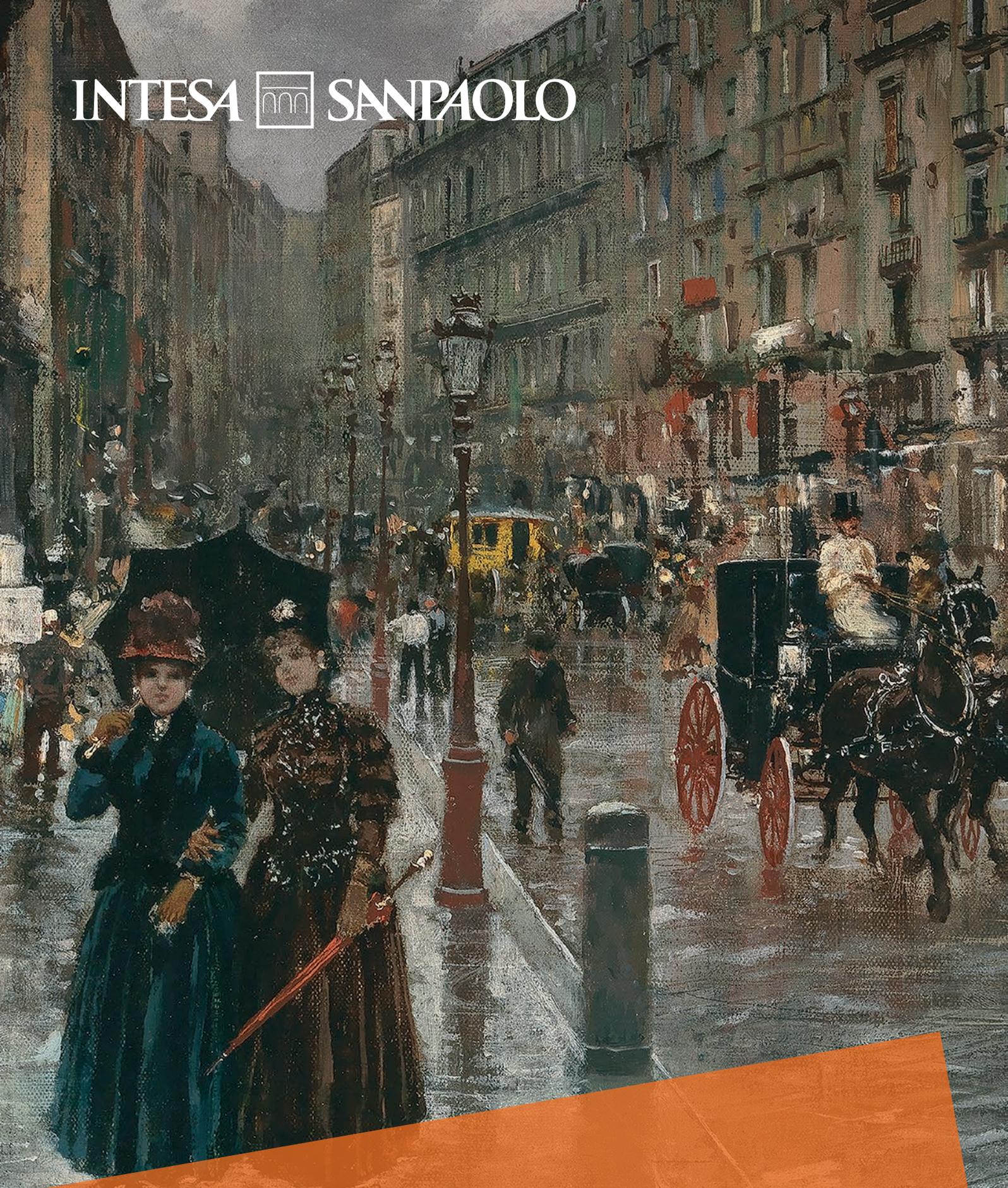


INTESA  SANPAOLO



2017 People Paper

The corporate welfare

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INTESA SANPAOLO'S COMMITMENT TO ITS EMPLOYEES



Today, corporate welfare represents, in a scenario of profound changes (see the context analysis included in the appendix), an increasingly important frontier for corporate social responsibility. Responding to security needs that do not find adequate support in public institutions is a challenge for Intesa Sanpaolo, as well

as to ensure sustainability over time to business and corporate objectives, including with a view to contributing to the improvement of social conditions in Italy and in the countries where it operates.

The new 2018-21 Business Plan, in line with the previous one, also recognises the importance of overseeing Corporate Social Responsibility matters and the promotion of inclusion. This confirms the centrality of people and of the welfare system, which combines productivity and profitability business needs with personal and family ones. This commitment was accompanied by investments equal to 5% of the total labour cost.

The projects carried out are also the result of an ongoing dialogue between the Company and the workers' representatives. Also thanks to the activation of a mixed organisation, namely the Welfare, Safety and Sustainable Development Committee, it has been possible to build a comprehensive system of guarantees, harmonised and available to all employees, and develop innovative measures that place the Group at the forefront of any matters related to relations between the Company and its employees.

The key words underlying the Intesa Sanpaolo Integrated welfare model are:

- *Inclusion*, standardised access to services;
- *Networking*, recognising and experimenting new partnerships by creating "networks" with suppliers capable of covering national requirements, monitoring their quality and effectiveness, in a sharing economy perspective;
- *Rationalisation*, a process that has led to the unification of the various entities existing in the Group's previous "lives", a long path that is now well underway;
- *Solidarity and Mutuality*, support for fragility through concrete actions and the ability to support each other.

The latest climate survey found that 62% of respondents gave a positive opinion on the attention and care of employment levels in the restructuring processes. Moreover, the work/life balance is judged positively in 68% of answers.

Intesa Sanpaolo has chosen a corporate welfare model that operates within an integrated system and ranges from more traditional references (for example the supplementary social security and health care forms, the recreational club) to a full commitment to support people's quality of life in line with families' new needs. This commitment involves a wide range of interventions in the following fields:

- services to people (company canteens and infirmaries; assistance networks for the elderly and non self-sufficient individuals);
- accident prevention and occupational safety;
- work/life balance (flexible work, time bank, hourly leave, leave of absence and study permits);
- support for education, art and culture;
- aid for families (company crèches, scholarships/purchase of books, parenting support and equal opportunities);
- mobility management;
- financial facilities (favourable conditions for products, loans and mortgages).

The Paper intends to propose a brief account of this path (*), starting from the point of view of people and their basic needs: life time, family, support for the future, health, solidarity, health and safety at work.

WELFARE IN NUMBERS:

Investments for the Corporate Welfare System	5% of the overall labour cost
Results of the climate analysis	increase in employee satisfaction to 78% in Italy (from 67% in 2014)
Job protection	achieved the Business Plan target of about 4,500 people already re-allocated to priority initiatives
Supplementary Health Fund	<p>more than 200,000 people assisted among active workers, retired people and their families</p> <p>188 million of intermediated healthcare services (over 141 million paid benefits), over 547,000 reimbursement requests and over 140,000 approved network services.</p> <p>about 4,200 the approved network service centres used by our members, of which 800 under direct partnership with the Fund (350 in the dental field) that cover 60% of the services provided in the network; the remainder made available by Previmedical, an administrative service for the Fund</p> <p>147 million euro of contributions paid by the members and by the Bank</p>
Group Welfare	<p>approximately 105,000 members with supplementary pension schemes in Italy</p> <p>total assets of around 10 billion euro, of which 5 billion euro and over 65,000 subscribers for the Defined Contribution Pension Fund of the Intesa Sanpaolo Group in place since 2016</p> <p>over 140 million supplementary Company pension in Italy</p>
Intesa Sanpaolo Employees' Association (ALI)	<p>in place since 2014, currently with over 130,000 members</p> <p>corporate contribution of 3 million euro a year</p> <p>about 4.3 million euro's worth of spending committed by ALI for tourism, cultural, personal and sport/leisure initiatives (about 1,300 initiatives promoted at national and territorial level)</p>
Flexible Work	over 8,000 collaborators participating in the various Group companies
Time Bank	over 63,000 hours available
Part time	<p>9,809 people working Part time in Italy (9,200 are women)</p> <p>the share over the total employees is 15.3% (compared to an 11.4% average for the banking system)</p>
Parental leave	more than 63,300 entitled people in Italy
Loan facilities	over 36,000 loans and approximately 8,000 mortgages disbursed in the 2014-2016 three-year period

(*) The references of the analysis are related to the Italian perimeter, except where specified otherwise.

PEOPLE AND TIME

FLEXIBLE WORK

Due to the wide range of usage options, “Flexible Work” in the Group represents a particularly innovative way of carrying out one’s work compared to other smart working experiences: it lays its foundations in the relationship of trust with people and intends to encourage a better quality of life.

“Flexible Work” indeed offers a practical and new solution for the reconciliation of work/life balance, giving employees the opportunity to work from home, from a company hub or at the customer’s premises, rather than from their office desk. After an initial experimental phase and following an agreement between the Company and Trade Union Organisations, in 2016 it became a working method to be progressively extended to all Group structures.



There are no preset (minimum or maximum) limits for working from a company “hub” or at the customer’s premises; however, work from home cannot exceed 8 days a month. The spread of “Flexible Work” has favoured the creation of a network of dedicated “hubs” that is constantly expanding. To date, “Flexible Work” involves more than 8,000 colleagues from the various Group companies.

One of the prerequisites underlying “Flexible Work” is the relationship of trust between the manager and the employee. The managers showed that they believe in their people and in a new way of dealing with daily work. The collaborators in turn showed how a different way of working improves the quality of work as well as personal and family life, increasing motivation and productivity. We are facing a cultural change in the conception of work: from control to trust in people’s enhancement and involvement.

As early as in 2015, the project received the Smart Working Award of Milan Polytechnic and in 2016 won the SMAU Innovation award, also receiving an honourable mention at the AIFIN Cerchio d’Oro awards for Financial Innovation. Furthermore, with the Group’s Protocol for sustainable development signed on 1 February 2017 between Intesa Sanpaolo and the Trade Unions, Flexible Work is also promoted on an individual basis through a first experimental phase in support of disabled personnel suffering from “serious pathologies” and/or “over 60”.

In 2017, it became possible benefiting from flexible training from home was also launched. Smart Learning enables all Branch Managers, Coordinators and Managers of the Retail and Corporate Areas (over 29,000 employees enabled) to dedicate exclusive time to their professional training also thanks to the distribution of shared branch tablets (8,000 tablets distributed for a total of 1,615 days of training provided during working hours).

In addition, the extension of Flexible Work in the International Subsidiary Banks scope is under evaluation: the feasibility analysis began with three pilot banks at the end of 2017; in the event of a positive outcome, Flexible Work will be introduced in these Banks by 2018.

Anna Turin Headquarters:

“...better life quality = better work quality.”

REDUCE TRAVEL TIME THROUGH SUSTAINABLE MOBILITY

Within Intesa Sanpaolo, Mobility Management is the function dedicated to helping people in the management of their commutes, both to improve their quality and to encourage the use of sustainable methods of transport.

The commitment is to translate into concrete actions what has been gathered by listening to the employees, in order to put forward a wide array of options available to all for daily travel.

With reference to this requirement, periodic analyses are carried out to better understand the demand for people's home-work mobility, as an opportunity for organisational and management improvement. The results, services and projects proposed and made available are described in the "Home-Work Commuting Plans".

These include the company shuttle service available, in Italy, in Turin, Milan, Naples, Padua and Venice. An attention that has an impact on the environment as well as on people's quality of life: it is estimated that with the use of shuttles in Italy it was possible to avoid about 370 tons of CO₂. Abroad, at Bank of Alexandria (Egypt), the shuttle that connects Cairo with the Governorate of Giza made it possible to avoid around 830 tons of CO₂.



A platform (Mobility Office) is available through which it is possible to request annual subscriptions for public transport directly from one's work station, thereby avoiding transfers and queues at cashier's desks and benefiting, where possible, from discounted rates, and in any case an option for payment by instalments.

Intesa Sanpaolo also encourages the sharing economy through the use of shared services.

The corporate club has put in place agreements with the main car sharing networks (Car2go, CarCityClub in Turin). Other conventions were developed with local public transport companies in Florence, Milan, Naples, Padua, Turin and Venice and were extended to Bologna and Rome in 2016. Similar solutions are also in place at CIB Bank (Hungary) and Privredna Banka Zagreb (Croatia).

In November 2017, the new company Car Pooling project was launched with a pilot experience at the Milan-Bisceglie office. Car pooling is a mode of transport based on the **sharing of private cars** by multiple people with compatible routes and timetables. It does not provide the driver with any earnings, but the costs are shared, improving the quality of travel, reducing traffic, pollution and accidents. It therefore represents a more sustainable mobility opportunity.

A dedicated App is available to colleagues, allowing the meeting between travel demand and supply, the optimisation of car parks and the management of incentives. The initiative is also about to be extended to the branches in other cities.

Abroad, car pooling is in place at CIB Bank Hungary and Banca Intesa Beograd (Serbia) where both personal cars and company cars are available.

Finally, there are also bike-sharing experiences in Italy, once again through the corporate club, with national agreements with "BICInCittà" and with "BikeMi" that led to the subscription of about 400 season tickets. At International Subsidiary Banks the bike sharing service is in place in four banks (Intesa Sanpaolo Bank Romania, CIB Bank, Intesa Sanpaolo Bank in Slovenia and Intesa Sanpaolo Bank Albania) with bicycles owned by the Bank. In particular in Hungary and Croatia where cycling is very much wide-spread, special parking spaces and services (changing rooms and showers) are available to employees.



PART TIME

The Part time option represents another significant form of work/life balance. Part time can be divided into different forms either for a fixed term or indefinitely. It can be used during all working days of the week or partially, according to different distribution methods:

- horizontal (when the reduction in time is referred to the normal daily schedule);
- vertical (when the work is carried out full-time only on certain days of the week);
- mixed (when the working time is divided by combining horizontal and vertical part time modes);
- cyclical (i.e. distributed only across some months of the year, with the work being divided into the months considered on some or all working days of the week).

Since its foundation in 2007, Intesa Sanpaolo has encouraged the use of Part time work in all its forms through trade union agreements. It was thus agreed to give priority to requests motivated by particularly important family and social needs (providing for personal needs resulting from disability, serious illness or impaired working capacity, the need to provide assistance to family members suffering from serious diseases or handicaps, care for minor children and/or elderly or chronically ill family members, carry out studies or volunteer activities).

Furthermore, for people over 60, the possibility of requesting part-time is provided, until termination of the employment relationship, without penalising the pension treatment.

PART TIME EMPLOYEES BY GENDER	2017			2016			2015		
	ITALY	ABROAD	GROUP	ITALY	ABROAD	GROUP	ITALY	ABROAD	GROUP
Share % Part time employees over the total	15.3	1	11.5	15.3	1.1	11.3	15.0	0.7	11.2
Part time employees [no.]	9,802	240	10,042	9,809	261	10,070	9,623	161	9,784
Men [no.]	638	32	670	609	28	637	590	19	609
Women [no.]	9,164	208	9,372	9,200	233	9,433	9,033	142	9,175

In Italy Part time personnel reaches 15.3%, around 3.6% above the Italian average for the banking sector (11.7%).

GIVING AND RECEIVING TIME: THE TIME BANK

A further step forward on work-life balance issues is the introduction of the “Time Bank”; this is an annual “pool” of hours of paid leave, in favour of employees who, in order to cope with serious and verified personal and/or family situations, need a greater amount of hour leaves in addition to those they are already entitled to. This pool is fed by Intesa Sanpaolo with an annual allocation of 50,000 hours, increased by voluntary holiday donations, holiday leaves, hours set aside in “hourly banks” by employees and, to the same extent, by the company. The “Time Bank” thus becomes a precious and concrete contribution for the management of complex personal and family situations. It is therefore possible to concretely support people who find themselves in difficult situations.



TIME BANK - 2017

- no. hours donated by the bank = 6,400 hours approx. (in addition to the fixed initial allocation of 50,000 hours per year)
- no. hours donated by employees = 6,400 hours approx.
- no. days of leave granted to employees in difficulty: 4,800 approx.

Stefania used the leave to assist her husband:

“I sincerely thank you for your help, I really hope that everything will be resolved as soon as possible in order not to need more time, and I also hope I will be able to give away some of my own time in the future.”

Claudio requested leave to assist his son:

“The possibility of using the Time Bank has helped me to face some emotionally challenging moments with peace of mind, and has enabled me to organise myself and manage my child’s disability, ensuring a constant presence. Thanks, also on behalf of my son, to all the colleagues who have given their time!”

VOLUNTARY SUSPENSION, LEAVE FOR MEDICAL CHECK-UPS AND LUNCH BREAK

The Bank has also introduced the option for employees to use up days of work suspension on a voluntary basis, without the need to justify their use, for a maximum of 15 working days in respect of which Intesa Sanapolo pays a salary equal to 35% of pay; a comprehensive set of measures is available, aimed at encouraging the involvement of fathers in family care (including the integration of the remuneration provided for parental leave in the event of use by the employed father).

Paid leaves are provided for specialist visits for the benefit of employees suffering from serious diseases as well as leaves to support home schooling activities for children with Specific Learning Disabilities.

The duration of the lunch break is expected to be extended up to a maximum of 2 hours (and, if less than 2 hours, by multiples of 15 minutes), as an exception to normal practice.

PEOPLE AND FAMILY

SUPPORT FOR MOTHERHOOD AND FATHERHOOD

In addition to post-natal leave and parental leave (which can now also be broken down into hours) provided for by law, the company welfare guarantees to parents a series of paid and unpaid leave allowing them to closely follow their children's growth and education, with particular attention to fathers' parenting. In particular, the following is envisaged:

- leave for fathers in the event of birth of a child (in addition to the 2 days of paid leave provided for by law, 2 days of optional paid leave can be added, which can also be used in cases of adoption/custody);
- unpaid leave in case of puerperium, adoption/custody (three months up to the sixth year of the child's age) for both parents;
- paid leave of absence for attending antenatal courses;
- parental leave for both parents, with 10% supplementary company cover, dedicated to the father, in addition to the economic treatment provided for by INPS, with the aim of supporting the family in the first months of the child's life;
- additional unpaid leave for the father in the case of sick children (max. 3 days per year);
- unpaid leave for illnesses of cohabiting family members (max. 5 days).
- payment of an extraordinary wedding leave also on the occasion of not civilly registered marriages.



PARENTAL LEAVE	2017	2016	2015
	ITALY	ITALY	ITALY
Number of employees entitled to parental leave	63,196	63,336	63,403
Men	31,059	31,132	31,217
Women	32,137	32,204	32,186
Number of employees who have taken parental leave	3,397	3,510	4,374
Men	272	284	357
Women	3,125	3,226	4,017

THE CHILDREN'S NURSERY

Intesa Sanpaolo has a company nursery service of excellence for the children of its employees, capable of accommodating over 250 children in Milan, Florence, Naples, Turin and Moncalieri. Their educational and organisational management is entrusted to cooperatives belonging to the PAN Consortium, born out of the partnership between Intesa Sanpaolo and some social entrepreneurship networks.

For the benefit of employees who are unable to take advantage of company nurseries, Intesa Sanpaolo has made available a platform that enables to view all partnered nurseries throughout the country. More than 120 facilities are already available and, recently, a new feature has been introduced which allows employees to suggest the facilities where they would like to enrol their children, so as to extend the network of partnered nurseries. The facilities, located throughout the national territory, are identified with quality criteria and offer preferential places or special discounted rates.



Elisabetta, mother of Federico, 2 and a half years old:

“My son is very proud to come to the office with me!”

Paolo, father of Giovanni, 2 years old:

“A kindergarten within reach of the office in terms of hours and schedule and, moreover, the peace of mind of leaving our son in a welcoming, safe and nurturing environment. All children can enjoy a varied and healthy diet, which is ideal for a foodie like Giovanni!”



The Croatian Bank Privredna Banka Zagreb (PBZ) also has a company nursery in the Radnicka complex, where the head office is located, which accommodates 89 children in the 2017/2018 school year. The fees can be co-financed by the Bank and also include a contribution from the Municipality of Zagreb, which varies according to household income.

Thanks to the commitment to initiatives aimed at promoting the work/life balance of its employees, in 2014 PBZ obtained the title of “Mamforce Company”, dedicated to organisations that adopt policies in support of families.

SPECIAL CONDITIONS - INTESA SANPAOLO PER NOI

Special conditions - Intesa Sanpaolo Per Noi is the offer dedicated to in service, redundant and retired Group employees, which provides a package of subsidised products reserved for personnel in addition to ordinary products under more favourable terms that can also be subscribed by family members. It is a new method with which the Bank wishes to extend the same experience and the same ordinary customers' product range to all employees, retired employees that are already beneficiaries thereof and their family members.

AID FOR HOUSE PURCHASE

For all Group personnel, special facilities are provided for loans requested for the purchase, construction and renovation of the property intended for primary and permanent residence. The facilities cover multiple aspects such as the high amount that can be granted, the exemption of preliminary investigation and survey costs, the type and extent of the subsidised rate (both fixed and variable), free flexibility options (extension, reduction, suspension).

CREDIT FACILITIES FOR EMPLOYEES	2017			2016			2015		
	ITALY	ABROAD	GROUP	ITALY	ABROAD	GROUP	ITALY	ABROAD	GROUP
Mortgages [no.]	3,484	1,017	4,501	3,239	1,237	4,476	2,859	905	3,764
Total mortgages disbursed [thousands of euro]	550,396	67,594	617,990	515,315	78,116	593,431	437,779	52,683	490,462
Loans [no.]	13,842	6,055	19,897	13,288	4,921	18,209	14,999	4,541	19,540
Total loans disbursed [thousands of euro]	159,055	36,452	195,507	134,100	31,574	165,674	140,390	51,859	192,249

Credit facilities offered to all employees with a permanent employment contract, with the exception of subsidised loans, which were also offered to employees hired under apprenticeship contracts.

HER SUBSIDIES (SPOUSE OR CHILDREN WITH DISABILITIES AND STUDENT CHILDREN)

Disabled family members

The employee with a severely handicapped dependent spouse, cohabitant, children or equivalent is entitled, upon request, to the payment of a one-time annual gross sum of 2,300 euro. This is in addition to the support also provided by the Intesa Sanpaolo Workers' Association (ALI).

Student children

Scholarship cheques for children students in secondary schools and for regular attendance of university courses are made available to workers, in addition to the opportunities provided by ALI, such as campus fee contributions, the purchase of books and textbooks (detailed below).

Student workers

Employees are entitled to take study leave for exams (exam day, preparation for the bachelor's degree exam and master's degree exam) as well as longer leave (preparation for the bachelor's degree exam, including master's degree). More specifically, each employee can benefit from unpaid leave of a maximum duration of 11 months, throughout their entire working life, aimed at completing compulsory education, attainment of a high school diploma, university diploma or degree, and attending training activities other than those put in place or funded by the company. A "one-off" bonus is available to employees for attainment of their bachelor's degree.

CONTRIBUTIONS FOR EMPLOYEES [THOUSANDS OF EURO]	2017			2016			2015		
	ITALY	ABROAD	GROUP	ITALY	ABROAD	GROUP	ITALY	ABROAD	GROUP
Grants for disabled children	2,333	13	2,346	1,993	29	2,022	1,932	28	1,959
Grants for children/students	3,118	67	3,185	3,115	87	3,202	3,066	111	3,177

PEOPLE AND THE FUTURE

In the context of the progressive aging of the population and the stipulation of pension covers offered by public welfare, the development of supplementary or integrated pension schemes is an important guarantee of protection for the future. This protection can be even more effective when a large number of subscribers and significant financial resources managed allow to make use of advanced professional skills for the management and diversification of investments and to reduce management costs for customers.

The attention to the future also stems from a culture of sustainability, which is embodied in the management of investment portfolios according to principles of corporate and environmental responsibility.

WELFARE: PENSION FUND WITH DEFINED CONTRIBUTION OF THE INTESA SANPAOLO GROUP

With the collective agreements entered into on 7 October 2015, the Intesa Sanpaolo Group and the trade unions have identified the "Intesa Sanpaolo Group Defined Contribution Pension Fund" as the entity through which the aggregation of the defined contribution supplementary pension schemes can be achieved within the Group, with around 65,000 subscribers and assets of around 5 billion euro.

The non-profit "Fund" has as its sole purpose the implementation, in favour of its subscribers, of additional pension treatments for compulsory social insurance. It also intervenes with the provision of ancillary insurance cover against the risk of death or death and permanent disability.



Five sub-funds make up the financial structure of the "Fund", in addition to an insurance sub-fund. Subscribers can therefore make their own investment choices, distributing their capital in one or more of the available areas, in relation to their own experience. Furthermore, online functions are available both for consulting one's position and for setting up transactions. It is also possible to subscribe dependent family members and continue to subscribe to the "Fund" having reached retirement age.

The company agreement has defined a process of gradual increase in the contributions to be paid by the Bank and by the Italian Group companies to the benefit above all of young people, that is, personnel on duty under a new permanent contract, including those under an apprenticeship contract, as well as to the benefit of employees not registered in any form of supplementary pension at the time of entering into the agreement.

It should also be noted that the Pension Fund adheres to the Principles for Responsible Investment.

COMPANY PENSION	2017			2016			2015		
	ITALY	ABROAD	GROUP	ITALY	ABROAD	GROUP	ITALY	ABROAD	GROUP
Contributions to be paid by the company [thousands of euro]	133,406	4,184	137,590	131,089	4,005	135,094	129,758	4,083	133,841
Members (no.)	61,872	5,724	67,596	61,637	5,783	67,420	64,535	5,967	70,502

In the framework of the Group's welfare scheme, there are also around 27,000 members registered in defined-benefit pension funds, with assets of around 4 billion euro.

PEOPLE AND HEALTH

With the progressive and constant curtailing of public health spending in Italy, the issue of supplementary welfare becomes increasingly important, as a means of guaranteeing the quality of the support in the health sector, in a country characterised by an increasingly ageing population, often affected by the typical pathologies of the elderly and by chronic diseases that require effective safeguards in terms of home care.

SUPPLEMENTARY HEALTH FUND

The Intesa Sanpaolo Group's Integrated Health Fund, operational since 2011 to the benefit of in service, redundant and retired people and their family members, is one of the country's largest in terms of number of clients and the financial extent of its intervention. It is a non-profit association that operates according to cooperative and social solidarity values and provides supplementary and replacement services for those provided by the national health service.



As from 2016, the Fund reimburses, on an experimental basis, also drugs that meet the requirement of therapeutic innovation and which are not yet included among those reimbursed by the National Health Service (even if already included in the Italian Drug Agency's codex).

The Fund offers to over 200,000 members, including current employees, pensioners and family members both healthcare services provided through direct assistance, as well as reimbursements for non-partnered services, with 188 million intermediated healthcare services.

Since 2011, all the Fund's services have been provided in a digital form and since March 2016 the "FSI con Te" app has been available, which allows to use the main functions directly via a smartphone or tablet. Through access to the Registered Area of the Supplementary Health Fund, the app allows to find the partnered structures, to book health services, to submit reimbursement applications, consult paperwork files and activate contacts with the Fund.

Prevention goal: "I Colori della Salute" (The Colours of Health)



The Health Fund also plays an active role in the prevention of the most widespread diseases: a section of the Fund's site "I Colori della Salute" is dedicated to prevention, with practical advice for the development of a healthier lifestyle, useful to avoid or reduce the risks of serious illnesses.

In the first few months of 2016, the cardiovascular prevention campaign ended with very positive results: about 13,000 questionnaires were completed; the partnered centres provided approximately 600 "free" diagnostic packages; there has been an intensive activity to raise awareness of cardiovascular risk (65,000 online views of the publications disseminated on the various channels/

online sites). In 2017, the second prevention campaign dedicated to the risk of osteoporosis, a widespread disease that mainly affects women, was carried out. Indeed, among the Italian population more than 90,000 cases of hip fracture are recorded after fifty years of age; 50% of women affected by such fracture suffer a substantial reduction in the level of self-sufficiency. 10,800 employees participated in the campaign.

The initiative, dedicated to members and beneficiaries of the Fund in the 40-60 year age group, has provided the opportunity to complete an online questionnaire. In the presence of a high risk, the patient was entitled to benefit from a free DXA exam (which measures bone mineral density) to the lumbar spine.

At the beginning of 2018, the third skin cancer prevention campaign was promoted, dedicated to all members and family members beneficiaries of the Health Fund in the 30-60 age group. In the presence of risk factors, the patient will be able to benefit from a dedicated dermatological examination free of charge.

The "Guide with practical advice for a healthier lifestyle" is available to all members and can be viewed and printed in the "I Colori della Salute" section of the Fund's website dedicated to prevention, where a periodic column is also published with contributions by experts and professionals. The Fund has played an active role to educate members

via email literature and with adequate coverage of online channels to support campaigns and to raise awareness among its members with a view to adopting a proper prevention of this disease.

International Healthcare Programme

The International Healthcare Programme is an initiative that aims to provide employees of the International Subsidiary Banks Division under a permanent employment contract with a benefit that makes it possible to access a network of "second opinion" services that include cutting-edge medical consultations and healthcare treatments in top-level health facilities in different countries to those where employees live and/or work, as well as a series of complementary services (visa assistance, hospitalisation, accommodation for accompanying persons, travel etc.) The service is activated in the event that serious illnesses (cancer, transplants, highly complex surgery etc.) are diagnosed and covers all necessary expenses to travel to the chosen facility, stay in the foreign country, perform the medical treatment/surgery required by employees and meet the related medical costs that will have to be borne when they return home. The programme was implemented in all Banks belonging to the Division as from 1 December 2017.

National Health Care Fund for Employees of the Credit Sector (CASDIC)



In cases of loss of self-sufficiency due to an accident or illness that result in the inability to perform the main daily activities independently, employees are entitled to a specific insurance cover (Long Term Care) managed by the National Health Care Fund for Employees of the Credit Sector.

The cover, entirely at the expense of the credit companies, guarantees a maximum per capita annual reimbursement of 16,800 euro and is free of charge for employees in service or who terminated their employment relationship after 1 January 2008.

The policy details the necessary requirements and the procedures for periodic verification thereof.

CONTRIBUTIONS FOR EMPLOYEES [THOUSANDS OF EURO]	2017			2016			2015		
	ITALY	ABROAD	GROUP	ITALY	ABROAD	GROUP	ITALY	ABROAD	GROUP
Insurance and accident policies	17,258	753	18,011	12,914	967	13,881	10,730	1,620	12,350

HEALTHCARE AND SUPPLEMENTARY SOCIAL SECURITY	2017			2016			2015		
	ITALY	ABROAD	GROUP	ITALY	ABROAD	GROUP	ITALY	ABROAD	GROUP
Healthcare policies [thousands of euro]	71,499	1,825	73,324	72,393	3,350	75,742	70,396	3,181	73,577
Health care: users	63,823	6,472	70,295	64,213	7,650	71,863	61,962	7,631	69,593

THE COMPANY CANTEENS AND A HEALTHY DIET



The "Gusti Giusti" project, launched in 2008 in collaboration with the Slow Food Association and active today in all eleven canteens of the Group, introduced various activities and projects over time, with the aim of promoting and disseminating the principles of good, tasty and sustainable nutrition.

In 2017, the Intesa Sanpaolo Group canteens in Italy served an average of 5,500 meals a day, over 1,000 meals more than the previous year, a growing trend.



In June 2016, the second phase was completed of the "Taste the World" project launched in 2015 to celebrate international culture as a component enriching the Group. Born out of the collaboration between the International Subsidiary Banks Division, CSR, the

Welfare Office and the General Services Office, it has involved the people from the international subsidiaries working in Italy in the proposal and collection of recipes from the culinary tradition of the country of origin to be offered in one of the corporate canteens in Milan on dedicated days. Overall, 44 recipes were collected and 10 dedicated days were put in place.

PEOPLE AND THE VALUE OF DIVERSITY

In terms of diversity and inclusion, Intesa Sanpaolo seeks to introduce personal development and management policies based on fairness and free of all kinds of discrimination. Inclusion and non-discrimination are values that underpin all corporate projects and instruments aimed at improving the company's performances, cultivating internal talent and contributing to the life-work balance of all employees. The theme is far-reaching and therefore involves various structures both in terms of the assessment of ongoing projects and the planning of new activities.

Promoting diversity is first and foremost a managerial and organisational issue with ad hoc initiatives to reward merit, assist the work-life balance and support the return of employees after maternity/paternity leave and long absences.

The company population is balanced between male and female employees (46% men and 54% women). There are over 13,600 female managers (executives and middle managers) in the Group, representing 28.9% of all personnel (28% in 2016). Women account for 39.6% of all managerial staff.

Union agreements have also taken account of this issue since July 2014. The Framework Agreement on inclusion and equal opportunities had already outlined the Bank's commitment to actively involving all of the structures, each in their own area, in promoting the many existing diversities. This commitment involves promoting measures aimed at removing any existing obstacles and defining specific actions to help foster the culture of inclusion.

Back in 2015, Intesa Sanpaolo was presented with the Diversity & Inclusion Award Diversitalavoro for the care it takes in managing inclusion practices for people with disabilities. This provided renewed impetus for the proposals that were developed by the Welfare, Safety and Sustainable Development Committee in 2016. In particular, close attention was focused on the management of age diversity and the problems that the lengthening of our working lives may create in terms of professional development and integrated welfare policies.

In 2017, Intesa Sanpaolo once again received the "Diversity & Inclusion Award", which is given to companies that promote job placement policies for disadvantaged persons that focus on promoting their talent and skills.

Among the International Subsidiary Banks, Privredna Banka Zagreb, together with other Croatian organisations, has signed the Diversity Charter, a European Commission initiative that sees 19 nations committed to promoting and reporting initiatives to support diversity and non-discrimination in the workplace.

On the basis of the analyses, investigations and proposals formulated by the Committee, in 2017 Intesa Sanpaolo and the Trade Unions signed the Sustainable Development Protocol which defines positive actions aimed at providing an additional work-life balance tool for employees with serious illnesses and/or over 60 years of age. In addition, in order to provide a further solution to better reconcile personal needs with those of the work environment, through the progressive and gradual management of the flexibility of working hours, employees that are going to meet the legal requirements for early retirement or an old-age pension between 31 December 2018 and 31 December 2020 were able to request the transformation of their employment relationship into a part-time position with a reduction in their salary and the continuation of the mandatory social security contributions recognised for full time positions.

For employees that are over 60 or that suffer from serious illness, the same Protocol also introduces trial counselling measures, flexible work according to individual needs and priority consideration in the event of requests for transfers for distances over 70 km from the employee's home. There was a new intake of people with disabilities, who are guaranteed a starting position that reflects their skills and needs as well as a professional development plan for the future. Four training courses were held in 2017 involving 132 employees for a total of over 730 hours provided.

DSA PROGRESS FOR WORK

This project was launched in collaboration with the Italian Dyslexia Foundation. The goals are the recruitment, positive integration and promotion of people with dyslexia and other learning disabilities in the working world. The activity comprises various phases. Following the environmental analysis, with the collection of information on the business processes that characterise the Bank, the training phase dedicated to employees in the various structures involved began.

The first step in creating a dyslexia-friendly working environment is without doubt understanding and awareness. The meetings provide an overview on dyslexia: strengths and weaknesses, impact in the work environment, strategies and useful tips for compensating for difficulties and enabling the real talent of people to emerge. The process is continuing in 2018, with the definition of best practices and the release of the pocket guides, and will finish with the final compliance audit that recognises the company official dyslexia-friendly status. The DSA Progress for Work project is inspired by activities and practices that are already consolidated in the English-speaking world and is the first concrete effort in Italy to support companies and dyslexic people in the interests of both.

PEOPLE AND "WELL-BEING"

INTESA SANPAOLO EMPLOYEES' ASSOCIATION - ALI

The Intesa Sanpaolo Employees' Association - ALI is the Intesa Sanpaolo Group's cultural, recreational and sports Association that has unified the existing clubs within the Group to promote multiple initiatives for the entire business community, from leisure to conventions and services to people.



With over 130 thousand members and approximately 4.3 million euro in support of initiatives promoted in line with the statutory objectives of the Association, it is one of the cornerstones of corporate welfare, especially with a view to a new form of "participated well-being" with the goal of meeting a wide range of needs for its members.

The main activities covered include, in particular:

- assistance services;
- financial support for employees and families;
- support for the education of children and family members;
- culture, recreation and leisure;
- support for vulnerable people and social integration.

Going above and beyond the typical purposes of corporate clubs, the Association thus puts in place services to support employees, retired personnel and their families for assistance to the elderly, the management of children during the summer school break period, disburses contributions in support of members' expense for recreational activities carried out at individual and/or group level, promotes programmes to aid young people's orientation, disseminates culture, enhances sport, fosters personal relationships and voluntary involvement, including within the association itself and intervenes with ad hoc contributions to members with disabilities.

The 2017, budget includes over 116,000 subscriptions to national initiatives in the various areas of the association and over 1,200 initiatives promoted within the Territorial Councils, which involved approximately 68,000 people. The traditional tourist offer includes discounted forms of payment and a strong network of agreements (16 partner suppliers and over 13,000 travelling members).

As regards the Junior Campuses targeted at children aged 4 to 25 years, with campus solutions in the city, in Italy and abroad, grants were disbursed to support the expenditure equal to almost 384,000 euro overall for approximately 4,000 members.



A fundamental role of family aid is provided by way of contributions for the purchase of school books and textbooks (over 110,000 euro), but also cinema tickets (about 300,000 euro), theatre performances, contributions for sports and training courses [(contributions for sports courses and leisure, for medical-sports check-ups for competitive activities (almost 720,000 euro)] and extraordinary contributions intended to contribute to "care" expenses (almost 28,000 euro), for veterinary examinations (over 73,000 euro) and for the purchase of musical instruments (over 53,000 euro).



The Association, which is particularly committed to developing solutions for work-life balance, provides the Welcare Family range of services, a multi-channel system offering "Family Services" and "Administrative Consultancy".

They are provided at discounted rates by the ComeTe and Prontoserenità Cooperative Networks in support of various family-related needs: from home care for minors or disabled people, to residential services for the elderly and non self-sufficient people to assistance in the selection of caregivers and babysitters.

In September 2017, the third edition of "Push to Open" - a programme aimed at introducing young people into the world of work for students in the 4th and 5th years of high school - got underway. At the end of 2017, the "Push to Open Junior" programme was launched in an experimental phase to support parents and children attending the 2nd and 3rd years of secondary schools in their future educational choices.

Agreements have been entered into with partners providing home-based services (from laundry, ironing, shoe-making to house cleaning).

In collaboration with the Intesa Sanpaolo Innovation Center, an innovative sharing economy initiative was carried out with the creation of the ALI Group community on the TimeRepublik portal which enables members to exchange their free time and share their skills and passions.

On 4 October 2017, the project received the Innovation in Human Capital prize at the BAI Global Innovation Awards 2017.

TOTAL INITIATIVES (absolute values)			
AREA	NO. OF INITIATIVES	NO. OF SUBSCRIPTIONS	AMOUNT IN €
Tourism	334	26,055	1,076,549
Culture	247	71,287	762,975
Services for individuals	51	17,888	922,881
Sport and leisure	650	69,174	1,474,202
Other	-	-	10,487
TOTAL	1,282	184,404	4,247,094

TOTAL INITIATIVES (% breakdown)			
AREA	NO. OF INITIATIVES	NO. OF SUBSCRIPTIONS	AMOUNT
Tourism	26.05	14.13	25.35
Culture	19.27	38.66	17.96
Services for individuals	3.98	9.70	21.73
Sport and leisure	50.70	37.51	34.71
Other	0	0	0.25
TOTAL	100.00	100.00	100.00

CONTRIBUTIONS FOR EMPLOYEES [THOUSANDS OF EURO]	2017			2016			2015		
	ITALY	ABROAD	GROUP	ITALY	ABROAD	GROUP	ITALY	ABROAD	GROUP
Cultural and recreational activities	1,866	1,000	2,866	2,258	1,027	3,285	3,861	965	4,826

SOLIDARITY INITIATIVES

INTESA SANPAOLO'S EDUCATIONAL PROGRAMME FOR CHILDREN WHO ARE LONG-TERM PATIENTS

Starting from the experience gained with the company crèches and the report from a couple of employees with a two-year-old daughter in difficult health conditions that had to be subjected to long hospital therapy cycles, a nursery pilot project for long-term patient children was put in place at the Pediatric Oncology Department of the Regina Margherita Hospital of Turin.

The initiative has already been extended also to the Pausilipon Hospital of Naples, the San Gerardo Hospital of Monza and the Clinic of Paediatric Haematology-Oncology of the Padua Hospital.

The educational service, free of charge for all hospitalised children - whether children of employees or not - is dedicated to the age group 6 - 36 months with a training offer of 5 hours a day for 5 days a week, for all the months of the year. The service may also be used by children temporarily moving to another ward for therapeutic requirements.

The support from specialised and qualified educators is particularly useful for encouraging the cognitive development of children who experience the stress of a situation of psychological and social isolation due to their illness. Furthermore, the service offers concrete support to families through a delicate phase in the life of the people involved.

The educational programme for long-term patient children will soon be extended to the pediatric hospital of Bologna.



SOLIDARITY IN LIFE

The Intesa Sanpaolo Onlus Foundation, established in 2008, is one of the pillars of the Intesa Sanpaolo Group's integrated welfare and operates solely for the following purposes:

- support for employees, former employees and retirees of the bank and the subsidiaries owned by Intesa Sanpaolo and related dependent family members or co-habitants, who, due to and as a consequence of illness and/or in any case of extraordinary events, found themselves in conditions of economic necessity or in situations of physical, mental, social or family disadvantage;
- promotion of art and culture through scholarships or training courses for disadvantaged people due to physical, mental, economic, social or family conditions;
- charity towards other entities operating in the solidarity and welfare sector.

In these areas, the financial resources of the Foundation are used, which essentially derive from the contribution of surplus cash of the Group Banks, from income tax allocations and from the yield of the assets accumulated or contributed within the ongoing rationalisation of charitable entities.

In 2017, the Board of Directors of the Intesa Sanpaolo Onlus Foundation resolved on new support interventions amounting to around 3 million euro.

The experimental initiative “PhDs and/or research projects in humanistic subjects”, launched in January 2017, awarded 5 scholarships during the year - for a total of 350,000 euro - to as many students who, although deserving, live a situation of economic hardship. Given the successful outcome, the Board of Directors decided to propose it also for 2018, approving a new allocation of 350,000 euro.

The Intesa Sanpaolo ONLUS Foundation has joined forces with initiatives designed to aid the Group’s employees, intervening in favour of those who suffered serious damage and/or disruption caused by the earthquake in the various municipalities of central Italy.

As part of its institutional activities, the Foundation, in its ten years of life, disbursed grants totalling over 15.5 million euro, of which approximately 5.4 million in favour of Group employees and former employees in difficult situations or affected by events of an exceptional nature (earthquakes and floods), about 4.3 million for the promotion of culture and the right to study (about 1,500 scholarships awarded) and about 5.8 million to fund solidarity and social care projects or initiatives.

THE DEVELOPMENT OF CORPORATE VOLUNTEERING INITIATIVES

As part of the “Time Bank” a specific allocation of 5,000 hours of paid leave is made available annually by the Group to enable colleagues to participate in voluntary initiatives on social projects/initiatives, selected through the Intesa Sanpaolo Onlus Foundation and/or Banca Prossima.

From the second half of 2016 to date, the corporate volunteering initiatives have involved 253 employees at 15 different associations, operating in the main Italian cities (Bari, Bologna, Florence, Milan, Naples, Padua, Palermo, Rome and Turin).

In 2017, 1,850 hours of leave were taken.

Rossella - Florence:

*“It was a busy day, full of ideas, sharing, work...
a door that opens up a real possibility to help and feel useful.”*

Emanuela – Naples:

“An educational initiative that I was able to participate in, rediscovering that “every other” is a person just like me, with desires, hopes, wills, faults and merits. A gesture that has led me to discover all over again that our bank is also made of people with great values that plays its part every day in its sometimes modest daily tasks.”

Financial Education Project at International Subsidiary Banks

The project is an initiative that arises from the collaboration between the International Subsidiary Banks Division and the structure involved in the Financial Inclusion Initiatives of the Chairmanship’s Technical Secretariat, with the aim of promoting financial education in the countries where the Division operates, through the activation of corporate volunteering across all Banks. The project started in June 2017 with a workshop held at the Savings Museum aimed at sharing approaches, methodologies and experiences in the financial education sector in the different countries. Subsequently, on the occasion of the World Savings Day (31 October 2017), each Bank adhered to the Group’s celebrations organised within the scope of the “L’Arte del Risparmio” (Art of Saving) initiatives. The initiatives carried out at the Banks, mostly play-educational workshops developed in collaboration with the Savings Museum, involved over 200 volunteers (financial education ambassadors) and over 7,200 school-age children. For 2018, a consolidation of these activities is planned, ensuring continuity of the project and creating other opportunities for volunteers’ participation.

WORKING IN COMFORTABLE AND SAFE ENVIRONMENTS

Intesa Sanpaolo has adopted an Occupational Health and Safety Management System with an assessment that considers the combined effect of the work environment, processes and equipment, as well as workers' subjective conditions.

The measures implemented for the ongoing monitoring of workplaces, injuries, accidents and risk reports have led to the resolution of about 20% of critical issues with a view to a gradual risk reduction.



With the development of the new branch concept, the corporate structure in charge of prevention and protection has evaluated all the impacts of the adopted solutions in terms of employee health and safety. In particular, the aspects related to environmental factors such as microclimate, lighting, noise and the ergonomics of the new types of workstations were also assessed with onsite inspections at the pilot branches of Milan, Rome and Turin and with the collaboration of the people working there in order to implement concrete proposals for improvement.

Another important initiative included the updating of the assessment of the amount of time spent at video terminals for personnel that work in branches with the new layout. The method used was work sampling which, already employed in the Group for several years, is based on a statistical mathematical model which, following a significant number of samples, makes it possible to determine how much time a homogeneous group of workers spends at the video terminal. 19 observation days were held.

This assessment was also updated for personnel that work in the Intesa Sanpaolo Head Office Departments using the job analysis method.

All of assessments carried out defined the list of homogeneous groups of workers exposed to video terminal risks. Currently over 17,000 employees undergo health surveillance for this risk.

Given the gradual ageing of the population, the working population included, and the speed of technological and digital advancement, it is essential to understand how aging workers perceive the technological innovations and to define models for integrating the resources and skills of workers and the company's digital technologies. To this end, a trial project was set up to evaluate the physical and psychological state of health of personnel that work in this type of branch. The project gave employees the opportunity to sign up, on a voluntary basis, to a programme of medical check-ups performed by local qualified physicians. 85 branches with the new layout took part in the project as well as over 900 employees. The results were used to produce a specific epidemiological report, also with the use of standardised scales and measurements like the Work Ability Index (*).

(*) The Work Ability Index is an internationally standardised value calculated taking into account the breakdown from the following factors:

- current work capacity compared to the best life period;
- ability to work in relation to the task demands;
- number of current diagnoses made by the doctor;
- reduction of work capacity due to illness, estimated by the individual;
- sick leave in the last 12 months;
- personal prognosis of work capacity for the following two years;
- psychological conditions/resources.

WORK-RELATED STRESS RISK ASSESSMENT

The analysis of "Work-related Stress" risk allowed to identify contrast measures for certain situations and types of work content and the mitigation process was focused on the effectiveness of the interventions planned and implemented following the critical issues investigated.

The changes perceived by the people following the measures adopted by the Company were evaluated by a specialist from the Clinical and Community Science Department of the University of Milan who conducted several control Focus Groups. In 2017, the work-related stress risk assessment was updated for staff of the Head Office Departments (52 meetings for the issuing of data collection questionnaires) and for the Group Banks in Italy.

WORKING SAFELY: PREVENTING THE RISK OF ROBBERY AND MORE

The protection of people is the cardinal principle that underlines all the initiatives carried out for the protection of the branches, above all with reference to the protection of employees and customers through the prevention of the risk of robbery and the management of emergency situations. The enhancement and innovation of security technology measures, with the support of the creation of information tools, the development of an integrated security culture and the publication of operating rules are the cornerstone of the activities aimed at the systematic risk prevention and mitigation of existing and potential vulnerabilities. Robberies have been declining for several years.



The post-robbery support programme continued in 2017, providing medical and psychological support - according to the seriousness of the trauma suffered - to employees that have been victims of such incidents. The programme involved all branches where robberies or attempted robberies have taken place. Thirty activities were organised involving over 100 employees.

Since 2017, this initiative has also been extended to include incidents of verbal or physical violence and all traumatic events (e.g. natural disasters) brought to the attention of the Prevention and Protection Service. Due to the uniqueness of such events, the Traumatic Events Management team provided employees with specific assistance programmes according to the gravity of the situation and the state of health of the employees involved.

The support interventions were characterised by a first "counselling" meeting and subsequent "follow-up" meeting and final verification of return to the pre-event emotional and psychological condition. For very severe cases, psychologists of the University of Milan are called in to provide an even more structured support program. The psychological support programme has also been extended to cases of assaults suffered by employees as well as for natural disasters, such as the recent earthquakes.

In all cases, the local qualified physician is available to employees who request their intervention for medical examinations to verify the suitability to work of employees following the traumatic event.

NUMBER OF ROBBERIES

	2017	2016	2015
Italy	15	21	54
Abroad	8	4	8
TOTAL	23	25	62

In the management of events related to natural disasters and crisis events, the activities aimed at the maintenance and strengthening of safeguards, Business Continuity solutions and Crisis Management mechanisms allowed to maintain the continuity of services and the protection and safeguard of employees and customers. The activities put in place to extend the model to the Group Banks and Companies are continuing. In particular, the extension to the International Subsidiary Banks of the new Business Continuity Management (BCM) model of the Group was completed, with the adoption of an extended approach for the definition of organisational safeguards and business continuity measures commensurate with risk levels.

BRITISH OHSAS 18001:2007 CERTIFICATION FOR OHSMS

In 2017 the Intesa Sanpaolo Occupational Health and Safety Management System was certified as compliant with the British OHSAS 18001:2007 standard. The verification process, carried out by an independent third-party body, involved the direct assessment of activities by way of audits in the various organisational structures (21 branches and the Turin skyscraper), interviews with staff (at all levels, including supplier personnel), the analysis of documents and records, and the evaluation of the effectiveness of actions implemented in response to the findings of internal audits.

THE PERCEPTION OF EMPLOYEES IN THE CLIMATE SURVEY

With the climate survey conducted in 2016, people working in the Group were able to give their opinion on what was built together.

The results show that, with reference to 34,473 completed questionnaires, 78% expressed satisfaction with the work at Intesa Sanpaolo, with a significant growth trend compared to 2013 (+34 percentage points). In particular, 32% of the completed interviews recorded an individual motivation to do even better.

Several important aspects of the motivation show a positive value (from 6 to 10), with a high percentage of respondents expressing gratifying opinions on some points, in particular 75% on the "sense of pride and belonging", 69% on the "ability to motivate" and 58% on "recognition of merit". Furthermore, some evaluations related to important aspects of corporate life are significant: with reference to the Group's responsible reorganisation solutions, 62% gave a positive opinion on the attention and care of employment levels in the restructuring processes. The work/life balance is judged positively by 68% of respondents.

APPENDIX

THE REFERENCE SCENARIO FOR CORPORATE WELFARE INITIATIVES

The social security system in the most developed countries has seen profound changes in recent years, including as a result of the crisis that accelerated transformation processes with radical impacts on the lives of all. In particular, a more fragmented society has challenged the traditional protection networks that consisted of work and families; with the crisis, the economic and financial imbalances that restrain growth have worsened. In summary, the emerging scenario requires the provision of innovative solutions that are effective in response to the new security needs that are no longer met by the large public welfare institutions.

Even in the most recent past, according to a well-established tradition, widely spread in Southern European countries and, in particular, in Italy, the family was the fundamental framework for ensuring intergenerational solidarity, with particular reference to the individual conditions of the most fragile subjects and gender differences.

Currently, according to the latest findings of the General population and housing Survey in Italy (Istat - 2011) about one third of households have only one member. Comparisons with the past show a tendency towards the growth of single-member households in all age groups, even if the social impact is greater for the elderly, who experience more difficulties in accessing essential services for a dignified quality of life.



New needs for protection emerge from the shift in family patterns, which affect the stability of the development processes of individual situations. In addition, the figures from the last 2011 Survey show an increase in cohabitation other than marriage (from 3.6% to 8.9% of couples in the decade between the last survey and the previous one), a significant share of parents who live alone with their children (9.9% of families), a significant proportion of children born out of wedlock (24.8%), a high level of separation rate (43%). This information defines an increasingly complex framework for the multiple family conditions that also affect capital conditions, living standards and the saving capacity of each person and, consequently, on the family welfare situations in Italy.

In the past, through the accumulation of savings and succession, an important social protection network was ensured within the family. The reduction in the propensity to save of Italian households (measured as the ratio between gross savings and gross disposable income) has been significant in the last twenty years (from 19% in 1996 to around 8% in 2016, a figure also confirmed in 2017), also following the decrease in public welfare cover due to the crisis. This trend has led to effects that not only have an economic and financial impact, but will also have social consequences for the future.

Further important aspects affecting welfare are linked to job fragmentation, with the increase in fixed-term contracts (in 2017, equal to 18.2% of total employees and to 11.8% of the total number of employees - Source: Istat) and the significant portion of independent and freelance work (in 2017, over 5 million, 22.1% of the employed).

No less significant is the impact of an aging population: the current ratio between pensioners and employed workers is approaching unity (0.7 pensioners to one active worker) and this phenomenon has effects not only on the social security and healthcare system, but also affects the aggregate demand for goods and services. The contribution of pensioners to the total household income is significant if one considers that - according to Istat data from the last 2011 Survey - almost half of Italian households (49.2%) had a retired member and three

quarters of the total income of these households came from pensions.

At the same time, the progressive lengthening of the retirement age to make the public pension system sustainable in the face of the challenge of an aging population, has posed the question of the risk of blocking generational change. The necessary renewal of companies, which is a factor of development of their competitive capacity, passes through the overcoming of the exclusion of young people and women. The youth unemployment rate was over 40% at the end of 2017; young people aged 15 to 29 who do not study, do not work and do not seek training or work paths accounted for 24.1% of the total in 2017. The employment rate of women of working age is 48.9% against 67.1% of men - Istat, December 2017.

Changes in family patterns and the social scenario indicate an all-time low for births (464,000 in 2017) and a negative natural balance between deaths and births of about 183 thousand, a gap that is not even filled by the higher birth rate that can be observed among migrants. Moreover, the more uncertain economic conditions move forward the age for conception of the first child.

The transformations of the labour market due to the growing demand for qualified professional skills from companies, the social need to enhance female talent, the weakening of traditional solidarity networks, the need to include less represented segments of society and the emergence of new needs are important challenges to which the development of corporate welfare can offer answers and solutions.

The public welfare reforms and the objective of maintaining a protection system that is still universal, i.e. available to all citizens regardless of economic and professional conditions (as provided for in the general framework of our Constitution), have encouraged the development of complementary structures that have been extended over time to an increasing number of workers.

This vision, enshrined in the national legislation with the last stability law, marks a transition from a traditional restricted approach to a welfare concept as a constituent part of the work relationship and deserving of equal sharing between the company and its workers. The expansion of the services considered in the context of corporate welfare opens up a more modern assessment of the so-called benefits to cover multiple needs of the individual and the family.

The demand for corporate welfare has also been enriched with new needs that cover different areas, such as:

- the need for pension integration, satisfied by pension funds and by the different forms of supplementary welfare and individual insurance savings;
- the need for health care integration to ensure the best protection of health, both through a culture of disease prevention and at the time of treatment;
- the need to respond to generational aging processes, both through a more flexible management of senior workers within the company, and through support to families by offering assistance services to non self-sufficient people;
- the need to protect people from risks that threaten safety at work, occupational health and the continuity of wellbeing for families;
- the opportunity to reconcile work commitments with family needs, to support the education and growth of children and to promote women's participation in the workplace;
- the need for a balance in the distribution of work between the generations to encourage young people's access to production processes and the professional world;
- support for the integration of vulnerable people to promote social inclusion.

Promoting corporate welfare is therefore an indicator of great modernity, insofar as it is geared towards more cooperative relationships and can help build a corporate community in which both the achievement of company objectives and the wellbeing of workers are implemented.

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