

# Quality of service and customer satisfaction

## COMPANY POLICIES

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

## SERVICE QUALITY

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

### LISTENING TO RETAIL AND CORPORATE CUSTOMERS IN ITALY

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

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

The listening system was developed even further during 2020:

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

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

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

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

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

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

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

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

### NET PROMOTER SCORE – NPS®

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

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

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

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

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

## LISTENING TO LARGE CORPORATE CUSTOMERS IN ITALY

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

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

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

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

## LISTENING TO CUSTOMERS IN THE INTERNATIONAL SUBSIDIARY BANKS

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

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

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

## LISTENING TO INSURANCE CUSTOMERS

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

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

## LISTENING TO CUSTOMERS IN FIDEURAM - INTESA SANPAOLO PRIVATE BANKING

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

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

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

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

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

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

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

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

## MANAGEMENT OF COMPLAINTS

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

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

In 2020, a total of 128,083 complaints<sup>1</sup> were registered at a Group level, broken down as follows:

Banca dei Territori: a total of 67,781 complaints were registered (up 32% compared to 2019) of which 53,732 related to Group Banks and Companies<sup>2</sup> and Banca 5 (+35% compared to 2019) and 14,049 submitted by former Accedo clients (up 20%). The increase is linked to the COVID-19 emergency and to the increase in complaints more generally relating to the quality of customer service, fraud in digital payment systems and malfunctions of the website and the APP as well as of the equipment (ATMs, POS, MTA).

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

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

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

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

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

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

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

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

International Subsidiary Banks<sup>3</sup>: a total of 46,703 complaints were registered, with an increase of 9%. The complaints mainly focused on four Banks (VÚB Banka, Privredna Banka Zagreb, Banca Intesa Beograd, CIB Bank) which recorded 94% of the Division's complaints and primarily related to (i) fraud and/or inefficiencies in the payment systems and (ii) the difficulties that have dogged the application of subsidised credit measures introduced by national Authorities as a result of the COVID-19 emergency. During 2020, 47,233 complaints were processed, of which 25,501 were accepted and, among these, 4,575 involved disbursements.

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

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

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

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

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

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

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

## CUSTOMER PROTECTION AND RESPONSIBLE SALES

### TRANSPARENCY TO CUSTOMERS

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

### INVESTMENTS: ADVISORY SERVICE

In terms of investments, Intesa Sanpaolo has offered its customers the highest possible form of protection with its consultancy service, since 2007. As regards transactions relating to financial products or investment services, personalised recommendations are made consistent with the customer's financial profile. With this in mind, a series of specific rules that Bank personnel must observe was introduced and implemented in full. After the entry into force of the MiFID II Directive and European Regulations in the area of investor protection<sup>1</sup>, these Rules were strengthened in order to provide investors with higher levels of protection and increased transparency in trading on the financial instruments markets. In particular, Intesa Sanpaolo introduced new obligations in terms of the governance of financial instruments, knowledge and expertise requirements for personnel responsible for providing investment services and ex ante and ex post information on the costs, charges and incentives of the products and services available.

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

### THE COMPLIANCE CLEARING OF NEW PRODUCTS AND SERVICES

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

The Product Governance process allows the individual phases envisaging the development, approval and monitoring of new products or services to be managed with clarity and rigour. Every activity entails the participation of a number of structures so as to analyse and assess the characteristics of individual products and services, whether provided by the Bank or by third party producers, as required by the regulations<sup>2</sup>. Products and services subject to clearing undergo periodic, after-sales monitoring so as to assess their coherence with the predefined parameters of target markets and with the characteristics of reference customers.

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

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

(2) Directive 2014/65/EU (MiFID II) and ESMA 35-43-620\_guidelines\_on\_MiFID II Product\_Governance.

## BUSINESS CONDUCT ADVISORY

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

## DIALOGUE WITH CONSUMER ASSOCIATIONS

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

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

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

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

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

## CUSTOMER HEALTH AND SAFETY

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

## PHYSICAL SAFETY

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

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

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

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

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