

Stakeholder Engagement and Improvement Objectives

The results of the dialogue initiatives with our stakeholders in 2013



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Introduction

Intesa Sanpaolo's stakeholder engagement process for 2013 was developed at a time of crucial importance for the Group: the stage entailing the strategic analyses and choices in preparation for the implementation of the Business Plan disclosed to the markets in March 2014.

In this context, a listening process was planned and implemented by the Bank, as is the case every year, according to methodologies in line with the AccountAbility AA1000 guidelines and principles (for further information, see "Stakeholder Engagement in Intesa Sanpaolo. The Methodological Approach" [↗](#)).

The decision to implement an increasingly greater integration between engagement activities and strategic and operational ones put in place by the different corporate departments has led to the definition of a virtuous cycle thanks to which sustainability-related matters have acquired significance through:

- understanding factors coming from the external context;
- listening to stakeholders and exchanging views and opinions with them in order to identify the relevant sectors for the Bank's activities in terms of the evaluation of business development risks/opportunities.

The CSR Unit has therefore geared its commitment in such a way as to provide an extensive and targeted contribution for the issues taken into consideration and for the categories of stakeholders involved, through its endeavours aimed at pinpointing and identifying priority areas for stakeholders overall.

Two activities depicted this commitment in particular:

- the updating of the materiality analysis which, as specified in detail on page 5 [↗](#) of this document, took into account all economic, social and environmental issues of relevance to the Bank and its stakeholders;
- the creation of the Multistakeholder Forum "Sustainability scenarios: creating shared value", through which authoritative representatives of a multitude of stakeholders have reflected together on the ways in which the Bank will be able to develop its activities with a view to strengthening its role as a social player for the Country's economic and social development.

Concurrently, the Bank also continued to pursue targeted initiatives aimed at listening to shareholders (by interviewing banking Foundations, share ownership associations and, for the first time, SRI investors), employees (through the climate survey and Focus Groups) and trade associations and customers (with customer satisfaction questionnaires for private customers and businesses, as well as a questionnaire for Consumer Associations), aimed at evaluating the relevance, for each one of these key stakeholders, of the material issues identified for the purposes of the materiality analysis.

The materiality analysis

Intesa Sanpaolo's stakeholder engagement process is centred around the materiality analysis. The stakeholders are involved on issues deemed to be relevant, and their opinion on the matters put forward makes it possible to gain a better understanding of the significant issues arising therefrom, including for the business activities carried out by the Group.

The definition of materiality adopted by Intesa Sanpaolo is as described by the recently amended G4 Global Reporting Initiative: "relevant topics are those that may reasonably be considered important for reflecting the organization's economic, environmental and social impacts, or influencing the decisions of stakeholders, and, therefore, potentially merit inclusion in the report."

In 2013, driven by the objective of meeting the new requirements set forth by the reporting standard, Intesa Sanpaolo's CSR Unit also conducted a review of the management processes associated with sustainability reporting. Consequently, the analysis and selection of the topics was based on the materiality principle as set out by the GRI – G4 standard with the objective of bringing to light the issues on which the stakeholders' interests and expectations are focused and evaluating their implications for the Bank's business.

The materiality analysis was set out in these stages:

IDENTIFICATION OF THE ISSUES

The definition of the relevant economic, environmental and social sustainability issues for the Group and the stakeholders – as distinctive elements of Intesa Sanpaolo's reality or recognised as relevant for the entire financial sector – was conducted through the analysis of numerous internal and external sources.

With regards to the analysis of the documentary sources prepared by the Group, the following public internal sources were taken into consideration, among others:

- the 2012 and 2011 Sustainability Report
- Code of Ethics
- Environment Paper
- "Il Valore della Sostenibilità (The Value of Sustainability)" Publication
- Policies (Regulations on the matter of environmental and energy policy, rules on the granting of credit in the armament sector, political part funding, application of the Equator Principles)
- 2013 Improvement objectives
- Sector regulations
- Eurisko - Outline
- Top management communications from Web TV
- Analysis of Press reviews

Non-public internal sources were also analysed at the same time, such as:

- Complaints to the Code of Ethics as at 31/12/2012
- (Completed) SAM Questionnaire for the Dow Jones Sustainability Index
- Vigeo Report Assessment
- Minutes of the Shareholders' Meeting as at 04/2013
- Presentation to suppliers on CSR topics

With regards to the analysis of external sources, reference was made to:

- Standards
 - GRI G4
 - GRI – Sector Supplements "Financial Services"
 - Global Compact – Advanced Level
 - SASB
- Institutional sources, including:
 - Guidelines for Multinational Enterprises, OECD (2011)
 - EUROPE 2020, European Commission (2010)
 - Annual Report, Banca d'Italia (2012)
 - 2012 Annual Report - The Country's situation, ISTAT (2012)
 - The Future We Want - Rio + 20 Outcome Document (2012)
- Benchmark analysis compared to the documentation submitted by competitors, including but not limited to:
 - Bank of America
 - BNP Paribas S.A.
 - Citigroup Inc.
 - HSBC Holding PLC
 - Santander
 - UniCredit

The issues identified were set out within a tree diagram organised on three levels of progressive detail.

IDENTIFICATION OF THE STAKEHOLDERS

The Group's stakeholder map, presented in the conduct principles of the Code of Ethics and reviewed on a regular basis, was verified in terms of the stakeholder subcategories (see the chapter "stakeholder map" on page 14 [↗](#)), in order to ensure a perfect fit between the map and the concrete relationship experience achieved by the Group over the last few years.

With the involvement of the internal structures that liaise with the stakeholders, priorities were then assigned according to the level of dependence, influence and urgency of the stakeholders themselves, as defined by the AA1000SES standard.

PRIORITISATION AND VALIDATION OF THE ISSUES

The relevance of the issues for corporate strategies in terms of reputation or financial impact was assessed by taking into account the areas in which the Bank undertook public commitments and focused its activities in 2013.

In particular, the following was considered:

- the public statements issued by the top management on the Bank's strategic priorities for 2013;
- the improvement objectives formulated in the last Sustainability Report;
- internal relations within the Control Committee;
- Intesa Sanpaolo's Code of Ethics and the policies adopted.

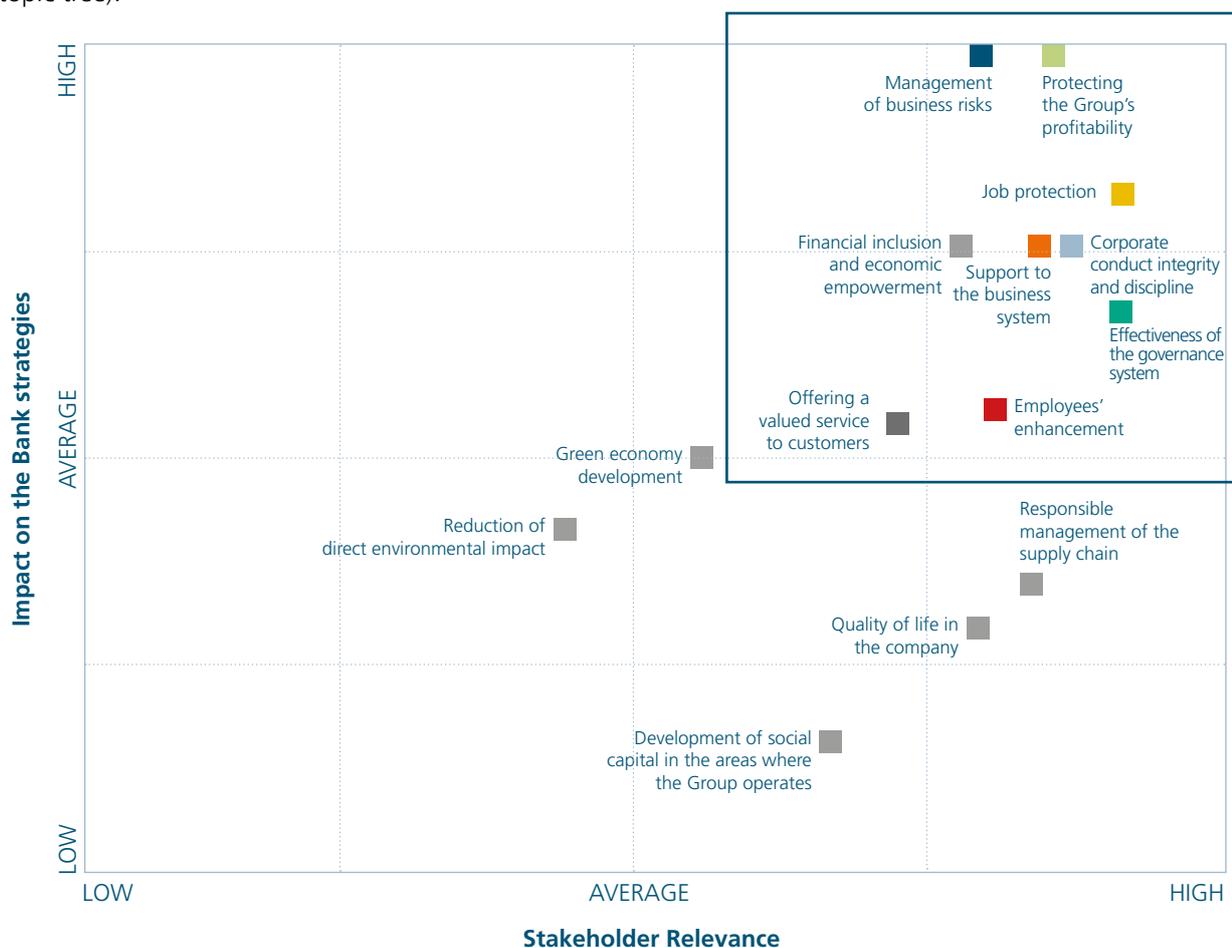
The Corporate Departments were involved in the validation of the issues and the assignment of the priorities identified, in order to provide a more dynamic and internally shared view to the evaluation of the impact of the issues on the strategies.

The relevance of the issues for the stakeholders was determined on the basis of the evidence gathered through the listening and engagement activities of the Group's stakeholders described in detail in the section "The involvement activities" [↗](#).

The most relevant topics with high value on both axes of the matrix are those for which the Group primarily focused its attention in 2013.

THE 2013 MATERIALITY MATRIX

The materiality matrix provides an overview of the general sustainability issues mapped ("1st level" of the defined topic tree).



The topics included in the box of most relevance to both the stakeholders and the Bank's business activities are to be regarded as "strategic priorities". Their detailed analysis gives rise to highly relevant topics:

■ Management of business risks:

- Monitoring of social and environmental risks in investment and lending activities
- Reputation protection
- Adequacy of the internal control system

■ Protecting the Group's solidity and profitability:

- Asset consolidation
- Dividends and attractiveness of the stock on the market
- Prudential liquidity management
- Cost control

■ Job protection:

- Productivity and cohesion
- Employment policies and responsible management of restructuring processes

■ Financial inclusion and economic empowerment:

- Support to families and elderly people, support to first home access
- Financial inclusion of young people, workers on temporary contracts and customers in financial difficulties
- Support to the third sector and social enterprises

■ Support for the business system:

- Access to credit for businesses
- Support to start-ups and strategic projects
- Strengthening of SME's competitive skills

■ Effectiveness of the governance system:

- Governance geared towards the creation of long-term value
- Protection of all shareholders' interests within the Board
- Top management rules and incentives for long-term growth

■ Offering valued service to customers:

- Evolution of the service model and relationship channels
- Quality of products and services
- Dialogue and interaction

■ Employees' enhancement:

- Professional training and development
- Recognition and reward of employees' merit
- Enhancement of diversity

■ Integrity and rigour of the company conduct:

- Compliance with standards
- Fight against corruption
- Proper fulfilment of lobbying activities and influence on the regulatory policies of financial markets

COMPARISON WITH THE 2012 MATERIALITY MATRIX

The materiality analysis conducted in 2013 was also aimed at an in-depth examination of the relationship between the aspects of an environmental and social nature associated with Intesa Sanpaolo's activities, which were the focus of the matrix relating to the previous year, and the extent of the economic sustainability of the business. Therefore, the analysis highlighted both the issues that measure the Bank's ability to create value for the stakeholders and all the aspects capable of having a more direct impact on the Group's economic performance in the medium term.

Due to the greater extent of the areas examined and with a view to preserving its effectiveness in providing an overview of the most relevant aspects for the stakeholders and the Group, the materiality matrix shows the issues in a more summarised form compared to the previous year.

The current economic situation in the Group's reference markets, combined with the regulatory policies of the financial sector, have led to a more detailed analysis of the issues relating to the protection of the Group's solidity and profitability, together with a more in-depth examination of the aspects relating to the effectiveness of the governance system. These issues, especially in terms of the vision from the organisation, thus acquire primary importance in relation to the year 2013.

An integral part of the "management of business risks" area is the issue associated with the control and monitoring of environmental risks and the violation of human rights in financing and lending activities.

The issues relating to support for families and the third sector detailed in the matrix of the 2012 Report are included in the "financial inclusion and economic empowerment" area.

The "employee enhancement" area summarises the issues relating to diversity management in the corporate population, training and development of skills.

The "quality of life in the company" category refers to issues associated with work/life balance, the promotion of health, security and welfare of employees.

The area relating to the responsible management of the supply chain includes transparency and fairness towards suppliers, as well as the adoption of criteria for the enhancement of social and environmental sustainability in suppliers' selection.

Actions implemented by the group in 2013 in relation to material issues

In 2013, the Group monitored the “strategic priority” material issues and defined a set of objectives capable of creating value for the Bank and meeting the stakeholders’ expectations identified with the engagement processes of the previous year.

The detail of the actions implemented within this framework is presented in the 2013 Sustainability Report; below is a summary of the main actions.

Strategic priority material issue	2013 Objective	Actions implemented
Protecting the Group’s solidity and profitability	To further strengthen the bases for sustainable growth	Intesa Sanpaolo aims to achieve significant growth in profitability and efficiency, maintaining a low risk profile, arising from the solid generation of revenues, ongoing cost governance and dynamic management of credit and risk, with an efficient use of capital and liquidity. In 2013, we recorded a significant increase in net fee and commission income (+12.8% per annum) and a structural decline in costs (-6.3% per annum).
Effectiveness of the governance system	Remuneration policies for top management: greater moderation in assigning bonuses to top management	Intesa Sanpaolo adopted Directive 2013/36/EU as regards the cap on variable remuneration in advance of a year, setting it at 100% of fixed remuneration. Currently Intesa Sanpaolo is the only entity among the major national and international groups to do so.
Management of business risks	Implementation of more stringent criteria for the management of environmental risks connected to the disbursement of loans	The Operating Guidelines to implement the new edition of the Equator Principles III were drawn up. The official enactment will take place in early 2014. Screening activities with regard to environmental and social risk from the time of adoption of the Principles until today have involved 263 projects.
Offering valued service to customers	Extension of branch hours in a selection of branches in Italy (Banca Estesa Project)	The Banca Estesa project was implemented at the end of December 2013 in 527 branches. Of these, over 50% have adopted non-stop opening hours.
	Application of an advisory approach in order to improve relations with retail customers	Banca Estesa is based on a new service model able to meet the requirements of customers with more flexible hours, home advisory service and fully mobile communication with the Bank.

<p>Financial inclusion and economic empowerment</p>	<p>Households and seniors: Development of an offer for the entire family unit and focus on solutions for senior customers</p>	<p>House mortgages:</p> <ul style="list-style-type: none"> ■ Renegotiations. Over 36,400 in Italy for a corresponding residual debt amount of approximately 1.8 billion euro. ■ Moratorium on instalments. The participation in the initiatives of the Italian Banking Association and the Ministry of Economy and Finance allowed the payment suspension of instalments for almost 3,200 mortgages for a corresponding residual debt amount of approximately 242 million euro. <p>Household support collaborations:</p> <ul style="list-style-type: none"> ■ Over 10 million euro loans to more than 2,000 households through the “Prestito Nuovi Nati” (new-born loan). ■ Microfinance and anti-usury initiatives in Italy for more than 9.3 million euro. <p>Solutions for senior customers: Dedicated offer: New savings book, a top-up prepaid card and an account with special fee facilities. The “Riconoscimento Senior” (senior bonus) plan has been active since April 2013 and it includes facilities for health care, social assistance and purchase facilities.</p>
	<p>Young customers: Consolidation of the offer addressed to young people (especially Superflash)</p>	<p>Dedicated Superflash offer including transnational products, lending, savings and welfare plans.</p> <ul style="list-style-type: none"> ■ Bridge Loan to fund university studies under particularly favourable conditions. A total of around 6,000 loans were disbursed for over 67 million euro to date. ■ Launch of a welfare offer which provided credit facilities for young people in view of their high vulnerability in this area.
	<p>New Italians: Development of new fund transfer services addressed to “new Italians”</p>	<p>Three complementary services enable to transfer money to all countries worldwide: Getmoney to Family, Express to Family, Money Transfer Western Union. Over 87,400 transactions were handled in 2013 with remittances of almost 52.8 million euro.</p>
	<p>Partnership with the third sector: Stimulus for the creation of networks among non-profit operators and other players</p>	<p>Banca Prossima: at the end of 2013, approximately 26,500 customers (+21% compared to 2012), with deposits of around 4.8 billion and investments of around 1.2 billion. Numerous projects were developed in partnership with and in support to the third sector.</p>

<p>Support to the business system</p>	<p>Support to new businesses and employment: new credit lines addressed to Small Business customers and aimed at supporting new businesses</p>	<ul style="list-style-type: none"> ▪ Support to more than 4,500 new business activities with almost 450 million euro of medium/long-term loans and over 19,000 new businesses with 578 million euro of new short-term loans. ▪ Collaboration with the leading credit guarantee consortia continued. To date, over 83,000 outstanding guaranteed loans have been granted, for a corresponding amount of approximately 4.7 billion euro
	<p>Business development agreements: Definition of a new agreement with Confindustria focused on size growth, internationalisation and new businesses</p>	<ul style="list-style-type: none"> ▪ A new agreement was entered into with Confindustria Piccola Industria in March 2013: 10 billion euro was allocated to support SMEs. ▪ New ABI (Italian Banking Association) credit agreement updating the loan payment suspension and extension measures provided for by the previous agreement.
	<p>Innovation and Start-up Undertaking of initiatives to assist start-ups and developing companies</p>	<ul style="list-style-type: none"> ▪ Intesa Sanpaolo Start Up Initiative continued its acceleration process for growing businesses: more than 60 editions in four years. 101 start-ups were presented to investors in 2013. ▪ Nova+: loans for business innovation amounted to over 360 million in favour of 333 initiatives.
<p>Employees' enhancement</p>	<p>Valuation Constant focus on the subject of objectivity of the assessments and the correct identification of the best performers. Training to line managers and HR managers on the assessment and management of feedback interviews</p>	<p>The "Performer" evaluation system is based on the logic of expected profiles, whereby every Employee is assessed objectively and consistently with conduct requirements in relation to the complexity and specifics of their position. Frequent training sessions were held on assessment-related issues and on managing feedback to employees. HR supervisors and managers received over 2,200 hours of training in 2013, involving more than 290 participants.</p>
	<p>Professional development Extension of the already existing professional development model and support to individual development plans for the consolidation of specialist-professional and managerial skills</p>	<p>The employees "mapped" by professional skills on the On Air development platform number almost 30,700. Of these, over 10,700 have applied for a development path. More than 500 assessments were performed, after which over 600 development plans were launched (including those started in 2012) and over 5,500 hours of training were provided.</p>
	<p>Diversity management Monitoring on the establishment of growth areas and management appointments in order to ensure the enhancement of female talent</p>	<p>The management processes take into consideration the attention required for the various forms of diversity. In particular, the "On Air" development platform, which focuses on the extent of individual motivation and interest in career development, means that stereotyping, prejudice and barriers are overcome.</p>
	<p>Training Ongoing training (before, during and after the classroom lessons) and search of new learning formats and products</p>	<ul style="list-style-type: none"> ▪ Adoption of the LED protocol as standard for planning courses included in the training catalogue, both permanent and ad hoc. In 2013, 100% of courses provided in person and remotely adopted the LED protocol. ▪ Enhancement of the portability and accessibility of the distance learning clips "Educast", "Educard" and "Online Lessons". In 2013, 91 video clips and 106 audio clips were made available on different professional and conduct-related topics.

Likewise, objectives and actions were defined in order to put into practice the Group's commitment in relation to the additional issues of relevance to the social and environmental responsibility process.

Relevant issues	2013 Objective	Actions implemented
Green economy development	Green loans: adaptation of environmental products addressed to small business customers for the purposes of energy efficiency	For the small business customer segment, in 2013 medium and long-term loans continued to be granted to support projects related to the use of photovoltaic panels, biomass and hydroelectric plants and energy efficiency measures.
	Innovation of the offer targeted at businesses for energy saving and the use of renewable energies	Within the scope of the "sustainable energy programme", Mediocredito Italiano provides tailor-made financial solutions and specialised advisory services dedicated to businesses investing in plants for the generation of energy from renewable sources or in energy efficiency processes. 164 loans for a total of over 213 million euro were disbursed in 2013. In 2013, 120 contracts were signed for the "Leasenergy" and "Leasenergy 20-200" products for a total of around 250 million euro. As part of its activities in support of green energy development, Leasint entered into 1,787 lease contracts overall, thus contributing to the construction of renewable source energy production plants totalling more than 2.2 Gigawatt.
Responsible management of the supply chain	Supplier relations: extension of the e-sourcing Portal and use of online tenders to promote the transparency of procurement procedures	The increase in the number of online tenders, which are conducted through the e-sourcing Portal, improved both communications and transparency of procurement procedures. In 2013, 2,700 suppliers completed their registration on the Portal (about 1,400 in 2012). Number of online tenders in 2013: 1,382 (499 in 2012).
	Green procurement: further increase of the use of ecological and recycled paper	The digitisation initiatives aimed at cutting down paper consumption and at procuring ecological and recycled paper continued in Italy. In 2013, the procurement of ecological and recycled paper recorded +12% compared to 2012.
	purchase of green energy more in line with the highest environmental sustainability requirements	The figures highlight a constantly growing trend in the use of energy from renewable sources both in Italy and at International Subsidiary Banks. Electricity: ratio of consumption from renewable sources to total consumption: 76%.
	Sustainability culture: additional training of procurement managers on the issues of social and environmental sustainability	The structured training on social and environmental sustainability issues was launched in 2013 with a training event that involved all buyers and Procurement Managers.
The quality of life in the Company	Work life balance Search for solutions capable of meeting flexibility requirements	A feasibility study has been completed on smart working and adoption of the Flexible Work Day promoted by the Municipality of Milan. The project to create the Day Care Centre in Torino Grattacielo was completed.
	Welfare and health Definition of actions to strengthen the effectiveness of the Health Fund and its sustainability over time	In June 2013 the Fund founders established a technical committee to discuss the sustainability of managing retired members. An agreement was signed in September 2013 offering a better balance between contributions and service in compliance with the principles of fairness and intergenerational solidarity.

	<p>Development of the project for the establishment of the cultural, recreational and sports Association of the Intesa Sanpaolo Group's employees</p>	<p>The Intesa Sanpaolo Employees Association (ALI) has been active as the Group's only association since January 2014. ALI brings together the pre-existing societies to optimise the operating synergies and expand their operations, also in terms of services to individuals. Total members as at February 2014: approximately 20,000.</p>
<p>Social capital development in the territories where the group operates</p>	<p>Donations: focus on the social commitment towards the most vulnerable people</p>	<p>The 2013 Plan for contributions to the charitable Fund focused on projects with a highly significant social impact. 83% of national central contributions were issued to provide support to disadvantaged people (77% in 2012). With reference to territorial donations, the interventions issued in favour of disadvantaged people between 2012 and 2013 were essentially stable and exceeded 60% of the total allocated for local donations.</p>
	<p>Sponsorships: development of relations with local communities, partnerships with universities/trade associations and centres of excellence</p>	<p>They were characterised by an ongoing commitment, driven by specific projects and aimed at promoting cultural and social growth in the territories where the Bank operates and creating value and wellbeing for the community.</p>
	<p>Culture and art heritage Enhancement of "Gallerie d'Italia" by rearranging exhibition areas; creation of exhibitions and monographs; initiatives aimed at facilitating access by young people, the elderly and those who are in social and economic difficulties</p>	<p>The Gallerie d'Italia museums received around 243,000 visitors overall. Temporary shows and monograph exhibitions enriched the intense cultural activity. Almost 400 events and concerts were organised or held. 26 teaching groups were conducted free of charge at Galleria di Milano for vulnerable categories.</p>
<p>Mitigation of direct environmental impacts</p>	<p>Continuation of the energy saving plan</p>	<p>The Group accounts for over 16% of the electricity consumed in Italy by the credit and insurance sector, down compared to the prior year. Total electricity consumption in Italy is down 8.8%. Heat consumption in Italy is constant compared to the prior year, despite a 7% increase in area.</p>
	<p>Adoption of a new UNI EN ISO 14064 standard quality certification for the quantification and reporting of CO₂ emissions</p>	<p>Intesa Sanpaolo is the only bank in Italy to have integrated its Environmental and Energy Management System with the requirements of the UNI EN ISO 14064:2012 international standard, which defines the principles and requirements for quantification and reporting of greenhouse gases (GHG) emissions.</p>

The stakeholder engagement

2013 saw the continued implementation, in collaboration with the concerned Departments, of listening and dialogue with stakeholders. The engagement activities offered an opportunity to focus on areas for improvement and to build the materiality matrix. The activities developed in order to answer the needs arising from the stakeholders' feedback are set out in detail in the Group's 2013 Sustainability Report and summarised hereunder.

STAKEHOLDER MAP

As mentioned above, the stakeholder map was revised in order to strengthen consistency with the actual reality of stakeholder relations; in particular, the detail relating to some categories of key stakeholders, such as employees and customers was enriched and updated.

The current stakeholder map of the Intesa Sanpaolo Group is set out as follows:

EMPLOYEES:

- Network personnel
- Staff personnel
- Junior employees
- Senior employees
- Managers
- Top management
- Trade unions

CUSTOMERS:

- Private and household customers
- Financially vulnerable retail and household customers
- Small and medium enterprises
- Large enterprises
- Start-ups
- Consumer associations
- Public Authorities and Public Administration
- Third sector
- Professional associations

SHAREHOLDERS:

- Small investors
- Foundations
- Institutional investors
- Socially responsible investors
- Shareholders' associations

SUPPLIERS:

- Large-scale suppliers
- Small-scale suppliers
- Trading partners
- Sub-suppliers

ENVIRONMENT:

- Environmental associations
- Future generations
- Scientific community

COMMUNITY:

- Associations representing community interest
- Regulatory authorities
- National and international public institutions
- Media

TECHNICAL QUALITY ASSESSMENT OF THE ENGAGEMENT INITIATIVES IN 2013

The technical quality of the engagement initiatives implemented is measured through a series of parameters:

- interactivity of the initiative: it measures the level of active involvement by participants including on the basis of the engagement method used (for example, focus groups are by definition more interactive than an online questionnaire);
- cyclicity of the initiative: it represents the frequency with which a type of initiative is repeated at every reporting cycle (customer satisfaction is a consolidated and repeated activity with well-defined frequencies, whereas some interviews are conducted only once);
- representativeness of the sample: it is necessary in order to assess the extent to which the people involved really represent the interests of the reference stakeholders for the Group;
- relevance of the issues dealt with: it is a parameter defined on the basis of the input gathered from the stakeholders and assessed post-initiative: the level of perceived relevance in relation to the topics dealt with during the engagement is a very significant parameter in order to assess the overall quality of the initiatives.

As shown by the table, the engagement initiatives implemented during 2013 were all medium-high quality: on a scale of 1 to 5, they all scored above 3.5, which is an entirely satisfactory result.

Initiative	Inter-activity	Cyclicity	Representativeness	Relevance	Initiative quality index
Interviews to Shareholders' Foundations, Share Ownership Associations and SRI investors	4	3	3	4	3.8
Customers' involvement (in collaboration with customer satisfaction)	4	4	4	4	4.0
Involvement of opinion leaders and the community through the "Sustainability scenarios: creating shared value" Forum	5	2	5	5	3.9
Involvement of employees (climate survey, focus groups) and Trade Union Organisations	4	3	4	4	3.8

THE INVOLVEMENT ACTIVITIES

EMPLOYEES

Listening and engagement methods	Topics addressed
<ul style="list-style-type: none"> ▪ Climate survey via online questionnaire for clerical staff and middle-managers respondents: 34,696 out of a total of 60,951 people contacted via e-mail ▪ Climate survey via online questionnaire for senior managers respondents: 677 senior managers out of a total of 995 people contacted via e-mail ▪ Interview and Focus Group with the trade unions participants: 10 trade union representatives of the 9 trade unions present in the Group ▪ Focus Group "Life and work in Intesa Sanpaolo" participants: over 400 employees of all the Group's Business Units 	<p>Climate survey for employees and managers</p> <ul style="list-style-type: none"> ▪ The vision of the banking system and the characteristics of the "Bank of tomorrow" ▪ Job satisfaction ▪ Employees' perception of the Bank ▪ The customers' relationship with the Bank according to employees' perceptions ▪ The management's perception <p>Focus groups with Employees</p> <ul style="list-style-type: none"> ▪ Work organisation methods following the Group's strategies in terms of customer service ▪ The leadership style and the relationship with the management ▪ Internal communications ▪ Work-life balance <p>Focus groups with Trade Union organisations</p> <ul style="list-style-type: none"> ▪ The Bank's area of commitment towards meeting employees' expectations and identifying priority actions that the Bank should follow through in order to strengthen cohesion and improve the internal climate: ▪ Professional training and development ▪ Remuneration systems and meritocratic incentives ▪ Employment policies and responsible management of restructuring processes ▪ Support to employees' wellbeing and welfare requirements ▪ A safe and healthy work environment ▪ Diversity management and inclusion ▪ Helping employees achieve a healthy work-life balance ▪ Employees' involvement in corporate life

CUSTOMERS

Listening and engagement methods	Topics addressed
<ul style="list-style-type: none"> ▪ Benchmark survey targeting retail and household customers respondents: 2,964 Intesa Sanpaolo customers, 11,136 other banks customers ▪ Survey on the level of satisfaction of retail and household customers who used the Banca Estesa service respondents: 37,764 customers ▪ Survey on the level of satisfaction of private and household customers relating to the “Fuori sede” (Out of branch) offering respondents: 23,307 customers ▪ Survey on the level of satisfaction of companies in respect of Banks and Credit Institutions respondents: 2,500 Small and Medium enterprises with a turnover below 2.5 million euro, 2,500 companies with a turnover between 2.5 and 150 million euro ▪ Questionnaire to members of the Consumer Associations who participated in the “Formiamo l’Italia dei Consumatori” initiative respondents: 7 national representatives of Consumer Associations ▪ Analysis of complaints relating to the Code of Ethics 	<p>Survey on the level of satisfaction of retail and household customers:</p> <ul style="list-style-type: none"> ▪ Quality of the service offered at branches (competence, kindness, customer’s knowledge...) ▪ Quality of the services offered through alternative channels (internet banking, app, phone banking, ...) ▪ Bank’s Profile (considering aspects such as innovation, fairness, attention to the customer, ...) <p>Survey on the level of satisfaction of corporate customers:</p> <ul style="list-style-type: none"> ▪ Credit demand and supply ▪ Interest rates, guarantees, credit term, service cost and other conditions <p>Consumer Association Questionnaire: Priority aspects to efficiently meet the requirements of today’s customers, in terms of:</p> <ul style="list-style-type: none"> ▪ Products and services ▪ Contact methods and channels ▪ Customer relations ▪ Financial inclusion of vulnerable subjects

SHAREHOLDERS AND INVESTORS

Listening and engagement methods	Topics addressed
<ul style="list-style-type: none"> ▪ Interviews to representatives from Cariplo, Cassa di Risparmio in Bologna and Cassa di Risparmio di Padova e Rovigo Foundations ▪ Interviews to representatives of share ownership associations E.Di. Va. - Etica Dignità e Valori e Azione Intesa Sanpaolo ▪ Shareholders' Meeting (04/2013) ▪ Interview to the analysis office of Etica Sgr, socially responsible mutual investment fund management company 	<p>Interviews to banking Foundations' representatives:</p> <ul style="list-style-type: none"> ▪ Main social and economic transformations that will have a greater impact on Italy and hence on the context in which the Bank operates ▪ Relevant areas where the Foundations have higher expectations of commitment from the Intesa Sanpaolo Group ▪ Perception in relation to the Bank's CSR activities and their reporting through the Sustainability Report <p>Interviews to the representatives of share ownership associations</p> <ul style="list-style-type: none"> ▪ Relevant areas where the Associations have higher expectations of control from the Intesa Sanpaolo Group ▪ Perception in relation to the Bank's CSR activities and their reporting through the Sustainability Report ▪ Perception of the Group's openness to dialogue <p>Interview to the analysis office of Etica Sgr:</p> <ul style="list-style-type: none"> ▪ Perception of the Group's positioning in relation to the dimensions considered in order to evaluate business sustainability ▪ Perception of the level of disclosure guaranteed by the Group on different aspects

COMMUNITY AND ENVIRONMENT

Listening and engagement methods	Topics addressed
<ul style="list-style-type: none"> ▪ Multi-stakeholder Forum "Sustainability scenarios: creating shared value" participants: 20 opinion leaders from universities and research centres, public institutions, the enterprise world, the media and civil society 	<p>Four relevant thematic areas were identified:</p> <ul style="list-style-type: none"> ▪ The Bank's role in an evolving socio-demographic context and welfare system ▪ The Bank's role in relaunching Italy by supporting economic empowerment and social innovation in the reference territories for the group ▪ The Bank's role as an element acting as the catalyst of a transition to a more environmentally sustainable economy ▪ Relations between the Bank and the stakeholders in the "web 2.0 culture" <p>With regards to these, the following was developed and shared:</p> <ul style="list-style-type: none"> ▪ Changes in the current Italian and international socio-economic and environmental scenario and in the wider global context capable of influencing the Bank's activities and performance in the medium term ▪ Possible contributions from the Bank in addressing pressing needs and managing them proactively in terms of business growth and creation of value for its stakeholders ▪ Priority action areas

THE MULTISTAKEHOLDER FORUM “SUSTAINABILITY SCENARIOS: CREATING SHARED VALUE”: METHODOLOGY

The Multistakeholder Forum saw the participation of a group of qualified opinion leaders with a variety of professional backgrounds and roles in relation to the topics dealt with, who were involved in a day-long debate moderated by Valter Serrentino, head of Intesa Sanpaolo’s CSR Unit and Marco Frey (third party), university professor with extensive experience in CSR issues and president of the Italian Global Compact network.

The objective was to capture external and diversified points of view that would enable Intesa Sanpaolo to detect the ongoing social transformations and give rise to the main areas of commitment with a view to creating a mutual benefit between the generation of value for stakeholders and the consolidation of the Bank’s growth.

Starting from the analysis conducted in order to identify the “material” issues, four areas of relevance to the company and the communities where the Bank operates, and consequently to the Group’s strategies and activities were selected; the issues dealt with were:

- how to prepare for the demographic changes and a welfare model in the process of being redefined;
- how to support a territory’s development system capable of creating quality employment;
- how to promote the dissemination of production and consumer models with a lesser impact on the environment;
- how to take full advantage of the potential offered by the new communication technologies to create more transparent and open relationship and exchange networks.

The choice of the participants took into account representation criteria from a variety of points of view capable of interpreting the opinions of stakeholders directly affected by the topics subject to comparison. To this end, the composition of the working groups entailed a balanced presence of stakeholders with an institutional role and stakeholders with technical and scientific expertise on the topics discussed. The opinion leaders who accepted to participate in the event came from universities, research centres, the business world, the media and the civil society for a total of 20 participants.

The multistakeholder Forum was held in Milan on 20 February 2014 for an entire working day. The CSR Unit had previously sent to the participants some introductory dossiers prepared with the aim of defining a shared scope of debate. In order to identify the most relevant areas capable of providing an overview of the economic, social and environmental sustainability scenario of the current development process of the Italian company, reference was made to the “Benessere Equo e Sostenibile in Italia (Fair and Sustainable Wellbeing in Italy) - 2013” Report drawn up by ISTAT and by the National Council for the Economy and Labour.

In the first part of the day, the opinion leaders, divided into themed working groups according to their individual expertise, were called upon to identify:

- what changes in the current Italian and international socio-economic and environmental scenario and in the wider global context will be capable of influencing the Bank’s activities and performance in the medium term
- what contributions can be provided by the Bank in addressing external pressing needs and managing them proactively in terms of business growth and creation of value for its stakeholders

In the second part of the day, the participants, divided into mixed working groups according to the themes and expertise, shared the identification of priority work areas among those emerged in the morning in relation to which the Bank should immediately focus its attention.

A report detailing the method, premises and results of the Forum is attached hereto .

Improvement objectives

With the 2014-2017 Business Plan, Intesa Sanpaolo undertook a series of commitments aimed at a sound and sustainable creation and distribution of value.

This chapter will provide, for each “material” area accounted for in the 2013 Sustainable Report, the stakeholders’ requirements, the framework of the commitments undertaken at the strategic level and the operational commitments for 2014.

HOW WE DO BUSINESS

THE STAKEHOLDERS’ PROPOSAL

Solidity and profitability protection

- Balance between asset consolidation objectives and medium-term return of the stock, including through credit quality improvement.

Integrity and rigour in Company conduct

- Strengthening of the commitment towards combating activities in tax havens;
- communication: greater disclosure on policies and programmes aimed at combating corruption with more detail of the application in different operational countries.

Effectiveness of the governance system

- Transparency in the governance system for the protection of the representation and safeguarding of all shareholders’ interests and management incentive schemes geared towards the creation of value in the long-term.

Management of business risks

- Protection of the Group’s solidity and management of the Country risk deriving from the Italian current economic situation;
- innovation of credit rating evaluation tools to ensure also the identification of the ability of the entities to be financed to create environmental and social value;
- monitoring of environmental and social risks in the supply chain and in lending activities;
- strengthening of the ability to evaluate and monitor in project finance activities – in addition to the economic sustainability of the interventions – also the environmental risks and externalities generated.

Offering valued service to customers

- Continuation of the initiatives aimed at strengthening service access and searching for new relationship methods with the Bank according to customers’ requirements through the “Banca estesa”, “Offerta Fuori Sede” (Out-of-branch Offering) projects and homebanking services;
- service quality, including through the guarantee of short response times to customers and efficient complaint management;
- use of the web 2.0 potential for listening to customers’ requirements and co-designing new products and services;
- the Bank’s role in the development of the territory, including by aiding the aggregation of public institutions and customers to promote shared projects; to be pursued, for instance, through a redefinition of the role played by the branches in order to allow them to consolidate the ability to liaise and interact with the territories in which they operate.

Mitigation of direct environmental impacts

- In consideration of the widespread presence of the distribution of the branches across the territory, the reduction in energy consumption and the reduction in emissions continues to be a commitment to follow through carefully due to the effects on the environment and on the efficiency of the organisation;
- attention to the efficient use of natural resources in respect of their increasing economic value on the market.

THE BANK'S STRATEGY UNTIL 2017

Creating value:

- Gradual improvement of the results until the achievement, in 2017, of a net result of 4.5 billion euro and returns above the cost of capital for each Business Unit and at Group level.

How we do business:

- Bank focused on an established divisional model and committed to strengthening and simplifying the current Banca dei Territori model, taking into account the evolution of customers' demands;
- international bank playing the role of a "Local bank abroad" for Italian businesses;
- straightforward and innovative bank and development of an integrated multi-channel platform.

THE COMMITMENTS UNTIL 2014

INTEGRITY AND RIGOUR IN COMPANY CONDUCT

- Corruption prevention: Determining the alignment of the body of corporate regulations with the monitoring and conduct principles laid down by the "231" Model following the introduction of new offences;
- strengthening of the commitment towards combating activities in tax havens: definition of a structured programme for the systematic identification of such jurisdictions (first and foremost in terms of taxation and anti-money laundering), with the specification of the lines of conduct to be adopted by the Group.

MANAGEMENT OF BUSINESS RISKS

Environmental and social risks in financing activities

- Implementation of the strictest evaluation criteria and the most effective operational methods for the management of the environmental risks associated with the granting of loans to business customers through the preparation of a questionnaire aimed at gaining a better understanding of the customer on environmental matters and identifying the possible risks.
Indicators: number of questionnaires submitted – Objective defined for 2014: 50 questionnaires in the pilot project;
- new model for the assessment of the credit rating based on the strategic analysis of the business including sectorial and competitive variables.

Health and safety risks

- Preparation of guidelines and "good practices" for the development of standardised methodologies for the evaluation of:
 - indoor air quality.
Indicators: evaluation questionnaire and comparison with the 2012 results;
 - management of risks of a natural or human origin;
 - management of risks for employees sent abroad. Evaluations designed to verify the work environment conditions in the Parent Company's foreign work places.
Indicators: number of sites examined and no. of contacts made with the competent Physician.
- Preparation of group management and benchmark systems for the analyses of the main indicators on workers' health and safety with advanced and local mapping applications.

OFFERING VALUED SERVICE TO CUSTOMERS

Quality and innovation

- Creation of new products/services based on feedback from the customer experience surveys focused on improving customers' quality of life;
- testing new methods of analysis into products and services (especially with regards to Banca Estesa, support to new entrepreneurship, new business requirements) by involving customers directly and taking advantage of the potential offered by the new technologies.
Indicators: number of surveys conducted;
- improvement of the SElok quality control system: development of the KPIs to monitor the quality provided; creation of a Voice of Customer system for the collection, analysis and activation of specific improvement measures;
- development of a service model and internal specialist skills to enhance Intesa Sanpaolo's partner role towards corporate enterprises.
Indicators: sectorial training events targeted at employees;
- listening and communication initiatives to understand the needs of customers and large businesses within the relationship cycle with the Bank.
Indicators: customer satisfaction surveys: number of customers involved; type of surveys, redemption, availability to be contacted back; results;
- management of complaints: launch of an evolutionary project for the management of claims and fulfilment of complaint response times.
Indicators: percentage of complaints and claims processed beyond the terms;
- strengthening of the Out-of-branch Offering model by increasing the number of eligible colleagues and by extending the range of services offered, including with a view to aiding the elderly or people with limited mobility.
Indicators: increase in the number of colleagues eligible for the out-of-branch offering;
- strengthening the access to services thanks to Integrated multichannel projects: Improving customer satisfaction by offering a unique and state-of-the-art experience in accessing the bank's services by taking advantage of the full integration between the direct channels and the branches.
Indicators: number of customers with the option to access "remote" services (Internet banking and mobile banking);
- innovation: creation of a new centre dedicated to the improvement and development of new products and operational processes (Digital innovation lab) at the new Tower in Turin.

REDUCTION OF DIRECT ENVIRONMENTAL IMPACTS

- **Reduction of climate-changing emissions:** the purchase of electricity with certification of Guaranteed Origin from renewable sources at all Italian sites will continue wherever possible. Moreover, the reduction in the emissions will be related to the actions aimed at managerial optimisation and energy efficiency put in place by the Group. Intesa Sanpaolo intends to pursue the extension of the reporting of the other indirect emissions (Scope 3) in the Italian perimeter, through the evaluation of its own waste-related Carbon Footprint. Furthermore, the certification will continue to be extended, according to the provisions laid down by the ISO 14064 standard on greenhouse gas emissions of the sites that will be part of the Environment and Energy Management System.
- **Reduction in energy consumption:** commitment to reducing energy consumption relating to 98% of the Intesa Sanpaolo Group's Italian perimeter.
Indicators until 2016 (envisaged by the 2013-2016 Sustainable Environment Action Plan): 14% reduction in electricity consumption in Italy compared to the 2012 consumption.
- **Water:** launch of a detailed analysis of consumption data which is useful in order to put in place significant reference consumption parameters in the Branches.
- **Waste:** a new contract for the disposal of used ink ribbons and toners will be signed. Awareness-raising actions will be promoted among colleagues in order to increase the use of municipal separate waste collection and the correct disposal of special non-hazardous waste. All the necessary adjustments for the entry into force of SISTRI (Italian waste traceability control system) will be made.

OUR PEOPLE

THE STAKEHOLDERS' PROPOSAL

Job protection

- Responsible management of the restructuring processes;
- attention to the generational balancing and the inclusion of new competences;
- development of the Bank's business to enable job retention and employment growth.

Employees' enhancement

- Transparency and objectivity in recognising and rewarding merit at all levels of the organisation and in the definition of professional development paths (with special attention to junior and senior employees);
- fairness in salaries and management of salary differences between positions and roles;
- quality of training programmes and updating of skills, experimenting innovative methods for mentoring and sharing skills among colleagues;
- inclusion of diversity and enhancement of female talent, newly hired personnel and people with disabilities;
- promotion of a leadership model capable of creating cohesion and a sense of belonging to the Group;
- personnel enhancement and motivation to guarantee service excellence.

The quality of life in the Company

- Support with achieving better work/life balance, especially within the framework of the new "Banca Estesa" service model;
- strengthening of internal cohesion, employees' involvement in the organisation and the sense of belonging to the Group, including looking after the quality of the exchange and feedback between managers and employees.

THE BANK'S STRATEGY UNTIL 2017

- Technical and management training for professional skill development: 5 million cumulative training days and investments of over 1 billion euro in the four-year period;
- inter-departmental and international career paths;
- leadership development: career advancement paths for colleagues with coordination duties;
- internal policies and communications to foster a Group culture based on service excellence and provide support for households and businesses;
- internal policies for the enhancement of the corporate welfare and increased flexibility at the workplace with a view to Work-Life Balance;
- around 4,500 people involved in professional reassignment and requalification initiatives to support the development of the new business initiatives under the Plan;
- increased flexibility at the workplace with a view to Work-Life Balance.

THE COMMITMENTS UNTIL 2014

JOB PROTECTION

- Project for upgrading excess production capacity, equal to 4,500 people, who can be reassigned to new initiatives capable of generating value. The increase in production and the achievement of the economic/capital objectives will be in fact essential to protect employment;
- launch of "Banca 5", initiative serving growth which entails the establishment of a commercial chain dedicated to the development of around 5 million customers, with forecast employment figures of around 3,000 people coming from other structures.

EMPLOYEES' ENHANCEMENT

Professional development

- Evolution of the "Performer" evaluation system guided by the principles of tangibility, consistency and innovation. The system will be provided with performance measurement indicators and instruments supporting the managerial actions of bosses, with the aim of strengthening the boss-employee dialogue as a key element of the evaluation process;
- reopening of the ON AIR Professional Development Platform on the Banca dei Territori and the Governance Central Structures and further extension to other Group Divisions, with longer opening times for application campaigns. The ON AIR will enable the identification of talent, the activation of personalised development plans, the establishment of professional development pools for both vertical and horizontal growth processes.
Indicators: Implementation of ON AIR into other Group entities (number of Assessments carried out); number of individual development plans activated (consequence Platform); number of tutoring and mentoring processes activated following assessments; number of Resources Included in the pools;
- extension of ON AIR to the managerial roles to establish a pool feeding the Group's senior and middle management roles in a short-medium term horizon (Scuola di Sviluppo dei Capi – Managers' Development School).
Indicators: number of resources identified; number of resources included in managerial assessment processes;
- planning of professional acceleration processes aimed at enhancing and developing internal technical skills and at the same time supporting internal mobility in response to the ever-changing market and organisation needs (i.e. accelerated inclusion processes on Risk Management and Control positions).
Indicators: number of people involved in acceleration projects.

Incentive and remuneration system

- "Leverage Engagement Plan": offering to all employees an innovative corporate bonus through a share ownership instrument aimed at income support and morale boost as a key factor for the success of the 2014-2017 Business Plan.
Indicators: number of shares of the share ownership plan not transferred immediately; total number of shares under the plan;
- increase in remuneration equality levels: issue of the new regulations on remuneration systems, in line with the provisions set forth by the Supervisory Authority.
Indicators: introduction of a ceiling to the bonuses issued to top executives equal to 100% of the fixed remuneration, with the sole exception of the audit corporate departments and the Manager in charge, for whom the ceiling is fixed at 33%;
- further fine-tuning and control of the drivers to make the bonus/work association more objective in the process for performance and management incentive evaluation;
- introduction of an all-round evaluation system for the CEO, with the gradual extension into Banca dei Territori and Personal Finance, by putting in place a lever effect on any potential bonus.

Diversity management

- Integration of disabled personnel and preparation of good practices for the inclusion and retention of the disabled person in the company with adequate ergonomic and health and safety conditions at the workplace. Implementation of a specific Operational Procedure to be applied to the different work life stages.
Indicators: number of cases dealt with in the circumstances considered by the procedure (in the recruitment stage – disability occurring during the work contract – relocation, restructuring of the work place, change of job title);
- adoption of recruiting systems through social network channels capable of optimising searches and identifying the best job applications in the population of young talents.

Training

- Enhancement of didactic tools and models based on the expected roles and skills for specific professional communities, including with a view to classifying "new jobs".
Indicators: in-person and remote training hours for specific skills development projects;
- consolidating the ongoing training approach (before, during and after class) and continuous strengthening of the integration among different didactic methods.
Indicators: percentage of courses designed with LED. N. protocol "learning objects" issued with new formats; Data relating to training days divided by channel; Social learning platform "traffic" data;

- guiding business evolution at the level of territories and product companies by pooling together the internal skills already present within the Bank.
Indicators: classroom and remote training hours for specific theme-related projects;
- classroom training for 1,000 branch managers in relation to the specific management and tools and processes available on workers' health and safety issues provided to them for the purposes of a widespread dissemination of culture on the matter and the implementation of the health and safety management system at all levels of the organisation.
Indicators: number of training sessions issued.

THE QUALITY OF LIFE IN THE COMPANY

Corporate welfare

- **Services:** completing the start-up of the new cultural, recreational and sports Association of the Intesa Sanpaolo Group's employees by implementing the range of services offered in all areas of interest to members in the field of services for people (crèche agreements-services to senior citizens) – tourism, culture and sport and offering a concrete support to household purchasing power through agreements, purchase of shopping vouchers, activation of groups for bulk buying of goods at discounted prices.
Indicators: number of members; number of services; territorial coverage of the promoted offers.
- **Health:** definition of initiatives aimed at improving employees' health. Within the scope of the Health Fund, activation of initiatives for the prevention/early diagnosis of certain pathologies and targeted at specific categories of members. Increasing the sustainability of the Health Fund action in the medium-term.
Indicators: number of employees involved. Investment aimed at the initiative of the Health Fund, number of Health Fund members involved in the prevention/early diagnosis initiatives.
- **Time:** search for solutions, including innovative solutions, capable of supporting flexibility requirements at the workplace (e.g. part-time and telecommuting).
Indicators: number of employees involved; number of parental leaves taken in relation to the corporate population.
- **Mobility:** commitments towards mobility issues as declared in the Home-Work Commuting Plans will continue.
Indicators: home-work commuting plans drawn up; studies conducted on home-work commuting phenomena and initiatives supporting the use of remote communication systems; number of partner public transport providers; subscriptions completed and instalment payments; experimental initiatives promoted (car-pooling) and car-sharing agreements and purchase of vehicles with a low environmental impact.

Work life balance initiatives

- Activation of the second stage of the PERmano process (initiative aimed at guiding colleagues who have long been absent from the company during the period of leave) which entails the creation of a remote "training programme" lasting for 6 months from the time of return with focus on reception, contact, balance, resilience and empowerment. Identification of quality indicators in order to ensure greater evaluation effectiveness
Indicators: number of people joining the process; use of remote courses.

THE BANK AS GROWTH DRIVER

THE STAKEHOLDERS' PROPOSAL

Financial inclusion and economic empowerment

- Guiding customers through financial difficulties for sustainable debt management of households and small businesses;
- young people's financial integration through support to house ownership access, study grants and the start-up of business initiatives;
- offer innovation in support of elderly customers' requirements;
- usury prevention;
- development of tools for financing and guiding the growth of Third Sector organisations and social enterprises;
- development of business initiatives aimed at the employment of young people, women and over fifty-year-olds who have fallen outside the job market;
- enhancing the Group's corporate welfare system by experimenting forms of integration and adoption of these services on the territory.

Support to the business system

- Credit to enterprises, support to the creation of new business activities and easier access to the job market for young people;
- easier credit access for enterprises, especially small and medium enterprises, supporting dimensional growth and internationalisation processes, including through the promotion of the spreading of innovative tools;
- strengthening of the ability to offer consultancy services to companies, with a special focus on guiding start-up growth;
- use of the Bank's tangible and intangible assets, such as real estate assets deriving from non-performing loans, internal skills, networking skills on the territory and the welfare system to promote the development of high-value social projects and partnerships, including social housing;
- support to the enhancement of the cultural wealth and strengthening of Italy's tourism offering as a driver of growth;
- enhancement of the Bank's role as a pivot between public entities and development promotion agencies, customers and skilled entities such as Universities in order to support projects capable of meeting local needs;
- developing services to customers in order to aid corporate networks, connecting small enterprises and promoting the acquisition of high skills through entrepreneurship education programmes.

Green economy development

- Growing attention to the efficient use of natural resources in respect of their increasing economic value on the market;
- boost to investments for the implementation of safety and upgrade measures in the territory, sustainable mobility, the development of alternative sources of energy and the consolidation of the green industrial chain;
- increasing investments in the energy, local redevelopment and mobility sectors;
- strengthening the partnerships with local institutions to support the implementation of projects in the environmental area, including through the development of innovative financing products and services to aid the integrated intervention of multiple entities.

Responsible management of the supply chain

- Monitoring of environmental and social risks in the supply chain and in lending activities.

THE BANK'S STRATEGY UNTIL 2017

Real-economy Bank:

- Supporting the economy by meeting healthy credit demand (170 billion euro medium/long-term new lending in the Plan's time frame);
- revenues from proprietary trading below 1%;
- responsible management of customers' financial assets.

The Bank in the community:

- Around 10 billion euro of (direct and indirect) tax will be paid in the four-year period;
- around 1.2 billion euro of medium/long-term loans to support social entrepreneurship initiatives.

THE COMMITMENTS UNTIL 2014

FINANCIAL INCLUSION AND ECONOMIC EMPOWERMENT

- Young customers: Consolidation of the offer addressed to young people.
Indicators: number of new Bridge customers and young people who had access to our offer;
- households: offering the option to reduce mortgage loan instalments to invest in household projects, also by increasing the possibilities of making recourse to renegotiations; increasing the support given to families in the most difficult situations through projects such as "Prestito della Speranza".
Indicators: number of Private customers with renegotiations and Rata Leggera and revised mortgage loan amounts; number of new customers adhering to "Prestito della Speranza";
- social housing initiatives: standardisation and creation of models that can be repropose for the purposes of financing this type of initiatives.
Indicators: number of financed social housing initiatives;
- house purchase: definition of mortgage loan types aiding the promotion of new forms of more readily accessible forms of house purchase;
- welfare: extension of the "Health kit" option to new categories of customers (enabling access to a circuit of partner clinics and diagnostics practices applying a direct discount to the service) including the credit facilities available (e.g.: specialist visits and dental treatments).
Indicators: number of new member customers;
- Increased financial education: Definition of education initiatives in Banca Estesa, including in collaboration with Territorial Entities and Associations, to enable customers and non-customers to participate in training sessions on topics such as credit access, saving, welfare, security, protection, informed purchases, etc.)

SUPPORT TO THE BUSINESS SYSTEM

Access to credit for businesses

- Proactive credit management through working methods, dedicated tools and processes, with the aim of identifying actions on customers showing credit anomalies to enable to retain them or turn their bad debts into performing loans.
Indicators: number of action plans agreed with the customers;
- natural disasters: some emergency operational models (rules, processes and IT interventions) will be defined in advance to provide credit support in favour of companies hit by natural disasters and tailored according to the level of seriousness and immediate activation upon the occurrence of an event.
Indicators: operational models defined and % of coverage of disastrous events;
- aiding the renegotiation of the loans taken out by SMEs with payment arrears, thereby increasing the possibilities of making recourse to that option.
Indicators: number of Business and Small Business customers with renegotiations;
- definition of a new agreement with Confindustria Piccola Industria aimed at identifying options to support the growth, innovation and internationalisation of SMEs, as well as methods to continue to support AdottUp, the startup adoption programme;
- creation of the Business Finance Hub incorporating the entire Business offering of the Group companies (Mediocredito Italiano, Leasint, Agriventure and Mediofactoring) into Mediocredito with the aim of providing

Small and Medium Enterprises with a comprehensive advisory and specialist credit support aimed at the fulfilment of their development, growth, innovation and internationalisation plans.

Indicators: number of specialists trained and made operational; customers met by the Specialist with the Head of the Banca dei Territori Division; plans of action compiled; number and amount of loans and leasing agreements issued; number and amount of minibond and extraordinary finance transactions. Further indicators: recruitments made by the companies supported by Intesa Sanpaolo;

- support to the construction sector: promotion activities – including on the web – and offer of loans at special conditions to potential property buyers at construction sites financed by the Group.
Indicators: number of work sites supported;
- specialist support to sectors with high potential (including in association with EXPO2015): hotel tourism; food, etc.
Indicators: number and amount of loans issued to companies operating in these sectors;
- initiatives targeted at Expo 2015 Supplier companies, both during the tender participation stage and in the support to investments and factoring of receivables.

Innovation

- Support to growing companies in a structured, ongoing process of research, training, selection and presentation to investors of start-ups with a high technological content. Incubator of new drivers for growth;
- helping corporate customers access technologies, supporting them in the scouting and development of Open Innovation strategies;
- business training, skills enhancement and industrial tutoring, with a view to the growth of businesses operating in advanced technology sectors.

Indicators: number of initiatives to aid start-ups, number of start-ups presented to Start-Up Initiative events throughout the year, success stories, customer satisfaction indexes.

GREEN ECONOMY DEVELOPMENT

- Development of the offer of loans to save energy and make use of renewable resources.
Indicators: number and amount of loans issued;
- rationalisation and simplification of the offer of environmental financing products for small business customers.
Indicators: number and amount of loans issued;
- development of agreements with large corporate customers for the implementation of energy-saving offer packages;
- “Sustainable tourism” project: Offering auditing and consultancy services to hotel managers for the purpose of improving their facilities in terms of energy efficiency and sustainability; dedicated financing.
Indicators: partner facilities, loans issued.

RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN

Sustainability culture

- Suppliers’ qualification including on the basis of environmental and social requirements;
- continuing to pursue the training of procurement managers on the issues of social and environmental sustainability.
Indicators: number of procurement managers involved in CRS related training courses.

Fairness in the selection and management of supplier relations:

- Increase in “market benchmarks” (procurement of goods and services through appropriate tendering mechanisms) in relation to IT procurement.
Indicators: number of suppliers invited (suppliers already registered and new suppliers); percentage of “market benchmark” increases compared to the previous year;
- “Technical evaluation grading” of Suppliers in the IT procurement sector: questionnaires issued to the internal structures which enable to define a technical evaluation rating of the good/service provided on the basis of objective criteria.
Indicators: number of suppliers evaluated;
- formal notification of the failure to meet the service levels under the contract (IT procurement area).
Indicators: number of reports sent to suppliers by letter.

Green procurement:

- Procurement of energy from renewable sources: retention of procurement of electrical energy from certified renewable sources in all Italian operating units.
Indicators until 2016 (envisaged by the 2013-2016 Sustainable Environment Action Plan): green electrical energy at all Intesa Sanpaolo Group sites in Italy where applicable;
- office equipment: PCs will continue to be replaced with more energy efficient models.
Indicators until 2016 (envisaged by the 2013-2016 Sustainable Environment Action Plan): replacement of around 10,000 PCs with models having a lower environmental impact;
- purchase of paper: the commitment towards purchasing ecological paper will continue.
Indicators until 2016 (envisaged by the 2013-2016 Sustainable Environment Action Plan): purchase of 98% of ecological or recycled paper in Italy;
- office provisions: the commitment towards the purchase of office provisions with a lower environmental impact will continue.
Indicators until 2016 (envisaged by the 2013-2016 Sustainable Environment Action Plan): retention of the share of procurement of office provisions with a lower environmental impact in Italy.

THE BANK IN THE COMMUNITY

THE STAKEHOLDERS' PROPOSAL

Culture

- Support to the enhancement of the Intesa Sanpaolo Group's and the Country's cultural wealth and strengthening of Italy's tourism offering as a driver of growth.

Social

- Strengthening of the collaboration between the Bank and the Foundations in the development of projects aimed at supporting socially vulnerable situations;
- enhancement of the Bank's role as a pivot between public entities and development promotion agencies, customers and skilled entities such as Universities in order to support projects capable of meeting local needs.

THE COMMITMENTS UNTIL 2014

Donations

- Focus on the social commitment in favour of the most vulnerable people (with the method of the analytical classification of the project purposes already adopted in 2013).
Indicators: maintaining levels above 80% for central and national donations issued in the form of contributions in favour of the most vulnerable people; Stimulus to increase the percentage of 60% of territorial donations, in collaboration with the contact persons from the Regional Departments;
- feedback following the evaluation of the significance of the social impact on two/three relevant central donations accounted for (arrived at the end of the project).
Indicators: adoption, in collaboration with the CSR Unit, of the social impact evaluation methods of the London Benchmarking Group of some main donations already accounted for.

Culture and art heritage

- Enhancement of "Gallerie d'Italia" through initiatives aimed at supporting young people, the elderly and those who find themselves in social and economic difficulties.
Indicators: number of visitors;
- aiding the connection between scientific research, innovation and social needs by offering training and creative expression opportunities to fresh graduates: collaborations with public and private institutions of excellence and financing of study grants;
- continuation of the Restituzioni initiative with a possible extension of the reference heritage offices.

Business initiatives with an impact on the community

- Collaboration with trade entities and associations to encourage the dialogue with the business community aimed at supporting the economic growth of the territories;
- collaboration with the leading entities and institutions in the cultural sector for the dissemination and public enjoyment of the Italian artistic and cultural heritage with an increasingly wider audience;
- collaboration with universities and centres of excellence to offer development and training opportunities to the new generations;
- development of relations with local communities to promote the economic, social and cultural growth of the territories.

ANNEX

The multistakeholder forum

SUSTAINABILITY SCENARIOS: CREATING SHARED VALUE

Through the Multistakeholder Forum “Sustainability scenarios: creating shared value”, we have created an area dedicated to the direct exchange with our stakeholders on a model of society and development that is taking shape in Italy beyond the crisis, in an attempt to understand what will be the key factors capable of having a greater impact on the general wellbeing conditions and identify the ways in which the Bank can contribute towards the satisfaction of the strongest social expectations.

Many of the challenges lying ahead of the communities in which we operate are indeed challenges for the Bank itself and the ability to take them on in an effective manner in order to promote a sustainable development process will depend on a variety of forces, including our own. In this regard, it is fundamentally important that the identification of the areas on which to focus one’s commitments is the result of a common reflection: this is the reason why we are promoting an ongoing dialogue with our stakeholders.

If, on the one hand, we will continue to engage in the same endeavours that have been the hallmark of our sustainable growth strategy over the years – from the exclusion of the granting of loans in controversial sectors such as the production of weapons to the commitment towards reducing our direct impact on the environment in terms of energy consumption and natural resources – on the other hand we intend to pick up on emerging social needs and contribute towards answering those for which we possess more skills and instruments to make some positive changes.

In particular, we have raised questions, together with our stakeholders, on how to:

- prepare oneself for the demographic changes and a welfare model in the process of being redefined;
- support a territory’s development system capable of creating quality employment;
- promote the dissemination of production and consumer models with a lesser impact on the environment;
- take full advantage of the potential offered by the new communication technologies to create more transparent and open relationship and exchange networks.

By making headway in the aforesaid areas we will contribute to strengthening the wellbeing of the society we live in and satisfy the most pressing needs, but it will also go a long way towards securing a sustainable growth for our business.

THE PARTICIPANTS

The scenario analysis and identification of the possible areas for intervention by the Bank was conducted through a workshop held in Milan on 20 February 2014 and it saw the involvement of a qualified representation of opinion leaders coming from universities, research centres and the business world, the media and civil society for a total of around 20 participants.

The following people participated in the Forum:

- Lorenzo Allevi (AD Oltre Venture – Social Venture Capital)
- Donatello Aspromonte (ECBA project Partner)
- Virginio Brivio (Mayor of the Municipality of Lecco)
- Stefania Crotta (Head of the sustainable energy sector – Piemonte Region)
- Andrea Di Turi (Journalist, blogger “mondosri” and “occupycsr”)
- Johnny Dotti (Welfare Italia Servizi President)
- Marco Frey (Director of the Management Institute of the SSSUP Sant’Anna of Pisa, President of the Global Compact Italia Foundation)
- Giuseppe Gamba (Local Entity Coordinator Kyoto Club, E.S.CO. AzzerOCO₂ President)
- Marta Mainieri (Collaboriamo.org Blogger – Sharitaly organiser)
- Maurizio Marotta (President of Consorzio Sociale Darco Group)
- Marco Carlo Masoero (Lecturer at the Energy Department of the Politecnico of Turin)
- Alessandro Messina (Head of the Federcasse Business Relations and Special Projects Office)

- Maria Luisa Mirabile (Social Policies Director – ed. il Mulino)
- Paola Pucci (Lecturer at the Architecture and Urban Studies Department of the Politecnico of Milan)
- Fabio Renzi (General Secretary – Symbola Foundation)
- Giuseppe Roma (CENSIS General Manager)
- Valentina Sanfelice di Bagnoli (CEO of Centro Agroalimentare di Napoli - Quotati)
- Federica Scaringella (Co-founder of The Hub - Milan)
- Carlo Mochi Sismondi (Forum PA President)
- Flaviano Zandonai (General Secretary of Iris Network – Social Enterprise Research Institutes).

Marco Frey, Head of the Management Institute of Scuola Superiore S. Anna of Pisa moderated the workshop together with Valter Serrentino, head of Intesa Sanpaolo's CSR Unit.

The experts, on the basis of their specific skills and experiences, were invited to four themed working groups which discussed the role of the Bank in relation to:

- Italy's social and demographic changes and the evolution of the welfare system;
- the economic empowerment of the territories and the support to social innovation;
- the transition to an environmentally more sustainable economy;
- the transformations tied to the dissemination of the web 2.0 culture.

The working groups discussed in a medium-term perspective the way in which the Bank can contribute to satisfying the social needs arising in connection with such phenomena. All the proposals emerging from the various working groups were then collectively evaluated during a plenary session in order to highlight those capable of providing the Bank with the greatest opportunities for growth, thereby creating a mutual benefit in terms of contribution towards the improvement of the wellbeing of Italian society and the generation of value for the Bank.

PREPARING FOR THE DEMOGRAPHIC CHANGES AND A WELFARE MODEL IN THE PROCESS OF BEING REDEFINED

Italy is affected by profound demographic transformations. The longer life expectancy and the reduction in the total fertility rate are leading to a gradual ageing of the population, which is partly compensated by migratory phenomena. New family structures, functions and roles are emerging at the same time, with a strong growth of single-person households. In the face of these changes, we are expecting to see a shift in the needs for people's long-term wellbeing support which will require new solutions and a redefinition of the key players of the welfare system.

Some key figures

- In the last ten years, the average life in Italy has increased by 2.4 years for men and 1.7 years for women and we expect 36% of the population to be over 55 years of age by 2020.
- It is estimated that people with disabilities will rise to 4.8 million (7.9% of the population) in 2020 and to 6.7 million in 2040, equal to 10.7% of the population.
- The current percentage of foreign citizens over the total number of residents – Italian and foreign – has now exceeded 7.4% in Italy.
- The current per capita public expenditure for social protection services stands at levels in line with the European average and around half is allocated to pension funds.
- Italian non-profit institutions are growing, (+28% from 2001 to 2011), mainly active in the health and social assistance sector.

What we expect

- An increasingly senior customer base that will require new types of services and methods for interacting with the Bank.
- The dissemination of new work organisation models within the Bank and in our corporate customers to ensure full employability and enhancement of the more senior corporate population.
- An increase in the cultural diversity in our company, among our employees and customers.
- Greater integration in the answer to welfare requirements between public intervention and Third Sector and social enterprise contributions.

The stakeholders' proposal to the Bank:

- Use of the Bank's tangible and intangible assets, such as real estate assets and networking skills on the territory to promote the development of high-value social projects and partnerships, including social housing.
- Introduction of new financing products and services suitable to support the medium-term growth of social enterprise projects and capable of aiding the partnerships between public and private players in the development of solutions to meet the new welfare requirements.
- Enhancing the Group's corporate welfare system by experimenting forms of integration and adoption of these services on the territory.
- Placing more trust in the financing of ideas coming from young people, adults excluded by the job market despite being in possession of great skills and women.

SUPPORTING AN ENTREPRENEURIAL SYSTEM CAPABLE OF CREATING QUALITY EMPLOYMENT

If the current unemployment level, especially among young people, does not decrease considerably in the years to come, it will have a major impact on the conditions of wellbeing of society and of our customers and ultimately on the opportunities for growth for our Bank. Therefore, we expect that it will be necessary to intensify the efforts made in order to overcome the elements of structural weakness that have prevented the full realisation of the potential for development and the creation of new jobs in Italy over the past few years. This will mean guiding our business customers towards a new specialisation and organisation capable of promoting the dimensional growth processes of enterprises, thereby strengthening their ability to project themselves abroad and innovate.

Moreover, it will be necessary to reduce the current territorial imbalances between the North and South of Italy, encouraging the emergence of a context capable of fostering entrepreneurial activities and the development of the social capital, including in the territories that are currently recording the lowest growth rates. Finally, we will need a professional education and development system capable of preparing for a constantly evolving job market.

Some key figures

- 95% of active Italian companies have less than 10 employees, the percentage impact on the GDP of the research and development expenditure incurred by Italian companies stands at 0.7% compared to a higher European average, equal to 1.2%.
- The number of Italian graduates will need to rise significantly in the years to come: nowadays, around 21% of the population between 30 and 34 years of age holds a degree, the European target is to reach 40% by 2020.
- The employment rate among women in Italy and the overall employment rate in the South of Italy falls below 50%, standing at levels significantly below the European average.
- In order to reach the European targets for 2020, Italy should promote the exit from the poverty and social exclusion conditions of more than 2.2 million people compared to 2009.

What we expect

- Need for corporate customers to accelerate the innovation processes by increasing research and development investments and finding a new way of structuring chain and district relations.
- Increase in investments in the education system to strengthen the development of new skills and improve the conditions for young people's access to the job market.
- Growth in the demand for financial and managerial support to entrepreneurial initiatives in the social sector, especially in the more critical contexts.
- Strengthening of the investments in sectors with high growth potential, such as the technology, tourism and the cultural-landscape heritage enhancement sectors.

The stakeholders' proposal to the Bank:

- Adapting the financial support instruments to the requirements coming from new methods of demand aggregation and organisation such as business networks.
- Innovating the credit rating evaluation tools so that they may also be applied to the new emerging sectors in the social economy and make it possible to take account of the ability to create environmental and social value of the entities to which the loans are to be granted. Producing and co-producing knowledge on existing innovation.
- Developing new lending and rating products in order to aid the allocation of resources to the entrepreneurial initiatives coming from young people, women and over 50 year-olds who have left the job market.

- Enhancing the Bank's role as a pivot between public entities and development promotion agencies, customers and skilled entities such as Universities in order to support projects capable of meeting local needs.
- Changing relationship models by putting oneself at the customer's service in order to better organise the entrepreneurial society, connecting small companies by aiding the creation of networks and promoting the acquisition of high skills through business education processes seen not only in management terms but also as a lifestyle.

SUPPORTING THE DEVELOPMENT OF INNOVATIVE TECHNOLOGIES AND BUSINESSES CAPABLE OF MEETING ENVIRONMENTAL CHALLENGES

The increasing shortage of natural resources available and the rise in global energy requirements will have a major impact on the ways in which resources can be accessed and on their value. This will in turn have a significant impact on our activities, on our customers and on Italian society in general. At the same time, we will have to reckon with the effects of climate changes, starting from the reduction in the availability of water resources and the tropicalisation of atmospheric phenomena in a country that is already currently characterised by a very vulnerable hydrogeological structure. It will be necessary to adopt timely strategies and effective mechanisms aimed at climate change mitigation and adaptation.

Some key figures

- The International Energy Agency estimates that the global demand for primary energy will increase by 33% in 2035 compared to the 2010 levels.
- In order to meet the targets set by the Roadmap of the European Commission, by 2030 Italy will need to reduce greenhouse gas emissions by 40% compared to the levels recorded 1990, 60% by 2040 and 80% by 2050.
- The areas exposed to the risk of desertification are on the increase in Italy: the rural Municipalities potentially affected by desertification and soil degradation account for around 21% of the national territory; they are mainly concentrated in Apulia, Basilicata and Sicily.
- 68.9% of Italian Municipalities fall within areas classified as being at high potential hydrogeological risk.

What we expect

- Attention to the efficient use of natural resources in respect of their increasing economic value on the market.
- More stringent regulatory constraints on the matter of climate changing emissions.
- Growth in demand for instruments covering against the risks tied to climate changes and investments for the restoration of environmental quality.
- The growth in employment and the value generated by the green economy.
- Customers who are increasingly aware and attentive to their environmental impact in consumer choices and lifestyles.

The stakeholders' proposal to the Bank:

- Strengthening the financing of interventions for the protection and redevelopment of the territory, such as the reclamation of contaminated sites and the recycling of industrial areas, including through the creation of funds in which the Bank holds a stake.
- Increasing investments in the energy, local redevelopment and mobility sectors.
- Strengthening the ability to evaluate and monitor in project finance activities – in addition to the economic sustainability of the interventions – also the environmental risks and externalities generated.
- Strengthening the partnerships with local Institutions to support the implementation of projects in the environmental field, including through the development of innovative financing products and services to aid the integrated intervention of multiple entities.

TAKING FULL ADVANTAGE OF THE POTENTIAL OFFERED BY THE NEW COMMUNICATION TECHNOLOGIES TO CREATE MORE TRANSPARENT AND OPEN RELATIONSHIP AND EXCHANGE NETWORKS

The widespread use of the Internet and mobile technologies is changing the way in which people exchange opinions, access products and services and connect with one another. Sharing information will become increasingly simple and immediate: organisations will be more responsive to external stimuli and the social networks will increase the demand for transparency, accountability and clarity. Our customers will find it easier to organise themselves and share resources outside of institutional areas and channels: it will therefore become necessary to rethink the Bank's role by reinterpreting the intermediation function performed so far. At the same time, we will be able to use the new communication tools to open up a more effective dialogue with our stakeholders and enhance the methods used to work and share information internally.

Some key figures

- Currently more than 41% of Italians own a smartphone. 63% of smartphone owners access Internet on a daily basis.
- 23 million Italians have created a personal profile on Facebook, which is accessed through smartphone or tablet on a daily basis by 10 million users.
- At the global level, the ability to collect funds through crowdfunding platforms went from 1.1 million dollars in 2011 to 2.7 billion dollars at the end of 2012. 945 million dollars were collected in Europe in 2012.

What we expect

- More aware, educated and attentive customers, with growing expectations in terms of dialogue and interaction with the Bank.
- Significant growth in the exchange of financial resources and services outside of traditional banking channels.
- Strong increase in the request to gain access through virtual channels to the products and services offered by the Bank and by our corporate customers.
- Greater organisational flexibility and more innovation in the methods of internal communications with the Bank.

The stakeholders' proposal to the Bank:

- Strengthening the ability to listen to customers, analyse their needs and create new services, including by experimenting with participating planning processes through social networks and collaboration platforms.
- Investing in relations with local stakeholders and in a new communication language, by fostering an ongoing dialogue with the territories starting from a redefinition of the role of the branch as a place to exchange views and interact with local communities.
- Strengthening the culture of change within the Bank by stimulating the development and exchange of skills capable of enhancing the ability to analyse the community's needs, feed social innovation processes and evaluate the projects to be financed according to the impact on the territory.

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GALLERIE D'ITALIA.
THREE MUSEUMS, ONE CULTURAL NETWORK FOR ITALY.

Intesa Sanpaolo's Gallerie d'Italia project enables the bank to share its artistic and architectural heritage with the wider public. With 1,000 artworks on display in historic palazzos in three cities, its museum network is truly one of a kind.

The **Gallerie di Piazza Scala**, Milano: this prestigious architectural complex houses a selection of two hundred 19th-century masterpieces by painters from Lombardy, as well as an exhibition charting the leading figures and tendencies in Italian art from the latter half of the twentieth century.

The **Gallerie di Palazzo Leoni Montanari**, Vicenza: home to the most important collection of Russian icons in the West and examples of 18th-century painting from Veneto.

The **Gallerie di Palazzo Zevallos Stigliano**, Napoli: the galleries host the *Martyrdom of Saint Ursula*, one of Caravaggio's very last paintings, in addition to southern Italian landscapes dating from the 17th to the early 20th centuries.

On the cover



Alberto Burri

(Città di Castello 1915 – Nice 1995)

Red Black, 1953

oil, paint, canvas and ground pumice stone on canvas,
98.8 x 85.2 cm

Intesa Sanpaolo Collection

Gallerie d'Italia-Piazza Scala, Milano

Alberto Burri is one of Italy's most important post-Second World War artists. After graduating with a degree in medicine in 1940, he joined the army as a medical officer but was taken prisoner by the British in Tunisia in 1943. The following year he was transferred by the Americans to a prison camp in Texas, where he began experimenting with art. On his return to Italy, he gave up medicine to dedicate himself exclusively to painting.

The lack of faith in art and the languages of art after the War moved Burri, like his contemporaries, to seek out new means of expressing the creative angst which radiates from his work, making it the focus of his personal vision of the individual.

Red Black marks a significant hiatus in the "Art Informel" period of the early 1950s, the elegance of its forms contrasting sharply with the *brutality* of the materials. In this piece, it is as though Burri wanted to return to traditional techniques and evocative gestures as opposed to direct compositions. The painting enhances the continuity of the artist's language, as reflected in the close ties between colour and matter which transcend the complexity and variety of the media.

The choice of this work highlights the value of identity, the power of design and the courage to innovate.

