

Employment protection

JOB PROTECTION

For Intesa Sanpaolo, job protection is a priority issue for guaranteeing its mid- to long-term financial solidity, and is also one of the key topics underlying the 2018-2021 Business Plan. The development of labour policies is entrusted to a specific structure in the Chief Operating Officer Governance Area, which has the task of drawing up union agreements and monitoring their implementation.

Strategic measures included, within the scope of the agreements entered into, the strictly voluntary resignation, by June 2021, of 10,600 employees due to retirement or through access to the sector Solidarity Fund. Furthermore, the trade union agreement defined following the Public Purchase and Exchange Offer launched in 2020 for the acquisition of the UBI Banca Group, made it possible to identify the best conditions for a generational change without social impacts, ensuring an alternative to possible professional reallocation as well as the enhancement of human resources; in this context, approximately 7,200 voluntary resignations through access to retirement or the Solidarity Fund have been planned and will be completed in the new Group by 31 December 2023. Concurrently, in order to pursue a balanced management of the effects arising from the resignations and in order to support the Group's growth, 3,500 indefinite-term employment contracts will be signed within the same time frame.

Employment within the Group was also guaranteed by the gradual extension of the new mixed contract (around 380 people in service at the end of 2020), a working method whereby individuals possess two separate contracts, one permanent part-time employee contract and one as a self-employed financial advisor for out-of-branch activities.

In 2020 the Group workforce turnover rate was -3.43%, in line with the structural measures planned.

The 2018-2021 Business Plan has identified important staff renewal goals and focuses close attention on channelling excess capacity towards priority goals. As part of the NEXT project (Nuove esperienze per te) a reskilling training process was launched and Proactive HR "In-Placement" continued to reallocate around 5,000 employees to greater value-added activities. In this context, in 2020 the Intragroup Mobility structure and HR Proactive Placement continued to oversee the mobility tools and processes, verifying the availability of internal personnel and the necessary expertise on the basis of the identified requirements, while also guaranteeing the development of employees in new roles as per the Group strategy.

In 2020, with the aim of improving talent attraction, employer branding was focused on launching communication strategies that convey Intesa Sanpaolo's founding values, emphasising issues such as diversity, inclusion and attention to people in general. The communication channels were mostly physical in the first part of the year and, starting from March, solely digital. The Careers page was further enriched with content and the navigation was made more user-friendly: candidates can find there all the stages of the selection process and a lot of information about life at Intesa Sanpaolo. Employer branding activities were also continued on social media sites LinkedIn (18,700 views in 2020 with an interest rate of 4.2%, up by 27% compared with 2019) and Instagram. In the first two months of the year, the in-person formats continued, such as the Careers Meeting Points and the recruiting games, while due to the pandemic, all events with potential candidates were delivered digitally in the remainder of 2020. Furthermore, partnerships with the leading Italian universities continued, with over 20 events including Career days, workshops and training seminars, all delivered digitally. 2020 also saw the continuation of the Cyber Security Academy, in collaboration with Milan Polytechnic, in which the Group's line managers participate as teachers, while the Job Center continued to focus on selection and recruitment issues. In support of the Group's recruitment plan, around 70,000 CVs were assessed and around 5,300 candidates interviewed in 2020.

LABOUR RELATIONS

As well as by the industry outlook, relations with the Trade Unions are also regulated by the Labour/Management Relations Protocol which has made it possible to develop a specific union relations model in the Intesa Sanpaolo Group. Dialogue with the Trade Unions regarding company projects is ongoing, prompt and aimed at identifying shared solutions to the various requirements that come to the attention of the Parties. This also takes place in accordance with trade union representation in Italy (79.1% of current employees), in line with national representation in the sector. During 2020, the interaction between the company and the trade unions also took place via remote methods. 42 agreements were signed in 2020 which continued to focus attention on the Group's integrated welfare system.

The Time Bank, Flexible Work and the various initiatives for the development of policies and tools to address problems relating to the area of disabilities and to promote the culture of fostering inclusion are just some examples that define and characterise the overall direction that the second-level collective bargaining agreement has been going in for some time. To this end, the activities of the Welfare, Safety and Sustainable Development Committee set up following the Labour/Management Relations Protocol were also crucial. This bilateral body, which adequately represents both the company and the Trade Unions, is supplemented each time by technical experts that are able to offer specific expertise on the issues in question. In 2020, also in accordance with and in support of the Business Plan, the Committee promoted a series of measures and actions that contributed significantly to the development of issues connected with inclusion and organisational well-being. In relation to the COVID-19 emergency, in support of the extraordinary care and assistance needs of family members, a trade union agreement was signed which provided for specific family and parenting support measures.

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

COMPANY POLICIES

The enhancement of human resources and the principle of excellence based on the recognition of merit are defined in the Group Code of Ethics, in the Group Remuneration and Incentive Policies and in the Diversity & Inclusion Principles approved in 2020. Specific tools for managers and professionals make it possible to implement structured performance assessment processes and map skills.

The Group's Remuneration and Incentive Policies aim to align the behaviour of the staff with the interests of all stakeholders, focusing their activities on the achievement of sustainable medium to long-term objectives within the framework of the prudent assumption of current and prospective risks, as well as contribute to making the Group an "Employer of choice" for its ability to attract, motivate and retain top resources. Designed to respect regulatory requirements and based on correct relations with customers, the Policies link wages to risks undertaken, aligning the remuneration systems with prudent financial and non-financial risk management policies. In addition, the Policies are inspired by the principles of merit, rewarding outstanding contributions and guaranteeing a close relationship between bonuses and results achieved/risks taken, equality in both internal and external terms and as regards gender, and sustainability, making it possible to limit expenses to values compatible with the Group's economic and financial liquidity. The profound and sudden change in the macroeconomic context originated by the COVID-19 pandemic, as well as the ECB's invitation to banks to adopt the utmost prudence in the allocation of the bonuses pertaining to 2020, with particular reference to Top Risk Takers and the remaining Risk Takers, led the Intesa Sanpaolo Group to review the resources allocated to the financing of the 2020 incentive systems. This measure had a different impact on the various employee corporate segments. In summary, the reference bonuses of all Risk Takers were significantly reduced, protecting, instead, the resources allocated, through the VRB, to reward the larger population, also in order to recognise the particular endeavour made by the Banca dei Territori Network in the COVID-19 emergency. In terms of diversity, the Code of Ethics and the Diversity & Inclusion Principles enhance the specific qualities of each employee, recognising their key contribution towards innovation and the growth of the Group. At the same time, it guarantees equal opportunities in terms of professional growth and development and access to training courses and refresher and role assignment initiatives. The Diversity & Inclusion structure, created at the end of 2018 within the scope of the Chief Operating Officer Governance Area, pursues the mission to promote all forms of diversity that coexist within the Group: gender, generational differences, disabilities, sexual orientation, cultural, ethnic and religious differences.