulations, ensuring the adoption of the related updates and regulatory alignment, in addition to compliance with the provisions of the Italian Data Protection Authority. This structure conducts prior assessments on the compliance of new products, initiatives and services involving the processing of personal data, and represents the Company before the Italian Data Protection Authority during inspection procedures. The Data Protection Officer assesses the role performed by the Group's suppliers/Third Parties based on the provisions for the processing of personal data contained in the contracts, and supports the business and support structure in preparing any letters of appointment as Data Processor, and in updating the Register of Processing Activities. It also updates and publishes the List of Third Parties that process the personal data of customers and employees; within the scope of the controls framework, it conducts periodic checks on compliance with contractual provisions on personal data processing by Suppliers/Third Parties designated as Data Processor. The Data Protection Officer manages the responses to the Italian Data Protection Authority and the interested parties, following reports or complaints submitted to the Authority. It also processes customer requests associated with Data Subjects' rights in compliance with the legal provisions and the measures issued by the Authority, and oversees training on privacy, in collaboration with the designated structures through the provision of mandatory training courses on the protection of personal data offered online.

For the other Group Companies, the Data Protection Officer performs a role of guidance, coordination and control, overseeing the correct application of the Group guidelines and regulations on privacy, and provides support and advice for the performance of the current activities in this area. For the Group, it ensures control of the compliance risk in relation to privacy regulations, performing the role of Specialist Function set out in the Group Compliance Guidelines, in particular by overseeing compliance risk with data protection regulations for the Parent Company and the Group companies under centralised management, with the verification of the adequacy and effective application of internal processes and procedures and the organisational adjustments suggested and, in general, through the control of actual compliance with external and internal regulations by the corporate structures. The Function updates the Register of Processing Activities for personal data performed by the Parent Company and the Group Companies under centralised management, with the cooperation of the business and support functions, and provides assistance with regard to other Group companies.

As part of the annual auditing plan, the Internal Control Function carries out periodic checks on the compliance of the activities with personal data protection regulations and the correct compliance with the provisions issued by the Data Protection Authority on these matters. This commitment allows for the mitigation of reputational and non-compliance risks in the processing of personal data, also with respect to the lawfulness and fairness of the processing, the purposes of the processing and its relevance, and the completeness and non-excessive nature of the data collected.

With regard to requests received from customers regarding personal data protection, in Italy 101 reports were received in 2020 for alleged instances of non-compliance (99 of which related to Intesa Sanpaolo) and 8 requests from the Italian Data Protection Authority regarding companies belonging to the Group, for which the necessary responses were given. In 2020, 18 cases (12 of which related to Intesa Sanpaolo) of loss or theft of data of customers of the Group (Data Breach) were assessed in Italy, 14 of which (12 related to Intesa

Sanpaolo) were not found to pose a risk to the rights and freedoms of the data subjects and therefore it was not necessary to notify the Italian Data Protection Authority. For the remaining 4 cases it was deemed necessary to notify the Italian Data Protection Authority.

The Companies of the International Subsidiary Banks Division established in the European Union reported a total of 24 incidents/events of alleged personal data breach, of which 2 reported to local authorities, while for the remaining 22 the local Data Protection Officers did not detect a risk to the rights and freedoms of the data subjects so it was not necessary to notify the respective Data Protection Authority.

COMPLIANCE WITH LABOUR LAWS

Consistent with the commitment set out in the Code of Ethics for the development of a working environment permeated by mutual trust, loyalty and enriched by the contribution of each person, the management model in this area is based on national and second-level (Group) collective bargaining agreements. Compliance with these rules, in addition to the legal provisions, is instrumental to improving the working environment, with a view to continued growth in the quality of relations between the Company and its personnel and customers. Thus, they have the goal of asserting the need for a transparent and sustainable work organisation, with clear operational responsibilities at the various levels to continuously ensure compliance with the rules and the prevention of non-compliant behaviour, identifying measures that ensure the effective encapsulation of company objectives and worker expectations in terms of the working environment and internal relations. Responsibility for management, and consequently also for monitoring the effective application of the trade union agreements, is assigned to the Labour Affairs and Policies Head Office Department. The protocol for Labour Relations identifies the methods to enable joint research between the Company and Trade Union Organisations on solutions to improve the well-being of employees and make a positive contribution to productivity with advanced and innovative responses in the area of pensions, assistance and services for families, education and an improved work-life balance. In general, the number of labour lawsuits is small: 39 cases for violations of labour law were notified in 2020 and around 188 cases were closed. The main types of pending litigation include the termination of employment relationships – sale of business line (Intrum), compensation for damages for deskilling and mobbing, higher job positions and appeals of disciplinary sanctions (in any event in 2020, no lawsuits were reported by current employees that related solely to cases of mobbing). There is no evidence of cases of discrimination that have led to investigations for measures to be issued under formal procedures or processes. Ongoing monitoring has also been conducted on compliance with the rules laid down by the Internal Code of Conduct, through carrying out investigations of potentially abnormal situations. In 2020, the revision of the Group Internal Code of Conduct started in 2019 was completed. After submission to the Management Control Committee and Surveillance Body pursuant to Italian Legislative Decree 231/2001, the new text was approved by the Board of Directors at the end of July 2020. The objective of the revision was to update the contents of the Code, by also incorporating some changes in the organisation of the work (for example, by expressly referring to flexible working) and including, with a view to prevention and transparency, a greater number of examples. In addition to upholding the fundamental principles, consistent with the values set out in the Code of Ethics, reference was also made to other equally fundamental principles (such as respect for the environment, inclusion, health and safety in the workplace, privacy) also by virtue of their growing importance. Concurrently with the publication of the new Code, training initiatives were launched aimed at maximising knowledge from a risk prevention perspective; the first training of a general nature has already been made available as a compulsory course for all employees. Following the approval of the new Code for Italy, in agreement with the International Subsidiary Banks Structure, work was launched for the adaptation of the Code in line with local regulations in order for the renewed text to be implemented also by International Subsidiary Banks. Finally, following the amendments made in the area of disciplinary proceedings by the Agreement of 19 December 2019 for the renewal of the National Collective Bargaining Agreement, the text of the Disciplinary Code was also updated.

AUDITS

The planning of Audits is coordinated by a specific internal structure, which supports the Chief Audit Officer in setting and assigning medium/short term objectives and plans to the Auditing Responsibility Centres, which are internal structures focused on specific sectors (e.g. head office functions, ITC, branch network, product companies, etc.). The planning activity takes into account the findings from risk analysis, the requests from the Company Management and Control Bodies, and from Top Management, as well as the obligations arising from external regulations and instructions from the Supervisory Authorities. In terms of timing, it is divided into:

- Multi-year Strategic Planning: in line with the company's strategic guidelines;
- Annual Operational Planning: annual audit plan, subject to approval by the Bodies;
- Quarterly Operational Planning.

As required by international standards, the Internal Audit Department is subject to an external Quality Assurance Review at least every five years. The most recent audit was started at the end of 2018, at the request of the Management Control Committee, and was concluded in the first quarter of 2019 with the confirmation of the best result ("Generally Compliant"). In addition, on an annual basis, the Internal quality assurance and improvement plan is prepared, which also includes the Annual Plan submitted for approval to the Corporate Bodies. At the international level, the audits are structured in such a way as to ensure the direct monitoring of Intesa Sanpaolo's international branches, in addition to guaranteeing supervision of the Central Structures and the International Subsidiary Banks Division. For these banks, the dedicated offices of the Parent Company provide direct auditing, together with governance of the activities carried out by local audit units.

With regard to the audits carried out in 2020 in the Central Structures, Banks and Group Companies, the activities regarding the 206 Risk Areas identified in the planning phase were completed, with the completion of 251 audits (63 of which "extraordinary", i.e. originating from specific requests of Corporate Bodies, Supervisory Authorities or from events/circumstances occurring after the completion of the annual planning) (*). In 2020, 91 audits were reported as significant for the purposes of Italian Legislative Decree 231/2001, and among these 9 concerned activities related to corruption risk. These latest audits involved 10 Governance Areas/Divisions (some interventions involved several Governance Areas/Divisions).

In 2020, there were 32 audits regarding actions that directly or indirectly also related to aspects linked to social and environmental policies. The impact of audits that have an effect on the implementation of social and environmental policies should nevertheless be assessed differently depending on the various areas in question: as an example, interventions concerning the disbursement and management of loans may also involve certain aspects related to rules for operations in sectors such as arms and energy policies.

During 2020, the CAO structures participated - among other things - in monitoring the progress of some project activities related to ESG issues, such as the ISP4ESG project and the specific "ESG/Impact" process of the integration project between Intesa Sanpaolo and UBI Banca.

(*) In addition, 14 audits were completed which were underway as of 31/12/2019

WHISTLEBLOWING

Since 2016, a whistleblowing system has been in place, which allows employees to report actions or occurrences that could constitute breaches of the regulations governing banking activities (whistleblowing). Whistleblowing, which ensures the confidentiality of the individual making the report without the risk of retaliatory, unfair or discriminatory behaviour, encourages employees (including suppliers and consultants) to report acts or conduct they become aware of that may constitute a breach of the regulations governing banking activities or related activities that may also be instrumental to a breach or other illicit conduct. The Chief Audit Officer is responsible for ensuring the correct performance of the process; in 2020 a total of 21 reports were received, of which 8 were judged not pertinent whereas 13 resulted in the launch of specific investigations.

DISPUTES AND FINES

As at 31 December 2020, there were a total of about 26,300 disputes (of which 3,300 pertaining to the UBI Group), other than tax disputes, pending at Group level with a total remedy¹ sought of around 4,100 million euro (of which 1,224 million euro for the UBI Group). This amount includes all outstanding disputes, for which the risk of a disbursement of financial resources resulting from a potential negative outcome has been deemed possible or probable and therefore does not include disputes for which risk has been deemed remote.

The risks associated with these disputes are thoroughly and individually analysed by the Parent Company and Group companies.

At Group level, at the end of 2020 the total value of the claim for tax disputes (tax, penalties and interest) is 211 million euros, up from 175 million euros at 31 December 2019.

With regard to compliance with environmental regulations, for damage caused to the environment as a result of the Bank's operations and in relation to health and safety, over the last three years, no significant reports emerged and no fines were imposed (see pages 201-202).

With regard to labour litigation, at the end of December 2020 there were no significant disputes from either a qualitative or quantitative standpoint.

For information on the legal risks and the most significant civil, administrative and penal lawsuits, please refer to the Consolidated Financial Statements (see pages 528-541) [i].

(1) The figures for the remedy sought do not include claims of indeterminate value, i.e. those that do not contain a specific financial claim when the dispute is initiated; the value of these disputes is determined during the course of the proceedings when sufficient information emerges for the valuation.



Society

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WHY THESE ISSUES ARE RELEVANT

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, supporting those in need and the Third Sector, sustainable investments and investments in innovation, and promoting Italy's artistic heritage are long-standing commitments and an indelible part of the Group's history and business approach.

Therefore, in line with the corporate mission, the Group is focused on providing top-quality banking, financial and insurance products and services to its customers, fostering the development of the areas in which it operates.

As outlined in the 2018-2021 Business Plan, Intesa Sanpaolo intends to maintain a sustainable growth in business through the active involvement of its people and its cutting-edge digital infrastructure. Thanks to these two enabling factors, Intesa Sanpaolo is able to provide its customers with innovative, high-quality products, expanding its range of services and available channels, as well as their accessibility.

Another equally important aspect is the ability to satisfy its customers through an operational structure that offers simple solutions, tailored to their needs and closely focused on IT security and the physical safety of customers, also thanks to the continuous reinforcement of the controls implemented by the Group, while maintaining a responsible and transparent approach when it comes to relations.

Supporting the real economy enables to guarantee deserving businesses financial support also in times of difficulty, helping them to develop innovative restructuring, revitalisation and growth solutions.

The Group's activities benefiting society also include initiatives to support the Third Sector and the financial inclusion of groups that find it difficult to access credit despite their potential, in particular young people with their educational and training needs.

The range of sustainable investments and the availability of insurance solutions for the protection of customers are other key examples of the Group's responsible approach.

With the 2018-2021 Business Plan, Intesa Sanpaolo wants to be the point of reference for communities and their growth, embracing social challenges and developing partnerships, including in the cultural sphere, to meet emerging needs in an efficient and innovative way.

PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVES

Macro-issue	Projects/Indicators	2020 Actions/Results	2021 objectives
Real-economy Bank	Medium/long-term credit granted to the real economy	~87.4 billion euro (~205.6 billion euro since the beginning of 2018)	■ ~250 billion euro (cumulative value 2018-2021)
Quality of service and customer satisfaction	Net Promoter Score (*)	NPS Retail: 21; NPS Exclusive: 15; NPS Businesses: 22; NPS Third Sector: 25. In 2020, the survey consisted of about 700,000 responses from Retail and Exclusive customers, 45,000 responses from Corporate customers and 9,000 responses from Third Sector customers	Enhancing the quality of service levels
	Average response times to customer complaints and appeals (Parent Company) in line with reference regulations (RR)	Investment products and services: 52.8 days (vs RR 60 days); Insurance products and services: 32.8 days (vs RR 45 days); Payment services: 24.1 days (vs RR 15 business days); Ordinary: 19.9 days (vs RR 30 days)	Maintaining high performance levels in listening to customers
	Expansion of the multichannel platform and digital transformation	<ul style="list-style-type: none"> ■ ~10.3 million multichannel customers (9.2 million in 2019), equalling 88% of customers ■ ~11.6 million digitised transactions (44.6 million since 2018) and 60% of digitised activities (35% in 2019) ■ ~6.5 million customers connected at least once to the new App since 2018 ■ 42 Group companies already introduced into the Cybersecurity Model (89%) 	70% of activities digitised 100% of Group companies introduced into the Cybersecurity Model
	Start-up Project	About 1,400 start-ups analysed (over 2,650 since 2018) in 8 acceleration programmes with 155 start-ups assisted in 2020 (about 390 since 2018) introducing them to selected investors and ecosystem players (about 5,600 to date)	
	Blocking of fraudulent transactions	~162 million euro of fraudulent transactions blocked for retail customers and ~33 million euro for corporate customers	Strengthening of cybersecurity
	IT Security training for employees	68,876 participants; 214,295 hours provided	
	Number of robberies	5 (20 in 2019)	Continuous focus on the safety of customers and employees
Access to credit and financial inclusion	Loans disbursed for initiatives with high social impact	About 37.2 billion euro disbursed, equal to 42.5% of total loans	Reinforcement of initiatives to foster financial inclusion and to support vulnerable groups
	Microcredit and anti-usury loans disbursed	About 85 million euro	
	Supporting people affected by natural disasters	<ul style="list-style-type: none"> ■ Supporting families and businesses hit by earthquakes and other natural disasters through write-offs of loans or moratorium on collapsed properties (about 300 moratoria in 2020 for 500 million euro of residual loans) and ~163 million euro of subsidised loans in 2020 (497 million euro since 2018) ■ In order to address the COVID-19 emergency, in 2020 the Group finalised about 32 billion euro in loans, including almost 30 billion euro as part of the "Liquidity Decree" 	

PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVES

Macro-issue	Projects/Indicators	2020 Actions/Results	2021 objectives
	Fund for Impact	<ul style="list-style-type: none"> ▪ “per Merito”, the first unsecured credit line dedicated to all university students studying in Italy or abroad: 51.5 million euro granted (90.6 million euro since the start of 2019) ▪ Launched in July 2020 MAMMA@WORK, a loan at highly advantageous rates to reconcile motherhood and work during the children’s first years of life: 236,000 euro granted ▪ Initiated in August 2020 the new XME StudioStation initiative: loans to families to assist with distance learning: 1.2 million euro granted ▪ Two new initiatives announced in January 2020 to support working mothers in India and people over 50 who have lost their jobs or have difficulty accessing pension schemes 	Development of a fund of around 250 million to facilitate the disbursement of loans of around 1.25 billion euro (extended to 1.5 billion euro following the integration of UBI Banca) to sections of society that find it difficult to access credit
	Loans disbursed to support the Third Sector and social enterprises	About 400 million euro (~800 million euro since the beginning of 2018)	New medium and long-term loans of 700 million to support social enterprises (cumulative value 2018-2021)
Sustainable investments and customer protection	Ethical/ESG Funds	22.8% of the Group’s market share (30.4% with the contribution from UBI Banca) for SRI fund assets in Italy (December 2020). For Eurizon, 17.7 billion euro in Ethical and ESG funds (10.1% of the total assets of Italian and foreign funds); 55 dedicated products; 18 new funds launched in 2020. For Fideuram 707.6 million euro in Ethical/ESG funds, for Pramerica 6.1 billion euro in Ethical/ESG funds.	Consolidation of its leading role in sustainable investments
	Engagement activities with issuers	840 Eurizon engagements with 573 issuers. Of the companies where engagement was conducted, around 24% were primarily concerned with ESG issues.	Enhancement of engagement activities in line with the Stewardship Principles
	Gross premiums non-motor insurance	1,093 million euro (558 million in 2019)	Development of insurance offer
Community support	Cash contribution to the community**	About 184 million euro (86 million in 2019) of which over 57% in the health area and 7% in civil and humanitarian emergencies	Becoming an exemplary model for society in terms of social and cultural responsibility
	Food and Shelter for disadvantaged people	Since 2018, distribution of approximately 16.1 million meals 994,000 beds 228,000 medicines 178,000 items of clothing	Combating poverty by distributing 10,000 meals a day (3.6 million a year) and providing 6,000 beds a month (72,000 a year), 3,000 medicines and 3,000 clothing items a month (36,000 medicines and 36,000 items of clothing a year)

PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVES

Macro-issue	Projects/Indicators	2020 Actions/Results	2021 objectives
Community support	“Giovani e Lavoro” Programme	<ul style="list-style-type: none"> ▪ ~5,800 young people aged 18-29 sent in applications in 2020 (~15,000 since 2019) ▪ ~1,700 students interviewed and ~740 students trained/in training through 33 courses in 2020 ▪ ~1,400 companies involved since the start of the Programme 	The ISP “Giovani e Lavoro” Programme, launched in 2019 in partnership with Generation, is geared towards the training and placement of 5,000 young people in the Italian employment market over a multi-year period
	Training in digital skills for young people	Launch of the P-Tech initiative in partnership with IBM, with the aim of training young professionals in the field of new digital skills: mentoring activities with 20 ISP mentors for 40 young professionals	
	Cultural activities	<ul style="list-style-type: none"> ▪ Monetary contribution of over 28.6 million euro to art and culture ▪ Presentation of the project for the fourth location of the Gallerie d'Italia in Piazza San Carlo in Turin. 6,000 m² ▪ dedicated to photography, the digital world and contemporary art ▪ Exhibitions at the Gallerie d'Italia (Tiepolo in Milan, Liberty in Naples, Futuro in Vicenza), organised after the first lockdown, remained open until the closure on 3 November due to the COVID-19 emergency ▪ The inauguration via streaming of (i) the Tiepolo exhibition reached over 561,000 users, 318,000 video views and 13,000 interactions. Tiepolo became a virtual tour (~9,700 views) and an innovative immersion experience (22,000 visits), allowing the public to access the exhibition online; (ii) the “Ma noi Ricostruiremo” exhibition in Gallerie d'Italia – Milan (photos in the ISP Publifoto Archive) reaching 400,000 users, over 250,000 video views and 19,000 interactions ▪ ISP is a partner in Artissima in Turin, one of the most important contemporary art fairs. ▪ “Folle”, a digital exhibition, part of the “unplugged” edition of Artissima 2020, with photos from the ISP Publifoto Archive, broadcast on artissima.art, achieved more than 11,000 views ▪ Live streaming conference at the Gallerie d'Italia – Milan, on the role of cultural inheritance as a strategic resource for sustainable development, produced in collaboration with the daily newspaper “Il Foglio” and with the partnership for distribution of ANSA (1.7 million users, over 1.2 million video views, over 15,000 interactions) 	Promotion and sharing of the Group's artistic and cultural heritage and promotion of the culture and awareness of the country's heritage

(*) Findings collected from the Banca dei Territori Division customers.

(**) Overall monetary contribution to the community is calculated based on the B4SI methodology.

Quality of service and customer satisfaction

COMPANY POLICIES

In keeping with the values and principles of conduct defined in the Code of Ethics, which are based on listening and dialogue, transparency and fairness, and the protection of safety in business relations, the Group places its focus on the customer and strives to maintain excellent relationships. These values and principles are incorporated in the essential standards of behaviour set out in the Group's Internal Code of Conduct that commits Board members, employees and other staff to comply with them. In addition, for specific areas of activity governing the quality of customer relations, there are governance Guidelines and rules based on the initiation of processes which, adopting models involving high levels of protection, shape conduct according to criteria of considerable good faith and fairness in relations. Customer health and safety aspects also are monitored with policies that establish principles and rules of conduct and define responsibilities in operational relations in branches.

SERVICE QUALITY

Intesa Sanpaolo has adopted a service model focused on business areas with an organisational structure that guarantees monitoring in both Italy and the other countries in which it operates. The Divisions are responsible for developing the best quality service levels through the various channels, in order to improve the efficiency of the commercial products they offer to the various types of customers. Customer satisfaction and service quality are monitored and overseen by the structures that deal with customer satisfaction and customer experience in the various business Divisions.

LISTENING TO RETAIL AND CORPORATE CUSTOMERS IN ITALY

Thanks to the satisfaction surveys, the Banca dei Territori Division is able to listen to the voice of its customers, promptly intercept any issues resulting from advocacy actions and to intervene effectively to identify coherent actions for improvement. The Division has built and implemented an effective all-round listening system, through numerous tools:

- the NPS (Net Promoter Score) represents the first line of listening for the Banca dei Territori and allows the Bank to understand succinctly and effectively through one single question the willingness of the customer to recommend the Bank and therefore his/her overall satisfaction;
- the NSI (Net Satisfaction Index) is the tool used to monitor customer satisfaction in terms of products, services and the relationship (e.g. with one's manager), as well as with respect to one's experience (e.g. in subscribing to new products);
- the SEIok Programme (consisting of 4 main indicators: NPS, service excellence, operational excellence and credit excellence) which contributes towards the determination of the Variable Result Bonus for the Network and offers solid support for improvement in the level of service offered to customers.

The listening system was developed even further during 2020:

- as regards the NPS, by including new areas and commercial segments such as the Retail Businesses from January and the Third Sector customers from June, and by innovating the process for re-contacting those customers wishing to be called back after responding to the NPS survey;
- as regards the NSI, by activating numerous new touchpoints on the digital channels (in particular on the App for Retail customers) and by widening the perimeter of the products monitored by the annual Customer Satisfaction surveys.

During 2020, for the NPS survey a total of about 700,000 items of feedback were collected from Retail and Exclusive customers, 45,000 from Corporate customers and 9,000 from the Third Sector.

The NPS surveys have also been joined by Customer Satisfaction and Customer Experience surveys, researches and internal surveys.

In 2020, the research perimeter on the use and possession of products was widened for the Customer Satisfaction surveys, extending the product categories monitored from 6 to 15 and by collecting a total of over 20,000 feedback replies. In addition, the Customer Experience surveys, which monitor customers' perception on a continuous basis subsequent to interaction with the Bank through various available (physical and digital) channels, were further enhanced resulting in about 800,000 replies being received.

As regards researches, which look in greater depth at customers' needs and measure the level of satisfaction concerning specific areas of interest and new product concepts, a total of 20 projects were managed, collecting about 13,000 items of feedback.

Lastly, through internal surveys, monitoring the satisfaction of the Division's employees, about 9,000 feedback responses were collected on issues ranging from usability of tools and relations with customers.

Due to the COVID-19 emergency, the NPS surveys were suspended in March and April. When they were restarted in May, the opportunity was taken to listen to customers' views on the experience they had just been through and on their perceptions about the support received from the Bank. The evidence that was gathered turned out to be very positive: over 70% of customers felt that the Bank paid the right level of attention to customers' needs (with peaks of 79% for the Retail Businesses); about 80% believe that the Bank met Italy's needs and lastly over 80% (with peaks of 91% for Retail customers) felt that the safety measures taken in Branches were adequate. One of the main elements of satisfaction was seen in the comments from customers that highlighted the promptness shown by the Bank in responding to the emergency, its efficiency, courtesy and speed in adjusting to the changed customer needs, as well as the excellent management of online tools. Precisely the online operations and in general the remote contact with the Branch and the Online Branch are becoming central topics for the coming months, when the health emergency will give way to a "new normal" which is beginning to take shape and establish its main characteristics. When asked about their expectations on contacts with the Bank in the future, only a minority of customers declared that they wanted to continue using mainly the Branch (15% of respondents), whereas over 60% stated they intended to use the digital channels more (Website and App) and 25% would use remote contacts (virtual/telephone meetings with their Manager and Online Branch).

The NPS results in 2020 highlight an improvement over 2019 for all customer segments in the Banca dei Territori Division. This trend is the result of a strengthening of relations with the Bank and is also positively affected by opinions on the way that Intesa Sanpaolo operated during the health emergency. In particular, as regards Corporate customers, the full application of the new service model, launched at the beginning of 2019, resulted in a significant improvement in the NPS.

NET PROMOTER SCORE – NPS®

The NPS is an indicator that expresses the likelihood of customers to recommend a product, service or company, calculated in index points (between -100 and +100) subtracting the percentage of detractors (dissatisfied customers) from the percentage of promoters (loyal customers) obtained. Intesa Sanpaolo carries out NPS surveys via telephone for Businesses and Third Sector customers and via email and Internet Banking for Retail customers and a mix of telephone calls and emails for Retail Businesses. Starting in 2019 the method for calculating the NPS was refined to allow the results to be compared both internally, among surveys involving different channels, and with external benchmarks (carried out mainly by telephone) in order to quantify the impact of each channel on opinions and define a corrective measure to make them comparable.

THE CUSTOMER'S VOICE WITHIN THE VARIABLE RESULT BONUS FOR THE BANCA DEI TERRITORI

Since 2016 the NPS, together with the other three indicators monitored within the SEIok Programme, has had a 25% contribution towards the Synthetic Performance Indicator used for determining the Excellence Bonus within the Variable Result Bonus of the Branches in the Banca dei Territori Division. In 2020 the contribution provided by the NPS was further enhanced, by also becoming a factor for adjusting Revenues which can correct the final value by +/- 5 points, and similarly since 2020 the whole system has also been extended to the Third Sector Branches.

As part of the Protection Excellence System, launched in 2018 and dedicated to the Retail, Exclusive and Business Branches, a Customer Satisfaction indicator is envisaged at the time that the Protection Policies are signed, which acts as a corrective of the bonus amount due at a rate of +/- 10%.

Furthermore, the NSI - Net Satisfaction Index - which expresses customer satisfaction with regard to the service offered by the Remote Managers has also been used since 2020 as a corrective (+/- 10%) for the Excellence Bonus of the Remote Branches.

LISTENING TO LARGE CORPORATE CUSTOMERS IN ITALY

As part of maintaining relations with the Large Corporate customers, the customer experience surveys also are designed and conducted regularly on the basis of views shared with the structures responsible for products and services, in order to identify the measures to be taken to improve the range of products and services offered.

The results of the surveys are shared on an ongoing basis with the relations functions which, in their approach with the customers, benefit from the information received and can act with greater awareness of and focus on their needs.

During 2020, the IMI Corporate and Investment Banking Division (IMI CIB) designed and developed the following surveys:

- 1,147 customers (of which 926 in Italy and 221 abroad) were involved in an online and telephone-based survey aimed at outlining the level of digital maturity of companies and financial institutions within the IMI CIB perimeter. The aim was also to outline the expected scenario over the coming 24 months with respect to market performance and the acceleration in digital development triggered by COVID-19 as regards front, middle and back office activities. The response rate was 36% (34% in Italy and 47% abroad).
- 69 Investor Relators from companies in the STAR segment were involved online in a qualitative survey aimed at understanding which strategic drivers were considered most decisive in determining the companies' success with particular regard to topics concerning the Circular Economy and ESG. The response rate was 59%.
- 716 corporate customers were invited to take part in research, similarly on topics concerning sustainability, which aimed to glean the approach of customers with regard to issues linked to sustainability and to find out their requirements and intended actions in the field of ESG issues. The response rate was 18%.
- 36 Italian and foreign corporate customers were interviewed by telephone, regarding the quality of service offered for the Requests For Proposals (RFP) won during the previous three-year period or – if the choice fell on another institute – regarding the rationale behind the choice. The response rate was 61%.
- 290 representatives of Trade Finance customers were involved in an online quantitative study with the aim of assessing corporate customer satisfaction with regard to the management of operations in the international specialist and transactional areas. The response rate was 34%. The Net Promoter Score (NPS) was 56%.

LISTENING TO CUSTOMERS IN THE INTERNATIONAL SUBSIDIARY BANKS

In 2020 the International Subsidiary Banks Division reinforced its coordination of the 11 international subsidiary banks for the development of new initiatives and increasingly more advanced processes for listening to retail customers, through the definition of a framework of Group indicators and practices within the scope of Customer Satisfaction and the creation of a new unit dedicated to analysing the quality of products and services and any complaints.

The benchmarking surveys in the CIB Bank in Hungary, Banca Intesa Beograd in Serbia, VÚB Banka in Slovakia, Intesa Sanpaolo Bank in Slovenia, Privredna Banka Zagreb in Croatia and Bank of Alexandria in Egypt involved over 10,000 customers. In addition, thanks to the Instant Feedback – NPS listening programme active in six banks, about 160,000 opinions were received from customers regarding their relational moments with the Bank.

Furthermore, since 2020 the analysis on the progress of complaints has been included for 4 banks and an initial structuring has been implemented on the process for dealing with complaints received via the showcase website of the International Subsidiary Banks.

LISTENING TO INSURANCE CUSTOMERS

The Customer Satisfaction survey system of the Insurance Division involves, on a voluntary basis, all calls received by Customer Service using a 2-question questionnaire to assess the Service. This initiative is in addition to the already-active initiative for customers of the Non-life business who expressed a significant level of satisfaction in 2020. In particular, on a scale from 0 to 10, the average scores were as follows: 9.0 for roadside assistance; 8.6 for Motor liability claims; 8.8 for Land Vehicles Insurance (CVT) claims; 8.1 for Home Assistance and 7.9 for Home Claims.

During the year, there was also a survey addressed to customers following their calls to Customer Service. Good results were achieved here, too. In particular, on a scale from 1 to 5, the average score was 4.5 for general satisfaction and 4.5 for the management of the call.

LISTENING TO CUSTOMERS IN FIDEURAM - INTESA SANPAOLO PRIVATE BANKING

In 2020, a Customer Satisfaction survey of the Private Banking Division was carried out on the Fideuram and Sanpaolo Invest Networks and the Intesa Sanpaolo Private Banking Network. The survey took account of the distinctive elements of the two service models and involved a sample of resident customers from all over Italy who filled in two distinct questionnaires on different platforms, that were made available solely via digital procedures.

The questionnaires, which received 66,153 customer replies (50,681 for the Fideuram Network, 13,472 for the Sanpaolo Invest Network and 2,000 for the Intesa Sanpaolo Private Banking Network), investigated various

contact points between the Division and the customer, including the relationship with Private Bankers, customer care and online services.

The survey results confirmed a high level of customer satisfaction for all three Networks. The relationship with Private Bankers is always one of the fundamental elements for the appreciation of the service offered: in particular, customers recognise their helpfulness, expertise, ability to offer solutions and courtesy in the relationship.

The results of these surveys show that, in the current context, there is a further strengthening in appreciation for the solidity, reliability, being part of a large Group, multi-channelling, presence of top-level professionals and the level of attention paid to customers' needs. The understanding of customers' needs, the ability to make them feel like privileged customers, as well as the attention to privacy and the aptitude for anticipating critical issues were also highly appreciated. Based on the replies received, the two important indicators displayed positive results: the Net Promoter Score (NPS) achieved 49 (47 in 2019) and the Customer Satisfaction Index was 8.5, in line with the previous year's survey.

The questionnaires addressed to customers were an opportunity to ask questions on issues related to sustainable investments, so as to assess customers' knowledge of such topics and their willingness to invest their assets in ESG products.

As regards customers of the Fideuram and Sanpaolo Invest Networks, the survey found that ESG issues are known to over 60% of customers and 45% believe that such investments create value for themselves and for the community and the environment (a figure on the increase compared to the previous year's survey of 41%). The percentage rises to 52% and 53% if we consider, respectively, the Private customer segment and the segment of customers with an aggressive risk profile (both stood at 48% in 2019). Moreover, around 31% of customers are willing to invest more than 30% of their assets in sustainable products (29% in 2019).

As regards Intesa Sanpaolo Private Banking customers, it emerges that these types of investments are known by over 50% of customers, that 27% already hold some of them in their portfolios and that 64% of the sample would prefer to invest in sustainable instruments, provided the levels of yields are the same.

MANAGEMENT OF COMPLAINTS

The Intesa Sanpaolo Group maintains an ongoing dialogue with its customers to ensure that their relationship remains excellent. To consolidate this trusting relationship, fundamental importance is attached to the careful and prompt management of complaints and other applications made which express customer dissatisfaction. In Italian law, the regulations issued by the relevant supervisory authorities provide for specific information requirements by the Compliance Function, with the aim of reporting at least once a year to corporate bodies and authorities on the overall situation of complaints received, as well as on the adequacy of the procedures and organisational solutions adopted.

The regulatory, procedural and organisational framework adopted by the Group is defined by the Guidelines for managing complaints, disclaimers and protests to the Supervisory Authority and appeals to alternative dispute resolution Bodies, approved in 2016 by the Board of Directors of the Parent Company and subsequently implemented by the various members of the Group.

In 2020, a total of 128,083 complaints¹ were registered at a Group level, broken down as follows:

Banca dei Territori: a total of 67,781 complaints were registered (up 32% compared to 2019) of which 53,732 related to Group Banks and Companies² and Banca 5 (+35% compared to 2019) and 14,049 submitted by former Accedo clients (up 20%). The increase is linked to the COVID-19 emergency and to the increase in complaints more generally relating to the quality of customer service, fraud in digital payment systems and malfunctions of the website and the APP as well as of the equipment (ATMs, POS, MTA).

During 2020, 49,255 complaints and reiterations were settled, of which 15,201 were accepted and, among these, 2,805 entailed disbursements; with regard to the management of complaints relating to previous Accedo activities, a further 4,480 complaints and reiterations entailed disbursements.

Excluding claims submitted by former Accedo customers who, in exchange for the early redemption of loans with assignment of one-fifth of salary, claim the pro-rata refund of fees and/or charges paid at the time of disbursement, the following are the complaints and reiterations submitted for the various product/service categories:

- organisational and management issues and functions of Internet sites: 16,352 complaints and reiterations (+36%). This growth was driven both by the effects directly related to the health emergency - which resulted in 1,316 complaints - and also by some organisational issues, that had already come to light in previous years and had ballooned during the year, primarily related to the difficulties, raised by customers, in contacting the Bank;
- payment systems: 13,464 complaints and reiterations (+33%), mainly relating to the results of requests for the disclaimers of transactions made with payment cards or through internet banking services, as well as

(1) The claims include complaints and their possible reiteration (customer appeals), appeals to out-of-court dispute resolution bodies (ADR appeals) and requests for clarifications made by supervisory authorities in response to customer reports (reports).

(2) Banks in the BdT Division (Cassa di Risparmio in Bologna, Banca CR Firenze, CR Pistoia e Lucchesia, Banca Apulia, Banca Prossima and Mediocredito) merged into the Parent Company during 2019.

- errors or delays in the execution of bank transfers;
- loans: 11,687 customer complaints and reiterations (+50%). This category registered the largest number of complaints related to the health emergency (2,841 complaints) and, more specifically, the management of government measures in support of the economy (granting of subsidies under the “Cura Italia” and “Liquidity” Decrees);
- current accounts, deposits and securities accounts: 4,370 complaints and reiterations (+18%), due to errors and processing delays, mainly in relation to the delayed or failed closure of accounts, economic terms and conditions and their application, and communication problems on the part of the Bank;
- investment services: 2,019 complaints and reiterations (-6%), mainly referring to the delayed or failed dispatch of requested documentation needed to join the FIR for compensation for damages incurred following investments in securities issued by the former Venetian Banks, errors and anomalies in the sale and purchase of financial instruments, dissatisfaction with the yield on financial products;
- insurance products: 2,543 complaints and reiterations (+29%), mainly relating to policies linked to loans, class I life insurance policies and class III policies, the main reason being the correctness of the sales process and/or delays or failures in compensation payments.

IMI Corporate & Investment Banking Division: the number of complaints was lower due to the type of operations carried out and customers served, with 587 complaints received from foreign entities (583 from Banca Intesa – Federazione Russa, 4 from ISP Bank Luxembourg) and 3 complaints received from the former Banca IMI, with a reduction of 6% compared to the previous year. The complaints led to disbursements for modest amounts (less than 5 thousand euro mainly on foreign entities).

Private Banking Division: a total of 2,591 complaints were recorded, with an increase of 17%. Most of the complaints were on account of errors in executing orders due to website malfunctions or temporary anomalies that occurred on the operating and consulting platform and issues related to the transmission of flows between the placement agent and payment agent; of issues relating to fraud on credit transfers and payment card, errors or delays in the closure or transfer of current accounts and securities accounts and in the liquidation of insurance policies. During 2020, 2,429 complaints and reiterations were settled, of which 928 were accepted and, among these, 233 entailed disbursements.

International Subsidiary Banks³: a total of 46,703 complaints were registered, with an increase of 9%. The complaints mainly focused on four Banks (VÚB Banka, Privredna Banka Zagreb, Banca Intesa Beograd, CIB Bank) which recorded 94% of the Division's complaints and primarily related to (i) fraud and/or inefficiencies in the payment systems and (ii) the difficulties that have dogged the application of subsidised credit measures introduced by national Authorities as a result of the COVID-19 emergency. During 2020, 47,233 complaints were processed, of which 25,501 were accepted and, among these, 4,575 involved disbursements.

Insurance Division: 5,574 complaints were recorded, (+15% compared to 2019), in addition to 4,646 complaints received by Intesa Sanpaolo RBM Salute, the new company operating in the healthcare sector that entered the perimeter of the Insurance Division in May 2020.

With reference to the Companies in the Life business (Intesa Sanpaolo Vita, Fideuram Vita, Intesa Sanpaolo Life) the overall growth in complaints focused primarily on the liquidation area and was mainly due to delays occurring during the COVID-19 emergency in the collection of compulsory documentation needed to complete the liquidation process and to performance in financial markets, which had a negative impact on the liquidation values of policies, especially in the first half of the year.

As regards Intesa Sanpaolo Assicura, the increase in disputes was essentially due to the liquidation area (contractual rejection, management of accident claims and related times required for liquidation, disputes over the amount liquidated) and administrative aspects (reversal of receipts and after-sales management).

Finally, with regard to ISP RBM Salute, the most common reasons for complaints, accounting for more than 80% of protests, concerned the documentation required to support claims, the correct application of criteria for calculating liquidation, the time required to manage claims and the problems with trying to access partnered facilities.

During the year, 9,787 complaints were processed, of which 2,626 were accepted and, among these, 177 involved disbursements.

Asset Management Division: 198 complaints were recorded, an increase of 55%, due to the negative trend recorded by financial markets from February onwards due to the COVID-19 pandemic. Almost all the disputes concerned the operations of Eurizon Capital SGR and in particular the collective asset management. In 2020, 200 complaints were processed, of which only 28 were accepted and of these 9 involved disbursements.

(3) The scope includes the following Companies: Alexbank, Banca Intesa Beograd (BIB), CIB Bank, Eximbank, ISP Bank Albania, ISP Bank Romania, ISP Bank Slovenia, ISP Bosnia i Herzegovina (BiH), Pravex Bank, Privredna Banka Zagreb (PBZ), VÚB Banka, Yi Tsai.

CUSTOMER PROTECTION AND RESPONSIBLE SALES

TRANSPARENCY TO CUSTOMERS

Intesa Sanpaolo makes the information it provides to its customers clear and comprehensible in all stages of their relationship with the Bank through the simplicity of its language, transparent policy statements, and the consistency among the various documents on the same products/services. The main offer documents, drawn up in line with the clarity and intelligibility requirements, can be found in branches and also on the Bank's website, under the Banking Transparency section [1]. These include Product and Service information sheets, Specific Guides and Information documents on the conditions offered to all type of customers.

INVESTMENTS: ADVISORY SERVICE

In terms of investments, Intesa Sanpaolo has offered its customers the highest possible form of protection with its consultancy service, since 2007. As regards transactions relating to financial products or investment services, personalised recommendations are made consistent with the customer's financial profile. With this in mind, a series of specific rules that Bank personnel must observe was introduced and implemented in full. After the entry into force of the MiFID II Directive and European Regulations in the area of investor protection¹, these Rules were strengthened in order to provide investors with higher levels of protection and increased transparency in trading on the financial instruments markets. In particular, Intesa Sanpaolo introduced new obligations in terms of the governance of financial instruments, knowledge and expertise requirements for personnel responsible for providing investment services and ex ante and ex post information on the costs, charges and incentives of the products and services available.

Among the projects concerning advisory services, "Valore Insieme" is a global consultancy solution provided by branch managers through an innovative relations platform that provides advanced and personalised consultancy in all phases of the construction, protection and transfer of investment portfolios, also through dedicated investment products (such as, for example, Multimanager Exclusive funds). It is a service aimed at those looking for an exclusive relationship that combines an innovative platform and ongoing professional support from a dedicated manager.

THE COMPLIANCE CLEARING OF NEW PRODUCTS AND SERVICES

The new products and services and their subsequent variations are subject to the Product Governance process and need to be checked by the Compliance Function to ensure substantial and formal compliance with internal and external regulations. Compliance assessments are carried out in accordance with the principles of fairness and protection of the interests of customers, and also relate to the quality of the information provided, the consistency of the services, products or transactions with the needs and characteristics of the target customers.

The Product Governance process allows the individual phases envisaging the development, approval and monitoring of new products or services to be managed with clarity and rigour. Every activity entails the participation of a number of structures so as to analyse and assess the characteristics of individual products and services, whether provided by the Bank or by third party producers, as required by the regulations². Products and services subject to clearing undergo periodic, after-sales monitoring so as to assess their coherence with the predefined parameters of target markets and with the characteristics of reference customers.

The entire process is regulated by internal Guidelines and by specific process guides which the Bank has adopted, which identify in detail the activities and structures involved.

(1) Directive 2014/65/EU (MiFID II), Regulation 2014/600/EU (MiFIR) and Regulation 2014/1286/EU (PRIIPs).

(2) Directive 2014/65/EU (MiFID II) and ESMA 35-43-620_guidelines_on_MiFID II Product_Governance.

BUSINESS CONDUCT ADVISORY

In 2020, the Business Conduct Advisory (BCA) function, created in 2018, continued its business conduct advisory service, assessing the proposals for new products presented by the International Subsidiary Banks with a view to reducing the risk of conduct on the markets in the ISBD perimeter. During 2020, 47% of opinions related to topics on ESG (Environmental, Social & Governance), compared to 34% in 2019.

DIALOGUE WITH CONSUMER ASSOCIATIONS

Intesa Sanpaolo has for some time been involved in a long-established, open and constructive dialogue, at a national level, with the Consumer Associations belonging to the National Council of Consumers and Users (Ministry of Economic Development). Within this context, on 12 April 2019 it signed the framework agreement - called *Innoviamo le Relazioni* (Let's Innovate Relations) - which establishes the formation of 6 permanent work groups on the topics of greatest interest: Products and Services, Regulations and Authority, Education, Customer Care and Conciliation, Sustainability, Local Relations.

In 2020, 6 theme-based work groups were held:

- three Product and Service work groups (Fondo Indennizzo Risparmiatori [Savers' Compensation Fund]; measures supporting individuals and businesses in the emergency; Superbonus and Sismabonus; transparency through the presentation of the Quick Starts, initial consultation sheets for the main banking products with essential information in everyday language);
- an Impact and Sustainability work group (Fund for Impact; banking inclusion; per Merito; initiatives for working mothers);
- an Educational work group (training initiatives for Consumer Associations' national and regional middle managers in the project called "Mettere in Comune Competenze" [Sharing Expertise]);
- a plenary work group to illustrate the details and financial repercussions of the public exchange offer (OPS) of Intesa Sanpaolo with respect to UBI Banca.

In addition, with a view to further developing cooperation with the Consumer Associations, a series of meetings were arranged with the regional delegations from Piedmont, Lombardy, Emilia-Romagna, Tuscany and Campania. Intesa Sanpaolo is also a member and component of the Executive Committee of the Consumers' Forum (an independent association consisting of the most important Consumers' Associations, numerous Industrial and service companies and their Employer Associations, Institutions), which in 2020 continued its commitment to Consumer Sustainability with the aim of building a fair and balanced market where consumers and businesses assume shared objectives. In this context, the Association joined and participated in various initiatives, including Saturdays for future and the event called "LockUp Economy e cittadini. Mercati e regole al tempo della pandemia, tra sostenibilità e solidarietà" (Lockup Economy and citizens. Markets and rules at the time of the pandemic, on sustainability and solidarity), the annual meeting with the leading Italian Authorities. Work also continued throughout the year on permanent conciliation (see the Conciliation Agreement at [\[i\]](#) on the Website) and its role as an out-of-court solution instrument adopted and managed together with the Consumer Associations. The conciliation procedure, which concerns products offered to Retail customers, is simple, free and quick, with a maximum case resolution time of 60 days. Customers may decide to participate, at no cost and without impacting on any other paths they may wish to take, even subsequently, in order to protect their interests. In 2020, 52 applications for permanent conciliation were received.

The territorial training initiatives were illustrated to the Consumer Associations during the Educational work group meeting and will be launched during the first half of 2021 with webinars, training clips and newsletters.

CUSTOMER HEALTH AND SAFETY

In all its offices and branches the Intesa Sanpaolo Group protects the health and safety of all the people who work and pass through them by implementing operational rules and technological safety measures, supported by IT tools and the promotion of a health and safety culture. During the health emergency, the Group guaranteed customer services thanks to branches being open (almost 100%) performing all transactions; a system of restricted admissions was introduced, with specific appointments, together with the definition of essential transactions to be performed face-to-face and the extension of multi-channel services.

PHYSICAL SAFETY

Physical safety represents a central topic in protecting people, in particular in safeguarding the physical well-being of employees, customers and suppliers.

To achieve this, the matter is overseen by the relevant Physical Safety function of the Parent Company, which works directly with respect to Italy. It analyses the development of (current and emerging) risks and threats, defines and updates rules and processes on mitigating identified risks and establishes defence strategies and the consequent solutions requiring implementation. The structure also defines the functional specifications for physical safety works, checks compliance between the specifications and the actual completed works so as to ensure the mitigation of risks and undertakes the actions required to manage alarm reports which reach the Control Room, with the purpose of verifying their justification and activating the necessary mitigation measures. The Physical Safety structure also has a role in functional orientation and coordination for the International Subsidiary Banks, each of which has its own safety function: with the publication in 2020 of the “Physical Safety guidelines for the Intesa Sanpaolo Group” the aim was to define more effectively the orientation and coordination procedures of the Banks and Companies in the Intesa Sanpaolo Group and, more generally, the benchmark model for overseeing physical safety.

As regards the risks associated with offences of a predatory type, the analysis of the risks of robbery and theft is constantly updated and, at the same time, checks are made on the level of protection of the most exposed sites. In 2020 in Italy there were 3 completed incidents and 3 attempted robberies, compared to 13 completed incidents in 2019 and 9 attempted robberies. The trend in the number of cases has been constantly decreasing over the last 10 years or more and in 2020 there was a reduction of 73% compared to 2019. As regards the risk of theft, which, unlike robberies, does not affect the health and safety of customers and colleagues, during 2020 there were a total of 12 incidents involving ATMs (3 of which were completed and 9 attempted). ATMs are also the target of cyber physical security attacks, which combine physical and computer-based techniques, without posing any threats to people’s physical safety.

In addition, there is an emerging trend of aggressive behaviour, not aimed at appropriating monies, which is on the increase mainly due to social difficulties as a result of the pandemic. This trend is also under observation by ABI-OSSIF, due to its growth in the financial services sector for all those activities involving customer contact. In 2020, a survey of the Group’s Local Networks revealed 262 cases of aggression (19 of which involved physical abuse and the rest, verbal abuse). In 2019, the cases were 132 (11 of which involved physical abuse). Mitigation actions, enhanced during 2020, consist of training on the processes of early identification of risk situations and the techniques for de-escalation, in addition to the detection and management of incidents (investigation, psychological support, legal action if required) with the contribution of the Banca dei Territori Division, Safety and Protection and Legal Affairs Head Office Departments.

In 2020, albeit with the limitations imposed by the pandemic, there was no interruption to the activities conducted by Physical Safety, which continued on site and remotely. The audits and analyses on the levels of exposure to security risks were conducted on-site and supported by “remote analyses” based on the acquisition of data from the “data lakes” of the Group and interviews with the Heads of the Structures under assessment. The method used was based on the ISO 31000:2018 and on the use of models for identifying risk indicators and signs. These analyses have led to the implementation of prevention measures to reduce the probability of robberies and theft and protection measures to reduce their impact (through the use of technological systems); to an increase in investments in resources towards a culture of physical safety (preparation of new training modules through the Appendo platform); to the development of awareness raising actions at branches in cooperation with the Network Departments; to enhance measures to manage actions against non-predatory attacks in line with the increase in the phenomenon during the year, in cooperation with all the Bank’s relevant structures.

Innovation and digital transformation

COMPANY POLICIES

In a highly digitalised and competitive context, the commitment of Intesa Sanpaolo is supported by a state-of-the-art infrastructure which ranks the Group's practices among the best in Europe.

The Digital programme represents one of the qualifying factors in the 2018-2021 Business Plan, through optimisation of an advanced multi-channel platform aimed at offering all customer segments an innovative, safe and efficient range of products and services and complete digitalisation of the Group's priority processes. The widening of User Experience, due also to agreements and partnerships, and also the new functions geared to "mobile first" ideas represent the crucial elements in the Bank's digitalisation process. Strong investment in technologies and strategic vision in this area have ensured solidity as a going concern during the health emergency, allowing sound management of internal business and the rapid interaction with customers through a wide range of remote services.

The Bank's operations highlight the use of cybersecurity practices, already in line with the best international standards and certified by the national authorities, thanks to attentive data management and a focusing on risk management topics and the ongoing protection of the company's assets. The Board of Directors of Intesa Sanpaolo approves the IT Security Plan each year; in addition, in line with current regulations, cybersecurity is governed by guidelines and integrated processes for the safeguarding of the interests and rights of customers through the Bank's Integrated Internal Control System which defines responsibilities at all levels of the company.

The cybersecurity profile is also based on disseminating an awareness of risks and prevention methods by all the parties involved (Bank structures, employees, customers and suppliers).

THE DIGITALISATION PROCESSES PAVING THE WAY TOWARDS AN INTEGRATED

Intesa Sanpaolo is continuing along the path of Group transformation to assert its role as a digital company, with the progressive, in-depth overhaul of its IT platform. This has enabled remote dealings between customers and the Bank to be made increasingly more efficient and a gradual widening of multi-channel services aimed at customers, with a focus on the use of mobile devices allowing the early achievement of the results envisaged by the Business Plan for 2021.

Also in response to the COVID-19 emergency, the process of digital transformation was accelerated so as to enable all customers and employees to work remotely in a fully effective, efficient and secure manner. The range of products and services for customers that can be managed remotely has been widened, while home working has been enabled for employees through the widespread distribution of technologies and tools to facilitate collaborative working, interaction and the sharing of information.

Similarly with regard to digital transformation, final agreements were signed with TIM and Google during 2020 for launching the creation of two Cloud Regions in Italy, based on green solutions which will reduce CO₂ emissions and allow the potential offered by modern cloud technologies to be grasped, also providing a thrust in local digitalisation through training initiatives devoted to students, SMEs and Start-ups.

Thanks to the progress Intesa Sanpaolo has made in the area of multichannel and digital banking activities, it has already achieved notable results in terms of customer engagement and the volume of services offered. In Italy (excluding Fideuram - Intesa Sanpaolo Private Banking and Banca 5) the main results were:

- about 10.3 million multichannel customers (9.2 million in 2019), equalling 88% of customers;
- about 11.6 million digitised transactions (about 44.6 million since 2018) and 60% of digitised activities (35% in 2019);
- 6.5 million customers connected at least once to the new App since 2018 (+18.2% compared to 2019) and 6.6 million customers connected at least once to the digital channels (Internet Banking and Mobile App) in 2020;
- 42 Group companies already introduced into the Cybersecurity Model (89%);
- 93.5 million average monthly accesses via App, with 73.9 million transactions carried out in 2020 (in 2019 there were approximately 48 million transactions);
- about 7.1 million customers have activated the new access systems that are simpler and safer than a physical flash drive key (compliant with the requirements of the European Directive on Payment Services in the Internal Market PSD2, Payments Service Directive 2), i.e. the O-key Smart or the O-key SMS (OTP - One-Time Password software);
- about 85% of the retail customer product range available via multichannel platforms (including the current

account, payment cards and personal loans);

- about 536,000 active customers already reached by the Intesa Sanpaolo Investo App, through which the customers of the Banca dei Territori completed almost 46% of their online trading transactions in 2020.

The relationship with Business and Corporate customers also continues to develop digitally thanks to a multi-year transformation programme and a new Inbiz Portal for companies.

As a result of the COVID-19 health emergency and thanks also to the new MyKey Inbiz identity and digital signature model (available since June 2020) there has been an acceleration to the digitalisation programme for the business world with the release of the new function which allows agreements to be signed remotely with exchange of documents. The Group's ambition was to make it easier for customers to manage their relationship with the Bank independently and remotely.

On this point, it is worth highlighting the following:

- 300,000 companies migrated to the new digital portal and 20 million transactions per month, corresponding to 140 billion euro per month transacted;
- 330,000 users (employees of customer companies) with new access credentials, highly reliable in terms of Cyber Security and based either on the use of Smartphones or digital QR Code readers;
- 170,000 users who use the New Inbiz app, which allows them to approve millions of transactions per month, even via mobile, or to consult the balances and transactions of all the accounts of the Intesa Sanpaolo Group and other banks;
- 100,000 customers activated on the new digital tool Corporate Treasury (Treasury Management System to support Corporate Treasurers as they monitor and plan working capital);
- 25,000 customers activated on the new Customer Journey Export (working area to support companies with Trade Export needs);
- extension of the portal to foreign sites: at the moment Inbiz covers 70% of Foreign Branches and 5 International Subsidiary Banks of the Group.

The main innovations in the digital area in 2020 concerned:

- The continuing development of new customer journeys (sales processes) in multi-channel logic, for the improvement of the product and service offer and user experience, with the expansion of products for sale via Internet Banking and the Intesa Sanpaolo Mobile App, in self-service mode and Remote Offering including: "fully digital" granting of short-term loans to retail businesses, the service for making instalments of the account movements on the credit lines also via the App, the ability for customers to view and trade mutual funds via the Investo App, the service for the aggregation of accounts and payment cards held by customers at other Banks, the implementation (for the management of the customer relationship remotely on the Mobile App and Internet Banking) of an integrated Digital Collaboration system with a virtual assistant with Google cognitive technology, the new operating and service model as an Insurance Bank aimed at improving the efficiency of the policy delivery processes (adoption of a new platform, new App, issue of a new Collective accident insurance product, activation of the channel for remote offers for Motor policies).
- Continuous developments, identified as priorities to remain as European best practice (gaining recognition for the Intesa Sanpaolo Mobile App among the leading banking Apps in Europe, with high scores in the overall Forrester standings on Valuable Features and User Experience).
- The expansion of the range of new digital payment services in a multi-channel setting such as: Samsung Pay service, the Wearable service with Swatch Pay customers and the Mobility App for car park payments.
- The introduction of the New Inbiz Workspace dedicated to Factoring products that allows users to sign the contract, manage counterparties and invoices for factoring activities and monitor the progress of assignments and various uses.
- The creation of a new Workspace for Structured Finance, which qualifies Intesa Sanpaolo as the first Italian bank to provide a dedicated, digital and dematerialised area for use in Lending and Structured Finance transactions.

EMPLOYEE ENGAGEMENT

The Ottomila! change management system continued in 2020, supporting over 42,000 people from the Banca dei Territori Division in achieving the objectives of the 2018-2021 Business Plan. The general scenario caused by the pandemic has inevitably influenced the topics covered: new ways of interacting remotely with customers and among staff and the increasing importance of digital systems found their space. These topics were covered in the "Digital Coach" programme managed by the Chief Operating Officer Area, in a special arrangement dedicated to the people from the Banca dei Territori, with the aim of accompanying them in a highly complex professional and human experience. To further enrich the contents of Ottomila! the new Scenarios section was launched, created in collaboration with the Cybersecurity and Business Continuity Management structure of the Bank, which engages and raises awareness with periodic publications dedicated to digital transformation

and cybersecurity. The commitment towards disseminating the digital culture was further consolidated with the Vividigitale project through sharing formats via Skype, involving a really vast number of employees. In particular, thanks to the digital culture communicators, identified as contacts in each branch, employees were involved in 195 information sessions. To facilitate the dissemination of information related to services and products, in a remote working context, additional moments of study were held for a diverse range of participants: a schedule of meetings via Skype, called Vivichat with 131 information sessions attended by a total of 18,325 employees.

IT SECURITY

The Group considers the protection of information and customers a matter of strategic importance and in general contributes actively to the cybernetic resilience of Italy's Economy. In line with current regulations, cybersecurity is governed by guidelines and integrated processes for the protection of the interests and rights of customers and employees, with rules set out in the Bank's Integrated Internal Control System which defines responsibilities at all levels of the company.

The Group's cybersecurity model has a risk-based approach and is divided into three main macro-areas:

- Orientation: defined through the review of organisational aspects and policies/processes, strategic and predictive intelligence on cybersecurity risks, awareness-raising activities and information flows to internal control bodies;
- Control: ensured through risk management, the execution of controls and the maintenance of the most widespread cybersecurity certifications;
- Active monitoring: guaranteed through a holistic approach based on technological and organisational initiatives aimed at customers, stakeholders, third parties and the supply chain.

In accordance with this model, appropriate roles and responsibilities have been defined to support and oversee this aspect, including: the Corporate Bodies and Committees that assume general responsibility for the orientation and control of cybersecurity, supported by the Governance Functions that ensure its effective management; a Group Information Security Officer (ISO) who ensures the protection of information and infrastructure in line with the Group's strategy, ensures consistency between internal rules, promotes and develops integration between the various responsibilities in the cybersecurity field, guarantees compliance with the regulatory framework; the Relevant Functions that provide services, design and release cybersecurity solutions in compliance with the relevant regulations.

Cybersecurity tasks are carried out according to shared Group guidelines with both a centralised management model, for Banks and companies that have a high degree of integration with the Parent Company, and a coordination and control model for the other Group companies and the International Subsidiary Banks. The model and the cybersecurity management system as a whole are periodically reviewed and updated, at least once a year or in conjunction with any external and/or internal changes (e.g. laws and regulations, organisational, technological changes) that may have an impact in terms of cybersecurity, with a focus on continuous improvement. The cybersecurity structure also conducts annual Strategic Intelligence activities aimed at identifying the most relevant risk scenarios for Intesa Sanpaolo, in relation to which the necessary areas of orientation are defined in order to enable the Group's Cyber Readiness.

Given the growing importance of cybersecurity issues, including in relation to the 2018-2021 Business Plan, the Intesa Sanpaolo Board of Directors annually approves the IT Security Plan which organises, in a structured and coordinated way, the challenges introduced by cyber space through the measures already established by the Group functions that are responsible in various capacities for guaranteeing cybersecurity. The underlying goal of the Plan is to clearly define responsibilities in the spread of the cybersecurity culture at all levels in order to protect all of the company's assets. In particular, the Plan envisages the implementation of the Group's cybersecurity strategy, which must be based on a perfect knowledge of every element of the area to be protected, which grows together with the services offered and the new risks, strongly linked to behaviour and to the human factor. This strategy is based on four main pillars - Excellence in fundamentals, Sensitivity and dynamism, Culture and Group Governance - which have allowed the operational projects to be defined together with the related investments necessary for the implementation of the initiatives set out in the master Plan, geared towards increasing the levels of Cyber Resilience and Cyber Readiness among the Group companies. Some of the most important initiatives for the Bank are:

- the continuing activities aimed at improving levels of protection for customers in a period of rapid growth in the use of digital services and in relation to the new context created by the health emergency:
 - continuation of the pathway towards enhancing cybersecurity and the resilience of the systems and applications dedicated for that purpose in services offered to customers;
 - strengthening of anti-fraud monitoring, especially in view of the emergency situation that may be favourable

for attacks against customers less accustomed to operating through digital channels, also through the use of artificial intelligence and machine learning.

- strengthening of security monitoring of Third Parties that provide the Bank with services using their own methodology for the evaluation, classification and verification of suppliers as regards cybersecurity and business continuity. The checks cover the supplier's entire life cycle within the Bank (the contracting phase, provision of the service, termination of the contract, if it has occurred). A dedicated team oversees this issue;
- the enhancement of the security measures adopted by employees such as, for example,
 - extension of services with multi-factor authentication also in accordance with the new way of working introduced with the pandemic emergency;
 - enhancement of internal processes and communications to be activated if a critical event occurs so as to reduce risks.

With regard to anti-fraud monitoring, the Bank keeps its anti-fraud system constantly updated and capable of real-time analysis of all transactions carried out by customers via digital channels and of detecting, through a risk assessment system, any potentially anomalous transactions generating SMS alarm messages and security questions to the customer; furthermore, the Bank acts in collaboration with the Authorities to combat new techniques used by the fraudsters, and makes use of every channel to remind customers that their credentials are personal and must be well guarded and never disclosed to third parties.

During 2020, the entire financial system noted a growing trend of attempted attacks that required Intesa Sanpaolo to block fraudulent transactions amounting to around 162 million euro for retail customers and about 33 million euro for corporate customers.

The cybersecurity profile is also based on the spread of awareness of the risks, of the prevention methods, of the relevance of the data processed and of the use of the application procedures by all the parties involved (Bank structures, employees, customers and suppliers). Particular attention has been paid to customer awareness of cybersecurity issues by publishing a series of communications on the public website (information pages, documents and infographics), on the most popular social networks, on the Bank's safe channels (e.g. bank statement notices, and App notices), also in collaboration with the relevant Italian and European Authorities. In this regard, by way of example, Intesa Sanpaolo was again in 2020 the only Italian bank to participate in Europol campaigns (Cyber Scams, Don't Be a Mule, No More Ransom initiatives), it arranged the Facebook campaign "Aiutaci ad aumentare la tua sicurezza" ("Help us to enhance your security") and the YouTube video "Proteggiti da chi finge di essere la tua banca" ("Protect yourself against those pretending to be your bank") cooperating to increase the cybersecurity culture among customers so that they can maintain control of their digital lives.

The internal training provided by Intesa Sanpaolo is aimed at all levels of the company's hierarchy in a customised manner, including Top Management, which in 2020 was involved in specific induction and role-play initiatives (together with other financial sector institutes and with CERTFin).

Intesa Sanpaolo is strongly committed to increasing cyber culture at a country-wide level and, in this sense, it has continued its collaboration with Bocconi University and the Polytechnics of Milan and Turin in order to support the first degree courses in the field of Cybersecurity, internships and talent programmes for ethical hackers; moreover, the Bank is providing leading support for initiatives aimed at all citizens (e.g. Youth4Cyber, within the context of the Digital Week in Milan) so as to raise their awareness about the threats related to digitalisation.

In 2020, the Intesa Sanpaolo Group structures responsible for the collection and analysis of information in order to technically identify cyber-threats (threat intelligence) intensified their activities for the Group Banks and companies, as well as for national bodies supporting the credit sector. Initiatives also continued involving Intesa Sanpaolo in various working groups with international bodies like EBF, AFME, ECSO, Enisa, Europol, CERTFin and ABILab.

The integrated monitoring of cybersecurity and business continuity as part of Crisis Management procedures confirmed the Bank's effective management not only of events related to natural disasters but also, for the first time, for a pandemic emergency, ensuring the continuity of services and focusing on the protection of customers and employees. The Bank took immediate steps to ensure social distancing of employees and customers by introducing new operating procedures and speeding up the digitalisation process already underway.

Finally, as in previous years, the Bank remains committed to obtaining and maintaining third-party certification for its cybersecurity and operational continuity activities that guarantee quality, and also for its appropriate monitoring of the services it provides (see [1]). As confirmation of its high-level monitoring as regards cybersecurity, Intesa Sanpaolo won the CTF AIPSA 2020 prize, dedicated to Cyber Resilience during the global pandemic.

THE PHYSICAL NETWORK CHANNEL AND INTEGRATION WITH ONLINE STRUCTURES

The branches continue to represent the physical space of personal relationships of the distribution network, particularly with regard to more complex operations. The New Branch Layout project has led to significant changes in the physical place where the Bank comes into contact with its customers with modular spaces that have been made as welcoming as possible and functional areas for specific activities (customer reception areas, living areas and self-service areas), which are also suitable for hosting artistic and cultural events. At the end of 2020, the new branch model was present at 271 branches, including 13 Corporate branches.

During the health emergency period about 4,800 customers and 500 employees were involved in remote meetings, through the use of a digital platform, in 94 webinars organised in the second half of the year.

As outlined in the 2018-2021 Business Plan, the rationalisation of the distribution network, the search for innovation, the digitalisation and the offer of integrated models come to fruition in the remote consulting of the Online Branch. The latter provided practical support during the health emergency. Thanks to the widespread use of home working by Online Managers the freephone number was active at all times and it guaranteed answers to customers in times when local branches were forced to suspend their activities. It encouraged dialogue with managers in the branches, accompanied customers in using digital channels and provided assistance on products and services according to arrangements subsequent to the pandemic.

The year 2020 saw the consolidation of some tools for dialoguing between customers and the Online Branch. Through the Intesa Sanpaolo Mobile App, customers can write via chat to the Online Branch or their Remote Manager. It is an asynchronous and persistent, WhatsApp-like form of interaction that improves customer experience using a popular and well-known mode such as a chat, reduces the need to go to the local branch and provides fast assistance and expert advice through digital channels.

This pathway will soon be complete, also extending the chat service to the internet channel and allowing customers to access the dialogues at any time from whatever device they like. In 2020 the supply chain was enhanced with a new operating point and includes a total of over 1,000 Online Managers distributed among 18 branches and 161 Remote Managers, operating in 14 remote branches.

Dialogue with customers was constant and parallel to the relationship with the face-to-face network with which the management of portfolios is shared. The Remote Manager is a new way for the customer to access the Bank over longer hours and remotely.

The geographical coverage and accessibility of services are offered by the new network born from Banca 5, the first online Bank in Italy to operate in the payment system sector, and Sisalpay. The new network that has been operational since early 2020 and in November changed its name to Mooney through a re-branding operation, had at the end of 2020 a total of about 42,000 affiliated stores around the country and provides the 20 million or so citizens that use the authorised stores every day with a complete range of payment and collection services (withdrawals, transfers, MAV, payment orders, top-ups for prepaid cards, etc.) and other business services (SPID Recognition, phone top-ups).

In 2020, the International Subsidiary Banks Division continued its projects:

- Adopting Group Distribution Model (AGDM), implementing the new commercial service model in Banca Intesa Beograd in Serbia, CIB Bank in Hungary, Privredna Banka Zagreb in Croatia, VÚB Banka in Slovakia and Intesa Sanpaolo Bank in Slovenia, involving since the start of the project 397 branches for the benefit of 577,000 customers with a personalised consulting service from the dedicated manager and latest generation ATMs (in total 321 MTA - advanced ATMs). In 2020 Intesa Sanpaolo Banka Bosna i Hercegovina also became part of the AGDM project and Intesa Sanpaolo Bank Albania launched its pilot phase in the pre-COVID-19 period.
- DigiCal programme strengthened the integration between the physical and the digital channels in order to digitalise current processes for Retail and Small Business customers. During 2020, the number of Retail online customers using digital channels grew steadily: 286,486 in CIB Bank in Hungary, 345,306 in Bank of Alexandria, 538,316 in Privredna Banka Zagreb in Croatia, 43,769 in Intesa Sanpaolo Bank Albania and 71,401 in Intesa Sanpaolo Bank in Slovenia. At the end of the year DigiCal was extended to Banca Intesa Beograd with internet and mobile banking. In 2020, Privredna Banka Zagreb in Croatia reached 6,500 customers with the Digi4Biz Internet and Mobile Banking platform dedicated to the Small Business and SME segment, which will also be extended in 2021 to CIB Bank in Hungary, Intesa Sanpaolo Bank Albania, Banca Intesa Beograd and Bank of Alexandria.

The use of Danube tablets for gathering signatures during transactions in Privredna Banka Zagreb in Croatia, VÚB Banka in Slovakia, Intesa Sanpaolo Banka Bosna i Hercegovina, CIB Bank in Hungary, Intesa Sanpaolo Bank in Slovenia contributed to the dematerialisation of contracts and simplified and improved the Customer Experience.

In addition, in a situation such as a health emergency the implementation of the Remote Offer service allowed the employees of the branches of Privredna Banka Zagreb in Croatia and Intesa Sanpaolo Bank in Slovenia to assist customers remotely through the chat function and to send commercial offers via online channels; the Public Portal of Privredna Banka Zagreb enabled customers to sign the multi-channel contract online, thus avoiding having to go into a branch during the difficult period caused by the pandemic.

ACCESSIBILITY FOR PEOPLE WITH DISABILITIES

Accessibility for visually impaired or blind customers is made available in Italy thanks to automatic teller machines equipped with an interface featuring easy-to-read graphics for the visually impaired, while for the blind over 6,400 machines are equipped with headphones for listening to voice guidance. The monitoring of the accessibility and usability of buildings and services led to the conclusion of the census of 3,535 operating points (consisting mainly of Retail, Personal, Business, Private and Corporate branches, satellite agencies of the various branch types, and detached and company branches) out of a total of 4,789, i.e. about 74% of coverage (the former Venetian Banks excluded), inspecting the user-friendliness of automated equipment and the accessibility of various areas with the use of tactile flooring for visually impaired and blind people. You can find specific information on the accessibility of branches on the Intesa Sanpaolo website [\[1\]](#).

In particular, there is information on the accessibility of branches and self-service areas for individuals with reduced mobility; visitors can also find out if there are accessible cashier desks, accessible toilets, adequate space for manoeuvring in corridors, tactile flooring for the visually impaired and the blind, lifts or lifting platforms, or stair lifts to connect the various floors.

As part of the DigiCal model, there is continued updating in the International Subsidiary Banks, of mobile and web applications according to WCAG 2.0 (Web Content Accessibility Guidelines) accessibility standards, which allow persons with disabilities to use the platforms, offering a service in English and in the local language.

During 2020, the surveying of the premises of the International Subsidiary Banks continued its progress, taking into consideration the branch networks and head offices and, for the first time, involving the Bank of Alexandria. The mapping activities included 100% of properties and considered several common parameters (accessibility from the outside, to tellers and to managers, etc.). The highest levels of accessibility from the outside are currently found in Slovenia (88%) and Croatia (86%). During the month of September the banks identified several actions for improvements based on priorities and feasibility with a focus on the removal of architectural barriers. The first planned interventions will start in the Banca Intesa Beograd involving 30 branches with modest works, and in VÜB Banka, where the works of a more structural nature will involve 4 branches.

There is continued collaboration with the Fondazione LIA (Libri Italiani Accessibili - Accessible Italian Books Foundation), which has been working for years with Associazione Italiana Editori (the Italian Publishers Association) and Unione Italiana Ciechi e Ipovedenti (Italian Association for the Blind and Visually Impaired) in order to improve the accessibility of the Group's documents published on the Internet and on the Intranet.

CREDIT INNOVATION

The activity of granting credit to retail customers, in terms of products and processes, is carried out in a multi-channel perspective. In fact, the offer received from the traditional branch can be completed and concluded by customers directly via their mobile devices, independently or with the assistance of the branch. Over 80% of credit applications are approved with automatic evaluation within 24 hours. In consumer credit, with the PerTe Prestito Diretto product the Bank makes it possible, in self-service mode, to make interest-free purchases from an extensive catalogue of consumer durables. The product range is supplemented with the constant presence of the Online Branch, which assists customers from the purchasing stages through to the home delivery of their goods. The innovation also involves the home mortgage sector with the product "Mutuo in Tasca", intended for customers looking for a property who can ask the Bank to decide the maximum amount of credit that can be granted to them; at the end of 2020 there were more than 22,200 subscribers, with more than 2,700 customers who identified a house to buy and were granted a loan.

The Bank took immediate action in the early days of the health emergency to activate centralised remote processes, to enable Retail Business and Corporate customers to independently apply for the suspension of mortgages and loans, as provided for in Law Decree no. 18 of 17 March 2020, and reduce the level of face-to-face contacts between customers and managers.

The remote process, which allows information and documents to be exchanged between the manager and the customer by telephone and/or email, was activated for several initiatives, including the activation of the suspension of loan instalments, applications for access to state guarantees, the completion of applications for new loans or the use of available credit lines.

In addition, to reduce the impact on operations at the branches and to meet more effectively the considerable demand for the suspension of loan instalments from Retail Business and Corporate customers, a dedicated Task Force was set up with a total of about 2,400 employees, who supported branches in evaluating and processing applications.

The first, totally digital short-term loan product called Circolante Impresa Smart has been available since September 2020. On the one hand, the signing process allows the SME customers to sign the loan agreement in self-service mode, without needing to go to the branch. On the other hand, the evaluation process is based on the new online calculation model for the rating of SMEs, which can automatically verify the loan repayment capacity, through an assessment of creditworthiness that analyses, among other aspects, the balances and transactions of the customer's current accounts over the previous 15 months.

Financial inclusion and supporting production

COMPANY POLICIES

Intesa Sanpaolo provides a range of products and services that promote financial inclusion and access to credit, in accordance with the Group's Code of Ethics. This code highlights, among the principles of customer relations, this policy's value as a key lever for social inclusion, enabling people to improve their lives and to fully exercise their citizenship rights. The Code of Ethics also outlines Intesa Sanpaolo's commitment to promoting economic and social development in the countries where it operates. In particular, this responsibility results in assisting companies to develop and improve their competitiveness, and to introduce innovations and internationalise their business. Among other initiatives, the 2018-2021 Business Plan launched the Fund for Impact, which is intended to disburse social impact loans of 1.25 billion euro (subsequently increased to 1.5 billion following the integration of the UBI Banca Group) to sections of society that find it difficult to access credit, despite their potential..

FINANCIAL INCLUSION OF VULNERABLE PEOPLE

Support of people in vulnerable conditions is offered through projects and initiatives aimed at the fair allocation of resources by identifying actors within the territory with whom agreements and synergies can be developed that will make access to credit easier for vulnerable individuals or those who would otherwise have no access to banking.

INITIATIVES WITH HIGH SOCIAL IMPACT

In 2020, the Intesa Sanpaolo Group issued new loans for high social impact activities amounting to about 37.2 billion euro, equal to 42.5% of the total granted, 32 billion of which to support the production system during the health emergency, helping to create business and employment opportunities and also to assist people in difficulty with various initiatives: microfinance; anti-usury loans; products and services for associations and entities in the Third Sector; products for the most vulnerable social groups to support their financial inclusion; and loans to support people affected by disasters.

LOANS WITH SOCIAL IMPACT [% AND THOUSANDS OF EURO]



MICROFINANCE AND THE FIGHT AGAINST USURY

There are various partnerships with different entities to provide credit to individuals or small companies in difficulty. Altogether, in 2020 the Group disbursed about 85 million euro in microfinance or anti-usury projects, in Italy and abroad.

The initiatives of a social nature, to provide income support for families, and those of a business nature, for the creation of micro and small enterprises, involve Intesa Sanpaolo working in partnership with the Fondazione Lombarda Antiusura and the Fondazione Welfare Ambrosiano, with a catchment area covering mainly Milan. In addition, there are some other ongoing agreements for the credit inclusion of disadvantaged persons or small businesses. These include agreements with NEETwork to offer free training placements provided by non-profit organisations, and also with Adiconsum, Exodus 94, Fondazione San Nicola Medici, Fondazione Antiusura Cavalla, Fondazione Moscati and Fondazione San Matteo, Fondazione Beato Giuseppe Tovini, Fondazione Toscana Antiusura, Fondazione Santa Maria del Soccorso, Fondazione Santi Smplicio e Antonio and the Fondazione Sant'Ignazio da Laconi for anti-usury initiatives.

In addition, the Bank makes available the “Finanziamento Microcredito Imprenditoriale” (“Business microcredit financing”), dedicated to micro-enterprises in the start-up phase of a new business or when investing in growth projects, enabling them to access credit even without collateral. This opportunity was made possible by a special section of the SME Guarantee Fund (Ministry of Economic Development Fund, operational since 2000). The medium/long-term loan, with a maximum duration of 7 years and a maximum amount of 25,000 euro, is designed for the purchase of goods (including raw materials) or key business services (including lease payments), to pay for salaries to new employees or working partners, or to pay for training courses to improve professional quality and technical and managerial skills. Some of the essential characteristics of Business Microcredit Financing are assistance and monitoring services that support the business, offered free of charge by the VOBIS association (Volontari Bancari per le Iniziative nel Sociale, an association of volunteer former bank employees that operates throughout Italy and is purely focused on social solidarity). 258 loans were disbursed for a total of 5.7 million euro in 2020.

MICROCREDIT IN EGYPT

As a driver for poverty reduction and socio-economic development in the country, microcredit is an activity at the heart of the Bank of Alexandria strategy which aims to position itself as the point of reference for financial inclusion, economic empowerment and income support for small businesses and customers with no access to banking. Its range of products and services, with solutions for retail customers and micro-enterprises from various sectors, has thus been enhanced over the years with the introduction of products for the agribusiness sector and artisans, women and young people. In 2020 the Bank disbursed more than 77 million euro for a total of more than 46,600 loans, also providing some customers with advisory services developed in cooperation with various NGOs.

FUND FOR IMPACT – NEW CREDIT ACCESS OPPORTUNITIES

The Fund for Impact was launched in 2019 with initial funds of about 250 million euro to support the disbursement of loans to customer groups with difficulties in accessing credit, despite their potential. In 2020 the operating regulations were issued and the endowment was expanded to 300 million euro following the integration of UBI into the Intesa Sanpaolo Group.

The Fund for Impact supports the “per Merito” initiative, the first unsecured credit line dedicated to all university students residing in Italy and studying in Italy or abroad, which in 2020 financed 6,446 students granting them 51.5 million euro (90.6 million euro since 2019). In 2020 some new partnerships with universities and other institutions were created (especially schools specialising in the Made in Italy business such as fashion and cuisine as well as selected schools for digital activities); loans were made available to the families of students attending certain high schools and the scope of assisted students was extended to PhD scholars.

In addition, three new initiatives were implemented:

- MAMMA@WORK, operational since July 2020, is a loan on favourable terms for working mothers so that they can manage their economic commitments after their period of maternity leave, paying nurseries, child care or other temporary needs, thanks to a loan of 300 or 500 euro per month (disbursed half-yearly), which may last until the end of the child's 6th year and be paid back over prolonged periods (up to 20 years) and thus with very modest instalments. In 2020 the product financed 79 mums for a total amount of 236,000 euro.
- XME StudioStation is a loan for the purchase of computers and connectivity for families with children who are following distance learning. The maximum amount is 1,500 euro with customisable duration (12-48 months), zero-rate interest and no guarantees are required. In 2020, 891 loans were concluded for a total of 1.2 million euro granted.

- **Obiettivo Pensione:** in December 2020, the possibility became operational of granting loans to people who, despite having reached the minimum age requirement for their pension, do not have enough pension contributions to actually retire, especially because they have been made redundant; Obiettivo Pensione covers the cost of their missing pension contributions of up to a maximum of 3 years and 6 months, with a line of credit that allows them to repay over a long period (10 years) using consolidated methods.

NATURAL CATASTROPHES AND DISASTERS

The Intesa Sanpaolo Group confirmed its concrete commitment to support the populations affected by catastrophic and natural disasters affecting the Italian territory by activating dedicated credit lines, providing new subsidised loans intended for the restoration of damaged properties (houses, shops, offices, artisan workshops, companies), suspensions on existing loans, actions in the area of protection and preferential, simplified and expedited procedures.

In 2020 there were about 300 suspensions of repayments on existing loans for a total residual debt of 500 million euro. In addition, subsidised loans were disbursed in 2020 for over 163 million euro (about 497 million euro since 2018).

SUPPORT FOR HOUSEHOLDS

Intesa Sanpaolo participates in the Guarantee Fund for Main Home Purchases, established by the 2014 Stability Law. Thanks to the Memorandum of Understanding between ABI and the Italian Ministry of the Economy and Finance, the beneficiaries – young couples, single-parent families with minor children, young people under the age of 35 with a temporary employment contract and tenants of public housing owned by the Istituto Autonomo Case Popolari (Social Housing Authority) – can get a guarantee on the principal amount of their loan (up to 50%). In 2020, 5,693 mortgages were issued with a value of over 610 million euro.

During 2020, Intesa Sanpaolo provided employees of companies in crisis, such as the former Embraco and Air Italy, with effective support allowing them to suspend the payment of instalments on mortgages and loans for a period of 12 months.

Support for households was also reflected in the renegotiation of mortgages, almost 45,000 in 2020.

The Group also signed up to the Agreement for women victims of violence which ABI and the main trade unions also signed. For women included in certified security programmes, who are in economic difficulty, the agreement provides for the suspension of repayment of the principal in mortgages and personal loans for a period of 18 months. When signing up to the Agreement, the Bank also provided for the suspension of the entire instalment to offer greater support.

Intesa Sanpaolo has for some years operated the “Anticipazione Sociale” project, designed for redundant workers who receive their INPS benefits 7-8 months after applying. “Anticipazione Sociale” offers the opportunity to open credit facilities with favourable terms, until their redundancy benefits arrive from INPS. More specifically, provision was made for an advance lump sum of 1,400 euro, reduced proportionally in the event of a shorter period of suspension (suspension for less than 9 weeks on zero hours, or in the event of a reduction not on zero hours) or in the case of part-time employment. Through agreements signed with the Piedmont Region, the Metropolitan City of Turin, Emilia Romagna, Tuscany and Veneto, the worker does not bear any charges as these are covered by the project partners.

SOLUTIONS FOR YOUNG CUSTOMERS

Intesa Sanpaolo pays great attention to young people and their needs; in this regard it has developed a dedicated offer that more specifically concerns:

- mortgages, especially “Mutuo Giovani”, an offer whose aim is to facilitate young people with their house purchase accepting applications of up to 100% of the property value with repayment periods of up to 40 years. The total disbursement – also considering the Guarantee Fund for Main Home Purchases – is about 3.8 billion euro to over 31,350 young people;
- loans, with the “per Merito” product dedicated to students with the aim of facilitating their access to studies (for details one should refer to the section “Fund for Impact - New credit access opportunities”). In addition, for university students who reside in the South, or who reside in other regions of Italy and want to attend a university or a specialist school in the South, the “per Merito” initiative has been joined by “StudioSI” - a Fund of the Ministry of Education, University and Research (MIUR) co-financed by the European Social Fund (ESF), which enables Intesa Sanpaolo to provide interest-free loans to university students, of up to 50,000 euro to be repaid in up to 20 years without collateral, to meet registration fees, purchase of books and all costs related to their studies;
- current accounts, with the XME Conto product, which offers current account fees and a debit card absolutely free of charge with the tax paid by the Bank, for those up to 35 years of age, and with XME Conto UP! for those under 18, completely free until the age of 18;

- savings with SMART SAVE, the first of the investment services planned in line with digital functions; it allows users to subscribe to funds from 5 euro upwards and to manage all transactions directly via the App. It is an accumulation service on dedicated mutual investment funds, which aims to facilitate access to occasional and/or periodic investment, even for small amounts and via mobile.
- savings with XME Salvadanaio, the digital piggy bank that can be used by children and adults alike, which allows them to set retained sums of money, either manually or automatically for rounding off payment transactions made with cards

WOMEN'S ENTERPRISE SOLUTIONS

The Business Gemma loan supports businesses run by women and also women freelancers, benefitting free of charge from the guarantee of the special section of the SME Fund for Women's Entrepreneurship and allows to request the suspension of the capital portion of the instalments for up to 12 months during the amortisation period. 93 loans were disbursed for a total of 3.2 million euro in 2020.

Among International Subsidiary Banks, Banca Intesa Beograd and Intesa Sanpaolo Bank Albania signed agreements with the European Bank for Reconstruction and Development (EBRD) as part of the Women in Business programme which, in support of micro, small and medium enterprises run by women in the Western Balkans, offers subsidised loans, technical consulting and the sharing of know-how for women who benefit from the initiative. In 2020, Banca Intesa Beograd agreed a new credit line of 8 million euro with the BERS and disbursed 163 loans to local SMEs for about 1.2 million euro; Intesa Sanpaolo Bank Albania made available approximately 511,000 euro for 9 loans to female entrepreneurs. Following the pandemic, the customers were also able to benefit from moratoria.

WOMEN VALUE COMPANY AWARD

In support of gender equality and the enhancement of the role of women in entrepreneurship, Intesa Sanpaolo promotes the "Women Value Company - Intesa Sanpaolo" award together with the Marisa Bellisario Foundation. In its fourth iteration in 2020, the award is given to small and medium-sized enterprises that implemented concrete and innovative policies and strategies to guarantee men and women equal opportunities and equal recognition in their careers. From about 900 candidates from all over Italy for the 2020 edition, 90 SMEs received awards in the final event that was held in live streaming in the month of September 2020. The event was an occasion for sharing views and opinions on corporate policies and best practices aimed at eliminating the gender gap, for an effective debate that aims to inspire and develop the corporate culture of Italian SMEs.

REMITTANCE MANAGEMENT

Intesa Sanpaolo offers specific products for foreign customers in Italy who need to send money to their home countries.

To facilitate customers in this difficult year, an agreement was reached with Western Union to cut costs to zero for remittances made through Money Transfer throughout the second half of 2020. In addition to the Money Transfer service, Intesa Sanpaolo allows customers and non-customers to send money to various countries of origin using the GetMoney To Family service and at Group Banks abroad with the Express to Family service. In 2020, around 97,000 remittances were made, amounting to over 48 million euro.

IMPACT PROJECT FOR THE FINANCIAL INCLUSION OF IMMIGRANTS

The financial inclusion project for immigrants was developed on the basis of the results of a study on the current process and the future impact of immigrant integration dynamics on the sustainable growth of the country.

During 2020, the project was developed along two main lines, one internal and one external to the Bank, directed towards several action fronts:

- Making the most of previous experience through an operational spin-off with the commencement of works on the "Credit to Migrants" project with the Impact Department; a sustained action of alignment, sharing of views and raising awareness with the other Business Units of the Bank that may become involved, broadening the focus from the issue of financial inclusion of migrants to the issue of financial inclusion in its broadest sense (i.e. for all those lacking inclusion).
- Launch and consolidation of dedicated discussions with the Robert F. Kennedy Human Rights

Foundation: in its capacity as a partner of the Bobby's Dream project, the Group contributed to the scientific magazine published by Euricse, dedicated to best practices in support of social and economic inclusion of migrants and asylum seekers, and in the framework of the training project initiated by the same Foundation and the Cattolica University, Intesa Sanpaolo defined the terms of its intervention in the project and its best practices for the undergraduates on the Management of Sustainability degree course.

- Dialogue with the national and international institutions directly involved in supporting the financial inclusion and integration process: in this context, and in order to make the most of and share the project results, Intesa Sanpaolo was invited to take part in the national working group on financial inclusion promoted by the Italian Ministry of Economy and Finance and the Bank of Italy within the scope of the country's participation in the Global Partnership for Financial Inclusion of the G20, of which Italy has recently assumed the Presidency, and in the upcoming discussion group on the subject of financial inclusion set up by ABI. This discussion group will also include Acli, Anci, Arci, Caritas Italiana, CeSPI, Directorate General - Immigration Department from the Ministry of Work and Social Affairs, UNHCR and International Organisation for Migration (IOM).

SUPPORTING THE THIRD SECTOR

For some time now Intesa Sanpaolo has made available an offer dedicated to Third Sector organisations, first through Banca Prossima and then (after its merger in 2019 into Intesa Sanpaolo) through the Impact Department, into which it was incorporated.

At the end of 2020, there were about 88 thousand customers in the Third Sector network, and direct and indirect deposits of about 7.3 billion euro, of which roughly 5.5 billion euro were in direct deposits, and about 2.3 billion euro in loans. The intangible assets of Third Sector entities play an important role in making their long-term financial exposure sustainable. To this end, specific rating models have been developed that better suit the characteristics of customers from the non-profit and religious sectors, particularly with respect to the qualitative section. As a guarantee of its activities, the articles of association of Banca Prossima envisage a Fund for the development of social enterprises, to which at least 50% of the remaining profits net of allocation to legal and statutory reserves and the reconstitution of the share premium reserve initially used to set up the Fund were allocated each year. The Fund continued to function even after the incorporation of Banca Prossima, through the creation of a plafond of around 0.1% of the shareholders' equity of Intesa Sanpaolo.

CROWDFUNDING PLATFORMS

For Funding is the social crowdfunding platform of the Intesa Sanpaolo Group aimed at organisations, non-profit associations and foundations which want to launch a fundraising campaign with the participation of a wider donor community. The fundraising initiatives are selected by the Intesa Sanpaolo team, which evaluates the beneficiary organisation and the type of projects in order to support the most deserving projects. Once the project has been published on the platform, donors may contribute to the fundraising process with a donation made through the website using a credit card, by online bank transfer, or with a bank transfer made at their own bank or at any Intesa Sanpaolo branch. Each transaction is free for both the donor and the beneficiary.

For Funding is a unique and distinctive model in the world of social crowdfunding and for loans to non-profit projects, that are direct and without intermediaries. Italian private individuals and legal entities can use the platform to make loans to non-profit organisations at a favourable rate. In 2020, For Funding raised about 9.8 million euro in donations, positioning itself as the leading Italian Donation Crowdfunding platform.

Donations through For Funding to support initiatives for the COVID-19 emergency amounted to 3.5 million euro. In particular, the platform hosted the fundraising called "Emergenza Coronavirus: vicini a chi ha più bisogno" (Coronavirus Emergency: close to those in need) supporting the Department of Civil Protection, which collected donations of over 2.2 million euro.

EDUCATION AND SPREAD OF FINANCIAL CULTURE

The health emergency due to the spread of COVID-19 meant we were forced to have a profound rethink about the edutainment and educational activities proposed by the Museo del Risparmio (MDR - Savings Museum). To keep public engagement and the participation of young people at a high level, we chose to act on two fronts: the development of new online formats and the implementation of technology solutions to convey financial education in an effective and innovative manner, both remotely and face-to-face.

Despite the closure to the public for about six months and the restrictions imposed, during 2020 the activities designed and delivered face-to-face and remotely by the Museo del Risparmio involved about 22,000 people.

For adult audiences the MDR Web TV was launched, a programme of live and on-demand digital events that reached a total of about 4100¹ people between April and December. The events organised by MDR in 2020 included:

- A book in 30 minutes: 8 online events with writers and experts who, through their books, helped to take a more in-depth look at topics such as behavioural finance, psychology of money, relationship between philosophy and economics, development of payment systems and the circular economy;
- MDR-HSS International virtual seminars: 2 seminars in English in collaboration with the Herbert Simon Society and addressed to experts and researchers in the financial sector, dedicated to financial education determinants and the consequences of the pandemic on the financial markets;
- Financial education webinars: 11 events to stimulate reflection on certain crucial issues for financial education (gender gap, sustainability, educational innovation, resilience in managing the effects of the pandemic).

To help people get through the difficulties they face in the complicated economic situation associated with the health emergency, the Museum created FIREWALL, four video pills to boost financial resilience i.e. the ability to withstand the impact of the crisis without falling into despair.

In partnership with Episteme, a research programme was also created called “Capacità di Sopportazione e di Reazione in tempi di pandemia” (Ability to Endure and React in times of a pandemic) aimed at analysing the behaviour of Italians in the face of the health emergency and the consequent economic and social emergency in progress.

The Museo del Risparmio, in collaboration with the International Federation of Finance Museums, looked after the drafting of “Financial education in pandemic times”, a booklet that collects the experiences of the world’s leading museums of economy and finance in the development of new educational and communication proposals following the COVID-19 emergency.

Also on the international front, on the occasion of the World Savings Day, the collaboration between the Museum and the Banks of the International Subsidiary Banks Division continued in 2020; eight of them proposed activities promoting financial education within “The Art of Saving” initiative, including distance learning workshops and other digital initiatives to raise awareness.

School	Distance learning activities
PRIMARY SCHOOL	<ul style="list-style-type: none"> • MDR PLAY LAB: the video tutorial series for parents and teachers to perform distance-learning educational workshops on savings and sustainability • New educational format called “Legonomia” to learn the basics of financial education through LEGO • Online participation at the TIME4CHILD festival
LOWER SECONDARY SCHOOL	<ul style="list-style-type: none"> • AES Quiz: edu-quiz series on the history of money, which involved about 300 middle school pupils competing through the Kahoot application • New educational format on the “INFO-Mania” information asymmetry developed in collaboration with the Turin Polytechnic
UPPER SECONDARY SCHOOL	<ul style="list-style-type: none"> • New video-courses dedicated to the contamination between finance, film and literature (“Un libro nella Borsa” and “Si gira motore..azioni!”) • Online meeting with R. De Bonis and M. Vangelisti of the Bank of Italy on the development of payment instruments • Online meeting on “La finanza spiegata bene – Speciale Scuole” (Finance explained well - a School Special) with the journalist Mauro del Corno • Digital live show “Non ci casco” (I won’t fall for it) on electronic payment frauds, held during the Salone dei Pagamenti • Digital live show “Scelte Insostenibili” (Unsustainable choices) • Digital Festival “Il mio posto nel mondo” (My place in the world) with Lavazza and the Next Level Association

(1) The figure includes those who followed the events live and the number of views of the recording subsequently uploaded on the YouTube channel of the Museo del Risparmio.

For the school world, new forms of distance learning were designed, differentiated by age, which allowed them to reach a total of approximately 10,800 pupils, students and teachers.

For upper secondary schools, a new module was launched with 30 hours of distance learning to be dispensed within the scope of “Courses on across-the-board skills and orientation” which were followed in 2020 by 303 students, while another 600 will take part in 2021.

In 2020 the 2nd edition of the SAVE Tour was completed (Sustainability, Action, Voyage, Experience), an itinerant course on financial education and sustainability developed with the European Investment Bank and Italscania which visited 15 cities in Liguria, Sardinia and Sicily between October 2019 and February 2020 and involved 85 schools and 4,550 pupils from primary schools and secondary schools. An additional 7 stages in Calabria and Campania were cancelled due to restrictions imposed by the health emergency.

The project will be transformed in 2021 into a virtual tour with new content accessible both in Italian and English.

Among the main technological innovations introduced:

- The 3D virtual tour to the Museum, allowing pupils to explore the various rooms, view a selection of content and download the apps to get familiar with the complex art of money management.
- The app called “Il tesoro di Mika” (Mika’s treasure) is an exciting virtual treasure challenge with quizzes and games. Anyone who can answer the questions correctly is awarded the title of Maestro del Risparmio (Master of Savings).
- The futuristic “Test and fun” terminal uses artificial intelligence to find out how each of us relates to money and savings.

The partnership with the Osservatorio Permanente Giovani-Editori (Young Publishers’ Forum) for the Young Factor project continued in 2020, with the aim of supporting young people’s critical reading and economic and financial literacy. The initiative managed to continue with the project in schools, in spite of the health emergency, thanks to distance learning involving an even greater number of schools (2,150) and pupils (617,180).

Developed within the scope of the Il Quotidiano in Classe (Daily Newspaper in Class) initiative, which through the reading and comparison of different newspapers aims to help young people to develop that essential critical spirit in order to become tomorrow’s free citizens, the project intends to facilitate the spread of an economic-financial culture among young people, providing them with useful knowledge support so as to make informed choices about their future and to foster the creation of responsible citizens. Teachers and classes participating in the project include focused studies in their syllabus on the main topics underlying the economy, finance and the rules that govern financial and banking activities. The educational work is inspired by current issues (the economic crisis, the performance of financial markets, etc.) and allows the various topics to be looked at in detail and related to the youngsters’ daily reality.

SUPPORTING PRODUCTION AND INNOVATION

Intesa Sanpaolo puts itself forward as a point of reference, and not just financially, to support the country’s economic system and the business and associative world, also during the period of the COVID-19 emergency. The Group assists its customers in a consolidated and long-term relationship model founded on quality, reliability and trust.

With regard to about a million Corporate and SME customers, the Group puts forward solutions that support the future of Made in Italy in the world and contribute to sharing their internationalisation, capitalisation, innovation and development processes, with particular attention to the topic of economic, social and environmental sustainability, as stated in the 2018-2021 Business Plan.

SUPPORT FOR BUSINESSES IN ITALY

In 2020, Intesa Sanpaolo allocated approximately 87 billion euro in new medium-long term loans to the real economy with approximately 77 billion euro in Italy, of which around 63 billion was disbursed to households and SMEs.

In 2020 the Group facilitated the return from non-performing to performing status of around 11,500 Italian companies, with a positive impact on employment through the protection of approximately 57,000 jobs.

In response to the COVID-19 emergency, Intesa Sanpaolo immediately adopted some extraordinary measures first and then promptly implemented the measures specified in the government Decrees, through initiatives of effective help to businesses to support them in these times of difficulty: the suspension of repayments of loans and the allocation of a credit line of 50 billion euro, with a focus on the sectors most affected by the crisis (tourism and trade). For more details, one should refer to the section “Support for households and businesses to deal with the COVID-19 emergency”.

By August Intesa Sanpaolo had already made available the tools allowing people to benefit from the Superbonus and the other building bonuses and in September they were set under way, also later extending the offer to

the UBI Banca network customers, thanks to the progressive business integration of the two banks. For more information, one should refer to the chapter Loans and services for the green and circular economy.

The growth of Italian SMEs is also supported by the Intesa Sanpaolo Extraordinary Finance structures and the partnership with Elite of Borsa Italiana, through innovative financial solutions that give companies high visibility to institutional investors and enhance their reputation and financial culture.

In partnership with Confindustria, in 2020 Intesa Sanpaolo took 57 companies representing all of Italy and its economic sectors to three Elite Lounges (an international programme to accompany the most ambitious companies in their development phases), in a digital version. One of these was entirely dedicated to start-ups from the B-Heroes programme and another saw the involvement of some companies in the Imprese Vincenti programme.

In 2020, the Intesa Sanpaolo Basket Bond Programme continued in partnership with Elite, an operation allowing SMEs to issue bonds which envisages a potential, subsequent securitisation through “Notes” geared to institutional investors. The Programme, structured in a number of tranches, envisaged in 2020 the subscription of bonds for a total amount of 100 million euro and involved 12 SMEs throughout Italy.

CORPORATE CREDIT AGREEMENTS

With the aim of continuing to support businesses and respond to the developments occurring within the European regulatory context, the operations under the Credit Agreement, signed by ABI and the main trade associations in 2019, continued in 2020 with the changes introduced by the Addenda of 6 March and 22 May which extended the procedures of access in response to the COVID-19 emergency.

In 2020, the entire national economy was deeply affected by the devastating effects of the pandemic. From February onwards, thanks to agreements with national associations, the Bank was able to provide businesses firstly with its own extraordinary measures to support liquidity and immediately after with further actions in support of operators in the economy, in accordance with the legal provisions that were issued throughout the year (Cura Italia Decree, and the Liquidity, Relaunch and Relief Law Decrees). The agreements were the subject of widespread dissemination through numerous webinars, both nationally and in individual areas, through the involvement of a large number of participants, including associated companies.

The themes common to many agreements involved basically three main areas: the first, supporting corporate liquidity and working capital, with short, medium and long term loans, also with government guarantees from the Central Fund and SACE, the extraordinary moratoria and the enhancement of Supply Chains and support for internationalisation; the second related to innovation and sustainability, with particular attention to ESG issues, the Circular Economy and innovative Start-ups; the third and final area was to encourage working from home and to ensure protection and insurance and health cover.

Moreover, thanks to the measures included in the Relaunch Law Decree some important steps were taken, made effective through the signing of new agreements or addenda to those already signed, as part of the incentives linked to the home system, in particular the Superbonus, and the possibility of transferring tax credits to banks, which facilitated the development of innovative solutions through the active collaboration with some representative trade associations.

The following is a list of agreements signed with the main trade associations in 2020, mentioning only those that are of national importance:

- Confcommercio Imprese per l'Italia
- Confartigianato Imprese
- CNA - Italian Confederation of Craft Trades
- Confapi - Italian Confederation of small and medium-sized private industries
- Federalberghi
- Federturismo, Confindustria Alberghi and Federterme
- ANCE National Association of Construction Companies
- Federlegno Arredo
- Anima Confindustria Meccanica Varia
- Confindustria Intellect
- Assopellettieri - Italian Association of Furriers
- CDO Compagnia delle Opere
- Finco - Federation of Industries for Products, Plants, Services and Specialist Works for Constructions and Maintenance

Furthermore, in support of the internationalisation of companies, in 2020 the agreement with the ICE Agency was renewed as well as the agreement with SACE SRV, which allows corporate customers to access the services for the recovery of international credits on competitive terms, in addition to the continuation of the agreement with SACE for the guarantee of medium/long-term International+ loans from Intesa Sanpaolo and

the Master Participation Agreement in existence with SACE, for the sharing of the risk arising from the issue of international guarantees and export documentary credits.

The support to SMEs in the field of Industry 4.0 (still partially continued in 2020) led to loans this year of 541 million euro.

In addition, in 2020, through several specific agreements with the European Investment Bank Group (EIB and EIF, European Investment Fund), Intesa Sanpaolo prepared additional lines of action that will allow the disbursement to final recipients of new loans for a total of over 2.8 billion euro, mainly for the Italian economy. The resources will be directed to finance SMEs for new investments, including in particular those in research projects and innovative investments, permanent working capital and liquidity requirements to overcome the COVID-19 emergency. Through the use of European Structural Funds, two projects were given support: one with the Region of Sardinia to deal with the COVID-19 emergency, with a particular focus on the tourism sector and another to finance the training of university students.

In addition, through a synthetic securitisation of an existing loan portfolio of about 2 billion euro created within the scope of the "GARC" programme (Gestione Attiva Rischio di Credito - Active Credit Risk Management), Intesa Sanpaolo, subsequent to the optimisation of the credit risk, will offer new loans for a total of 450 million euro available to SMEs affected by the emergency caused by the COVID-19 pandemic.

Again, in 2020 the agreement signed with the European Investment Fund in 2018 for the creation of a portfolio supported by the InnovFin guarantee for new loans of up to 300 million euro associated originally with research, innovation and development projects, was revised by expanding the purposes for investment to digitalisation and energy efficiency improvements in full compliance with the European Green New Deal. At the same time, a portion of the portfolio was also dedicated to Working Capital, a COVID-19 line, aimed to support businesses lacking liquidity due to the pandemic crisis. In 2020, some portfolios of new loans were constructed guaranteed by the Guarantee Fund for SMEs. Operations which began in 2018 with the admission of four portfolios for a total value of loans of 1.2 billion euro, continued with a new initiative that benefits from the guarantees of the consortium company promoted by Confcommercio alongside the SME Guarantee Fund. In addition, the Bank took steps to launch the activity in line with the SME Initiative, a dedicated SME initiative promoted by the European Union and the EIB Group (the European Investment Bank and the European Investment Fund) which aims to stimulate SME financing by providing partial risk coverage for SME loan portfolios of the original financial institutions. During 2020, the initiative was not actually used by businesses because of the COVID-19 emergency; in December, the required authorisation was obtained from the EIF for the extension of eligible purposes, including loans to support the working capital for businesses that have been damaged due to the pandemic. The Bank is committed to providing more than 300 million euro in loans to SMEs, using this instrument, which allows companies to be financed with a benefit of 50 bps discount on the benchmark pricing.

SUPPORT FOR HOUSEHOLDS AND BUSINESSES TO DEAL WITH THE COVID-19 EMERGENCY

Since the beginning of the pandemic, the whole Bank has been strongly committed in a series of initiatives to give support to all corporate customers affected by the crisis, on occasions independently launching measures that were able to become operative even before the enactment of policies and regulatory measures implemented by the government.

The support provided by Intesa Sanpaolo to households and businesses during the health emergency consisted mainly of the suspension of payments of mortgages and loans and the disbursement of subsidised loans. In 2020 Intesa Sanpaolo disbursed about 30 billion euro in loans with state and SACE guarantees and granted suspensions - including renewals - on mortgages and loans of 73 billion euro, of which about 54 billion euro for businesses and about 19 billion euro for households, in order to support the economy of the country.

INITIATIVES TO SUSPEND INSTALMENTS FOR HOUSEHOLDS

The Bank adhered to the moratoria provided for by law and more specifically to the moratorium for the so-called "red zone"¹, directed at retail customers with loans and mortgages on properties located in the municipalities indicated in the Decree. The Group then extended the measures provided for by the Order to holders of personal loans, resident in the so-called "red zone". Within the package of favourable measures prepared to implement the legal provisions, it is worth mentioning the moratorium on mortgage loans disbursed to individuals to purchase their first home. The Solidarity Fund for the suspension of first home mortgages (the so-called Gasparrini Fund) supported the suspension of payment of instalments (principal and interest) when temporary situations of difficulty arose within the family unit. Through subsequent legislative measures, the range of cases for accessing the moratoria were expanded in terms of access requirements. No fees were applied for the moratorium.

The Group launched its own initiative to support Retail customers with a mortgage and/or personal loan, which was then merged into the ABI/Consumer Associations' Agreement which Intesa Sanpaolo signed up to.

(1) The so-called "initial red zone" included the Lombardy Municipalities of Bertonico, Casalpusterlengo, Castelgerundo, Castiglione D'Adda, Codogno, Fombio, Maleo, San Fiorano, Somaglia, Terranova dei Passerini, and also the Veneto Municipality of Vò Euganeo, clearly listed in Annex 1 to the Decree of the President of the Council of Ministers dated 01/03/2020.

It envisaged the option of suspending the entire instalment or just the principal for 6 months, with a possible extension up to 12 months. A comparable initiative was also implemented by the UBI Group.

The COVID-19 moratoria initiated by the UBI Group involved the suspension of the entire instalment for retail customers applying for it, without stipulating any specific requirements. From the second half of 2020, all new requests were referred to the so-called formulas by law or included in the trade or consumer association agreements. The UBI Group also participated, through its subsidiary Prestitalia, in the moratorium of the ASSOFIN - Consumer Associations agreement concerning the suspension of payments of instalments on loans with assignment of one-fifth of salary and consumer credit.

INITIATIVES TO SUSPEND INSTALMENTS FOR CORPORATE CUSTOMERS AND RETAIL BUSINESSES

Following the introduction of the “Cura Italia” and “August” Decrees, the lawmaker introduced the possibility for SMEs and professionals to suspend payment of loan instalments that were due, with specific conditions for businesses in the tourism sector, which were eligible for a longer period of suspension. The moratorium on the so-called “red zone” was made in favour of holders of mortgages on buildings located in the municipalities of the so-called “initial red zone”² and closely associated with the running of commercial and economic businesses, including agricultural businesses. The possibility of suspending the entire instalment or just the principal has been provided until the end of the state of emergency.

In addition, through the ABI “Imprese in Ripresa 2.0” (Recovering companies) Agreement, which Intesa Sanpaolo adhered to, companies operating throughout the Italian territory were able to ask for the suspension of repayments on existing loans, which could be extended depending on the duration of the emergency, with a particular focus on businesses operating in the tourism sector, which were specifically allowed to request the suspension of repayments on loans for a longer period. Intesa Sanpaolo (including the UBI Group) also joined the ABI - Local Authorities Agreement dated 6 April 2020, which provided for the possibility of suspending repayment of the principal element in instalments falling due in 2020, relating to loans granted to local authorities.

The COVID-19 moratoria initiated by the UBI Group involved the suspension, in favour of Corporate customers, of just the principal quota and for a maximum period of 12 months. No limitations regarding technical forms were specified, nor were any specific requirements requested.

IMMEDIATE SUPPORT TO COMPANIES UNDER THE “LIQUIDITY DECREE”

The “Liquidity Decree” introduced measures to promote access to credit for Businesses through the use of guarantees granted by the State and that the Intesa Sanpaolo Group quickly made available, as follows:

- Loans of up to 30,000 euro with a 100% guarantee from the SME Guarantee Fund;
- Other loans guaranteed by the Guarantee Fund: the “Liquidity Decree” granted the possibility of increasing the MCC - Medio Credito Centrale guarantee up to 90% for SMEs affected by the emergency;
- Loans guaranteed by SACE – “Garanzia Italia - SACE”, obtainable on new loans, if aimed at investments. The SACE guarantee could reach a maximum of 90%. SMEs, including the self-employed and freelance professionals with a VAT number are also eligible for SACE guarantees, provided that they have fully utilised their ability to access the SME Guarantee Fund;
- Suspension of the possibility to revoke short-term overdrafts, in implementation of the legislative initiatives provided by the “Cura Italia Decree” and subsequently by the “August Decree”.

RENAISSANCE PROGRAMMES: BERGAMO AND FLORENCE

The Renaissance Programmes are an innovative and timely response that Intesa Sanpaolo provided to deal with the economic and social emergency, caused by the spread of COVID-19. These programmes supporting the real economy, which enable virtuous mechanisms for public-private-non-profit partnerships, are designed for start-ups, micro-enterprises and SMEs wishing to carry out development and innovation projects with impacts on their local area. As part of these programmes, the so-called Impact Loans were created, which are innovative and sustainable, long-term financing tools that are qualified as a form of patient capital with very modest costs.

In May 2020, Intesa Sanpaolo and the Municipality of Bergamo launched the Bergamo Renaissance Programme, in order to support an area that was particularly affected by the spread of COVID-19. The initiative, with the participation of the Cesvi Foundation as Actuating Party, was arranged into various calls for proposals geared to supporting various types of Beneficiaries, which could submit projects aimed at consolidating, upgrading, renewing, innovating and/or reorganising their activities.

The Programme has a total value of 30 million euro, provided by the Bank in the form of grants (10 million euro)

(2) The so-called “initial red zone” included the Lombardy Municipalities of Bertinico, Casalpusterlengo, Castelgerundo, Castiglione D’Adda, Codogno, Fombio, Maleo, San Fiorano, Somaglia, Terranova dei Passerini, and also the Veneto Municipality of Vò Euganeo, clearly listed in Annex 1 to the Decree of the President of the Council of Ministers dated 01/03/2020.

and Impact Loans (20 million euro) to Beneficiaries which sent applications and were selected based on the terms laid down in the 6 calls for proposals. A portion of 5 million euro of Impact Loans will be used to finance a sustainable mobility project in Bergamo which is in the process of being defined.

As at 31 December 2020, the Technical Committee of the Renaissance Program had approved the disbursement of grants in favour of 3,668 micro-enterprises in Bergamo to sustain mandatory costs, and positively assessed 524 innovation and consolidation projects, for a total commitment of 9 million euro in terms of grants and 6 million euro in terms of Impact Loans. At the same date, 164 Impact Loans had been entered into for an amount of approximately 2.5 million euro.

The Florence Renaissance Programme was launched in September 2020 by Intesa Sanpaolo and Fondazione CR Firenze, with the aim of supporting micro and small enterprises, craft activities, profit and non-profit organisations in the Metropolitan Area of Florence, operating in various fields: arts and crafts, tourism and culture industry, fashion industry, food and wine business and lifestyle (including cosmetics and perfumes), World of start-ups/Technology/Industry 4.0, Agritech and Agribusiness. To support the programme, the Fondazione CR Firenze provided 10 million euro to be disbursed in the form of grants and the Bank provided up to 50 million euro to be granted as Impact Loans.

The Programme, which is arranged based on the representative sectors in the area through 5 calls for proposals, promoted and managed by the Actuating Parties, intends to support the implementation of projects for the revitalisation/reorganisation of activities that are credible and have a social impact that can be measured through defined social KPIs within each individual project. At the end of 2020, the first three calls for proposals had been launched: arts and crafts; tourism and culture industry; fashion industry, food and wine business and lifestyle.

INITIATIVES IN SUPPORT OF TERRITORIES AND COMMUNITIES IN COLLABORATION WITH THE DIOCESES

The initiatives in collaboration with the dioceses aim to support families, craftsmen, tradesmen and small businesses, allowing them to overcome the current period of crisis and return to their normal conduct of life or work. These projects are intended for specific areas and communities, with the aim of supporting the restart phase and reducing the additional inequalities and social conflicts worsened by the spread of COVID-19 which has made family and employment situations more fragile.

In Bergamo, a contribution of 5 million euro was granted to the Diocese of Bergamo through the project “Ricominciamo insieme – Sostegno alle generazioni nella famiglia” (Let’s start again together - Support for the generations in the family), doubling the allocation of the Fund with contributions already made available by the same Diocese with other entities and private individuals. More specifically, a “COVID-19 Emergency Fund for the Family” was set up to provide more than 100 thousand families with help in coping with the principal items affecting the family budgets of all generations: primarily rent or mortgage for the family home, electricity and gas bills, food bills, but also educational expenses for the children (fees, meals, textbooks) and support for their summer activities.

In addition, to facilitate the re-start of the Bergamo area, the Bank’s commitment also involved a programme of “Impact Loans” for small crafts and commercial concerns and small family businesses. The programme provides for the granting of subsidised loans of up to 20,000 euro. The first applications began to arrive on 10 June and at the end of December 2020, 40 applications had been approved with a total of over 700 thousand euro in approved loans.

SUPPORT FOR THE INTERNATIONALISATION OF BUSINESSES

Intesa Sanpaolo assists Italian businesses and their subsidiaries abroad by providing financial and advisory support for their various needs related to internationalisation with support from:

- a foreign Network consisting of subsidiary Banks, foreign branches and representative offices in around 40 countries worldwide with specialised Desks (Corporate Desks and Multinational Desks), and a coverage in over 80 countries through cooperation agreements with other correspondent Banks;
- a service model that leverages the specific expertise of internationalisation Specialists found in Italy who act as a reference point and are dedicated to financial support initiatives, and of Specialists in Global Transaction Banking (GTB) dedicated to the needs of Trade Finance and Cash Management;
- an offering of domestic and cross-border products, which, in the purely transactional area, aims to offer corporate customers the opportunities offered by the entry into force of Payment Services Directive 2 (PSD2).

In addition, to facilitate international development of businesses and promote knowledge of the international Network and its available services, Intesa Sanpaolo organises various types of events (face-to-face or online) on internationalisation in Italy and abroad, accompanies businesses on missions and to trade fairs abroad in cooperation with various external partners, institutional bodies and trade associations, and arranges various forms of internal and external communication tools.

IMPRESE VINCENTI PROGRAMME

In 2020, the Group arranged the second edition of Imprese Vincenti, the programme to promote Italian entrepreneurial excellence, i.e. SMEs that stand out nationally for growth and creation of value and jobs. The aim is to provide media visibility and services to accompany growth, in collaboration with important partners and with the support of the Intesa Sanpaolo Formazione companies, Intesa Sanpaolo Forvalue and Intesa Sanpaolo Innovation Center. Despite the crisis caused by the pandemic, the second edition recorded excellent results, with about 4,000 companies nominated and 144 companies selected and celebrated as “Imprese Vincenti” (Winning Companies) during the Digital Tour which, in 12 stages/events, covered the whole of Italy in virtual fashion. One new element in the 2020 edition was the involvement of Third Sector companies, confirming the importance of the links between the profit world and local territories.

INDUSTRIAL DIALOGUE AND THE PRODUCTION CHAINS DEVELOPMENT PROGRAM

The new “Dialogo Industriale” (Industrial Dialogue) approach was created with the aim of increasing the strength of dealings of managers with companies, identifying a common language for a better understanding of their needs, oriented to offering solutions better suited to the objectives and peculiarities of each company. It combines company requirements and credit quality, supporting the creation of sustainable business.

In 2020, some new features were developed that allow the dialogue with businesses to be further improved when discussing action strategies for a sustainable recovery, thanks to a broader information set, forecast data that is consistent with the post-COVID-19 scenarios and new analysis data on the impacts of the emergency.

The “Sviluppo Filiere” (Supply Chain Development) programme continued concurrently with Dialogo Industriale, to support businesses in every sector and of every size facilitating their access to credit, focusing on the relationship that links lead companies with the suppliers’ network and enabling a more detailed understanding of the financial requirements of individual supply chains. To revive the Italian economy in the delicate post-COVID re-start phase, the Programme was enhanced by addressing 2,500 potential Supply Chains and allocating a new credit line with a ceiling of 10 billion euro. In addition, agreements were signed on new forms of Supply Chains with the extension to direct and indirect suppliers and the involvement of the upstream supply chain and the supply chain that is downstream of retailers. At the end of 2020, there were around 763 participating lead companies with potentially 18,400 suppliers and a workforce of over 98,000 employees.

CORPORATE WELFARE SERVICES

The Welfare Hub service offers corporate welfare programmes through a digital multimedia and multi-channel platform - that can be browsed via PCs, tablets and smartphones and is accessible also via App - which allows the company to offer its employees a set of goods and services called Flexible Benefits, instead of company bonuses in their payslips, that enjoy tax benefits both for the company that offers them and for the employee who receives them. At the end of 2020, the Welfare Hub was enhanced as a sustainability tool by the “Sviluppo Filiere” programme and by the S-Loan project and has 3,037 companies that have signed up to the platform.

SUPPORT FOR NEW BUSINESSES

In 2018, Intesa Sanpaolo joined the “Resto al Sud” initiative to support young people with new entrepreneurial businesses in the Southern Regions. The project, promoted by the Italian Ministry of the Economy, has access to 1.25 billion euro from the Development and Cohesion Fund.

The range of beneficiaries was extended in 2019 to the under-46s and to freelancers, resident or willing to move to the target regions of the initiative; the benefits are also valid for the territories affected by the earthquakes of 2016-2017, thus including specific territories of Lazio, Marche and Umbria, not previously included.

The amount eligible for funding can be up to 60,000 euro per applicant (in the case of businesses with a sole proponent) or 50,000 euro (in the case of companies), with a maximum of 200,000 euro for projects with several proponents, and maximum coverage by the Bank of 50% and the remaining 50% by the public, non-repayable. The bank loan includes an interest rate subsidy recognised by Invitalia and is always assisted by an 80% guarantee under Law 662/96.

Intesa Sanpaolo was one of the first Banks to offer financing in response to the initiative, raising awareness about the project among thousands of young people at more than 70 regional meetings. Overall, 575 loans were disbursed for a total of 26 million euro in 2020.

“Finanziamento Microcredito Imprenditoriale” (Business microcredit financing) supports micro-enterprises in launching a new business or investing in growth projects, offering them access to credit even without collateral (one should refer to the section Microfinance and the fight against usury).

In support of new entrepreneurship, a commercial offer was confirmed dedicated to New Entrepreneurs who have had a VAT number for no more than 12 months. The offer includes a current account and associated cards with no fee for the first three years and a reduced fee for the following two years, as well as special conditions in the first three years for additional products which, at the request of the customer, can supplement the offer such as Internet Banking, POS and Digifattura.

SUPPORT FOR INNOVATION

Intesa Sanpaolo Innovation Center is the Group company dedicated to exploring and learning new business models, creating assets and skills to support the long-term competitiveness of the Group and its customers. Addressing the ecosystem of innovative start-ups, it creates a network of relationships with businesses, incubators, research centres, universities and local and international organisations across the country to facilitate the meeting of supply and demand for innovation. Intesa Sanpaolo Innovation Center also oversees the development of the culture of innovation with events and information initiatives both inside and outside the Group, that are also promoted via a network of specialist representatives in the Regional Governance Centres of Banca dei Territori. These initiatives contribute to strengthening the Group’s position as an innovation leader, developing relations with other institutional stakeholders in the national and international ecosystem, maximising all possible collaborations.

DEVELOPMENT AND GROWTH OF START-UPS

Intesa Sanpaolo Innovation Center aims to be a player in the innovation ecosystem to support start-ups by managing their acceleration pathways personally or with specialised, Italian and international partners.

Among the programmes delivered directly by Intesa Sanpaolo Innovation Center, the Startup Initiative is an initiative dedicated to the most promising innovative companies, which prepares them through a selection and coaching pathway to address the market and facilitates meetings with actors from the innovation ecosystem. The best start-ups are presented at specific events (for example, Investor Arena Meetings).

Two editions of Startup Initiative were held in 2020, in which approximately 200 start-ups put forward proposals, 18 of which, at the end of the selection path, were introduced to about 230 investors and other ecosystem players. With regard to partnerships established to assist with acceleration paths, it is worth mentioning the partnership agreement signed in 2019 between Techstars, one of the leading accelerators in the world, and Intesa Sanpaolo Innovation Center, the Compagnia di San Paolo and the Fondazione Cassa di Risparmio di Torino, to manage three annual programmes in Turin, lasting 13 weeks, as part of the Smart Mobility programme. The first class was held in 2020 and 293 start-ups applied (including 49 Italian ones) from 55 countries. Intesa Sanpaolo Innovation Center helped to support the business development of start-ups promoting collaboration with Corporate companies and locally with the Municipality of Turin and local enterprises that are part of Torino City Lab, also to allow the start-ups to test their technologies in settings made available by the City of Turin. Four start-ups launched trials and Proofs of Concept (POC) thanks to this collaboration, two received investment proposals and one start-up has opened an office in Italy. The nominations for the second class which will get underway in January 2021 are 397, coming from 54 countries (66 are Italian).

The partnership continued with B-Heroes, an acceleration, mentorship, investment and communication programme aimed at innovative start-ups, which reached its fourth edition in 2020 with the involvement of over 500 innovative Italian companies. Other notable programmes that have benefited from the support of the Innovation Center, include

“Accelerate in Israel”, a Call for proposals from the Embassy of Italy in Tel Aviv for financing mobility for start-ups in Israel (with more than 50 proposals) and “Digithon”, the largest Italian digital marathon dedicated to start-ups (with more than 400 proposals).

Intesa Sanpaolo Innovation Center has contributed to the selection and identification of Innovative start-ups and SMEs for the Mediterranean Aerospace Matching event promoted by ICE and Distretto Tecnologico Aerospaziale (DTA) to be held in Grottaglie in 2021 and has participated as a contributor to the Next Generation initiative of Talent Garden.

Also to provide start-ups with support, there is the “Officine Formative” (Training Workshops) platform, online acceleration courses aimed at providing the necessary entrepreneurial skills, free of charge, to create and launch a start-up on the market and raise capital from investors. There are 21 courses on the site, with over 100 lessons on various topics. At the end of 2020, over 1,890 hours of lessons had been provided on the website to over 4,200 registered users. International expansion programmes with assistance and consultancy services are also carried out to support the growth of start-ups abroad. Business development services were offered in the analysis of the potential target markets’ and competition’s characteristics, as well as identifying the most suitable business opportunities and technological solutions.

A convertible MLT funding instrument is already fully operational, dedicated to innovative start-ups and developed by Intesa Sanpaolo and Intesa Sanpaolo Innovation Center, which during 2020 provided 11 loan disbursements.

OPEN INNOVATION

Working with research institutes and universities, Intesa Sanpaolo Innovation Center has created laboratories for applied research projects that generate know-how through collaboration between the academic world, the Group and corporate customers. In particular, the following are operative:

- Artificial Intelligence Lab in partnership with the ISI Foundation of Turin to design, develop and test mathematical models and algorithms as part of applied cutting-edge research on issues of interest to the Group and/or customers. At the end of 2020, there were 7 research projects in progress in the fields of finance, risk management and insurance. As regards 15 well-developed research projects concerning the protection and development of intellectual property, two Italian patent applications have been filed.

Four scientific publications were also submitted, including the paper “Molecular tracing of SARS-CoV-2 in Italy in the first three months of the epidemic” published in the international medical journal *Viruses*, produced in collaboration with the Department of Biomedical and Clinical Sciences “Luigi Sacco” of the University of Milan. In particular, since the first days of the pandemic, the Innovation Centre has supported the research activities of the Infectious Diseases Laboratory at the Sacco Hospital for the reconstruction of the process of propagation of the infection in Italy and Europe, the identification and analysis of mutations in viral genes, to identify any impacts on virulence and the management and organisation of the analysis on an exceptional amount of data from the laboratories of the Hospital network.

Some of the main results made it possible to observe that almost all of the viruses in Italy belong to the B.1 lineage, which later became the most widespread in the world; it also made it possible to observe that the most likely period of entry into Italy was at least one month before the description of the first cases and to estimate the parameters relating to transmissibility.

Regarding the dissemination of knowledge, 15 seminars were organised on topics related to the application frontier in the industrial field of artificial intelligence.

- the Neuroscience Lab, launched in partnership with the IMT School for Advanced Studies in Lucca with the aim of designing, developing and testing neuroscience research frameworks applied to business issues. At the end of 2020, 7 research projects were ongoing with orders from within the Group on HR issues, protection and corporate well-being, Customer Relationship Management (CRM) and the museum sector.

With regard to the exploitation of intellectual property, a general Report has been produced on COVID-19, published internally and externally to the Bank, and also a scientific paper; in addition, there are currently 7 scientific papers/articles being drafted.

As regards the dissemination of a culture in the field of neuroscience, 11 events/seminars were organised (5 of which were published on the Group’s website and open to customers) and 5 videos to enhance the value of and talk about the activities at the Lab.

In the field of Robotics, there is currently a study in progress looking into the development of a partnership with the University of Turin and the Fondazione Paideia on the Project called “Social Assistive Robotics for Autistic Children” on the use of robotic therapy to assist children with autism. Also on the subject of Robotics a position paper has been published.

The Group provides many loans for businesses that invest in innovation and research, most notably Nova+, a loan issued on the basis of technical and industrial assessments of the innovation and research project conducted by a team of engineers specialising in the technology sector, which in 2020 funded 28 projects for about 30 million euro. A total of 365 Nova+ projects were funded in the period 2014-2020 for about 400 million euro. The Innovfin guarantee, issued by the European Investment Fund (EIF) with the financial support of the European Union, aims to facilitate access to credit for Small and Medium-sized Enterprises. In 2020, 28 loans were disbursed for approximately 63 million euro.

Furthermore, as a Bank granting specific public subsidies for research and innovation (in particular, the Sustainable Growth Fund, managed by the Ministry of Economic Development - MISE), in 2020 Intesa Sanpaolo approved 68 projects for about 312 million euro of investments in favour of 145 beneficiaries. In total, 301 projects were approved under the Sustainable Growth Fund from 2014 to 2020, for a total of about 1.47 billion euro of investments in favour of 502 beneficiaries (of which 278 SMEs).

Sustainable investments and insurance

COMPANY POLICIES

Asset management and the insurance coverage of customers are central to the activities of the Intesa Sanpaolo Group, and are ensured through organisational structures in business areas specialising in asset management, private banking and protection requirements with financial and insurance products and services. Focusing on the customers' portfolio diversification requests on the basis of their needs (expenses, reserves, investments, pensions and protection) and specific goals in terms of the effective allocation of resources, the product and service range offered has been gradually expanded from financial management and consultancy to the area of protection, which concerns all customers, from small to large assets, and from SMEs to large companies, with due adjustment of guarantees. The activity is therefore aimed at the development of financial and insurance products and customer advisory services to meet the welfare and protection needs of households and businesses, including in the long term. Guidelines and Rules for the marketing of financial and insurance products clearly explain the obligation of operators to act in a transparent, fair and diligent way in the provision of investment services, as required by applicable legislation as well.

In the Group's Code of Ethics, as regards the principles of conduct towards customers, asset management's focus is to increasingly highlight social, environmental and good corporate governance criteria in investment assessments in order to promote balanced and sustainable development. With this in mind, the range in the portfolio includes funds that apply selection criteria in compliance with the Principles for Responsible Investment with the aim of stimulating sustainability dynamics in the businesses invested in and to offer customers products that meet the new needs of sustainability. Eurizon Capital has also signed up to the Italian Stewardship Principles, which define the procedures for exercising administrative and voting rights in listed companies, in order to stimulate discussion and cooperation about social and environmental sustainability issues with listed issuers that the company invests in.

Describing itself in the 2018-2021 Business Plan as the leading Wealth Management and Protection Company in Italy and Europe, and in its role as Bank and insurance company, the Intesa Sanpaolo Group seeks to be a partner that is able to manage all of the assets and risks of households and businesses through a structured array of family welfare solutions and targeted insurance policies, also including protection products as pension saving, business continuity and corporate welfare choices.

As part of a more general process of integration of sustainability into business logic and strategies, the Intesa Sanpaolo Vita Insurance Group has subscribed to the Principles for Sustainable Insurance (PSI) promoted by the United Nations.

SUSTAINABLE INVESTMENTS

In 2020, the Intesa Sanpaolo Group continued to strengthen its leadership in sustainable investments, with an overall market share of 22.8% (30.4% with the contribution from UBI Banca). With 18 new products, the Group reached a total of 57 open-ended sustainable and responsible funds (72 if we also consider the Pramerica products, 10 of which were launched in 2020) with assets of 18.4 billion euro (24.6 billion with UBI Banca) and net inflows of 8.3 billion euro (over 9 billion with UBI Banca).

EURIZON

Eurizon Capital is the leading asset management company in Italy on sustainable and responsible funds with a market share of almost 21.9%. Having subscribed to the United Nations Principles for Responsible Investment in 2015, Eurizon Capital has paid particular attention over the years towards the policies implemented by the issuers that it invests in, in the belief that healthy corporate governance policies and practices, which incorporate environmental, social and correct governance elements, are able to create value for all stakeholders in the long term.

To strengthen its control over the sustainability of its investments, Eurizon is assisted by the Sustainable and Responsible Investments (SRI) Committee (within the asset management company and chaired by the CEO) and the Sustainability Committee (an autonomous and independent body that helps with the management of Ethical Funds and performs a supporting role). The SRI Committee, set up in 2017, supports the Chief Executive Officer in setting out ESG-related proposals to present to the Board of Directors by monitoring the exposure of assets in relation to the relative assessment indicators identified, and overseeing the escalation process relating to the securities of critical issuers. As well as the Chief Executive Officer, the Heads of the Investments Department, the Heads of the Control Functions, and the ESG and Strategic Activism, Corporate Governance and Sustainability Heads also sit on the Committee.

The Sustainability Committee was set up in accordance with the provisions in the Regulation on Managing Open-ended Mutual Investment Funds (approved by the administrative body of the asset management company in compliance with the applicable provisions on the regulation of mutual funds) belonging to the Ethical System and is composed of persons outside the company of recognised probity and morality. In addition to its role of providing the Board of Directors with general professional advice on sustainability issues applicable to the assets under management, the Sustainability Committee is responsible for periodically monitoring the investment choices of the ethical funds and the management strategy adopted by these funds during the reference period. If it comes to light that fund managers have diverged from the guidelines of the Committee, the Committee can request to Eurizon to provide a detailed justification for the investment decisions taken. The Committee also establishes guidelines for the methods of donating the proceeds from the Ethical System funds to social projects. During 2020, the Eurizon Board of Directors approved the allocation of 200,000 euro equally divided among three hospitals particularly involved in managing the pandemic and Caritas for its support to families in need due to the negative effects of the COVID-19 emergency.

Eurizon Capital SGR has adopted a method for the selection of financial instruments that takes into account environmental, social and governance factors as an integral part of the investment process, aimed at curbing risks, including those of a reputational nature, and creating value for its customers' portfolios. The ESG and SRI principles are applied to all actively managed funds, whether they are benchmark or flexible ones (in contrast, ESG criteria are not applied to passive/indexed products or investment solutions such as, for example, retail portfolio management and specific institutional mandates). During 2020, the investment process was enhanced with a procedure for the selection of third-party funds with ESG criteria that would be useful in the subsequent process of assessment and ranking, a responsibility of the Multimanager Investments & Unit Linked structure of Eurizon Capital SGR.

In terms of actively managed funds, specialised ESG products were made which use a proprietary rating platform to select securities based on their sustainability rating. Active management products also include ethical funds with dedicated benchmarks.

The process of selecting and monitoring investments based on ESG and SRI principles carried out by the asset management company is structured on the basis of three phases:

- creation, by the Long-Term Sustainable Strategies office of the Investments Department, of a list of issuers with high exposure to ESG risks (critical issuers) and a list of issuers operating in sectors regarded as not socially responsible;
- sharing and verification of these lists with the Investments Department and the SRI Committee;
- monitoring of the observance (ex ante during the order preparation phase and ex post during the portfolio optimisation phase) of specific operating limits on investments in issuers operating in non-socially responsible sectors by the Compliance Function.

Operating limits are set in various ways with the following specifications:

- for products whose investment policy is characterised by the presence of a benchmark, the maximum direct investment allowed is equal to the weight of the issuer in the benchmark;
- for products whose investment policy does not provide for the presence of a benchmark, direct investment in securities of issuing bodies belonging to the list is ruled out.

With particular reference to the list of critical issuers, the SRI Committee of the asset management company coordinates and implements an engagement process, i.e. an active share ownership procedure formulated and enacted at various levels, from dialogue with the companies subject to scrutiny through to the activation of voting rights at shareholders' meetings. It is implemented differently for:

- securities already in the portfolio: an 18-month observation period begins upon the activation of the engagement process to assess whether the issuer should be removed from the critical issuer list, after which time - in the event of a negative outcome - the process of disinvestment of the assets under management begins, according to timeframes that fit with the interests of the customer and, in any case, within three months of the decision;

- securities invested in for the first time (new securities): purchases are conditional on the drafting of an Investment Case subject to the prior analysis of the SRI Committee, the results of which are submitted to the Board of Directors for approval.

In 2020, Eurizon carried out 840 engagement initiatives with 573 issuers, with about 24% (200 initiatives with 172 companies) primarily related to ESG issues.

Compared to 2019 (675 engagement initiatives, of which 15% on ESG issues), in 2020 there was a higher incidence of engagement with issuers specifically dedicated to ESG issues.

Eurizon Capital SGR also joined a collaborative engagement scheme as part of a campaign on environmental issues which reached 1,826 selected companies operating in various important sectors at a global level. At the end of the engagement activity (18 months of monitoring), the process of disinvesting all securities (4 issuers) which did not provide proof of convincing actions that may have a short-term effect on the sustainability profile began at the start of 2020. The only exceptions were eight issuers for whom the engagement process was extended.

With regard to active share ownership activities, the asset management company adheres to the Italian Stewardship Principles for the responsible exercising of the administrative and voting rights of listed companies, with the commitment to promote high standards of corporate governance. These rights are exercised transparently in the interest of the portfolio subscribers and market integrity, while maintaining a strong focus on limiting potential conflicts of interest. In June 2020, the Engagement Policy was approved and published and replaced and enhanced the previous Stewardship Policy.

In 2020, Eurizon Capital SGR took part in 120 shareholders' meetings of select companies listed on Borsa Italiana (59%) and the international markets (41%), voting on around 1390 resolutions on the agenda.

In terms of actively managed funds, specialised ESG products which use a proprietary rating platform were developed and offered to the public.

The total number of these funds in 2020 was 55 products (compared to 37 funds in 2019), including issue windows for different deadlines of the two product families: Eurizon Disciplina Sostenibile and Eurizon Flessibile Azionario. Specifically, the new funds launched in 2020 included those in the Megatrend line of mutual funds: Eurizon Planet, Eurizon People and Eurizon Innovation.

During 2020, CIB Bank placed two new ESG products on the market: CIB Sustainable Development Derivative Fund and CIB Responsible Investments Derivative Fund, both with partially protected capital. These products were subsequently included in the Recommended Portfolios offered by CIB Bank, thus extending the range of Eurizon ESG products already bolstered in 2019 with the EF Bond Corporate Smart ESG and EF Sustainable Global Equity products, also present in VUB Banka and Intesa Sanpaolo Bank in Slovenia.

EURIZON FUND ABSOLUTE GREEN BONDS - GLOBAL IMPACT REPORT [1]

In June 2020, the asset management company drafted the Global Impact Report regarding Eurizon Fund Absolute Green Bonds, which details the results of the quantitative impact analysis and the contribution to the UN's SDGs. The investments made during the analysis period (1 July 2019 - 30 June 2020) helped to achieve key environmental and social impact results, such as:

- a generating capacity of 310 megawatts, thanks to the financing of plants that produce renewable energy; these plants produced around 721,973 megawatt/hours of energy;
- energy savings of around 64,833 megawatt/hours thanks to investments in sustainable infrastructure (real estate and transport);
- a reduction in annual emissions of harmful gases of over 458,000 tonnes of CO₂;
- the saving and purification of over 134 million litres of water through investments in plants and production processes;
- the recycling of 10,068 tonnes of waste;
- 53 jobs created by the entire portfolio.

For every million euro invested, the following results are obtained: 837 megawatt/hours produced, 156,037 litres of water saved or purified and a reduction of 532 tonnes of CO₂.

The Fund also contributes to meeting various Sustainable Development Goals (SDGs) - every bond in the portfolio can contribute to one or more goals and the percentage highlights the amount of bonds that contribute to this objective, including: 9. Industry, innovation and infrastructure (86%), 7. Affordable and clean energy (78%), 11. Sustainable cities and communities (76%), 3. Good health and well-being (74%), 13. Climate action (72%), 8. Decent work and economic growth (51%), 12. Responsible production and consumption (36%), 6. Clean water and sanitation (29%), 2. Zero hunger (22%), 15. Life on Land (19%). At the end of December 2020, the fund's assets amounted to over 2 billion euro.

The assets of the funds managed by the company that meet sustainability (ESG) and ethical criteria (under Italian law and under foreign law, delegated to the asset management company) amounted to about 17.2 billion euro, in addition to the assets of three non-delegated funds managed directly by the subsidiary in Luxembourg for an AUM of 0.5 billion euro, making a total of 17.7 billion euro (10.1% of the total assets of Italian and foreign funds). The number of funds managed under the above criteria were 55 - considering the individual placement windows - relating to 30 different investment strategies (as at 31 December 2019 there were 17).

In particular, the range of products on offer includes four ethical funds (three funds belonging to the Ethical System under Italian law and one delegated); the funds belonging to the “Ethical System” are geared towards financial instruments of issuers that - at the time of investment - do not fall under the exclusion cases set out in the “negative criteria”. In addition, they are marked by their respect for one or more “positive criteria” with a management characterised by the exclusion of all companies involved in activities considered unethical, such as nuclear energy, arms and tobacco. All products belonging to the “Ethical System” provide for a donation from proceeds. The amount of assets under management in the area of ethical funds amounted to over 2.2 billion euro in 2020.

In addition, Eurizon manages 15 mandates relating to 13 customers characterised by sustainability criteria, making for about 3.3 billion euro. In particular, the services provided for these mandates concern the choice of ad hoc benchmarks, supporting engagement and corporate governance activities, and the creation of exclusion lists when selecting investments.

During 2020, Eurizon continued its commitment to spreading the culture of sustainability by participating in numerous conferences, like the Salone SRI, the Italian Corporate Governance Conference, the Conference on Green and Social Bonds organised by Icm/Assiom. Eurizon has continuously participated in working groups organised by institutions like Consob, European Banking Federation, EFAMA, Assogestioni and Foundations. During 2020, the European Banking Federation (EBF) chose Eurizon to represent it as a member of the Ecolabel board (the supervisory body of the European Commission for ecological labels) and of the Project task Force organised by EFRAG (European Financial Reporting Advisory Group) at the request of the European Commission in order to establish possible standards on sustainable reporting at a European and global level.

FIDEURAM - INTESA SANPAOLO PRIVATE BANKING

The Private Banking Division considers the integration of environmental, social and governance (ESG) factors into its business model of fundamental importance, in the belief that these elements, as well as promoting economically and socially sustainable development, can contribute positively to the financial results of customer portfolios, while at the same time reducing the risks.

With this in mind and with the objective of making sustainability a central focus of all the products and services offered to customers, the Division launched the activities aimed at the enhancement and integration of ESG strategies and related criteria in its advisory model, in accordance with the instructions received from the Parent Company. The activity was realigned into a new project dedicated to the convergence of the service model between Fideuram and Intesa Sanpaolo Private Banking and integrated into the Scenario Planning initiatives. A range of activities on ESG issues were launched or continued during the year both at the Division level and in the product factories (actions on systems and processes, training, preparedness towards the adjustment to new regulations in the field of sustainability, initiatives providing community support, personnel policies and operational measures aimed at reducing the ecological footprint).

Within the scope of the Division’s Steering Committee, a “Sustainability (ESG)” session was established which meets at least quarterly to collaborate in the identification of sustainability issues, in defining strategic initiatives in this area, while also assessing the financial feasibility and impact on the Division with respect to the policies of the ESG Control Room and consistency with the principles in the Group’s Code of Ethics.

As from 1 January 2021 Fideuram Investimenti, the Italian asset management company of the Private Banking Division, has taken the name of Fideuram Asset Management SGR and within its organisation, to ensure proper management of issues at a product factories level, a structure has been set up called “ESG & Strategic Activism”. This structure reports directly to the Chief Executive Officer/General Manager and is dedicated, among other things, to the integration of ESG metrics in the financial analysis of products managed by the product factories, the assessment of sustainability characteristics within the products distributed and managed by third parties, the management of products focused on sustainability and the monitoring of corporate governance and engagement with respect to issuers.

With the objective of outlining an approach geared not only to guiding towards sustainable and responsible investments (“SRIs”) but also to the integration of environmental, social and governance (“ESG”) factors, in 2020 Fideuram Asset Management SGR and Fideuram Asset Management (Ireland) adopted the Sustainable and Responsible Investment Policies. These policies involve all associates of the asset management company and are applied in its business operations and investment processes, in order to outline the approach relating to sustainable

and responsible investments, specifying the scope of application in operational terms and in terms of the efforts and actions undertaken by the asset management company in order to promote a sustainable investment culture. Commitment Policies have also been adopted to describe the forms of behaviour that companies should adopt to stimulate the sharing of views with the issuers and to encourage long-term commitment in the companies they invest in. In addition, in order to reflect the provisions in the Commitment Policies, both companies have revised their internal documentation related to the exercise of rights to participate and vote with respect to securities held by the managed Funds.

Fideuram Asset Management SGR has also subscribed to the “Italian Stewardship Principles for the exercise of management and voting rights in listed companies” promoted by Assogestioni.

Both companies have also initiated analyses of the adjustments needed to accommodate changes in the regulations in the field of sustainable finance, which are also closely linked to a greater integration of ESG factors into the investment and risk management processes.

In March 2021, it was finally confirmed that Fideuram Asset Management SGR and Fideuram Asset Management (Ireland) had signed up to the UN PRI principles.

In the Private Banking Division, listening to and entering into dialogue with customers goes hand-in-hand with the commitment to spreading an appropriate financial culture in order to improve customers’ knowledge and awareness with regard to investment choices, also concerning social and environmental aspects.

The progressive integration of ESG criteria is taking place across-the-board in the advisory model and product range on offer (primary market certificates, funds, portfolio management schemes, insurance investment solutions) with the aim of offering a full spectrum of opportunities.

As regards funds distributed à la carte in 2020, placement was initiated of some thematic sectors of specialist partners implemented with a responsible approach in line with the Sustainable Development Objectives enshrined in the United Nations resolutions (such as the solutions of the open-ended investment company CPR Invest of the Amundi Group). These new funds complement the proprietary funds of the Fideuram Group already in placement (Fonditalia Ethical Investment and Fonditalia Millennials Equity). At the end of 2020, the total invested assets in the two sub-funds stood at 708 million euro with an increase of 483 million euro compared to 2019.

PHILANTHROPIC FUNDS AND THEORY OF CHANGE

Intesa Sanpaolo Private Banking has dedicated some of its resources to the creation of philanthropic funds, also called DAF - Donor Advised Funds. It has also included in its range of offered services, support in the structuring, for non-profit organisations or for certain specific projects, of the Theory of Change (ToC), and a rigorous and participatory process in assessing social impact, with which the organisation and stakeholders arrange their long-term (impact) objectives and then identify the conditions required to achieve them.

As regards the Fideuram Omnia Portfolio Management, various customised management lines have been developed since 2018 in collaboration with Mainstreet Capital Partners and oriented towards investment in financial instruments that incorporate environmental, social and good governance criteria, and in 2019 two Ego High Conviction lines were included in the catalogue, developed in partnership with Lombard Odier Investment Managers, using a “Sustainable Equity High Conviction” strategy. In addition, during 2020 the selecting of additional ESG funds continued with a view to enriching the investment universe of Fogli Fideuram and Omnia Portfolio Management available to the manager for the construction of portfolios.

Since 2017 Intesa Sanpaolo Private Banking has been offering the Gestione Patrimoniale Mix Sustainable, a portfolio management line characterised by an investment process aimed at building a balanced and diversified portfolio on international markets, combining fundamental analysis with specific sustainability assessments aimed at pursuing financial objectives, as well as social and environmental results. In the choice of financial instruments, the portfolio management prioritises, non-exclusively, governments, companies and supranational bodies aligned with the UN Sustainable Development Goals. More specifically, the assessment is based on a combination of negative criteria, ESG integration and best in class. The sustainability assessment is carried out in two steps: beforehand through an internal sustainable quality assessment process and afterwards through a sustainable rating developed by the dedicated advisor. Together with a quarterly financial report, a report is produced that highlights the contribution to the Sustainable Development Objectives monitored during the period.

A similar review pathway was also undertaken for Fideuram Vita insurance policies in Class III, focusing on sustainability and long-term trends as a source of greater protection of invested capital. Additional external funds were selected, therefore, with a strong ESG vocation and an internal fund was also created - “FVI High Conviction 100” - in partnership with Lombard Odier. For the open-ended Fideuram Pension Fund, the gradual adjustment of the investment process to ESG criteria continued. In 2020, the ESG exclusion criteria applied in 2019 only to the equity component in portfolios, were also applied to the component invested in corporate bonds. In 2020, Fideuram

Millennials was also created, the new segment in the Fideuram Pension Fund, built with the same characteristics as Fonditalia Millennials Equity.

The search for sustainable investment solutions also involved the assets under administration. Since 2018 Fideuram, together with the issuers in the Intesa Sanpaolo Group, has created five equity protection certificates with underlying ESG type indices, which aim to reward companies that are sustainable in terms of their governance and social and environmental approach. Last in order of time was the EP 100% capital certificate in the iStoxx Europe 600 ESG index placed in 2020. The same policy line was undertaken by Intesa Sanpaolo Private Banking.

ATTENTION TOWARDS AN ESG CULTURE

As far as the dissemination of ESG issues is concerned, in addition to support materials for the presentation and sale of products, specific and informative measures have also been implemented; in particular, thanks to the involvement of Eurizon Capital SGR, measures regarding Eurizon Ethical and ESG funds have been disseminated with specific attention paid to those dedicated to Intesa Sanpaolo Private Banking. This also included the creation of “Focus Sostenibilità”, the internal newsletter on Asset Management, with the aim of maintaining and increasing frequent attention on the subject.

In recent years, the ESG investment approach has moved from being a niche to mainstream topic and is a distinctive and quality feature in the asset management industry. Therefore, an understanding of the ESG investment logic is crucial in financial advisory service provision so that its value points can be shared with customers. In 2020, a webinar was made in collaboration with the Cattolica University of Milan, followed by a more in-depth analysis aimed at all the Financial Advisors in the Fideuram and Sanpaolo Invest networks, so as to clarify and explain clearly the ESG issues, its orders of magnitude (flows, AUM, trends) and main screening criteria (exclusion, positives, negatives, best in class, thematic investing).

In addition, within the Academy project, in partnership with some third-party publishers, three online courses were made available to all Financial Advisors dedicated to corporate sustainable practices, the effects that these have on asset management portfolio construction and, lastly, the social role of the Financial Advisor in directing customers towards making sustainable choices.

Finally, to ensure increasingly widespread dissemination of the ESG culture in the company, all associates are informed through the Division's portal on events they can attend to gain a more in-depth understanding and knowledge in the field of Sustainable Development.

PRAMERICA

Pramerica SGR, an asset management company of the UBI Banca Group, offers a product range that provides increasing space for sustainable and responsible investment products (SRI), with an approach that has evolved over time from the application of exclusion criteria and “best in class” selection processes to ESG integration, while maintaining the practice of devolving part of the fees in support of high-value social and environmental projects.

The processes of exclusion are the first step in sustainable integration within the product range by excluding from the investment universe those companies belonging to the so-called controversial areas, exposed to reputational risks; the best-in-class approach favours investments in companies that stand out on account of their production processes, corporate governance standards, human capital management and relations with the community geared to principles of social and environmental responsibility; the ESG integration processes require an analysis of ESG factors for each individual issuer in the portfolio.

For the definition of the investment universe and the reference benchmark, sectoral exclusions, and the best-in-class selection, Pramerica uses the external independent advice provided by ECPI, whereas for the integration of ESG criteria in the investment process, it uses an external and independent data provider, which runs research in the area of ESG. To complete the ESG analysis, the portfolio manager examines the public records provided by the companies themselves or by independent consulting firms and participates in regular meetings with the companies identified for investment in order to assess their business plans and identify their forecasts for improvement in the field of ESG.

On the side of ESG integration, in 2020 three new products were launched and ESG principles were also integrated into six existing Luxembourg products.

With assets of 6.1 billion euro in sustainable and responsible open-ended funds and a market share of 7.6% at the end of 2020 (compared to 7.3% at the end of 2019), Pramerica SGR operates through 12 funds of Pramerica SICAV and 3 funds of Pramerica SGR SpA with net inflows that have exceeded 650 million euro since the beginning of 2020.

PENSION FUND WITH DEFINED CONTRIBUTION OF THE INTESA SANPAOLO GROUP

The European Directive 2016/2341 of 14 December 2016, the so-called IORP II (Institutions for Occupational Retirement Provision II), which recently entered into force in the Italian supplementary pension system, aims to encourage pension funds to adopt a strategic and long-term approach for the integration of ESG factors, in particular, in risk management and in their investment strategies.

The Fund developed some time ago its own principles of conduct for adoption in the area of sustainability and responsibility. To translate these principles into practice, the Fund has, since 2016 when it started its business, confirmed its support for the Principles for Responsible Investment (PRI), promoted by the United Nations, so as to promote and support sustainable and responsible investment in the international financial community.

The Fund has also published Guidelines that define the Entity's activities in the field of sustainable and responsible investment: they provide behavioural recommendations – inspired by the most common international practices – relating to chosen approaches, adopted tools and the role of the parties involved. For the implementation and regular monitoring of activities related to sustainable and responsible investments, the Fund employs a Sustainability Advisor (ESG Advisor), selected by the Board of Directors.

A particular focus has been placed by the Fund on the theme of Climate Change through support for the Climate Action 100+ initiative and activation of the new Futuro Sostenibile fund. The collective Climate Action 100+ initiative (CA100+), of which the international organisations UNPRI and IIGCC (Institutional Investor Group on Climate Change) are active participants, involves more than 545 investors with resources under management of about 52 thousand billion dollars. The project subjects 167 companies – with a total capitalisation of over 8 thousand billion dollars, identified as responsible for emissions of more than two thirds of greenhouse gases produced industrially – to climate change engagement: the objective is to induce these companies to adopt a strong active climate change governance, to reduce greenhouse gas emissions in line with the Paris Agreement and at the same time to increase transparency in reporting.

As for Futuro Sostenibile, this new fund dedicated to environmental, social and governance issues with a focus on Climate Change has been active since March 2020 and invests in sectors and companies that focus their business on environmental, social and governance factors. In just a few months more than 2,800 members have decided to invest in this fund that has reached assets of over 55 million euro.

Even in their direct investments, the Fund has increased its ESG share, participating, in 2020, in initiatives in the renewable energy sector.

SUSTAINABLE INSURANCE

In line with the objectives of the Intesa Sanpaolo Group and the analyses initiated in 2019, the Insurance Division continued with its developmental path in 2020 to integrate ESG factors into its decision-making and strategic choices, implementing initiatives and concrete actions in the Environmental, Social and Governance area. The Plan and initiatives envisaged in the short and medium-long term have been defined with the aim of having a real impact on the Sustainable Development Goals (SDGs) and in line with the PSI (Principles for Sustainable Insurance), signed in December 2019 by Intesa Sanpaolo Vita as the insurance Parent Company.

The Division's program envisages, first of all, an increased investment also from a Governance and monitoring point of view. To achieve this, at the beginning of 2020, the Insurance Group set up a structure dedicated to Sustainability that is across-the-board in all companies and business units, with the aim of creating and promoting a culture of Sustainability within the company population, contributing to the creative process and monitoring the initiatives with respect to national institutions.

In order to promote the integration of ESG principles within the organisation and to strengthen its own market position at the same time as a sustainable player, during 2020, the Division initiated the preparation of a Sustainability Policy which, at an Insurance Group level, defines the guidelines for promoting a responsible and sustainable business model, so as to support households and businesses in the local areas where it operates. The above policy, which precisely identifies the Insurance Group's areas of commitment, starts primarily with the SDGs and came into force in January 2021. In addition to commitments and guidelines, the document formally specifies the roles of the Board of Directors and company structures involved in the management of the issues and risks related to Sustainability.

In line with the evolution of the international regulatory context, a developmental path was also initiated to integrate the principles and requirements specified in the EU Regulations 2019/2088 and 2002/852, which focus on the disclosure of information about the Sustainability of financial instruments and on their ESG taxonomy. The project involves all the insurance companies and the most affected business functions (e.g. Compliance, Legal, Sales, Finance, Risk Management, etc.) and has the objective of defining, downstream of a series of in-depth analyses into the detailed content of the legislation, an assessment of the current status of the Division and a roadmap of concrete actions so as to ensure compliance with regulatory requirements, in line with the European Union timelines. The defined actions should be implemented in 2021.

THE RESPONSIBLE MANAGEMENT OF INVESTMENTS

With regard to investment management, the Insurance Group relies on two different delegated managers: Eurizon Capital, which is a long-standing signatory of the Principles for Responsible Investment, is the delegated manager of Intesa Sanpaolo Vita (Parent Company of the Insurance Division), while Fideuram Vita manages its investment products through Fideuram Asset Management.

During 2020, the delegated managers were involved in a joint work plan for the definition of an ESG Investment Policy for the Insurance Parent Company, with the aim of integrating Sustainability principles into the investment choices, by defining an overall strategy at Insurance Group level. The document, which has been in force since January 2021, defines the roles of company structures and delegated managers, the investment guidelines, the elements for defining critical issuers and excluded sectors, in line with the Intesa Sanpaolo Group's strategy.

CUSTOMER FOCUS AND INNOVATION

In the developing context that characterises modern markets, the ability to exploit innovation remains crucial in addressing some elements for significant change. In this sense the Insurance Group continues to invest in innovation and digitalisation, bringing new solutions to the market with an approach that puts the focus on the needs of the Customer.

Subsequent to the success of Area X, the experiential space opened in Turin in late 2019 dedicated to the culture of insurance protection, the Insurance Division initiated a developmental path to continue to create effective initiatives that can foster the raising of awareness among the Italian population regarding the value of Insurance. The culture of protection is one of the key elements of a wider strategy on which the Insurance Division has decided to focus so as to develop and integrate the Sustainability/ESG principles within the business and promote increasingly sustainable forms of behaviour both within the Group and in the market.

To achieve this, during 2020 some in-depth analyses were performed to define a new strategic framework for the Culture of Protection, identifying new projects and initiatives to promote protection towards younger customers, involving them (the so-called Millennials) in the process of definition.

Also as part of its programmes to disseminate insurance culture and skills, the Group has launched a Level II Master's degree in Insurance Innovation in collaboration with the University of Turin, Turin Polytechnic and Collegio Carlo Alberto. The Master's degree, launched officially in September 2020, will be for recent graduates and professionals from the insurance sector interested in expanding their knowledge of digital and innovative issues in the insurance sector and will consist of foundation and specialised modules.

OFFERING OF INSURANCE PRODUCTS

During 2020, the Insurance Division continued to develop its product and service model for all business lines to meet customer needs with respect to sustainability issues. As for the Life business, Intesa Sanpaolo Vita pursued its plan of offering, among the products on the market, its own Open-ended Pension Fund Il Mio Domani (My Tomorrow), which in 2019 was enhanced with three new ESG benchmark funds and also equipped with a new fully-ESG Life Cycle investment profile, which provides for the allocation of the most consistent starting sub-fund based on the time horizon missing to reach the date of retirement.

The range offered by Intesa Sanpaolo Vita also includes other products with high social value: “Tu Dopo di Noi” (You After Us) is an insurance product created for families of disabled people who wish to protect their loved one by accumulating a safe capital to be allocated in the future. “Base Sicura Tutelati”, on the other hand, is dedicated exclusively to minors and/or incapacitated people who have capital to be used and who need the prior authorisation of a guardianship judge.

Within the Fideuram Pension Fund, Fideuram Vita launched the new Fideuram Millennials fund, entirely based on ESG investment criteria, and revised the investment policy of the open-ended pension fund by entering exclusion criteria for investments in certain sectors and countries. At the same time, the offer continued of Orizzonte Responsabile and High Conviction 100, internal funds entirely based on sustainable and responsible investment criteria (ESG) and available in the product called Fideuram Vita Insieme Private. Within the Fideuram Vita Insieme family of products, there is also a selection of external ESG funds with around 20 UCIs fully invested according to ESG criteria.

The Intesa Sanpaolo Life range includes Prospettiva Sostenibile, a product which includes an ESG area with 7 funds (3 balanced, 3 flexible and one with gradual exposure to sustainable equities). The product Valore Più also comprises the Best Expertise area, with 3 flexible funds, so it is expected to be mainly characterised by ESG Funds. To meet the needs of the market presented by the COVID-19 pandemic, in March 2020 Intesa Sanpaolo Assicura extended, free of charge, the services and health care coverage of its Health products, providing the opportunity for customers who turned out to be COVID-19-positive to make use of the daily allowance for stays in hospital also for self-isolation at home, with no excess or deductibles.

With regard to health, the acquisition of RBM Salute, a leader in this business segment was completed during 2020. The Intesa Sanpaolo RBM Salute offering includes ESG products with strong social value: the Tutto Salute (All Health) product, in particular, is a modular product designed to protect customer categories that are not normally recognized in national employment contracts (e.g. interns, housewives, etc.); the product has a lower premium than the market average, designed to help these customers.

In addition, an innovative service of Telemedicine/Teleconsultation has been made available to customers for remote assistance, prevention and protection via a digital platform to stay in touch with customers, provide prompt action and care services also in emergency or pandemic situations.

THE CULTURE OF SUSTAINABILITY IN THE INSURANCE DIVISION

To promote a culture of sustainability and to raise awareness among employees towards sustainable and more conscious behaviour, the Insurance Division launched a series of initiatives and projects during 2020, also exploiting digital innovation.

During the year the “SharingResponsibility” project was launched, a major project to promote the culture of Sustainability within the Insurance Group and to raise the awareness of the entire population of the Division concerning issues related to Sustainability/ESG.

The project, which involved all four Companies of the Division in their respective work places in Italy and Ireland, was based on an innovative format combining both physical and digital elements: window stickers and posters used to decorate the various offices were blended with an online quiz platform with questions on Sustainability, that could be accessed via the intranet or QR codes found on the physical materials.

The project involved the active participation of more than half the population of the Insurance Division totalling more than 3,900 interactions by employees.

Community support

COMPANY POLICIES

The Group plays an active role in the areas in which it operates. The Code of Ethics draws attention to the requirements and needs of the community: this commitment consists of various activities which tangibly contribute to achieving sustainable development goals at a global level, such as the promotion of solidarity initiatives with projects set up through partnerships, donations, the sponsorship of important cultural and social initiatives, and the protection and promotion of the historical, artistic and cultural heritage of both Italy and the Group so that it can be enjoyed by the public as well.

With the 2018-2021 Business Plan, the Group intends to become an increasingly important exemplary model for society, developing key projects such as:

- Intesa Sanpaolo for disadvantaged people, which entails the extension of the “Cibo e Riparo per le persone in difficoltà” (Food and Shelter for disadvantaged people) initiative to guarantee 10,000 meals a day (3.6 million a year), 6,000 beds a month (72,000 a year), 3,000 medicines and 3,000 clothing items a month (36,000 drugs and 36,000 items of clothing a year) to people in need;
- Intesa Sanpaolo for culture, with the creation of a specialist unit for the promotion and proactive management of artistic, cultural and historical heritage to champion art and culture in Italy and abroad.

Projects and activities are promoted by the Group in order to respond effectively to the most important needs of communities, taking into account the objectives of the major international and national, public and private institutions that contribute to the determination of social policies. Actions are increasingly undertaken in collaboration with local entities and institutions in order to have a positive social impact. In line with the Group’s core values, actions are carried out in accordance with the transparency and accountability criteria, and by implementing processes and procedures that aim to avoid any possible personal or business conflict of interest.

CONTRIBUTION TO THE COMMUNITY

Intesa Sanpaolo’s commitment to the Community is substantiated annually in a range of various kinds of contributions which in 2020 totalled more than 190 million euro (194 million euro if we consider the contribution from the UBI Banca Group for the August-December period) an increase of 106% compared to 2019.

In 2020, cash contributions were classified based on their reason and broken down as follows:

- about 19% is made up of investments in the community: contributions characterised by long-term plans and/or strategic partnerships and/or of sizeable amounts. This percentage is growing compared to 2019 and represents the most important part of the Group’s monetary donations, demonstrating the strategic nature of its activities, geared towards long-term partnerships that can guarantee real benefits and value for the territory.
- 19% is made up of commercial initiatives (sponsorships) that contributed to social causes while promoting Intesa Sanpaolo Group’s brand and business.
- the remaining 62% is made up of non-recurring charitable gifts, of an occasional nature and for small amounts, including match giving initiatives (donations from the Bank during fundraising campaigns, combined with the donations from employees or customers).

The main action areas in which monetary contributions were made in 2020, driven by the COVID-19 health emergency were: healthcare for 105.8 million euro (2.5 million euro in 2019), support for art and culture, amounting to 28.6 million euro (51.2 million euro in 2019), social solidarity for 24.7 million euro (14 million euro in 2019), civil and humanitarian emergencies for 13 million euro (0.7 million euro in 2019), education and research for 6.4 million euro, whereas the amount given in 2019 was 7 million euro, and economic development for 2.8 million euro (5.6 million euro in 2019).

DONATIONS

Parent Company donations are managed through the Fund for charitable, social and cultural donations set out in the Articles of Association of Intesa Sanpaolo and entrusted to the direct responsibility of the Chairman of the Board of Directors, who submits biennial Guidelines for the approval of the Board which set out the objectives, strategic priorities and theme-based policies, including an annual Plan for allocating resources. The Regulations govern the management of the Fund and define the precise mechanisms for the selection of the proposed entities and projects, maintaining the principle of absolute separation of the initiatives regarding donations from the pursuit of commercial interests. With regard to the entities, the Regulations provide for the exclusion from the list of beneficiaries of those organisations involved in legal disputes, in matters relating to organised crime and the failure to respect human rights, peaceful coexistence and environmental protection. Only requests for specific projects with a clear social impact are assessed, and the institutions' ability to achieve the objectives stated in the project are preliminarily analysed on the basis of their previous direct experiences or that of similar bodies in terms of size and activity (track record). A rotation system is also used to ensure the widest and most flexible use of the Fund with a maximum limit of three consecutive years of supporting the same project. In addition, initiatives that receive sponsorship cannot be beneficiaries of donations at the same time.

The extract from the Regulations and biennial Guidelines are available on the Group's website.

As regards the risks of this activity, the Group has deemed that the area of donations is one of the potential areas that could lead to corruption. The Fund Regulations and the Group's Anti-corruption Guidelines have laid down precise rules to be followed in order to prevent such risks, which have been incorporated in the Fund's Operating Guidelines and in the digital donation request procedure.

THE CHARITY FUND IN 2020

In 2020, the Fund for charitable, social and cultural works of Intesa Sanpaolo disbursed over 16 million euro in support of about 750 projects carried out by non-profit organisations. 90% of the funds were disbursed in Italy. As every year, a part of the funds was used at the local level for small projects with a direct local impact, an expression of the community of reference and identified by the Regional Directorates.

The target of allocating a high share of resources (>70%) for donations to support initiatives benefiting more vulnerable sections of the population, operating according to a more stringent selection mechanism in relation to project and counterparty quality, was abundantly exceeded, reaching 92% (net of research projects).

In the 2019-2020 Guidelines for the Charity Fund approved by the Board of Directors, the priority Area for action is the Social area, which has been allocated most of the available funds (83% of disbursements made in 2020), whereas a smaller percentage is allocated for Research and Religious projects, and finally to Cultural initiatives for marginalised people in difficult situations.

As the Coronavirus emergency spread, the Charity Fund showed a commitment to support specific projects dedicated to the crisis, alongside actions not strictly related to managing the effects of the pandemic, but nevertheless reformulated in view of the changed context. Altogether, 6.4 million euro have been disbursed in favour of projects concerning COVID-19 (40% of these disbursements were made in 2020).

When the health emergency occurred in Italy, the Presidency decided to increase the annual budget dedicated to Research, providing over 1 million euro for scientific research projects on the Coronavirus. A total of 8 projects from major national institutions were given support to identify therapeutic targets, investigate genetically based responses to the virus, develop infection inhibitors, define predictive markers on the outcome of the disease and collect hyperimmune plasma for the treatment of the infection.

Upon the recommendation of the Board of Directors and in order to buffer the health emergency, the Fund extended the social areas of application envisaged under the Guidelines for the setting up of a temporary health emergency area for COVID-19 patients in the trade exhibition premises in Turin; the Fund also intervened in Bergamo and in the towns of the Val Seriana, with the training of socio-health professionals and key actors in the community (town councillors, priests, family doctors, educators) to develop a resilience capacity; in the province of Varese, with accompanying services for the elderly; in the suburbs of Milan and Genoa, with gifts for families having difficulties in buying food, medicine and devices for internet browsing and online communication and a helpline to provide psychological support; in Milan, Rimini, Cesena, Rome and Naples, with economic and educational support for families in need and for food distribution; in Trieste, with food and work support actions to families in a state of need; in Cagliari with shopping delivery services and hot meals to families in need and to healthcare professionals; in Milan, with psycho-educational actions aimed at children victims of violence made even more vulnerable due to isolation; in several cities in Italy, with art-based actions provided in schools to allow the pupils to process the life events they experienced during the lockdown and suspended face-to-face schooling; in Pordenone and Fidenza, with the activation of

tele-rehabilitation services for persons with Autism Spectrum Disorders; throughout Italy, ensuring continued home-help services for people suffering from multiple sclerosis.

The Fund also contacted the organisations it had supported in 2019, for actions at the end of 2020, ensuring maximum flexibility in re-organising their activities or postponing them and reallocating the resources according to the new needs arising from the crisis.

Also in 2020, the Fund continued to support projects on other social issues like: training for employment and job placement as a means for social inclusion, healthcare poverty and the fight against disease, physical and intellectual disabilities and inclusive amateur sports.

Fully in line with the actions already performed in previous years, the Presidency continued to make available a portion of the Fund's resources to contribute towards the achievement of the objectives in the 2018-2021 Business Plan. In 2020, a total of 2.4 million euro was donated to Caritas Italiana, Comunità di Sant'Egidio ACAP, Gruppi di Volontariato Vincenziano AIC Italia, Opera San Francesco per i Poveri, Piccola Casa della Divina Provvidenza - Cottolengo and Provincia Sant'Antonio Frati Minori – Antoniano for the distribution of almost 1 million meals in a year, i.e. about 2,600 meals per day.

The Fund continued to support projects within the three focus areas chosen for 2019-2020:

- educational poverty and dropping out of school;
- violence against women and children;
- senile dementia.

for which a total of about 3.7 million euro was disbursed.

As regards the subject of educational poverty and school dropouts, this issue was addressed with personalised programmes, non-formal and innovative teaching and educational/career advice workshops for pupils and training for teachers and educators. Particular attention was paid to children with Special Learning Disorders and Special Educational Needs and to pupils from a migratory background. In view of the COVID-19 emergency, great attention was devoted to the support of distance learning activities for students, parents and teachers. During 2020, the Fund also published "Presenti... Inclusi" - Guide to the initiatives against school dropouts, a reasoned summary of the themes shared and gleaned by the Third Sector organisations at the workshop with the same name, held in mid-October 2019.

The projects to combat violence which proved to be particularly important during the pandemic where a marked increase in complaints of mistreatment were seen, took the shape of activities geared to providing women and their children with accommodation, medical advice and free legal support. A range of Centres, Anti-violence Help-Desks and Shelters were provided with support throughout Italy. The activities developed included: psychological programmes, workshops and self-help groups designed to increase awareness and self-esteem and actions to achieve employment, housing and social independence for the women taken into care, as well as support services in achieving work-life balance.

Finally, as regards senile dementia, multidisciplinary services were given support to aid patients and their caregivers, with a particular emphasis on home care, Alzheimer Cafés, cognitive stimulation workshops, training activities and decline-prevention actions through proper nutrition, physical activity and socialising activities. In addition to these more traditional actions, some experimental projects were set up for the creation of "Città Amiche delle Persone con Demenza" (Friendly Cities for Persons with Dementia). In view of the COVID-19 emergency, a lot of space was given to the use of digital technology support to proceed effectively with the remote care programme, contain the behavioural issues of people with dementia and mitigate the sense of solitude of caregivers.

During the year, the Fund launched a structured activity of empowerment for the Third Sector entities with which it had fostered close relationships over recent years. A cycle of three online seminars was organised, entitled "Insieme Creare+Valore", which addressed the issues of planning, monitoring and reporting projects and their impact assessment. The topics were discussed from a theoretical point of view and also illustrated certain technical and operational aspects concerning the Fund's work procedures.

Lastly, collaboration continued with the International Subsidiary Banks Division to disseminate new methods of selecting, monitoring and reporting projects, following the example of the initiatives undertaken by the Parent Company. Following the spread of the Coronavirus emergency internationally, all banks were actively involved in identifying projects in their respective territories, in favour of individuals who were made even more vulnerable by the pandemic. Altogether, a total of five projects were given support (some of which in more than one country) in Bosnia and Herzegovina, Croatia, Moldova, Romania, Slovenia, Ukraine and Hungary with actions in favour of COVID-19 sufferers and healthcare workers, poor families, young care leavers from rural areas, children risking foster care, children with disabilities and at risk of deviance.

The Fund has also made available a substantial part of the resources allocated to international projects to reward worthy initiatives freely offered by non-profit entities and carried out within the scope of the Division. Six projects were supported in Albania, Croatia, Egypt and Ukraine.

Overall, disbursements in the countries where the Group is present with its subsidiaries exceeded 900,000 euro (more than half of the international donations).

The Fund has also continued the fight against poverty in the world with initiatives in countries with a low or medium Human Development Index. In particular, it is worth mentioning the various actions in favour of refugees, a target often forgotten by international public opinion: the Karen refugees fleeing the abuse from the Burmese army, Syrian families continuing to flee from armed conflict, migrants evacuated from Libya and in transit in Niger and the evacuees in Uganda from the Democratic Republic of Congo.

NOTEWORTHY SOCIAL INITIATIVES FOR THE GROUP

PRIVATE SOCIAL SECTOR AND A NEW RELATIONAL WELFARE MODEL FOR THE ACHIEVEMENT OF SUSTAINABILITY OBJECTIVES

With the onset of COVID-19, Italy, Europe and a considerable part of the world were hit simultaneously by four very serious crises, concerning health, economic, financial and social issues.

This scenario characterised the commitment of Intesa Sanpaolo, not only in terms of social initiatives, but also in defining its chosen role and model so as to qualifying its intervention.

In fact, by playing a new role in the private social sector, Intesa Sanpaolo has accompanied government measures with its own actions, so as to make an effective contribution and not to abandon anyone, thus taking up the challenge posed by the pandemic in terms of a paradigm shift, speed of adaptation and provision of an effective response.

The choice made was that of a Relational Welfare that generates Value Impact and facilitates the training of Communityholders within the Bank and within Society, with a business model based on three elements: planning, modelling and social competence center.

Along this track the Bank has confirmed its position as a Laboratory for social innovation and is realigning its planning capacity not only in quantitative but also qualitative terms, directing its actions to have an across-the-board impact where need is prevalent and thus contributing to the achievement of the Sustainability Objectives set by the Group in an ESG perspective. This is an extremely clear reference to the key objective expressed by the 2030 Agenda, of not leaving anyone behind and striving for greater well-being for all.

INITIATIVES TO COMBAT THE COVID-19 EPIDEMIC

In the difficult situation of combating the COVID-19 epidemic, a number of initiatives in favour of households and businesses were set up from spring 2020 onwards to support the efforts of institutions and society, with Intesa Sanpaolo showing the awareness of the responsibility that a large bank should take in a long, widespread and, in many ways, unknown type of emergency. In March, Intesa Sanpaolo made 100 million euro available to the Department of Civil Protection and the Extraordinary Commissioner for the Coronavirus emergency with the signing of a Protocol agreement, taken from existing funds earmarked for charitable actions, to support activities aimed at containing and overcoming the spread of the virus. Under this agreement, 88.5 million euro were managed through the Department of Civil Protection, and 11.5 million euro of donations were allocated directly by Intesa Sanpaolo to specific beneficiaries (ASST Papa Giovanni XXIII of Bergamo and the Veneto Region). These actions were accompanied by a contribution of 350,000 euro for the construction of the ANA (National Association of Alpine Regiments) field hospital at the Bergamo Exhibition Centre and 50,000 euro for the "Abitare la Cura" fundraising campaign launched by Eco di Bergamo, Caritas Diocesana, and Confindustria Bergamo. In addition, under the 2019 bonus, a sum of 6 million euro was donated by the CEO and Top Management to strengthen the health initiatives. The Board of Directors welcomed the decision made by the management and in turn contributed further donations. The free training program, started in partnership with Generation Italy (a non-profit foundation created by McKinsey & Company) was also of particular importance. This programme covered issues and techniques of personal protection, non-invasive ventilation and emergency management aimed at the staff in over 300 healthcare facilities throughout Italy (about 81,000 nurses and 22,000 doctors for a total of 102,409 healthcare professionals).

The solidarity initiatives aimed at supporting the difficult and delicate recovery following the health emergency also included the aid offered by Intesa Sanpaolo through two major interventions:

- the “Ricominciamo insieme – sostegno alle generazioni nella famiglia” (Let’s start again together - Support for the generations in the family) project, with a grant of 5 million euro to the Diocese of Bergamo;
- a donation of 5 million euro to the Solidarity Fund “Do.Mani alla speranza” and the Fund “In aiuto alla Chiesa Bresciana” for the programme of measures to support households and parishes in difficulty.

SOCIAL COHESION

Social cohesion is a prerequisite for achieving the Objectives set out in the 2030 Agenda. With this awareness, Intesa Sanpaolo is promoting a structural programme of relationships for the joint planning of national or regional actions, in favour of those in a position of disadvantage, struggling to reach that minimum threshold of well-being and dignity that should be the right of everyone. Within this area, “Aiutare chi aiuta” (Helping the helpers) is a particularly important project, which provides support for the new forms of fragility with a structured programme of actions, promoted by Intesa Sanpaolo and Caritas Italiana, to support the Italian dioceses involved in charitable emergencies. A control room, consisting of representatives from the partners, selects initiatives aimed at providing effective support to impoverished or marginalised people.

There are 3 lines of action: goods and material aid to the most deprived, with particular regard to food (warehouses, emporiums and canteens), clothing and medicines; houses or hospitality for people without a home or in conditions of housing difficulty; employment: orientation on services, traineeships, scholarships/work, support with the start up of small businesses, support for diocesan employment funds.

The Bank also launched a partnership with the CEI to monitor developments in situations of poverty and inequality and to define innovative ways of pursuing the common good and, in particular, to assist with the inclusion of people currently in conditions of poverty or marginalisation.

In order to promote social cohesion, the Bank is a supporting participant of the Fondazione Italia Sociale (Italian Social Foundation), whose mission is to promote a culture of philanthropy and civic spirit and to support national projects aimed at addressing social problems of significant impact, in particular on the lives of the most disadvantaged: to achieve this, the Foundation operates through the establishment of philanthropic funds or other financial instruments, with analysis, policy and advocacy activities and with direct projects or those in support of Third Sector bodies in Italy.

The Bank supports the Fondazione Centesimus Annus for its commitment in involving the world of entrepreneurship and professionalism in the dissemination of knowledge about the Christian social doctrine and information about the activity of the Holy See, favouring initiatives to develop the presence and work of the Catholic Church in the various areas of society.

INTESA SANPAOLO’S COMMITMENT TO COMBATING ADDICTION

The impact on society of drug addiction has extremely wide implications, since it is not confined exclusively to the private sphere of the drug consumer, but also affects the context in which that individual lives, assuming considerable social, political and economic significance. The social costs of drug use and the associated market are borne by citizens and directly and indirectly by the community.

The social actions, implemented in this area in 2020 by Intesa Sanpaolo, are based on the awareness that, in order to achieve sustainable development, it is essential to guarantee a healthy life and promote the well-being of all individuals at all ages. A particularly significant Partnership is the one with the Fondazione San Patrignano aimed at supporting that Community in its hospitality activities, promoting the San Patrignano WeFree prevention campaign on a local-regional basis and encouraging a virtuous path of social and circular economy actions.

INTESA SANPAOLO AND INEQUALITY: THE FIGHT AGAINST ALL FORMS OF POVERTY

In 2019, there were almost 1.7 million families in Italy in conditions of absolute poverty involving 4.6 million individuals, in particular children, foreigners and people living in the South of Italy.

In 2020, the health emergency linked to the COVID-19 pandemic exacerbated the economic and social conditions of the population: until last year the prevalent situation was that of chronic poverty (i.e. only those who were already poor remained so), but now there is a normalising of poverty in progress due to the growth of the “new poor”.

A recent report by Caritas shows that the incidence of the “new poor” has increased from 31% in 2019 to 45% in 2020, almost every other person who asks for help is doing so for the first time. In particular, the weight is increasing of families with children, of women, of young people, of Italian households - which are the majority (52% compared to 48% last year) - and of people of working age.

At the height of the lockdown, the Bank expanded its operations to support those in difficulty by developing measures that would be immediately effective in the evolving situation of serious social difficulty. These measures included: “Un aiuto a chi è in ospedale” (A help for those in hospital) with the distribution of 11,000 new items of underwear to patients in COVID-19 hospital wards in the most affected cities; the “Progetto Insieme” (Together Project) in partnership with the Fondazione Cariprato, providing support for families in difficulty due to the pandemic; “Una squadra fortissima con giocatori come te” (A strong team with players like you) which, in partnership with Panini, enabled the distribution to children in need of 18,000 football-player albums and 11 million stickers with the involvement of 67 organisations during the emergency; the Partnership with Esselunga and the Carabinieri of the “Pastrengo” Interregional North West Command for the distribution to needy families in Lombardy, Piedmont, Valle d’Aosta and Liguria of 3,500 food parcels equivalent to 61,635 meals.

In such an emergency, it was essential for the Bank to take action not only to strengthen the achievement of the objectives of the Intesa Sanpaolo Programme for people in difficulty (10,000 meals per day; 6,000 beds per month; 3,000 medicines and clothes), as envisaged in the 2018-2021 Business Plan, but also to promote projects capable of meeting the new needs generated by the pandemic with particular attention to the most affected areas of the country.

INTESA SANPAOLO FOR DISADVANTAGED PEOPLE

Meals

The four-year partnership (2018-2021) with the Fondazione Banco Alimentare Onlus assisted the long-term consolidation of the programme of recovery and redistribution of surplus food and contributed to the distribution of over 2,800,000 meals to charitable organisations in 2020.

The collaboration with the Banco Alimentare also continued with the “Siticibo” project, which in 2020 enabled the provision of more than 1,500,000 food portions thanks to the collection of surplus cooked and fresh food from catering establishments and large distribution organisations, and with the “Ri-pescato” project: from the illegal market to the solidarity market aimed at the seizure of illegally-caught fish and its subsequent distribution, which helped to supplement about 54,168 meals with portions of fish. In addition, the annual Food Collection Day was supported with an extraordinary economic contribution.

The collaboration with the Fondazione San Patrignano guaranteed almost 1,200,000 meals per year to fragile assisted people and the partnership with City Angels Milano ensured 30,000 meals to homeless people.

With regard to support for basic needs, the actions dedicated to meals for sick people and their families are particularly important:

- the partnership with Dynamo Camp guaranteed about 150,000 free meals per year to sick children, guests of the Association so as to participate in recreational therapy;
- the partnership with Vidas ensured almost 20,000 meals a year to children and their families housed in the 6 mini-apartments of the Casa Sollievo Bimbi Children’s Hospice in Milan, a paediatric hospice that was recently opened also thanks to the Bank’s contribution;
- the “Una Casa per la mia Famiglia” (A Home for my Family) project was extended to all the hospitals where the Programme for children with long-term stays is already operational, so as to strengthen the system of hospitality for families of long-term child patients in paediatric wards, allowing the distribution of about 140,000 meals.

The Partnership with the Bambino Gesù Children’s Hospital provides for the distribution of 4,000 meals per year offered to young patients with eating disorders together with play activities, group therapies and with family members for children with autism disorders. The partnership with the Sim-patia social cooperative was initiated to help people who are not self-sufficient, through the development of actions in favour of people with serious and/or very serious disabilities acquired as a result of irreversible personal events, such as vehicle

or pedestrian road accidents or degenerative diseases: thanks to the support of Intesa Sanpaolo, about 86 meals can be offered per day to resident and daytime guests.

Finally, at Christmastime the initiative called “Un Natale in Scatola” (Christmas in a Box) was promoted through the partnership with Intesa Sanpaolo Vita and the Caritas Diocesana di Lecce, which involves the distribution of 800 food parcels and the provision of vouchers for the purchase of fresh basic food necessities that will guarantee about 19,500 meals for the beneficiaries.

Hospitality

Hospitality projects relate to two areas: disease and healthcare commuting; poverty and marginalisation. The initiatives go beyond providing beds: beneficiaries of the actions are housed in welcoming, home-style accommodation, thus reducing the effects of hospitalisation, on the one hand, and fragility, on the other.

The partnership with Dynamo Camp guarantees about 50,000 free beds per year to sick children as guests of the Association so as to participate in recreational therapy, whereas the project developed with Vidas provides almost 3,300 beds for children and their families in the mini-apartments of the Casa Sollievo Bimbi Children’s Hospice in Milan. A new partnership was activated with the Fondazione San Patrignano to guarantee about 407,000 beds per year for fragile, assisted people.

The partnership with the Sim-patia social cooperative, aimed at developing activities for adults in the 18-65 age group affected by serious and/or very serious disabilities, will help to cover the costs of 28 beds for guests residing in the structure.

Clothing

The Golden Links project continued for the third consecutive year, which in partnership with Caritas Italiana aims to support people in difficulty with regard to one of their most sensitive needs, clothing – especially underwear and shoes – which can be difficult even for NPOs specialising in the collection of clothes to obtain.

Started as an experiment in Piedmont and Veneto in 2018, it is now a national initiative.

The Project has created a real chain of solidarity which, on the Bank’s initiative, involves Caritas Italiana, the regional diocesan Caritas offices and the Non-Profit Organisations of the Caritas network. Alongside them, two major clothing and underwear manufacturers, Calzedonia and Camomilla Italia, which are customers of the Bank, donated over 100,000 items of clothing to the initiative in 2020.

The pre-selection, packaging and (where needed) repair and preparation of the goods was performed by women in fragile conditions and by prison inmates.

The gift items were given to marginalised families assisted by Caritas networks in Veneto, Piedmont, Campania, Puglia, Basilicata and Calabria.

It is a community-based initiative with a circular approach that networks the best experiences of profit and non-profit partner institutions.

In addition, the Bank decided to activate an extraordinary Golden Links initiative: help for those in hospital, aimed at distributing 11 thousand items of underwear for quarantined patients in hospitals in Bergamo, Brescia, Cremona and Padua.

Medicines

The subject of the health emergency was addressed in synergy with the Banco Farmaceutico with a view to:

- consolidation, thanks to the continuation of the four-year agreement (2018-2021) on the initiative Recupero Farmaci Validi (Recovery of Valid Medicines) that in 2020 distributed more than 80,538 medicines to charitable organisations;
- the emergency, thanks to the “Un aiuto agli enti assistenziali” (Help for aid entities) project during the COVID-19 emergency, so as to supply non-profit welfare organisations in the Banco Farmaceutico network with Personal Protective Equipment and thus ensure their operational continuity in helping people in need;
- medium-long-term development, through a new agreement aimed at implementing and enhancing Banco Farmaceutico’s BFOnline Management Platform.

With a view to contributing towards the transition to a model based on the circular economy with impact on the real economy, the consolidation of the Recupero Farmaci Validi (Recovery of Valid Medicines) Project played its part, enabling in collaboration with the Banco Farmaceutico the distribution in 2020 of medicines in areas where the project has become operational.

PROJECTS TO SUPPORT CHILDREN

In its active role in support of the communities it operates in, the Group also carries out initiatives supporting children by working with significant inclusion projects.

INTESA SANPAOLO'S EDUCATIONAL PROGRAMME FOR CHILDREN WHO ARE LONG-TERM PATIENTS

In 2020, despite the pandemic, the Bank continued to support children in long-term care in oncology wards and their families, offering free nurseries to children aged 0-3, helping them with cognitive and emotional development through specifically designed programmes and qualified educators and providing mothers with significant support as, in most cases, they directly care for their child during their period in hospital.

The Programme, in partnership with local cooperatives that form part of the PAN Consortium, is active in cutting-edge hospitals in Padua, Bologna, Turin, Naples, Monza and Genoa.

Since the service was launched, 100% of the children of pre-school age in hospitals have been included in the long-term patient programme with positive results: scientific research conducted by AIEOP (the Italian Association of Paediatric Haematology and Oncology) has noted considerable psychological and behavioural improvements in the 320 children involved.

WE-CONNECTED!

The project, carried out jointly by Intesa Sanpaolo and Intesa Sanpaolo Vita, aims to equip the 32 houses managed in Genoa by the Fondazione Gerolamo Gaslini with computers and internet connections. The aim is to provide essential IT support to the guests at the facilities: young patients at the Giannina Gaslini Institute in Genoa and their families who face healthcare commuting, made even more difficult by the COVID-19 pandemic.

RESEARCH PROJECT ON "SPORT THERAPY AND PSYCHOLOGICAL WELL-BEING"

As part of the partnerships relating to the world of childhood to support sick children and their families, the Bank has launched together with the Comitato Maria Luisa Verga a scientific study for the development of care and assistance protocols related to the positive effects that physical activity can have on the levels of self-esteem and emotional and psycho-physical adjustment of long-term child patients in the paediatric oncohaematology wards at the San Gerardo Hospital in Monza.

PARTNERSHIP BETWEEN INTESA SANPAOLO AND THE BAMBINO GESÙ CHILDREN'S HOSPITAL

- The partnership supports the creation of two new Medical Centres dedicated to eating disorders and disorders relating to autism with the aim of focusing on the well-being of children and adolescents and giving effective support to their families through:
- the creation and continuous improvement of spaces providing care and support in cases of autism, with the possibility of increasing "Parent-Mediated Therapy" and "Small Group Therapy for Preschoolers";
- the assistance of children and adolescents suffering from eating disorders with particular attention to the spaces dedicated to lunch and afternoon snacks assisted by a nutritionist who facilitates and supports this time of eating.

WEBECOME – INCLUSIVE EDUCATION OF CHILDREN AND TEENAGERS

In 2017, Intesa Sanpaolo launched an innovative inclusive education programme aimed at primary school children to promote their inclusion and development of positive behaviour, responding to the need to address critical issues emerging in the area of childhood anxiety. The first phase of the project has come to a close, and addressed issues such as digital civic education, bullying and cyberbullying, diversity, addictions, food and nutrition (with a considerable focus on obesity and malnutrition), innovation and the development of individual potential. The issues were structured into eight courses, each with specific letters from the 'Alphabet for Growth' characterising them: M for maps to provide a guide to childhood disorders, U for uniqueness, T for together, C for closeness, F for flavour, A for aptitude, W for well-being, and R for relations. After completion of the design and setup phase, Webecome is being disseminated both within the Group, with the internal communication campaign "Porta a Scuola Webecome" (Take Webecome to School), and externally with the participation of the project team at conferences, meetings, festivals and events online and with social media campaigns. Due to the health emergency, a further plan was developed to facilitate the use of platform aimed at supporting teachers and parents with distance learning called "Banchi con le Ali" (Desks with wings); webinars were also made with experts to address the unease related to the management of this difficult period.

More than 1,500 schools were involved through active engagement with headteachers and town councillors with responsibility for education; over 19,000 users visited the platform and there were 170,000 page views of the project site.

QUBÌ – QUANTO BASTA PROGRAMME: THE RECIPE TO COMBAT CHILD POVERTY

To combat a terrible phenomenon such as child poverty, which affects about 20,000 minors and 10,000 families in Milan alone, the QuBi Programme was launched together with Fondazione Cariplo, Fondazione Vismara, Fondazione Fiera Milano and Fondazione Snam. The first important result was the creation of an integrated archive of administrative data on poverty in Milan, the creation of two Banco Alimentare hubs, the opening of four Caritas Solidarity Emporiums, and the creation of 23 Third Sector networks in 25 priority neighbourhoods of the city with the aim of building a system to support people and promote the activation of communities.

During 2020, the Qu Bi programme supported food emergency projects, in particular in partnership with the Caritas Ambrosiana and the Istituto Beata Vergine Addolorata.

“PER MILANO” ASSOCIATION

The Bank is a Founding Member of the “Per Milano” Association for those most in need, particularly disabled and socially vulnerable children. Last year the Association supported ten projects involved in medical and dental care, the creation of spaces suitable for recreational purposes, the development of assistance programmes for young people with motor disabilities, and workshops to help socialise young people with autism.

TRAINING AND WORK PROJECTS FOR THE NEXT GENERATIONS

PROGRAMME FOR ACROSS-THE-BOARD SKILLS AND ORIENTATION

The Z Lab project represents a constructive example of cooperation between the school and the world of credit, involving more than 2,500 students from 100 schools in 20 Italian cities. A more complete description of the initiative is available in the chapter People (see page 149).

RELATIONS WITH UNIVERSITIES

The commitment to guarantee young people the right to education is extremely important because it aims to reduce social inequalities, make the most of talented young people and create new jobs and therefore growth and economic development for the country. This commitment takes the form of partnerships with the main Italian Universities aimed at promoting school inclusion through support for study and research. The active partnerships allow a transfer of knowledge and skills from the universities to the Group while putting Intesa Sanpaolo’s know-how at the service of the academic community.

In addition, this support for research - an enormous agent for transformation for the Society’s sustainable future - contributes to the creation of new models of technology transfer and connection with the world of enterprise to generate value and growth.

During the year relations with universities were further developed, also through partnerships among the Group structures, with the aim of supporting inclusion and the right to study and promoting the central role of Education, Research and Training for Young People. Intesa Sanpaolo works in various ways with more than 60 Italian universities, all of which are the largest and most important in terms of positioning in national and international rankings, through partnership agreements that include employer branding, recruiting, and training initiatives; support activities for teachers and 1st and 2nd level Master’s courses, scholarships for students and PhD students, presentations and lectures by employees of the Group at universities, company visits and dissertations in the company; research and innovation projects. The Group also offers universities and colleges financial services like treasury management, employee agreements and student loans.

In 2020, 40 Agreements (Framework Cooperation, Implementation and Partnership Agreements) were signed and the collaborative projects were developed with the Competence Centres set up in the country (Intesa Sanpaolo is a partner in 2 of the 8 national Competence Centres, Smact and Bi-Rex, involving 13 universities and 2 national Research Institutes and cooperates with the other 6 Competence Centres, using various procedures).

One of the most important initiatives in terms of collaboration with Italian universities is the “P Tech” initiative of the Fondazione IBM, in which the Intesa Sanpaolo Group collaborates in the fight against pupils dropping out of school. Currently the project is active in the province of Taranto with a path specialising on the third year of upper secondary school with a view to accompanying the pupils over 6 years in a highly specialised training course featuring seminars and thematic workshops and afternoon in-depth development lessons that will provide specialised preparation as required in the new world of work. In 2020 Intesa Sanpaolo collaborated by providing 3 webinars and 9 mentoring meetings.

Its most notable contacts and partnerships with foreign universities include its collaboration with the Universities of Oxford and Cambridge.

GIOVANI E LAVORO - YOUNG PEOPLE'S ACCESS TO THE WORKING WORLD

“Giovani e Lavoro” (Youth and Work) is the programme, created by the partnership between Intesa Sanpaolo and Generation Italy, a non-profit foundation set up by McKinsey & Company, whose aim is to offer free training courses to 5,000 unemployed young people to help them acquire the skills that companies are seeking and facilitate their access to the working world, while at the same time offering companies qualified personnel with the objective of getting at least 75-80% of them hired.

The initiative, started in 2019 from the Italian geographical areas with the greatest development potential (Naples and Rome), was subsequently extended in 2020 to Bari, Turin, Milan and other Italian cities.

The proposed training programmes focus on short experience-based training courses (3-12 weeks) within specific professional sectors identified as those most in need within the Italian labour market. The programmes on offer include: sales assistant in the Retail sector; staff for the Hospitality, Food & Beverage sector; Java developer and operator of computerised numerical control (CNC) machines (activated in 2020).

In March 2020, due to the spread of the COVID-19 virus, activities related to the program were slowed with particular impact on the Retail and Hospitality, Food & Beverage courses and related job placements. In order to counter the spread of the pandemic, the selection and teaching activities were delivered remotely with a focus on the Java developer course (which best suits distance training).

Despite the impact of the pandemic, the results of the initiative at the end of 2020 showed growing improvements with about 1,400 companies involved, more than 15,000 students interested in the training programme (of which 5,800 in 2020), about 1,500 students placed in the classroom after the selection process (of which 740 in 2020), and a hiring rate of over 80% for the classes which completed their placement activities.

TRAINING AS A TOOL OF REHABILITATION

Employment is one of the pillars of integration into the social network. Thus, promoting conditions of employment for disadvantaged people means not only facilitating their social inclusion, but also giving dignity to those in situations of marginalisation and exclusion.

One of the initiatives set up by Intesa Sanpaolo is the “(ri) Abilita” ((re) Habilitate) Programme which aims to engage prison inmates and encourage them to do vocational training.

The “(ri) Abilita – Agricoltura sociale” ((re) Habilitate - Social agriculture) project promotes job placement opportunities in social agriculture for young people held at the Fornelli Juvenile Prison in Bari and hosts about 150 young people each year. Partner in the initiative is the non-profit organisation called Cooperativa Semi di Vita that operates in the Bari area with social agriculture initiatives. The project has a 15-month experimental period and takes care of about 20 young people, offering them opportunities that will help with their full reintegration.

In 2020 the action supported the social agriculture project “La Fattoria dei Primi” (The Farm of the First) for the use of 26 hectares of land confiscated from the Mafia in the Municipality of Valenzano (BA) with the construction of social market gardening. This is accompanied by the creation of a social market garden in the Bari suburb of Japigia. The Golden Links project, which is part of the ISP program for people in difficulty involving the collection and distribution of clothing, also has an across-the-board impact on the employment of disadvantaged people, because since 2018 it has occupied inmates from the Vicenza district prison and women in fragile conditions in the packaging of clothing parcels.

PROMOTION OF CULTURE FOR SOCIAL COHESION

Progetto Cultura is the three-year programme of initiatives with which Intesa Sanpaolo actively expresses its commitment to the promotion of art, culture and knowledge throughout Italy, in favour of the growth of the reference communities. Its inclusion in the 2018-21 Business Plan provides evidence of its importance as part of the Bank's mission and corporate policies. During the pandemic, Intesa Sanpaolo confirmed its position as a strong point of reference for the country and in this context the contribution from Progetto Cultura has been fundamental in supporting the artistic-cultural sector which, though hard hit by the crisis, is seen as one of the strategic elements in Italy's relaunch and future. The activities are conceived, realised and organised by the Art, Culture and Historical Heritage Head Office Department of the Parent Company, in cooperation with the main museums, local, national and international institutions, public and private entities, the Ministry of Culture and Tourism, Foundations, the scholastic and academic world and with professionals in the culture sector.

GALLERIE D'ITALIA

The Gallerie d'Italia in Milan, Naples and Vicenza make the most of the historic buildings and art collections belonging to the Group, hosting temporary exhibitions arising from original scientific projects in collaboration with museums all over the world, and provide a number of training courses and cultural activities. One of the exhibition venues is also the 36th floor of the Skyscraper in Turin, while Intesa Sanpaolo's fourth museum is still under construction in Piazza San Carlo. The Gallerie d'Italia are now internationally recognized as centres

of excellence within the range of Italy's cultural heritage.

The number of people actually visiting them in 2020 was obviously affected by the closure of museums to address the COVID-19 epidemic. In the months they were open, the Gallerie d'Italia recorded a total of about 210,000 visitors (almost 160,000 in the two months before the health emergency).

In training, educational activities and relations with schools the topics of accessibility and social inclusion have always been the strengths of Gallerie d'Italia. In just the first two months of the year, before the health crisis prevented their continuation, 678 workshops had been launched attended by 17,000 children and young people and 107 dedicated courses free of charge for people from socially vulnerable and disadvantaged backgrounds, attended by 2,000 participants.

THE NEW GALLERIE D'ITALIA: PIAZZA SAN CARLO IN TURIN AND VIA TOLEDO IN NAPLES

The project for Intesa Sanpaolo's new museum in Piazza San Carlo in Turin, completing the Bank's museum complex, was presented to the press on 14 January. The fourth site of the Gallerie d'Italia will be housed in the historic Palazzo Turinetti (about 6,000 m²) and mainly devoted to photography (with a particular focus on the Publifoto Archive of Intesa Sanpaolo), the digital world and contemporary art. The construction site for the transfer of the Neapolitan Gallerie d'Italia to the historic Banco di Napoli building in Via Toledo has also been started. The new monumental venue (about 9,000 m²) will be home to Caravaggio's masterpiece, and also to magnificent collections from archaeology to contemporary art, and the training activities involving the main local players will also be increased.

DIGITAL FRUITION OF THE ART COLLECTIONS AND EXHIBITIONS

Social distancing has made us think carefully about the importance and role of digital initiatives, as an increasingly important way for the public to access and enjoy cultural heritage, with great potential in terms of inclusion, and as a lever for the promotion and amplification of museum activities. In 2020 the Bank accelerated the production of online content on the Gallerie d'Italia website and social channels (dedicated to raising awareness about its art collections and exhibitions), also with reposts on the Group's platforms. The online initiatives for raising awareness about the exhibitions include:

- Canova | Thorvaldsen. Virtual tour. Launch of the immersive virtual tour dedicated to the exhibition, with explanations in sign language, which took place on the International Day of Museums promoted by ICOM on the theme "Museums for equality" (the social-media campaign achieved 8 million views and 462,951 interactions);
- Tiepolo. Immersive experience. Launch of an innovative virtual experience dedicated to the exhibition, with immersive 3D audio technology and a dedicated mini site (22,000 views with an average contact time of 5:50 minutes);
- Tiepolo. Virtual tour. Launch of the virtual tour, which allows interactive visiting to the exhibition, enriched by 8 in-depth videos on a choice of works and supplemented by the immersive audio experience (9,700 views with an average contact time of 4:10 minutes).
- Christmas Video. Launch on 22 December of the Christmas wishes video through the promotion of the exhibitions prepared at the Gallerie d'Italia (the campaign on the GdI social-media channels generated 20 million views and the content totalled 1.8 million views).
- Live streaming press conference of the exhibition called "Ma noi Ricostruiremo" (But we will rebuild) hosted in the Gallerie d'Italia in Milan and displaying photographs from the Intesa Sanpaolo Publifoto Archive, which since October 2020 has totalled over 400,000 visitors, 250,000 views and 19,000 interactions.

Online initiatives promoting the collections include:

- Publifoto on social media (since 9 April). Insights into the Publifoto Archive and the world of photography through a weekly feature (over 310,000 views);
- "In viaggio con Hector" (On a journey with Hector) (from 22 April to 2 July). Creation and development of a project aimed at families and in particular children, with interactive videos, quizzes and creative activities on a voyage of discovery of the historic buildings and collections of the Gallerie d'Italia (9 episodes and 131,672 views);
- "Un giorno al museo" (A day at the museum) (from 24 April to 6 July). Fruition and promotion of the works on display in the Gallerie in Milan with videos featuring Luca Massimo Barbero, the associate curator of the ISP contemporary and modern art collections, in conversation with the public, through a partnership with Sky Arte HD and Good Days Film (20 episodes and 169,647 views).

CULTURAL PARTNERSHIPS

Through dynamic forms of partnership, Progetto Cultura provides support to important institutions and cultural initiatives in Italy (exhibitions, festivals, art events, photography, music, theatre, archives, publishing and reading). In particular, the Group's contribution has enabled the implementation of initiatives that, in response to physical distancing, have allowed events to be reorganised and converted into digital events, that are rebroadcast on Intesa Sanpaolo's social channels and Group website. These include:

- Cortona On The Move. "The COVID-19 Visual Project": together with the team of the "Cortona On The Move" Association, whose International Photography Festival Intesa Sanpaolo has been supporting since 2018, a permanent and continuously updated digital archive has been designed and created (online since May with 853,345 individual users) that documents the effects of the pandemic in the world, through photographic projects. The works (currently 54 on the platform) are commissioned to internationally renowned photographers;
- Turin International Book Fair. Support for the innovative online versions marking the 2020 edition of the Book Fair, which Intesa Sanpaolo has been a partner of for 13 years: SalTo Extra, SalTo Notte and Vita Nova;
- Archivissima and Notte degli Archivi, Turin. Support for the 3rd edition, in digital format, of the Archives' Festival and "Notte degli Archivi" (Night of Archives); (Archivissima platform: 125,000 individual views; ISP social channels: 17,244 views)
- Quadriennale d'arte, Rome: Intesa Sanpaolo is a partner of the 17th edition of the Rome Quadriennale d'arte entitled "Fuori"; the Q-Rated training project was also given support, involving an operation for mapping young Italian art and a moment for curatorial research and investigation, which took place in the two years before the 2020 edition of the Quadriennale (6 workshops in different Italian cities, with 120 artists and curators under 35);
- Artissima. International Contemporary Art Fair in Turin: this year Intesa Sanpaolo became a partner of Artissima, one of the most important fairs in this sector in the world. The 27th edition of the event took place in an Unplugged version and included, among the virtual initiatives, two important Intesa Sanpaolo projects hosted on the artissima.art platform: the digital exhibition "Folle", which displays a core of images from the ISP Publifoto Archive (11,000 views); the study day in digital format called "Linee di Energia" (Energy Lines) dedicated to the restoration of contemporary works of art.

RESTITUZIONI

Restituzioni expresses Intesa Sanpaolo's commitment to the defence and promotion of Italy's historical and artistic heritage. It is the most important programme of restoration in the world and is considered an exemplary form of synergy between public and private entities. It has been managed by the Bank since 1989, in partnership with the Ministry of Culture and Tourism and the relevant local entities responsible for the protection of works of art.

The actions in the 19th edition of the programme (currently still in progress) include 218 works from all the Italian Regions – in addition to one work from France – and involve 52 protection Entities (Government departments responsible for cultural heritage, Regional Directorates of Museums and Autonomous Museums), 80 owner Entities (including museums, churches and archaeological sites) and hundreds of art historians and restorers.

ARTISTIC HERITAGE

The Group's art portfolio consists of over 30,000 works. In size and quality, it is one of the most important Corporate Collections. The Group's art collections are constantly involved in measures for their conservation, study, promotion and sharing.

In 2017 Intesa Sanpaolo pioneered the process of revaluation to fair value of the balance sheet value of the core of works within its priceless artistic collection, developing a procedure aimed at ensuring the formal and substantial correctness of the adoption of the chosen accounting standard (IFRS 13 Fair value measurement). This operation, divided into three-year cycles and conducted jointly with the Administration and Tax Head Office Department, follows international best practices. In 2020, at the end of the first three years, a new fair value measurement was made by an independent company (indicating fair values in today's market) of the 3,700 works or so belonging to the prestigious artistic heritage class. The updated value amounts to 294 million euro.

As part of the process of integrating the art collections from UBI Banca, the "valuable art assets" scope was defined on the basis of the same criteria used for the Intesa Sanpaolo's art collection. Out of the approximately 6,000 assets belonging to the UBI collections, 721 were considered valuable art assets and measured at fair value (for a total of 27 million euro).

HISTORICAL ARCHIVE

The Historical Archive of Intesa Sanpaolo is one of the largest corporate archives in Europe. It not only represents the Group's historical records but is also a highly valuable cultural heritage asset for the community. In 2020, the basic works on preserving documents continued and the activities of digitalisation of the documents intensified. Particular attention was paid to the Publifoto Archive (restoration, digitalisation and promotion), one of the most

important photographic heritage collections in Italy covering the 20th century, also with a view to the future opening of the Gallerie d'Italia in Turin. There is also an important and well-established partnership between the Historical Archive and Italian Universities, which plans to organise teaching projects and research work.

OFFICINA DELLE IDEE

The projects of the Officina delle Idee offer young people various expressive, training and professional opportunities. Precise areas of action have been identified, consistent with the main strands of Progetto Cultura (conservation and promotion of the Group's collections and also of the national historical and artistic heritage). The actions – scholarships, research projects, training courses – are conducted in collaboration with important public and private institutions.

The Euploos Project. Gabinetto dei Disegni e delle Stampe, Uffizi Galleries in Florence, is the innovative project which involves a working group (young art historians, photographers and computer scientists) in the creation of the digital catalogue dedicated to the works of the Gabinetto dei Disegni e delle Stampe of the Uffizi Galleries; in 2020, 5,000 documents were catalogued (including catalogue cards and photographic reproductions).

One hundred young art historians are permanently working in the Gallerie d'Italia, engaged in the management of museum services, as part of the collaboration with Civita (reception and assistance with the visit, ticket office, educational paths and guided tours).

TRAINING ACTIVITIES FOR YOUNG PEOPLE

The training activities for young people have always been an important element in the Progetto Cultura, a sort of "Gallerie d'Italia Academy", with a particular focus on guidance towards professions in the cultural and managerial sector. With this in mind, the first edition of the Executive Higher Education Course was launched with a course on "Management of artistic heritage and corporate collections", geared to providing specific skills in the management of cultural heritage. This unique project in Italy, is achieved with the Fondazione Compagnia di San Paolo and the Fondazione Cariplo, in partnership with Intesa Sanpaolo Formazione and the Fondazione 1563 per l'Arte e la Cultura and designed with the scientific contribution from the Fondazione Scuola dei Beni e delle Attività Culturali. Enrolments were opened in December and the course, which has obtained the patronage of the Ministry for Culture and Tourism, was launched in February 2021. The social-media campaign on the launch of the course gained over 14 million views with about 6,000 clicks to the ISP Formazione page.

PUBLISHING AND MUSICAL INITIATIVES

The publishing projects completed in 2020 in partnership with Skira consolidated the objectives for disseminating and promoting awareness of the cultural heritage of the Group and of Italy, in harmony with the Progetto Cultura guidelines. The measures to promote awareness about ancient, classical and contemporary music were also significant. In addition to contributions towards the organisation of concert cycles by important Italian music institutions, the forms of collaboration also include training programmes aimed at young musicians and youngsters belonging to disadvantaged categories (such as "Esperienza Orchestra" of the Filarmonica Teatro Regio in Turin for young secondary school leavers, or the projects of the Associazione Alessandro Scarlatti from Naples involving young people from disadvantaged neighbourhoods in the Neapolitan city).

INITIATIVES IN SUPPORT OF THE COMMUNITY

The promotion of art and culture is a commitment that has always distinguished the work of Intesa Sanpaolo, in the belief that a major bank must be able to meet the expectations of progress in its own country, not just from an economic point of view but also civil, cultural and spiritual, while respecting local identities. Intesa Sanpaolo strives to respect the Group's (ethical, cultural and social) principles and values also in its partnership and sponsorship initiatives, paying particular attention to the selection of projects capable of conveying messages in line with the image and reputation of the Bank and Group.

Relations between Intesa Sanpaolo and local communities are developed through activities supporting culture and knowledge; research and innovation to foster new economic and social development opportunities, with solidarity programmes and initiatives to promote sport; and sustainability as a value that qualifies businesses and enhances customer loyalty.

Community support initiatives were also significantly impacted in 2020 by the health emergency, and saw large deployment of skills, resources and actions to support families and businesses directly and indirectly affected by the consequences of the epidemic.

OPERATIONS TO SUPPORT AREAS AND COMMUNITIES IN COPING WITH THE COVID-19 HEALTH EMERGENCY.

Support for communities affected by the COVID-19 health emergency has been provided through a series of local initiatives in numerous Italian cities, in particular in the cities of Bergamo and Brescia, strongly affected by the coronavirus pandemic since spring 2020, through the contribution to and sponsorship of initiatives for the benefit of hospital facilities (ANA Field Hospital at the Bergamo Exhibition Centre, Fondazione della Comunità Bresciana onlus) and hospitality for patients unable to complete their period of isolation in their own homes (Abitare la Cura); through the collaboration with the dioceses of the aforementioned cities in Lombardy, various programmes were successfully developed aimed at combating poverty and vulnerability, exacerbated by the health emergency.

At the same time and through the sponsorship of a series of initiatives with a great media fanfare, considerable emphasis has been given to raising the awareness of the community to the importance of research in combating the COVID-19 health emergency. The most important initiatives included the presentation of the Spring Summer 2021 collection of Maison Dolce&Gabbana, during which a certain promotional prominence was given worldwide to the fundraising campaign in favour of the Fondazione Humanitas per la Ricerca chaired by Professor Alberto Mantovani, and also the television programme “L’Italia che fa” broadcast on RAI2, which presented various initiatives supporting efforts to combat the COVID-19 emergency, described by representatives of the Group, and promoted the For Funding platform with regard to fundraising initiatives.

Intesa Sanpaolo, moreover, contributed to the emergency fund “Fondo di emergenza per provincia di Cuneo e sud Piemonte”, promoted by LVIA – Associazione Internazionale Volontari Laici, with the aim of launching urgent front-line support initiatives for the provinces of Cuneo, Asti and Alessandria more significantly affected by the extraordinary floods on 2 and 3 October 2020.

CULTURE AREA

The main cultural activities include the promotion of music, theatre, dance, cinema, art, publishing and reading with a particular focus on young people. To ensure that an increasingly wider public is able to enjoy and appreciate Italy’s artistic and cultural heritage, the Bank collaborates with leading bodies and institutions also with the aim of getting the new generations to try opera, music, art and culture in general.

Some of the most notable partnerships with major Italian theatres include: Teatro alla Scala, Turin’s Teatro Regio, Teatro del Maggio Musicale Fiorentino, Teatro La Fenice in Venice, Teatro di San Carlo in Naples, Teatro Comunale of Vicenza, Teatro Comunale in Bologna, Piccolo Teatro, Teatro Franco Parenti, Teatro Piemonte Europa and Teatro Stabile del Veneto. One of the more notable projects is La Scala UNDER30, in collaboration with Teatro alla Scala, which seeks to get younger generations interested in opera and classical ballet.

A few exhibitions were also given sponsorship during 2020: “La riscoperta di un capolavoro – Il Polittico Griffoni” (The Rediscovery of a Masterpiece – The Griffoni Polyptych) at the Palazzo Fava in Bologna, “Natura in posa. Masterpieces from the Kunsthistorisches Museum in Vienna in dialogue with contemporary photography” at the Complesso di Santa Caterina in Treviso, “Incontri a Sutri. Da Giotto a Pasolini” (Meetings in Sutri. From Giotto to Pasolini) at the Palazzo Doebbing in Sutri and the “Il teatro si mostra” (Theatre on display) project at the Teatro Stabile del Veneto. All these initiatives were forced to close or be suspended during the months of the health emergency but they succeeded in inventing new display methods with high quality virtual tours and digital content.

Key partnerships with major music, dance and performing arts festivals were also supported: MITO SettembreMusica International Music Festival, Piano City Milano, the Festival dei Due Mondi in Spoleto, Rossini Opera Festival, TorinoDanza, Torino Jazz Festival, Jazz in August, Trame Sonore and the downsized summer festival of the Umbria Jazz and JazzMI Foundation, with around 100 concerts, and featuring big international stars and Italian and European up-and-comers in the world of jazz. Another similar event where support was provided was “Torino a Cielo Aperto” (Open Air Turin), a festival of cultural and recreational events, created by the City of Turin with the main objective of inviting its community to regain possession of its public spaces and parks after the lockdown due to the health emergency, transforming gardens, parks and squares into ideal stages for concerts, theatrical shows, meetings, performances and listening sessions.

In the context of the COVID-19 health emergency and due to the limitations imposed by social distancing policies, digital media played a key role, because it filled a gap, widened the audience base, allowing people to try out the world of culture, and reached a larger range of the public, unrestricted by regional boundaries.

When the health emergency ends, digital media may become a supplementary element for the face-to-face cultural events on offer, enhancing the moments before, during and after the live event, completing it and enriching it with extra content.

In 2020, Intesa Sanpaolo collaborated once again with artist Roberto Bolle to put on the On Dance event. After the months of lockdown and the subsequent months of suspended theatrical events, in September Roberto Bolle was eager to offer the programme again, as a sign of hope and desire to start again for an art form like dance which was among the most severely affected due to the ban on physical contact and shared experiences as a consequence of the health emergency last spring. Roberto Bolle is an example for many young dance enthusiasts and is committed to disseminating and providing access to dance as well as promoting talent, while showing a certain sensitivity towards difficult social situations.

In October, moreover, on the occasion celebrating the 75th anniversary of the United Nations, Italy took an exclusive video performance to the United Nations HQ, conceived for the occasion with the Teatro alla Scala, and featuring Roberto Bolle and top names from the La Scala ballet company, as a tribute to dance, its history and its most popular pieces and an invitation to reflect on the experience of the pandemic and its impact on all spheres of individual and community life.

In this perspective and in continuity with Intesa Sanpaolo's traditional commitment to publishing and cinematographic initiatives, this year also provided opportunities for supporting important cultural exhibitions such as BookCity, the Turin International Book Fair, with events being streamed and in bookshops around Turin, La Milanese and the Premio Campiello. When Banca IMI was merged into the Parent Company, Intesa Sanpaolo also arranged for the production, with the support of its Historical Archive, of a documentary outlining the history of IMI and the decisive role it played in the process of modernisation and industrialisation of Italy over almost a century.

The partnership with the Osservatorio Permanente Giovani-Editori (Young Publishers' Forum) continued in 2020 with the Young Factor project, an initiative in synergy with other financial education initiatives developed by the Group.

As part of the initiatives dedicated to Christmas, Intesa Sanpaolo participated in the project of "Natale degli Alberi" (Christmas of Trees), directly collaborating with the City of Milan, which invited major economic forces in the area to "light up" the City for the festivities, demonstrating the resilience and tenacious spirit of Milan. Intesa Sanpaolo commissioned the architect Michele De Lucchi to develop a lighting installation to be placed before the Santuario di San Giuseppe, which was designed so that all the materials could be reused at the end of the installation and to show a sign of responsibility towards nature and a sustainable approach in architectural design.

ENVIRONMENT AND SUSTAINABILITY AREA

The long-standing partnership with FAI (the Italian Environment Fund) continued with the "I Luoghi del Cuore" (Places of the Heart) project, gathering observation reports from the public about places of historic and artistic interest and landscapes worthy of restoration work, as part of the 10th census. Today the FAI census has become one of the most surprising social aggregation tools in Italy. Over the nine editions, there have been a total of 7.2 million reports made in favour of a whole range of sites throughout Italy. This is proof of increasing attention paid towards safeguarding the historic heritage and identity of Italy.

In 2020, the partnership with the Trento Festival of Economics was again renewed on the theme of "Environment and Growth", with a view to reflecting together with political and institutional representatives on the fact that economic growth does not necessarily have to lead to environmental damage and on the ways such a course of action may be implemented.

Lastly, the collaboration with Vittorio Brumotti continued and involved initiatives on promoting sustainable mobility (Urban Award), in addition to projects dedicated to upper secondary school pupils, with the aim of encouraging them to reflect on the importance of investing in human capital and thus the discovery and enhancement of their own talents in order to be masters of their own future.

Since 2020 Intesa Sanpaolo has also been a supporter of the "One Ocean Foundation" whose aim is to protect the oceans. With this in mind, there is a commitment to introduce the perspective of the business world by analysing the level of awareness of companies in relation to direct and indirect pressures exerted on the oceans and by studying the responses developed to manage these pressures and their dissemination and effectiveness.

SOCIAL INCLUSION AREA

Intesa Sanpaolo supports research as a means to promote new economic and social development opportunities, with collaborations with leading foundations and institutions, and also learning opportunities for young people and for promoting the inclusion of women in the workplace.

#Tuttomeritomio is the project conceived by Intesa Sanpaolo with the Fondazione CR Firenze and in collaboration with the University of Florence, the Regional Education Department and the Fondazione Golinelli with the aim of promoting the merit of students belonging to socially and economically disadvantaged families. The project will involve a total of over 400 students over a 6-year period that will be supported throughout their education with important financial support and mentoring.

In 2020 there were also initiatives to support distance learning: support for the Salone dello Studente, divided into numerous regional stages, the Festival dei Giovani, organised during November by LUISS, which hosted contributions related to the theme of the Circular Economy and school inclusion and Time4Child which in its first edition offered ample space to the Museo del Risparmio (Savings Museum).

It is worth mentioning the Concerto Giornata della Memoria (Remembrance Day), an annual event organised by the Giuseppe Verdi School of Music in Milan in partnership with Associazione Figli della Shoah, the Jewish Community, Fondazione Memoriale della Shoah and Fondazione CDEC for the "International Holocaust Remembrance Day" commemorative events. The Lideriadi choir performed Leonard Bernstein's "Chichester Psalms", with the students of the Conservatory as orchestra, soloists and conductor.

Lastly, we would like to highlight the partnership with the Intercultura Foundation, which promotes and organises international exchanges between young students.

WOMEN'S EMPOWERMENT

Poverty in Italy shows that there are still too many inequalities that affect the population in general, but the numbers also confirm that it is women that pay the highest price: 2.277 million live in poverty (more numerous - in absolute terms - than children, young people and the elderly).

And while economic and employment discrimination generally applies to all women, the situation is certainly even more critical for those women who have survived male violence and for whom the difficulties in achieving independence, including financial independence, often increase exponentially.

Intesa Sanpaolo's commitment in 2020 featured measures aimed at promoting the empowerment of women in fragile conditions with the "Donne oltre confini" (Women across borders) project. Being committed to gender equality and the enhancement of female talent, the Bank launched a partnership for the two-year period 2020-2021 with the "D.i.Re Donne in rete contro la violenza" (Women networked against violence) to offer joint initiatives to assist with the full reintegration of women victims of violence.

The focus of the partnership is on women coming out from paths of violence and/or Shelters, who are provided with "Doti Autonomia" (Independence Endowment), i.e. small sums to open up a concrete opportunity to the women for a new life.

Following the theme of Women's Empowerment, the Long-Term Child patients Program also had an impact, as it allowed job placements for 11 educators in the nurseries at the paediatric oncology wards of the Program's Partner Hospitals.

As stated in the 2018-2021 Business Plan, the Group has included the theme of inclusion among the strategic objectives of the company. As evidence of Intesa Sanpaolo's commitment to these issues, in 2020 it supported a series of initiatives in this area:

- About Women, a series of dialogues on the role of women in society and work as part of the Venice Film Festival, focused on the topics of the salary gap and gender discrimination in the professional field;
- Global Inclusion, an initiative set up with the intention of furthering the contribution of inclusion policies within companies as a competitive lever for the development of organisations;
- Inspiring Girls: a project promoted by Valore D, an association founded in 2009 and that for ten years has been committed to gender balance and an inclusive culture in organisations;
- STEMintheCITY: an initiative promoted by the Municipality of Milan with the support of the United Nations having the objective of removing the cultural stereotypes that alienate girls from technical-scientific schooling and careers.

With regard to inclusion, it is also worth mentioning the fifth edition of Women Value Company, promoted by the Bank together with the Bellisario Foundation, which is a prize awarded to small and medium-sized enterprises that have stood out for implementing gender equality policies, to ensure men and women have equal opportunities and recognition in their careers.

AREA FOR THE ENHANCEMENT OF SPORT AND HEALTH

The Bank contributed together with Friends for Health Onlus and the A. Gemelli Policlinico Universitario Foundation towards the running of the tenth edition of Tennis & Friends, an event which combines Health, Sport, Entertainment and Solidarity to promote the culture of disease prevention. Due to the COVID-19 pandemic emergency, this year's edition was a special edition, renamed "Salute al centro by Tennis & Friends" (Focus on health by Tennis & Friends). The event took place as usual at the Foro Italico in Rome, but it was possible to follow it exclusively in live streaming. The health awareness activities (usually conducted directly at the Foro Italico) took place at the clinics of the public and private healthcare facilities of the Tennis & Friends partners.

Lastly, in 2020, Intesa Sanpaolo renewed its support for the second edition of the Global Health Festival, the event dedicated to sharing ideas and views about the great challenges of modern medicine on a global scale. The festival took place in Padua and focused on three main areas: health, economy and environment. During the sessions of the Festival many topics were addressed, like the scientific and institutional situation, the social determinants of health, environmental sustainability and the role of civil society and international cooperation. 60 events were held throughout the city and 80 speakers took part, including eminent figures from national and international scientific research.

As confirmation of its commitment to disseminate among young people the importance of doing sport for healthy growth, between the end of 2019 and early 2020, Intesa Sanpaolo supported Campioni di Vita (Life Champions), a series of itinerant meetings aimed at upper secondary school pupils with the aim of raising awareness among young people of the values associated with sport, and in particular sports activities by those who are disabled. In the course of several meetings, the young students listened to the testimonies of two icons of Italian sport, Andrea Lucchetta and Adriano Panatta, and Paralympic athletes Oney Tapia and Federica Maspero.

In 2020 Intesa Sanpaolo also renewed its support for "CORRI LA VITA" (LIFE RUN), a sporting event created to help women affected by breast cancer and to finance projects involving prevention, early diagnosis and treatment of this disease.

RELATIONS WITH THE MEDIA AND THE ASSOCIATIONS

In 2020 the Media and Associations Relations unit continued its activity aimed at spreading knowledge of the Group's projects and consolidating the Bank's reputation through the management of relations with the media, and the preparation of content for the website and its social-media channels. All this took place ensuring the credibility of all news flows to the media: newspapers, radio, television and web, covering economic, general and specialist information, with distribution at local, regional, national and international levels.

The year 2020 saw the management of relations with the media focus on two overriding themes: the Public Purchase and Exchange Offer as regards UBI and the Bank's initiatives in support of the country, its businesses and families to combat the pandemic. Regarding the first topic, the objectives of the operation, its benefits for shareholders and for the financial system, the values of the Group, including the protection of employment levels and company results were a constant focus with respect to the media, characterised by maximum openness and transparency. At the same time, the increasingly widespread and unexpected spread of COVID-19 meant that the Bank had to communicate clearly and effectively about its initiatives in favour of the national health system, highlighted by its donation of 100 million euro (one of the largest in Europe), and in support of the real economy, with loan suspensions and the provision of loans to businesses and households, and numerous projects that were enhanced and initiated with the aim of encouraging a reduction in inequalities.

In 2020, approximately 20,000 articles were published about Intesa Sanpaolo with peaks in February and July, excluding the articles merely mentioning the Bank, and a constant positive sentiment (Eikon analysis). A recent IPSOS survey found that the press office service offered by Intesa Sanpaolo is one of the most highly appreciated according to 75 interviewed journalists, due to the clarity of its communication strategy, preparation, speed of response and approachability.

Moreover, in 2020 a significant amount of editorial content was produced, designed to proactively draw the attention of the public and stakeholders on the strategy, results and initiatives of the Group. In addition to the usual activities of information to and from the press, the Media and Associations Relations unit produced content of an informative nature geared to reach a wider audience and maintain a constant level of information during the phases of lockdown, exploiting the capillary effect of digital channels.

In the Newsroom section on the Group website (group.intesasnpaolo.com/it/sala-stampa/news), managed by the Media and Associations Relations unit, over 360 News items and In-depth articles were published, optimised for improved indexing in the search engines.

Moreover, the unit produced two digital and paper-based brochures, dedicated to the Group's sustainability and inclusion initiatives (January) and the initiatives performed during the COVID-19 emergency in favour of households and businesses in Italy (July). Both brochures were sent to customers, shareholders, employees and other stakeholders.

About 1,340 tweets were posted during 2020 via the Twitter profile (@IntesaSanpaolo), managed by the Media and Associations Relations unit. The social-media activity was used not only to boost the dissemination of press releases, News items and In-depth articles, but also as a sounding board for a few fundraising initiatives. The campaign associated with the Scena Unita fund in support of entertainment workers generated about 90,000 views without any advertising investment.

The unit also manages the Group's institutional relations with ABI and, at a national level, with other industry and trade associations and their think tanks which the Bank belongs to, promoting and directing its relations. In 2020 the unit coordinated 16 public consultation procedures activated by national regulators with the intermediation of ABI and 31 consultation procedures activated by European regulators in collaboration with the European Regulatory and Public Affairs unit; it promoted a structured activity of contacts and relations with top management and operational representatives of 29 regional associations of Confindustria and 20 national trade associations for the promotion of extraordinary measures to support businesses and households that the Bank set up in response to the COVID-19 emergency. The unit is also working with some think tanks on research projects, particularly on growth, solidarity and cohesion.

Responsibility towards the supply chain

COMPANY POLICIES

In order to ensure that relations with suppliers and purchasing policies can create conditions that promote sustainable economic development and respect for human rights, Intesa Sanpaolo centralised its sourcing, regulatory monitoring, supplier qualification and monitoring activities with the Parent Company, adjusting the contractual standards of some Group companies; the process of centralisation within the Parent Company, launched with Banca 5, was extended during 2020 to almost all purchases of the Group companies belonging to the Private Banking, Asset Management and Insurance Divisions. The Procurement Rationalisation Project carried out by the Procurement Head Office Department has brought the acquisition process and purchasing logic into line with the principles of listening, transparency, equal opportunities and fairness espoused by the Code of Ethics and the social and environmental responsibility criteria shared within the Group, and published the process guidelines for procurement management which has standardised the purchasing process, describing the roles and responsibilities of all company departments involved.

MANAGING THE SUPPLY CHAIN

In accordance with the company's strategies and goals, the Procurement Head Office Department promotes policies and shared best practices in the area of Procurement for the entire Intesa Sanpaolo Group aimed at safeguarding the principles of ethical, social and environmental responsibility shared by the Group.

This Department, in charge of procurement in the area defined by the relevant Guidelines and Rules, oversees the purchasing process, guaranteeing the regularity and consistency of purchases by observing the relevant policies and internal regulations, also via an e-sourcing application called Supplier Gate; this solution, implemented with the direct negotiation management module, uses the integrated management of the purchasing process with a view to increasingly ethical negotiations and the competition-based comparison of the (technical and economic) characteristics of offers submitted by suppliers and sub-suppliers. During 2020, the vendor and e-sourcing modules of the Supplier Gate suite were also extended to some foreign companies of the Intesa Sanpaolo Group: VUB, PBZ, BIB and Intesa Bank Albania.

The new e-sourcing module has made it possible to manage market comparisons (so-called Calls for Tenders, already managed on the Supplier Gate) and items acquired through Direct Negotiations in a similar fashion, strengthening not only the qualification and verification process of suppliers/sub-suppliers and third parties but also the process of controls and monitoring over time. In order to ensure greater transparency, regularity and fairness in the verification, control and monitoring of all counterparties of the Intesa Sanpaolo Group with respect to Procurement, the automated process for qualifying Suppliers and Third Parties registered on the Supplier Gate was completed and running normally in 2020. The computerisation of the qualification process has also made it possible to continuously monitor all the positions in question accurately and punctually, also with the aim of contributing to the strengthening and efficiency of control and due diligence.

Without prejudice to the activity carried out in 2019 to align the Contract Management Module of the Supplier Gate with the requirements imposed by the EBA Guidelines and the EU Single Resolution Board Authority (SRB), in 2020 the module underwent further additions to make it compliant, in the field of outsourcing, to the recent update of the Bank of Italy Circular no. 285 (which came into force on 24 September 2020).

Suppliers view the Intesa Sanpaolo Code of Ethics when registering with the Supplier Gate and, if they sign a supply or service agreement, they pledge to respect the main relevant contents of the Code when performing their assigned tasks, also making this pledge on behalf of their representatives, employees, associates and subcontractors. They must also read the Organisational, Management and Control Model (Italian Legislative Decree 231/2001) and the Group's Internal Code of Conduct. The Procurement Department keeps the aforesaid documentation up to date with the latest available versions.

The supplier selection process takes place during registration on Supplier Gate by means of an assessment that not only takes account of the organisational-technical and economic/financial characteristics of each supplier, but also includes analyses of their business ethics, respect for human rights, workers' rights and the environment. If the outcome of this assessment is positive, suppliers are registered in the Group Suppliers' Register and can be invited to procurement events. At the end of 2020, a total of 7,352 suppliers had completed the Supplier Gate registration procedure.

QUESTIONNAIRE, REPORTING, CONTROLS

With regard to the checks carried out on suppliers and third parties, when registering with Supplier Gate, the counterparty fills in a compulsory questionnaire on social and environmental responsibility issues providing supporting documentation, which must be updated at least once a year. This procedure makes it possible to exclude suppliers and third parties that do not satisfy the minimum requirements of the system a priori, and to monitor suppliers regarded as suitable, who are given a rating. Furthermore, in order to ensure an assessment of the entire supply chain, the functions involved in the purchasing process are guaranteed the opportunity of carrying out direct checks and inspections, also through specific reporting procedures, in order to plan appropriate actions in the event of any unsatisfactory ratings.

In 2020, the Procurement Head Office Department performed checks on over 4,120 documents uploaded onto Supplier Gate. The controls concerned the completion and updating over time of the documentation and mandatory questionnaires required when registering with Supplier Gate.

With the aim of guaranteeing objectivity and transparency in the contract award phase and taking account of ethical implications and social-environmental impact assessments, purchases are made via a system that permits the impartial comparison of multiple offers and the tracking of all negotiations carried out. This consequently makes it possible to identify the best trade-off between the technical and administrative assessment (including social and environmental sustainability criteria) and a distinct and separate, purely economic assessment.

According to special clauses included in the contracts used by the Procurement Head Office Department, suppliers that register with Intesa Sanpaolo's Supplier Gate must respect the main content of the Code of Ethics and the Internal Code of Conduct and undertake, when fulfilling their contractual obligations, to take all necessary measures to prevent any conduct that may prove relevant under Italian Legislative Decree 231/2001, and the anti-money laundering and anti-corruption legislation. On request, they must also submit documentation that proves their ongoing compliance with the social and environmental obligations they have undertaken, and also the compliance of any subcontractors.

The contractual clauses impose on the supplier the obligation to guarantee that treatment of employees in terms of economic conditions, wages, regulations, pensions, insurance and accident prevention aspects is not lower than the minimum standards outlined in applicable laws, regulations or collective bargaining agreements (also in relation to category and geographical area). Standard contractual conditions oblige every supplier and subcontractor (if applicable) to operate in complete compliance with laws on the environment, ecology and waste management (including laws on the circulation and disposal of waste electrical and electronic equipment) and, where requested, to document this compliance at any time.



People

RELEVANT ISSUES

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WHY THESE ISSUES ARE RELEVANT

Like the previous plan, the 2018-2021 Business Plan identifies the Group employees as key for the consolidation and continuing growth of the Bank. Thanks to their professionalism, their range of expertise and their growth paths, together with the important technological investments launched to be ready for the digital challenge, the people of Intesa Sanpaolo ensure the excellent quality of customer services and the fulfilment of the Plan's goals.

The importance of the Group's people is evident in the company's full protection of workers' rights with particular regard for the development of labour relations and employment protection, its personnel development activities, promoting training and merit, its concrete development policies and measures, and its enhancement of a modern and integrated company welfare system. The programmes adopted, also thanks to the numerous agreements signed with the trade unions, have made it possible to effectively protect employment levels through professional retraining activities, but also with the introduction and consolidation of numerous innovative contractual tools, that are able to foster the development of an effective company welfare system and establish a better work-life balance. In addition, since some time Intesa Sanpaolo has also adhered to an Occupational Health and Safety Management System compliant with the most advanced international standards and, in 2020, it amended and implemented it in order to deal with the COVID-19 epidemiological emergency.

PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVES

Macro-issue	Projects/Indicators	2020 Actions/Results (cumulative value since the start of 2018)	2021 objectives
Job protection	People reassigned to high value-added activities New hires	<ul style="list-style-type: none"> ▪ 1,428 reassigned employees working on new priority activities (4,456 since 2018) ▪ 3,031 hires at Group level, of which 386 with specialised profiles (1,220 since 2018) 	<ul style="list-style-type: none"> ▪ 5,000 people reassigned to high value-added initiatives ▪ At least 1,650 new hires to support core business growth

PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVES

Macro-issue	Projects/Indicators	2020 Actions/Results (cumulative value since the start of 2018)	2021 objectives
Labour Relations	Employees belonging to a trade union Signed trade union agreements	<ul style="list-style-type: none"> 79.1% in Italy (credit agreement) 31.4% abroad 42 signed trade union agreements (118 since 2018) 	<ul style="list-style-type: none"> People acting as an enabling factor, including by means of a meaningful discussion with trade union representatives
	Training: hours provided	<ul style="list-style-type: none"> 11.8 million hours of training (approx. 32 million hours since 2018) 	<ul style="list-style-type: none"> 46 million hours of training in the 2018-2021 period 11.9 million hours in 2021
	Insurance sector training	<ul style="list-style-type: none"> 214 protection specialists introduced to support branches (since the beginning of 2018) Around 1.1 million hours of training and specialisation for insurance sector growth for over 35,000 people, supporting branches 	<ul style="list-style-type: none"> Training and specialisation for insurance sector growth: around 220 protection specialists supporting branches; around 30,000 trained individuals from branches
	Loan recovery training	<ul style="list-style-type: none"> Over 23,000 training hours provided to over 5,000 employees to consolidate loan recovery 71 employees managing customers in arrears (418 since 2018) 	<ul style="list-style-type: none"> Enhancing skills in loan recovery and creating a dedicated internal unit (1,000 individuals managing customers in arrears, out of 1,300 reassigned to lending priorities)
	International Talent Program	<ul style="list-style-type: none"> Over 310 employees involved in development initiatives launched as part of the International Talent Program since the Program began 	<ul style="list-style-type: none"> Around 500 talents involved
	Managerial assessments	<ul style="list-style-type: none"> 569 employees subject to assessment (50% men and 50% women) 	<ul style="list-style-type: none"> Career advancement paths for employees destined for managerial roles
	Employees participating in the LECOIP 2.0 incentive plan	<ul style="list-style-type: none"> Over 80% of those eligible participating in the LECOIP 2.0 Plan 	<ul style="list-style-type: none"> Strengthening Group employee involvement through long-term incentive programmes linked to the Business Plan objectives
Retention, enhancement, diversity and inclusion of the Group's people	Diversity & Inclusion initiatives	<ul style="list-style-type: none"> The Diversity & Inclusion Principles were approved The Diversity & Inclusion Operating Committee was established, with the involvement of a focal point for each Structure (Divisions and Governance Areas) within the Group's scope The Control Room was established for the management and monitoring of the implementation of the D&I Principles, with a focus on gender equity Digital Coaches, digital suggestions on the new way of working, were produced; two initiatives were communicated to share good practices for working remotely in an inclusive way with content dedicated to all managers and professionals The KPI dedicated to promoting female talent included in the performance assessments of over 1,200 managers was confirmed The D&I Training Plan was defined Specific projects were continued to support empowerment and female talent, aimed at high-potential professional women and female managers 	<ul style="list-style-type: none"> Promote diversity and inclusion

PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVES

Macro-issue	Projects/Indicators	2020 Actions/Results (cumulative value since the start of 2018)	2021 objectives
Welfare and quality of life in the company	Smart Working	<ul style="list-style-type: none"> ▪ Around 65,500 participants in the flexible work scheme 	<ul style="list-style-type: none"> ▪ Flexibility programmes to improve staff productivity and satisfaction: smart working extended to 24,000 people in 2021
	"Offer of Personal Services" Store on #People	<ul style="list-style-type: none"> ▪ Over 650,000 pages visited and around 80% of the Italian employees used the portal 	
	Consultation and Support	<ul style="list-style-type: none"> ▪ Over 1,300 service accesses 	
	CareLab/#Stepbystep	<ul style="list-style-type: none"> ▪ Over 25,000 employees benefited from the digital opportunities offered on CareLab ▪ Over 5,500 downloads of the #Stepbystep app dedicated to movement 	
	Intesa Sanpaolo Employees' Association	<ul style="list-style-type: none"> ▪ Approx. 150,000 members ▪ Around 5 million euro to support free time initiatives, personal services, tourism, culture, sport 	
	Group health fund	<ul style="list-style-type: none"> ▪ Around 130 million euro of intermediate healthcare services net of excesses ▪ Over 213,800 people assisted 	<ul style="list-style-type: none"> ▪ Promotion of welfare and work-life balance
Supplementary pension	<ul style="list-style-type: none"> ▪ Over 95,000 subscribers to all Group Funds (Defined Contribution and Benefit) ▪ Approx. 10 billion of assets 		
Company climate	Internal climate analysis	<ul style="list-style-type: none"> ▪ Focus groups were organised to listen to Group employees' perceptions during the emergency phase. 	
Health and safety	Injuries	<ul style="list-style-type: none"> ▪ At work: 173 ▪ While travelling: 270 ▪ Employee injury rate: 0.5% 	<ul style="list-style-type: none"> ▪ Protecting Group employee health and safety
	Health and Safety Management System Certification	<ul style="list-style-type: none"> ▪ The certification attesting to the conformity of the Occupational Health and Safety Management System with the UNI ISO 45001:2018 standard, which covers 100% of the Intesa Sanpaolo branches and buildings in Italy, was confirmed 	
	Health and safety training	<ul style="list-style-type: none"> ▪ 33,279 participants in health and safety training; 159,677 hours provided 	

COMPANY POLICIES

The company's approach to managing issues relating to the protection of workers' rights is outlined in the Code of Ethics, which recognises the principles established by the fundamental conventions of the ILO (International Labour Organization) and in particular the right to freedom of association and collective bargaining, the abolition of forced and child labour, and non-discrimination in employment. The applied collective bargaining system works on two separate and complementary levels: the first at national level and the second at company level for the Intesa Sanpaolo Group (second-level contractual structure). The labour relations model, adopted and developed by the Group together with the Trade Unions, has promoted dialogue between the parties on a continuous basis. The model is a way of identifying the most suitable solutions and tools for addressing and managing the various growth and reorganisation phases that have marked the company's activities over the years, including those involved in the implementation of the 2018-2021 Business Plan. This exchange continued uninterrupted through remote methods in the emergency period and providing a significant contribution to keeping the options required to face the various phases of the pandemic crisis constantly up-to-date. Concrete evidence of this can be seen in the creation and work of bilateral Company/Union bodies, formed with the aim of analysing, identifying and proposing positive actions, solutions and tools in the areas of equal opportunities, welfare, safety and sustainable development.

Employment protection

JOB PROTECTION

For Intesa Sanpaolo, job protection is a priority issue for guaranteeing its mid- to long-term financial solidity, and is also one of the key topics underlying the 2018-2021 Business Plan. The development of labour policies is entrusted to a specific structure in the Chief Operating Officer Governance Area, which has the task of drawing up union agreements and monitoring their implementation.

Strategic measures included, within the scope of the agreements entered into, the strictly voluntary resignation, by June 2021, of 10,600 employees due to retirement or through access to the sector Solidarity Fund. Furthermore, the trade union agreement defined following the Public Purchase and Exchange Offer launched in 2020 for the acquisition of the UBI Banca Group, made it possible to identify the best conditions for a generational change without social impacts, ensuring an alternative to possible professional reallocation as well as the enhancement of human resources; in this context, approximately 7,200 voluntary resignations through access to retirement or the Solidarity Fund have been planned and will be completed in the new Group by 31 December 2023. Concurrently, in order to pursue a balanced management of the effects arising from the resignations and in order to support the Group's growth, 3,500 indefinite-term employment contracts will be signed within the same time frame.

Employment within the Group was also guaranteed by the gradual extension of the new mixed contract (around 380 people in service at the end of 2020), a working method whereby individuals possess two separate contracts, one permanent part-time employee contract and one as a self-employed financial advisor for out-of-branch activities.

In 2020 the Group workforce turnover rate was -3.43%, in line with the structural measures planned.

The 2018-2021 Business Plan has identified important staff renewal goals and focuses close attention on channelling excess capacity towards priority goals. As part of the NEXT project (Nuove esperienze per te) a reskilling training process was launched and Proactive HR "In-Placement" continued to reallocate around 5,000 employees to greater value-added activities. In this context, in 2020 the Intragroup Mobility structure and HR Proactive Placement continued to oversee the mobility tools and processes, verifying the availability of internal personnel and the necessary expertise on the basis of the identified requirements, while also guaranteeing the development of employees in new roles as per the Group strategy.

In 2020, with the aim of improving talent attraction, employer branding was focused on launching communication strategies that convey Intesa Sanpaolo's founding values, emphasising issues such as diversity, inclusion and attention to people in general. The communication channels were mostly physical in the first part of the year and, starting from March, solely digital. The Careers page was further enriched with content and the navigation was made more user-friendly: candidates can find there all the stages of the selection process and a lot of information about life at Intesa Sanpaolo. Employer branding activities were also continued on social media sites LinkedIn (18,700 views in 2020 with an interest rate of 4.2%, up by 27% compared with 2019) and Instagram. In the first two months of the year, the in-person formats continued, such as the Careers Meeting Points and the recruiting games, while due to the pandemic, all events with potential candidates were delivered digitally in the remainder of 2020. Furthermore, partnerships with the leading Italian universities continued, with over 20 events including Career days, workshops and training seminars, all delivered digitally. 2020 also saw the continuation of the Cyber Security Academy, in collaboration with Milan Polytechnic, in which the Group's line managers participate as teachers, while the Job Center continued to focus on selection and recruitment issues. In support of the Group's recruitment plan, around 70,000 CVs were assessed and around 5,300 candidates interviewed in 2020.

LABOUR RELATIONS

As well as by the industry outlook, relations with the Trade Unions are also regulated by the Labour/Management Relations Protocol which has made it possible to develop a specific union relations model in the Intesa Sanpaolo Group. Dialogue with the Trade Unions regarding company projects is ongoing, prompt and aimed at identifying shared solutions to the various requirements that come to the attention of the Parties. This also takes place in accordance with trade union representation in Italy (79.1% of current employees), in line with national representation in the sector. During 2020, the interaction between the company and the trade unions also took place via remote methods. 42 agreements were signed in 2020 which continued to focus attention on the Group's integrated welfare system.

The Time Bank, Flexible Work and the various initiatives for the development of policies and tools to address problems relating to the area of disabilities and to promote the culture of fostering inclusion are just some examples that define and characterise the overall direction that the second-level collective bargaining agreement has been going in for some time. To this end, the activities of the Welfare, Safety and Sustainable Development Committee set up following the Labour/Management Relations Protocol were also crucial. This bilateral body, which adequately represents both the company and the Trade Unions, is supplemented each time by technical experts that are able to offer specific expertise on the issues in question. In 2020, also in accordance with and in support of the Business Plan, the Committee promoted a series of measures and actions that contributed significantly to the development of issues connected with inclusion and organisational well-being. In relation to the COVID-19 emergency, in support of the extraordinary care and assistance needs of family members, a trade union agreement was signed which provided for specific family and parenting support measures.

Retention, enhancement, diversity and inclusion of the Group's people

COMPANY POLICIES

The enhancement of human resources and the principle of excellence based on the recognition of merit are defined in the Group Code of Ethics, in the Group Remuneration and Incentive Policies and in the Diversity & Inclusion Principles approved in 2020. Specific tools for managers and professionals make it possible to implement structured performance assessment processes and map skills.

The Group's Remuneration and Incentive Policies aim to align the behaviour of the staff with the interests of all stakeholders, focusing their activities on the achievement of sustainable medium to long-term objectives within the framework of the prudent assumption of current and prospective risks, as well as contribute to making the Group an "Employer of choice" for its ability to attract, motivate and retain top resources. Designed to respect regulatory requirements and based on correct relations with customers, the Policies link wages to risks undertaken, aligning the remuneration systems with prudent financial and non-financial risk management policies. In addition, the Policies are inspired by the principles of merit, rewarding outstanding contributions and guaranteeing a close relationship between bonuses and results achieved/risks taken, equality in both internal and external terms and as regards gender, and sustainability, making it possible to limit expenses to values compatible with the Group's economic and financial liquidity. The profound and sudden change in the macroeconomic context originated by the COVID-19 pandemic, as well as the ECB's invitation to banks to adopt the utmost prudence in the allocation of the bonuses pertaining to 2020, with particular reference to Top Risk Takers and the remaining Risk Takers, led the Intesa Sanpaolo Group to review the resources allocated to the financing of the 2020 incentive systems. This measure had a different impact on the various employee corporate segments. In summary, the reference bonuses of all Risk Takers were significantly reduced, protecting, instead, the resources allocated, through the VRB, to reward the larger population, also in order to recognise the particular endeavour made by the Banca dei Territori Network in the COVID-19 emergency. In terms of diversity, the Code of Ethics and the Diversity & Inclusion Principles enhance the specific qualities of each employee, recognising their key contribution towards innovation and the growth of the Group. At the same time, it guarantees equal opportunities in terms of professional growth and development and access to training courses and refresher and role assignment initiatives. The Diversity & Inclusion structure, created at the end of 2018 within the scope of the Chief Operating Officer Governance Area, pursues the mission to promote all forms of diversity that coexist within the Group: gender, generational differences, disabilities, sexual orientation, cultural, ethnic and religious differences.

PEOPLE AND DIGITAL TRANSFORMATION

People and Digital Technology are key enablers for achieving the goals of the 2018-2021 Business Plan. In line with this principle, the 3-year Digital & Data HR Transformation plan, with the aim of digitalising services and processes dedicated to people and creating a single access point, was successfully completed in 2020. This was also made possible thanks to an innovative approach that included the co-leadership of the Chief Operating Officer and Chief IT, Digital and Innovation Officer Governance Areas, a semi-agile working method, 100% Cloud IT platforms and cross-functional teams which over time have involved various structures and hundreds of people. The plan enabled the creation of #People, the portal and mobile App for Personal Services; the digitisation of People Management processes, such as recruiting, performance management, compensation, banding and titling management, internal mobility, reskilling, travel management; the complete digitisation of HR services, with over 50 digitised processes; the new integrated Business Travel service; the provision of managerial dashboards, tools and analytics to support an increasingly data driven approach also in the management of human resources; the creation of a single access point - called "My People" - for HR managers and personnel, which makes all information and data on employees available thanks to a range of different tools. The large investment proved to be essential in order to deal with the COVID-19 emergency, allowing us to respond promptly to the need to review the working methods and representing a valid support even in the most critical phases.

Employee Central – ISBD People Data is the tool dedicated to the International Subsidiary Banks which consists of a database containing the most important personal and professional information on around 20,500 employees from 9 Subsidiaries within the area managed by the International Subsidiary Banks Division.

#PEOPLE: THE PORTAL FOR THE PEOPLE OF INTESA SANPAOLO

Launched in 2018, this is the space dedicated to all Intesa Sanpaolo Group people. From the portal all employees can access their personal profile, which contains their main personal details together with their CV and a space for introducing themselves and sharing their professional ambitions, and the LECOIP 2.0 and POP (Performance-based Option Plan) section, so they can keep track of the Plans. There are also sections dedicated to Personal Services, which includes over 300 products and initiatives offered to employees (since 2018 around 1,180 searches - 370 in 2020 - have been published with over 15,700 applications received, 4,600 of which in 2020, and around 600 resources changing departments as a result - around 330 in 2020) and Next, the Intesa Sanpaolo placement and reskilling programme (around 4,500 people were involved at the end of 2020). #People also includes the Performance Management and News area, as well as multimedia information to keep employees up to date on the most important events and news. Two apps connected to #People and HR systems were also developed: the #People app so the Portal can also be accessed from mobile phones and the Feedback app, connected with the Group Performance Management system, which facilitates the sharing of feedback between Managers and Employees. #People is a constantly evolving space. In 2020, #People further evolved with the activation of Viaggi di Lavoro, the Group's new Business Travel service, a simple, flexible and digital service also available on mobile, and CareLab, a space dedicated to people's well-being. In addition, in order to respond to the needs arising from the COVID-19 emergency, a new tool dedicated to planning the return to the office was activated in #People, which allows to schedule accesses, ensuring compliance with social distancing and "safe" space occupation limits, to fill in the questionnaire to allow medical triage in case of symptoms, to monitor the turnout at canteens, and to obtain work certification in Intesa Sanpaolo for business trips. Since November, following the merger of UBI Banca into the Intesa Sanpaolo Group, #People has also been extended to around 15,000 new employees, with a particular focus on their involvement and in support of a quick and full integration.

ASSESSMENT AND INCENTIVE SYSTEMS

UpPER is a performance assessment system adopted in 2019 to meet the new development challenges and place the focus on every single individual, emphasising everybody's specific role and contribution. UpPER is supported by an intuitive and easy to use digital system which forms part of a broader project to transform and digitalise HR processes. The performance assessment is based on 3 indicators, shared between managers and employees at the start of the year. In order to foster continuous dialogue, during the assessment cycle managers can provide employees with feedback on the indicators that have been assigned, also thanks to the use of a specific app, enabling them to receive notifications of training opportunities, in line with other skills mapping and training processes.

For the Group's Risk Takers and Middle Management the assessment system adopted is known as Managers' Performance Accountability and is based on transparent, objective and measurable qualitative and quantitative KPIs identified in accordance with the goals of the Business Plan and also useful for measuring managerial qualities.

As for the International Subsidiary Banks, the New Performance Appraisal Tool - NewPat - was launched in 2018. This tool provides performance evaluation of all the employees from the head office departments.

In 2020 around 570 Group people (50% women, 50% men) were involved in managerial potential assessment days with the aim of creating management development groups to be nurtured on an ongoing basis.

For 2020 as well, among the non-financial KPIs, the CEO and over 1,200 Group managers were assigned the "Diversity and Inclusion" KPI (weight equal to 10%), assessed on the basis of the presence and positioning of Intesa Sanpaolo in international indices of specialised companies and relevant, within the scope of the related internal parameters, among others, to the enhancement of female talent and the gender pay gap, as well as the dissemination and promotion of Smart Working initiatives. The KPI "Impact and ESG" (weight equal to 10%) was also assigned to the CEO in 2020. This KPI was evaluated according to specific drivers aimed at monitoring, among other things, the Group's inclusion in the sustainability indices of specialist companies, support for the Green and Circular Economy, the Group's commitment to impact financing to foster inclusion and support for youth employability (see the Report on the remuneration policy and compensation paid), as well as the promotion of art and culture. This KPI was structured, beginning with the CEO's first line, on the basis of the levers used and, in particular, it was assigned to 4 top managers and 35 managers involved in the sustainability projects to varying degrees.

In accordance with the Business Plan, to maximise internal equity, external competitiveness and a culture of meritocracy, Intesa Sanpaolo has consolidated the introduction of a system to map the organisational positions in the company called Global Banding. Taking account of factors like complexity, type of influence and impact on the Group's results and strategy, Global Banding objectively evaluates the relative value of different organisational roles and represents in a more organic and objective way - both externally and internally - the responsibilities of each Manager, also through the adoption of an international title valid for managerial positions in Italy and abroad.

With reference to the enhancement of professionals, Intesa Sanpaolo has launched a human resources development project on an experimental basis for the development of a professional mapping model that is integrated into the HR Systems, mainly aimed at Head Office Departments and division personnel. The Titring Professional project aims to enhance the level of professional contribution provided in the context of its operations and the progressive skill specialisation.

As for its Incentive Systems, the Group has both short-term and long-term Plans for the entire workforce.

More specifically, for the Group's Risk Takers and Middle Management there is an annual Incentive System connected with the Managers' Performance Accountability system and, with reference to the International Subsidiary Banks, with NewPat according to which a bonus is awarded upon the fulfilment of certain goals in accordance with the rules outlined in the Remuneration and Incentive Policies.

For the remaining personnel, in order to continue rewarding them for their contributions to achieving the goals of the 2018-2021 Business Plan, a second-level agreement was signed on 30 June 2020 for the pay-out of the 2020 Variable Result Bonus (VRB). The aim of the 2020 VRB is to reward the increase in profitability and productivity obtained by achieving the results of 2020, that are identified in the agreements in relation to the different company levels of reference (Group, Division, etc.). Due to its variable nature, the 2020 VRB is a one-time bonus and the cash sum of the reward recognised to every employee consists of four parts linked to specifically identified economic and financial parameters and to specific clusters of Group employees:

- The basic bonus, for every company level, role or seniority level, is designed to reward individuals for the collective contribution made, supporting those with lower salaries as part of an internal equality policy;
- The additional bonus that recognises the contribution made to the results of the relevant department and varies according to role or seniority and professional category;

- The excellence bonus, which rewards individual merit and the distinctive contribution made to achieving the team's results;
- The ISP Casa synergy bonus, intended to reward the reporting of the personal details of potential customer-sellers in favour of ISP Casa.

SERVICE QUALITY AND EMPLOYEE INCENTIVES

The Excellence Bonus for personnel of the Intesa Sanpaolo network rewards the work of the best teams and sustainable performances over the medium to long-term in terms of profitability, expandability, credit quality, sustainable growth, service quality and a multichannel approach. This bonus is awarded to 20% of the best branches in each Sales Region.

In consideration of the COVID-19 emergency, employees who were absent for long periods during the year were also given the chance to participate in the Bonus. In addition, confirming the importance that the issues of assistance and services for families and work-life balance have in the Group's policies, employees once again had the option of requesting that all or part of their 2020 VRB be recognised in the form of welfare services, taking advantage of the opportunities that the tax regulations in the area of workplace productivity remuneration offer employees year by year.

In line with the strategic objectives, the Protection Excellence System (PES), dedicated to the personnel of the Network involved in the offer of insurance products, was also confirmed for 2020.

Finally, with the agreement dated 9 July 2020, the Insurance Division personnel was paid a Variable Additional Bonus (VAB) and a Social Bonus.

In addition to these instruments, the Group has put in place long-term Incentive systems that have the same timescale as the 2018-2021 Business Plan and are tailored to different employee clusters in terms of their purposes and instruments.

More specifically, to bring the Top Management, Risk Takers and Key Managers in line with the challenging and ambitious expected goals of the Plan, an incentive system based on performance conditions that uses an option vehicle called Performance-based Option Plan (POP) was launched in 2018. The POP guarantees a link between variable remuneration and the Bank's performance over time, paying out only in the event that value is created for shareholders.

Following on from the 2014-2017 LECOIP (Leveraged Employee Co-Investment Plan), the LECOIP 2.0 plan was launched as from 2018 for the other Managers and employees, and was warmly received by the Group's people, with over 80% of those eligible subscribing to the plan for an Initially Allocated Capital value of around 184 million euro.

TRAINING

In 2020 the Development Policy and Learning Academy Head Office Department continued to implement innovative training models and methodologies, geared towards all Group employees and conducive to promoting a multichannel approach that makes learning as simple and flexible as possible. During the health emergency, the necessary information resources were provided which are useful for the extensive dissemination of the rules protecting the health of all the Group employees.

In this context, the use of digital channels was further accelerated through Apprendo (the Group training platform), MyLA (the App dedicated to Banca dei Territori which this year exceeded 12,000 users) and Management School (the App dedicated to Group managers). In 2020 training amounted to around 11.8 million hours (11 million of which was conducted remotely) with around 97% of staff actively involved. The pandemic had a great impact on the way of working but, also thanks to the digital technology, it was possible to quickly reorganise remote activities, activating communication campaigns to encourage flexible training. In particular, smart learning enabled the provision of approximately 3.5 million hours to almost 35,000 Network employees, an average of approximately 100 hours per capita.

In 2020, employees were very positive about the training with satisfaction levels of 87% for digital training and 97% for live training.

An important change was introduced by the release of the Training Dashboards, available for HR supervisors and managers: Business Intelligence tools that enable to consult training data and gain an overview of the Group

employees' training progress. Thanks to the LRS (Learning recommendation system), an application powered by the data collected by the HR processes and models within the Group, it is possible to offer an automated and personalised training proposal according to the respective role.

The Appendo platform, in particular, was enriched during the year with over 2,700 new training tools. On a thematic level, the provision on mandatory issues of regulatory relevance for employees was extended and updated, with specific indication in the new Group Code of Conduct. The new three-year anti-money laundering, anti-terrorism and embargo training plan was launched, which has already involved most of the Group employees through new digitally available and remote live classroom initiatives. Digital contents were also made available dedicated to gaining further insight into the IT risks arising from the predominant use of technological devices over the health emergency. In the ESG area, a project was launched to strengthen the skills within the IMI CIB Division, through the activation of a training programme of remote classrooms which involved a group representing all the Head Office Departments of the Division with the aim of disseminating a basic culture on ESG issues as well as consolidating specialist skills. In the context of Diversity and Inclusion, in line with the commitments set out in the 2018-2021 Business Plan, initiatives were provided on the issues of female empowerment, the dissemination of the aging culture and the Diversity and Inclusion principles, in addition to training dedicated to employees absent from work for a long time on maternity leave. Special attention was paid to training, through the remote provision, all the employees who were impacted by the risks and processes related to the new protocols imposed by the COVID-19 pandemic in the Health and Safety area.

Employees' knowledge and skills are part of the Group's intangible assets, which are increasingly valuable also in the light of remote working and the technological transformations and knowledge that significantly shorten the lifespan of knowledge, resulting in the need to update this information thanks to some Group models. In order to support this aim, three important initiatives were carried out in 2020 at the basis of the processes relating to training and professional development:

- the integration of the Skills Dictionary, which aim is to map all the know-how available in the Bank and which, in 2020, was enriched with specialist knowledge, particularly from the Information Technology world.
- the activation of specific needs of the Teti Competenze initiative, the knowledge gathering process which in 2020 saw the involvement of around 24,000 people from the Head Office Departments and the Banca dei Territori Network in updating their knowledge and key information also for personalised training, mobility and reskilling initiatives, and for professional development processes, in application of the Roles Agreement, signed with the trade unions on 21 July 2020.
- the updating of the Roles Catalogue, which provides a snapshot of all the professional roles present in the Bank, through the involvement of Knowledge Owners, in order to guide the growth and strengthening of the professionalism of individuals in line with the business objectives; during 2020, specific updating initiatives were activated within the Head Office Departments and in relation to the new Network Service Model.

2020 was a pivotal year for the Management School which supported over 7,800 managers and talents, during the months of exceptional and unexpected transformation of the managerial context, in identifying the needs of the leaders who found themselves having to manage their teams remotely. The support to managers translated above all in the relationship with the advisors, the people who guide them along their growth process, over the course of 436 Distance Tutoring sessions, aimed at approximately a thousand managers, and 60 Webinars that involved about 4,000 managers. The new release of the Management School App has incorporated various functions such as the personalisation of the training opportunities and the full digitisation of the coaching experience with 223 individual or group processes activated during the year, of which 54 delivered digitally, for a total of 460 managers involved. The Management School App was enriched in 2020 with 212 new training contents (111 in the Mestiere del Capo section and 101 in the Uno Sguardo al Futuro section) for an overall offer of over 700 contents, over 680 learning objects were translated and also made available in English. The over 6,100 app users have generated more than 800,000 content views on topics relating to the manager's job, such as team management, including remotely, or content such as diversity & inclusion, big data and circular economy. The App installation rate was higher than 90% with an adoption rate of over 80% and a Manager approval rating with respect to the published contents of over 98%. During the year, the School organised a number of digital initiatives following the emergency period. The first format to be created was Digital Talks, meetings with an expert on the subject lasting 30 minutes: the first 9 editions, in May, were dedicated to smart working, starting from June, 30 Digital Talks were held on managerial and open mind issues that have an impact on Managers' work and professional life, to whom over 2,800 employees were invited, including 350 UBI Banca managers, 300 Intesa Sanpaolo and UBI Banca talents and 60 Intesa Sanpaolo Bank of Albania managers.

In addition, Digital Shadowing processes were launched that involved over 170 managers to support them and share useful feedback to improve performance in managing meetings and team relations..

Intesa Sanpaolo managers are called upon to operate in an increasingly international context and the Management School during the year provided 512 training initiatives on the English language which involved a total of 549

managers. In addition to this figure, another 104 other participants were engaged in initiatives on the English language dedicated to people included in the International Talent Program.

In the context of Impact initiatives, Z LAB is the 3-year project that Intesa Sanpaolo has created to develop transversal skills and help provide final-year secondary school students with career guidance. As host company, Intesa Sanpaolo provides the students with an environment based on interactive dynamics, experiential workshops, project work and the digital culture so they can discover and think about the world of work. Students are assisted by a specially-created team of around 25 internal employees with ad hoc training who oversee the workshop activities full time as tutors. From September 2020, Z LAB has continued online to allow partner schools to complete the courses started despite the pandemic. Over 2,650 students have been involved to date in the approximately 140 courses launched in 22 Italian cities, either in the classroom or online.

In order to aid the integration of UBI Banca employees into the Group, an ad hoc digital platform, ISP4U, was adopted, which makes it possible to use over 300 compulsory professional training contents and to promote onboarding initiatives in Intesa Sanpaolo's target structures.

TALENT DEVELOPMENT

The International Talent Program (ITP) has established itself as one of the most important talent development initiatives at a Group level. Launched in 2017 to develop a new generation of managers and professionals with an international outlook, the Programme is aimed at a target group of employees who are professionals or middle management. The key element of the Programme is its personalised development courses of 3-5 years. Each course consists of inter-functional, inter-divisional and international work experiences, each of which lasting indicatively at least a year. The aim is to develop new skills - technical/specialised, behavioural and managerial - and an overall vision of the Intesa Sanpaolo Group. All participants in the Programme are involved in specialist and managerial training initiatives in English in collaboration with leading Business Schools, in international workshops focused on innovation, and in project work initiatives closely related to the Group's business areas. For each talent there is a sponsorship programme for the entire duration of the course, with the direct involvement of Group Senior Managers. The first two editions of the ITP are currently taking place and involve 210 people from across the Intesa Sanpaolo Group. In addition, editions of the International Talent Program dedicated to specific governance areas were launched in 2019: in March 2019 an International Talent Program dedicated to the Chief Lending Officer Area was launched with the involvement of 14 Talents and in September 2020 an edition of the ITP reserved for the Chief IT Digital Innovation Officer Area began, with the involvement of 30 Talents. In the second half of 2020, the first fully digital selection process for the identification of talented professionals, regardless of age and seniority, recipients of talent management initiatives, was launched within the scope of the Corporate Control Functions. Concurrently, the integration of 60 UBI Banca Talents was started, which will continue their development process in Intesa Sanpaolo. Over 310 talents had participated in the Programme by the end of 2020, a major step forward as regards the goal of the Business Plan which aims to strengthen the Group's middle management with 500 talents by the end of 2021.

SUCCESSION PLANS FOR BUSINESS CONTINUITY

In order to ensure the security and continuity of the company's business even in the event of termination - for whatever reason - of those managers who hold significant corporate roles, the Intesa Sanpaolo Group has for several years defined and adopted rules for the management of the succession plans of Top Risk Takers (Strategic Succession Planning). These rules represent an opportunity for the Bank to enhance its human capital, with a view to strategic management of the managers' internal growth, with the aim of ensuring the constant presence within the company of the best, updated and competitive resources. Once again with a view to enhancing internal resources, succession planning is accompanied by a process aimed at identifying, managing and developing high-potential resources, which makes it possible to contribute to natural succession mechanisms, guaranteeing a constant and necessary generational turnover within the Group.

INCLUSION AND DIVERSITY MANAGEMENT

The company population is fairly evenly spread between male and female employees (men held steady at 46% and women at 54%). Representing 28.6% of all female employees in the Group, the number of female managers (executives and middle managers) as a proportion of all managers rose slightly compared with last year to 40%.

During 2020, the Diversity & Inclusion (D&I) Structure, created at the end of 2018 as part of the Chief Operating Officer Governance Area, continued its promotion of an inclusive work environment, capable of embracing and enhancing diversity in all its forms, in line with the strategy outlined in 2019, which is a continuous source of inspiration and method. Supported by a process involving the measurement and continuous assessment of the results obtained, the strategy sets the benchmark for an effective partnership with all of the structures involved in various ways in the co-creation and development of the initiatives.

The D&I Operating Committee was set up during the year in order to align, discuss and share Diversity & Inclusion initiatives with all the Structures. Through the D&I Operating Committee, the various initiatives are communicated and conveyed throughout the Group and the specific needs of the Structures are collected.

To make Intesa Sanpaolo's commitment towards inclusion even clearer and more concrete, the Group adopted a specific policy in 2020: the Diversity & Inclusion Principles. The policy supports the Code of Ethics and the Internal Code of Conduct, reinforcing the message on the values that are the hallmark of the Group and which must inspire all processes, initiatives and behaviours. The document confirms the actions already taken and outlines the process leading to the creation of an environment that is open to diversity and truly inclusive, as a condition for business sustainability, as well as an ethical priority for the Group. The policy sets out the Group's inclusion policy towards all forms of diversity and is based on respect for all people, meritocracy and equal opportunities. The Policy also identifies the tangible commitments undertaken by Intesa Sanpaolo in promoting an inclusive environment and defines the conduct that is expected of everyone. A specific section is dedicated to commitments on gender equity, aimed at guaranteeing fair opportunities in hiring processes, promotion to senior roles, appointments to Management positions and in the succession plan for top management roles.

In order to enhance women's talent and encourage the creation of fair and inclusive work contexts, the development initiatives aimed at professional women and female managers continued in 2020. The initiatives aimed at the enhancement and growth of high-potential professional women include job rotation programmes, shadowing and training courses for female empowerment: for example, the Digital Shadowing course for women was launched in 2020, which involved 38 women managers and 46 professional women from the Chief IT, Digital and Innovation Officer Governance Areas. The "Female Leadership Acceleration" programme, an assessment, training and development process aimed at high-potential women managers, with the aim of creating a community receiving customised management approaches in terms of growth, also continued. Once again this year, a dedicated KPI, with a direct impact equal to 10% of the incentive system, was included in the performance scorecards of over 1,200 managers in order to continue to raise the awareness of managers on the promotion of female talent. Among the activities put in place to raise the awareness of managers on the benefits of inclusion and the enhancement of all diversities, the managerial discussion process on Inclusive Leadership continued, involving the Chiefs and their top management and it will gradually be extended to other managerial levels. In the health emergency period, digital awareness-raising initiatives were launched (as part of the Digital Coach initiative) aimed at the entire company population (managers and professionals), with concrete suggestions and good practices for the adoption of inclusive behaviours in a context of widespread remote working.

The programme aimed at long-absent people also continued, in the context of an initiative under the Agreement dedicated to inclusion entered into with the Trade unions in 2018, with the aim of establishing a close relationship during their absence and promoting a fruitful return to work: launched in the pilot phase in 2019, 2020 saw the planning of the subsequent phases of the programme, with the aim of extending support for long-term maternity leave to the whole Group (Italy scope), as well as supporting other types of long-term absence (due to illness, parental leave or personal reasons). The parenting support initiatives were not aimed solely at female employees with children: an initiative on fatherhood was also launched, consisting of a first listening session and discussion with more than 50 fathers from different Divisions and Governance Areas. Starting from the needs expressed, from the experiences lived and from the ideas shared, specific initiatives will be designed to support fatherhood in Intesa Sanpaolo, with the aim of facilitating the balance between personal and professional life for parents and raising awareness among employees, as well as the managers, on the topic of parenting in the Group. In addition, a process was launched in 2020 on the theme of coexistence and enhancement of the different generations within the company.

The D&I Strategy aims to make an impact outside the Bank and, to this end, the collaboration with Valore D (business association that promotes diversity and female talent and leadership for the growth of companies and the country) and Parks – Liberi e Uguali has continued, as too has the partnership and active participation of more than 65 company Role Models in the Inspiring Girls initiative, a project dedicated to lower secondary school pupils which involves meetings with female managers from the Group with the aim of overcoming the gender stereotypes that can undermine the dreams and ambitions of schoolchildren and influence their future education choices.

In order to generate a positive impact on the national social fabric and involve all areas of the Italian territory, Intesa Sanpaolo also launched a project on the promotion of female talent with a specific focus on Southern Italy. The programme, developed in collaboration with Ortygia Business School, includes a mentoring process aimed at bringing young female students (mentees) from Southern Italy closer to the job market, benefiting - through individual coaching - from the experience of Intesa Sanpaolo female managers and professionals (mentors). Through partnerships with the Universities of Southern Italy, five scholarships will also be disbursed over the next three years to female students for studies at STEM (Science, Technology, Engineering and Mathematics) faculties, in order to actively contribute to attracting more female students to technical-scientific faculties, which offer greater employment prospects.

Intesa Sanpaolo's commitment to inclusion and promotion of diversity was also recognised by international indices: Intesa Sanpaolo is the only Italian Bank included in Refinitiv's Diversity & Inclusion Index, which names the top 100 companies worldwide, from a sample of over 9,000 companies. Intesa Sanpaolo was also included by Bloomberg's 2020 international Gender Equality Index among the 325 listed international companies most active in reducing the gender gap. In 2020, two Banks of the International Subsidiary Banks Division were recognised for their commitment towards Diversity & Inclusion. Privredna Banka Zagreb received the CSR Index award, conferred by the Croatian Chamber of Commerce and the Croatian Business Council for Sustainable Development, and an award from the UNICEF Advisory Committee on children's rights and corporate social responsibility, for its work-life balance policies and the various initiatives in favour of families, which also include discounts for children. CIB Bank, on the other hand, received the "Family Friendly Company" award from the Hungarian Foundation "Three Princes, Three Princesses Movement" for the various initiatives to support people in managing parental life during the period of remote working from home due to the pandemic.

Trade union agreements have also taken account of the issue of diversity since 2014 with the definition of the Framework protocol on inclusion and equal opportunities, reviewed in 2018, as part of the renewal of the second-level collective bargaining agreement, with the signing of an Agreement on inclusion.

As regards sexual orientation and gender identity, specific company policies were introduced back in 2014 to define the framework for the extension of company benefits to same-sex unions.

As well as promoting the specific interdepartmental work group that deals with problems connected with the world of disabilities and illness, the Inclusion Agreement also involves the launch of two trial projects with the support of the Welfare, Safety and Sustainable Development Committee to encourage people diagnosed with autism or autism spectrum disorder to perform data entry activities on behalf of Intesa Sanpaolo, and work-study initiatives for pupils with intellectual disabilities with the goal of potentially including them in the aforementioned work project. These projects will be partly funded by the Arrotonda Solidale ("Round-down Solidarity") initiative, also included in the Agreement and launched in 2019, which involves the contribution, on a voluntary basis among all employees, of the residual amount collected from rounding down net monthly salaries to the nearest euro. In turn, the Company will contribute the remaining cents to make the contribution per employee a total of one euro.

Moreover, the commitment on the dyslexia front also continues: Intesa Sanpaolo was Italy's first Dyslexia Friendly-certified bank in December 2018.

DISABILITY MANAGEMENT

The reference contact within the company to address all problems connected with the world of disabilities and illness is the inter-functional Working Group, created following the Inclusion Agreement of August 2018. Coordinated by the Welfare function, it includes the active participation of around 60 people representing multiple corporate structures. The aim is to combine the different professional skills with team working, in order to support and enhance everyone's contribution in the company. The group periodically meets with the trade unions as part of the Welfare, Safety and Sustainable Development Committee to define the initiatives to be undertaken and works in synergy with the Diversity & Inclusion Function. In 2019 most members of the working group, together with representatives of all the trade unions, attended the "Disability Manager e mondo del lavoro" (Disability Manager and the working world) higher education course organised by Cattolica University of Milan. Having passed the final exam, participants were officially recognised as 'Disability Managers' by the Region of Lombardy. The employees who joined the WG during the current year also participated in dedicated training sessions. The course laid the foundations for a common language, an important work tool. This year, a dedicated section was created on the company Intranet, which sums up the Group's commitment to Disability Management, and which has led to the birth of many projects, aimed both inside and outside the company. From the analysis of processes to continuously improve the management of individual requests from employees, to IT systems access monitoring. From training dedicated to all HR Managers, an important listening and reference point, to the packed schedule dedicated to the life stories of employees with disabilities and clips from managers and teachers with an international profile. As part of corporate volunteering activities, the experience of the volunteering network "Clouds of Solidarity" continued and, in collaboration with Dynamo Camp, an experimental project was launched whereby employees can apply to participate in a training programme according to the "Recreational Therapy" method. After an initial positive experience, the Guidelines to govern access to company premises by guide dogs, a pioneering initiative in the field, are being published. Equally intense is the commitment to the outside world, with the participation in the Chrodis+ project, a European joint action that aims to implement good practices to improve the employment inclusion of people with disabilities and chronic diseases, and in the round table "Abilitiamo la Disabilità" (Let's Enable Disability), in which Intesa Sanpaolo is present with other companies, institutions, associations and non-profit organisations, to discuss the experiences gained, with the aim of investigating, consolidating and spreading a profound culture on Disability Management issues. In short, tangible actions, examples that represent a real network of support and social inclusion, create widespread well-being and put people first.

In 2020, within the scope of the Welfare, Safety and Sustainable Development Committee, a project was launched to analyse and discuss the prevention of gender harassment and violence in the workplace with the goal of adopting a set of common measures, completing the internal reporting process of such events and identifying tools in support of victims of harassment. The Group also made available the service for professional psychological support to employees (men and women) who are victims of sexual harassment in the workplace or in the private/social sphere. The service, completely free of charge and accessible via a toll-free number available 24 hours a day, 7 days a week, also offers the option to initiate a first legal consultation.

Health, safety and well-being of the Group's people

COMPANY POLICIES

In terms of relationships with its employees, the Intesa Sanpaolo Code of Ethics promotes policies that help foster a better work-life balance; the concrete implementation of this principle takes the form of specific rules in the area of reconciliation. Welfare is a priority area with actions designed to foster motivation and involvement, placing people at the centre with the aim of meeting their needs and those of their families. Accordingly, the meetings between the company and the Trade Unions have often centred on policies to strengthen and fine-tune the instruments that make up the company's welfare package and significantly contribute to improving the work-life balance of Group employees and, as such, also their well-being. Well-being that is also protected through the safeguarding of health and safety in the workplace via increasingly effective measures, as outlined in the Group's Health and Safety Policy and Code of Ethics. The internal regulations establish a System of Roles and Responsibilities - in the shape of company rules and operating guidelines affecting many different parties - with regard to particular professional skills, i.e. specific corporate functions.

WELFARE AND QUALITY OF LIFE IN THE COMPANY

Intesa Sanpaolo has chosen a corporate welfare model that operates within an integrated system and includes: the supplementary pension, supplementary health care, the Cultural, Recreation and Sports Association for Intesa Sanpaolo Group Employees (ALI), the Intesa Sanpaolo Foundation NPO, as well as the coordination of the inter-functional group Disability management, the activities relating to attention to the individual and work/life balance and the set of Mobility management activities (see page 187). The company welfare system seeks to address the key issues in order to establish the best possible work-life balance for employees and their families. It does this by promoting sustainable solutions and projects consistent with their expectations. The activities are managed and monitored by the Labour Affairs and Policies Head Office Department.

Introduced in 2015, Flexible Working is the smart working model of the Intesa Sanpaolo Group. From the initial phase to its consolidation as an ordinary working method, Flexible Working has gradually involved an ever-increasing number of structures and employees, in 2020 proving to be a winning model in the organisation of work and an effective tool also in the COVID-19 emergency. In order to make it possible to extend Flexible Working also to structures not previously included or with strong operational or technological constraints, Intesa Sanpaolo has accelerated the supply processes of IT equipment and the identification of innovative solutions. With the trade union agreement dated 11 June 2020, the option to join the Flexible Working scheme was activated for all Group people with children under the age of 14, in all roles and/or duties, including in-Branch, providing for the right to use at least one day of remote working from home per week, if requested. At the end of 2020, employees joining the Flexible Working scheme stand at approximately 65,500 (the figure stood at approximately 17,250 at the end of 2019). Within the scope of the International Subsidiary Banks Division, in addition to the banks where it was already active in 2019 (Banca Intesa Beograd, Intesa Sanpaolo Bank Albania, CIB Bank and VÚB Banka), flexible working was activated at the beginning of 2020 in PBZ for Head office staff on a target population of 764 employees. As from March, concurrently with the COVID-19 emergency measures, flexible working was extended to 74% of the banks' Head office staff, while other protection measures were identified for network personnel. In the second half of the year, following internal surveys and in line with the provisions of local laws, the Banks launched new projects and flexible working methods which include an increase in the maximum number of work-from-home-days (CIB Bank, VÚB Banka), the revision of the layout of office spaces to a more sophisticated one (VÚB Banka), and the extension of flexible working to more people, including network personnel (Intesa Sanpaolo Bank Albania), which at the end of 2020 made it possible to extend the target population to a total of 7,000 employees.

WORKFORCE TRANSFORMATION PROGRAMME

In line with the provisions of the 2018-2021 Business Plan in terms of transition to new ways of working and taking up the challenges imposed by the COVID-19 pandemic, the projects within the context of the Workforce Transformation programme were enhanced in 2020. The programme aims to:

- increase people's level of satisfaction, improving the work-life balance while at the same time maximising productivity;
- guide a greater and more conscious adoption of smart working, including by promoting more collaborative, agile and objective-based working methods;
- support overall efficiency, also thanks to the optimisation of spaces and real estate assets;
- increase the Group's attractiveness towards new talents, thereby increasing retention;
- contribute to the development of inclusive and sustainability policies within the Group.

Over time, Intesa Sanpaolo will address some changes that will transform the way in which the Group works, acting on the working and collaboration methods between employees, on technological and innovative support solutions, on redesign of layouts and spaces, on new flexibility initiatives, including in terms of access to smart working and working hours.

Another innovative tool is the Time Bank, a reserve of time made available by the company and employees so they can provide greater support for people in difficulty, even for brief periods, and give them more time. It is also an initiative that appeals to our generosity and spirit of solidarity because, in addition to the hours made available by the company, with an initial reserve of 50,000 hours, every person has the possibility of donating some of their leave or holidays, which the Bank will then match, up to a maximum of another 50,000 hours. Over the course of 2020, in order to cope with the many difficulties generated by the COVID-19 emergency, in support of the care and assistance needs of family members, a specific trade union agreement was signed in June which promoted an extraordinary donation campaign of holidays or bank hours by personnel to the Time Bank, with the aim of allowing them to be used for assistance to the elderly or non self-sufficient people (family members and relatives within the first degree) and to parents with children up to 14 years of age who had fully benefited from the extraordinary leave introduced by the "Cura Italia" Decree and subsequent amendments. In addition, the agreement provided the option to benefit from an additional 2 days of hourly paid holiday compared to those due annually as an additional form of flexibility in the interest of work-life balance. In 2020 employees donated 38,500 hours, which were topped up with the same number of hours by the company, for an overall total of 77,000 hours. Additionally, these donations also included, on an exceptional basis and following the aforementioned agreement, a further 17,600 hours of paid holiday not taken by personnel that left pursuant to the company agreements in place for voluntary exits.

Personnel belonging to the Group's Branches and those engaged in activities that did not allow the use of smart working were granted 6 additional days of paid holiday with the option of monetising a part thereof. In 2018, the renewal of the second-level Group agreement made it possible to consolidate and strengthen the tools designed to provide parental support. Indeed, fathers can request specific additional paid leave for the birth of their children, 10% of the sum granted by law for parental leave, 30% of their individual gross annual remuneration if they take an additional 10 days of leave once their statutory parental leave has finished, and additional days of unpaid leave and leave of absence for the illness of a child or for childcare reasons. The series of regulations on parental rights has been expanded, on a trial basis, to include an additional form of paid leave to settle children in at crèches or pre-school, and extra days of unpaid leave to care for underage children for separated or divorced parents, the exclusive guardians of children, as well as in the cases of widowhood and single-parent families. The size of the cheque that the Company pays to employees with disabled family members also increased.

Maternity and paternity support is also provided through an excellent company crèche service in Florence, Milan, Moncalieri, Naples and Turin which looks after 255 children, as well as a network of partner crèches across Italy.

The supplementary pension system of the Intesa Sanpaolo Group counts (including the defined contribution and defined benefit pension schemes) around 95,000 members as a whole with over 9.5 billion euro of total assets. In July 2020, the Supervisory Authority issued the directives for the application of the "IORP II" EU legislation on the subject of governance and transparency of supplementary pension schemes. In the panorama of national supplementary pension schemes, the Pension Funds of the Intesa Sanpaolo Group were among the first to adapt to the obligations laid down by this legislation. It is still possible to subscribe dependent family members and continue to subscribe to the Fund, including upon termination of the employment agreement,

regardless of having reached retirement age. The functions made available by the Fund within the reserved area of the website were fine-tuned further, allowing the member in particular to conduct simulations in order to work out the expected net amount in the event of a claim for advances and services. The trade union agreement dated 1 April 2020 regulated the option to integrate one's individual position further by requesting the transfer of previous employee termination indemnities (accrued up to 31 December 2006, set aside at one of the Group companies and not paid to another form of supplementary pension schemes). In relation to the COVID-19 emergency, the Bodies and operating structures of the Group Funds, in agreement with the external advisors, have worked to maintain and defend the income targets of each sector, with the interventions that became necessary in the interest of its members for the protection of pension savings.

THE GROUP HEALTH FUND

The Intesa Sanpaolo Group Health Fund is an NPO that operates on the basis of cooperative and social solidarity values for strictly welfare-related ends, appointed to manage supplementary health care services for all Intesa Sanpaolo Group employees, as well as former employees on leave and retired employees who were subscribers and their family members. The Fund is a leading entity at the national level, both in terms of the number of users (over 213,800 people in 2020) and the volume of services provided, through direct agreements with health facilities and by way of reimbursement. During the COVID-19 emergency, despite the enormous difficulties caused by the pandemic (the sector records a 25-30% performance decline compared to 2019), the Fund continued to guarantee health care to its members for over 130 million euro, confirming its role of constant reference point for health and prevention. The campaign, conducted with the support and validation of the Fund's Scientific Committee, to raise awareness, prevention and early diagnosis of tumours, launched in 2019, also continued, through the publication on the dedicated portal of interactive content, questionnaires, video clips and monographic articles of an informative nature. In addition, in 2020 the Fund focused specifically on communication and assistance aspects also in relation to COVID-19. Thus, the services offered by the Fund do not exclude pandemic events and include COVID-19 screening tests. In 2020, the Health Fund's activities were especially focused on the review and improvement of the channels of contact with members, through the implementation of proprietary management procedures, the renewal of the internet portal and the activation of digital and more user-friendly communication channels, in order to provide an effective service that is always attentive to the needs of all clients.

In 2020 the International Subsidiary Banks Division once again renewed the International Healthcare Programme initiative, which offers a total of 19,000 international employees with permanent contracts (the cover was also extended to Pravex during the year) second medical opinions (also extended to spouses and school-age children) and/or medical treatment in top-level health facilities (for employees only) located in foreign countries to those where employees live and/or work. The programme provides assistance in the event of serious illnesses (cancer, transplants, highly complex surgical procedures etc.), covers treatment and complementary service costs (visa assistance, hospitalisation, accommodation for an accompanying person, travel etc.), all transport and accommodation expenses in the foreign country, and reimburses all medical costs borne once back home. Given the travel restrictions imposed by the pandemic, alternative solutions were adopted which in some cases involved treatment in the country of residence.

Intesa Sanpaolo Employees' Association (ALI) has been working since 2014 in the Group Welfare System as the only Group association, providing its approximately 150 thousand Members, at the local and national level, with tourism, culture and sport initiatives and services or opportunities of meeting up dedicated to work-life balance. During 2020, the COVID-19 emergency had a profound impact on all the activities of the Association, which identified new initiatives and focused on new aspects in relation to the evolution of the pandemic. As an alternative to the traditional summer camps in Italy and abroad, young student members were offered - in synergy with specialised companies - a range of innovative solutions to take advantage of online language courses, programmes dedicated to high school, university and/or work options, an experimental project for learning an effective study method to better address in-class and remote teaching and improve their academic performance, with a programme dedicated to individuals with specific learning disabilities. The Christmas Gift initiative was dedicated to children aged 1 to 6, with which ALI supports the project to educate children about saving by depositing a contribution in the account "XME conto UP!" current accounts opened on the children's behalf; starting from this year, families were able to request, alternatively, an Amica Farmacia or Chicco gift voucher. A one-off voucher is given to the families of all babies born during the year which the member can spend at either Amica Farmacia or Chicco. On an experimental basis and completely free of charge, all Members were offered the opportunity to activate the "Welcare Family" services to receive personalised

advice on the range of welfare and educational services available in the respective territory of interest; the innovative Stimulus psychological support service was made available to adult family members through an online platform and a toll-free number, which is added to the service already made available by the company for all Group employees. In order to promote physical activity - as a source of health and well-being and the reduction of sedentary behaviours - the Group continued to cooperate with partners who, given the pandemic situation, expanded the offer with online proposals. The literary contest RACCONTALI, now in its fourth edition, was extended to poetry this year, focusing on the theme "Memorie di quarantena e parole per il nostro futuro" (Quarantine memories and words for our future). In order to support families in the emergency caused by the pandemic, extraordinary contributions were approved for the purchase of PCs/tablets and bicycles, including electric ones, and the quality was enhanced - also thanks to the new online section of the Ali x te website - alongside the range of services designed for Members in the following areas:

- agreements for online purchases of anti-COVID-19 personal protective equipment, technological products, ergonomic chairs and pharmacy products
- "green" agreements, for the purchase or sharing and long-term rental of scooters and hybrid and electric cars, in addition to important initiatives in support of sustainable mobility thanks to the contributions approved by some Local Councils
- purchasing groups of quality food products through the Intesa Sanpaolo Destination Gusto platform.

Finally, the promotion of solidarity projects continued, recruiting volunteers for initiatives like Giornata di raccolta del farmaco (Medicine Collection Day).

The Intesa Sanpaolo Onlus Foundation represents a tangible manifestation of sensitivity and social responsibility towards people. In 2020, the extraordinary ability to react to the new difficulties of the context allowed the Foundation to complete not only the traditional activities in support of economic and social hardship, but also to offer tangible support to the country's weakest individuals, which the effects of the pandemic have rendered even more fragile and vulnerable, contributing to the purchase of food, basic necessities, medicines, clothes, personal protective equipment and environmental sanitation products. The total amount approved by the Board of Directors is approximately 2.6 million euro and includes, in addition to the extraordinary measure to deal with the COVID-19 emergency, support packages in favour of the Group's employees, retirees and their families experiencing hardship and a significant allocation to canteens for people in need and dormitories for the poor and needy.

PEOPLE CARE

As part of the 2018-2021 Business Plan, People Care, the project launched in 2018 with the aim of improving the quality of life in the company and increasing employee well-being, continued in 2020 on the basis of the four-pillar "Service Model": enhancement of the offering of services to the people within the company, active consultation and analysis of the needs of company employees, monitoring of the leading companies in People Care systems, implementation and development of the offering of new services. In this perspective and also in relation to the COVID-19 emergency, activities accelerated in the first half of 2020. The Consultation and Support service, in light of the positive experience of the Pilot project on a Regional Department, was extended on 17 March to the entire Group's population in Italy, recording over 1,300 accesses at the end of 2020. Designed to provide immediate professional and confidential support in the case of life situations that generate concerns or affect general well-being, the service is made available thanks to the partnership with a leading company in Europe specialised in the sector and with the supervision of the A. Gemelli Postgraduate School of Psychology of Cattolica University of Milan, which monitors its effectiveness. It is totally free of charge and features different access methods (a toll-free number available 24/7 and a dedicated web platform) guaranteeing psychological support, including remotely. In this context, the first edition of the training course for personnel managers "Ascolto del disagio: l'ascolto attivo come strumento di supporto e gestione dei colleghi in difficoltà" (Listening to hardship: active listening as a support and management tool for employees in difficulty) was launched in December, with teaching provision from the A. Gemelli Postgraduate School of Psychology of Cattolica University of Milan.

The new CareLab section, a project carried out as part of the activities of the «Lavoro da casa (Work from home)» Task Force, set up to support Group employees to deal with the COVID-19 emergency, was launched in April 2020. Found within the Personal Services Section of #People, it focuses on the areas of Well-being - Nutrition, Movement, Energy and emotional well-being, and Caregiving - as an integrated system "to experience the ways to well-being". CareLab intends to provide employees with the necessary tools to consolidate or start healthy lifestyles and habits, through theoretical notions and practical experiences, making the most of all the digital opportunities available. At the end of 2020, over 25,000 employees benefited from the digital opportunities offered by CareLab. In addition to the contents created in the various formats - publications, videos, podcasts and events - by external partners specialised in each wellness area, two services are also made available free of charge to employees on CareLab: #Stepbystep, the Intesa Sanpaolo app that encourages movement and a healthy lifestyle and the online gym, with a weekly schedule of live and on-demand lessons with expert and qualified trainers. At the end of 2020, over 5,500 downloads of the #Stepbystep app dedicated to movement were recorded.

The Consultation and Support and CareLab initiatives have been extended to UBI Banca employees at the end of November.

Within the scope of the International Subsidiary Banks, concurrently with the period of restrictive measures to contain the emergency, a number of initiatives aimed at mitigating the effects of stress and promoting employee physical and mental well-being were launched both at the Division Head Office level and at the local level, while aiming to maintain a sense of belonging. Among the various proposals, 5 webinar sessions were held on the topic of stress and anxiety management through breathing, meditation and yoga techniques, which involved 70 employees at Division Head Office level. The activity was then extended to the HR communities of all international subsidiary banks through an international session that involved 120 people.

COMPANY CLIMATE

The Intesa Sanpaolo Internal Communications Service is responsible for developing a common culture based on corporate values and fostering the sense of belonging of employees. An integrated system which, as well as the structured consultation of employees, is made up of instruments like the Intranet, Web TV, Mosaico, Mosaico International and the interComm app which foster the continuous sharing of information, engagement, the sharing of objectives and active participation in changes. These tools have also been made available to UBI Banca employees, along with the activation of a Web TV channel for them. In 2020, the pandemic led to the need for new ways of working, communicating and liaising, to which the Internal Communications integrated system was able to respond with constant supervision, promptly informing all employees through the publication of news, the timely updating of the section dedicated to COVID-19, skype interviews with Group managers, and the sending of mass emails. A key moment was listening to employees' opinions, in order to analyse their perceptions during the emergency phase. The survey took place in April 2020 for all employees in Italy and in June for all employees of international companies. The analysis was conducted with the methodological consultancy and operational support of a third-party company which guarantees

the total anonymity of those who take part in the survey and which, in parallel, surveyed a sample of workers representative of the Italian population by gender, age and area of residence. The survey was answered by 57.7% of employees who highlighted more positive perceptions on the issues investigated than the rest of Italy (sample of Italian workers). The Group employees demonstrate a very high sense of belonging, promoting the Bank for the way it has handled the emergency with authorities, customers and employees. Smart working is appreciated by all company employees, even those who are not eligible for it, and after the emergency hopefully they will be able to increasingly benefit from it; the managers adapted well to the new situation and were appreciated by employees both in-branch and at home. After 6 months, a new survey was conducted in December on the subject both on the Intesa Sanpaolo population and, for the first time, on the UBI Banca population for a total of 81,385 employees involved and a response rate of 46.5%. The results show a high level of common feeling between Intesa Sanpaolo and UBI Banca employees. As in April, uncertainty was among the main emotions felt by the Group employees. A decrease in fear was recorded and at the same time hope and trust also decreased. A high sense of belonging to the Group was confirmed, stronger than the other employees in the Italian sample, and the opinion on managers was equally positive. Those working remotely have more positive emotions than those working mainly in the branch/office and self-perceive an increase in productivity, autonomy, ability to concentrate and digital knowledge. Finally, compared to April's survey, the Group employees were more in favour of extending the weekly smart working days compared to the pre-COVID period.

Furthermore, this year as well, structured listening - as a tool that can provide support to the Top management and the company structures with regard to issues and specific requirements or project activities - led to the implementation of a number of listening activities (feedback, surveys, focus groups, etc.) with the involvement of thousands of employees from the Governance Areas, Divisions and Group companies.

HEALTH AND SAFETY

The Safety and Protection Department is responsible within the Group for overseeing health and safety activities. Intesa Sanpaolo has adopted and successfully implemented an Occupational Health and Safety Management System identifying, within its organisational structure, responsibilities, procedures, processes and resources for implementing its policy on the protection of employees. With the aim of enhancing the health and safety protection of its employees, since 2017 the Occupational Health and Safety Management System has undergone an annual audit by an independent third party which certifies its compliance with current legislation and industry standards (UNI ISO 45001:2018). The responsibilities and methods associated with the implementation, maintenance, monitoring and improvement of the Occupational Health and Safety Management System (OHSMS) are outlined in the Process Guide - Compliance Management - Management of Occupational Safety Regulations, updated in 2018. The Guide was produced with the goal of reducing the possibility of any harmful event occurring that impacts people, the environment and relevant external parties, monitoring risks in the operations of the company and external businesses involved in the company's activities, and gradually improving the Group's performance in occupational health and safety. The risks to the health and safety of employees are evaluated according to a multidisciplinary approach, considering the combined effect of the working environment, processes and equipment as well as the subjective conditions of workers. The health and safety risk management process comprises the following phases:

- identification of dangers and their classification;
- risk assessment;
- identification and preparation of prevention and protection measures and procedures;
- definition of an action plan as part of a programme to guarantee the improvement of safety levels over time, with the identification of the competent company structures;
- realisation of the planned measures as part of the programme;
- definition of worker information and training programmes;
- monitoring of the implementation of the programmes and checks on the application and effectiveness of the measures adopted;
- management of residual risks.

Intesa Sanpaolo (as Employer) – with the collaboration of the Head of the Prevention and Protection Service and the Occupational Health Doctors and following the consultation of the Workers' Representatives in charge of Safety - drafts and updates the Risk Assessment Document which contains, among other things:

- identification of dangers and their classification;
- specification of the prevention and protection measures implemented and the individual protection equipment adopted following the assessment;
- the programme of measures regarded as suitable for guaranteeing an improvement in safety levels over time;
- an outline of the procedures for the implementation of the measures, as well as the company roles responsible for this.

The assessment and the associated document are updated on the basis of technical developments as well as significant changes to the production process and organisational structure of the company that may impact on the risk exposure of workers. This commitment was fulfilled in 2020 as well, with the updated document provided to all employees. Following a 2016 union agreement the Group's Worker Safety Representatives (WSR) were elected. Their areas of responsibility are defined on a geographical basis. The group of representatives currently numbers 104 employees who represent almost 100% of the staff. Every year dedicated training activities are held to update the WSR. Thanks to this series of activities it was possible to make the procedures for consultation and participation in the overall health and safety management system fully operative, as established by the regulations. In 2020, the risk assessment was strongly impacted by the COVID-19 pandemic and the consequent implementation of the biological risk assessment: the ongoing assessment of the constantly evolving national legislation - to which full compliance was always guaranteed - was crucial. For the assessment of the risk during the pandemic, the Safety and Protection Department relied on the Group's Occupational Health Doctors coordinated by the Director of the Occupational Medicine Unit of Asst Fatebenefratelli Sacco and by the Coordination Director of the Occupational Medicine Outpatient Unit of the Azienda Universitaria Ospedaliera Città della Salute e della Scienza di Torino. Moreover, for the aspects relating to plant and environmental conditions and protection systems, it relied on the professors of the Department of Public Health Sciences of the University of Turin and of the Department of Medical and Surgical Sciences of the University of Bologna. Actions were therefore taken to prevent the risk of SARS-CoV-2 infection in the workplace, also contributing to the prevention of the spread of the epidemic. These measures can be classified as follows: organisational; prevention and protection; specific for the prevention of epidemic outbreaks. Among the behavioural measures, hygiene practices and codes of conduct were introduced by informing and empowering personnel through appropriate signs, guidelines, videos, infographics and links, as well as providing health equipment and Personal Protective Equipment (PPE) according to principles of rationality and progressiveness and setting up different kits according to the locations open to the public, the need to liaise with customers and internal activities. In terms of the organisational measures put in place to guarantee reduction in personal contacts and social distancing, specific closures and reopenings of offices, flexible working hours and shifts, extended flexible working from home and the digitisation/remote working were introduced for employees. For customers, a system of restricted admissions was introduced, with specific appointments, the definition of essential transactions to be performed face-to-face and the extension of multi-channel services, while new access, interference and Risk Assessment Document (DUVRI) management procedures were implemented for suppliers and consultants. The per capita space available to all staff was increased with dividers and fewer workstations, the conditions for the formation of gatherings were eliminated, providing precise rules and prohibitions for meetings, events and access to company canteens, as well as specific rules and restrictions for mobility to and from areas at greatest epidemiological risk in terms of transfers and missions. Among the technical measures, specific instructions were defined for environmental hygiene, including daily cleaning and deep cleaning of workplaces, sanitisation and management of air treatment systems. The Company Emergency Plan was also revised, along with intervention and first aid procedures, the cover of employees in the branches and in head office department buildings and the safe organisation of the annual evacuation drill both for fire prevention at all the Group's offices, and for earthquake drill in the offices located in seismic zones 1 and 2. In order to serve as a training and information measure, a section dedicated to COVID-19 was created on the home page of the company intranet, which collects the regulations issued, the material produced by the WHO, ISS and other authoritative institutional and health sources, guidelines for safe flexible working, guidebook on the perception and management of the COVID-19 risk, manuals for the management of work environments and the behaviours to be followed during work activities, infographics, videos and information series on how to care for health and digital work management. Courses were also provided in relation to:

- the measures introduced in the Company for the COVID-19 emergency;
- the management of the triage activity, following the identification of COVID-19 cases among the staff;
- amendment to the emergency plan and intervention procedures to deal with the COVID-19 emergency;
- basic training and periodic updating for workers and supervisors;
- basic fire prevention training for emergency personnel in low fire risk buildings;
- periodic fire prevention updating for emergency personnel in low and medium fire risk buildings;
- basic theoretical first aid training for emergency personnel;
- training on specific risks (radon and asbestos).

In terms of the medical measures, the support of Occupational Health Doctors was enhanced to minimise the impact of new cases in the company, identify the personnel to be placed on leave, provide general medical information to all personnel and evaluate readmission to the workplace. A management process of cases was introduced with a precautionary and anticipatory approach through the epidemiological analysis of local zones

with the identification of areas at greatest risk, the analysis of possible, suspected and confirmed cases on leave or sick leave and the identification of close contacts to be placed on leave. Measures were introduced to protect vulnerable personnel in the event of an infection, placing people with severe motor or sensory disabilities, with diseases involving immunosuppression, with chronic illnesses, with multimorbidity, pregnant and breastfeeding women, the elderly and people with disabilities on leave (with the exception of flexible working from home). Psycho-social support interventions were put in place, with specialist psychological debriefing activities for working groups affected by COVID-19 cases, psychological support interventions for infected people and consultation and support initiatives for all personnel.

At the international level, during the COVID-19 emergency and in 2020, the health and safety officers of the International Subsidiary Banks and of the Group's international structures were involved in the dissemination of the management protocols relating to the actions to be taken in accordance with the epidemiological development in the different contexts, as well as the dissemination of the Group standards and the specific local requirements of each country. Despite the variety of situations to be dealt with, the creation of the network of specialist representatives, in particular in the 11 subsidiaries of the International Subsidiary Banks Division, operating since 2019, and the use of collaboration areas for the timely sharing of updates and communications contributed to the management of the pandemic also at an international level.

THE MANAGEMENT OF THE COVID-19 EMERGENCY IN THE COMPANY

The process of managing and activating support for employees impacted by COVID-19 entails a first phase of acquisition of all reports of cases and contacts already defined by the National Health System or suspected cases, coming from employees, personnel managers and by the persons in charge of the various structures. The Safety and Protection Department personnel, with the support of Occupational Health Doctors, carry out the "triage" activity by classifying cases and contacts, not only by implementing the guidelines of the National Health System. (ASL/ATS, general practitioners, etc.) but also by researching and identifying possible cases and possible close contacts between personnel with symptoms and between personnel who had contacts, in an anticipatory and collaborative manner with respect to the search routinely conducted by the National Health System. Once cases and contacts have been identified, information is given to both the personnel and the structures involved, and to the competent local ASL departments, sanitisation interventions are activated where necessary, collective briefings are organised where necessary with the impacted structures and for cases where the event was considered particularly traumatic, collective debriefings of psychological support are organised with the support of psychologists. At the end of the leaves due to cases and close contacts, eligibility for readmission to work is checked by the Occupational Health Doctors. In order to monitor the level of epidemiological risk, ISP created a "contagion monitoring model" to protect employees with a precautionary and preventive approach, in view of the phases following the lockdown. The model was built using the governance risk matrix which is based on 3 macro-indicators (monitoring capacity and surveillance systems and data collection by the National Health System - diagnostic assessment, investigation and contact tracing - stability of transmission and capacity of the Healthcare Services) and the results of which are used as inputs, integrating some specific and significant indicators for ISP. The result is a model that allows to monitor the evolution of the risk level for ISP in relation to each province: measures activated following critical evaluation by management are associated with each risk level which allow to identify, formalise and define preventive measures to respond to changes in the context. Intesa Sanpaolo supported research on COVID-19 conducted by the Università Statale di Milano at the Sacco Hospital. In particular, since the first days of the lockdown, the Innovation Center has supported the research activities of the Infectious Diseases Laboratory at the Sacco Hospital for: - The reconstruction of the process of propagation of the infection in Italy and Europe; - The identification and analysis of mutations in viral genes, to identify any impacts on virulence; - The management and organisation of the analysis on an exceptional amount of data from the laboratories of the Sacco Hospital network. Among the main results, the publication of a scientific paper in the international medical journal *Viruses* which made it possible to observe that almost all of the viruses in Italy belong to the B.1 lineage, which later became the most widespread in the world, observe that the most likely period of entry into Italy is at least one month before the description of the first cases and estimate the parameters relating to transmissibility. During the pandemic, the Intesa Sanpaolo Group also supported numerous hospitals in the country.

In 2020, the flu and pneumococcal vaccine campaign was activated for the Group's personnel: joining the campaign was on a voluntary basis, with the option to subscribe to the administration of both vaccines or just one of them. Throughout the national territory, 17,493 flu and 7,575 pneumococcal vaccines were administered.

ACTIVATION OF DEVICES FOR RAPID TESTS TO GROUP EMPLOYEES

The execution of rapid tests for employees was successfully carried out and to the satisfaction of the personnel involved, in a head office building in Naples and in the Lodi area. It is believed that, in the current COVID-19 pandemic context, characterised by the increase in the need for diagnostic tests that guarantee rapid response times and ease of management, the introduction of rapid swab tests represents a valid tool for the containment of the spread of the virus and will prove particularly useful to speed up the identification of positive cases among symptomatic subjects, and to speed up testing in suspected cases and close contacts. With the collaboration of the company RBM Salute, a model of geographic coverage of rapid test devices was activated in 24 Group offices, up and running as from January 2021, which employees identified by Safety and Protection Department and Occupational Health Doctors will be able to access on a voluntary basis under certain circumstances and following the triage activities.

UNI ISO 45001:2018 CERTIFICATION FOR OHSMS

The certification attesting to the conformity of the Occupational Health and Safety Management System with the UNI ISO 45001:2018 standard was confirmed in 2020. The audit activities were based on a significant sample of branches and sites and involved the main head-office structures, branch employees, occupational health doctors, Worker Safety Representatives, and maintenance and cleaning company staff. The certification obtained covers 100% of the Intesa Sanpaolo branches and buildings in Italy.

The development of the Intesa Sanpaolo infection risk prevention protocol, which took place in accordance with the various management phases following the declaration of the pandemic status, was subject to an independent assessment through two separate assessment activities: the first, carried out during the lockdown period, assessed and certified the organisational model and the measures adopted by Intesa Sanpaolo to combat and contain the spread of the COVID-19 virus in the workplace, according to the DNV GL COVID-19 Risk Management assessment protocol (the results are set out in the report "20200507-ISP-COVID-19 Assessment Final Report-Rev.1" of 7 May 2020); the second, carried out in August and September, in accordance with the MyCare® model, certified a Maturity model through which the effectiveness of the management system implemented to mitigate the risks of infection by pathogens was assessed.



Environment
and climate change

Environment and climate change

RELEVANT ISSUES

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WHY THESE ISSUES ARE RELEVANT

Climate change is an extremely important phenomenon and the changes taking place are transforming our planet. As well as its consequences and repercussions on the planet's ecosystem, the constant increase in global temperatures due to the growing concentration of greenhouse gases in the atmosphere is also impacting on the economic and social dynamics of present and future generations.

The seriousness of the phenomenon was confirmed by the reports of the Intergovernmental Panel on Climate Change (IPCC), according to which, at the current rate of CO₂ emissions, the increase in the average global temperature will be over 1.5°C by 2030 (compared to pre-industrial levels), considered by experts to be the maximum safety threshold to avoid otherwise irreversible consequences.

According to the "Risk Analysis. Climate change in Italy" report by the Euro-Mediterranean Centre on Climate Change (CMCC), Italy is one of the Mediterranean countries most exposed to the effects of climate change. The result is the emergence of a scenario in which risk will grow in many areas over the coming decades with significant economic and financial costs for the country and impacts that will be felt in all sectors and most keenly by more disadvantaged sections of society.

Effectively tackling the causes of climate change and adapting to its impacts therefore requires a collective effort at both global and national level as well as a comprehensive and systemic view of the problem. With the health, social and economic crisis caused by the COVID-19 pandemic, 2020 helped us to focus more closely on the importance of improving the resilience of our social, environmental and economic systems to internal and external stress, including climate change.

The European Union has made clear commitments to combating climate change with the aim of reducing emissions by at least 55% by 2030 and making Europe the first climate-neutral continent by 2050. To accelerate this transition, in 2019 the European Commission presented the European Green Deal, a roadmap for making the EU economy sustainable; later, at the start of January 2020, the Green Deal investment plan was presented, which aims to mobilise at least 1 trillion in sustainable investments over the next decade. The EU's commitment to guaranteeing the transition to a low-carbon economy is also confirmed by the Recovery and Resilience Facility, a tool which represents 90% of the 750 billion euro EU Next Generation plan (which will help European states address the economic and social impact caused by the COVID-19 pandemic). The Recovery and Resilience Facility provides subsidies and loans subordinate to the presentation of national recovery and resilience plans (NRRP), in which 37% of resources must be allocated to the climate.

Intesa Sanpaolo has long backed the transition to a low-carbon economy through direct actions to mitigate its emissions and its support of green initiatives and projects of benefit to its customers.

This commitment, confirmed in the 2018-2021 Business Plan, takes form through actions to support the production system from an environmental perspective, like the specific credit plafond of 6 billion euro for companies that adopt the circular model. Furthermore, in January 2020, in the context of the European Green Deal, Intesa Sanpaolo stated its willingness to make available 50 billion euro loans in the coming years in Italy. As concerns 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.

PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVES

Macro-issue	Project/Indicator	2020 Actions/Results	2021 objectives
Transition to a sustainable, green and circular economy	Loans and services for the Green and Circular Economy	<ul style="list-style-type: none"> Loans disbursed for the Green and Circular Economy: over 2.5 billion euro disbursed, equal to 2.9% of total loans Circular Economy credit plafond: 2.2 billion euro disbursed since launch of credit line 	<ul style="list-style-type: none"> Supporting the green economy 6 billion euro credit for companies that adopt the circular model using innovative methods Launch of a specific investment fund dedicated to the Circular Economy
	ESG-Linked loans for SMEs: S-Loan	<ul style="list-style-type: none"> Loans granted with ESG-Linked KPI around 130 million euro disbursed 	<ul style="list-style-type: none"> Supporting the sustainable economy
Direct environmental impacts	Greenhouse gas emissions*	<ul style="list-style-type: none"> Scope1 + 2 Market-based**: 68,725 tCO₂ eq -13.1% vs 2019 -59.7% vs 2008 0.020 tCO₂ eq/m²: -10.3% vs 2019 0.768 tCO₂ eq/addetto: -7.5% vs 2019 	<ul style="list-style-type: none"> Containment of CO₂ emissions
	Energy consumption	<ul style="list-style-type: none"> Electricity: 387,714 MWh Thermal energy: 190,180 MWh Renewable electricity consumption vs total: 84.3% Electricity produced from renewable sources: 1,082 MWh 	<ul style="list-style-type: none"> Containment of energy consumption Increase in the use of renewable energy sources Maintenance of electricity production levels from photovoltaic energy
	Responsible management of resources	<ul style="list-style-type: none"> Paper purchased: 4,660 t Environmentally-friendly paper purchased (including recycled paper) vs total: 85.0% Paper saved: ~2,400 t Toners used: 96.5 t Remanufactured toners used vs total: 54.7% Water: 1.7 million m³ Waste: 3,167 t Business travel: 61 million km ISO 14001 and 50001 certified scope: 100% of Intesa Sanpaolo branches and buildings in Italy New Headquarters: Green Building Council LEED certification - Platinum level - in the sustainable building management category 	<ul style="list-style-type: none"> Responsible use of resources

* Emission factors for the calculation of CO₂ established by Intesa Sanpaolo, in accordance with the ABI Energia Guidelines - Linee guida sull'applicazione in Banca del GRI Standard in materia ambientale - and on the basis of the main 2020 publications (UNFCCC, IEA, IPCC, AIB, etc.).

** Market-based: the Scope2 data for purchased electricity considers the contribution, agreed contractually, of the guaranteed renewable source certificates, which therefore have zero emissions.

Transition to a sustainable, green and circular economy

COMPANY POLICIES

In accordance with the principles of the Code of Ethics and the Rules for environmental and energy policy, the Intesa Sanpaolo Group has always paid particular attention to the portfolio of green products and services it offers to its customers, also with the goal of contributing to combating climate change.

In January 2020, Intesa Sanpaolo, in the context of the European Green Deal, stated its willingness to make available 50 billion euro loans in the coming years in Italy.

Intesa Sanpaolo is active in supporting the transition to a low-carbon economy, promoting renewable energy, energy efficiency and the circular business model, and encouraging the development of its various customer segments, committed to reducing their environmental footprint, by promoting green products and services supplied via the sales network in Italy and abroad. In 2020 it expanded its range with innovative financial solutions that meet the growing need for products increasingly in line with ESG principles. The Group also takes heed of the impacts generated by customers and suppliers, contributing to the spread of virtuous processes and behaviours in the environmental, social and governance areas. In addition, particular importance is given to training and research initiatives, as well as to events on environmental issues organised by Intesa Sanpaolo and/or its partners.

LOANS AND SERVICES FOR THE GREEN AND CIRCULAR ECONOMY

In 2020, the Group's disbursements for the Green and Circular Economy came to over 2.5 billion euro, equal to 2.9% of all Group's loans.

GREEN ECONOMY

In 2020 the disbursements of the Group for the Green Economy totalled 1,985 million euro (almost 22 billion euro in the 2010-2020 period).

The offer involves all customer segments: retail customers (46%), businesses and Third sector (15%), corporate & project finance (39%).

The Bank supports the green projects of its retail customers through the granting of mortgages and loans for environmental purposes.

The financing solutions are not only aimed at those who want to purchase or build an energy efficient property but also at those who want to improve their energy efficiency through energy-saving measures such as, for example, the replacement of fixtures and high-performance boilers, the renovation of buildings from an energy efficiency perspective, the purchase of environmentally-friendly vehicles and the installation of solar and photovoltaic panels.

The range of sustainable Mortgage solutions has been enriched with the introduction of Green - Mutuo Domus: a subsidised mortgage (reduction of the APR and free energy certification for renovation purposes) which makes it possible to purchase and build a residential property in Italy with a high energy class (equal to or higher than B) or to renovate a residential property in Italy improving its energy performance rating by at least one class.

In 2020, over 5,100 green mortgages of a total value of over 800 million euro were issued.

Still on the subject of mortgages, Intesa Sanpaolo participates in the EeMAP (Energy efficient Mortgages Action Plan) project, a European initiative that aims to create standardised European energy efficient mortgages with a view to encouraging the redevelopment of buildings and the purchase of energy efficient properties thanks to preferential financial conditions.

Special conditions were also introduced in the loans area for the PerTe Prestito Facile and PerTe Prestito Giovani products for environmentally-aware customers who want to improve the quality of their properties with energy redevelopment measures. Around 59 million euro of green loans was granted in 2020.

The range of green solutions has been enriched with a series of dedicated services, some of which provided by partner companies. These additional and optional services help to assess the possible savings that can be made through energy redevelopment measures, for example. They include the Valorizzazione Immobiliare service which, via a specific tool, enables branch managers to support customers who intend to invest in their homes through energy redevelopment measures and restructuring works, identifying, free of charge, possible ways of reducing their energy consumption and, if possible, benefitting from tax breaks. In the event the customer wants a precise assessment of the condition of their property, it is also possible to perform an

energy check on the home, benefitting from special conditions. This check takes the form of a personalised consultancy service consisting of an inspection in which the individual components and energy characteristics of the building are examined in detail in order to determine the potential savings that can be made with the house.

Intesa Sanpaolo offers those planning to carry out renovation works - families, condominiums or specialist businesses, for example - a special structured solution so they can benefit from the subsidies introduced by the Italian "Rilancio" Decree (converted into Law no. 77 of 17 July 2020). This Decree raises the tax deduction level to 110% (the so-called "superbonus"), usable over five years or transfer of tax credit, for all energy redevelopment expenses incurred on the building between 1 July 2020 and 31 December 2021 for the performance of works such as insulation, the replacement of boilers with centralised condensation systems and heat pumps, including hybrid or geothermal systems. Intesa Sanpaolo's modular solution is based on the purchase of the tax credit at a fixed price set at the outset as a function of the type of the tax credit, the optional PerTe Ecobonus bridge-loan to start the work, without having to wait for offsetting against tax liabilities (with an undertaking to repay this advance by transferring the tax credit to the Bank), and the option of benefiting from free advisory service in identifying and gathering the technical and administrative documentation required to issue the approval, where applicable. PerTe Ecobonus also makes it possible to finance other measures that benefit from tax deductions of less than 110% (Ecobonus/Sismabonus and other construction tax bonuses), and more specifically energy efficiency projects, the installation of photovoltaic systems, the installation of electric vehicle charging columns and the adoption of anti-earthquake measures.

Among the insurance products that aim to cover customers' insurance needs in the Family, Health and Property areas, the XME Protezione insurance policy focuses on protection against natural disasters, providing coverage for the damage caused by atmospheric events such as floods and cloudbursts. The coverage will reimburse up to 80% of the customer's property value. Over 105,000 XME Protezione policies with flood coverage had been taken out at the end of 2020.

In the area of motor insurance products, the ViaggiaConMe policy with consumption-based plan involves a premium linked to the number of kilometres travelled during the year: once the defined threshold has been exceeded, the premium to be paid will be integrated based on the additional kilometres travelled. The proposed solution therefore discourages the use of vehicles, with potential positive impacts on the environment.

Lastly, following the environmental disasters and extraordinary weather events that affected Italy also in 2020, the Intesa Sanpaolo Group continued its tangible and concrete commitment to supporting households and businesses affected with specific focus on agricultural companies, penalised more than anyone else by exceptional weather events, through the activation of dedicated credit lines, new subsidised loans for redeveloping damaged structures (homes, shops, offices, artisan workshops and businesses), suspensions of payments on outstanding loans and preferential, simplified and expedited procedures for the new instruments. In particular, emphasising its strong bond with the areas in which it operates and to help the public and the economic fabric of affected zones to deal with the emergency situations, the following instruments were provided in 2020: a 100 million euro credit line for the Verona area; a 300 million euro credit line to help families and businesses throughout the Triveneto area; 200 million euro for all of the provinces of North-West Italy; a 25 million euro credit line for families and businesses in the city and province of Crotona which suffered damage as a result of the extreme weather events.

Intesa Sanpaolo has continued to support non-profit companies that wish to invest in energy efficiency projects with solutions that make it possible to save on energy costs and increase the overall sustainability of their business.

Intesa Sanpaolo supports professionals and businesses in the creation of investment plans in the energy sector with short, medium and long-term loans to support renewable energy and energy efficiency projects.

In terms of products, in December the Banca dei Territori Division updated its range of solutions with Energia Impresa, a medium-term loan that replaces the previous Energia Imprese and Energia Sostenibile products, incorporating their features.

The new product is particularly flexible both in terms of the personalisation of the loan and its adaptability to various segments: the Renewable Energy sector (photovoltaic, wind energy, hydroelectric energy, residual gas from purification processes); Biogas, for the production of electricity; Biomethane, for the production of biomethane for transport; Energy Efficiency measures, for energy efficiency investments in buildings, plants and processes.

One distinctive feature of the solution is the support of MLT/Leasing Specialists who evaluate the technical/financial aspects of the investment and its relative sustainability, also availing themselves of a specific simulation tool and, if necessary, the assistance of the Energy & Utilities Desk in the origination phase of the project, in the structuring of the loan, in the technical due diligence phase, which is preceded by an appraisal - usually performed by an external consultant specifically appointed according to the regulations in force - to

support the Bank's credit assessment, and in the formulation of the final opinion on the technical, economic and financial sustainability of the project.

The Energy Desk, composed of a team of professionals from the sector, provides assistance for entrepreneurs who have planned investments in renewable energies or who intend to diversify their energy sources, assessing their projects from a technical and business perspective and evaluating the financial sustainability of the investment: a comprehensive service that ranges from the credit consultancy on risk assessment and the structuring of the most suitable financial solutions, to advice on new market opportunities and technology trends in the area of new energies.

To support businesses that aim to improve their sustainability profile and with the goal of assisting them on a path of structural change, associating their economic and financial decisions with their environmental and social impacts, in July 2020 Intesa Sanpaolo launched an innovative new solution to finance and encourage the sustainable growth projects of SMEs. The new ESG-Linked S-Loan stands out for the sharing of sustainability performance improvement goals by businesses, through precise commitments undertaken with the Bank via specific indicators subject to annual monitoring, certified by the business in the notes to their financial statements, and rewards in the shape of special conditions, with rate reductions awarded to businesses that meet their fixed goals. The product is activated through the signing of a covenant based on the choice of two KPIs, relating to two different ESG areas, from a selection of six. If, on the basis of the declarations in the notes to the financial statements regarding KPI-related performances, the covenant is respected, the corporate customer shall be granted the special rate for the following year. In 2020, 71.7% of businesses chose an Environment KPI (Energy procurement with Guarantees of Origin or Introduction of a procurement policy including environmental considerations). Intesa Sanpaolo allocated a 2 billion euro credit line for the S-Loan as part of the 50 billion euro dedicated to the Green Economy. At the end of the year 119 projects had been funded for a value of over 130 million euro.

To help raise awareness of environmental issues among business customers, in 2020 a number of webinars and focus sessions were held, also in collaboration with external media partners and trade associations, on the key issues and most high-impact Group solutions in the area of sustainability and ESG topics particularly with regard to the S-Loan, as well as on the issue of the Circular Economy and the Superbonus, generating great interest and strong participation among customers.

The IMI Corporate & Investment Banking Division (IMI CIB) continues to pursue its commitment to sustainability, promoting innovative financial solutions that respond to the growing need for products more in line with ESG principles. During the year it assisted and supported businesses with sustainable strategic plans and investments for the transition towards a green and circular economy.

The range of financial products includes the following main solutions: Sustainability-linked and Green Loans, Circular Economy Loans and placements that permit the use of the Bank's dedicated credit line, Green, Social and Sustainability-linked Bonds (e.g. SDG-Linked or Climate Change), as well as Project Finance dedicated to the world of renewable energies (wind, photovoltaic, biomass, hydroelectric).

In 2020 the Division participated in numerous green, circular and sustainable financing operations (bilateral and syndicated). In addition, in September it participated, as Joint Bookrunner, in the issuing of the first equity-linked green bond in Italy by Falck Renewables SpA.

In April 2020 IMI CIB took part, as Joint Lead Manager and Joint Bookrunner, in the issuing of the Cassa Depositi e Prestiti Social Bond, an operation designed to support the businesses and public entities severely affected by the COVID-19 emergency.

All in all, the IMI Corporate & Investment Banking Division participated as bookrunner in 12 Green, Social and SDG-linked bonds in the Euro market in 2020.

In December 2020, there were also two commodity finance contracts that link the variation of the interest rate with the achievement of environmental-linked KPIs.

In terms of innovative solutions, in November 2020 IMI CIB concluded an ESG operation on the Forex market with Moncler that makes it possible to link the hedging of currency risk with the company's green sustainability goals. The operation leverages on the ESG experience acquired by Intesa Sanpaolo also as part of the operation concluded in December 2019 with high-speed railway industry business Italo (first ESG-linked derivative in Italy related to interest rate hedging).

Furthermore, in order to accelerate the spread of the ESG culture and guarantee its customers the best solutions, the IMI CIB Division, leveraging on its internal and international expertise, put together a specialist interfunctional coverage and product team, known as ESG Team IMI CIB, consisting of professionals with complementary knowledge, expertise and experience in order to offer its domestic and international Corporate customers a wide and integrated range of products/services.

In the second part of 2020 a pilot training course on ESG issues was launched for IMI CIB, which focused on Environment and Climate problems.

CIRCULAR ECONOMY

The Circular Economy is fundamental for economic development that generates a positive environmental and social impact. The circular model is based on the redesign of industrial processes and business models to generate economic and competitive advantage for companies, with a regenerative approach towards natural capital. Its objectives include the generation of a virtuous cycle in the use of resources, overcoming the linear model which involves extraction, production, sale and waste.

The Intesa Sanpaolo Group confirmed its commitment to the Circular Economy by promoting the spread of the model, drawing on the support of the Ellen MacArthur Foundation, the main promoter of the global transition towards the Circular Economy. In fact, it continued to collaborate with the Foundation, of which Intesa Sanpaolo is now Strategic Partner thanks to a 3-year agreement for the 2019-2021 period. Intesa Sanpaolo will continue to redefine business strategies in an innovative way, ensuring financial support for investments to facilitate the redesign of the industrial system. The activity is considered of primary importance for the Group and is indicated as a strategic pillar within the 2018-2021 Business Plan.

The transition to a Circular Economy continued, also with the contribution of the Intesa Sanpaolo Innovation Center, a Group company which oversees all the Circular Economy activities.

The Circular Economy Lab (hereinafter, CE Lab), launched in 2018 thanks to a Framework Agreement between Intesa Sanpaolo and Fondazione Cariplo with the goal of supporting and assisting the transformation of the Italian economic system and disseminating new models of value creation in the collective interest, accelerating the transition to the Circular Economy, was relaunched with the renewal of the partnership signed in July 2020. The Circular Economy Lab's strategy involves open innovation operating methodologies aimed at identifying innovative solutions and technologies in the area of the circular economy and its relative activities are now based on these three pillars:

- the promotion and spread of CE culture at national and international level through events, networking platforms with the involvement of external stakeholders and partners;
- innovative training programmes aimed at businesses, with the aim of supporting the updating of the circular economy business culture;
- the acceleration of the circular transformation through Circular Economy advisories for SMEs and Corporate businesses.

Among the various projects, the CE Lab launched an open innovation programme for the circular innovation of a Group customer, an initiative that involved almost 100 start-ups (15% foreign) with mature and market-ready solutions; 10 start-ups made it to the final and were presented to the customer's management team in order to launch pilot projects.

In partnership with Microsoft, it also launched a Call for Start-ups with the aim of combining the principles of the circular economy with the potential of the digital revolution. The initiative involved over 400 start-ups (55% Italian and 45% foreign) and over 20 Corporate businesses and SMEs. The result is an important and up-to-date map of the digital technologies that act as enablers for the Circular Economy.

In order to provide concrete support to companies involved in the transition process, the Intesa Sanpaolo Group, within the time-frame of the 2018-2021 Business Plan, has decided to provide a credit plafond of up to 5 billion euro, increased by 1 billion euro in 2020 following the operation with UBI, aimed at companies which adopt the circular model with innovative procedures, granting the best conditions for accessing credit. In 2020 this business support tool was also extended to the foreign banks of the International Subsidiary Banks Division. In addition, a tranche of the credit plafond was allocated to supporting businesses that invest in projects in the area of the production of renewable energy, energy efficiency and sustainable farming and biodiversity. Still in the area of green initiatives, a tranche of the credit plafond was also dedicated to supporting the Green Mortgages requested by customers for the purchase of new high energy efficiency houses (class B upwards) or the refurbishment of houses with consequent improvement of the energy class.

As regards the credit process, the Intesa Sanpaolo Innovation Center, based on criteria connected with investments in the Circular Economy defined together with the Ellen MacArthur Foundation, is responsible for providing a technical assessment on the level of circularity of the initiatives proposed by businesses. More specifically, the circular eligibility criteria are as follows:

- Solutions that extend the product life or cycles of use of goods and materials (application of modular design; implementation of reverse logistics programmes; reuse, repair and regeneration or reconditioning of products);
- Production processes fuelled by and/or products made of renewable or recycled resources;
- Products and/or services that significantly increase effectiveness and efficiency of the resources consumption, within the company or along its supply chain (application of principles of industrial symbiosis and realisation of an integrated supply chain that makes waste streams into feedstock; closing loops and/or

apply circular economy and systemic design principles; creation or promotion of a supply chain guided by circular principles);

- Design and/or manufacture of products that can be fully recycled or composted within an efficient framework of collection, separation and recycling after use (compostable products, recyclable products);
- Innovative technologies that enable circular business models (Internet of Things to empower traceability services, reverse-logistic and/or predictive maintenance; use of additive manufacturing/3D printing to increase the easy-to-repair degree and the materials efficiency; Big Data analytics, Artificial Intelligence, and Cloud Computing aiming at dematerialisation services and/or marketplaces development for secondary raw materials).

As regards the tranche for green projects, the criteria used to access the credit line and for which the Innovation Center provides an assessment are:

- Renewable energies and in particular investments in production, transmission, infrastructure and associated assets, such as solar, wind, bioenergy/biomass and hydroelectric energy;
- Energy efficiency, for example new investments and maintenance in infrastructure, technologies and services that contribute to reducing energy consumption and/or increasing energy efficiency; construction and redevelopment of new energy-efficient buildings;
- Sustainable management of natural resources and the soil, biodiversity; sustainable farming and urban greening projects.

Out of a total of 420 applications reviewed since the launch of the credit line, 139 projects with circular criteria and valued at over 1.3 billion euro and 7 projects with green criteria valued at more than 65 million euro have been funded by the end of 2020*.

Numerous company projects were supported for initiatives such as the replacement of traditional materials with others from recycled or biological sources, the recovery of urban organic waste for biomethane production, with the production of compost and recovery of CO₂, the production of coloured compostable fabrics with dyes made from agricultural waste.

In order to disseminate and share these criteria within the Bank, an online training course targeted at over 50,000 Group employees has been set up and further updated.

Training and awareness initiatives have also continued, producing the following overall results: over 450 workers participated in specific courses; 19 training tools and 7 Circular Economy Podcasts; around 800 students were involved in circular lectures. With regard to the Banks of the International Subsidiary Banks Division, in May and June 3 online sessions were held for the Managers and Relationship Managers of the Corporate&SME functions. The training sessions, which involved 150 employees from the Division's Banks, sought to raise awareness of Circular Economy criteria also through the sharing of Group success stories with the end goal of facilitating the transition to Circular Economy models in the countries in which the Division operates.

During the year, the assessment of businesses along their value chain also continued (over 100 businesses have been interviewed since the start of the initiative) with the use of the Circular Economy Standard, an instrument used to measure the level of circularity; 2 in-depth workshops on Circular Economy issues were also held for businesses.

With regard to start-ups (see page 118), 2020 saw the continuation of the Startup Initiative which selects the most promising innovative start-ups, provides them with coaching on approaching the market and introduces them to the stakeholders of the innovation ecosystem. The selection process integrates the circularity criteria in the overall assessment. An Italian start-up in the bioeconomy sector was heralded as Circular Economy success story.

In the context of partnerships and collaborations, meetings of the Alleanza Italiana per l'Economia Circolare (Italian Alliance for the Circular Economy), of which Intesa Sanpaolo is the promoter, together with Enel, also continued. The Alliance comprises a number of large and medium sized 'Made in Italy' companies and, since 2017, has sought to reinforce existing collaborations and propose new projects between companies, in order to promote the transition to the Circular Economy in the various production chains, while also involving Italian and European institutions. To this end, in November a new position paper was published which presented not only the vision of the Alliance and its guiding ideas and experiences, but also a road map to the circular economic model consisting of concrete goals and opportunities.

To spread the culture of innovation in the area of the Circular Economy, in 2020 the Group continued to support the BioCircE Master's (the first Italian Master's course in this area).

An agreement with Bocconi University for research into the Circular Economy, geared towards validating the

* The figures including UBI Banca are as follows: out of a total of 441 applications reviewed since the launch of the credit line, 145 projects with circular criteria and valued at over 1.3 billion euro and 10 projects with green criteria valued at around 70 million euro have been funded by the end of 2020.

theory of de-risking financial portfolios both at individual counterparty and portfolio level, was renewed for two years. The Circular Economy and Finance research project scientifically analysed this issue by focusing on some of the opportunities available in terms of de-risking circular assets, generating superior risk-return combinations and the ability to stabilise performances over time. As part of the work, the 3R (Risk, Revenue, Reputation) Model was defined, a mapping of the main benefits generated for financial institutions by the Circular Economy.

As part of the partnership with the Ellen MacArthur Foundation, in September 2020 the paper “Financing the circular economy - Capturing the opportunity” was published with the expert contribution of the Intesa Sanpaolo Innovation Center.

In terms of European Commission initiatives, Intesa Sanpaolo continued the activity it began in 2017, regularly participating in the work of the Group of Experts for the financing of the Circular Economy, contributing in 2020 to the publication of the document Categorisation System for the Circular Economy which aims to identify the activities that significantly contribute to the goals of the circular economy also through the development of the associated technical screening criteria.

In June 2020 Intesa Sanpaolo was the winner of the ABI Award for Innovation in Banking Services in the Innovation in Sustainable Finance category thanks to its Intesa Sanpaolo Circular Economy Plafond project. The award recognises the company's willingness to contribute to the development and transformation of the Italian economic context, making a positive impact on both society and the environment. In December, this award made it possible to participate in and win the XI National Innovation Award – Premio dei Premi, established by the Office of the President of the Council of Ministers with the permission of the President of the Republic, who every year presents it to the best innovation projects in the banking, industry, services, university, public administration and voluntary sectors.

GREEN BONDS

In 2017, Intesa Sanpaolo was the first Italian bank to issue a 500 million euro Green Bond connected with environmental sustainability projects. The commitments undertaken by Intesa Sanpaolo are defined in Guidelines (Green Bond Framework) in line with the Green Bond Principles of the ICMA (International Capital Markets Association), as confirmed by an independent audit performed by an external ESG research and analysis company. In June 2020 Intesa Sanpaolo published its third annual Green Bond Report [1] on the use of the proceeds from the Green Bond and its associated environmental benefits. The report also includes the certification of the auditing company, the Second Party Opinion on the bond issue (Robust ESG performance) and Moody's assessment, which obtained the highest score (GB1 Excellent). At 31 May 2020, the proceeds from the Bond, fully allocated during the first year of the issue, had been used as follows: 58.4% to finance new projects and 41.6% to refinance projects already present in the Intesa Sanpaolo portfolio. In total, 76 projects have been financed with over 460,000 tonnes of CO₂ emissions avoided annually, the equivalent of over 2.8 million return trips from Milan to Rome by plane. 60.5% of the proceeds have been allocated to photovoltaic power, 13.3% to wind power, 15.1% to bioenergies, 9.3% to hydroelectric power and 1.8% to energy efficiency.

To support loans and projects for the Green Economy, the Circular Economy and the social sphere, in November 2019 Intesa Sanpaolo, on the basis of the Sustainability Bond Guidelines (Sustainability Bond Framework - developed in line with the international standards established by the ICMA, in particular with the Green Bond Principles 2018, the Social Bond Principles 2018 and the Sustainability Bond Guidelines 2018), issued the first 750 million euro Circular Economy Green Bond to support loans granted by the Bank as part of the 5 billion euro credit line dedicated to the Circular Economy, increased by 1 billion euro in 2020 following the merger with UBI. In December 2020 Intesa Sanpaolo published the first report on the use of the proceeds from the Green Bond focused on the Circular Economy [2], which were fully allocated during the first year. The report also includes the certification of the auditing company, and obtained the Second Party Opinion of ISS ESG. 50.5% of the proceeds have been allocated for the financing of new projects and 49.5% to refinance existing projects. At 31 October 2020 the breakdown of the projects in the Circular Economy portfolio was as follows: 36.9% for production processes driven by renewable or recycled sources and/or connected products, 32.7% for the development of products and/or services that significantly improve effectiveness and efficiency in the consumption of resources, inside the company or its supply chain, 12.5% for solutions that extend the life cycle or products and/or materials, 12.3% for innovative technologies that promote the circular economy model, 5.6% for the design and/or realisation of products that can be entirely recycled or composted as part of an efficient process of collection, separation and recycling after use. All in all, the forecast annual savings in CO₂ emissions come to over 255,000 tonnes, corresponding to 341 tonnes per million euro.

Thanks to this issue, the Green Bond Ratio, the percentage of outstanding green bonds at the end of the year

out of the total amount of outstanding Senior Preferred and Covered Bonds intended for institutional investors (five-year moving average), is equal to about 3.6%.

In March 2020 the Intesa Sanpaolo Group was the winner of the 2020 Environmental Finance Bond Awards for its issuing of a Green Bond focused on the Circular Economy. UNEP FI (the United Nations Environment Programme Finance Initiative) also recognised Intesa Sanpaolo's commitment to spreading the values of the circular economy in its report "Financing Circularity: Demystifying Finance for the Circular Economy", published in October 2020, which makes particular mention of the Green Bond focused on the Circular Economy.

GREEN CULTURE AND INITIATIVES

Numerous initiatives have been put in place to spread an environmental culture among employees and customers (for the initiatives in the Circular Economy area, see page 177), including:

TRAINING

The "Apprendo" multimedia platform is available for all employees in Italy: it provides training on environmental and climate change issues. The training module "The climate change challenge" has been available since 2019 and by the end of 2020 had been used by around 4,500 employees.

As regards environmental protection issues, two mandatory courses are available on the online Apprendo platform for Intesa Sanpaolo resources directly involved in the application of the Environmental and Energy Management Systems (around 7,000 people). For all other resources an optional course is available with the aim of spreading good practices. The course was also made available to employees of Intesa Sanpaolo Vita, Intesa Sanpaolo Assicura and Fideuram Vita who occupy the properties that attained ISO 14001 certification. Similarly, to meet the requisites of the ISO 50001 standard, in 2020 CIB Bank (Hungary) once again trained around 2,000 employees on energy issues through an online platform and its top management with ad hoc training.

The European Regulatory & Public Affairs structure also carried out internal training initiatives to raise awareness among employees on environmental issues under discussion with European regulators.

In 2020 Intesa Sanpaolo Formazione continued to develop digital learning and manage the digital training platforms Skills4Capital and Skills4Agri. The former is dedicated to SMEs as part of the collaboration between Confindustria - Piccola Industria and Intesa Sanpaolo; the latter is instead dedicated to companies in the Italian agricultural and agri-food system, the result of the agreement between Intesa Sanpaolo and Confagricoltura. By subscribing to the platforms, users can take advantage of training content and, among the courses provided, six are specifically focused on social and environmental impact issues.

PARTICIPATION IN ASSOCIATIONS AND DEBATES ON ENVIRONMENTAL SUSTAINABILITY ISSUES

The Group made an important contribution to the international debate on environmental sustainability issues in 2020.

With regard to the issue of direct environmental impacts, the Bank continued to participate in the working group of the Italian Banking Association (ABI) on Green Banking, which provides an insight into the processes relating to energy and environmental management in the Bank according to the main international standards. In particular, in 2020 the attention was focused on the management of real estate during the COVID-19 pandemic and green banking procurement.

In terms of sustainable finance, the Group's collaboration with the Italian Banking Association (ABI) continued and intensified within specific working groups, particularly in relation to issues connected with the European Action Plan for financing sustainable growth. Within the Association, Intesa Sanpaolo also actively participated in the "Sustainable Loans – Supporting businesses in the process of transition towards sustainability" project, an initiative designed to contribute to the process of integrating ESG factors (particularly Environment and Climate Change) in the management of the risks connected with corporate lending and the definition of the "Handbook for Sustainable Finance", an info-educational tool jointly developed by ABI and consumer associations which, using simple and accessible language, aims to communicate and raise awareness among consumers of the various aspects of sustainability in its guise as an informed economic model.

Intesa Sanpaolo participates in the Working Group on Sustainable Finance, established by Ministry of the Environment decree no. 75 of 2020, which is tasked with developing proposals on sustainable finance issues within the framework of the United Nations Sustainable Development Goals. Thanks to the work carried out by the Working Group, the Ministry of the Environment has introduced a voluntary environmental sustainability certification system, currently at the trial stage, also with the collaboration of Intesa Sanpaolo. The system provides indicators and assessment metrics that make it possible to measure the level of environmental

sustainability of a business project which, if virtuous, can access specific loans.

At the European level, Intesa Sanpaolo interacted with legislators, trade associations and various stakeholders to promote and represent the Group's various initiatives on environmental and social sustainability. Intesa Sanpaolo, through its office in Brussels, brings its best practices to the attention of regulators and represents the specificities of its context so that they are taken into consideration during the legislative process.

The Group also continued its collaboration with the main European trade associations, contributing to the work of the European Banking Federation (EBF) on the Sustainable Finance and Sustainable Development Goals (SDGs), the Association for Financial Markets in Europe (AFME), European Issuers, in the area of Sustainable Corporate Governance, and the European Mortgage Federation – European Covered Bond Council (EMF-ECBC) as regards green mortgages. In particular, Intesa Sanpaolo helped draft the sector's position papers in some of the main documents (legislative and non-legislative) published in 2020.

In 2020 Intesa Sanpaolo actively participated in three working groups of the European Financial Reporting Advisory Group (EFRAG). Of these, the Project Task Force on Climate-related Reporting concluded with the presentation of the How to improve climate-related reporting report in February 2020. The main objective was the analysis and identification of good corporate reporting practices, both as regards the financial impacts of climate risk on companies, and as regards the impact of companies' activities on the environment (the so-called double materiality) taking into consideration the needs of users and those who process the reports. Intesa Sanpaolo's collaboration with EFRAG continued with its participation in the "Project task force on preparatory work for the elaboration of possible EU non-financial reporting standards". The task force was set up in response to an official request for technical consultancy from the European Commission for the drafting of possible non-financial reporting standards that could form part of a revised European non-financial reporting directive. Finally, a representative of Intesa Sanpaolo was appointed to the "Advisory Panel on Intangibles (API)", which will provide the EFRAG Technical Expert Group the benefit of its accounting and industry expertise on specific aspects of intangibles.

Studi e Ricerche per il Mezzogiorno (SRM) is a Group's research centre aimed at disseminating economic knowledge and culture, with a particular focus on the development of southern Italy, Maritime Economy and Energy. In 2020 SRM participated in a number of national and international meetings and seminars (held online) on the environment, Green Economy, Blue Economy and sustainability, expanding its ability to analyse these phenomena. SRM, among other things, is also part of SOS LOG, the association for the development of sustainable logistics, whose mission is the dissemination of information, research and initiatives aimed at spreading the culture of sustainable transport and logistics.

As Founding Member of Res4Africa, Intesa Sanpaolo confirmed its commitment to the development of renewable energy in Africa. The Foundation, which includes some of the main players in the Italian and European energy sector, has the aim of promoting a market, regulatory and financial context that allows investments to be made in renewable energy on the African continent. As well as the usual organisation of business-to-government events and seminars, the development of market studies and the organisation of capacity building seminars, in 2020 the Foundation focused in particular on the development of the RenewAfrica renewable energy support programme.

Intesa Sanpaolo is a partner of the Milan Polytechnic Energy & Strategy Group for the market trends observatory in the segments of renewable energy production and innovation in the energy sector.

STUDIES

The Group's commitment to the development of study and research projects in the environmental field continued in 2020. Listed are some of the most important publications:

- The sixth Report on the Bioeconomy - The Bioeconomy in Europe - produced by the Intesa Sanpaolo Research Department which, in addition to providing new estimates on the value of the bioeconomy, includes an analysis of the agrifood supply chain in Italy and Europe with a specific focus on its sustainability;
- The performance of local public transport businesses, product of the Research Department's long-standing partnership with ASSTRA on the issue of local public transport, takes account of the impact of COVID-19 on the sector, the dynamics of the demand for transport and the problems of congestion and pollution, which are resulting in the growing awareness that only by strengthening, improving the efficiency and modernising local public transport can we hope to foster the sustainable development of the country;
- The 98th edition of the Report analysing industrial sectors (ASI), by the Intesa Sanpaolo Research Department and Prometeia, contains an analysis of the green transition of Italian industry as compared with that of its main European competitors. According to the analysis, after Germany the Italian manufacturing segment is the second least intensive for GHG omissions;
- The green transformation of European manufacturing: an analysis of greenhouse gas emissions and the latest technologies, a study by the Research Department which examines the theme of the green transition of

- industry and of Italy in general;
- The research on the "Northern Sea Route" and its growth prospects, an argument strongly connected with climate change and sustainability, carried out by Studi e Ricerche per il Mezzogiorno (SRM) together with Intesa Sanpaolo;
- The 2020 Annual Italian Maritime Economy Report by SRM which highlighted the issues of sustainability and the Blue Economy, presented on the international stage during Naples Shipping Week and as part of other national and international events; the research continues to be an important reference source on the topic for institutions, industry operators, trade associations, infrastructure and the academic world. The lead topics this year were intermodal railway and sustainability, regarded as two key drivers for combating the pandemic and making the national logistics system more resilient. In 2020 studies were also carried out with ALIS - Associazione per la Logistica e l'Intermodalità Sostenibile (Association for Sustainable Logistics and Intermodality) on how to reduce external logistics costs, and Contship (multinational in the logistics sector) on the container sector, which highlighted how the sustainability of logistics is a key driver of business development.
- The 2020 Report on Energy in the Mediterranean by the Mediterranean Energy Observatory, a project developed by SRM together with the Energy Security Lab (ESL) of Turin Polytechnic. Among other things, the Report focused close attention on renewable energies, hydrogen, the gas sector and energy investments in the Mediterranean area;
- The SRM research project Un Sud che Innova e Produce (A South that Innovates and Produces) was enriched with a new study on the technology transition in production chains: sustainability and innovation as drivers of development, carried out with the contribution of the Intesa Sanpaolo Research Department and Intesa Sanpaolo Forvalue. The study examined the issue of public and private supply and demand for innovation, to support the growth of the territories and to promote an innovative, interconnected and eco-sustainable production model.

EVENTS AND INITIATIVES

In order to raise the awareness of environmental issues among customers and employees, the Intesa Sanpaolo Group participates in various initiatives aimed at increasingly spreading the culture of sustainability and good practices as widely as possible. The main international events in which the Group participated in 2020 were World Environment Day promoted by UNEP (the United Nations Environment Programme) - this year dedicated to biodiversity - and the European Week for Waste Reduction promoted by the European Commission. In Italy, Intesa Sanpaolo also took part in Energy Saving Day as part of the "M'illumino di meno" campaign. As for the initiatives of the International Subsidiary Banks, CIB Bank (Hungary) participated in the WWF's Earth Hour while Bank of Alexandria (Egypt) and Intesa Sanpaolo Bank Albania promoted the United Nations' Earth Day. VÚB Banka (Slovakia), also in conjunction with a number of international environmental initiatives, organised training sessions to promote green lifestyles among employees.

At the end of 2020 Intesa Sanpaolo launched Formula Green + online transactions = - CO₂eq. The aim is to raise customer awareness of the environmental impact of their banking activities/transactions and support initiatives with positive environmental effects. Every time Retail customers buy a bank product via Remote Offering or through the self-service channel, without physically entering a branch, they are informed that, thanks to their choice, CO₂ emissions have been avoided. Customers can also learn more about the topic on the dedicated page of the Bank's website which highlights how the online product subscriptions of Intesa Sanpaolo multichannel customers in the last year resulted in a 570-tonne reduction in CO₂eq emissions (data validated by partner Lifegate). The good act of customers that acquire products without entering branches is mirrored by the Group which, via a donation, offers tangible support for the environmental protection projects present on the Group crowdfunding platform, For Funding. In this context, together with Fondazione Comunità Milano, Intesa Sanpaolo took part in Forestami, an urban forestation project which aims to plant 3 million new trees in the Metropolitan City of Milan by 2030. Intesa Sanpaolo contributed 250,000 euro, equal to 8,000 trees which will be planted as part of the project. In collaboration with the WWF, in 2020 Intesa Sanpaolo launched the "Diamo una casa alle api" project which, still ongoing, aims to help protect bees. The project plans to create areas in the WWF Oases for the feeding of the pollinators, Bee Hotels to position in gardens, urban parks and Oases to facilitate nesting and a number of camera traps to record the habits of the bees. As well as promoting the project on the For Funding platform, Intesa Sanpaolo contributes by donating 30 euro for every Green mortgage issued and 10 euro for every Green loan granted. Donations will end on 30 June 2021 when the target of 350,000 euro has been reached.

Finally, two invitation-only events, not open to the general public, were organised by the IMI Corporate & Investment Banking Division on the issue of Sustainability in 2020:

webinar "The European green deal: the way for a new Italian renaissance", aimed mainly at businesses in the Energy sector, with the participation of the Secretary of the Council of Ministers - Ministry of Economic Development. The European context was illustrated together with the role of Italian public policies on the

energy transition, renewable energies, energy efficiency and sustainable transport, and related investments in innovative technologies;

virtual conference "The new role of Sustainable Finance and the European Recovery Plan", attended by the Directorate-General of the European Commission Structural Reform Support Programme and the Italian Minister of European Affairs. The event focused on the EU programme of measures and its pillars in terms of sustainable finance, focusing particular attention on Italy and the recovery opportunities for national businesses.

Direct environmental impacts

COMPANY POLICIES

Intesa Sanpaolo's commitment to the environment takes the form of self-regulated environmental and energy instruments that define the strategic and operational guidelines which underpin the Group's environmental protection initiatives and its efforts to reduce its environmental footprint. The Group's Code of Ethics and the Rules for environmental and energy policy, approved by the top management, define the principles and guidelines that regulate the environmental responsibility of the Group and the monitoring of the impact of its activities. More specifically, direct impacts are monitored by an Environmental Management System extended to all Intesa Sanpaolo branches and buildings in Italy. An Energy Management System and a Worker Health and Safety Management System are also applied in Italy and are coordinated by a structure within the Safety and Protection Head Office Department which reports directly to the Managing Director and CEO. It is therefore possible to talk about an Integrated Management System which meets all the requirements of the most recent reference standard in this area (ISO 14001, 50001, 45001) and, as such, is subject to annual auditing and certification by an international and independent third party which certifies its compliance. To translate the commitment to protecting the environment into tangible action, this Head Office Department also includes an Energy Manager. The role of Mobility Manager has also been introduced in the Labour Affairs and Policies Head Office Department to cover applicable issues.

A dedicated structure – Corporate Social Responsibility (CSR) – has the task of overseeing the areas that fall under the Group's social and environmental responsibility, including the more specific issue of climate change. In addition, pursuant to Italian Legislative Decree 152/2006 as amended, since 2019 the Head of the Safety and Protection Head Office Department has also been Environmental Officer and given broad decision-making, organisational and spending powers, including the preliminary approval of any change in the production process that may be relevant for environmental purposes. Moreover, the Group closely manages the risks connected with climate change by promoting adaptive behaviour or conduct designed to mitigate this phenomenon, while simultaneously developing a culture focused on prevention. For a detailed analysis see the section Management of potential risks and impacts related to climate change (see page 69).

CLIMATE CHANGE ACTION PLAN

In accordance with the environmental responsibility commitments undertaken by the Group, since 2009 Intesa Sanpaolo has set mind to long-term goals through the creation of specific action plans. The first Intesa Sanpaolo Environmental Plan covered the 2009-2013 period, and was followed by the plan relating to 2013-2016. Both Plans set measurable goals in the areas of energy savings, economic savings and the reduction of CO₂ emissions. The scope of the plans, limited to Italy in the first Plan, has gradually increased with the inclusion of various International Subsidiary Banks.

In 2017, CSR, in association with the Real Estate and Logistics, Procurement and Safety and Protection Head Office Departments, the International Subsidiary Banks Division and the Chief Operating Officer and Chief IT, Digital and Innovation Officer Governance Areas, drafted a new Environmental Plan - the Climate Change Action Plan - with targets for 2022 and 2037. This Plan was reviewed by the Risks Committee and approved by the CEO. In the Plan the Intesa Sanpaolo Group outlines its goals as regards reducing the CO₂ emissions associated with its activities, taking 2012 as its reference year, including for the emission factors, in order to put its results in their historical context. CSR will monitor the achievement of the targets on an annual basis and the results will be analysed with the relevant competent structures.

The goals for 2022 include a reduction of 37% in absolute emissions connected with energy consumption (direct and indirect) compared with 2012. A reduction of 43% was recorded in 2012-2020 but this was influenced by the effect of the COVID-19 emergency on energy consumption.

The Plan also includes objectives related to consumption and energy production from renewable sources. In particular:

- an increase in the use of renewable energy sources, from 76% at the end of 2012 to 81% by the end of 2022; In 2020 electricity consumption from renewable sources exceeded 84%;
- the maintenance of electricity production levels from photovoltaic energy, taking account of the restrictions and characteristics of the real estate assets. Once again, over 1,000 MWh was produced in 2020.

Finally, in accordance with the international climate change agreements, long-term targets for 2037 have been set and more specifically, as a continuation of the mid-term goal for 2022, the aim is to reduce direct and indirect emissions (Market-based) by 43% compared to 2012.

Following the integration of UBI in the Group, the Climate Change Action Plan was updated in 2020 with the revision of the 2012 baseline and also confirming the medium- and long-term emission reduction goals established by the original Plan within the new corporate structure. In addition, with regard to renewable energy a new goal of purchasing 89% of electricity from renewable sources by 2022 was established. In 2020 electricity purchased from renewable sources already amounted to 88%.

CERTIFIED ENVIRONMENTAL AND ENERGY MANAGEMENT SYSTEM

For some time Intesa Sanpaolo's Environmental, Energy and Health and Safety Management System, applied in all Italian branches and buildings, has been certified by an international third party according to the ISO 14001, 50001 and 45001 standards. The System continuously monitors the company's goals and is subject to internal checks to assess the degree to which performance levels meet with expectations.

The ongoing suitability of the measures adopted over time is guaranteed by a system of controls on three levels which involves conducting checks on a sample of branches and buildings and on the activities carried out at headquarters. While the first two levels consist of controls performed by internal company functions, the third level is entrusted to an international third party that certifies the conformity of the System and issues the certification.

Many corporate functions are involved in applying the Management System, each one in relation to its own area of competence: the Safety and Protection Head Office Department as the structure responsible for coordinating the System, the Real Estate and Logistics Head Office Department as the department that centralises real estate activities, the Development Policy and Learning Academy Head Office Department for training requirements, the ICT Head Office Department for the management and streamlining of ICT infrastructure and the Banca dei Territori Division for network activities. The Senior Management plays a key leadership role in the identification of objectives and strategies, the identification of the resources required for its development and the application of the System and, as a department, responds to the requests and expectations of stakeholders who are increasingly attentive to risk monitoring and the management of opportunities deriving from non-financial issues, including environmental issues.

During the annual Management Review which involves, at different moments, both the management and the operations departments of the Bank, the suitability and efficacy of the Management System is assessed on the basis of the reference regulations and current legislation, also in light of the commitments undertaken by the Governance. The Review also assesses the degree to which goals and targets have been achieved, the results of internal audits performed the previous year, the analysis of staff skills, the effectiveness of the training provided, measures to improve the System and any changes in internal and external factors that may generate risks and opportunities for the Bank.

During the last certification process, Intesa Sanpaolo adapted its Energy Management System in Italy to the most recent international standard (2018) which adopts the same layout, terms and definitions as other ISO standards and facilitates compatibility and integration (High Level Structure).

In addition, the process of certifying the companies of the Insurance Division according to the ISO 14001 and 45001 standards was also completed in 2020.

In 2020 Hungarian subsidiary CIB Bank successfully renewed the energy certification of its real estate and services, switching to the new ISO 50001:2018 standard. In mid-December 2020 the Bank successfully passed an audit focused on new procedures, regulations and responsibilities as well as data collection, the measurement of consumption data and the sharing of same with the network of branches across Hungary.

GREENHOUSE GAS EMISSIONS AND ENERGY CONSUMPTION

The mitigation and containment of CO₂ emissions play an important role in the policies of the Group which, with the Climate Change Action Plan, has identified specific medium-term actions for reducing its environmental footprint and, as a result, its emissions. This is done with a view to continually improving its environmental performance, which has already seen major reductions in electricity and thermal energy consumption, and in the resulting emissions for over a decade (-59.7% reduction in Scope1 + Scope2 Market-based emissions compared to 2008).

In terms of consumption, 2020 was an anomalous year because of the COVID-19 emergency which impacted in particular on the consumption of electricity (see box "The impact of COVID-19 on electricity consumption"). In general, 2020 saw a 12.4% reduction in electricity consumption and a 3.4% reduction in thermal energy consumption.

Consequently, Scope1 + Scope2 Market-based greenhouse gas emissions also decreased by 13.1%, a reduction of 15.9% in the case of Scope1 + Scope2 calculated with the Location-based method.

In general, the Intesa Sanpaolo Group's greenhouse gas emissions are reported in CO₂ equivalent in accordance with the international GHG Protocol (Greenhouse Gas Protocol), in the form of:

- Scope1 direct emissions, relating to the use of fuel for heating and the fleet;
- Scope2 indirect emissions for centralized HVAC systems and electricity;
- Scope3 indirect emissions produced as a result of activities connected with the company but not directly controlled by it (paper, waste, office equipment, etc.).

EFFICIENCY AND OPTIMISATION OF ENERGY CONSUMPTION

THE IMPACT OF COVID-19 ON ENERGY CONSUMPTION

The COVID-19 emergency resulted in the reorganisation of all of the Intesa Sanpaolo Group's management and operating procedures. In general the branches of the Intesa Sanpaolo Group remained operative at all times, albeit with some restrictions in terms of opening hours. The Group's buildings also remained operational albeit with significantly reduced numbers of onsite staff on average due to the use of smart working as a COVID-19 risk prevention strategy. In some foreign countries there were no staff onsite for a few short periods.

With the goal of optimising energy consumption on the basis of staff presence, in Italy over 25,000 adjustments were made to energy service hours between March and May alone.

The objective of guaranteeing the maximum safety of employees in company spaces and combating the risk of contracting COVID-19 also involved a closer and more attentive focus on the air conditioning and ventilation systems. With this in mind, in both its branches and buildings in Italy Intesa Sanpaolo adopted standards above and beyond those established by the technical regulations in the sector, overestimating its requirements in order to ensure a wide margin of protection for both employees and customers. As a precaution, all ventilation systems are constantly set to maximum to provide everybody with greater volumes of external air.

Despite this, thanks to its careful management of consumption, in Italy the savings deriving from the reduced use of the buildings due to COVID-19 have been estimated at around 24 GWh.

In addition to the above measures related to COVID-19 and the downsizing of some buildings, the reduction in energy consumption in 2020 was due to the continuous energy efficiency actions implemented within the Intesa Sanpaolo Group both in Italy and abroad.

For many years now the Intesa Sanpaolo Group has adopted environmental sustainability rules for the development of sustainable branches, site renovations or the development of new branches that take account of the most recent and up-to-date criteria for the improvement of energy and management efficiency.

Furthermore, every year a series of initiatives are implemented to reduce energy consumption; some of these are outlined below:

Project	Description	Forecast annual savings
Replacement of lighting systems (Italy, Egypt, Ukraine) Total investments: 33,000 euro	Traditional or low energy lamps were replaced with new LED technologies in various branches and central offices	Annual energy savings: 493,000 kWh Annual cost savings: 51,600 euro Reduction in potential CO ₂ emissions: 179 t
Replacement or maintenance of HVAC systems (Italy, Slovakia, Slovenia) Total investments: 2.334 million euro	The replacement of heating and air conditioning systems continued	Annual energy savings: 8,189,000 kWh Annual cost savings: 1.605 million euro Reduction in potential CO ₂ emissions: 2,334 t
Unscheduled maintenance on facades and window/door fittings (Italy) Total investments: 443,000 euro	Renovation work was carried out on buildings with the replacement of window/door fittings and the improvement of the exterior insulation system	Annual energy savings: 48,000 kWh Annual cost savings: 11,000 euro Reduction in potential CO ₂ emissions: 15 t
Other optimisation and energy efficiency measures (Italy) Total investments: 876,000 euro	Additional optimisation and energy efficiency actions were taken, different from previous ones or including various measures mentioned above	Annual energy savings: 1,930,000 kWh Annual cost savings: 370,000 euro Reduction in potential CO ₂ emissions: 557 t

The specific actions mentioned above are also supplemented with important initiatives launched in Italy. For a number of years the management and governance of the energy consumption of the buildings has been overseen by a centralised platform, Sigi Energia, connected to sensors installed in the buildings (dataloggers and temperature probes). Thanks to these sensors, installed in over 3,000 branches, the monitoring and management of energy consumption, both electricity and thermal energy, is guaranteed for over 95% of the consumption of this cluster of buildings. Thanks to specific algorithms and an alert system, the platform promptly identifies areas of optimisation and automatically sends the intervention request to maintenance staff. One of the most recent evolutions, implemented in 2020, involves the correlation of the analysis of staff arrivals and departures with the data of the energy consumption curve. This latter analysis is crucial not only for further optimising energy consumption but most importantly for improving worker comfort.

Meanwhile, with regard to the large buildings, which always have lots of complex data, in 2020 Intesa Sanpaolo focused on the creation, together with Microsoft, of a new dedicated digital platform. This new solution not only makes it possible to analyse the data in its entirety, as happens with Sigi Energia, but also to monitor consumption on the basis of the various facilities and floors, enabling the systems to be managed more efficiently. There are also important "intangible" benefits such as an increase in the productivity of the building's management chain and an increase in the comfort perceived by those who occupy these spaces, thanks to the fact that the probability of anomalies becomes extremely reduced. In 2020 the analysis regarded two large buildings, in Milan and Vicenza, and in 2021 will be extended to the DPC and other sites.

Thanks to the measures implemented in recent years, in Italy the Group was able to claim tax deductions of around 6.9 million euro in 2015-2020, around 970,000 euro of which in 2020.

Further evidence of the Group's commitment to sustainable building management can be seen with the Intesa Sanpaolo Skyscraper in Turin which, in addition to receiving LEED Platinum certification in 2015 for the construction of the building, was awarded Platinum level in 2019 and 2020 also in the sustainable building management category (LEED Existing Buildings Operations & Maintenance – EB O&M).

Finally, it is important to point out that the Intesa Sanpaolo Group also performs a detailed analysis of the potential risks related to climate change with the aim of both preventing possible service interruptions and avoiding extraordinary property management costs (see page 69).

RENEWABLE ENERGY

In addition to the energy efficiency measures aimed at reducing its environmental impact, the Intesa Sanpaolo Group has committed, where possible, to producing electricity through the installation of photovoltaic plants and to purchasing electricity from renewable sources. The total consumption of electricity from renewable sources amounted to approximately 84% of total consumption.

The self-production of energy from renewable sources comes from the photovoltaic plants in Italy, 9 of which with a capacity under 20 kWp and 5 of large size, and from two plants in Slovenia. In 2020 the Intesa Sanpaolo Group self-produced 1,082 MWh of energy, saving around 215,000 euro on the purchase of electricity and avoiding 527 tonnes of CO₂ emissions.

In the Group companies in Italy, around 99% of energy purchased comes from renewable sources.

Outside Italy the situation is different, also in relation to the limits imposed by certain national regulations. Intesa Sanpaolo Bank (Slovenia) once again eliminated its emissions this year by purchasing all its energy from hydroelectric sources, while Privredna Banka Zagreb (Croatia) purchases around 60% of its electricity from renewable sources and Intesa Sanpaolo Bank Luxembourg 22%. Additionally, thanks to the national energy mix part of the electricity used by Intesa Sanpaolo Bank Albania (100%), Banca Intesa Beograd (Serbia) (27%), VÚB Banka (Slovakia) (15%) and CIB Bank (Hungary) (9%) comes from renewable sources.

MOBILITY

The Mobility Management function, part of the Labour Affairs and Policies Head Office Department, is dedicated to supporting employee commuting, to improve their quality but also to promote sustainable means of transport. The goal is to translate the feedback from employees into concrete actions in order to provide a structured range of options for daily commutes and implement the actions of the Home-Work Commuting Plans.

The main goals pursued by the Intesa Sanpaolo Group are: the reduction in the use of private individual transport, as requested by the so-called Ronchi Decree, the improvement of road safety, as established by the international ISO 39001:2012 standard, and the reduction of the Group's CO₂ emissions.

As regards the last objective, the most significant initiatives are:

- the spread of Flexible Work and Training, which innovatively combine the management of people's private lives with the company's organisational requirements (see page 162);

- the signing of a union agreement on work-life balance, which also introduced measures to help people that work far away and that have specific personal needs to move closer to their residence or home;
- the Mobility Office platform which promotes the use of public transport, enabling employees to request annual season tickets directly from their workstation and also to take advantage of discounted rates with the option of paying in instalments (the service is available in certain cities - Bologna, Florence, Milan, Padua, Rome, Turin and Venice);
- the company shuttle service available in Turin/Moncalieri, Milan/Assago and Padua/Sarmeola di Rubano, which has a positive impact on the environment (an estimated 500 tonnes approx. of CO₂ avoided) as well as on people's quality of life; a shuttle service to Cairo and Alexandria is also available at the Bank of Alexandria (Egypt);
- the company carpooling service, a mode of transport based on the concept of several people with similar routes and working hours sharing the same private car. The aim is to share the car for commutes in order to improve the quality of transfers, make savings on transport expenses, reduce traffic congestion, pollution and road accidents. To promote the use of carpooling and increase subscriptions, the aim is to extend the current service in 2021. Other forms of car sharing are active at Intesa Sanpaolo Bank Albania, CIB Bank (Hungary), Banca Intesa Beograd (Serbia), Pravex Bank (Ukraine), Intesa Sanpaolo Bank Romania, Intesa Sanpaolo Bank (Slovenia), Intesa Sanpaolo Banka Bosna i Hercegovina and VÚB Banka (Slovakia);
- the development of shared services (cars, mopeds, scooters, and bicycles). In Italy, ALI - the Intesa Sanpaolo employees' association - has entered into agreements with the main networks in a number of cities. Bicycles owned by the Bank are available for use at Intesa Sanpaolo Bank Romania, Intesa Sanpaolo Bank (Slovenia), CIB Bank (Hungary) and VÚB Banka (Slovakia). Special bicycle parking spaces are available in Intesa Sanpaolo Bank Albania and Eximbank (Moldova) as well as in Privredna Banka Zagreb (Croatia), CIB Bank (Hungary) and VÚB Banka (Slovakia) where, in addition, employees can benefit from additional services (changing rooms and showers). In addition, in order to reduce the use of taxis, in 2018 CIB Bank signed a contract for a car sharing service which only uses electric cars;
- the incentivisation of micromobility through various initiatives, such as the possibility of parking foldable bicycles and/or scooters in company spaces, a plan to install racks for the parking of traditional and electrically assisted pedal bicycles, and dedicated contributions by the Intesa Sanpaolo Employees' Association (ALI);
- the constant commitment to managing and upgrading the company fleet according to selection criteria that promote respect for the environment. In terms of the models proposed by the policy, hybrid vehicles were included where suitable for the uses envisaged by the drivers. The activities to increase the use of hybrid/ electric vehicles in the fleet also continued;
- the development of remote communications for both listening and work activities, with the widespread use of Skype for Business in place of commuting and business trips.

RESPONSIBLE MANAGEMENT OF RESOURCES

According to the Code of Ethics and the Rules for the environmental and energy policy, the Group's responsibilities include the close evaluation of the consequences of its activities on ecosystems and the reduction of its environmental footprint. For this reason, the responsible management of resources is a priority issue for the Intesa Sanpaolo Group in its attempts to mitigate its impact on the environment.

PAPER, TONERS AND STATIONERY

In 2020 there were lots of changes to the Intesa Sanpaolo Group's working methods and habits in terms of operations and procurement. The widespread introduction of smart working, particularly at the Group's headquarters, resulted in a significant reduction in purchases of paper, both overall (-24.5% compared to 2019) and on a per-employee basis (-19.7% compared to 2019).

Purchases of toner, the reporting of which was fine-tuned outside of Italy in 2020, also fell drastically (total down 15.4% compared with 2019).

The reduction in paper consumption also continued in 2020 thanks to the implementation of dematerialisation measures. Considering only the actions launched in the last five years, in 2020 around 2,370 tonnes of paper was saved, corresponding to 3,940 tonnes of CO₂ avoided and a theoretical cost saving of around 4.2 million euro.

These savings were made possible by actions taken both internally and regarding customers.

In Italy, for example, the paperless contracts project continued: in addition to bank contracts, investment transactions and branch transactions, banking products and services related to pension plans and after-sales operations on POS contracts, in 2020 it was extended to additional products and services dedicated to legal entities, including remote services and short-term loan products. These developments point to the gradual extension of dematerialisation among legal entities, which will be further expanded in 2021. Digitisation was

also further promoted in both the Business-Bank relationship, with the introduction of new digital signature functionalities for contracts on the Inbiz Corporate Banking portal, and in transactions with Società Italiana di Revisione e Fiduciaria (Siref) customers. Some of the Group's international branches, such as London and Hong Kong, launched actions to dematerialise the accounting documents of their customers.

The digital transformation process also continues in the branches of the International Subsidiary Banks Division where the use of tablets, already in place for gathering signatures during transactions in Privredna Banka Zagreb (Croatia), VÚB Banka (Slovakia), Intesa Sanpaolo Bosna i Hercegovina, CIB Bank (Hungary), Intesa Sanpaolo Bank Slovenia, was extended to sales processes as well. In addition to paperless contracts, tablets are also used to simplify and improve the customer experience of clients and managers by offering processes that are fully integrated with online platforms. Pravex Bank (Ukraine) also launched actions to make its customer accounts paperless.

As regards the internal actions carried out within the Group, as part of the three-year programme for the digitisation of all the Group's HR systems and services, the process of the dematerialisation of worker communications (merit, awards, assignments, transfers, part-time, etc.) continued, as did the preparatory activities for the project to review print management processes. A process to streamline the printers, with savings in terms of paper, toner and resulting CO₂ emissions, was also launched at Intesa Sanpaolo Bank Albania.

Furthermore, in the Eurizon Group the policies for the use of printers were reviewed and important investments were made to convert customer reports into digital format.

Finally, with regard to eco stationery, the process of encouraging all Group companies to purchase materials with low environmental impact also continued. A total of around 34 tonnes of eco stationery was purchased in 2020, 30 tonnes of which containing paper (notepads, post-its, files, etc.) and the remainder consisting of ballpoint pens, highlighters and stamps in recycled material and office supplies made of sustainable wood.

WATER

The Intesa Sanpaolo Group's consumption of drinking water from aqueducts is predominantly related to sanitary purposes and, to a lesser extent, the generation of cold air for air conditioning.

In 2020, the Group's per capita water consumption was 19 cubic metres per staff member. The increase in water consumption can be explained first and foremost by the increased spending resulting from bills but also by the WHO regulations on COVID-19 prevention measures which urged people to wash and disinfect their hands more frequently as a way of combating the spread of the virus.

ENVIRONMENTAL MONITORING AND HAZARDOUS WASTE MANAGEMENT

The Intesa Sanpaolo Group focuses particular attention on environmental monitoring and the management of hazardous waste for the environment. In 2020, the monitoring of radon and asbestos continued in Italy and was joined by environmental monitoring connected with the COVID-19 emergency.

With regard to radon, in line with the new legislation introduced in 2020 which establishes stricter action thresholds, based on concentration levels, for underground work spaces, the Safety and Protection Head Office Department carries out campaigns for the measurement of the average annual concentration level in order to protect the health of employees. If concentration levels exceed the thresholds an external consultant is brought in to identify risk mitigation measures. In the event remediation work is not sufficient to respect the reference limits, the regulation states that the Radiation Protection Expert should perform an Effective Dose Assessment to verify compliance with the maximum reference limit. No instances of this maximum limit being exceeded were recorded in 2020.

In the same way, although the activities carried out by Intesa Sanpaolo employees do not in any way expose employees to dust and materials containing asbestos, in 2020 the Safety and Protection Head Office Department once again carried out a specific risk assessment for all workspaces. The checks performed, according to the timeframes established by law, by a Qualified Expert in the Management and Control of materials containing asbestos, confirmed that there is no contamination: all of the values measured are lower than the threshold established by law and similar to those present in the external environment.

In addition, in 2020 monitoring was also carried out in Italy to assess the quality of the air inside workspaces following systems management activities, as per a company procedure developed in response to the COVID-19 emergency. The results of the surveys were satisfactory: the level of internal microbial contamination was comparable to that of the external environment, confirming that the ventilation systems guarantee an adequate supply of air from the outside.

WASTE MANAGEMENT

For the purposes of managing the waste produced at the Group's sites, the Italian territory was divided into a number of lots where companies specialised in waste collection, sorting and disposal activities operate. These companies are subject to an evaluation process during which the authorisations required to operate as transporters (by means of vehicles entered on the relevant register) and recipients are also acquired. The various types of special waste are managed on the basis of their specific characteristics, while for separately collected waste such as paper, plastic and glass, compliance with the provisions issued locally applies.

Similarly, in other countries, waste collection and management take place in compliance with the reference national legislation.

With the beginning of the COVID-19 emergency, at Group branches and buildings due attention was focused on the disposal of personal protective equipment (masks, gloves, etc.) according to the laws in force. In Italy, for example, specific bins were provided exclusively for the disposal of these materials, which are subsequently collected with the mixed waste collection by the local municipality.

In 2020 the special waste produced by the Group came to around 3,200 tonnes (35.4 kg per staff member), down compared with 2019 due to the lower numbers of employees present onsite.

Only 5.9% of waste is disposed of in landfills, 0.8% is incinerated with energy recovery, and the remaining 93.3% is recycled or reused/recovered.

OTHER GREEN INITIATIVES

In line with the sustainability rules for the purchase of office machines, the Intesa Sanpaolo Group assesses the environmental impact connected with the purchase and responsible use of the following equipment: photocopiers, printers, desktop computers, monitors, notebooks and ATMs/MTAs. In the promotion of sustainability aspects due consideration is given both to legislation and relevant compliance requirements in force, as well as to specific environmental evaluation criteria.

Internal Carbon Pricing is also used as an additional support tool in the purchasing process, assessing energy efficiency in terms of the GHG emissions generated by energy consumption throughout the life cycle of the equipment.



Human rights

RELEVANT ISSUES

The Intesa Sanpaolo Group has always been committed to protecting human rights, in line with the values set out in the Code of Ethics.

Aware that its activities have direct and indirect impacts on human rights, Intesa Sanpaolo has defined its areas of responsibility for each of its stakeholders. Indeed, it has considered its impact on its Group employees, customers, suppliers and the community. The environment is another issue closely related to the principles of human rights, and the promotion of high environmental standards must therefore be considered key to respecting and enjoying these rights.

As a cross-cutting issue that is relevant to various areas of the Group's operations, human rights are therefore touched upon throughout the Consolidated Non-Financial Statement, as summarised in the following table:

Stakeholder	AREA OF IMPACT	SEE PAGE
Group's People	Health and safety of workers and combating conditions of discomfort and stress	page 167
Group's People	Combating the harassment of employees	page 162
Group's People	Freedom of association	page 153
Group's People	Non-discrimination, equal opportunities and fair remuneration	page 159
Group's People	Family life through work-life balance policies	page 162
Group's People	Safeguarding social security with supplementary pensions	page 164
Customers	Policies and solutions for combating robberies	page 99
Customers/Group's People	Privacy of personal and sensitive data	page 84
Customers	Financial inclusion of the most vulnerable social groups	page 106
Suppliers	Inclusion of criteria for respecting human rights in the supply chain	page 147
Community	Assessing the respect of human rights on the part of customer companies, specifically regarding their employees, and in financed projects, in particular concerning the rights of the communities involved	page 68
Community	Culture and charitable activities promoting a respect for human rights	page 130
Environment	All	page 172

WHY THESE ISSUES ARE RELEVANT

According to the UN Guiding Principles on Business and Human Rights, approved in 2011, the State has a duty to protect human rights and businesses must respect them wherever they operate (regardless of the ability or willingness of States to fulfil their obligations). Victims of abuse must also be able to access appropriate and effective remedies.

Indeed, through their activities businesses can have various types of impacts on human rights: positive ones, such as the supply of innovative services that improve people's quality of life; or negative ones, including the exploitation of workers, for example, or the forced displacement of people or entire communities. Businesses can also be indirectly involved in violations committed by other businesses or States.

In its role as an intermediary, a financial institution like Intesa Sanpaolo initiates a value chain that involves many different individuals, entities, businesses and States. For this reason, as well as observing the relevant legislation in force in all countries in which it operates, it is committed to identifying, mitigating and, where possible, preventing potential violations of human rights connected with its activities, as recommended by the UN's Guiding Principles on Business and Human Rights.

PERFORMANCE INDICATORS AND RESULTS ACHIEVED

Approved by the Board of Directors in December 2017, the Group adopted a specific human rights policy which incorporates the principles already outlined in the Code of Ethics translating them into tangible commitments.

Indicators	Intesa Sanpaolo Group (excluding UBI Banca Group)		
	2018	2019	2020
Accidents in the workplace	260	268	173
Employees belonging to a union (% of total)*	66.0%	64.8%	64.2%
Part-time employees (% of total)	11.8%	11.9%	12.2%
Employees signed up to the flexible work scheme	over 11,500	approximately 17,250	approximately 65,500
Reports of non-compliance with the Code of Ethics for alleged discrimination	10	12	6
Court cases for mobbing**	0	2	3
Reports of alleged breaches of the Privacy Code (Italy)	115	77	101
Robberies - Number of events per 100 branches	0.26	0.46	0.12
Suppliers registered on the Supplier Gate*** (no.)	3,161	5,569	7,352
Projects subject to Equator Principles screening****:			
Number	20	11	10
Amount granted (millions of euro)	993	825	1,182
Donations for vulnerable and disadvantaged groups managed centrally (% of total)	92%	95%	92%

* The industry National Collective Bargaining Agreement covers all employees in Italy. The percentage of employees working in Italy and covered by the Collective Bargaining Agreement for the Credit Sector who are also members of a trade union is 79.1%.

** There are three ongoing disputes of current employees which include, among the claims, also those for mobbing.

*** All suppliers registered on the portal are subject to checks in the areas of business ethics and respect for human rights, workers' rights and environmental rights.

**** In 2020 the amount granted subject to Equator Principles screening stood at 78.4% of total project finance allocations.

COMPANY POLICIES

Through the Group policy, Human Rights Principles, Intesa Sanpaolo pledges to:

- support the protection of human rights in accordance with the principles established in the Universal Declaration of Human Rights of 1948 and subsequent international conventions on civil and political rights and economic, social and cultural rights;
- recognise the principles established by the fundamental conventions of the ILO (International Labour Organization) and in particular the right of association and the right to collective bargaining, the abolition of forced and child labour, and non-discrimination in employment;
- contribute to combating corruption, supporting the guidelines of the OECD (Organisation for Economic Co-operation and Development) and the anti-corruption principles established by the UN in 2003, and also by taking a 'zero tolerance' approach to any eventual cases of corruption.

THE PROCESS OF MONITORING HUMAN RIGHTS

The implementation and gradual extension of the protection of human rights is monitored by Corporate Social Responsibility through:

- monitoring the implementation and governance of the Group's Code of Ethics, also with third-party assessments in line with the international UNI ISO 26000 standard, with a specific focus on the areas related to human rights;
- the sustainability report, which involves stakeholders and defines improvement objectives and the relative metrics and is subject to the certification of an independent auditor outside the Group;
- the analysis of potential risk areas in the sphere of human rights which, for every principle in the international conventions, outlines the possible impacts of the company's operations on its stakeholders and the relative company regulations.

Taking into account the results of the monitoring process, Intesa Sanpaolo pledges to:

- assess whether the policy needs updating;
- define guidelines for actions aiming to prevent and mitigate possible negative impacts on its stakeholders;
- issue, if necessary, further documents on specific rights and activities.

As a further guarantee for all stakeholders, anyone that wishes to report an incident of non-compliance can write to the Code of Ethics email address (codice.etico@intesasanpaolo.com), anonymously and without fear of reprisals. As regards reports of alleged human rights violations received in 2020, see page 61.

Human rights issues have, once again this year, been subject to third-party verification in accordance with the principles and contents of the ISO 26000 standard. The certification in 2020 shows a further increase in the assessment compared to 2019, thanks to the existence of regulations, procedures and best practices that go beyond mere regulatory compliance, capable of protecting the human rights listed in the related policy, in relation to the main categories of stakeholders. In particular, this year the Group stood out for the actions and measures put in place in order to protect its employees and customers during the COVID-19 pandemic, focusing first and foremost on its people as well as prioritising their health, safety and well-being. In addition, with a view to fostering inclusion and proximity to the most vulnerable situations, support was also provided, with different methods and actions, to communities, families and businesses to counter the effects generated by the difficult economic and social context that characterised 2020 (for more information, see page 23). Among the aspects showing room for improvement, the following are confirmed: the opportunity to strengthen monitoring measures on all service providers involving the presence of supplier personnel at Intesa Sanpaolo offices (Supplier stakeholders); the opportunity to give greater evidence in the reporting on the processes currently in place to investigate and evaluate the respect of human rights by the beneficiaries of credit and financing interventions (Community stakeholders).

Human rights aspects were checked across all areas, with regard to the following issues:

Issues	Aspects addressed	Average rating of issues 2019 (0-5)	Average rating of issues 2020 (0-5)
Employment protection	Respecting individual rights in terms of protecting employment and access to trade union representation	Italy 4.7	Italy 4.7
		Abroad 3.9	Abroad 4.0
Health, safety and well-being of the Group's people	Respecting individual rights in terms of welfare and quality of life in the company; employee health and safety; working environment	Italy 5	Italy 5
		Abroad 4	Abroad 4.2
Retention, enhancement, diversity and inclusion of the Group's people	Respecting individual rights in terms of enhancement of diversity	Italy 4.7	Italy 4.7
		Abroad 4.2	Abroad 4.2
Quality of service and customer satisfaction	Respecting individual rights in terms of accessibility, customer protection, and customer health and safety	Italy 4.8	Italy 4.8
		Abroad 4.5	Abroad 4.7
Integrity in corporate conduct	Respecting individual rights in terms of the protection of privacy and compliance with labour laws	Italy 4.9	Italy 5.0
		Abroad 4	Abroad 4.1
Sustainable investments and insurance	Respecting human rights in investments	Italy 4.7	Italy 4.8
		Abroad 4	Abroad 4.1
Transition to a sustainable, green and circular economy	Respecting human rights in loans	Italy 4.9	Italy 5.0
		Abroad 4	Abroad 4.1

Note: the Abroad Rating is the average of the scores obtained by the Banks within the International Subsidiary Banks Division.

The issues rating difference between Italy and abroad has to be interpreted considering the different regulatory and social environments, with particular reference to certain countries.



Improvement
objectives

Improvement objectives

2018-2021 BUSINESS PLAN

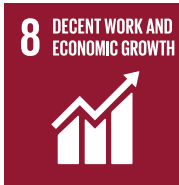



In the 2018-2021 Intesa Sanpaolo Group Business Plan, sound and sustainable creation and distribution of value will remain a priority, through maintaining a high level of capitalisation and significantly reducing the risk profile, at no extraordinary cost to shareholders.

The Plan confirms the role of Intesa Sanpaolo as a real economy Bank, with sustainable profitability creating value for all stakeholders, with over 300 billion euro contributed to the economy over the four-year period.

The Group is also seeking to consolidate its leadership role in Corporate Social Responsibility, and become an exemplary model for society in terms of social and cultural responsibility, while increasing the internal commitment to inclusion.

In January 2020, in the context of the European Green Deal, Intesa Sanpaolo stated its willingness to make available 50 billion euro loans in the coming years in Italy.

A more complete strategy that includes the goals will be shared during the presentation of the new Business Plan.

Shareholders		Cash dividends with a pay-out ratio of 85% for 2018, 80% for 2019, 75% for 2020 and 70% for 2021	
Society	Households and businesses	<p>New medium- to long-term loans disbursed to the real economy and totalling around 250 billion euro (~500,000 new investments financed)</p> <p>Focus on a multi-channel platform aimed at offering all customers a cutting-edge digital range of products and services; 70% of activities digitised in 2021, up from 10% in 2017; ~2.8 billion euro in investments to complete the digital transformation, reinforcement of cybersecurity practices</p> <p>Launch of a new fund (ISP Fund for Impact, allocating 0.5% of shareholder's equity by 2021, for an estimated value of ~250 million euro) enabling the disbursement of credit with a social impact totalling 1.25 billion euro to groups who find it hard to access credit despite their potential (new households, university students, researchers and new businesses), thus making Intesa Sanpaolo the world's first Impact Bank</p> <p>Consolidation of leading role in responsible investments available to customers</p>	  
	Community	<p>Extension of the "Cibo e riparo per le persone in difficoltà" ("Food and Shelter for the needy") initiative with the provision of funds to ensure 10,000 meals a day, 6,000 beds and 3,000 medicines and items of clothing per month</p> <p>New medium- to long-term loans in support of social enterprises, totalling approximately 0.7 billion euro, thus confirming its position as the largest Third Sector lender in Italy</p> <p>Creation of a unit dedicated to the management of artistic, cultural and historical heritage to promote art and culture in Italy and abroad.</p>	
	Suppliers	Purchases and investments totalling around 11 billion euro	
	Public sector	Taxes (direct and indirect) totalling around 13 billion euro	

Employees

Personnel expenses of around 24 billion euro (to over 90,000 households)

Investment of around 1 billion euro in training and ~46 million hours of training during the 2018-2021 period, with around 11.9 million hours of training in 2021, up from 6.6 million in 2017

Reassignment of excess capacity (~5,000 people) into new high-value added initiatives (Proactive HR In-Placement)

Hiring of at least 1,650 people to support the growth of the core business and facilitate generational change.

New long-term incentive programmes linked to the main indicators of the Plan (with the participation of all employees in Intesa Sanpaolo's capital) to promote the creation of long-term value for all stakeholders

Development of improved, innovative programmes to promote distinctive leadership for the managers of the Group (international Managers' School, ~7,000 managers)

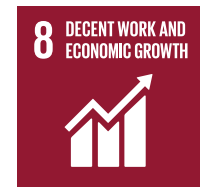
International programme for young talents (~500 individuals), to strengthen the international 'middle management' community through training programmes and personalised career plans

Implementation of a new international HR platform aimed at ensuring internal equality and meritocracy by mapping ~2,400 managerial roles

Ongoing dialogue with people within the Group to support their well-being and contribute to organisational improvements, in line with the values and culture of Intesa Sanpaolo (Process and People Care)

Launch of dedicated initiatives to ensure diversity and inclusion are fully promoted

Focus on flexibility programmes (including smart working extended to around 24,000 people in 2021, up from 8,000 in 2017, to improve the productivity and satisfaction of employees and optimise the use of spaces, part-time work and mixed work contracts)



Environment

37% reduction in CO₂ emissions over the 2012-2022 period (Climate Change Action Plan)

Allocation of a specific plafond (5 billion euro) and launch of an investment fund dedicated to the Circular Economy



Indicators*



* The data reported in the tables may not add up exactly due to rounding differences.

Governance and risk management

GOVERNANCE BODIES

BOARD OF DIRECTORS

	2020
Men	12
Women	7
<=30	0
30-50	2
>50	17
Independent*	14
Meetings	26
Attendance rate [%]	98%

* Independence requirements pursuant to current legislation and the Articles of Association.

MANAGEMENT CONTROL COMMITTEE

	Members	Independent*	Meetings	Attendance rate [%]
Management Control Committee	5	5	48	100

* Independence requirements pursuant to current legislation and the Articles of Association.

COMMITTEES OF THE BOARD OF DIRECTORS

Committees	Members	Independent*	Meetings	Attendance rate [%]
Remuneration Committee	5	3	18	100
Nomination Committee	5	3	13	100
Risks Committee	5	3	45	100
Related Party Transactions Committee	5	5	17	94

* Independence requirements pursuant to current legislation and the Articles of Association.

COMMUNICATION TO THE MARKET

	Intesa Sanpaolo Group (excluding UBI Banca Group)		
Presentations, roadshows and meetings	2018	2019	2020
Group institutional presentations	58	58	64
Public financial disclosures	215	179	261
Roadshow	71	69	38
Europe	57	53	2
United States	12	14	0
Asia	2	2	0
Other*	-	-	36
Meetings with investors and analysts	485	407	411
of which:			
Meetings with investors and analysts on ESG issues**	23	33	36
Replies to requests received	12,000	12,000	12,000

*Virtual meetings.

**ESG: Environmental, social and governance issues.

CSR GOVERNANCE

Code of Ethics: reports of alleged non-compliance	Intesa Sanpaolo Group (excluding UBI Banca Group)			ISP + UBI*
	2018	2019	2020	2020
Customers	112	98	86	87
Employees	19	31	16	16
Suppliers	0	1	1	1
Community	0	0	0	0
Total	131	130	103	104

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

INTEGRITY IN CORPORATE CONDUCT

Whistleblowing	Intesa Sanpaolo Group (excluding UBI Banca Group)			ISP + UBI*
	2018	2019	2020	2020
Reports received	21	17	21	26
Reports identified as not relevant	4	7	8	9
Reports with specific investigations	17	10	13	17

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Training for the prevention of corruption**	Intesa Sanpaolo Group (excluding UBI Banca Group)****						ISP + UBI*
	2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Group
Participants [No.]	46,995	9,877	56,872	19,992	11,178	31,170	34,324
Hours of specific training [No.]***	50,983	25,345	76,328	16,969	25,557	42,526	45,850
Executives [%]	46.5	17.3	36.8	28.9	58.4	38.5	33.7
Middle managers [%]	72.9	36.0	67.0	28.4	50.9	32.0	29.0
Professional areas [%]	71.4	45.6	63.1	34.2	48.8	38.9	34.9
% collaborators who have received specific training on the prevention of corruption	71.6	42.8	64.1	31.7	49.5	36.4	32.6
% of hours for specific training on corruption prevention	1.6	2.6	1.8	0.5	3.0	1.0	0.8

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

** Data recorded in detail as of 2019.

*** Hours defined as the duration of the teaching units used.

**** Mandatory training is cyclical and not necessarily annual; specifically, Anti-Corruption training is point in time, i.e. provided only following regulatory changes, while Anti-Money Laundering training takes place every three years. In particular, the mandatory initiatives on Anticorruption were launched on 31/10/2019 and are still valid; therefore the 2019 and 2020 attendance figures must be read as a whole and their comparison shows how the vast majority of Intesa Sanpaolo employees benefited from the Anticorruption training already in 2019 immediately following the publication of the contents and only a minority fulfilled the obligation in 2020. On the other hand, the new Three-Year Anti-Money Laundering Plan was launched in 2020.

Training for the prevention of money laundering**	Intesa Sanpaolo Group (excluding UBI Banca Group)****						ISP + UBI*
	2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Group
Participants [No.]	59,899	13,177	73,076	55,177	14,966	70,143	79,221
Hours of specific training [No.]***	183,231	47,368	230,599	280,856	38,012	318,869	337,893
Executives [%]	67.1	23.7	52.7	52.4	41.0	48.7	42.6
Middle managers [%]	91.3	50.2	84.8	85.6	60.6	81.6	74.3
Professional areas [%]	92.0	60.2	81.8	89.7	68.8	82.9	77.0
% collaborators who have received specific training on money laundering prevention	91.3	57.1	82.4	87.4	66.3	81.8	75.3
% of hours for specific training on money laundering prevention	5.7	4.8	5.5	8.0	4.4	7.3	6.1

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

** Data recorded in detail as of 2019.

*** Hours defined as the duration of the teaching units used.

**** Mandatory training is cyclical and not necessarily annual; specifically, Anti-Corruption training is point in time, i.e. provided only following regulatory changes, while Anti-Money Laundering training takes place every three years. In particular, the mandatory initiatives on Anticorruption were launched on 31/10/2019 and are still valid; therefore the 2019 and 2020 attendance figures must be read as a whole and their comparison shows how the vast majority of Intesa Sanpaolo employees benefited from the Anticorruption training already in 2019 immediately following the publication of the contents and only a minority fulfilled the obligation in 2020. On the other hand, the new Three-Year Anti-Money Laundering Plan was launched in 2020.

Total training for the prevention of corruption and money laundering	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Participants [No.]**	39,700	13,853	53,553	60,645	16,738	77,383	57,375	17,136	74,511	84,515
Hours of specific training [No.]***	278,788	44,454	323,242	234,214	72,713	306,927	297,825	63,569	361,394	383,743
Executives [%]	18.5	19.7	18.9	71.1	24.3	55.6	63.4	71.2	65.9	57.9
Middle managers [%]	57.3	61.2	57.9	92.5	59.8	87.3	90.0	71.6	87.0	79.8
Professional areas [%]	59.7	60.7	60.0	92.9	77.8	88.1	92.3	77.4	87.5	81.4
Participants [%]	58.0	59.9	58.5	92.4	72.6	87.3	90.9	75.9	86.9	80.4
Hours of specific training/ Total training hours [%]**	10.4	4.4	8.8	7.3	7.4	7.3	8.5	7.4	8.3	6.9

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

** In order to avoid duplication, the employees who participated in both types of courses (anti-corruption and anti-money laundering) are considered only once.

***Hours defined as the duration of the teaching units used.

Protection training of free competition	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Participants	47,499	477	47,976	54,748	0	54,748	57,986	1,448	59,434	65,422
Hours of training provided (classroom + remote learning)**	71,690	1,248	72,938	1,149,496	0	1,149,496	1,212,660	2,843	1,215,503	1,291,367

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

** Hours defined as the duration of the teaching units used.

Training for consumer protection	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Participants	38,243	1,798	40,041	46,342	1,789	48,131	58,338	3,362	61,700	70,849
Hours of training provided (classroom + remote learning)**	1,195,044	28,157	1,223,201	1,208,421	4,795	1,213,215	1,549,767	9,301	1,559,068	1,665,660

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

** Hours defined as the duration of the teaching units used.

Training for privacy protection	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Participants	46,259	5,637	51,896	59,568	3,260	62,828	56,617	5,235	61,852	67,385
Hours of training provided (classroom + remote learning)**	37,119	6,383	43,501	73,038	8,472	81,510	61,831	10,334	72,165	77,277

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

** Hours defined as the duration of the teaching units used.

SANCTIONS REGARDING ENVIRONMENTAL AND SOCIAL ISSUES

Sanctions for non-compliance with environmental regulations	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Sanctions	4	3	7	27	1	28	13	0	13	16
Amount [K euro]	0.6	2.7	3.4	6.4	1.5	7.9	1.8	0.0	1.8	2.8

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Sanctions for non-compliance with employee health and safety regulations	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Sanctions	7.0	2.0	9.0	20	2	22	7	0	7	7
Amount [K euro]	11.7	0.1	11.8	42.4	0.5	42.9	40.0	0.0	40.0	40.0

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

PROCEEDINGS AND DISCIPLINARY MEASURES TAKEN AGAINST EMPLOYEES

Proceedings pending with staff [n.]	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Termination of employment	7	110	117	17	96	113	6	96	102	102
Establishment and performance of the employment relationship	53	1	54	46	2	48	37	4	41	41
Duties and qualifications	25	20	45	23	20	43	20	10	30	30
Welfare and assistance	1	6	7	2	3	5	1	3	4	4
Remuneration	92	42	134	12	47	59	8	42	50	50
Anti-union behavior	0	0	0	0	0	0	0	0	0	1
Causes for mobbing	0	0	0	0	0	0	0	0	0	0
Various	6	41	47	3	28	31	1	28	29	34
Requests made by the Provincial Directorate of Labor	1	0	1	1	0	1	0	0	0	0
Active (promoted by the Bank towards collaborators)	0	115	115	0	110	110	1	103	104	109

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Disciplinary measures	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Written censure and verbal or written reprimand	276	153	429	292	108	400	225	74	299	322
Reduction in remuneration	1	83	84	0	49	49	0	59	59	59
Suspension from work with subtraction of remuneration (from 1 to 10 days)	155	0	155	172	0	172	103	0	103	111
Dismissal for just cause or justified reason	21	122	143	23	90	113	16	71	87	87
Disciplinary sanctions for corruption against collaborators	0	0	0	0	0	0	0	0	0	0
Dismissal due to corruption	0	0	0	0	0	0	0	0	0	0

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

In Italy, collective bargaining provides for the information and prior consultation of workers' representatives in the event of significant restructuring, with a procedure within the company lasting 45 days while in the Group lasting 50 days.

INFORMATION ON TAXES - COUNTRY-BY-COUNTRY REPORTING

Country	Full-time equivalent employees	Revenues from third party sales (figures in thousands of euro)	Revenues from intra-group transactions (figures in thousands of euro)*	Profit/loss before tax (figures in thousands of euro)	Tangible assets other than cash and cash equivalents (figures in thousands of euro)	Corporate income tax paid on a cash basis (figures in thousands of euro)	Corporate income tax accrued on profit/loss (figures in thousands of euro)
ALBANIA	663	49,636	765	16,425	37,085	- 758	- 2,062
BOSNIA AND HERZEGOVINA	552	58,682	- 78	19,435	13,486	- 2,346	- 2,136
BRAZIL	36	16,677	-	2,969	616	- 664	- 512
CAYMAN ISLANDS	10	2,260	2	- 1,247	523	-	-
CHINA***	152	104,832	87,409	11,539	5,214	4,767	- 3,442
CROATIA	3,973	608,163	33,675	326,251	214,286	- 17,083	- 41,931
CZECH REPUBLIC**	-	31,027	1,733	11,321	472	395	- 353
EGYPT	4,494	757,427	423	231,156	202,468	- 45,873	- 60,951
FRANCE***	37	42,719	52,068	53,234	1,613	- 2,748	- 18,615
GERMANY**	36	17,281	3,483	10,188	1,203	- 2,320	- 2,320
HUNGARY	2,348	220,859	25,338	65,831	104,080	- 19,150	- 16,832
IRELAND	175	3,250,798	18,857	429,222	4,639	- 58,670	- 57,985
ITALY	62,228	27,599,387	5,643,772	6,424,107	7,947,961	- 65,322	- 1,397,156
JAPAN**	15	8,193	5,588	5,493	602	- 1,886	- 1,886
LUXEMBOURG	330	1,103,310	115,892	855,749	61,343	- 31,020	- 114,141
MOLDOVA	358	13,299	167	3,008	14,654	- 618	- 765
POLAND**	13	11,888	15,574	8,481	164	- 1,694	- 1,694
QATAR**	4	-3	-	7	310	- 7	- 7
ROMANIA	533	61,844	89	13,639	29,166	- 1,553	- 2,710
RUSSIA	1,111	69,651	10,900	7,369	22,473	- 979	- 1,560
SERBIA	3,109	321,473	- 444	120,220	84,034	- 11,264	- 13,804
SINGAPORE**	26	12,755	24,744	7,496	924	- 500	- 794
SLOVAKIA	4,163	535,727	48,876	145,604	119,030	- 66,449	- 26,498
SLOVENIA	673	86,959	2,114	25,546	33,625	- 2,477	- 4,237
SPAIN**	21	25,102	14,180	19,267	671	- 5,411	- 6,700
SWITZERLAND	-	29,729	216	- 27,020	26,296	- 107	-
TURKEY**	23	69,493	18,976	64,497	809	- 14,175	- 14,009
U.S.A.**	172	327,854	324,582	81,989	720	- 6,590	- 15,151
UKRAINE	872	24,769	277	- 3,924	10,931	19	-
UNITED ARAB EMIRATES**	43	50,945	81,522	36,882	1,780	- 152	- 348
UNITED KINGDOM***	370	225,846	70,705	104,150	30,562	- 42,787	- 22,482
Total Intesa Sanpaolo Group companies	86,539			9,068,882			
Consolidation adjustments				3,396,627			
Intesa Sanpaolo Group consolidated	86,539			5,672,255			

The reported data refers to Fiscal Year 2019 - this is due to the fact that to satisfy the GRI standards, ISP Group uses also data collected for the Country by Country Reporting requested by Italian tax law (article 1, paragraph 145 of Law n. 208/2015), in line with the work of the OECD in the Base Erosion and Profit Shifting project (BEPS), which is to be filed within 12 months of end of fiscal year ("OECD CbCR").

As for the latter, the source of data used is mainly the consolidation reporting package. In line with the OECD Guidelines, values taken from the OECD CbCR (revenues from third parties, revenues from intra-group transactions, tangible assets other than cash and cash equivalents, income tax accrued), not being subject to consolidation adjustments, do not reconcile with the audited consolidated financial statements. The value referring to "Corporate Income tax paid on a Cash Basis" is not included in the consolidation reporting package; therefore, an additional form was submitted to the entities of the Group.

The values referring to "Profit or Loss before tax" and "Full time equivalent employee" are taken from the Country by Country Reporting requested by the CRD IV (I) and they are reconciled with the audited consolidated financial statements.

The values indicated in the "Number of employees - FTE" column are also drawn from the Country-by-Country Reporting required by the CRD IV Directive. Compared to the information included in the consolidated financial statements, the values are calculated on a full-time equivalent basis, according to the specific instructions of the Bank of Italy on Country-by-Country Reporting (Circ. 285, Title III, Chap. 2).

With regard to the differences between the tax on income accrued on profits and the tax due, it is noted that these are mainly due to the effects of the participation exemption; to the reversal of taxes on "consolidated" dividends; to the adjustments of prepaid/deferred taxes also to take into account the filing of supplementary returns relating to previous years. For further information, reference is made to section 21 of the Notes to the consolidated financial statements - Part C - of the Consolidated Financial Statements of the Intesa Sanpaolo Group at 31 December 2019.

* Please consider that, in line with the OECD guidelines related to the Country by Country Reporting, intra-group transactions within the same tax jurisdiction are also reported.

** Please consider that in this Jurisdiction our Group is present only with permanent establishments/branches that do not apply a branch exemption regime (see Countries' company business).

*** Please consider that in this Jurisdiction our Group is present with various entities among which there are permanent establishments/branches that do not apply a branch exemption regime (see Countries' company business).

Group value and solidity*

MAIN ECONOMIC AND FINANCIAL RATIOS¹

	Intesa Sanpaolo Group (excluding UBI Banca Group)		ISP + UBI
	2019	2020	2020
Personnel efficiency indexes [m euro]			
Loans to customers / Number of employees	4.44		4.37
Operating income / Number of employees	0.20		0.18
Financial assets of customers ² / Number of employees	10.78		11.05
Capital ratios	2019	2020	2020
Shareholders' equity / Loans to customers	14.2%	16.0%	14.3%
Shareholders' equity / Financial assets of customers ²	5.8%	6.4%	5.6%
Solvency coefficients	2019	2020	2020
Common Equity Tier 1 capital net (CET1) of regulatory adjustments / Risk-weighted assets (Common Equity Tier 1 ratio)	13.9%		14.7%
Tier 1 Capital (TIER 1) / Risk-weighted assets	15.3%		16.9%
Total own funds / Risk-weighted assets	17.7%		19.6%
Income ratios	2019	2020	2020
Income for the year / Average shareholders' equity ³	8.8%	3.9%	5.9%
Operating costs/ Operating income (Cost income Ratio)	51.8%	52.2%	52.4%
Risk ratios	2019	2020	2020
Net bad loans / Loans to customers	1.7%	1.0%	0.9%
Cumulated adjustments on bad loans / Gross bad loans to customers	65.3%	58.8%	58.3%

1. The indicators were calculated with reference to reclassified statements and figures published in the Intesa Sanpaolo Group's 2020 Consolidated Financial Statements. Figures were restated, where necessary and material, considering the changes in the scope of consolidation and discontinued operations. The figures relating to the UBI Group were not restated.

2. Customer financial assets: direct deposits from banking business, direct deposits from insurance business and technical reserves and indirect deposits, after netting, referred to components of indirect deposits which are also included in direct deposits.

3. Ratio of net income, minus non-recurring elements, to shareholders' equity at the end of the year. The shareholders' equity does not take into account AT 1 equity instruments and the net income for the year.

* For more in-depth insights with regard to the main impacts of COVID-19 on financial performance, one should refer to the section called "Intesa Sanpaolo Group's approach to the preparation of the financial statements as at 31 December 2020" in the Consolidated Annual Report.

CALCULATION AND DISTRIBUTION OF ECONOMIC VALUE

FINANCIAL STATEMENT ITEMS* [M EURO]		2019 Intesa Sanpaolo Group (excluding UBI Banca Group)	2020 Intesa Sanpaolo Group (including UBI Banca Group)
10.	Interest and similar income	10,193	10,183
20.	Interest and similar expense	-3,269	-2,451
40.	Active commissions	9,658	10,312
50.	Passive commissions ¹	-1,471	-1,581
70.	Dividend and similar income	117	86
80.	Profits (Losses) on trading	506	628
90.	Fair value adjustments in hedge accounting	-61	71
100.	Profits (Losses) on disposal or repurchase of:	1,385	633
	a) financial assets measured at amortised cost	97	-193
	b) financial assets measured at fair value through other comprehensive income	1,218	870
	c) financial liabilities	70	-44
110.	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss	123	-9
	a) financial assets and liabilities designated at fair value	-103	57
	b) other financial assets mandatorily measured at fair value	226	-66
115.	Profits (Losses) on financial assets and liabilities pertaining to insurance companies pursuant to IAS 39	3,991	3,463
130.	Net losses/recoveries for credit risks associated with:	-2,201	-4,364
	a) financial assets measured at amortised cost	-2,175	-4,356
	b) financial assets measured at fair value through other comprehensive income	-26	-8
135.	Net losses/recoveries pertaining to insurance companies pursuant to IAS39	-9	-81
140.	Profits (Losses) on changes in contracts without derecognition	-6	-29
160.	Net insurance premiums	10,147	10,842
170.	Other net insurance income (expense)	-12,673	-12,802
230.	Other operating expenses (income) ²	774	3,347
250. (partial)	Profits (Losses) on investments in associates and companies subject to joint control (realised gains/losses) ³	7	5
280.	Profits (Losses) on disposal of investments	96	101
320.	Profit (loss) from discontinued operations after tax	64	1,136
A	Total economic value generated	17,371	19,490
190.b (partial)	Other administrative expenses (net of indirect taxes and donations and charges for resolution funds and deposit guarantee) ⁴	-2,437	-2,855
	ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS	-2,437	-2,855
190.a	Personnel expenses ⁵	-6,513	-8,315
	ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES AND COLLABORATORS	-6,513	-8,315
340.	Minority interests	10	-8
	ECONOMIC VALUE DISTRIBUTED TO THIRD PARTIES	10	-8
350. (partial)	Parent Company net income (loss) - Share allocated to Shareholders ⁶	0	-694
350. (partial)	Parent Company net income (loss) - Share allocated to holders of equity instruments ⁷	-218	-278
	ECONOMIC VALUE DISTRIBUTED TO SHAREHOLDERS AND HOLDERS OF EQUITY INSTRUMENTS	-218	-972
190.b (partial)	Other administrative expenses: indirect taxes	-895	-1,021
190.b (partial)	Other administrative expenses: charges for resolution funds and deposit guarantee	-526	-710
300. (partial)	Income taxes for the year (current taxes) ⁸	-1,724	-429
	ECONOMIC VALUE DISTRIBUTED TO GOVERNMENT, ORGANISATIONS AND INSTITUTIONS	-3,145	-2,160
190.b (partial)	Other administrative expenses: donations ⁹	-9	-12
350. (partial)	Parent Company net income (loss) - Share allocated to charity funds ¹⁰	-13	-17
	ECONOMIC VALUE DISTRIBUTED TO THE COMMUNITY AND ENVIRONMENT	-22	-29
B	Total economic value distributed	-12,325	-14,339
200.	Net provisions for risks and charges	-73	-793
210.	Net adjustments to / recoveries on property and equipment	-523	-578
220.	Net adjustments to / recoveries on intangible assets	-692	-818
250. (partial)	Profits (Losses) on investments in associates and companies subject to joint control (valuation component)	46	-21
260.	Valuation differences on property, equipment and intangible assets measured at fair value	-13	-42
270.	Goodwill impairment	0	-981
300. (partial)	Income taxes for the year (deferred tax assets and liabilities)	160	370
350. (partial)	Parent company net income (losses) - Share allocated to (withdrawn from) reserves	-3,951	-2,288
C	Total economic value retained (withdrawn) by the corporate system¹¹	5,046	5,151

* The 2020 figures reflect the effects of the consolidation of the UBI Group starting from the acquisition date (therefore for the August-December period). For additional details, please refer to the 2020 Consolidated Financial Statements.

1. The figures differ from those of the income statement in the annual report, as the remuneration of the financial consultant networks was reclassified as "Personnel expenses". The 2020 amount includes the employee benefits relative to the agreement on staff exit incentives signed with the trade unions as a result of the integration with UBI Banca.

2. The 2020 amount includes the negative goodwill recognised on the UBI Group acquisition.

3. The figures differ from those of the income statement in the annual report due to the exclusion of unrealised gains/losses, now recognised in a separate item.

4. The figures differ from those of the income statement in the annual report due to the exclusion of indirect taxes and donations and gifts, and taxes and other charges regarding the banking industry, now recognised in a separate item. As of 2019, in application of IFRS 16, leasing payments are no longer included, since the charge is represented through the amortisation of the asset relating to the right of use and as interest expense on the debt. The 2020 amount includes the charges for integration following the acquisition of UBI Banca.

5. The figures differ from those of the income statement in the annual report as they also include the remuneration paid to the financial consultant networks.

6. In both financial years the distributions to the shareholders were defined in accordance with the ECB Recommendations on dividend distributions during the COVID-19 pandemic. For 2020, it was decided to submit a proposal to the Shareholders' Meeting for the distribution, partly from the share premium reserve, of a total dividend payout of 694 million euro, equal to the maximum allowed by the European Central Bank Recommendation of 15 December 2020, within the limit of 20 basis points of the consolidated Common Equity Tier 1 ratio at 31 December 2020. In addition, subject to the developments in the guidance from the Supervisory Authority after 30 September 2021, and in line with the 2018-2021 Business Plan, a distribution of reserves is envisaged, from the results for 2020, which when added to the above-mentioned dividends should lead to the payment of a total amount of 3,505 million euro of adjusted consolidated net income corresponding to a payout ratio of 75%. With regard to 2019, following the revision on 31 March 2020 of the Proposals to the Shareholders' Meeting approved by the Board of Directors on 25 February 2020, the net income for the year 2019 - net of the allocation to the Allowance for charitable, social and cultural contributions - was entirely assigned to reserves, in accordance with the Recommendation of the European Central Bank of 27 March 2020 regarding dividend policies.

7. Accrued interest relative to coupons on additional class 1 (AT1) equity instruments, recognised directly in the shareholders' equity.

8. The figures differ from those of the income statement in the annual report due to the exclusion of deferred tax assets and liabilities, now recognised in a separate caption.

9. The figures differ from those in the "Supporting the Community" chapter as they only consider the "Donations and charity" caption of the Income statement.

10. The figures include amounts allocated to the charity funds operated by Group banks.

11. Net adjustments to/recoveries and provisions, deferred tax assets and liabilities and consolidated income net of dividends of the Parent Company.

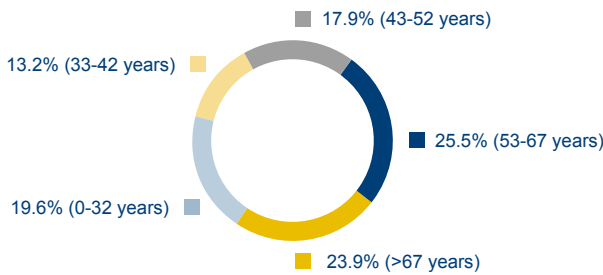
Society

CUSTOMERS

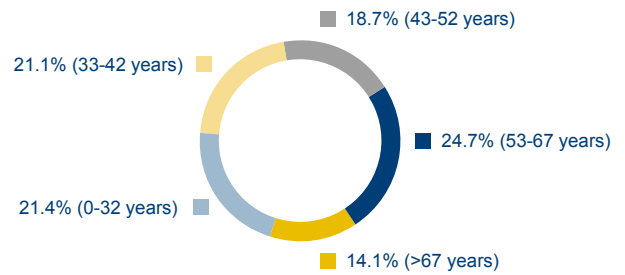
CUSTOMER COMPOSITION

Retail customers by age bracket [% - years]

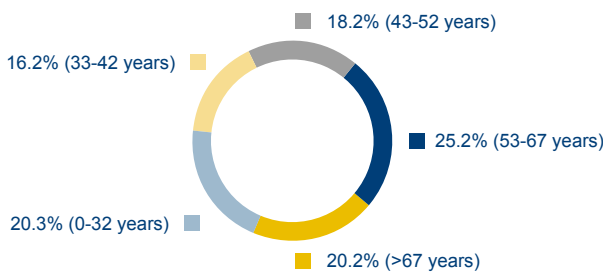
Italy (Intesa Sanpaolo Group - excluding UBI Banca Group)



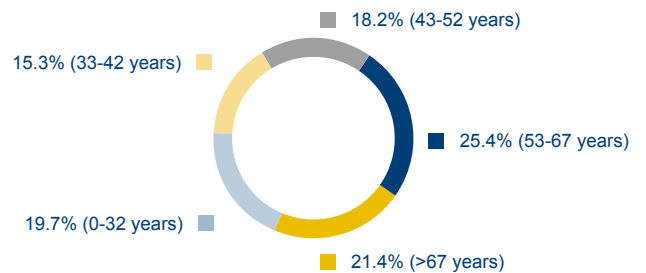
Abroad (Intesa Sanpaolo Group - excluding UBI Banca Group)



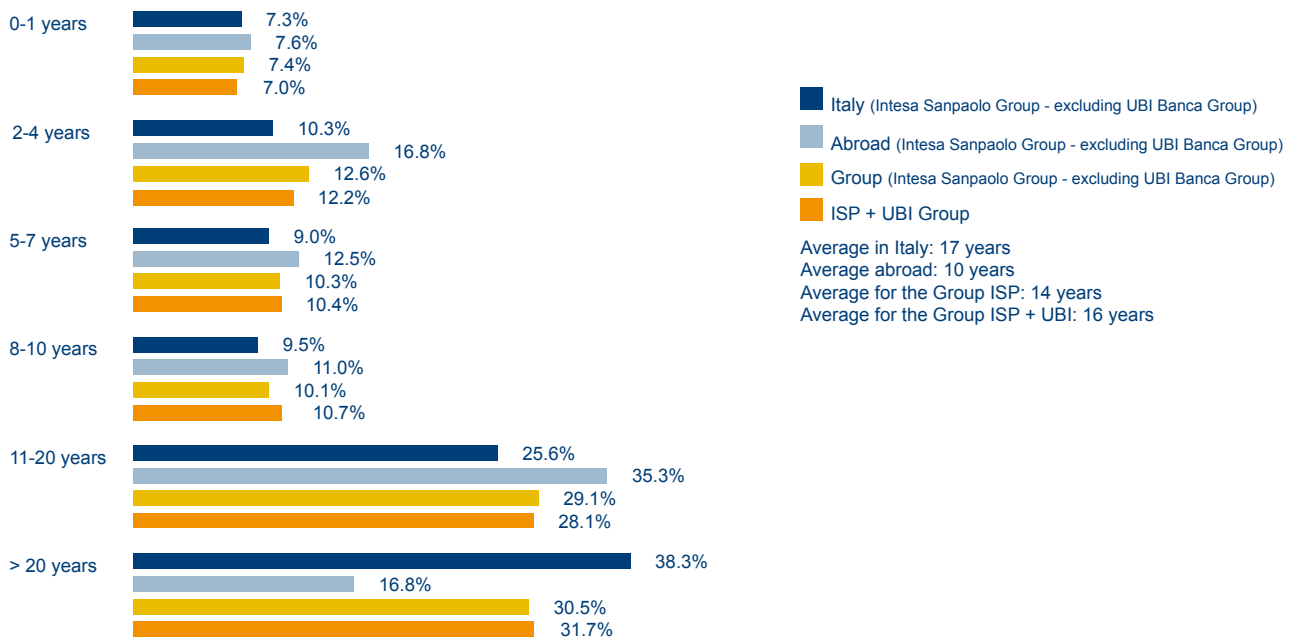
Group (Intesa Sanpaolo Group - excluding UBI Banca Group)



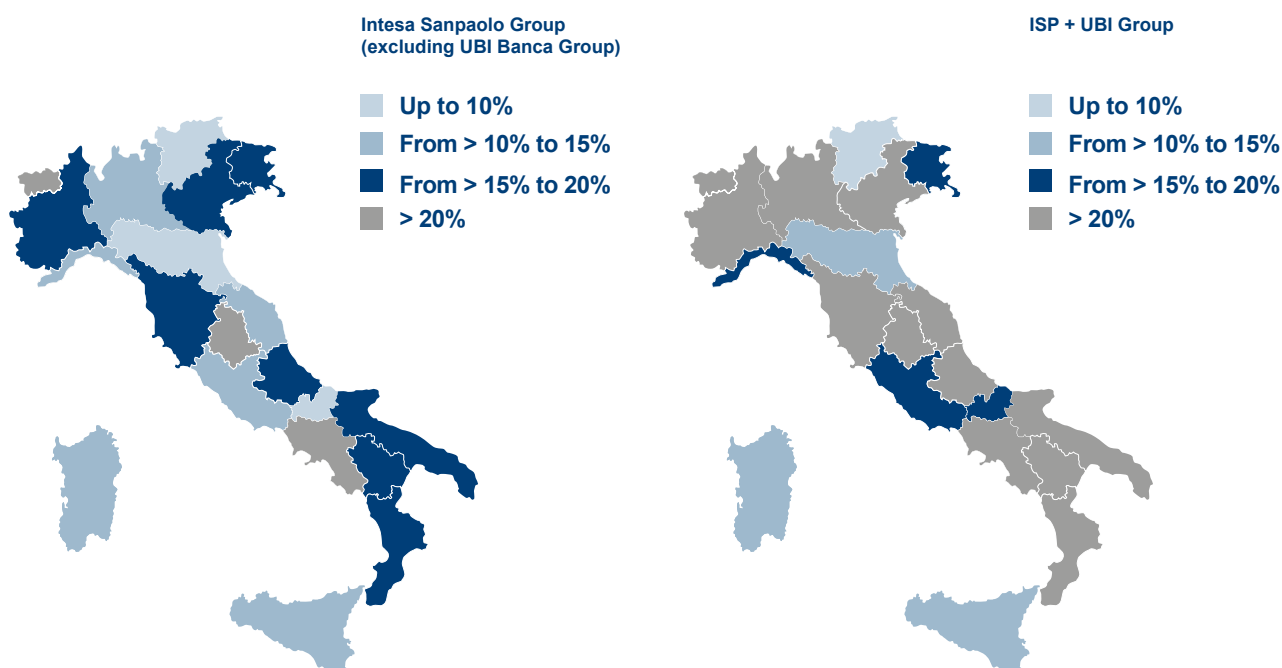
Group ISP + UBI



Retail customers by years of relationship with the bank [years - %]



Market share of branches in Italy by region



Presence in Italian regions with a low population density*	Intesa Sanpaolo Group (excluding UBI Banca Group)						ISP + UBI	
	2018		2019		2020		2020	
	Branches	Atm	Branches	Atm	Branches	Atm	Branches	Atm
Valle d'Aosta	20	45	19	43	19	41	20	42
Basilicata	44	55	34	48	31	49	48	69
Sardegna	84	149	80	143	74	139	75	140
Molise	16	25	9	21	9	21	16	31
Trentino Alto Adige	53	69	49	66	0	59	43	60

* Source: ISTAT 2020 Yearbook, resident population at 01/01/2020 and relative area data. Regions considered have less than 100 inhabitants per square kilometre.

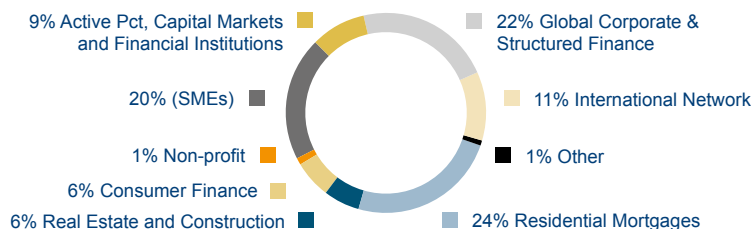
Intesa Sanpaolo Group banks abroad*	Intesa Sanpaolo Group (excluding UBI Banca Group)					
	2018		2019		2020	
	Branches	Atm	Branches	Atm	Branches	Atm
Albania	34	51	35	53	35	57
Croatia	295	1,394	278	1,140	254	1,141
Romania	34	43	33	41	32	34
Serbia	154	299	155	309	155	337
Slovakia	202	592	193	603	187	598
Ukraine	50	157	45	117	45	104
Hungary	68	130	64	123	63	122
Moldova	-	-	17	64	17	67
Egypt	175	375	175	437	176	481
Russian Federation	32	48	29	43	28	41

* The breakdown by country is carried out on the basis of the head office of the Parent Company for the international banking groups (PBZ in Croatia, VÚB Banka in Slovakia and CIB Bank in Hungary).

LOANS

Loans to customers by business area

Group (Intesa Sanpaolo Group - excluding UBI Banca Group)



Loans to customers by economic business sector

Breakdown by economic business sector	Intesa Sanpaolo Group (excluding UBI Banca Group)		
	2018	2019	2020
Loans of the Italian banks and companies of the Group			
Households	29.0%	29.0%	29.3%
Public Administration	1.9%	1.9%	1.6%
Financial Companies	11.3%	10.8%	7.7%
Non-financial Companies of which:	33.0%	32.1%	36.4%
Services	6.1%	6.3%	7.6%
Distribution	5.7%	5.4%	6.1%
Real Estate	3.6%	3.3%	3.2%
Transportation means	0.5%	0.5%	2.1%
Construction	2.0%	1.9%	2.0%
Utilities	2.5%	2.5%	1.9%
Metals and metal products	1.8%	1.7%	1.8%
Transport	1.3%	1.3%	1.6%
Agriculture	1.5%	1.5%	1.5%
Food and drink	1.4%	1.3%	1.4%
Mechanical	1.0%	1.0%	1.2%
Fashion	0.9%	0.8%	1.1%
Intermediate industrial products	1.0%	0.9%	1.0%
Electrotechnical and electronic	0.6%	0.6%	0.8%
Holding and other	0.4%	0.5%	0.5%
Energy and extraction	0.3%	0.4%	0.4%
Base and intermediate chemicals	0.3%	0.3%	0.4%
Publishing and printing	0.3%	0.3%	0.3%
Material for construction	0.3%	0.3%	0.3%
Pharmaceutical	0.2%	0.2%	0.3%
Great jobs	0.3%	0.2%	0.3%
Furniture	0.2%	0.2%	0.3%
Non-classified units	0.3%	0.3%	0.2%
Other consumption goods	0.2%	0.2%	0.2%
Mass consumption goods	0.1%	0.1%	0.1%
White goods	0.1%	0.1%	0.0%
Rest of the world	9.7%	10.8%	11.0%
Loans of international banks and companies of the Group	10.9%	11.7%	11.5%
Non-performing loans	4.2%	3.6%	2.6%
TOTAL	100.0%	100.0%	100.0%

Note: figures may not add up exactly due to rounding differences.

OPERATIONS SUBJECT TO EQUATOR PRINCIPLES SCREENING

	Intesa Sanpaolo Group (excluding UBI Banca Group)		
Project Finance*	Category A	Category B	Category C
Total	2	4	3
Sector			
Oil and gas	1	2	
Mining			
Energy		1	2
Infrastructure		1	
Other	1		1
Region			
Americas		1	
Europe, Middle East and Africa (EMEA)	2	3	3
Asia and Oceania			
Type of country**			
Designated	1	4	
Not designated	1		3
Independent audit			
Yes	2		
No		4	3

UBI Banca figures not reported since the Group does not adhere to the Equator Principles.

	Intesa Sanpaolo Group (excluding UBI Banca Group)		
Business Loans Associated With Projects*	Category A	Category B	Category C
Total		1	
Sector			
Oil and gas			
Energy			
Infrastructure		1	
Region			
Europe, Middle East and Africa (EMEA)		1	
Type of country**			
Designated			
Not designated		1	
Independent audit			
Yes			
No		1	

* Refers to the number of projects that were financially completed in 2020

** Designated countries: countries considered as having solid environmental and social governance, legal systems and an institutional capacity conceived to protect the population and natural environment. The list of designated countries is available on the Equator Principles Internet site. The Equator Principles envisage the assignment of a risk category to the projects to be financed (A is high, B medium and C low).

	Intesa Sanpaolo Group (excluding UBI Banca Group)								
Project finance and business loans associated with projects closed during the year*	2018			2019			2020		
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group
Projects	17	3	20	11	0	11	5	5	10
Economic Value [m euro]	955	38	993	825	0	825	247	934	1,182

* Projects that were financially completed in 2020.

SOCIAL IMPACT LOANS

Loans granted for social purposes [K euro]**	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Micro-finance	25,199	45,535	70,733	16,167	57,699	73,866	6,027	77,898	83,925	83,925
Anti-usury loans	1,680	0	1,680	1,480	0	1,480	1,305	0	1,305	7,130
Loans to the Third Sector	252,375	0	252,375	205,370	0	205,370	470,698	0	470,698	522,335
Products for vulnerable social groups	3,637,664	295,362	3,933,026	3,178,120	253,693	3,431,814	4,280,170	267,240	4,547,410	4,890,282
Support for people hit by disastrous events	197,090	0	197,090	136,907	0	136,907	32,071,647	0	32,071,647	34,778,449
Total	4,114,008	340,897	4,454,904	3,538,044	311,392	3,849,437	36,829,847	345,138	37,174,985	40,282,120

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

** It includes medium/long term loans provided by Third Sector and by Banks in Italy. In 2020 high social impact loans represented 42.5% of all loans granted by the ISP Group (vs. 6.6% in 2019). There has been strong growth in the high social impact loans segment as in 2020 these also included the loans issued to support families and businesses during the COVID-19 emergency. In particular, in 2020 the ISP Group finalised about 32 billion euro of such loans, almost 30 billion euro of which as part of the "Liquidity Decree".

RELATIONS WITH THE THIRD SECTOR

Third Sector Network	Intesa Sanpaolo Group (excluding UBI Banca Group)			ISP + UBI
	2018	2019	2020	2020
Customers [No.]	64,664	65,787	88,039	112,778
Customers with loans [No.]	11,394	11,993	14,642	18,017
Loans [K euro]	1,899,200	2,098,952	2,299,908	3,000,699
Direct funding [K euro]	3,687,631	4,108,541	5,502,362	6,748,773
Indirect funding [K euro]	1,611,907	1,707,867	1,822,228	3,106,736

SUSTAINABLE INVESTMENTS

Eurizon SGR: Ethical and ESG Funds [K euro]	Intesa Sanpaolo Group (excluding UBI Banca Group)		
	2018	2019	2020
Ethical and ESG Funds: assets	5,619,618	8,225,273	17,726,643
Ethical Funds: assets	1,152,199	1,621,718	2,224,051
International ethical equity	140,690	260,613	359,660
Ethical bonds	430,064	503,629	577,708
Diversified Ethical Heritage	581,446	836,113	1,263,879
EIS - Flexible Equity Ethical Selection	-	21,363	22,804
ESG funds: assets	4,467,419	6,603,555	15,502,592
ESG Target 40 Fund (retail customers)	107,294	106,417	70,184
Sustainable Global Equity Fund (professional customers)	350,399	623,300	555,437
Flexible Equity Fund	3,364,371	3,675,633	3,435,793
Sustainable Discipline ESG Fund	423,298	432,862	405,594
Absolute Green Bonds Fund	152,181	725,119	2,010,185
Bond Corporate Smart ESG Fund	69,876	156,567	212,690
Equity Contrarian ESG Approach	-	61,456	134,836
Bond Emerging Markets in local currencies ESG	-	229,023	227,948
Equity Innovation	-	77,452	828,506
Equity People Heritage	-	62,404	620,651
Equity Planet	-	82,227	717,891
Equity Europe	-	196,128	134,060
Equity US	-	174,967	169,332
Sustainable Equity Europe	-	-	109,689
Sustainable Equity US	-	-	104,620
Global Dividend ESG 50	-	-	982,894
Global Leaders ESG 50	-	-	1,008,364
Eurizon Soluzione ESG 10	-	-	241,192
Eurizon Soluzione ESG 40	-	-	330,862
Eurizon Soluzione ESG 60	-	-	253,730
Eurizon Recovery Leaders ESG 40	-	-	163,880
Eurizon Top Recovery ESG	-	-	32,375
Eurizon Next - Allocazione Diversificata 20	-	-	727,198
Eurizon Next - Allocazione Diversificata 40	-	-	1,338,951
Eurizon Next - Allocazione Diversificata 70	-	-	250,906
Eurizon Next - Strategia Azionaria ESG	-	-	434,824
Percentage of ethical and ESG funds (under Italian law and delegated) with respect to the total assets of Italian law funds [%]	8.3	12.0	28.4
Total fund assets managed with ESG criteria for third parties (mandates of institutional operators) [k euro]	2,570,553	3,522,898	3,422,046

The Eurizon Ethical Funds are under Italian law.

Eurizon SGR: engagement initiatives	Intesa Sanpaolo Group (excluding UBI Banca Group)		
	2018	2019	2020
Companies comprising the portfolios*	1,382	1,420	1,429
Companies for which engagement initiatives have been carried out	600	515	573
Companies for which ESG engagement initiatives have been carried out	130	77	172
% of companies included in the portfolios subject to ESG engagement	9.4	5.4	12.0
% of companies for which ESG engagement activities were carried out on the total of the companies subject to engagement	21.7	15.0	30.0

* The overall number reported refers to issuers of equity in Italian funds.

Fideuram Ethical and ESG Funds [K euro]	Intesa Sanpaolo Group (excluding UBI Banca Group)		
	2018	2019	2020
Ethical and ESG funds: assets	115,420	224,803	707,587
Ethical Funds: assets	47,909	57,624	74,207
Fonditalia Ethical Investment Class R	26,447	26,871	27,771
Fonditalia Ethical Investment Class T	21,462	30,752	46,436
ESG funds: assets	67,511	167,179	633,380
Fonditalia Millennial Equity Class R	21,336	74,311	241,932
Fonditalia Millennial Equity Class T	46,175	92,868	391,449
Total fund assets managed by Fideuram directly and on behalf of third parties [k euro]*	55,418,000	61,092,911	62,758,589

The Fideuram Ethical Funds are governed by Luxembourg law.

* The term "third party houses" refers to asset management companies other than those belonging to the Fideuram Group (Fideuram Investimenti and Fideuram Asset Management Ireland) which establish mutual investment funds which are then placed with customers.

Pramerica SGR: Ethical and SICAV Funds [K euro]	UBI Banca Group
	2020
Ethical/ESG Funds and SICAV SRI/ESG: assets	6,166,528
Ethical/ESG Funds: assets	291,248
Ethical Funds: assets	248,596
Azionario Etico	24,990
Obbligazionario Euro Corporate Etico	55,132
Bilanciato Etico	168,474
ESG Funds: assets	42,653
Rilancio Italia TR	42,653
SICAV SRI/ESG: assets	5,875,279
SICAV SRI (best in class): assets	2,726,478
SICAV Social 4 Future	1,068,857
SICAV Social 4 Planet	1,657,621
SICAV ESG: assets	3,148,801
SICAV Low Carbon Euro	552,536
SICAV Clean water	204,999
Absolute Return Moderate ESG	641,046
Social 4 Children	88,713
Euro Fixed Income	65,321
Equity High Dividend	97,337
Euro Corporate Short Term	537,830
Euro Corporate Bond	505,825
Smart Factor Euro	50,330
Strategic Bond	404,865
Percentage of Ethical/ESG funds and SICAV SRI/ESG with respect to the total assets of managed funds and SICAV [%]	16.7%

Pramerica SGR: engagement initiatives	UBI Banca Group
	2020
Companies comprising the portfolios	1,221
Companies for which engagement initiatives have been carried out	420
Companies for which ESG engagement initiatives have been carried out	420
% of companies included in the portfolios subject to ESG engagement	100%
% of companies for which ESG engagement activities were carried out on the total of the companies subject to engagement	100%

MULTI-CHANNEL

Distribution channels and automation of operations: Italy	Intesa Sanpaolo Group (excluding UBI Banca Group)			ISP + UBI
	2018	2019	2020	2020
Multi-channel contracts (stock)*	8,329,884	9,171,390	10,304,258	12,385,916
Multi-channel contracts (stock)/no. of customers*	70.9%	78.4%	87.7%	85.1%
Bank transfers automation [%]	88.3	90.2	93.7	93.1
Securities automation [%]	67.5	66.4	85.1	84.2
Remote Banking: active contracts at date	239,358	211,645	198,876	511,151
Remote Banking: orders	127,248,285	139,179,355	127,246,358	149,404,348

* Monitoring of the 2018-2021 Business Plan is performed on customers of the Banca dei Territori Division.

Distribution channels: Abroad	Intesa Sanpaolo Group (excluding UBI Banca Group)					
	2018		2019		2020	
	No. of multi-channel contracts (stock)	No. of multi-channel contracts (stock)/no. of customers	No. of multi-channel contracts (stock)	No. of multi-channel contracts (stock)/no. of customers	No. of multi-channel contracts (stock)	No. of multi-channel contracts (stock)/no. of customers
Albania	18,664	9%	34,919	16%	43,769	19%
Croatia	540,333	28%	572,631	37%	622,859	34%
Romania	13,893	20%	16,262	26%	20,350	35%
Serbia	833,571	49%	571,424	46%	606,586	49%
Slovakia	555,682	57%	583,873	61%	621,242	70%
Ukraine	83,479	59%	58,985	67%	69,294	82%
Hungary	316,916	85%	316,290	90%	347,726	92%
Moldova	-	-	0	0%	8,946	9%
Russian Federation	46,528	21%	38,826	27%	33,406	29%

The breakdown by country is based on the parent company head office for international subsidiaries (PBZ in Croatia, VÚB Banka in Slovakia e CIB Bank in Hungary).

CYBER SECURITY

Training	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Participants	3,627	4,653	8,280	43,659	7,770	51,429	58,859	10,017	68,876	76,669
Hours of training provided (classroom + remote learning)**	7,560	6,647	14,207	205,281	16,090	221,371	185,880	28,415	214,295	225,903

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

** Hours defined as the duration of the teaching units used.

The entry into force of the General Data Protection Regulation - GDPR, specific guidelines of the IVASS Regulation and the ever-increasing attention paid by all institutions to the IT Security topic resulted in a significant investment in Cyber Security training.

CUSTOMER EXPERIENCE

Net promoter score (NPS) performance by type of customer	Intesa Sanpaolo Group (excluding UBI Banca Group)		
	2018	2019	2020
Retail	16	20	21
Exclusive	3	7	15
SME	20	11	22
Third sector	-	-	25

Findings collected from Banca dei Territori customers. In 2019 it was established that the reference channel for surveys would be the telephone. Therefore, since 2019 all the data has been calculated by applying a correction that enables the votes collected through different channels to be made comparable with those gathered by telephone.

CLAIMS, COMPLAINTS AND APPEALS

Type	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Loans	24,922	4,703	29,625	18,569	4,945	23,514	26,693	8,688	35,381	41,867
Payment systems	9,640	20,616	30,256	11,275	24,328	35,603	15,426	25,559	40,985	43,808
Organisational issues, Internet site, other	10,365	7,082	17,447	12,873	7,447	20,320	17,093	6,775	23,868	24,211
Insurance products	6,088	150	6,238	8,289	115	8,404	12,905	156	13,061	13,148
Current accounts, deposits and securities dossier	5,997	5,336	11,333	4,327	6,333	10,660	5,164	5,890	11,054	12,092
Investments	2,997	209	3,206	3,391	165	3,556	3,512	222	3,734	3,921
Total	60,009	38,096	98,105	58,724	43,333	102,057	80,793	47,290	128,083	139,047

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

With regard to requests received from customers regarding personal data protection, in Italy 101 reports were received in 2020 for an alleged violation of the Privacy Code, and 8 requests for feedback from the Italian Data Protection Authority, in relation to claims submitted to it at the customer's initiative as part of the exercise of the data access right. Abroad in the EU, the local Data Protection Officers handled 418 reports for alleged breach of the data protection regulations and 2 requests for feedback from the local Data Protection Authority in relation to claims submitted to the Authorities from customers.

COMMUNITY

CONTRIBUTION TO THE COMMUNITY

Contribution to the community by type [K euro]	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Monetary contribution to the community	58,964	2,721	61,685	83,304	2,820	86,124	180,474	4,011	184,485	186,910
Goods and services donated to the community	0	17	17	0	23	23	5	35	40	45
Time contributions	125	89	214	73	99	172	0	30	30	30
Operating costs	4,558	253	4,811	5,871	331	6,203	5,875	353	6,228	6,991
Overall contribution to the community	63,647	3,080	66,727	89,248	3,273	92,521	186,354	4,429	190,783	193,976

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

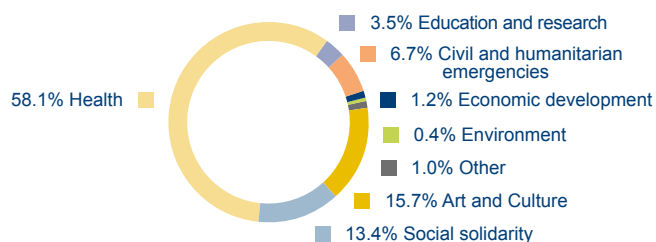
Contribution to the community: geographic distribution [K euro]**	Intesa Sanpaolo Group (excluding UBI Banca Group)			ISP + UBI*
	2018	2019	2020	2020
European Union	65,307	90,977	189,003	192,196
Other European countries	612	646	317	317
Africa	789	896	1,457	1,457
South America	19	2	6	6
Total contribution to the community	66,727	92,521	190,783	193,976

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

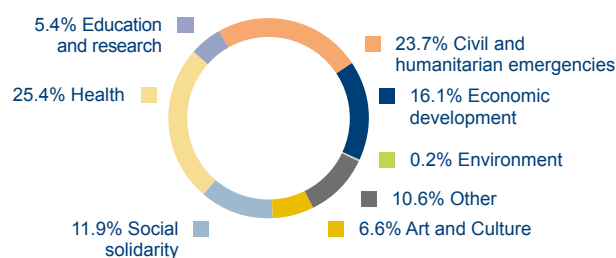
** Data recorded based on the geographic area of the Group Bank making the contribution.

Monetary contribution to the community by area of activity [%]

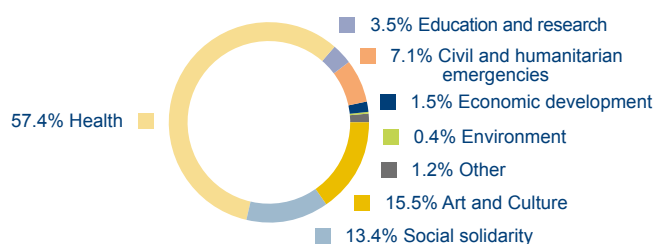
Italy



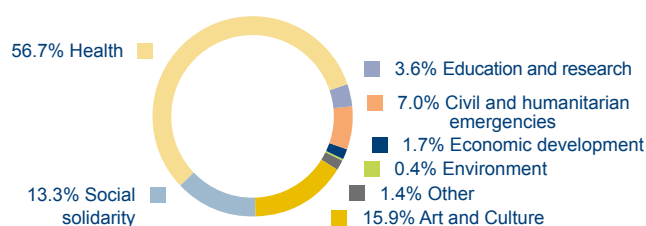
Abroad



Group



Group ISP + UBI*



* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Monetary contribution to the community by area of activity [K euro]	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Art and Culture	30,417	468	30,885	50,753	491	51,243	28,380	267	28,646	29,686
Social solidarity	8,786	278	9,064	13,584	392	13,976	24,249	476	24,726	24,836
Health	1,803	246	2,048	2,113	408	2,521	104,831	1,020	105,850	106,051
Education and research	8,790	242	9,032	6,772	146	6,918	6,237	215	6,452	6,760
Civil and humanitarian emergencies	798	3	801	705	0	705	12,138	951	13,089	13,091
Economic development	4,616	776	5,391	4,879	762	5,641	2,189	647	2,836	3,105
Environment	25	5	30	831	15	847	720	10	730	730
Other	3,730	703	4,433	3,667	605	4,272	1,730	425	2,156	2,652
Total monetary contribution to the community	58,964	2,721	61,685	83,304	2,820	86,124	180,474	4,011	184,485	186,910

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

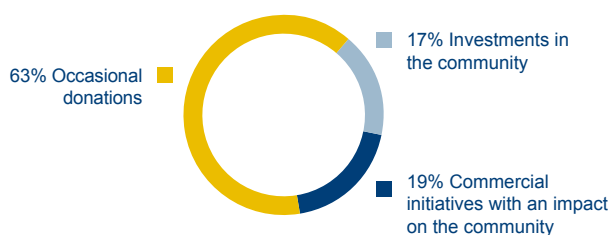
Monetary contribution to the community by reason [K euro]**	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Occasional donations	3,218	385	3,603	3,274	210	3,485	114,460	279	114,738	115,201
Investments in the community	32,428	1,430	33,858	50,842	1,523	52,366	31,478	2,904	34,382	35,542
Commercial initiatives with an impact on the community	23,318	906	24,224	29,188	1,086	30,274	34,536	829	35,365	36,167
Total monetary contribution to the community	58,964	2,721	61,685	83,304	2,820	86,124	180,474	4,011	184,485	186,910

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

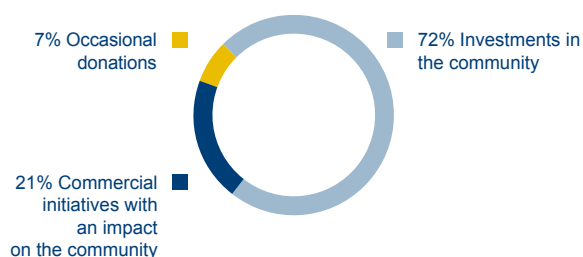
** The Group's monetary contribution to the community was significantly higher in 2020 due to the immediate support it provided to the health sector to help with the COVID-19 emergency. More specifically, among the most important actions, Intesa Sanpaolo donated 120 million euro to strengthen the national health system.

Monetary contribution to the community by reason [%]

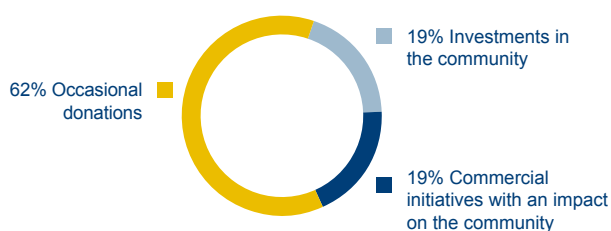
Italy



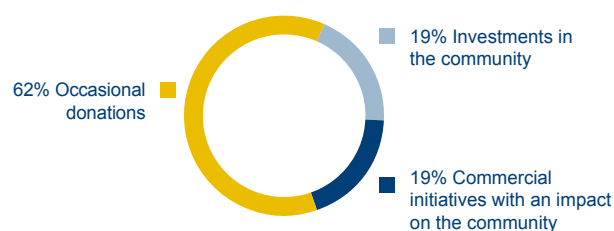
Abroad



Group



Group ISP + UBI*



* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

CONTRIBUTION TO THE COMMUNITY

Company voluntary work	Intesa Sanpaolo Group (excluding UBI Banca Group)								
	2018			2019			2020		
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group
Total monetary contribution of hours of company voluntary work [K euro]	125	89	214	73	99	172	0	30	30
Hours of company voluntary work	2,897	9,626	12,523	2,190	8,142	10,332	0	2,310	2,310
Staff involved in company voluntary work [No.]	393	931	1,324	295	1,198	1,493	0	205	205

MEDIA RELATIONS

Type [No.]	Intesa Sanpaolo Group (excluding UBI Banca Group)		
	2018	2019	2020
Press releases and analysis	1,461	1,988	2,104
Press conferences and interviews	709	963	1,106
Speeches by managers at events covered by the press office	351	480	663

SUPPLIERS

Total gross revenue (Group)	Intesa Sanpaolo Group (excluding UBI Banca Group)			ISP + UBI*
	2018	2019	2020	2020
Total gross revenue [K euro]	2,784,000	2,488,000	2,460,000	2,761,433

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Suppliers - Supplier Gate*	Intesa Sanpaolo Group (excluding UBI Banca Group)			ISP + UBI
	2018	2019	2020	2020
Suppliers [No.]	3,161	5,569	7,352	9,004
of which:				
Italy [No.]	2,860	3,572	4,237	5,778
Europe (excluding Italy) [No.]	239	1,871	2,937	3,016
Rest of the world [No.]	62	126	178	210
Share of orders from Europe to (Breakdown by supplier registered office)				
Europe [%]	98	98	99	99
Rest of the world [%]	2	2	1	1

* The figures refer exclusively to suppliers whose registration with the Intesa Sanpaolo Group's Supplier Gate is ongoing or has been completed.

Group's people

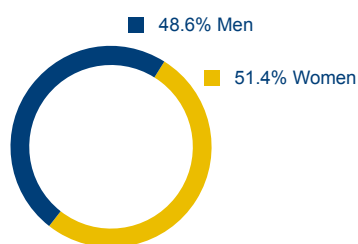
COMPOSITION

Group staff breakdown by country	Intesa Sanpaolo Group (excluding UBI Banca Group)			ISP + UBI
	2020			2020
	Men	Women	Total	Group
Italy	30,707	32,439	63,146	82,613
Luxembourg	133	73	206	206
Ireland	18	13	31	31
Egypt	3,161	1,113	4,274	4,274
Albania	192	465	657	657
Croatia	1,412	3,670	5,082	5,082
Romania	164	416	580	580
Serbia	830	2,273	3,103	3,103
Hungary	714	1,564	2,278	2,278
Slovakia	1,176	2,869	4,045	4,045
Ukraine	172	644	816	816
Russian Federation	286	769	1,055	1,055
Brazil	27	12	39	39
Moldova	118	237	355	355
United States	36	13	49	49
Group	39,146	46,570	85,716	105,183

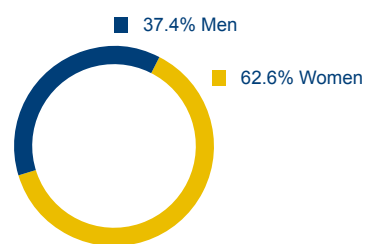
The figures exclude employees with atypical contracts. Employees from foreign subsidiaries of Italian companies are included in the scope of Italy. In particular, with reference to ISP + UBI Group Italian employees, 1.6% of them work in foreign branches and subsidiaries controlled by Italian companies. The breakdown by country is based on the parent company head office for international subsidiaries (PBZ in Croatia, VÚB Banka in Slovakia and CIB Bank in Hungary).

Breakdown of staff by gender

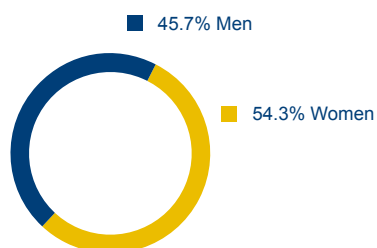
Italy



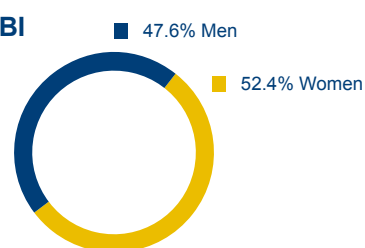
Abroad



Group



Group ISP + UBI



Female bank employees in Italy account for 46.9% of staff, against 53.1% male employees.

Employees by type of contract and gender [no.]	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Open-ended contracts	68,343	20,704	89,047	65,593	20,300	85,893	63,126	20,029	83,155	102,495
Men	33,809	7,697	41,506	32,178	7,516	39,694	30,699	7,333	38,032	48,930
Women	34,534	13,007	47,541	33,415	12,784	46,199	32,427	12,696	45,123	53,565
Fixed-term contracts	47	2,312	2,359	19	2,654	2,673	20	2,424	2,444	2,455
Men	26	1,034	1,060	10	1,114	1,124	8	1,067	1,075	1,081
Women	21	1,278	1,299	9	1,540	1,549	12	1,357	1,369	1,374
Apprenticeships	2	118	120	0	116	116	0	117	117	233
Men	0	40	40	0	42	42	0	39	39	97
Women	2	78	80	0	74	74	0	78	78	136

Employees by type of contract and gender [%]	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Open-ended contracts	99.93	89.50	97.29	99.97	87.99	96.86	99.97	88.74	97.01	97.44
Men	49.43	33.27	45.35	49.04	32.58	44.76	48.62	32.49	44.37	46.52
Women	50.49	56.22	51.94	50.93	55.41	52.10	51.35	56.25	52.64	50.93
Fixed-term contracts	0.07	9.99	2.58	0.03	11.50	3.01	0.03	10.74	2.85	2.33
Men	0.04	4.47	1.16	0.02	4.83	1.27	0.01	4.73	1.25	1.03
Women	0.03	5.52	1.42	0.01	6.68	1.75	0.02	6.01	1.60	1.31
Apprenticeships	0.00	0.51	0.13	0.00	0.50	0.13	0.00	0.52	0.14	0.22
Men	0.00	0.17	0.04	0.00	0.18	0.05	0.00	0.17	0.05	0.09
Women	0.00	0.34	0.09	0.00	0.32	0.08	0.00	0.35	0.09	0.13

Figures for Italy for bank staff are as follows: open-ended contracts (98.5%), fixed-term contracts (0.7%) and apprenticeships (0.8%).

Other types of work	Intesa Sanpaolo Group (excluding UBI Banca Group)			ISP + UBI
	2018	2019	2020	2020
Employees hired with mixed employment contracts [No.]*	50	153	380	380

* The data have been considered since this type of contract was used and do not refer solely to the indicated year.

Adhesions to flexible work	Intesa Sanpaolo Group (excluding UBI Banca Group)			ISP + UBI
	2018	2019	2020	2020
Employees adhering to flexible work [No.]	11,500	17,250	65,500	80,500

Atypical contracts and work placements	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Temporary agency employment contracts	31	107	138	18	117	135	38	56	94	101
Men	11	44	55	6	42	48	18	29	47	51
Women	20	63	83	12	75	87	20	27	47	50
Temporary employment contracts	28	0	28	24	0	24	26	0	26	26
Men	26	0	26	21	0	21	23	0	23	23
Women	2	0	2	3	0	3	3	0	3	3
Work placements	236	132	368	304	133	437	454	134	588	611
Men	130	62	192	176	51	227	225	45	270	280
Women	106	70	176	128	82	210	229	89	318	331

Financial advisors*	Intesa Sanpaolo Group (excluding UBI Banca Group)								
	2018			2019			2020		
	Italy								
Financial advisors	5,995			5,834			5,727		
Men	4,740			4,590			4,491		
Women	1,255			1,244			1,236		

* UBI Banca financial advisors are not reported as employees of the Group.

Overall workforce	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Overall workforce	74,682	23,373	98,055	71,792	23,320	95,112	69,391	22,760	92,151	111,648
Men	38,742	8,877	47,619	36,981	8,765	45,746	35,464	8,513	43,977	54,953
Women	35,940	14,496	50,436	34,811	14,555	49,366	33,927	14,247	48,174	56,695

Includes staff, other employees (with various types of contracts) and financial advisors.

Employees by category and gender [% of total employees]	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Executives	1.5	2.3	1.7	1.6	2.2	1.7	1.6	2.2	1.8	1.8
Men	1.2	1.4	1.3	1.2	1.3	1.3	1.3	1.4	1.3	1.3
Women	0.3	0.9	0.5	0.3	0.9	0.5	0.4	0.9	0.5	0.4
Middle managers	42.5	23.4	37.7	42.4	22.8	37.3	42.2	22.7	37.1	38.1
Men	25.8	13.8	22.8	25.6	12.9	22.3	25.3	12.8	22.0	23.5
Women	16.6	9.6	14.9	16.7	9.8	14.9	16.9	9.9	15.0	14.6
Professional areas	56.0	74.3	60.6	56.1	75.0	61.0	56.2	75.1	61.2	60.1
Men	22.4	22.7	22.5	22.2	23.3	22.5	22.0	23.2	22.4	22.8
Women	33.6	51.6	38.1	33.9	51.7	38.5	34.2	51.8	38.8	37.3

Figures for Italy for bank staff are as follows: executives (2.3%), middle managers (41.7%) and professional areas (56.0%).

Employees - Breakdown by category and gender [% of the category total]	Intesa Sanpaolo Group (excluding UBI Banca Group)						ISP + UBI	
	2018		2019		2020		2020	
	Men	Women	Men	Women	Men	Women	Men	Women
Executives	73.9	26.1	73.4	26.6	72.6	27.4	75.4	24.6
Middle managers	60.5	39.5	60.0	40.0	59.4	40.6	61.6	38.4
Executives + Middle managers	61.1	38.9	60.6	39.4	60.0	40.0	62.3	37.7
Professional areas	37.1	62.9	36.8	63.2	36.6	63.4	37.9	62.1

Part-time employees by gender	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Number of part-time employees/ total staff [%]	15.4	1.1	11.8	15.7	1.3	11.9	16.0	1.4	12.2	12.7
Breakdown of part-time employees by gender [No.]	10,531	248	10,779	10,287	290	10,577	10,115	326	10,441	13,365
Men	678	29	707	724	49	773	894	50	944	1,133
Women	9,853	219	10,072	9,563	241	9,804	9,221	276	9,497	12,232

In Italy, part-time personnel account for 16%, about 3.4% more than the Italian figure for the banking sector (12.6%).

Average age of employees	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Average age of employees	47.9	41.5	46.3	48.2	41.0	46.3	48.4	41.1	46.5	46.7
Men	49.2	42.6	47.9	49.4	41.8	47.8	49.6	41.6	47.9	48.1
Women	46.7	40.8	44.9	47.0	40.6	45.1	47.4	40.7	45.4	45.5
Executives	52.8	45.4	50.3	53.3	46.2	50.9	53.7	46.7	51.4	51.9
Middle managers	51.0	46.6	50.4	51.3	46.4	50.5	51.5	46.2	50.7	50.7
Professional areas	45.4	39.7	43.7	45.7	39.3	43.6	46.0	39.3	43.8	44.0

Figures for Intesa Sanpaolo and Italy for leading banks are comparable: average age of employees (47.9), men (49.1), women (46.6), executives (52.8), middle managers (50.7) and professional areas (45.5).

Employees by age bracket [%]	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
≤30	3.1	14.6	6.0	3.1	16.7	6.6	2.9	17.8	6.8	6.5
Men	1.6	5.4	2.6	1.7	6.4	2.9	1.6	7.0	3.0	2.9
Women	1.4	9.2	3.4	1.4	10.3	3.7	1.3	10.7	3.8	3.6
31-50	53.3	62.4	55.6	52.0	62.0	54.6	51.0	61.5	53.8	54.2
Men	22.6	21.1	22.2	21.9	21.1	21.7	21.4	21.2	21.3	22.8
Women	30.7	41.3	33.4	30.1	40.9	32.9	29.6	40.4	32.5	31.4
>50	43.6	23.0	38.4	44.9	21.3	38.8	46.1	20.7	39.4	39.4
Men	25.2	11.4	21.8	25.5	10.1	21.5	25.6	9.2	21.3	22.0
Women	18.4	11.6	16.7	19.4	11.2	17.3	20.4	11.5	18.1	17.4

The Italian industry figures for the percentage breakdown of bank employees by age group are as follows: ≤ 30 (4.4%), 31 - 50 (54.3%) e > 50 (41.3%).

Foreign Banks: senior manager hired in the local community	Intesa Sanpaolo Group (excluding UBI Banca Group)		
	2020		
	First line managers	First line managers (local recruitment)	Front line managers hired in the local community/front line managers [%]
Albania	11	10	90.9
Croatia	41	34	82.9
Romania	11	9	81.8
Serbia	13	12	92.3
Slovakia	19	15	78.9
Ukraine	12	8	66.7
Hungary	12	10	83.3
Moldova	8	5	62.5
Egypt	14	11	78.6
Russian Federation	17	16	94.1

The breakdown by country is based on the parent company head office for international subsidiaries (PBZ in Croatia, VÚB Banka in Slovakia and CIB Bank in Hungary).

Employees by level of education and gender [%]	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Graduates	38.5	69.3	46.3	40.2	71.3	48.3	41.6	72.2	49.6	49.2
Men	18.8	28.5	21.3	19.5	28.8	21.9	20.0	29.1	22.4	22.8
Women	19.7	40.8	25.0	20.7	42.5	26.4	21.6	43.1	27.2	26.5
High school certificate	56.6	26.6	49.0	55.0	26.1	47.5	53.5	25.3	46.0	46.7
Men	27.1	7.4	22.1	26.1	7.2	21.2	25.2	6.9	20.4	22.1
Women	29.5	19.2	26.9	28.9	18.8	26.2	28.3	18.4	25.7	24.6
Other	4.9	4.1	4.7	4.8	2.6	4.3	4.9	2.6	4.3	4.1
Men	3.5	2.0	3.2	3.4	1.6	3.0	3.4	1.4	2.9	2.7
Women	1.4	2.1	1.5	1.4	1.0	1.3	1.6	1.1	1.4	1.3

Intesa Sanpaolo and Italian industry figures for education of leading banks are comparable: graduates and post-graduates (44.1%), high school certificate (51.7%), other (4.2%).

Average employee seniority [years]	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Total average seniority	21.6	13.3	19.5	21.6	12.7	19.3	21.7	11.6	19.1	19.3
Men	22.0	14.1	20.4	22.0	13.1	20.1	22.0	11.8	19.8	20.1
Women	21.1	12.8	18.7	21.3	12.5	18.6	21.5	11.4	18.4	18.6
Executives	20.1	12.8	17.6	20.5	13.3	18.1	20.8	12.6	18.1	18.5
Middle managers	24.6	18.8	23.7	24.6	18.5	23.6	24.7	17.2	23.5	23.5
Professional areas	19.3	11.6	16.9	19.4	11.0	16.7	19.5	9.8	16.4	16.7

Employees belonging to protected categories [%]	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Disabled persons	4.7	1.8	4.0	4.8	1.7	4.0	4.9	1.8	4.1	4.4
Men	2.7	0.7	2.2	2.7	0.6	2.1	2.7	0.7	2.1	2.3
Women	2.0	1.1	1.8	2.1	1.1	1.9	2.2	1.1	1.9	2.0
Protected categories	1.4	1.0	1.3	1.4	1.0	1.3	1.3	0.9	1.2	1.2
Men	0.8	0.0	0.6	0.7	0.1	0.6	0.7	0.1	0.5	0.5
Women	0.6	1.0	0.7	0.6	1.0	0.7	0.6	0.8	0.7	0.7

Employment by gender and age [No.]	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Total	1,073	2,901	3,974	1,196	3,225	4,421	785	2,246	3,031	3,071
Men	609	1,079	1,688	678	1,211	1,889	431	858	1,289	1,314
Women	464	1,822	2,286	518	2,014	2,532	354	1,388	1,742	1,757
≤30	522	1,436	1,958	631	1,807	2,438	432	1,180	1,612	1,636
31-50	504	1,365	1,869	531	1,336	1,867	336	1,012	1,348	1,363
>50	47	100	147	34	82	116	17	54	71	72

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Employment rate by gender and age [%]	Intesa Sanpaolo Group (excluding UBI Banca Group)								
	2018			2019			2020		
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group
Total	1.6	12.5	4.3	1.8	14.0	5.0	1.2	10.0	3.5
Men	1.8	12.3	4.0	2.1	14.0	4.6	1.4	10.2	3.3
Women	1.3	12.7	4.7	1.5	14.0	5.3	1.1	9.8	3.7
≤30	25.0	42.5	35.8	31.5	46.9	41.7	23.4	29.4	27.5
31-50	1.4	9.5	3.7	1.6	9.3	3.9	1.0	7.3	2.9
>50	0.2	1.9	0.4	0.1	1.7	0.3	0.1	1.2	0.2

Termination by gender and age [No.]	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Total	4,360	3,949	8,309	3,819	3,599	7,418	3,363	2,709	6,072	6,237
Men	2,560	1,474	4,034	2,206	1,426	3,632	1,969	1,061	3,030	3,138
Women	1,800	2,475	4,275	1,613	2,173	3,786	1,394	1,648	3,042	3,099
≤30	187	916	1,103	159	796	955	114	661	775	792
31-50	451	2,169	2,620	460	1,818	2,278	300	1,372	1,672	1,737
>50	3,722	864	4,586	3,200	985	4,185	2,949	676	3,625	3,708

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Termination rate by gender and age [%]	Intesa Sanpaolo Group (excluding UBI Banca Group)								
	2018			2019			2020		
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group
Total	6.4	17.1	9.1	5.8	15.6	8.4	5.3	12.0	7.1
Men	7.6	16.8	9.5	6.9	16.4	8.9	6.4	12.6	7.7
Women	5.2	17.2	8.7	4.8	15.1	7.9	4.3	11.7	6.5
≤30	8.9	27.1	20.2	7.9	20.7	16.3	6.2	16.5	13.2
31-50	1.2	15.0	5.1	1.3	12.7	4.7	0.9	9.9	3.6
>50	12.5	16.2	13.0	10.9	20.0	12.2	10.1	14.5	10.7

Termination by reason [No.]	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Employment ended in the year	4,360	3,949	8,309	3,819	3,599	7,418	3,363	2,709	6,072	6,237
Resignation	601	1,394	1,995	619	1,382	2,001	427	904	1,331	1,423
Retirement	71	206	277	162	187	349	135	182	317	320
Exit incentives	3,446	0	3,446	2,838	0	2,838	2,663	0	2,663	2,711
Death	78	26	104	86	22	108	73	34	107	115
Other reasons - with incentives	23	902	925	14	824	838	10	578	588	588
Other reasons - without incentives	68	1,199	1,267	55	1,014	1,069	42	801	843	853
Expiry of fixed-term contracts	73	222	295	45	170	215	13	210	223	227

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Turnover by gender and age	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Total	-3,287	-1,048	-4,335	-2,623	-374	-2,997	-2,578	-463	-3,041	-3,166
Men	-1,951	-395	-2,346	-1,528	-215	-1,743	-1,538	-203	-1,741	-1,824
Women	-1,336	-653	-1,989	-1,095	-159	-1,254	-1,040	-260	-1,300	-1,342
≤30	335	520	855	472	1,011	1,483	318	519	837	844
31-50	53	-804	-751	71	-482	-411	36	-360	-324	-374
>50	-3,675	-764	-4,439	-3,166	-903	-4,069	-2,932	-622	-3,554	-3,636

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Turnover rate by gender and age [%]	Intesa Sanpaolo Group (excluding UBI Banca Group)								
	2018			2019			2020		
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group
Total	-4.6	-4.3	-4.5	-3.8	-1.6	-3.3	-3.9	-2.0	-3.4
Men	-5.5	-4.3	-5.2	-4.5	-2.4	-4.1	-4.8	-2.3	-4.3
Women	-3.7	-4.3	-3.9	-3.2	-1.1	-2.6	-3.1	-1.8	-2.7
≤30	19.1	18.2	18.5	30.8	35.6	33.9	20.8	14.9	16.7
31-50	0.1	-5.3	-1.5	0.2	-3.3	-0.8	0.1	-2.5	-0.7
>50	-11.0	-12.6	-11.2	-9.7	-15.5	-10.6	-9.2	-11.8	-9.5

The turnover rate is determined as the delta between the percentage incidence of hires and terminations of the reference year in relation to the workforce at the start of the year. The workforce at the start of the year is given by the workforce at the end of the year by subtracting the hires and including the terminations that occurred in the period.

PROFESSIONAL DEVELOPMENT

Number of promotions by gender	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Total	2,773	2,901	5,674	2,958	2,960	5,918	3,371	2,179	5,550	7,216
Men	1,352	1,645	2,997	1,414	1,463	2,877	1,547	1,274	2,821	3,738
Women	1,421	1,256	2,677	1,544	1,497	3,041	1,824	905	2,729	3,478
Staff promoted [%]	4.1	12.5	6.2	4.5	12.8	6.7	5.3	9.7	6.5	6.9

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Average gross base salary by category and gender - FTE* [K euro]	Intesa Sanpaolo Group (excluding UBI Banca Group)								
	2018			2019			2020		
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group
Executives	146.6	69.4	122.1	153.3	70.6	125.8	156.0	76.7	129.6
Men	150.6	79.7	132.0	159.4	79.3	137.0	163.0	88.6	141.5
Women	129.1	52.3	91.9	129.7	56.5	94.7	132.1	56.8	98.1
Middle managers	58.4	19.9	52.3	58.4	22.2	52.6	59.7	23.3	53.8
Men	60.4	18.8	54.0	60.4	20.6	54.3	61.7	23.4	55.9
Women	55.2	21.5	49.7	55.2	24.4	49.9	56.5	23.1	50.6
Professional areas	39.4	12.9	31.0	39.4	13.6	30.8	40.4	13.6	31.4
Men	39.5	13.5	32.7	39.4	14.3	32.4	40.4	15.2	33.3
Women	39.4	12.6	29.9	39.4	13.3	29.9	40.4	12.9	30.3

Basic salary levels for female staff, with comparable roles and seniority terms, do not differ from salary levels for male staff.

* Since 2018, the reported figures have been calculated on the basis of Full Time Equivalent (FTE) employees in order to provide a more accurate and truthful representation of average wages and salaries on the basis of gender and professional category.

Average remuneration by category and gender - FTE* [K euro]	Intesa Sanpaolo Group (excluding UBI Banca Group)								
	2018			2019			2020		
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group
Male executives	224.9	103.2	192.9	256.2	112.6	215.9	267.8	115.7	224.0
Female executives	188.5	63.4	127.9	205.4	71.5	141.5	210.1	70.4	146.9
Male middle managers	66.9	22.2	60.0	67.9	26.4	61.5	70.6	28.2	64.1
Female middle managers	60.5	24.5	54.6	61.5	27.6	55.6	63.6	26.4	57.1
Male professional areas	41.9	15.0	34.8	42.0	16.0	34.8	43.5	17.1	36.0
Female professional areas	41.7	13.9	31.8	42.1	14.4	32.0	43.5	13.8	32.6
Average annual remuneration of all employees	54.5	18.0	45.2	55.5	19.5	45.9	57.6	19.6	47.3
Ratio between the CEO's remuneration and the average remuneration of all employees**	75.2			77.9			74.0		
Median annual total compensation of all employees	48.8			49.0			50.5		
Ratio between the CEO's remuneration and the median annual total compensation for all employees**	84.0			88.2			84.5		

This includes the basic gross average salary and the variable component.

* Since 2018, the reported figures have been calculated on the basis of Full Time Equivalent (FTE) employees in order to provide a more accurate and truthful representation of average wages and salaries on the basis of gender and professional category.

** Between 2019 and 2020 an inverse trend was recorded in the ratio between the year-on-year change in the median remuneration of all employees compared to that paid to the CEO. This phenomenon is solely due to the decline in the 2019 variable component paid to the CEO following the waiver of 30% thereof by the latter (amount intended for donations in support of health initiatives related to the COVID-19 epidemiological emergency). Conversely, the amount of financial resources allocated, through the Variable Result Bonus negotiated with the Trade unions, to reward the wider population remained unchanged, also to recognise the particularly extensive effort by the Networks to provide an essential public service in an emergency situation.

Women/men base salary and remuneration ratio - FTE* [%]	Intesa Sanpaolo Group (excluding UBI Banca Group)								
	2018			2019			2020		
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group
Ratio of gross base salary - women vs. men - FTE									
Executives	0.9	0.7	0.7	0.8	0.7	0.7	0.8	0.6	0.7
Middle managers	0.9	1.1	0.9	0.9	1.2	0.9	0.9	1.0	0.9
Professional areas	1.0	0.9	0.9	1.0	0.9	0.9	1.0	0.8	0.9
Ratio of total remuneration - women vs. men - FTE									
Executives	0.8	0.6	0.7	0.8	0.6	0.7	0.8	0.6	0.7
Middle managers	0.9	1.1	0.9	0.9	1.0	0.9	0.9	0.9	0.9
Professional areas	1.0	0.9	0.9	1.0	0.9	0.9	1.0	0.8	0.9

Basic salary is annual, before tax. Remuneration is calculated as the salary plus any bonus/reward system.

* Since 2018, the reported figures have been calculated on the basis of Full Time Equivalent (FTE) employees in order to provide a more accurate and truthful representation of average wages and salaries on the basis of gender and professional category.

Ratios of standard salary of new employee* by gender compared to local minimum wage**	Intesa Sanpaolo Group (excluding UBI Banca Group)			
	2019		2020	
	Man	Woman	Man	Woman
Italy	1.0	1.0	1.0	1.0
Luxembourg	1.0	1.1	1.0	1.2
Ireland	2.0	2.2	2.0	1.9
Egypt	1.0	1.0	1.0	1.0
Albania	1.0	1.0	1.0	1.0
Croatia	1.8	1.8	1.1	1.1
Bosnia	1.8	1.8	2.0	2.0
Slovenia	1.0	1.0	1.1	1.1
Romania	1.2	1.2	1.1	1.1
Serbia	1.1	1.1	1.1	1.1
Hungary	1.2	1.1	1.2	1.1
Slovakia	1.3	1.1	1.1	1.1
Ukraine	1.0	1.0	1.2	0.9
Russian Federation	2.1	2.1	2.0	2.0
Brazil	5.2	4.4	4.2	3.7
Moldova	2.2	2.2	2.0	2.0
United States	-	-	2.9	3.3

* The standard salary of a new employee is understood to mean the lower base salary paid to him/her in the reference year.

** Local minimum wage is understood to mean the minimum wage envisaged by collective bargaining agreements (where applicable) or by the regulations in force - if any - in the countries in which the Group operates. In countries with the greatest presence of employees (about 90%), hiring provisions are applied that are substantially in line with the provisions of collective bargaining agreements or local regulations.

Performance evaluation	Intesa Sanpaolo Group (excluding UBI Banca Group)		
	Abroad		
	2018	2019	2020
Employees subject to annual performance assessment [%]	86.2	85.9	91.0
Men	93.6	92.3	96.5
Women	81.7	82	87.8
Executives [%]	-	95.7	96.6
Men	-	98.7	98.4
Women	-	91	93.8
Middle managers [%]	-	93.1	97.3
Men	-	96.4	99.1
Women	-	88.6	95.1
Professional areas [%]	-	83.4	88.9
Men	-	89.6	94.9
Women	-	80.6	86.3
Employees subject to annual performance assessment [No.]	19,945	19,812	20,543
Men	8,208	8,003	8,140
Women	11,737	11,809	12,403
Executives [No.]	-	488	483
Men	-	306	303
Women	-	182	180
Middle managers [No.]	-	4,885	4,991
Men	-	2,879	2,858
Women	-	2,006	2,133
Professional areas [No.]	-	14,439	15,069
Men	-	4,818	4,979
Women	-	9,621	10,090

In Italy, all staff have a performance appraisal.

Breakdown of branch personnel by category and gender [%]	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Directors	12.2	9.3	11.5	11.9	9.2	11.2	10.8	9.3	10.4	10.6
Men	8.0	4.1	7.1	7.6	4.0	6.7	6.9	4.0	6.1	6.7
Women	4.2	5.2	4.4	4.2	5.3	4.5	3.9	5.2	4.3	3.8
Executive directors	59.8	46.5	56.7	60.4	36.6	54.5	61.9	39.6	56.2	56.1
Men	21.1	12.7	19.1	21.0	12.0	18.8	21.5	12.6	19.2	20.8
Women	38.7	33.9	37.6	39.4	24.6	35.7	40.4	27.0	36.9	35.4
Other	28.0	44.1	31.8	27.8	54.2	34.3	27.3	51.1	33.4	33.3
Men	14.5	14.7	14.6	14.1	14.3	14.1	13.7	14.2	13.9	14.3
Women	13.5	29.4	17.2	13.7	39.9	20.2	13.6	36.9	19.6	19.0

TRAINING

Training by professional category [hours]**	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Executives	34,552	36,878	71,430	63,340	27,981	91,321	63,466	35,271	98,736	109,703
Men	28,010	20,661	48,671	49,745	16,015	65,761	50,559	20,490	71,049	80,990
Women	6,542	16,217	22,759	13,595	11,965	25,560	12,906	14,781	27,687	28,713
Middle managers	2,922,599	288,149	3,210,748	3,642,927	244,972	3,887,899	3,897,981	269,125	4,167,106	4,772,837
Men	1,721,452	147,074	1,868,526	2,146,559	113,636	2,260,195	2,286,012	114,728	2,400,740	2,822,137
Women	1,201,147	141,075	1,342,222	1,496,367	131,336	1,627,703	1,611,969	154,397	1,766,366	1,950,700
Professional areas	4,182,800	1,214,975	5,397,775	5,102,961	1,221,379	6,324,339	6,120,470	1,280,945	7,401,415	8,103,620
Men	1,578,504	317,566	1,896,070	1,940,807	307,251	2,248,058	2,285,266	316,917	2,602,183	2,905,962
Women	2,604,296	897,409	3,501,705	3,162,154	914,128	4,076,282	3,835,204	964,028	4,799,231	5,197,658
Total	7,139,951	1,540,002	8,679,953	8,809,227	1,494,331	10,303,559	10,081,917	1,585,340	11,667,257	12,986,160
Men	3,327,966	485,302	3,813,268	4,137,112	436,902	4,574,014	4,621,838	452,135	5,073,973	5,809,089
Women	3,811,985	1,054,700	4,866,685	4,672,116	1,057,429	5,729,545	5,460,079	1,133,205	6,593,284	7,177,071

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

** The figures are shown on the basis of a recalculation that takes into account training effectiveness parameters. The figures do not include the hours of training provided to employees that left during the year, as well as the training provided via Web TV.

Training by professional category [No. of participants]	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Executives	925	451	1,376	961	436	1,397	989	464	1,453	1,739
Men	751	275	1,026	767	266	1,033	767	284	1,051	1,308
Women	174	176	350	194	170	364	222	180	402	431
Middle managers	27,167	5,120	32,287	26,627	4,594	31,221	26,137	4,599	30,736	38,739
Men	16,486	3,136	19,622	16,150	2,598	18,748	15,697	2,562	18,259	23,865
Women	10,681	1,984	12,665	10,477	1,996	12,473	10,440	2,037	12,477	14,874
Professional areas	35,415	14,840	50,255	35,686	15,129	50,815	34,703	15,363	50,066	59,966
Men	13,817	4,389	18,206	13,910	4,665	18,575	13,466	4,766	18,232	22,587
Women	21,598	10,451	32,049	21,776	10,464	32,240	21,237	10,597	31,834	37,379
Total	63,507	20,411	83,918	63,274	20,159	83,433	61,829	20,426	82,255	100,444
Men	31,054	7,800	38,854	30,827	7,529	38,356	29,930	7,612	37,542	47,760
Women	32,453	12,611	45,064	32,447	12,630	45,077	31,899	12,814	44,713	52,684

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Training by content [%]	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Managerial	6.1	6.9	6.3	5.9	7.8	6.4	9.2	9.1	9.2	8.9
Commercial	5.6	13.4	7.7	4.0	16.2	6.8	5.6	17.3	7.9	8.9
Operational	36.7	24.8	33.4	41.9	27.5	38.5	38.7	22.5	35.6	34.0
Credit	3.5	8.9	5.0	1.9	6.5	3.0	5.7	7.1	6.0	5.5
Finance	41.5	10.5	33.1	36.7	10.1	30.4	32.5	10.7	28.2	29.1
Abroad	0.2	0.2	0.2	0.1	0.1	0.1	0.0	0.1	0.1	0.1
IT	1.7	4.5	2.5	0.7	2.7	1.2	3.2	2.5	3.0	4.3
Specialist	2.4	25.8	8.8	1.9	24.1	7.1	3.8	25.8	8.1	7.2
Language	2.4	5.0	3.1	6.9	5.1	6.5	1.2	4.9	1.9	2.1

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Aid and benefits received relative to personnel [K euro]	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Total	9,243	87	9,330	3,506	101	3,607	497	193	691	1,819
of which training funded amount (Italy only)	9,243	0	9,243	3,506	0	3,506	497	0	497	1,051
of which other	0	87	87	0	101	101	0	193	193	768

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Training by category and gender [average hours]*	Intesa Sanpaolo Group (excluding UBI Banca Group)								
	2018			2019			2020		
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group
Executive	25.1	48.2	32.8	33.8	41.0	36.2	28.1	41.4	32.4
Men	24.7	46.7	30.7	33.0	39.4	34.8	28.0	38.2	30.8
Women	26.5	50.5	39.0	36.9	43.4	40.1	28.6	46.5	36.8
Middle managers	38.4	37.4	38.2	47.9	33.3	45.6	51.4	31.8	48.3
Men	37.7	34.1	37.2	47.0	28.5	44.2	50.5	24.9	46.6
Women	39.4	42.2	39.9	49.3	39.6	47.7	52.8	40.8	50.7
Professional areas	40.3	45.1	41.8	50.0	45.7	48.6	59.4	39.6	53.0
Men	39.4	44.3	40.6	49.0	41.5	46.9	56.9	35.9	51.2
Women	41.0	45.5	42.5	50.6	47.6	49.6	61.0	41.2	54.0
Hours of training per employee [No.]*	39.3	43.4	40.3	48.8	42.8	47.3	55.5	37.9	50.9

* Hours defined as the duration of the teaching units used.

Training by procedure	Intesa Sanpaolo Group (excluding UBI Banca Group)								
	2018			2019			2020		
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group
Classroom training [% of hours]*	6.4	48.0	13.7	4.6	49.0	11.0	2.2	30.9	6.1
Remote training [% of hours]*	93.6	52.0	86.3	95.4	51.0	89.0	97.8	69.1	93.9
Number of persons registered	63,507	20,411	83,918	63,274	20,159	83,433	61,829	20,426	82,255
Hours of training provided (classroom + remote learning) [No.]*	7,139,951	1,540,002	8,679,953	8,809,227	1,494,332	10,303,559	10,081,917	1,585,340	11,667,257

* The figures are shown on the basis of a recalculation that takes into account training effectiveness parameters. The figures do not include the hours of training provided to employees that left during the year, as well as the training provided via Web TV.

Training costs	Intesa Sanpaolo Group (excluding UBI Banca Group)								
	2018			2019			2020		
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group
Training costs [K euro]	30,613	6,547	37,160	20,925	6,503	27,428	9,919	3,340	13,259
Training costs per staff member [euro]	448	283	406	319	282	309	157	148	155

EMPLOYEE SATISFACTION AND COMMUNICATION

Company climate	Intesa Sanpaolo Group (excluding UBI Banca Group)					
	2018		2019		2020	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Climate analysis (% taking part in the survey out of the selected sample)	-	-	54.8	48.7	-	-
Employee satisfaction index [%]	-	-	69.0*	78.0	-	-
Change in the employee satisfaction index compared to the previous period	-	-	-9.0	1.0	-	-
Climate analysis**	-	-	1	1	-	-
Internal communication events	148	336	176	327	157	386
Focus groups	12	16	13	2	18	18
Participants in focus groups	120	580	130	16	144	4,411

* Survey carried out among Professional Areas and Middle Managers.

** No climate surveys were conducted in 2020 and 2018.

Web Tv Access and House organ	Intesa Sanpaolo Group (excluding UBI Banca Group)		
	2018	2019	2020
Web Tv total access*	661,680	497,454	507,630
House organ: total number of online visits	473,000	438,500	350,225

* The average daily unique accesses to the company intranet in 2020 are 60,100.

FREEDOM OF COLLECTIVE BARGAINING

Trade union freedom	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Employees registered with a trade union [No.]	50,603	7,158	57,761	47,684	7,288	54,972	45,581	6,937	52,519	68,606
Executives	190	58	248	173	65	238	157	58	215	323
Middle managers	20,528	2,470	22,998	19,350	2,458	21,808	18,399	2,421	20,819	27,538
Professional areas	29,885	4,630	34,515	28,160	4,765	32,925	27,026	4,459	31,485	40,745
Employees registered with a trade union [%]*	77.7	31.9	66.0	76.6	32.3	64.8	76.3**	31.4	64.2	68.2
Days absence for trade union reasons (all permits for trade unionists)	96,336	607	96,943	92,987	683	93,670	77,142	604	77,746	90,697
Days absence for meetings/ strikes (also employees who are not trade unionists)	6,514	126	6,640	7,193	208	7,401	1,420	96	1,516	1,519
Men	3,004	67	3,071	3,314	145	3,459	600	52	652	653
Women	3,510	59	3,569	3,879	63	3,942	820	44	864	866
Days absence for involvement in strikes	136	0	136	102	0	102	30	0	30	33
Men	68	0	68	49	0	49	18	0	18	19
Women	68	0	68	53	0	53	12	0	12	14
Days absence for meetings	6,378	126	6,504	7,091	835	7,926	1,390	96	1,486	1,486
Men	2,936	67	3,003	3,266	400	3,666	582	52	634	634
Women	3,442	59	3,501	3,826	435	4,261	808	44	852	852

The National Collective Bargaining Agreement for the sector covers all employees in Italy and 53.42% of employees abroad.

* Data were recalculated on the basis of the Full Time Equivalents - FTEs.

** The percentage of employees in Italy covered by the collective bargaining agreement for the credit sector that are members of a trade union is 79.10%.

COMPANY WELFARE, HEALTH AND SAFETY

Contributions for staff [K euro]	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Insurance and accident policies	20,296	671	20,967	15,960	791	16,752	20,805	21,159	41,964	42,022
Loyalty bonus	16,801	306	17,107	11,702	223	11,925	11,042	323	11,366	11,366
Study contributions for employees' children	3,602	107	3,709	3,621	84	3,705	3,620	90	3,710	6,918
Recreational and cultural activities	3,819	1,513	5,332	2,911	1,689	4,599	3,407	1,570	4,978	5,127
Contributions for employees' children with disabilities	2,742	18	2,760	3,068	25	3,093	2,975	21	2,995	3,710

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Supplementary healthcare and welfare	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Contributions paid by the Bank for supplementary healthcare assistance [K euro]	76,638	2,495	79,133	78,429	2,972	81,400	75,914	4,612	80,526	80,594
Health assistance: persons assisted	70,985	10,179	81,164	67,114	9,930	77,044	64,440	10,247	74,687	95,254
Contributions paid by the Bank for supplementary retirement benefits [K euro]	150,787	3,517	154,304	144,497	3,405	147,903	140,509	3,644	144,153	183,633
Supplementary retirement benefits: persons assisted	68,545	3,529	72,074	65,172	3,551	68,723	63,012	3,573	66,585	86,031

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Credit facilities for staff	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Mortgages [No.]	3,487	876	4,363	2,983	979	3,962	3,180	884	4,064	4,492
Total mortgages disbursed [K euro]	542,911	60,822	603,733	478,433	52,612	531,045	524,055	55,544	579,599	628,462
Loans [No.]	16,689	5,188	21,877	17,295	5,429	22,724	13,209	3,768	16,977	17,997
Total loans disbursed [K euro]	175,001	36,440	211,441	161,137	36,272	197,409	116,643	43,555	160,197	180,679

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Loans granted to all personnel with an open-ended contract, with the exception of loans at special rates granted to staff with apprenticeships.

Maternity leave*	Intesa Sanpaolo Group (excluding UBI Banca Group)								
	2020								
	Italy								
Employees entitled to maternity leave	63,146								
Men	30,707								
Women	32,439								
Employees using mandatory maternity leave	994								
Men	29								
Women	965								
Employees returning to work after mandatory maternity leave	804								
Men	27								
Women	777								
Employees returning to work after mandatory maternity leave, who are still bank employees in the following 12 months	1,039								
Men	19								
Women	1,020								

* The 2020 figures are not comparable with those of previous years, and have therefore not been included in this document, as a new calculation method has been applied.

		Intesa Sanpaolo Group (excluding UBI Banca Group)	
		2020	
Maternity leave - Rates [%]*		Italia	
Rate of return to work after mandatory maternity leave		99.1%	
Men		100.0%	
Women		99.1%	
Retention rate of employees returning to work after mandatory maternity leave, who are still bank employees		99.3%	
Men		90.5%	
Women		99.5%	

* The 2020 figures are not comparable with those of previous years, and have therefore not been included in this document, as a new calculation method has been applied.

Absence by reason and gender - days lost [No.]	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Total absences	1,141,276	810,122	1,951,398	1,036,995	707,917	1,744,912	1,101,973	679,317	1,781,290	1,948,269
Illness	584,675	161,661	746,337	531,596	145,088	676,684	501,957	142,808	644,765	767,520
Men	268,465	26,978	295,443	242,421	21,902	264,322	219,274	20,028	239,301	301,858
Women	316,211	134,683	450,893	289,175	123,186	412,362	282,683	122,780	405,463	465,662
Injury	17,738	4,313	22,051	14,800	4,116	18,916	10,220	4,013	14,233	15,534
Men	7,727	703	8,430	6,515	968	7,483	4,124	577	4,701	5,450
Women	10,012	3,610	13,622	8,285	3,148	11,433	6,095	3,436	9,531	10,083
Child care	246,325	383,551	629,876	209,152	350,920	560,072	151,927	343,172	495,099	515,728
Men	8,853	4,485	13,337	8,743	5,304	14,047	7,843	4,502	12,345	12,821
Women	237,472	379,067	616,539	200,409	345,616	546,025	144,084	338,670	482,754	502,906
Personal and family reasons	116,398	233,361	349,760	111,537	190,344	301,881	89,320	167,430	256,750	266,638
Men	44,337	136,535	180,872	46,506	102,737	149,243	39,727	83,967	123,693	128,055
Women	72,061	96,826	168,887	65,031	87,607	152,638	49,593	83,463	133,056	138,583
Leave for public positions	9,598	846	10,444	9,032	792	9,824	8,513	885	9,398	10,824
Men	6,727	396	7,123	6,349	382	6,731	5,745	325	6,070	7,208
Women	2,871	450	3,321	2,683	410	3,093	2,768	560	3,328	3,616
Leave for blood and other donations	9,675	348	10,024	9,201	306	9,507	7,175	268	7,443	8,198
Men	7,022	174	7,195	6,753	134	6,888	5,084	127	5,211	5,799
Women	2,653	175	2,828	2,447	172	2,619	2,091	141	2,232	2,398
Disability	137,502	1,921	139,423	135,267	1,796	137,062	151,581	942	152,523	162,709
Men	57,730	353	58,083	57,350	190	57,539	61,411	370	61,781	66,629
Women	79,772	1,568	81,340	77,917	1,606	79,523	90,171	572	90,743	96,080
Other	19,364	24,120	43,484	16,411	14,556	30,966	181,281	19,799	201,079	201,118
Men	10,858	4,139	14,997	10,250	3,016	13,266	83,516	2,478	85,994	85,994
Women	8,506	19,981	28,487	6,161	11,539	17,700	97,764	17,321	115,086	115,125

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020). Days lost are calculated based on calendar business days.

Absence by reason and gender [%]	Intesa Sanpaolo Group (excluding UBI Banca Group)								
	2018			2019			2020		
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group
Total absence/theoretical working days	7.59	15.92	9.69	7.18	13.95	8.94	7.93	13.68	9.45
Men	2.74	3.41	2.91	2.67	2.65	2.66	3.07	2.26	2.86
Women	4.85	12.50	6.78	4.52	11.30	6.28	4.86	11.42	6.59
Illness	3.89	3.18	3.71	3.68	2.86	3.47	3.61	2.88	3.42
Men	1.78	0.53	1.47	1.68	0.43	1.35	1.58	0.40	1.27
Women	2.10	2.65	2.24	2.00	2.43	2.11	2.03	2.47	2.15
Injury	0.12	0.08	0.11	0.10	0.08	0.10	0.07	0.08	0.08
Men	0.05	0.01	0.04	0.05	0.02	0.04	0.03	0.01	0.02
Women	0.07	0.07	0.07	0.06	0.06	0.06	0.04	0.07	0.05
Child care	1.64	7.54	3.13	1.45	6.91	2.87	1.09	6.91	2.63
Men	0.06	0.09	0.07	0.06	0.10	0.07	0.06	0.09	0.07
Women	1.58	7.45	3.06	1.39	6.81	2.80	1.04	6.82	2.56
Personal and family reasons	0.77	4.59	1.74	0.77	3.75	1.55	0.64	3.37	1.36
Men	0.29	2.68	0.90	0.32	2.02	0.76	0.29	1.69	0.66
Women	0.48	1.90	0.84	0.45	1.73	0.78	0.36	1.68	0.71
Leave for public positions	0.06	0.02	0.05	0.06	0.02	0.05	0.06	0.02	0.05
Men	0.04	0.01	0.04	0.04	0.01	0.03	0.04	0.01	0.03
Women	0.02	0.01	0.02	0.02	0.01	0.02	0.02	0.01	0.02
Leave for blood and other donations	0.06	0.01	0.05	0.06	0.01	0.05	0.05	0.01	0.04
Men	0.05	0.00	0.04	0.05	0.00	0.04	0.04	0.00	0.03
Women	0.02	0.00	0.01	0.02	0.00	0.01	0.02	0.00	0.01
Disability	0.91	0.04	0.69	0.94	0.04	0.70	1.09	0.02	0.81
Men	0.38	0.01	0.29	0.40	0.00	0.29	0.44	0.01	0.33
Women	0.53	0.03	0.40	0.54	0.03	0.41	0.65	0.01	0.48
Other	0.13	0.47	0.22	0.11	0.29	0.16	1.30	0.40	1.07
Men	0.07	0.08	0.07	0.07	0.06	0.07	0.60	0.05	0.46
Women	0.06	0.39	0.14	0.04	0.23	0.09	0.70	0.35	0.61

Absenteeism and occupational disease - rates	Intesa Sanpaolo Group (excluding UBI Banca Group)								
	2018			2019			2020		
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group
Rate of absenteeism*	5.09	3.32	4.64	4.90	3.00	4.40	4.90	3.00	4.40
Men	4.71	1.49	4.05	4.56	1.24	3.85	4.39	1.16	3.69
Women	5.46	4.45	5.16	5.23	4.06	4.88	5.39	4.10	5.00
Rate of occupational disease**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* The absentee rate is the ratio between the number of days lost for illness, injuries (including injuries requiring first aid), public office, blood donation and other leave, disability, meeting / strikes and theoretical working days.

** The occupational disease rate is equal to the total number of claims for occupational diseases divided by the total number of hours worked.

Injuries by year and gender	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Total injuries in the year [No.]	764	109	873	712	119	831	380	63	443	481
Men	304	25	329	272	24	296	162	10	172	190
Women	460	84	544	440	95	535	218	53	271	291
Injury rate**	7.94	3.41	6.80	7.69	3.66	6.63	4.31	1.97	3.68	-
Men	5.95	2.06	5.23	5.58	1.95	4.87	3.52	0.83	2.98	-
Women	10.18	4.25	8.32	10.03	4.69	8.30	5.16	2.66	4.34	-
Working days lost [No.]	17,738	4,313	22,051	14,800	4,116	18,916	10,220	4,013	14,233	15,534
Men	7,727	703	8,430	6,515	968	7,483	4,124	577	4,701	5,450
Women	10,012	3,610	13,622	8,285	3,148	11,433	6,095	3,436	9,531	10,083
Rate of working days lost (severity index)***	0.17	0.11	0.16	0.15	0.11	0.14	0.11	0.11	0.11	-
Men	0.14	0.05	0.12	0.12	0.07	0.11	0.08	0.04	0.07	-
Women	0.20	0.15	0.19	0.18	0.13	0.16	0.13	0.15	0.14	-
Injuries / Total employees [%]	1.1	0.5	1.0	1.1	0.5	0.9	0.6	0.3	0.5	0.5

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

** Injury rate = (total number of injuries in the year / total hours worked) x 1,000,000. For better comprehension, this indicator was calculated using a multiplication factor equal to 1,000,000 (hours worked).

*** Rate of working days lost (or severity index) = (number of days lost / total number of working hours) x 1,000. For better comprehension, this indicator was calculated using a multiplication factor equal to 1,000 (hours worked). Working days lost include injuries requiring first aid.

Injuries at work and on the way to/from work	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Injuries at work [No.]	229	31	260	217	51	268	149	24	173	189
Men	79	2	81	67	8	75	62	3	65	75
Women	150	29	179	150	43	193	87	21	108	114
Rate of injuries at work**	2.38	0.97	2.03	2.34	1.57	2.14	1.69	0.75	1.44	-
Men	1.55	0.16	1.29	1.37	0.65	1.23	1.35	0.25	1.12	-
Women	3.32	1.47	2.74	3.42	2.12	2.99	2.06	1.05	1.73	-
Injuries on the way to/from work [No.]	535	78	613	495	68	563	231	39	270	292
Men	225	23	248	205	16	221	100	7	107	115
Women	310	55	365	290	52	342	131	32	163	177
Rate of injuries on the way to/from work***	5.56	2.44	4.78	5.35	2.09	4.49	2.62	1.22	2.24	-
Men	4.41	1.89	3.94	4.21	1.30	3.63	2.18	0.58	1.85	-
Women	6.86	2.78	5.58	6.61	2.57	5.30	3.10	1.61	2.61	-

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

** Rate of injuries at work = (total number of injuries at work in the year / total hours worked) x 1,000,000. For better comprehension, this indicator was calculated using a multiplication factor equal to 1,000,000 (hours worked).

*** Rate of injuries on the way to/from work = (total number of injuries on the way to/from work in the year / total hours worked) x 1,000,000. For better comprehension, this indicator was calculated using a multiplication factor equal to 1,000,000 (hours worked).

Injuries by type	Intesa Sanpaolo Group (excluding UBI Banca Group)								
	2018			2019			2020		
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group
Total injuries	764	109	873	712	119	831	380	63	443
Injuries while driving	352	23	375	328	15	343	145	10	155
Falls/slipping	105	39	144	85	48	133	129	29	158
Robberies	3	5	8	3	12	15	1	3	4
Other	304	42	346	296	44	340	105	21	126

Serious injuries and deaths	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Cases presented for occupational disease	5	0	5	8	0	8	3	0	3	4
Serious/very serious injuries	165	8	173	94	8	102	120	12	132	132
Injuries at work	41	2	43	28	1	29	56	2	58	58
Injuries on the way to/from work	124	6	130	66	7	73	64	10	74	74
Serious/very serious injuries with res judicata sentence	0	0	0	0	0	0	0	0	0	0
Deaths at work, with res judicata sentence	0	0	0	0	0	0	0	0	0	0

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Training on health and safety	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Hours of training on health and safety**	34,224	10,655	44,879	138,164	8,321	146,485	140,789	18,888	159,677	186,851
Employees who have attended health and safety training [No.]	5,895	3,476	9,371	26,147	2,747	28,894	26,697	6,582	33,279	41,024
Employees who have attended health and safety training [%]	9	15	10	40	12	33	42	29	39	39
Costs of health and safety training [K euro]	336	1,417	1,753	649	19	667	45	15	60	173
Hours of health and safety training per employee	0.5	0.5	0.5	2.1	0.4	1.7	2.2	0.8	1.9	1.8

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

** Hours defined as the duration of the teaching units used.

Robberies	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
	2018			2019			2020			2020
	Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Robberies	12	1	13	13	7	20	3	2	5	10
Robberies for every 100 bank counters	0.3	0.1	0.3	0.4	0.7	0.5	0.1	0.2	0.1	0.2
Interviews of psychological counselling to employees who have suffered robberies	156	0	156	73	0	73	26	0	26	34
On-site inspections on workplaces to assess risks for robbery	836	0	836	694	0	694	142	0	142	316

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Environment

GREEN AND CIRCULAR ECONOMY

Loans disbursed for the Green and Circular Economy	Unit	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
		2018			2019			2020			2020
		Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Retail	m euro	55	11	66	46	7	53	877	35	912	932
Business and Third Sector	m euro	374	17	391	156	32	188	253	40	293	297
Corporate and Project finance	m euro	1,168	297	1,465	1,143	35	1,178	736	44	781	960
of which Project finance	m euro	679	297	976	684	34	718	190	40	230	401
Total loans for the Green Economy	m euro	1,596	326	1,922	1,345	74	1,419	1,866	119	1,985	2,189
Total loans with Circular Economy criteria	m euro	-	-	-	760	0	760	565	0	565	589
Total	m euro	1,596	326	1,922	2,105	74	2,179	2,431	119	2,550	2,779

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020). Data not comparable for changes that occurred over the years in the aggregation criteria.

DIRECT ENVIRONMENTAL IMPACTS

Parameters	Unit	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
		2018			2019			2020			2020
		Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Operators = Staff + Consultants	No.	72,680	23,244	95,924	70,834	24,379	95,213	65,732	23,714	89,446	109,303
Staff	No.	68,392	23,134	91,526	65,612	23,070	88,682	63,146	22,570	85,716	105,183
Consultants	No.	4,288	110	4,398	5,222	1,309	6,531	2,586	1,144	3,730	4,120
Total transfers	No.	654,263	21,225	675,488	609,980	21,210	631,190	264,542	8,562	273,104	273,104
Total transport	thousands of km	145,128	33,895	179,023	140,679	32,678	173,357	40,676	20,801	61,477	69,719
Floor area	thousands of m ²	3,169	626	3,795	2,971	648	3,619	2,885	622	3,507	4,532

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Greenhouse gas emissions [CO ₂ eq]	Unit	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
		2018			2019			2020			2020
		Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Direct emissions (Scope1)	tCO₂eq	51,581	5,584	57,165	37,521	7,877	45,398	31,124	5,801	36,925	41,852
Natural gas emissions for independent heating	tCO ₂ eq	30,422	1,847	32,268	22,567	3,026	25,592	22,185	2,442	24,628	27,978
Natural gas emissions for cogeneration	tCO ₂ eq	6,826	418	7,244	5,110	524	5,634	1,535	421	1,956	1,956
Diesel emissions for independent heating	tCO ₂ eq	1,407	55	1,462	925	122	1,046	759	107	866	1,051
HFC emissions	tCO ₂ eq	5,720	159	5,879	1,824	266	2,090	2,961	414	3,375	3,894
Gasoline emissions for company fleet	tCO ₂ eq	20	562	582	10	901	911	8	603	611	611
Diesel emissions for company fleet	tCO ₂ eq	7,186	2,544	9,729	7,086	3,039	10,124	3,676	1,814	5,490	6,362
Indirect emissions (Scope2 Market-based)	tCO₂eq	8,135	35,326	43,461	5,735	27,974	33,709	5,571	26,228	31,800	32,597
Electricity emissions (excluding cogeneration)	tCO ₂ eq	3,926	33,286	37,212	2,310	27,167	29,478	1,751	25,208	26,959	26,965
Natural gas emissions for building heating (including district heating)	tCO ₂ eq	3,752	1,949	5,701	3,424	765	4,189	3,820	956	4,776	5,567
Diesel emissions for building heating	tCO ₂ eq	456	91	548	0	42	42	0	65	65	65
Total direct + indirect emissions (Scope1 + 2 Market-based)	tCO₂eq	59,716	40,911	100,626	43,256	35,851	79,107	36,695	32,030	68,725	74,450
Total direct + indirect emissions per staff member	tCO ₂ eq/staff member	0.8	1.8	1.0	0.6	1.5	0.8	0.6	1.4	0.8	-
Total direct + indirect emissions per square meter	kgCO ₂ eq/m ²	18.8	65.3	26.5	14.6	55.3	21.9	12.7	51.5	19.6	-
Total direct + indirect emissions (Scope1 + 2 Location-based)	tCO₂eq	177,395	38,515	215,910	151,279	39,090	190,369	127,549	32,459	160,008	177,848
Other indirect emissions (Scope3)	tCO₂eq	60,507	29,027	89,534	38,209	19,270	57,479	40,960	21,183	62,143	71,480
Business trips	tCO ₂ eq	8,614	2,258	10,871	8,015	1,514	9,528	1,807	1,235	3,042	3,554
Purchased paper	tCO ₂ eq	3,981	1,881	5,861	2,911	1,673	4,584	2,179	1,229	3,408	3,987
Waste	tCO ₂ eq	260	12	272	252	26	279	203	21	224	233
Office machinery**	tCO ₂ eq	6,537	2,211	8,748	4,293	1,509	5,802	16,829	6,015	22,843	28,369
Internet banking	tCO ₂ eq	123	53	176	116	100	217	110	96	206	214
Energy carriers***	tCO ₂ eq	32,822	19,400	52,222	14,684	11,444	26,128	13,014	9,888	22,902	24,672
Cash-in-transit (CIT)	tCO ₂ eq	8,172	3,212	11,383	7,938	3,003	10,942	6,819	2,699	9,518	10,451

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

** The significant increase in 2020 figures compared to 2019 is mainly due to the purchase of a large number of notebooks during the year.

*** Scope3 emissions generated: (a) in the natural gas supply chain, (b) in the production of the energy sources used in the electricity mix and (c) in the distribution and transformation of the electricity.

Emissions of other gas which are harmful to the ozone layer (NO _x , SO ₂)	Unit	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
		2018			2019			2020			2020
		Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
NO _x emissions	t	50	46	96	39	38	78	25	31	57	61
SO ₂ emissions	t	2	40	42	1	29	30	1	22	23	23

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Energy consumption broken down by source	Unit	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
		2018			2019			2020			2020
		Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Direct primary energy consumption (Scope1)	GJ	754,041	81,572	835,613	580,864	113,205	694,069	467,950	82,222	550,172	621,889
Natural gas consumption for independent heating	GJ	524,052	32,969	557,020	389,239	54,003	443,242	383,409	43,596	427,005	484,917
Natural gas consumption for cogeneration	GJ	117,587	7,502	125,089	88,138	9,381	97,519	26,527	7,551	34,078	34,078
Diesel consumption for independent heating	GJ	18,935	774	19,709	12,444	1,717	14,161	10,217	1,509	11,726	14,219
Gasoline consumption for the fleet	GJ	267	7,338	7,605	105	9,106	9,211	76	6,017	6,093	6,093
Diesel consumption for the fleet	GJ	93,199	32,990	126,189	90,938	38,998	129,935	47,722	23,548	71,270	82,583
Indirect primary energy consumption (Scope2)	GJ	1,431,655	395,749	1,827,404	1,311,966	396,154	1,708,120	1,237,140	356,709	1,593,849	1,766,834
Renewable electricity consumption	GJ	1,328,804	49,329	1,378,132	1,235,569	81,177	1,316,746	1,109,475	67,497	1,176,971	1,323,860
Non renewable electricity consumption (except cogeneration)	GJ	30,007	255,015	285,022	17,328	220,543	237,870	12,946	192,123	205,069	205,115
Natural gas consumption for building heating (including remote district heating)	GJ	66,703	90,120	156,822	59,069	93,840	152,910	114,719	96,160	210,879	236,930
Diesel consumption for building heating	GJ	6,142	1,285	7,427	0	594	594	0	929	929	929
Total direct + indirect energy (Scope1 + 2)	GJ	2,185,696	477,321	2,663,017	1,892,830	509,359	2,402,189	1,705,090	438,931	2,144,021	2,388,723
Total direct + indirect energy per staff member	GJ/staff member	30.1	20.5	27.8	26.7	20.9	25.2	25.9	18.5	24.0	-
Other indirect primary energy consumption (Scope3)	GJ	2,766,400	952,013	3,718,413	787,916	734,636	1,522,552	801,981	701,574	1,503,555	1,634,317
Business trips	GJ	128,283	30,131	158,415	121,896	20,782	142,677	26,002	15,937	41,939	48,589
Purchased paper	GJ	107,232	72,411	179,643	91,034	76,353	167,388	64,059	57,189	121,248	143,934
Waste	GJ	3,514	176	3,690	3,377	361	3,737	2,656	260	2,916	3,076
Office machinery**	GJ	98,815	33,425	132,240	66,502	23,383	89,884	267,983	95,784	363,767	449,154
Internet banking	GJ	2,068	1,323	3,391	2,034	2,388	4,422	1,921	2,226	4,147	4,298
Energy carriers***	GJ	2,299,445	764,618	3,064,063	379,562	564,642	944,203	333,262	488,181	821,443	822,656
Cash-in-transit (CIT)	GJ	127,043	49,929	176,972	123,512	46,728	170,239	106,099	41,997	148,096	162,610

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** The significant increase in 2020 figures compared to 2019 is mainly due to the purchase of a large number of notebooks during the year.

*** Scope3 primary energy consumption generated: (a) in the natural gas supply chain, (b) in the production of the energy sources used in the electricity mix and (c) in the distribution and transformation of the electricity.

Total electricity focus (including cogeneration)	Unit	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
		2018			2019			2020			2020
		Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Electricity per staff member	kWh/staff member	5,359	3,701	4,957	5,045	3,496	4,648	4,787	3,082	4,335	-
Electricity per square meter	kWh/m ²	123	137	125	120	132	122	109	118	111	-
Purchased from renewable sources	%	94.5	15.8	80.3	95.7	26.4	82.4	97.6	25.6	84.0	85.5
Self-produced from renewable sources (photovoltaic)	%	0.3	0.1	0.2	0.3	0.1	0.2	0.3	0.1	0.3	0.3
Purchased from non-renewable sources	%	2.1	82.4	16.7	1.4	71.9	14.9	1.1	73.0	14.7	13.3
Self-produced from non-renewable sources (cogeneration)	%	3.1	1.7	2.8	2.6	1.6	2.5	0.9	1.3	1.0	0.9

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Transport	Unit	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
		2018			2019			2020			2020
		Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Air travel	thousands of km	40,044	5,064	45,108	37,201	6,126	43,327	5,814	1,131	6,945	7,160
Train travel	thousands of km	48,552	642	49,195	51,234	458	51,692	8,483	90	8,572	8,828
Company fleet	thousands of km	44,440	18,013	62,453	40,765	21,215	61,981	21,407	13,216	34,623	39,689
Personal Cars	thousands of km	12,091	10,175	22,266	11,478	4,879	16,357	4,974	6,364	11,338	14,041
Remote connections	thousands	63,070	31	63,101	44,298	32	44,330	78,751	106	78,857	79,694
Distance covered for business trip per employee	km/employee	222	1,597	265	231	1,541	275	154	2,429	225	-

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Paper consumption	Unit	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
		2018			2019			2020			2020
		Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Purchased paper	t	4,996	1,809	6,805	4,258	1,916	6,175	3,278	1,383	4,660	5,407
Purchased paper / staff member	kg/staff member	68.7	77.8	70.9	60.1	78.6	64.8	49.9	58.3	52.1	-
Certified recycled paper	%	69.2	22.9	56.9	70.7	17.6	54.2	76.0	13.2	57.4	55.6
Eco-sustainable certified paper (not recycled)	%	25.3	52.9	32.7	26.5	41.5	31.2	21.0	43.4	27.6	30.1

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Toner consumption	Unit	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
		2018			2019			2020			2020
		Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Toner: total	kg	n.a.	n.a.	n.a.	90,505	23,600	114,105	64,023	32,488	96,511	105,661
Toner: remanufactured cartridges	%	n.a.	n.a.	n.a.	71.5	19.1	60.7	79.5	5.9	54.7	50.0
Toner: traditional cartridges	%	n.a.	n.a.	n.a.	28.5	80.9	39.3	20.5	94.1	45.3	50.0

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Water consumption	Unit	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
		2018			2019			2020			2020
		Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Total water consumed	thousands of m ³	1,428	546	1,974	1,131	570	1,700	1,306	410	1,716	1,874
Total water consumed / staff member	m ³ /staff member	19.6	23.5	20.6	16.0	23.4	17.9	19.9	17.3	19.2	-

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Special waste by type	Unit	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
		2018			2019			2020			2020
		Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Total waste	t	3,315	682	3,997	3,288	1,002	4,290	2,373	794	3,167	3,688
Total non-hazardous waste	t	3,292	621	3,914	3,240	894	4,134	2,315	738	3,053	3,571
Total hazardous waste	t	23	61	84	47	109	156	58	56	114	117
Total waste / staff member	kg/staff member	45.6	29.3	41.7	46.4	41.1	45.1	36.1	33.5	35.4	-

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Special non-hazardous waste by disposal method	Unit	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
		2018			2019			2020			2020
		Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Recycling	t	1,168	554	1,722	1,276	748	2,024	747	562	1,309	1,707
Reuse/recovery	t	1,919	65	1,984	1,779	138	1,917	1,413	167	1,580	1,695
Landfill	t	171	1	172	163	6	170	131	8	138	141
Incinerator for energy recovery	t	34	2	36	22	1	23	24	1	26	28

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Special hazardous waste by disposal method	Unit	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
		2018			2019			2020			2020
		Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Recycling	t	0	0	0	0	0	0	0	0	0	0
Reuse/recovery	t	8	8	16	16	17	33	42	24	66	67
Landfill	t	15	53	68	31	91	123	16	32	47	50
Incinerator for energy recovery	t	0	0	0	0	0	0	0	0	0	0

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Expenditure for environmental management	Unit	Intesa Sanpaolo Group (excluding UBI Banca Group)									ISP + UBI*
		2018			2019			2020			2020
		Italy	Abroad	Group	Italy	Abroad	Group	Italy	Abroad	Group	Group
Management of special waste	K euro	1,481	306	1,788	1,302	291	1,592	1,067	538	1,605	2,099
Training	K euro	0	200	200	0	252	252	0	129	129	129
System maintenance	K euro	45,276	17,408	62,684	45,211	8,095	53,306	46,299	10,620	56,919	61,575
Monitoring and certification of EEMS (Environmental and Energy Management System)	K euro	150	12	162	1,472	17	1,490	2,384	14	2,398	2,789
Total	K euro	46,908	17,926	64,834	47,985	8,655	56,640	49,750	11,300	61,050	66,592

* UBI Banca Group figures are only included as from the date of its consolidation into the Intesa Sanpaolo Group (last 5 months of 2020).

Methodology used for the estimates: in the limited cases of unavailability of the data, estimates were made by adopting factors derived from the average of the values most responsive to the specificity of the indicator.

TCFD Recommendations



This table was prepared based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

CORRESPONDENCE TABLE		
Thematic Area	TCFD Recommendations	References
GOVERNANCE	<p>Describe:</p> <ul style="list-style-type: none"> the Board's oversight of climate-related risks and opportunities management's role in assessing and managing climate-related risks and opportunities 	<p>Report on Corporate Governance and Ownership Structures:</p> <ul style="list-style-type: none"> Social and environmental responsibility The governance of Sustainability Powers of the Board of Directors Board Committees: composition and operations Corporate Control Functions <hr/> <p>Consolidated Non-financial Statement:</p> <ul style="list-style-type: none"> Governance structure Sustainability Governance Management of potential risks and impacts related to climate change Sustainable investments and insurance Environment and climate change <hr/> <p>Annual Report:</p> <ul style="list-style-type: none"> Report on operations – Sustainability
STRATEGY	<p>Describe:</p> <ul style="list-style-type: none"> the climate-related risks and opportunities the organization has identified over the short, medium, and long term the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario 	<p>Code of Ethics:</p> <ul style="list-style-type: none"> Reference values and principles Principles of conduct regarding the environment <hr/> <p>Rules for the environmental and energy policy:</p> <ul style="list-style-type: none"> Our commitment for the environment <hr/> <p>Consolidated Non-financial Statement:</p> <ul style="list-style-type: none"> Business Model Management of potential risks and impacts related to climate change Sustainable investments and insurance Environment and climate change Transition to a sustainable, green and circular economy Direct environmental impacts Materiality analysis and stakeholder engagement <hr/> <p>Annual Report:</p> <ul style="list-style-type: none"> Report on operations – Sustainability
RISK MANAGEMENT	<p>Describe:</p> <ul style="list-style-type: none"> the organization's processes for identifying and assessing climate-related risks the organization's processes for managing climate-related risks how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management 	<p>Report on Corporate Governance and Ownership Structures:</p> <ul style="list-style-type: none"> The internal control and risk management system <hr/> <p>Consolidated Non-financial Statement:</p> <ul style="list-style-type: none"> Sustainability Governance Monitoring of ESG and reputational risks Management of potential risks and impacts related to climate change Sustainable investments and insurance Environment and climate change <hr/> <p>Annual Report:</p> <ul style="list-style-type: none"> Report on operations – Sustainability
METRICS AND TARGETS	<p>Disclose:</p> <ul style="list-style-type: none"> the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks <p>Describe:</p> <ul style="list-style-type: none"> the targets used by the organization to manage climate-related risks and opportunities and performance against targets 	<p>Consolidated Non-financial Statement:</p> <ul style="list-style-type: none"> Main performance indicators Governance structure - Remuneration United Nations Sustainable Development Goals Sustainable investments and insurance Environment and climate change Transition to a sustainable, green and circular economy Direct environmental impacts Improvement objectives Indicators <hr/> <p>Report on remuneration policy and compensation paid:</p> <ul style="list-style-type: none"> Annual incentive systems for Group personnel <hr/> <p>Eurizon Capital Green Bonds Impact Report:</p> <ul style="list-style-type: none"> Environmental and social results achieved by Eurizon Fund Absolute Green Bonds sub-fund <p>Global Impact Report:</p> <ul style="list-style-type: none"> The impact of Eurizon's range of sustainable and responsible funds based upon SDGs ESG Impact Report <hr/> <p>Annual Report:</p> <ul style="list-style-type: none"> Report on operations – Sustainability

Principles for Responsible Banking



Intesa Sanpaolo is a signatory of the Principles for Responsible Banking (PRB), launched in September 2019. In order to communicate the progress achieved with respect to the PRB, Intesa Sanpaolo has adopted a Self-assessment Reporting Template, shown below.

Reporting Requirements for Self-assessment	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response/ relevant information
Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.		

1.1. Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.

1.2. Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

- Intesa Sanpaolo is aware of the fact that many of the objectives set in the 2018-2021 Business Plan are strictly connected with certain Sustainable Development Goals.
- Intesa Sanpaolo has subscribed to a series of international initiatives and standards, including the PRI, PSI, Global Compact, UNEP-FI, Equator Principles, CDP and TCFD
- Intesa Sanpaolo supports the transition to a low-carbon emissions economy through, for example, actions aimed at mitigating its direct emissions (Environmental-Climatic Change Action Plan), financial support initiatives for the green investments of its customers or in-depth analyses of environmental and climate risk within its financial services
- Intesa Sanpaolo has decided to make a commitment to greater social cohesion, in order to reduce inequalities, by supporting charitable bodies and associations in tackling poverty, ensuring access to credit for excluded individuals or those who are unlikely to access through traditional financial channels (Fund for Impact) and promoting youth employment through training courses ('Giovani e Lavoro' programme)

Intesa Sanpaolo 2020 Consolidated Non-financial Statement [i]:

- Voluntary commitment to domestic and international initiatives (pages 36-37)
- Commitment to United Nations Sustainable Development Goals (pages 37-42)
- Financial inclusion and supporting production (pages 106-119)
- Community Support (pages 129-146)
- Environment and climate change (pages 171-190)

Principle 2: Impact and Target Setting

We will work to continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1. Impact Analysis

Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfils the following elements:

a) Scope: The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.

b) Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/ its major activities lie in terms of industries, technologies and geographies.

c) Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/ regions in which it operates.

- The materiality analysis identifies the relevant economic, social and environmental issues in terms of their potential impacts, positive or negative, having an influence on the Bank's strategy and its stakeholders
- Intesa Sanpaolo has implemented processes and defined specific responsibilities to understand and manage social and environmental risks that are significant because of their potential impact on the company's activities and the stakeholders and has also implemented the associated mitigation measures
- Intesa Sanpaolo defines the impacts of its activities and business, endeavouring to maximise its positive impacts, while reducing the negative ones. Among these, Intesa Sanpaolo strives to reduce its carbon emissions, optimising its activities, mitigating the environmental and social impacts associated with the financing activities, through the integration of environmental policies into its credit risk assessment framework.

Intesa Sanpaolo 2020 Consolidated Non-Financial Statement [i]:

- Materiality analysis and Stakeholder engagement (pages 43-51)
- Management of environmental, social and governance risks (pages 63-68)
- Financial inclusion and supporting production (pages 106-119)
- Loans and services for the Green and Circular Economy (pages 174-183)
- Improvement objectives (pages 195-197)

Reporting Requirements for Self-assessment	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response/ relevant information
<p>d) Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/ salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.</p> <p><i>(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</i></p> <p>Show that building on this analysis, the bank has:</p> <ul style="list-style-type: none"> ▪ Identified and disclosed its areas of most significant (potential) positive and negative impact. ▪ Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts 	<ul style="list-style-type: none"> ▪ Intesa Sanpaolo periodically conducts a materiality analysis (involving and interacting with its relevant stakeholders to identify, classify and assign priorities to address emerging risks and exploit strategic business opportunities) that meets some of the requirements of the Principle. ▪ Intesa Sanpaolo has collaborated with other PRB signatories in the development, understanding and implementation of methodologies and tools for an overall impact assessment, which are necessary for an analysis of the impact of its portfolio. 	
Provide the bank's conclusion / statement as to whether it has met the Impact Analysis requirements		
Intesa Sanpaolo has met the impact analysis requirements by identifying the areas with the most significant impacts, both positive and negative, through a materiality assessment. The Group will continue to develop an Impact Analysis.		
<p>2.2. Target Setting</p> <p>Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.</p> <p>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline</p> <p>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/ society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	<ul style="list-style-type: none"> ▪ Among the commitments defined in the 2018-2021 Business Plan, Intesa Sanpaolo has identified the granting of new credit to the real economy over the medium-long term, totalling ~ 250 billion euro; supporting the green and circular economy with loans and services for the companies that adopt the circular model using innovative methods (5-billion euro plafond, increased to 6 billion euro in 2020 following the transaction with UBI Banca); the establishment of the Fund for Impact intended to allow the disbursement of 1.25 billion euro (increased to around 1.5 billion euro after the acquisition of UBI Banca) to categories experiencing difficulty in accessing credit despite their potential ▪ The Bank will review its objectives based on the impact analysis in line with the PRB requirements 	<p>Intesa Sanpaolo 2020 Consolidated Non-financial Statement [1]:</p> <ul style="list-style-type: none"> ▪ Commitment to United Nations Sustainable Development Goals (pages 37-42) ▪ Main performance indicators – Society (page 13; page 89) ▪ Main performance indicators – Environment and climate change (pages 21-22; page 173)
Provide the bank's conclusion / statement as to whether it has met the requirements relating to the Target Setting activity		
Intesa Sanpaolo has met the Target Setting requirements.		

Reporting Requirements for Self-assessment	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response/ relevant information
<p>2.3. Plans for the Implementation and Monitoring of the targets</p> <p>Show that your bank has defined actions and milestones to meet the set targets.</p> <p>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	<ul style="list-style-type: none"> ▪ Intesa Sanpaolo has implemented its own sustainability strategy as well as guidelines and specific policies in this regard. The implementation and monitoring of the sustainability strategy are assessed twice a year by the Board of Directors. ▪ With the aim of strengthening the Group's current positioning on ESG (Environmental, Social and Governance) issues and on combating climate change, an interdivisional / functional ESG Task Force ('Control Room') was activated in October 2020 in support of the Steering Committee. ▪ The set targets are monitored on a regular basis with the definition of KPIs. 	<p>Intesa Sanpaolo 2020 Consolidated Non-financial Statement [1]:</p> <ul style="list-style-type: none"> ▪ Sustainability Governance (page 59)

Provide the bank's conclusion / statement as to whether it has met the requirements relating to the Plans for Implementation and Monitoring of the targets

Intesa Sanpaolo has met the requirements relating to the plans for Implementation and Monitoring of the targets.

<p>2.4. Progress in the Implementation of the Targets</p> <p>For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target. Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target. Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures).</p>	<ul style="list-style-type: none"> ▪ Every year, Intesa Sanpaolo publishes a Consolidated Non-Financial Statement (CNFS) which describes how the Group deals with corporate sustainability, how it implements its sustainability strategy, the targets set and the main results achieved. Details on the progress of each target can be found in the references provided. ▪ The Bank monitors progress in the implementation of the set targets and reports on the progress of the achievement on a regular basis through annual reports. 	<p>Intesa Sanpaolo 2020 Consolidated Non-financial Statement [1]:</p> <ul style="list-style-type: none"> ▪ Improvement objectives (pages 195-197)
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Provide the bank's conclusion / statement as to whether it has met the requirements relating to the Implementation of the Targets

Intesa Sanpaolo has met the requirements relating to progress in the Implementation of the Targets.

Principle 3: Clients and Customers
We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

<p>3.1. Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p> <p>3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/ implemented, products and services developed, and, where possible, the impacts achieved.</p>	<ul style="list-style-type: none"> ▪ Intesa Sanpaolo takes heed of the impacts generated by customers, contributing to the spread of virtuous processes and conduct as regards the environment. Moreover, it also closely manages the risks connected with climate change by promoting adaptive behaviour or conduct designed to mitigate this phenomenon, while simultaneously developing a culture focused on prevention ▪ Eurizon implements an engagement process ('active share ownership') structured on various levels, from dialogue with the companies subject to supervision right up to the activation of voting rights in shareholders' meetings 	<p>Intesa Sanpaolo 2020 Consolidated Non-Financial Statement [1]</p> <ul style="list-style-type: none"> ▪ Management of environmental, social and governance risks (pages 63-68) ▪ Management of potential risks and impacts related to climate change (pages 69-75) ▪ Transition to a sustainable, green and circular economy (pages 174-183) ▪ Sustainable investments and insurance (pages 120-128)
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Reporting Requirements for Self-assessment	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response/ relevant information
Principle 4: Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals		
<p>4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<ul style="list-style-type: none"> ▪ In its 2018-2021 Business Plan, Intesa Sanpaolo set itself key social, cultural and environmental responsibility goals that involve various stakeholders. In 2020, the stakeholder engagement activities, conducted in compliance with the AA1000 AccountAbility standard, addressed the topics outlined in the materiality matrix, with a particular focus on the CSR aspects contained in the Business Plan. 	<p>Intesa Sanpaolo 2020 Consolidated Non-financial Statement [i]:</p> <ul style="list-style-type: none"> ▪ Stakeholder engagement activities and results (pages 43-51) ▪ Improvement objectives (pages 195-197)
Principle 5: Governance & Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking		
<p>5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<ul style="list-style-type: none"> ▪ The Managing Director and CEO submits to the competent Board Committees and the Board of Directors, with the support of the Steering Committee, the definition of the strategic lines and sustainability policies (ESG), including the fight against climate change. The Board of Directors approves the strategic and political guidelines on sustainability (ESG) - with the support of the Risks Committee - taking into account the objectives of solid and sustainable creation and distribution of value for all stakeholders, including the environment as stated in the Group Code of Ethics. In addition, the Steering Committee - composed of the first organisational line - meets on a quarterly basis to examine sustainability issues (ESG) 	<p>Intesa Sanpaolo 2020 Consolidated Non-financial Statement [i]:</p> <ul style="list-style-type: none"> ▪ Sustainability Governance (page 59)
<p>5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>		
<p>5.3 Governance structure for the Implementation of the Principles</p>		
<p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p>	<ul style="list-style-type: none"> ▪ The Corporate Social Responsibility (CSR) structure oversees the process for defining, approving and updating policies as regards sustainability (ESG), in accordance with the corporate strategies and targets. In these activities, CSR is supported by the CSR Delegates appointed in the main structures of the Parent Company and Subsidiary Banks 	
<p>a target-setting and actions to achieve targets set</p> <p>b remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</p>	<ul style="list-style-type: none"> ▪ Intesa Sanpaolo supports the spread of a culture of sustainability through a range of training initiatives in and out of the Group's structures. ▪ With the aim of strengthening the Group's actions for the achievement of its ESG targets, an interdivisional / functional ESG Task Force ('Control Room') was activated in October 2020 in support of the Steering Committee. 	
<p>Provide the bank's conclusion / statement as to whether it has met the requirements relating to the Governance Structure for the Implementation of the Principles</p>		
<p>Intesa Sanpaolo has met the requirements relating to the Governance Structure for the Implementation of the Principles.</p>		

Reporting Requirements for Self-assessment	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response/ relevant information
Principle 6: Transparency & Accountability We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.		
6.1 Progress in the Implementation of the Principles for Responsible Banking	<ul style="list-style-type: none"> ■ Intesa Sanpaolo publishes an annual Consolidated Non-Financial Statement (CNFS) drafted in accordance with the GRI Standards and taking into consideration the recommendations issued in June 2017 by the Task Force on Climate-related Financial Disclosures (TCFD), adopted by Intesa Sanpaolo in October 2018 ■ For the first time and on a voluntary basis, Intesa Sanpaolo published, for the second year running, a half-yearly Consolidated Non-Financial Statement providing evidence of the most relevant indicators. 	Intesa Sanpaolo 2020 Consolidated Non-Financial Statement [1] Intesa Sanpaolo Consolidated Non-financial Statement as at 30 June 2020 [1]
<p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</p>		
<p>Show that your bank has considered existing and emerging international / regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</p>		
<p>Show that your bank has implemented/ is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/ regional good practices and has made progress on its implementation of these Principles.</p>		
Provide the bank's conclusion / statement as to whether it has met the requirements relating to Progress in the Implementation of the Principles for Responsible Banking		
Intesa Sanpaolo has met the requirements relating to Progress in the Implementation of the Principles for Responsible Banking.		

GRI Content Index



For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report. This service was performed on the Italian version of the report.

THIS STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH THE GRI STANDARDS: "COMPREHENSIVE" OPTION

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions	Global Compact	SDGs(*)
GRI 101: Foundations 2016					
General Disclosures					
GRI 102: General Disclosures 2016	ORGANIZATIONAL PROFILE				
102-1	Name of the organization	page 269			
102-2	Activities, brands, products, and services	pages 27-28; About us [i] ; Our Brand [i]			
102-3	Location of headquarters	page 269			
102-4	Location of operations	page 28; A Presentation of the Group (pages 27-30) [i]			
102-5	Ownership and legal form	page 57; page 269			
102-6	Markets served	pages 27-28; A Presentation of the Group (pages 27-30) [i]			
102-7	Scale of the organization	page 57; page 218; A Presentation of the Group (page 5) [i]			
102-8	Information on employees and other workers	pages 218-221; Intesa Sanpaolo does not have a substantial portion of its work performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. The variation in employment numbers of the Intesa Sanpaolo Group in reporting year is mainly related to the acquisition of the former UBI Banca Group occurred in 2020. The "Headcount" method has been applied.		Principle 6	8
102-9	Supply chain	pages 147-148; page 217			
102-10	Significant changes to the organization and its supply chain	pages 9-10; pages 31-33; page 57; Changes of the Intesa Sanpaolo Group supply chain are related primarily to the acquisition of the former UBI Banca Group occurred in 2020.			
102-11	Precautionary Principle or approach	pages 69-75; Report on Corporate Governance and Ownership Structures (pag. 84) [i]			
102-12	External initiatives	pages 36-42; Adherence to international standards [i]			
102-13	Membership of associations	Our partnerships in sustainability [i]			
STRATEGY					
102-14	Statement from senior decision-maker	pages 6-7; pages 30-31			
102-15	Key impacts, risks, and opportunities	page 29; page 50; pages 63-64; pages 72-74; pages 196-197			
ETHICS AND INTEGRITY					
102-16	Values, principles, standards, and norms of behavior	page 35; Code of Ethics (page 7; page 9) [i]		Principle 10	16

* Sustainable Development Goals of the United Nations.

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions	Global Compact	SDGs(*)
102-17	Mechanisms for advice and concerns about ethics	pages 61-62; Code of Ethics (pages 22-23) [i]		Principle 10	16
GOVERNANCE					
102-18	Governance structure	page 53; page 59; Report on Corporate Governance and Ownership Structures (pages 37-39) [i]			
102-19	Delegating authority	page 53; pages 59-60; Report on Corporate Governance and Ownership Structures (page 67; page 25) [i]			
102-20	Executive-level responsibility for economic, environmental, and social topics	page 59; Report on Corporate Governance and Ownership Structures (pages 85-86; page 27) [i]			
102-21	Consulting stakeholders on economic, environmental, and social topics	pages 59-60; Report on Corporate Governance and Ownership Structures (page 91; page 27) [i]			16
102-22	Composition of the highest governance body and its committees	pages 53-54; page 59; page 199; Report on Corporate Governance and Ownership Structures (pages 42-43; pages 95-96) [i]			5, 16
102-23	Chair of the highest governance body	page 53			16
102-24	Nominating and selecting the highest governance body	pages 53-54; Report on Corporate Governance and Ownership Structures (pages 42-46) [i]			5, 16
102-25	Conflicts of interest	Report on Corporate Governance and Ownership Structures (pages 53-54) [i]			16
102-26	Role of highest governance body in setting purpose, values, and strategy	pages 59-60			
102-27	Collective knowledge of highest governance body	pages 53-54			4
102-28	Evaluating the highest governance body's performance	Report on Corporate Governance and Ownership Structures (pages 54-56) [i]			
102-29	Identifying and managing economic, environmental, and social impacts	pages 48-50; pages 63-65; pages 69-75; Report on Corporate Governance and Ownership Structures (pages 71-73) [i]			16
102-30	Effectiveness of risk management processes	Report on Corporate Governance and Ownership Structures (pages 71-73) [i]			
102-31	Review of economic, environmental, and social topics	pages 59-60			
102-32	Highest governance body's role in sustainability reporting	page 59; Report on Corporate Governance and Ownership Structures (pages 71-73) [i]			
102-33	Communicating critical concerns	pages 59-68			
102-34	Nature and total number of critical concerns	pages 61-62; Code of Ethics (pages 22-23) [i]			
102-35	Remuneration policies	page 55; pages 156-157; Report on Corporate Governance and Ownership Structures (pages 74-75) [i], Report on remuneration policy and compensation paid (pages 9-11) [i], Remuneration and Equity investments [i]			
102-36	Process for determining remuneration	page 55; pages 156-157; Report on Corporate Governance and Ownership Structures (pages 74-75) [i], Report on remuneration policy and compensation paid (pages 9-11) [i]			
102-37	Stakeholders' involvement in remuneration	Report on Corporate Governance and Ownership Structures (pages 74-75) [i], Report on remuneration policy and compensation paid (pages 73-75) [i]			16
102-38	Annual total compensation ratio	page 224			

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions	Global Compact	SDGs(*)
102-39	Percentage increase in annual total compensation ratio	page 224			
STAKEHOLDER ENGAGEMENT					
102-40	List of stakeholder groups	page 43			
102-41	Collective bargaining agreements	page 228		Principle 3	8
102-42	Identifying and selecting stakeholders	The dialogue with stakeholders [i]			
102-43	Approach to stakeholder engagement	pages 43-46; pages 48-49			
102-44	Key topics and concerns raised	pages 43-51; pages 196-197			
REPORTING PRACTICE					
102-45	Entities included in the consolidated financial statements	pages 9-10; Financial Reports (Annual Report 2020 Notes to the consolidated financial statements - Part A SECTION 3 - SCOPE OF CONSOLIDATION AND CONSOLIDATION METHODS pages 216-221) [i]			
102-46	Defining report content and topic Boundaries	pages 44-47; pages 261-262			
102-47	List of material topics	page 47; pages 261-262			
102-48	Restatements of information	pages 9-10; page 33; pages 204-205; page 214; pages 229-230			
102-49	Changes in reporting	pages 9-10; pages 47-50; pages 261-262			
102-50	Reporting period	pages 9-10			
102-51	Date of most recent report	pages 9-10			
102-52	Reporting cycle	pages 9-10			
102-53	Contact point for questions regarding the report	page 269			
102-54	Claims of reporting in accordance with the GRI Standards	page 246			
102-55	GRI content index	pages 246-260			
102-56	External assurance	pages 265-268; This Consolidated Non-financial statement has been verified by the independent Firm KPMG which also audits the Group's Annual Report. The Statement has been submitted for the approval of the Bank's Board of Directors in its meetings of March 23, 2021.			

Material Topics

ECONOMIC PERFORMANCE

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary	pages 31-34; pages 261-262			
103-2	The management approach and its components	pages 30-34; page 61; pages 261-262			8, 16
103-3	Evaluation of the management approach	page 61; Report on Corporate Governance and Ownership Structures (pages 60-65; pages 80-81) [i]			

GRI 201: Economic Performance 2016

201-1	Direct economic value generated and distributed	pages 33-34; page 129; page 205			5, 7, 8, 9, 13
201-2	Financial implications and other risks and opportunities due to climate change	pages 69-75; page 240; page 261; Climate Change [i]		Principle 7	
201-3	Defined benefit plan obligations and other retirement plans	page 164; Financial Reports (Annual Report 2020 "Notes to the consolidated financial statements - Part B SECTION 10 – ALLOWANCES FOR RISKS AND CHARGES – CAPTION 100" pages 364-367) [i]			

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions	Global Compact	SDGs(*)
	201-4	Financial assistance received from government	pages 31-33; page 193; page 227		
MARKET PRESENCE					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 31; page 261		
	103-2	The management approach and its components	pages 30-33; page 61; page 261		
	103-3	Evaluation of the management approach	page 56; page 61		
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	page 225	Principle 6	1, 2, 5, 8
	202-2	Proportion of senior management hired from the local community	page 221		8
INDIRECT ECONOMIC IMPACTS					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 31-33; page 261		
	103-2	The management approach and its components	pages 30-33; page 61; page 261		1
	103-3	Evaluation of the management approach	page 56; page 61		
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	page 68; page 129		2, 5, 7, 9, 11
	203-2	Significant indirect economic impacts	pages 48-51; page 106		1, 2, 3, 8, 10, 17
ANTI-CORRUPTION					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 76; page 262		
	103-2	The management approach and its components	page 42; pages 61-62; pages 77-79; page 86; page 262		
	103-3	Evaluation of the management approach	page 42; pages 61-62; pages 77-78; pages 85-86		
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	pages 85-86	Principle 10	16
	205-2	Communication and training about anti-corruption policies and procedures	page 54; pages 76-79; pages 147-148; page 200	Principle 10	16
	205-3	Confirmed incidents of corruption and actions taken	page 202	Principle 10	16
ANTI-COMPETITIVE BEHAVIOR					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 76; page 262		
	103-2	The management approach and its components	pages 61-62; page 76; page 83; page 262		
	103-3	Evaluation of the management approach	page 83		
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2020, no lawsuits were filed nor penalties imposed against the Intesa Sanpaolo Group on the matter of competition protection.		16
TAX					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 76; page 262		
	103-2	The management approach and its components	pages 61-62; page 76; pages 80-83; page 262		

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions	Global Compact	SDGs(*)
	103-3	Evaluation of the management approach	pages 80-83		
GRI 207: Tax 2019	207-1	Approach to tax	pages 80-83		
	207-2	Tax governance, control, and risk management	pages 80-83		16
	207-3	Stakeholder engagement and management of concerns related to tax	pages 80-83		16
	207-4	Country-by-country reporting	page 28; page 83; page 203		
MATERIALS					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 172; page 261		
	103-2	The management approach and its components	pages 184-185; pages 188-189; page 197; page 261		
	103-3	Evaluation of the management approach	pages 61-62; pages 188-189		
GRI 301: Materials 2016	301-1	Materials used by weight or volume	page 173; pages 188-189; page 237	Principle 7, 8	8, 12
	301-2	Recycled input materials used	page 173; pages 188-189; page 237	Principle 8	8, 12
	301-3	Reclaimed products and their packaging materials	Physical products to be recalled/ withdrawn from the market and the related packaging products are not envisaged for the type of business conducted.	Principle 8	8, 12
ENERGY					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 172; page 261		
	103-2	The management approach and its components	pages 184-188; page 261 Climate Change Action Plan [i]		
	103-3	Evaluation of the management approach	pages 61-62; pages 184-185		
GRI 302: Energy 2016	302-1	Energy consumption within the organization	page 173; pages 184-188; page 236	Principle 7, 8	7, 8, 11, 12, 13
	302-2	Energy consumption outside of the organization	page 236	Principle 8	7, 8, 11, 12, 13
	302-3	Energy intensity	pages 236-237	Principle 8	7, 8, 11, 13
	302-4	Reduction of energy consumption	pages 185-187	Principle 8, 9	7, 8, 11, 13
	302-5	Reductions in energy requirements of products and services	pages 174-180	Principle 8, 9	7, 8, 11, 13
WATER AND EFFLUENTS					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 172; page 261		
	103-2	The management approach and its components	pages 184-185; page 261		
	103-3	Evaluation of the management approach	pages 61-62; page 189		

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions	Global Compact	SDGs(*)
GRI 303: Water and effluents 2018	303-1	Interactions with water as a shared resource	page 37; page 189 The activity carried out by the Group does not expect significant impacts relating to water consumption, consequently not objectives have been identified by the Group in this scope.		
	303-2	Management of water discharge-related impacts	page 189 The activity carried out by the Group does not provides for the significant use of water, the generation of related spills and the significant impacts.		
	303-3	Water withdrawal	page 173; page 189; page 238	Principle 7, 8	6
	303-4	Water discharge	page 189 The activity carried out by the Group does not provides for the significant use of water, the generation of related spills and the significant impacts.	Principle 7, 8	6
	303-5	Water consumption	page 189; page 238 The activities carried out by the Group do not provide for significant water consumption therefore there are no significant impacts in this scope.	Principle 7, 8	6
EMISSIONS					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 172; page 261		
	103-2	The management approach and its components	pages 184-187; page 261		12, 13, 14, 15
	103-3	Evaluation of the management approach	pages 61-62; pages 184-187		
GRI 305: Emissions 2016	305-1	Direct (Scope1) GHG emissions	page 173; pages 185-186; page 235; Emission Factors [i]	Principle 7, 8	3, 11, 12, 13, 14, 15
	305-2	Energy indirect (Scope2) GHG emissions	page 173; pages 185-186; page 235; Emission Factors [i]	Principle 7, 8	3, 11, 12, 13, 14, 15
	305-3	Other indirect (Scope3) GHG emissions	page 173; page 235; Emission Factors [i]	Principle 7, 8	3, 11, 12, 13, 14, 15
	305-4	GHG emissions intensity	page 173; page 235	Principle 8	13, 14, 15
	305-5	Reduction of GHG emissions	pages 185-186	Principle 8, 9	13, 14
	305-6	Emissions of ozone-depleting substances (ODS)	There are no significant use, within the Group, of ozone-depleting substance related to air conditioning. Emission Factors [i]	Principle 7, 8	3, 11, 13
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	page 236 Emission Factors [i]	Principle 7, 8	3, 11, 13, 14, 15
EFFLUENTS AND WASTE					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 172; page 261		
	103-2	The management approach and its components	pages 184-185; page 261		12, 13, 14, 15

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions	Global Compact	SDGs(*)
GRI 306: Effluents and Waste 2016	103-3	Evaluation of the management approach	pages 61-62; page 190		
	306-2	Waste by type and disposal method	page 173; page 190; pages 238-239	Principle 8	3, 6, 12
	306-3	Significant spills	There are no significant polluting spills deriving from the activities carried out by the Group in the reporting year	Principle 8	3, 6, 12
	306-4	Transport of hazardous waste	There are no cases of transportation of hazardous waste	Principle 8	3, 6, 12
ENVIRONMENTAL COMPLIANCE					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 172; page 262		
	103-2	The management approach and its components	pages 184-185; page 262		12, 13, 14, 15
	103-3	Evaluation of the management approach	pages 61-62; pages 189-190		
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	page 201	Principle 8	16
EMPLOYMENT					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 150; page 261		
	103-2	The management approach and its components	page 61; pages 153-154; page 197; page 261		
	103-3	Evaluation of the management approach	pages 61-62; pages 153-154		
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	pages 222-223	Principle 6	5, 8
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	page 229 In general, there no differences between the benefits provided to full-time employees and those provided to part-time employees. For employees with a fixed-term contract, due to the nature of the contract itself, access to the Healthcare Fund and to ALL is not permitted, whereas access to the Group's Supplementary Pension Fund is permitted to a very limited extent.		8
	401-3	Parental leave	pages 229-230	Principle 6	5, 8
LABOR/MANAGEMENT RELATIONS					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 150; page 261		
	103-2	The management approach and its components	page 61; page 153; page 197; page 261		
	103-3	Evaluation of the management approach	pages 61-62; pages 153-154		
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	page 202	Principle 3	
OCCUPATIONAL HEALTH AND SAFETY					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 150; page 261		
	103-2	The management approach and its components	page 61; page 162; pages 167-170; page 261		

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions	Global Compact	SDGs(*)	
GRI 403: Occupational Health and Safety 2018	103-3	Evaluation of the management approach	pages 61-62; pages 167-170			
	403-1	Occupational health and safety management system	pages 167-170			
	403-2	Hazard identification, risk assessment, and incident investigation	pages 167-170			
	403-3	Occupational health services	pages 167-170		3	
	403-4	Worker participation, consultation, and communication on occupational health and safety	pages 167-170		8	
	403-5	Worker training on occupational health and safety	page 233			
	403-6	Promotion of worker health	pages 162-164		3	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pages 167-170			
	403-8	Workers covered by an occupational health and safety management system	page 170 100% of the Group's employees is covered by an health and safety management system	Part of the information is not available: the data and information relating to injuries of non-employee workers are not monitored as the Italian regulations currently in force do not provide for the obligation to collect the aforementioned data type. The feasibility and above all the significance of implementing a specially designed collection and monitoring system and making said information available as from 2025 will be assessed		8
	403-9	Work-related injuries	pages 232-233	Part of the information is not available: the data and information relating to injuries of non-employee workers are not monitored as the Italian regulations currently in force do not provide for the obligation to collect the aforementioned data type. The feasibility and above all the significance of implementing a specially designed collection and monitoring system and making said information available as from 2025 will be assessed		3, 8

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions	Global Compact	SDGs(*)
	403-10	Work-related ill health	page 231; page 233	Part of the information is not available: the data and information relating to injuries of non-employee workers are not monitored as the Italian regulations currently in force do not provide for the obligation to collect the aforementioned data type. The feasibility and above all the significance of implementing a specially designed collection and monitoring system and making said information available as from 2025 will be assessed	8
TRAINING AND EDUCATION					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 150; page 261		
	103-2	The management approach and its components	page 61; pages 153-154; page 197; page 261		5
	103-3	Evaluation of the management approach	pages 61-62; pages 157-159		
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	pages 226-227	Principle 6	4, 5, 8
	404-2	Programs for upgrading employee skills and transition assistance programs	page 153; pages 157-159		8
	404-3	Percentage of employees receiving regular performance and career development reviews	pages 156-157; page 225	Principle 6	5, 8
DIVERSITY AND EQUAL OPPORTUNITY					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 150; page 261		
	103-2	The management approach and its components	page 61; page 154; pages 159-162; page 197; page 261		
	103-3	Evaluation of the management approach	pages 61-62; pages 159-162		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	page 199; pages 218-223	Principle 6	5, 8
	405-2	Ratio of basic salary and remuneration of women to men	pages 224-225	Principle 6	5, 8, 10
NON DISCRIMINATION					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 76; page 192; page 262		
	103-2	The management approach and its components	page 61; page 85; page 262		
	103-3	Evaluation of the management approach	pages 61-62; pages 85-86		
GRI 406: Non Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	pages 85-86; page 193	Principle 6	5, 8, 16
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 150; pages 261-262		

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions	Global Compact	SDGs(*)
	103-2	The management approach and its components	page 61; page 68; page 193; pages 261-262		
	103-3	Evaluation of the management approach	pages 61-62; pages 193-194		
GRI 407: Freedom of Association and Collective Bargaining 2016			Part of the information does not apply. The issue of relations with suppliers is not considered material for the Group since the information for the financial sector is relevant with reference to employees and credit management: the information relating to suppliers therefore does not refer to the Group's significant impacts.	Principle 3	8
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	pages 66-68; pages 167-168; pages 193-194		
CHILD LABOR					
GRI 103: Management Approach 2016					
	103-1	Explanation of the material topic and its Boundary	page 150; page 192; pages 261-262		
	103-2	The management approach and its components	page 61; pages 66-68; page 192; pages 261-262		
	103-3	Evaluation of the management approach	pages 61-62; pages 193-194		
GRI 408: Child Labor 2016			Part of the information does not apply. The issue of relations with suppliers is not considered material for the Group since the information for the financial sector is relevant with reference to employees and credit management: the information relating to suppliers therefore does not refer to the Group's significant impacts.	Principle 4	8, 16
	408-1	Operations and suppliers at significant risk for incidents of child labor	pages 66-68		
FORCED OR COMPULSORY LABOR					
GRI 103: Management Approach 2016					
	103-1	Explanation of the material topic and its Boundary	page 150; page 192; pages 261-262		
	103-2	The management approach and its components	page 61; pages 66-68; page 192; pages 261-262		
	103-3	Evaluation of the management approach	pages 61-62; pages 193-194		
GRI 409: Forced or Compulsory Labor 2016			Part of the information does not apply. The issue of relations with suppliers is not considered material for the Group since the information for the financial sector is relevant with reference to employees and credit management: the information relating to suppliers therefore does not refer to the Group's significant impacts.	Principle 4	8
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	pages 66-68		
RIGHTS OF INDIGENOUS PEOPLES					
GRI 103: Management Approach 2016					
	103-1	Explanation of the material topic and its Boundary	page 88; page 192; page 262		
	103-2	The management approach and its components	page 61; pages 66-68; page 193; page 262		
	103-3	Evaluation of the management approach	pages 61-62; pages 193-194		

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions	Global Compact	SDGs(*)
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	In 2020 no reports emerged on possible violations of the rights of the natives; Equator Principles [i]	Principle 1	
HUMAN RIGHTS ASSESSMENT					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 192		
	103-2	The management approach and its components	page 61; pages 193-194; page 262	Principle 1	
	103-3	Evaluation of the management approach	pages 61-62; pages 193-194		
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	pages 66-68	Principle 1	
	412-2	Employee training on human rights policies or procedures	page 62; page 201	Principle 1	
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	pages 66-68; page 193; page 209	Principle 2	
LOCAL COMMUNITIES					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 88		
	103-2	The management approach and its components	page 61; pages 66-68; page 106; page 196; page 262		
	103-3	Evaluation of the management approach	pages 61-62; pages 193-194		
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	pages 66-68	Principle 1	
	413-2	Operations with significant actual and potential negative impacts on local communities	pages 66-68	Principle 1	1
Sector Specific Indicators - G4	FS13	Access point in low-populated or economically disadvantaged areas by type	page 207		1, 8, 10
	FS14	Initiatives to improve access to financial services for disadvantaged people	pages 106-110; Proximity [i]		1, 8, 10
PUBLIC POLICY					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 76; page 262		
	103-2	The management approach and its components	page 61; page 80; page 262		
	103-3	Evaluation of the management approach	pages 61-62		
GRI 415: Public Policy 2016	415-1	Political contributions	page 80	Principle 10	16
CUSTOMER HEALTH AND SAFETY					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 76; page 262		
	103-2	The management approach and its components	page 61; pages 97-99; pages 102-104; page 262		
	103-3	Evaluation of the management approach	pages 61-62		
GRI 416: Customer Health Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	pages 97-99; pages 102-104		
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No penalty or fines for non compliance with regulation, no incidents of non compliance with voluntary codes regarding customer Health and Safety.		16

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions	Global Compact	SDGs(*)
MARKETING AND LABELLING					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 76; page 262		
	103-2	The management approach and its components	page 61; pages 97-99; pages 102-104; page 262		
	103-3	Evaluation of the management approach	pages 61-62		
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labeling	pages 97-98		
	417-2	Incidents of non-compliance concerning product and service information and labeling	pages 97-99; pages 102-104; Transparency to customer [i]		16
	417-3	Incidents of non-compliance concerning marketing communications	pages 97-99; pages 102-104; Transparency to customer [i]		
Sector Specific Guidance for DMA - G4	former FS15	Policies for the fair design and sale of financial products and services	pages 97-99; pages 102-104; Relationship with customers [i]		10
	former FS16	Initiatives to enhance financial literacy by type of beneficiary	pages 111-112		1, 8, 10
CUSTOMER PRIVACY					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 76; page 262		
	103-2	The management approach and its components	page 61; pages 84-85; page 262		
	103-3	Evaluation of the management approach	pages 61-62		
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	pages 84-85		16
SOCIOECONOMIC COMPLIANCE					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 76; page 262		
	103-2	The management approach and its components	page 61; pages 77-79; page 86; page 262		
	103-3	Evaluation of the management approach	pages 61-62		
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Financial Reports (Annual Report 2020 "Notes to the consolidated financial statements Part E - LEGAL RISKS - TAX LITIGATION" pages 528-541) [i]		16
Sector Disclosures: Financial Services					
Social Disclosure - Product Responsibility					
PRODUCT PORTFOLIO					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 88; page 172; pages 261-262		
	103-2	The management approach and its components	page 61; page 106; page 174; pages 196-197; pages 261-262		
	103-3	Evaluation of the management approach	pages 61-62		

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Sector Disclosures: Financial Services	Disclosure	Page number(s) and/or URL(s)	Omissions	Global Compact	SDGs(*)
Sector Specific Guidance for DMA - G4	former FS1	Policies with specific environmental and social components applied to business lines	pages 66-68; page 106; pages 120-125; page 174; page 193; CSR Policy [i]		10
	former FS2	Procedures for assessing and screening environmental and social risks in business lines	pages 66-68; pages 120-122; pages 174-180; page 193		10
	former FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	pages 66-68; Equator Principles [i]		
	former FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	page 62; pages 180-183		10
	former FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	pages 66-68; Equator Principles [i]		10
Sector Specific Indicators - G4	FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/sme/large) and by sector	About us (A presentation of the Group page 26) [i]		1, 8, 9
	FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	page 106; page 210		1, 8, 10, 11
	FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	pages 173-174; page 234		
AUDITS					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 76; page 262		
	103-2	The management approach and its components	page 61; pages 85-86; page 262		
	103-3	Evaluation of the management approach	pages 61-62; pages 77-79		
Sector Specific Guidance for DMA - G4	former FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	page 62; pages 85-86; Implementation and governance [i] Monitoring against corruption [i]		10
ACTIVE OWNERSHIP					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 88; page 262		
	103-2	The management approach and its components	page 61; pages 120-125; page 155; page 262		
	103-3	Evaluation of the management approach	pages 61-62; pages 120-125		
Sector Specific Guidance for DMA - G4	former FS12	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting	pages 120-125		
Sector Specific Indicators - G4	FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	page 211		10
	FS11	Percentage of assets subject to positive and negative environmental or social screening	pages 211-212		10

* Sustainable Development Goals of the United Nations.

Sector Disclosures: Financial Services	Disclosure	Page number(s) and/or URL(s)	Omissions	Global Compact	SDGs(*)
GROUP VALUE AND SOLIDITY					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 30-33; page 261		
	103-2	The management approach and its components	pages 30-33; page 62; page 261		
	103-3	Evaluation of the management approach	page 61; Report on Corporate Governance and Ownership Structures (pages 78-80) [i]; Report on remuneration policy and compensation paid (pages 73-75) [i]		
DIRECT ENVIRONMENTAL IMPACTS					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 172; page 261		
	103-2	The management approach and its components	page 61; pages 184-185; page 261; Climate Change Action Plan [i]		
	103-3	Evaluation of the management approach	pages 61-62; page 185		
TRANSITION TO A SUSTAINABLE, GREEN AND CIRCULAR ECONOMY					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 172; page 261		
	103-2	The management approach and its components	page 61; page 174; page 197; page 261		
	103-3	Evaluation of the management approach	pages 61-62; page 174		
Non GRI Material Topics					
RETENTION, ENHANCEMENT, DIVERSITY AND INCLUSION OF THE GROUP'S PEOPLE					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 150; page 261		
	103-2	The management approach and its components	page 61; pages 154; page 197; page 261		
	103-3	Evaluation of the management approach	pages 61-62		
HEALTH, SAFETY AND WELL-BEING OF THE GROUP'S PEOPLE					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 150; page 261		
	103-2	The management approach and its components	page 61; page 162; page 197; page 261		
	103-3	Evaluation of the management approach	pages 61-62		
EMPLOYMENT PROTECTION					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 150; page 261		
	103-2	The management approach and its components	page 61; page 152; page 197; page 261		

* Sustainable Development Goals of the United Nations.

Non GRI Material Topics	Disclosure	Page number(s) and/or URL(s)	Omissions	Global Compact	SDGs(*)
	103-3	Evaluation of the management approach	pages 61-62		
QUALITY OF SERVICE AND CUSTOMER SATISFACTION					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 88; page 262		
	103-2	The management approach and its components	page 61; page 92; page 262		
	103-3	Evaluation of the management approach	pages 61-62		
FINANCIAL INCLUSION AND SUPPORTING PRODUCTION					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 88; page 262		
	103-2	The management approach and its components	page 61; page 106; page 262		
	103-3	Evaluation of the management approach	pages 61-62		
SUSTAINABLE INVESTMENTS AND INSURANCE					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 88; page 262		
	103-2	The management approach and its components	page 61; page 120; page 262		
	103-3	Evaluation of the management approach	pages 61-62		
COMMUNITY SUPPORT					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 88; page 262		
	103-2	The management approach and its components	page 61; page 129; page 196; page 262		
	103-3	Evaluation of the management approach	pages 61-62		
INTEGRITY IN CORPORATE CONDUCT					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 76; page 262		
	103-2	The management approach and its components	page 42; page 61; pages 76-77; page 262		
	103-3	Evaluation of the management approach	pages 61-62		
INNOVATION AND DIGITAL TRANSFORMATION					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 88; page 262		
	103-2	The management approach and its components	page 61; page 100; page 262		
	103-3	Evaluation of the management approach	pages 61-62		

* Sustainable Development Goals of the United Nations.

GRI Impact boundaries

Material topics	GRI Aspects	Boundary: within	Boundary: outside
GROUP VALUE AND SOLIDITY			
<p>The value of assets, their solidity and risk management, including socio-environmental aspects.</p> <p>Strategic lines are defined by the Board of Directors and all the Departments ensure the management of the topic.</p>	<p>ECONOMIC PERFORMANCE</p> <p>MARKET PRESENCE</p> <p>INDIRECT ECONOMIC IMPACTS</p>	Intesa Sanpaolo Group	Shareholders, Customers, Suppliers, Environment, Community
DIRECT ENVIRONMENTAL IMPACTS			
<p>Direct environmental impacts of business activities: consumption of resources, emissions and waste.</p> <p>Around 520 people are allocated for the strategic and operational management of the activities.</p>	<p>MATERIALS</p> <p>ENERGY</p> <p>WATER AND EFFLUENTS</p> <p>EMISSIONS</p> <p>EFFLUENTS AND WASTE</p>	Intesa Sanpaolo Group	Environment, Community
TRANSITION TO A SUSTAINABLE, GREEN AND CIRCULAR ECONOMY			
<p>To operate as a financial institution that supports production and consumption systems oriented to environmental sustainability, also in the risk evaluation.</p> <p>Around 26,000 people are allocated for the strategic and operational management of the activities.</p>	<p>ECONOMIC PERFORMANCE (201-2)</p> <p>ENERGY (302-5)</p> <p>PRODUCT RESPONSIBILITY: PRODUCT PORTFOLIO</p>	Business Units, Credit, Risk Management, Innovation, Compliance	Environment, Shareholders, Customers, Suppliers, Community
RETENTION, ENHANCEMENT, DIVERSITY AND INCLUSION OF THE GROUP'S PEOPLE			
<p>Recognizing the employee values by developing all their potentiality and enhancing their characteristics.</p> <p>Around 500 people are allocated for the strategic and operational management of the activities.</p>	<p>TRAINING AND EDUCATION</p> <p>DIVERSITY AND EQUAL OPPORTUNITY</p>	Intesa Sanpaolo Group	Customers, Community, Shareholders
HEALTH, SAFETY AND WELL-BEING OF THE GROUP'S PEOPLE			
<p>To promote work-life balance in workplace to protect and foster wellbeing for employees.</p> <p>More than 630 people are allocated for the strategic and operational management of the activities.</p>	<p>EMPLOYMENT (401-2; 401-3)</p> <p>OCCUPATIONAL HEALTH AND SAFETY</p>	Intesa Sanpaolo Group	Customers, Community, Shareholders
EMPLOYMENT PROTECTION			
<p>Responsible employment management and development of labor/management relations shaped towards shared solutions.</p> <p>Around 430 people are allocated for the strategic and operational management of the activities.</p>	<p>EMPLOYMENT (401-1)</p> <p>LABOR MANAGEMENT RELATIONS</p> <p>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</p> <p>CHILD LABOR</p> <p>FORCED OR COMPULSORY LABOR</p>	Intesa Sanpaolo Group	Community, Shareholders
QUALITY OF SERVICE AND CUSTOMER SATISFACTION			
<p>Care, transparency, improvement and simplification of the customer relations through all relationship channels.</p> <p>More than 4,000 people are allocated for the strategic and operational management of the activities.</p>	<p>MARKETING AND LABELLING</p> <p>CUSTOMER HEALTH AND SAFETY</p>	Business Units, Operations, Compliance, IT Department, Innovation, External Relations, Human Resources	Customers, Community

Material topics	GRI Aspects	Boundary: within	Boundary: outside
FINANCIAL INCLUSION AND SUPPORTING PRODUCTION			
<p>Promoting solutions to facilitate access to financial and credit products for households and businesses by adopting criteria that also take into account social vulnerability situations and growth prospects in risk assessment.</p> <p>More than 26,400 people are allocated for the strategic and operational management of the activities.</p>	<p>PRODUCT RESPONSIBILITY: PRODUCT PORTFOLIO LOCAL COMMUNITY FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING CHILD LABOR FORCED OR COMPULSORY LABOR RIGHTS OF INDIGENOUS PEOPLES HUMAN RIGHT ASSESSMENT</p>	<p>Business Units, Credit, Risk Management, Compliance, Innovation</p>	<p>Customers, Shareholders, Community</p>
SUSTAINABLE INVESTMENTS AND INSURANCE			
<p>Offering investment and protection solutions characterized by ESG (environmental, social and governance) selection criteria for financial instrument issuers.</p> <p>More than 2,400 people are allocated for the strategic and operational management of the activities.</p>	<p>PRODUCT RESPONSIBILITY: PRODUCT PORTFOLIO PRODUCT RESPONSIBILITY: ACTIVE OWNERSHIP</p>	<p>Business Units, Asset Management, Insurance</p>	<p>Customers, Shareholders, Community</p>
COMMUNITY SUPPORT			
<p>The company as a promoter of relationships that influence the entire community and its well-being with its own cultural stimulus actions and its social dialogue skills.</p> <p>More than 140 people are allocated for the strategic and operational management of the activities.</p>	<p>ECONOMIC PERFORMANCE (201-1)</p>	<p>Intesa Sanpaolo Group</p>	<p>Community, Shareholders</p>
INTEGRITY IN CORPORATE CONDUCT			
<p>To act with transparency and responsibility in full compliance with international, national and corporate standards, rules and policies.</p> <p>Within the Group's governance structures, more than 1,530 people are allocated for strategic management and operational guidance of the activities.</p>	<p>ANTI-CORRUPTION PUBLIC POLICY ANTI-COMPETITIVE BEHAVIOR TAX ENVIRONMENTAL COMPLIANCE NON DISCRIMINATION CUSTOMER PRIVACY SOCIOECONOMIC COMPLIANCE PRODUCT RESPONSIBILITY: AUDIT</p>	<p>Intesa Sanpaolo Group</p>	<p>Shareholders, Customers, Suppliers, Environment, Community</p>
INNOVATION AND DIGITAL TRANSFORMATION			
<p>The Group's commitment to establish itself as a digital company through an evolved multichannel platform aimed at guarantee an innovative, safe and effective offer.</p> <p>Almost 7,800 people are allocated for the strategic and operational management of the activities.</p>	<p>CUSTOMER PRIVACY CUSTOMER HEALTH AND SAFETY</p>	<p>Business Units, Operations, Compliance, IT Department, Innovation</p>	<p>Customers, Suppliers, Community</p>

SASB indicators index*

Topic	Code	References
SETTORE - ASSET MANAGEMENT & CUSTODY ACTIVITIES		
Transparent Information & Fair Advice for Customers	FN-AC270a.2	pages 97-99; pages 102-104 Transparency to customers [i]
	FN-AC270a.3	pages 61-62; pages 97-98
Employee Diversity & Inclusion	FN-AC330a.1	page 199; pages 217-223
	FN-AC410a.1	pages 211-212
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	FN-AC410a.2	pages 48-50; pages 63-65; pages 66-75; page 193; page 209; page 261; Report on Corporate Governance and Ownership Structures (pages 71-73) [i] ; Climate Change [i]
	FN-AC410a.3	page 61; pages 120-125; page 155; page 262
Business Ethics	FN-AC510a.1	In 2020, no lawsuits were filed nor sanctions imposed against the Intesa Sanpaolo Group in the area of competition. Financial Reports (Annual Report 2020 "NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS PART E – Information on risks and relative hedging policies - Tax litigation" pages 538-541) [i]
	FN-AC510a.2	page 42; pages 61-62; pages 77-79; page 83; pages 85-86; page 262; Code of Ethics (pages 22-23) [i]
Systemic Risk Management	FN-AC550a.1	Financial Reports (Annual Report 2020 "NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS PART E – Information on risks and relative hedging policies - 1.4 Liquidity risk" pages 510-522) [i]
	FN-AC550a.2	Pages 32-33; Financial Reports (Annual Report 2020 "NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS PART E – Information on risks and relative hedging policies - 1.4 Liquidity risk" pages 510-522) [i]
	FN-AC550a.3	Financial Reports (Annual Report 2020 "Overview of 2020 - Main risks and uncertainties" page 80) [i]
	FN-AC550a.4	Financial Reports (Annual Report 2020 "NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS PART E – Information on risks and relative hedging policies - Other information on derivative instruments (trading and hedging)" page 509) [i]
Activity Metrics	FN-AC-000.A	Financial Reports (Annual Report 2020 "NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS PART B – Information on the consolidated balance sheet - Assets - Asset management portfolio" pages 327-328) [i]
	FN-AC-000.B	Financial Reports (Annual Report 2020 "REPORT ON OPERATIONS - Balance sheet aggregates - Indirect customer deposits" page 122) [i]
SECTOR - COMMERCIAL BANKS		
Data Security	FN-CB230a.1	pages 84-85
	FN-CB230a.2	page 61; pages 84-85; page 262
Financial Inclusion & Capacity Building	FN-CB240a.1	pages 48-51; page 61; pages 66-69; page 106; page 210; page 262
	FN-CB240a.2	page 107
	FN-CB240a.4	pages 111-112

* Unaudited for indicators that do not match the GRI Standards.

Topic	Code	References
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB410a.1	Financial Reports (Annual Report 2020 "NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS PART B – Information on the consolidated balance sheet - Credit risk exposure" pages 545-546) [i] Financial Reports (Third pillar of Basel 3 ("Pillar 3") 2020 "Section 6, 7, 8 and 9" pages 79-148) [i]
	FN-CB410a.2	pages 48-50; pages 63-75; page 193; page 209; page 240; page 261; Report on Corporate Governance and Ownership Structures (pages 71-73) [i]; Climate Change [i]
Business Ethics	FN-CB510a.1	In 2020, no lawsuits were filed nor sanctions imposed against the Intesa Sanpaolo Group in the area of competition Financial Reports (Annual Report 2020 "NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS PART E – Information on risks and relative hedging policies - Tax litigation" pages 538-541) [i]
	FN-CB510a.2	page 42; pages 61-62; pages 77-79; page 83; pages 85-86; page 262; Code of Ethics (pages 22-23) [i]
Systemic Risk Management	FN-CB550a.2	Financial Reports (Annual Report 2020 "NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS PART E – Information on risks and relative hedging policies - Stress tests" page 406) [i] Financial Reports (Third pillar of Basel 3 ("Pillar 3") 2020 "Section 1 - General requirements" page 22) [i]
Activity Metrics	FN-CB-000.A	Financial Reports (Annual Report 2020 "Report on operations - Breakdown of consolidated results by business area and geographical area" pages 132-165) [i]
	FN-CB-000.B	Financial Reports (Annual Report 2020 "Report on operations - Breakdown of consolidated results by business area and geographical area" pages 132-165) [i]
SECTOR - INVESTMENT BANKING & BROKERAGE		
Employee Diversity & Inclusion	FN-IB330a.1	page 199; pages 217-223
Incorporation of Environmental, Social, and Governance Factors in Investment Banking & Brokerage Activities	FN-IB410a.2	pages 211-212
	FN-IB410a.3	pages 48-50; pages 63-75; page 193; page 209; page 240; page 261; Report on Corporate Governance and Ownership Structures (pages 71-73) [i]; Climate Change [i]
Business Ethics	FN-IB510a.2	pages 61-62; Code of Ethics (pages 22-23) [i]
Professional Integrity	FN-IB510b.4	page 42; pages 61-62; pages 76-77; page 262
Systemic Risk Management	FN-IB550a.2	Financial Reports (Annual Report 2020 "NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS PART E – Information on risks and relative hedging policies - Stress tests" page 406) [i] Financial Reports (Third pillar of Basel 3 ("Pillar 3") 2020 "Section 1 - General requirements" page 22) [i]
Employee Incentives & Risk Taking	FN-IB550b.1	Financial Reports (Annual Report 2020 "NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS PART 1 – Share-based payments - B. QUANTITATIVE INFORMATION" pages 583-584) [i]
	FN-IB550b.2	Financial Reports (Annual Report 2020 "NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS PART 1 –Share-based payments - B. QUANTITATIVE INFORMATION" pages 583-584) [i]
	FN-IB550b.3	Financial Reports (Annual Report 2020 "NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS PART A – Accounting policies - Quantitative information - A.4.5 Fair value hierarchy" pages 281-282) [i]

Auditors' report



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(Translation from the Italian original which remains the definitive version)

Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018

*To the board of directors of
 Intesa Sanpaolo S.p.A.*

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5 of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2020 consolidated non-financial statement of the Intesa Sanpaolo Group (the "group") prepared in accordance with article 4 of the decree and approved by the board of directors on 23 March 2021 (the "Non-financial Statement").

Responsibilities of the parent's directors and management control committee for the Non-financial Statement

The directors of Intesa Sanpaolo S.p.A. (the "parent") are responsible for the preparation of an Non-financial Statement in accordance with articles 3 and 4 of the decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), which they have identified as the reporting standards.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Non-financial Statement that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the Non-financial Statement, considering the aspects indicated in article 3.1 of the decree and the group's business and characteristics, to the extent necessary to enable an understanding of the group's business, performance, results and the impacts it generates.



Intesa Sanpaolo Group

*Independent auditors' report on the consolidated non-financial statement
31 December 2020*

The directors' responsibility also includes the design of an internal model for the management and organisation of the group's activities, as well as, with reference to the aspects identified and disclosed in the Non-financial Statement, the group's policies for the identification and management of the risks generated or borne.

The management control committee is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibilities

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the Non-financial Statement with the requirements of the decree and the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board (IAASB) applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the Non-financial Statement is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the Non-financial Statement are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the Non-financial Statement, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we carried out the following procedures:

1. Analysing the material aspects based on the group's business and characteristics disclosed in the Non-financial Statement, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.
2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.



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Independent auditors' report on the consolidated non-financial statement

31 December 2020

3. Comparing the financial disclosures presented in the Non-financial Statement with those included in the group's consolidated financial statements.
4. Gaining an understanding of the following:
 - the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
 - the group's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
 - the main risks generated or borne in connection with the aspects set out in article 3 of the decree.

Moreover, we checked the above against the disclosures presented in the Non-financial Statement and carried out the procedures described in point 5.a).

5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the Non-financial Statement.

Specifically, we held interviews and discussions with the parent's management personnel and personnel of Unione di Banche Italiane S.p.A., Eurizon Capital SGR S.p.A., Fideuram - Intesa Sanpaolo Private Banking S.p.A., Privredna Banka Zagreb, CIB Bank Group, Bank of Alexandria S.A.E., Banca Intesa Beograd and VUB Group . We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the Non-financial Statement.

Furthermore, with respect to significant information, considering the group's business and characteristics:

- at parent and subsidiaries level:
 - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the Non-financial Statement and, specifically, the business model, the policies applied and main risks for consistency with available evidence;
 - b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
- we visited Intesa Sanpaolo S.p.A., Unione di Banche Italiane S.p.A., Eurizon Capital SGR S.p.A. and Fideuram - Intesa Sanpaolo Private Banking S.p.A., which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, to meet their management and obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.



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Independent auditors' report on the consolidated non-financial statement

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Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2020 consolidated non-financial statement of the Intesa Sanpaolo Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards.

Milan, 24 March 2021

KPMG S.p.A.

(signed on the original)

Mario Corti
Director

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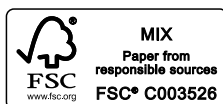
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Intesa Sanpaolo Spa

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GALLERIE D'ITALIA. THREE MUSEUMS, A NATIONWIDE CULTURAL NETWORK.

Gallerie d'Italia enables Intesa Sanpaolo to share its artistic and architectural heritage with the general public: 1,000 of its artworks are displayed in historic palazzos in three cities, creating a unique network of museums.

Housed in a palace of great architectural importance, **Gallerie d'Italia - Piazza Scala, Milan** has a selection of two hundred 19th-century Lombard masterpieces from art collections owned by Fondazione Cariplo and Intesa Sanpaolo, with a dedicated exhibit on Italian art of the 20th century.

Gallerie d'Italia - Palazzo Leoni Montanari, Vicenza is home to art of the Veneto region from the 1700s as well as Attic and Magna Graecia pottery. It also holds one of the most important collections of Russian icons in the West.

Gallerie d'Italia - Palazzo Zevallos Stigliano, Naples hosts the *Martyrdom of Saint Ursula*, the last known painting by Caravaggio, alongside more than 120 examples of Neapolitan art dating from the early 17th to the early 20th century.

A fourth hub for **Gallerie d'Italia** is currently under construction in **Piazza San Carlo, Turin**, with a special focus on photography and the digital world.

Cover photo:



CARLO CANELLA

(Verona, 1800 - Milan, 1879)

The New Gallery in Milan with night-time passers-by, 1870

oil on canvas, 60.90 x 54.50 cm

Intesa Sanpaolo Collection

Gallerie d'Italia - Piazza Scala, Milan

The New Gallery in Milan with night-time passers-by was painted by the artist Carlo Canella, who specialised in perspective views of various Italian cities, particularly Milan and Verona, from the mid-1830s onwards.

His painting depicts the Galleria Vittorio Emanuele II a few years after it opened in 1867. The new Gallery found instant favour and acclaim among the people of Milan. The annals tell us that singers were the first to frequent the Gallery, trying out their voices in spontaneous singing contests beneath the great dome of the Octagon. Luxurious cafés, bookshops and numerous fashionable clothes stores flourished on the Gallery's ground floor.

The painting received instant praise for its novel subject matter and the artist's success in setting the scene in a gallery, which appears brightly lit despite the upper part being in shadow.

The piece is part of the collection on permanent display at **Gallerie d'Italia - Piazza Scala**, Intesa Sanpaolo's museum hub in **Milan**. Its 19th-century section begins with Neoclassicism and goes right through to the early 20th century, taking in a century of Italian art on the way, with historic paintings, Italian unification battles, *vedute* and landscapes, genre paintings and masterpieces of Symbolism.

