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RELEVANT ISSUES

The Intesa Sanpaolo Group has always been committed to protecting human rights, in line with the values of the Code of Ethics.

Aware that its activities have direct and indirect impacts on human rights, Intesa Sanpaolo has defined its areas of responsibility for each of its stakeholders. Indeed, it has considered its impact on its employees, customers, suppliers and the community. The environment is another issue closely related to the principles of human rights, and the promotion of high environmental standards must therefore be considered key to respecting and enjoying these rights.

As a cross-cutting issue that is relevant to various areas of the Group's operations, human rights are therefore touched upon throughout the Consolidated Non-financial Statement, as summarised in the following table:

STAKEHOLDER	AREA OF IMPACT	SEE PAGE
Employees	Health and safety of workers in the workplace and combating conditions of discomfort and stress	page 134
Employees	Combating the harassment of employees	page 62
Employees	Freedom of association	page 123
Employees	Non-discrimination, equal opportunities and fair remuneration	page 128
Employees	Family life through work-life balance policies	page 130
Employees	Safeguarding social security with supplementary pensions	page 131
Customers	Policies and solutions for combating robberies	page 81
Customers/Employees	Privacy of personal and sensitive data	page 61
Customers	Financial inclusion of the most vulnerable social groups	page 83
Suppliers	Inclusion of criteria for respecting human rights in the supply chain	page 117
Community	Assessing the respect of human rights on the part of customer companies, specifically regarding their employees, and in financed projects, in particular concerning the rights of the communities involved	pages 48-49
Community	Culture and charitable activities promoting a respect for human rights	page 103
Environment	All	page 138

WHY THESE ISSUES ARE RELEVANT

According to the UN's Guiding Principles on Business and Human Rights, approved in 2011, the State has a duty to protect human rights and businesses must respect them wherever they operate (regardless of the ability or willingness of States to fulfil their obligations). Victims of abuse must also be able to access appropriate and effective remedies.

Indeed, through their activities businesses can have various types of impacts on human rights: positive ones, such as the supply of innovative services that improve people's quality of life; or negative ones, including the exploitation of workers, for example, or the forced displacement of people or entire communities. Businesses can also be indirectly involved in violations committed by other businesses or states.

In its role as an intermediary, a financial institution like Intesa Sanpaolo initiates a value chain that involves many different individuals, entities, businesses and states. For this reason, as well as observing the relevant legislation in force in all countries in which it operates, it is committed to identifying, mitigating and, where possible, preventing potential violations of human rights connected with its activities, as recommended by the UN's Guiding Principles on Business and Human Rights.

PERFORMANCE INDICATORS AND RESULTS ACHIEVED

Approved by the Board of Directors in December 2017, the Group adopted a specific human rights policy which incorporates the principles already outlined in the Code of Ethics and translates them into tangible commitments.

Indicators	2018	2017	2016
Injuries in the workplace	260	257	269
Employees belonging to a union (% of total)*	65.4%	65.5%	64.1%
Part-time employees (% of total)	11.8%	11.5%	11.3%
Employees signed up to the flexible work scheme	over 11,500	over 8,200	over 5,700
Reports of non-compliance with the Code of Ethics for alleged discrimination	10	3	6
Court cases for mobbing	0	0	0
Reports of alleged breaches of the Privacy Code (Italy)	115	101	155
Robberies - Number of events per 100 branches	0.26	0.51	0.54
Suppliers registered on the Supplier Gate** (n.)	3,161	1,966	n/a
Projects subject to Equator Principles screening:			
Number	20	11	14
Amount (millions of euro)	993.5	611.5	2,040.0
% of total project finance	11%	8%	10%
Donations for vulnerable and disadvantaged groups managed centrally (% of total)	92%	88%	84%

*The industry National Collective Bargaining Agreement covers all employees in Italy. The percentage of employees working in Italy and covered by the Collective Bargaining Agreement for the Credit Sector who are also members of a trade union is 77.84% (calculation based on Full Time Equivalents –FTEs).

**All suppliers registered on the portal are subject to checks in the areas of business ethics and respect for human rights, workers' rights and environmental rights.

COMPANY POLICIES

Through the Group policy, Human Rights Principles, Intesa Sanpaolo pledges to:

- support the protection of human rights in accordance with the principles established in the Universal Declaration of Human Rights of 1948 and subsequent international conventions on civil and political rights and economic, social and cultural rights;
- recognise the principles established by the fundamental conventions of the ILO (International Labour Organization) and in particular the right of association and the right to collective bargaining, the abolition of forced and child labour, and non-discrimination in employment;
- contribute to combating corruption, supporting the guidelines of the OECD (Organisation for Economic Co-operation and Development) and the anti-corruption principles established by the UN in 2003, and also by taking a 'zero tolerance' approach to any eventual cases of corruption.

THE PROCESS OF MONITORING HUMAN RIGHTS

The implementation and gradual extension of the protection of human rights is monitored by Corporate Social Responsibility through:

- monitoring the implementation and governance of the Group's Code of Ethics, also with third-party assessments in line with the international UNI ISO 26000 standard, with a specific focus on the areas related to human rights;
- the sustainability report, which involves stakeholders and defines improvement objectives and the relative metrics and is subject to the certification of an independent auditor outside the Group;
- the analysis of potential risk areas in the sphere of human rights which, for every principle in the international conventions, outlines the possible impacts of the company's operations on its stakeholders and the relative company regulations.

Taking into account the results of the monitoring process, Intesa Sanpaolo pledges to:

- assess whether the policy needs updating;
- define guidelines for actions aiming to prevent and mitigate possible negative impacts on its stakeholders;
- issue, if necessary, further documents on specific rights and activities.

As a further guarantee for all stakeholders, anyone that wishes to report an incident of non-compliance can write to the Code of Ethics email address (codice.etico@intesasanpaolo.com), anonymously and without fear of reprisals. As regards reports of alleged human rights violations received in 2018, see page 44.

Human rights issues have, once again this year, been subject to third-party verification in accordance with the principles and contents of the ISO 26000 standard. The third-party assessment conducted in 2018 confirmed the presence of regulations and procedures aimed at protecting the human rights listed in the relevant policy, in relation to the main categories of stakeholders. The rating difference between Italy and abroad is a result of the different regulatory environments, especially concerning certain countries.

Human rights aspects were checked across all areas, with regard to the following issues:

Issues	Aspects addressed	Average rating of issues (0-5)
Employment protection	Respecting individual rights in terms of protecting employment and access to trade union representation	Italy 4.5 Abroad 3.9
Employee well-being	Respecting individual rights in terms of welfare and quality of life in the company; employee health and safety; working environment	Italy 4.9 Abroad 3.9
Employee growth and development	Respecting individual rights in terms of enhancement of diversity	Italy 4.6 Abroad 4.0
Quality and innovation in customer relations	Respecting individual rights in terms of accessibility, customer protection, and customer health and safety	Italy 4.7 Abroad 4.2
Integrity in corporate conduct	Respecting individual rights in terms of the protection of privacy and compliance with labour laws	Italy 4.7 Abroad 3.5
Responsible asset management	Respecting human rights in investments	Italy 4.5 Abroad 3.7
Green economy	Respecting human rights in loans	Italy 4.9 Abroad 3.9

Note: The Abroad Rating is the average of the scores obtained by the 9 Banks within the International Subsidiary Banks Division.

The assessment highlighted areas for improvement in relation to suppliers and the community, refining the respective tools in order to evaluate the social and environmental performance recorded for suppliers, and to investigate and assess respect for the rights of the community by the financed parties.