

Sustainability Report 2012



On the cover:

Umberto Boccioni (Reggio Calabria 1882 - Verona 1916)

Officine a Porta Romana, (Workshops at Porta Romana), 1910

oil on canvas, 75 x 145 cm

Intesa Sanpaolo Collection

Gallerie d'Italia - Piazza Scala, Milan

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Ernesto Riva

INDEPENDENT AUDITORS

KPMG S.p.A.

LEGEND

Link to Sustainability Report 2012



Link to Website



Link to topics of interest also to other stakeholders




Key

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Key



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LETTER TO THE STAKEHOLDERS

The past five years have been severely hit by an unprecedented crisis. The path that we need to follow to overcome it has not been completed. The banking system has been significantly impacted by the economic downturn at the domestic level. Yet, at the same time, some important signs of an improvement in the assessment of the Italian banking system are evident at the international level. Especially with regard to Intesa Sanpaolo, the bank that has recorded the highest capital adequacy ratios at the national level and that, in the European scenario, holds positions of excellence insofar as meeting the liquidity requirements provided for by the stricter parameters set by international regulators.

Our choice to be a financial operator with a strong link to the real economy and the adoption of a growth strategy aimed at supporting the economic value creation have made it possible for Intesa Sanpaolo to achieve some important results in 2012, despite the difficult scenario: solid capital base, high liquidity and a strong operating margin growth.

On the other hand, Intesa Sanpaolo is aware of its responsibilities as a financial institution providing banking services to millions of customers worldwide: a widespread network of branches covers the entire domestic territory and an international network ensures its presence in the main hubs where the growth of the global economy can be seen.

This same awareness gives rise to the initiatives we have undertaken with major international organisations such as the Global Compact, an initiative launched by the United Nations to promote environmental protection, respect for human rights and the fight against corruption, as well as the Equator Principles, guidelines based on the World Bank standards to assess and manage impacts on the environment and communities in project financing. In this context, we are committed to projects and initiatives in support of the principles and the broader goals pursued by the United Nations.

In the past year, Intesa Sanpaolo paid a great deal of attention to the constant monitoring of the efficiency and productivity of the Group, basing its actions on internal cohesion and the search for shared solutions with Trade Unions. The guidelines were geared towards employment support and the enhancement of generational solidarity, together with a sustainable pay policy.

With regard to our customers, we continued to provide support to people and households through our ongoing endorsement of institutional initiatives for the promotion of a harmonised series of subsidies for households.

New initiatives were developed in order to support the financial inclusion of young people and new Italians. We are actively engaged in projects aimed at creating start-ups which develop new technologies: these are the entities that can give birth to the young generations of entrepreneurs able to take on big challenges and establish the Italy brand worldwide.

We work alongside businesses, diversifying our commercial offer according to their requirements for growth, their risk profile and life cycle. We support sound business plans and aid their development whilst fostering their consolidation and internationalisation, always mindful of social and environmental sustainability criteria.

We support research and innovation because we believe that they hold the strategic key to a competitive repositioning of companies on the global market and represent one of the main drivers generating growth and new jobs.

Consumers and the society in general are increasingly more interested in environmental issues. Intesa Sanpaolo is particularly committed to reducing its “ecological footprint” and the impacts generated by its activities, by monitoring and improving energy efficiency, providing “green” products and services and including credit orientation on the basis of environmental and social sustainability criteria.

We continued to invest in community projects with a long-term vision: we follow the growth of the Third Sector in Italy very closely with prospects of financial inclusion. We implement micro-finance projects for those people who are exposed to more risks, in collaboration with Third Sector Foundations and organisations.

We have always recognised the value of activities aimed at supporting and enhancing culture and knowledge, as a concrete expression of the Bank’s participation in the life of the country. For this reason, we promoted access to culture, music and art by all, especially young people, including through sponsorships and donations. We made the rich Group’s architectural and artistic heritage available on the territory through a number of events and the opening of 3 museums: Vicenza, Naples and Milan, totalling over 300,000 visitors, in addition to the Museo del Risparmio (Savings Museum) opened in Turin.

The initiatives set out in this Sustainability Report once again provide an account of the Bank’s efforts in generating shared value: projects, initiatives and infrastructures to create economic, social and environmental growth for all. This is the core of our commitment to sustainability.

Intesa Sanpaolo’s history and identity are ingrained and deeply rooted in the full and conscious social responsibility applied in the management of all its activities, in each and every sector where the Bank operates.

Giovanni Bazoli



Andrea Beltratti



Enrico Tommaso Cucchiani



This Report meets the requirements of the A+ application level GRI 3 guidelines and Financial Services Sector Supplement

Application Level	Profile disclosure	Management approach	Performance indicators
C	Report on 1.1 2.1 - 2.10 3.1 - 3.8 3.10 - 3.12 4.1 - 4.4 4.14 - 4.15	Not Required	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental
	C+ Report externally analysed		
B	Report on all criteria listed for levels C plus: 1.2 3.9 3.13 4.5 - 4.13 4.16 - 4.17	Management Approach Disclosure for each indicator category	Report on a minimum of 20 Performance Indicators, including at least one from each of: Economic, Environmental, Labour, Human Rights, Society, Product Responsibility
B+ Report externally analysed			
A	Same as required for level B	Management Approach Disclosure for each indicator category	Report on each core G3 and Sector Supplement Indicator or report with breakdown by indicator or illustrating reasons for omission, with due regard to the materiality principle
A+ Report externally analysed			

INTRODUCTION AND METHODOLOGY

The Sustainability Report addresses all Intesa Sanpaolo stakeholders. The Report illustrates the actions taken in 2012 in holding true to the defined improvement objectives and is drafted in compliance with the GRI 3 “Sustainability Reporting Guidelines” and the latest “Financial Services Sector Supplements”.

The Social Report guidelines for the banking sector “The Report to Stakeholders: A Guide for Banks” published by ABI in collaboration with EconomEtica (Multi-University Centre for Economic Ethics and Corporate Social Responsibility) were also taken into consideration.

The content selection took into account the GRI principles of materiality, inclusiveness, sustainability context and completeness. A materiality analysis was also conducted [↗](#) which allowed assessment of the topics based on their materiality to stakeholders and corporate strategies. The method adopted was that of the GRI Technical Protocol “Applying the Report Content Principles”.

Moreover, the GRI principles were applied for reporting quality criteria definition (balance/neutrality, comparability, accuracy, promptness, clarity and reliability) and for the reporting boundary.

Information in addition to that provided in the Sustainability Report is published in the Sustainability Section of the website [↗](#).

In the descriptions and in the Summary Table of GRI Indicators, the report includes links to this additional information.

The Sustainability Report is subject to limited review. The assignment was granted to the independent auditors KPMG S.p.A. The report describing the steps involved and related conclusions can be found on page 111 [↗](#).

The reporting process

All company departments contribute to the drafting of the Sustainability Report content and to dialogue with stakeholders through the CSR Delegates, appointed by the various heads of Group departments and companies, who work in close contact with the CSR Unit. Data collection is centralised, on the same reporting platform responsible for control of the economic, capital and commercial performance of the Business Units. The reporting process is defined in special "Guidelines for the preparation of the Sustainability Report and related management processes", which became corporate policy in 2009 [↗](#).

Measurement systems

The indicators illustrated in the Sustainability Report were identified on the basis of reference standard indications, our obligations deriving from the adoption of international sustainability protocols and from the commitment to ensuring that the path to achieving our objectives is measurable. Almost all the data was directly collected, except for certain estimates which are duly specified. To ensure accuracy in the collection and uniformity in the interpretation of the indicators required, the data measurement systems are supported by a technical manual which, for the quantitative indicators, formalises their relevance, the calculation methods and the data source.

The reporting period and boundary

The Sustainability Report is published on an annual basis. The previous edition was published in May 2012. The data presented herein refer to 2012 and, where possible, are accompanied by data from the previous two years for comparative purposes. The reporting boundary for the Sustainability Report includes active companies important for sustainability reporting purposes and which are included in the 2012 Consolidated Financial Statements. The evaluation criteria adopted for the inclusion of each Group company in the reporting boundary took into account the features of the companies based on the social and environmental impacts generated, their contribution to the Consolidated Financial Statements in terms of capital and profit and the number of employees. No significant changes in the reporting boundary were recorded in 2012 compared to 2011.

A summary of the 2012 Sustainability Report is also published in the "Report on Operations" in the Intesa Sanpaolo Group Consolidated Financial Statements (see chapters: "Stakeholder map", page 26, and "Social and environmental responsibility", page 123 [↗](#)). In drawing up this summary, we implemented the Guidelines issued by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (National Council of Chartered and Certified Accountants) published in March 2009 in the light of changes introduced by Legislative Decree 32/2007.

This edition of the Sustainability Report is also available on the Internet [↗](#).



IDENTITY AND GOVERNANCE

MISSION AND VALUES

The Group's mission is to work together to provide excellence in banking and financial services for our customers, leveraging on developing our presence in all the areas in which we operate.

Fully aware of the value of our activities in Italy and abroad, the Group encourages a style of growth that focuses on sustainable long-term results and on establishing a trust-based process that stems from customer and shareholder satisfaction, from our employees' sense of belonging and listening to the needs of local communities.

The Group competes honestly and fairly on the market, and is always ready to cooperate with other economic entities – both private and public – as necessary, to strengthen the overall capacity for growth in countries in which the Group operates.

The Group assumes responsibility for the prudent management of investments; it is committed to extending access to loans and financial instruments to all and to the sustainable development of businesses, aware that its decisions have a significant impact, both directly and indirectly on the environment and on the community as a whole.

The Group's growth strategy aims to create solid and sustainable value against an economic, financial, social and environmental backdrop – built upon the mutual trust of all of its stakeholders and based upon our values.

(from the Code of Ethics )

Integrity

The Group pursues its goals with honesty, fairness and with a sense of responsibility in full compliance with the rules, professional ethics and spirit of signed agreements.

Excellence

The Group's aim is to continually improve. It is far-sighted and anticipates challenges, cultivating widespread creativity with the objective of achieving innovation and worth.

Transparency

Transparency forms the basis for all our activities, communications and contracts in order to enable stakeholders to make independent, fully informed decisions.

Respect for specific qualities

The Group's intention is to combine its international and national dimension with its local roots, becoming a bank that "thinks big" without losing sight of the individual.

Equality

We are committed to eliminating discrimination from our conduct and to respect differences of gender, age, race, religion, political beliefs, trade union membership and language and disability diversity.

Values of the individual

The value of each and every individual guides the entire modus operandi of the Group: we adopt listening and dialogue as tools for continually improving relations with all stakeholders.

Responsibility in the use of resources

All resources will be deployed with the utmost care, encouraging conduct that prevents waste and ostentation and privileging choices in support of long-term sustainability.

STRATEGIES

The year 2012 showed moderate growth in the global economy. Growth was driven by the positive trend of the United States and emerging countries. Vice versa, in the Eurozone the gross domestic product suffered a slight decrease due to the effects of austerity fiscal policies and the recession that has upset the economies of peripheral countries.

In Italy the economic scenario had a strong impact on the real economy: high unemployment rates for young people, weak investments and consumption, poor production performance, the need to regain the lost ground in the global competitive charts. Even the effects of climate change, such as the natural disasters that once again in 2012 hit households and small businesses, had serious repercussions on an already critical social context.

Dialogue with stakeholders and the analysis of the impact that economic and social scenarios might have on our medium/long-term business, as outlined by the leading international organisations, helped define the areas of action to guarantee an important contribution to Italy's economy.

Numerous initiatives were launched to provide support to households, encourage the start-up of new businesses and promote innovation and growth in size by supporting new forms of business aggregation among Italian companies, striving to achieve greater competitiveness for the industrial sector. Despite downgrading of the creditworthiness of a significant portion of the production system, the Group continued to sign agreement with system-related associations and organisations, thus developing synergies and new consultancy areas to make credit possible or more convenient.

As regards its employees, the action taken by Intesa Sanpaolo aimed for greater organisational flexibility in meeting new customer demands and continuing to promote merit and professionalism. Social and environmental risk assessment has become part of the management processes in various operating areas: project financing, occupational health and safety and the supply chain. Important improvements were achieved in reducing the ecological footprint, optimising consumption and investing in renewable energies. For the community, strategies continued to be followed in favour of culture and social commitment to the benefit of the weaker segments, in response to the dramatic developments in the crisis.

For the Intesa Sanpaolo Group, preserving sustainability in the results to be pursued will remain a priority in 2013. Considerable attention – in addition to profitability targets – is also given to the various actions aimed at strengthening the capital base and improving the risk and liquidity profiles. The risk management systems will be further enhanced and efficiency and productivity at Group level will be constantly monitored to ensure that value is created for all stakeholders.

THE PROFILE OF THE INTESA SANPAOLO GROUP

The Intesa Sanpaolo Group is the largest banking group in Italy, with about 10.9 million customers and 5,300 branches, and one of the largest in Europe.

It is the Italian leader in financial assets for families and businesses, in particular banking intermediation, pension funds, asset management and factoring.

Furthermore, with its strategic coverage of the territory through its local subsidiaries, the Group is one of the largest banking groups in Central and Eastern Europe, Middle East and North-Africa, where it serves 8.3 million customers through a network of over 1,500 branches: it is the first bank in Serbia, second in Croatia and Slovakia, third in Albania, fifth in Bosnia-Herzegovina, Egypt and Hungary and eighth in Slovenia.

The Group also has an international network specialised in providing support to corporate customers in 29 countries, particularly the Middle East and North Africa, and in the areas where Italian businesses are most active, such as the United States, Russia, China and India.

As at 31st December 2012, the Intesa Sanpaolo Group had total assets of 673,472 million euro, loans to customers of 376,625 million euro and direct customer deposits for 380,353 million euro, direct deposits from insurance business and technical reserves for 81,766 million euro.

The Intesa Sanpaolo Group's structure is divided into five Business Units (Banca dei Territori Division, Corporate and Investment Banking Division, International Subsidiary Banks Division, Eurizon Capital and Banca Fideuram) serving different types of customers, flanked by the Corporate Centre (Human Resources Department, Chief Operating Officer, Chief Financial Officer, Chief Lending Officer and Chief Risk Officer), for planning, coordinating and monitoring the entire Group.

The Group organisational structure is detailed on the Group's website [↗](#).

Leadership in Italy built on long-standing relationships with customers

			RANKING IN ITALIA
Loans		15.8%	1°
Deposits ¹		16.8%	1°
Leasing		17.6%	1°
Pension Funds ²		22.5%	1°
Asset Management ³		23.7%	1°
Factoring		33.3%	1°

Figures as at 31st December 2012

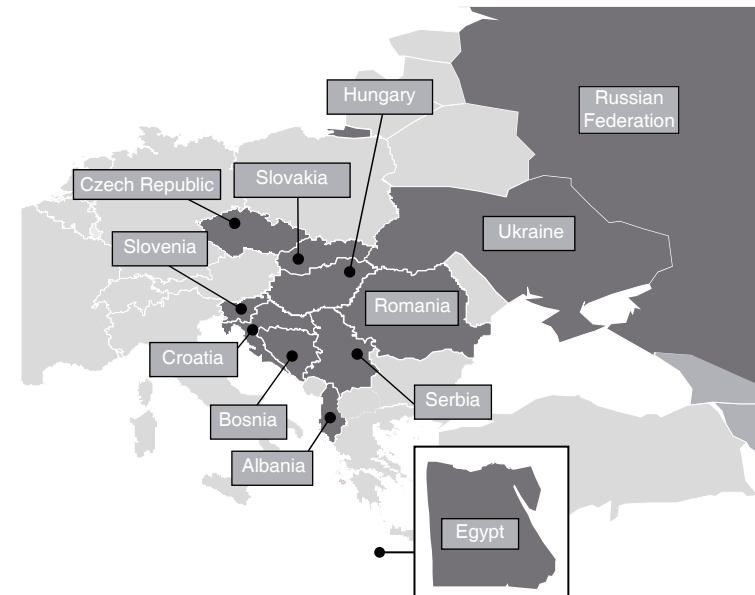
1. Including Obligations

2. Ranking as at 30th June 2012

3. Mutual funds

International subsidiary banks

~8.3 Million customers 1,520 branches in 12 countries



Figures as at 31st December 2012

Internal control system

The internal control system was designed to achieve constant identification, governance and control of the risks involved in our activities. It is structured on three levels:

- the first is represented by the line controls which are carried out by the operating structures, are built into our procedures and are part of back-office activities;
- the second is entrusted to the Chief Risk Officer and, in addition to the legal area, includes controls on risk management; compliance with standards; anti-money laundering risk; credit granting process; internal validation;
- the third is the internal audit, carried out by the Internal Auditing Department, that operates independently and separate from the operational departments, to identify anomalous trends, violations of procedures and regulations, and to assess the good order of the overall internal control system.

GOVERNANCE

Intesa Sanpaolo adopts the dual management and control model, consisting of a Supervisory Board and a Management Board.

Detailed information on the system of corporate governance is provided in the “Report on Corporate Governance and Ownership Structures - Report on Remuneration” [👉](#).

The Shareholders' Meeting is the body deemed to represent all Shareholders and its resolutions are binding on all Shareholders, irrespective of their attendance or agreement. The Shareholders' Meeting is competent to resolve upon, in addition to other matters, the appointment and dismissal of the Supervisory Board; the responsibilities of its members and, without prejudice to concurrent duties of the Supervisory Board, of members of the Management Board; the distribution of net income; the approval of financial statements in case they are not approved by the Supervisory Board; transactions delegated by law to the Extraordinary Shareholders' Meeting.

The Supervisory Board¹ is appointed by the Shareholders' Meeting and is responsible for guidance, strategic supervision and control. In particular, it appoints members of the Management Board and decides on their remuneration, and approves the Financial Statements and Consolidated Financial Statements.

As to its strategic supervisory role, the Supervisory Board, upon recommendations from the Management Board, resolves upon general, programme-related and strategic guidelines; approves the business and/or financial plans and budgets; authorises strategic transactions; approves strategic guidelines and risk management policies.

Regarding its control responsibilities, the Supervisory Board performs all control body tasks as envisaged by law. All the members of the Supervisory Board meet the independence requirement pursuant to the Consolidated Law on Finance. The Law establishes that there be no self-employment, employment or other relations of an economic or professional nature between the Board Member and the Bank as well as between the Board Member and any subsidiaries, parent companies or companies subject to joint control. Nine Board Members are enrolled on the Register of Auditors and eighteen are independent in accordance with the Corporate Governance Code.

The Supervisory Board has set up six internal committees, three of which are specifically indicated in the Articles of Association (Remuneration Committee, Nomination Committee and Control Committee).

The Management Board², appointed by the Supervisory Board, is in charge of the management of the company in compliance with general, programme-related and strategic lines approved by the Supervisory Board; it resolves on all necessary transactions, ordinary or extraordinary, considered useful or appropriate in achieving the corporate purpose. In particular, but by no means exhaustively, the Management Board has powers regarding the following areas, without prejudice, if any, to concurrent competences of the Supervisory Board: structure, organisation and operation of the Board; strategies and general guidelines of the Bank and the Group; structure and organisation of the Bank and the Group; control and prudential supervision policies; financial reporting, financial statements and relations with independent auditors; Shareholders' Meetings and relations with Bank shareholders.

Six out of the nine members of the Management Board are executive Members: the Managing Director in his capacity as Chief Executive Officer and five Members entrusted with duties related to corporate management and who work in specific Commissions set up within the Board.

The Management Board, upon recommendation of the Supervisory Board, nominates among its members the Managing Director, who also holds the post of Chief Executive Officer and of General Manager. The Managing Director is the Chief Executive Officer and supervises the corporate management to the extent of his assigned powers, in compliance with general programmes and strategic guidelines approved by the Corporate bodies. He/she ensures implementation of the resolutions of the Management Board and ensures that the Company's organisational, administrative and accounting structure is adequate considering the nature and size of the Bank. The Management Board has also entrusted the Managing Director with a specific responsibility on risk management and internal control policies.

As regards remunerations, all members of the Supervisory Board receive remuneration defined for the entire period of office and not based on financial instruments, nor on incentives related to economic results.

Effective 1 July 2012, the Supervisory Board Members reduced by one-third their fixed remuneration for their position and personal offices held within the Board. In addition to this reduction, the Chairman of the Supervisory Board waived one-third of the remuneration for the position effective 1 May 2012. The Chairmen of the Nomination Committee, Strategy Committee and Remuneration Committee have waived – as in the prior term – the annual remuneration envisaged for this office.

As for the remuneration of members of the Management Board, including the Managing Director, and of management, limitations are set based on a fair balance of fixed and variable components and, for the latter, weighting systems for the risks are applied as are evaluation mechanisms designed to ensure a connection to real and lasting results.



Effective 1 May 2012, the Chairman of the Management Board waived one-third of the remuneration for the position.

To ensure the necessary overall unity for the Group's governance, the structure of Intesa Sanpaolo is divided into five Business Units, Head Office Departments and Staff Units, most of which are grouped into four areas of responsibility, reporting directly to the Managing Director and CEO .

Control of social and environmental risks

The Control Committee, reporting to the Supervisory Board, also supervises social and environmental risks, in accordance with the principles and values of the Code of Ethics. It receives a regular report drawn up by the Corporate Social Responsibility Unit – based also on information gathered by the Internal Audit and Compliance Departments – on the outcome of controls, internal processes of adjustment by each corporate unit, the management of corrective actions and anomalies and non-compliances which are deemed to be serious.

Notes:

1. The composition of the Supervisory Board, brief biographical and professional notes on its Members and on the management and control offices they hold can be found on the Group website .
2. The composition of the Management Board, brief biographical and professional notes on its Members and on the management and control offices they hold can be found on the Group website .

CSR milestones

2012

Policies issued on:

- the regulations on environmental and energy issues, updated to 2012 to take into account the new energy certification UNI CEI EN ISO 50001:2011
- the regulations for the implementation of the Equator Principles at International Subsidiary Banks, which will be gradually adopted by the banks operating in the project finance sector
- the regulations for the development of sustainable branches through careful monitoring of the environmental impact.

2011

Policies issued on:

- granting credit to the arms sector (update to the 2007 version, specifying the operating methods);
- environmental and energy impact management (update to the 2007 version)
- the purchase and use of paper and derivative materials;
- environmental and sustainability criteria for the purchase of office machines;
- sustainable organisation of internal and external communications.
- Code of Ethics: full autonomy delegated to the International Subsidiary Banks in managing non-compliance reports
- admission to the DJSI index

2010

- the model for the implementation and monitoring of the Code of Ethics is extended to the International Subsidiary Banks
- the arms policy is extended to the International Subsidiary Banks
- the operational policy for the implementation of the Equator Principles is issued
- controls regarding the environmental and energy management system and Project Malawi became part of CSR Unit

2009

- the Code of Ethics is updated on the issue of transparency in remuneration
- Code of Ethics and Stakeholder Engagement monitoring dashboards implemented

2008

- publication of the first Group's Social Report
- the Multistakeholder Forum is organised
- the arms policy is extended to the Italian Subsidiary Banks

2007

- Intesa Sanpaolo is founded from the merger of Banca Intesa and Sanpaolo IMI
- the Code of Ethics of the new Group is approved
- 65 CSR Delegates in Italy and abroad are nominated
- the arms policy and environmental policy are issued
- adherence to Global Compact, UNEP FI and adoption of the Equator Principles
- Intesa Sanpaolo listed in the FTSE4Good, ASPI Eurozone and Ethibel Investment Register

CSR MANAGEMENT MODEL

The management model

With the adoption of the Code of Ethics, the charter that expresses the Intesa Sanpaolo Group's identity in terms of values, the management model was designed focusing on the concept of responsibility and requiring that not only individuals but also all corporate department guarantee their commitment to ensure that business activities remain consistent with the stated values.

CSR in corporate activities

The CSR Unit, reporting directly to the Managing Director and CEO, collaborates with a network of "CSR Delegates", around 70 colleagues who are cultural bearers of social responsibility in their respective operating areas. They provide support to the CSR Unit by opening dialogue with the main stakeholders, defining improvement objectives and supporting their colleagues in implementing projects, managing non-compliance of the Code of Ethics and dealing with monitoring and reporting requirements.

Dialogue with stakeholders

Every year structured dialogue is arranged with the main stakeholders. A wide range of engagement techniques are used: focus groups and online questionnaires for employees and the Trade Unions, interviews with shareholders, customers and NGOs, customer satisfaction surveys and surveys with suppliers. Stakeholder expectations, within the corporate business strategies, allow Intesa Sanpaolo to identify improvement objectives and evaluate related achievements.

Local and international commitments

Intesa Sanpaolo is committed to applying the values of its Code of Ethics in all corporate activities and to gradually implementing the commitments assumed in the improvement plan stated in the Social Report. The Group adopts sustainability standards issued by international organisations and is committed to contributing to greater sustainability in a global context of social justice and environmental protection.

Activity monitoring

The Sustainability Report is the key management process for monitoring activities of social and environmental significance. Listening to stakeholders and the evaluation of trends emerging from the quantity indicators are its driving forces. Two management dashboards integrate the results of stakeholder engagement activities and the assessment of the adoption of Code of Ethics values in the corporate processes with a view to assessing trends and defining improvement plans.

Company regulations system

The values and principles of the Code of Ethics are referred to in the Code of Conduct. In addition, the CSR Unit also takes action to ensure that the social responsibility criteria become a characteristic element of the entire regulations system and to issue specific policies where business activities could have a significant impact on society and the environment.

CSR in corporate governance

The CSR Unit submits periodic reports to the Control Committee of the Supervisory Board on the application status of the Code of Ethics, on the critical elements reported by stakeholders and on corrective measures. The evaluation is based on the results of a periodic assessment conducted by an independent specialised consulting company to assess consistence of the corporate management processes with the values of the Code of Ethics.

Reports of non-compliance with the Code of Ethics

187 reports were received in 2012, up slightly on the previous year. This is also due to the receipt of reports from non-customers, classified as generically originating from the Community, as part of an opinion-seeking campaign regarding the financing of infrastructures considered harmful to the environment and to the reference territory.

	2012	2011	2010
Customers	112	133	116
Employees	17	15	9
Suppliers	31	21	28
Community	27	1	-
Total	187	170	153

See the website [👉](#) for the audit interventions to verify the implementation of environmental and social policies.

Adoption of international standards and commitments



Global Compact [👉](#)

United Nations' initiative binding us to respect human and labour rights, to safeguard the environment and to transparency.



Equator Principles [👉](#)

Guidelines for the evaluation of social and environmental risks in project financing, based on criteria recommended by the IFC, a World Bank institution.



Innovative financing for sustainability

UNEP Finance Initiative [👉](#)

United Nations Environment Programme, which promotes dialogue on the relation between environmental protection, sustainability and financial performance.



Global Reporting Initiative [👉](#)

Intesa Sanpaolo is accredited as a GRI Organisational Stakeholder and supports GRI's mission for the development of guidelines on sustainability which are globally recognised through a multi-stakeholder process.

CARBON DISCLOSURE PROJECT

Carbon Disclosure Project [👉](#)

Through adherence to the Carbon Disclosure Project, we are committed to disclose the emissions of greenhouse gases, the identification of risks, opportunities and corporate strategies on the problems related to climate change.




We support the United Nations' Global Compact and promote initiatives binding us to respect human and labour rights, to safeguard the environment and to fight against corruption.







The legality rating


On 15 November 2012 the Antitrust Authority approved the Implementation Regulations for the "Legality Rating", a new tool designed to increase the competitiveness of Italian companies by promoting aethically sustainable development. The Rating is an endorsement issued by the Authority to companies that can confirm full compliance with specific sector regulations, particularly in relation to antitrust, tax or labour law matters. Merit is given to corporate processes that facilitate Corporate Social Responsibility, compliance with the contents of the "Legality Protocol" – signed by the Italian Ministry of Interior and Confindustria – and the use of tracking systems even for amounts below the one thousand euro threshold.

The Legality Rating highlights the central nature of initiatives involving antitrust compliance and, with specific reference to Intesa Sanpaolo's experience, confirms the relevance of the Antitrust Compliance Programme launched in 2007. The Rating also recommends the adoption of more wide-ranging programmes that promote training also for trading partners and customers.

In this respect, Intesa Sanpaolo has recently launched its first training project on the Legality Rating issue, the antitrust regulations and the impact on reputation resulting from non-compliance with relevant regulations, dedicated to the Group's corporate customers .

GLOBAL COMPACT

	Ten Principles	Performance Indicators
Human rights 	1. Support and respect human rights within their spheres of influence	Economic performance: EC5 Labour practices: LA4, LA6-9, LA13-14 Human Rights: HR1-9 Society: SO5 Product Responsibility: PR1, PR8
	2. Make sure to not be complicit, albeit indirectly, in human rights abuse	Human Rights: HR1-9 Society: SO5
Labour  	3. Uphold the right of workers to freedom of association and recognise the right to collective bargaining	Labour practices: LA4-5 Human Rights: HR1-3, HR5 Society: SO5
	4. Eliminate all forms of forced or compulsory labour	Human Rights: HR1-3, HR7 Society: SO5
	5. Ensure that child labour is abolished	Human Rights: HR1-3, HR6 Society: SO5
	6. Eliminate all forms of discrimination in employment and occupation	Economic performance: EC7 Labour practices: LA2, LA13-14 Human Rights: HR1-4 Society: SO5
Environment 	7. Uphold a precautionary approach to environmental challenges	Economic performance: EC2 Environmental performance: EN18, EN26, EN30 Society: SO5
	8. Undertake initiatives that promote greater environmental responsibility	Environmental performance: EN1-8, EN12, EN14, EN16, EN18-20, EN22, EN24, EN26, EN28-30 Society: SO5 Product Responsibility: PR3-4
	9. Encourage the development and diffusion of environmentally friendly technologies	Environmental performance: EN2, EN5-7, EN10, EN18, EN26, EN30 Society: SO5
Anti corruption policies  	10. Promote initiatives to prevent corruption in all its forms	Society: SO2-6

Intesa Sanpaolo participates in the Global Compact Advanced Programme and reports on actions taken in compliance with its commitments in the "Advanced Level" communication available on the Global Compact website .

STAKEHOLDER ENGAGEMENT

We attribute great importance to listening and dialogue with our stakeholders, a process we deem essential to focusing our actions on relevant issues.

2012 saw the continued implementation, in collaboration with the concerned Departments, of listening and dialogue with stakeholders.

Customers: a positive response emerged from all the surveys with regard to relations with the Bank. Particularly appreciated were the availability and professionalism of branch staff. Areas for improvement concern the offer conditions and the streamlining of internal processes.

Households that have made use of the agreement on mortgage repayment suspension expressed their appreciation for the initiative, and the hope of improved suspension characteristics (duration, repayment method, interest, etc.). Immigrant customers requested greater support from the Bank for new business start-ups. Senior customers requested the development of ad hoc products to meet the needs of the elderly. New young customers appreciated all the electronic contact channels. The interviewed enterprises which have made use of SME support agreements expressed their satisfaction, though the service was not always said to be sufficient in improving the overall economic situation of the company. With regard to environmental financing, customers particularly appreciated the file processing and disbursement times.

Employees: requested greater manager involvement in the assessment processes, training course selection and development processes. Widespread mapping of the corporate professional figures and recognition of the value of senior colleagues and junior resources were suggested. On the issue of training, employees hoped to see the development of technical solutions for making use of online courses with greater interactive options. To facilitate work-life balance, the development of telecommuting solutions and more extensive nursery, sports centre and company canteen agreements were requested.

Shareholders: the E.Di.Va. association proposed topics relating to the family businesses support and credit policies in favour of young customers, new households and birth rate. Fondazione Cariplo emphasized the central role of people, both in relation to customers and with a view to human resource enhancement. The Compagnia di San Paolo emphasised the Bank's role in supporting cultural projects for the community and in supporting customers as the driving force in the development of SME innovation and aggregation.

Community: the interviewed NGOs provided important contributions to the methods for drafting a human rights policy and the operating procedures for its application in order to monitor processes that could have a negative impact on stakeholders.

The engagement activities offered an opportunity to focus on areas for improvement and to build the materiality matrix. The Social Report describes the activities developed to meet all the above-mentioned needs.


Stakeholders engaged in 2012

Stakeholder	Engagement methodology
Employees	<ul style="list-style-type: none"> Focus Groups on topics such as assessment and incentive systems, training and career development, work-life balance, welfare and diversity management. 79 colleagues from Head Office Departments, Staff offices of the Business Divisions and Trade Unions were involved.
Customers	<ul style="list-style-type: none"> 25 telephone interviews with household, small business and corporate customers, and online surveys targeting household, small business and corporate customers (4,037 participants out of 21,957 invited). Topics addressed: quality of Bank-customer relations, the Bank's support to households and the production sector, green financing. Benchmark analysis targeting household customers. 14,107 telephone interviews with household customers: 2,667 Intesa Sanpaolo Group customers, 11,440 other Banks or Bancoposta customers Migrant observatory: online questionnaire targeting non-Italian customers to assess their perception of the new services offered by the Bank. 1,453 participants Superflash Welcome Survey (customers under 35 - 333 questionnaires completed via web) and the Welcome Survey for customers over 34 (1,168 interviews via telephone or via web) Senior customer quality survey Analysis of complaints on matters relating to the customer stakeholder engagement.
Shareholders	<ul style="list-style-type: none"> Interview with the EDIVA association (Etica Dignità Valori) and interviews with representatives of Fondazione Cariplo and Compagnia di San Paolo on issues relating to social and environmental sustainability, growth, risk monitoring and management, productivity and resource enhancement.
Community	<ul style="list-style-type: none"> 3 telephone interviews with a number of NGOs specialising in Human Rights issues, to gather contributions to the drafting of a human rights policy.

See "Stakeholder Engagement in Intesa Sanpaolo, listening and dialogue initiatives with our stakeholders in 2012" .


The issue identification criteria

The 2012 Sustainability Report concentrates on the issues that are of greatest relevance to our core business and the Group's stakeholders. The process of identifying "material" issues, that is to say the risks and opportunities that are most relevant to the Bank, was based on principles set out in the leading standards of reference: the Global Reporting Initiative (GRI 3) guidelines and the Accountability AA1000APS standard.

The analysis to identify the "impact on strategies" value was conducted by taking into consideration a number of the Group's internal sources that represent the commitment on topics of interest, and external sources that identify the level of social attention to these issues. The Code of Ethics, the mission and values of the Group and the improvement objectives stated in the latest Social Report were the main internal sources used for the analysis; press releases, sector studies and reports published by national and international organisations and institutions were the main external sources analysed. The materiality for stakeholders was determined on the basis of results emerging from the Bank's stakeholder engagement activities .

The materiality matrix lists the positioning of the issues with respect to the relevance and priority given by the stakeholders to all the Bank's listening and dialogue processes, and the degree of impact of the Group's strategies, defined as possible financial or reputational impact on the Bank. Issues having a high value on both axes are those on which the Group will have to focus its attention during the next year.

The issues covered in the Sustainability Report were selected on the basis of this analysis which led us to focus on a small number of issues deemed to be of great importance, yet reserving adequate space for other issues on other information sources (website, specific publications, etc.).

In 2012, alongside the Sustainability Report, the publication "The value of sustainability"  addressing shareholders and investors, has been realized and distributed at the Annual Shareholders' Meeting on 22.04.2013. The document – which is based on the materiality analysis – highlights the contribution of the social and environmental responsibility issues in the creation of economic value.

MATERIALITY ANALYSIS



OUR ACHIEVEMENTS IN 2012

What we did in 2012

Activities continued with regard to the customer satisfaction surveys and the SElok service quality management system. In 2012 the indicators recorded an increase of more than 18% in the overall average of results compared to 2010/2011. An innovative customer relations method was developed with products offered through out-of-branch offering, the Offerta Fuori Sede. The planning activities were set for launch in 2013 to begin extending branch opening hours, both earlier and later, to match the new lifestyles of customers. New projects were implemented with a view to disseminating financial education among young people.

Continuity was guaranteed to the "Household Plan" initiative which allows the suspension of mortgage repayments, and a new "Household Path" protocol was adopted to promote a harmonised series of subsidies for households. For young customers the "Superflash" offer continued, including facilitating access to transnational, insurance and financial products. A new offer dedicated to elderly customers was developed, together with a new remittance handling service for "new Italians". With the aim of supporting businesses we signed new partnership agreements with local authorities and organisations. The investment continued in projects to promote innovation, start-ups and the development of business networks. Our support to the public sector also continued.

Innovation, social commitment and consolidation characterised relations with employees. Professional enhancement initiatives continued, providing support for talent without ever ceasing to verify development opportunities. The problems in the overall international economic scenario were faced by taking action in terms of internal cohesion and the search for solutions in agreement with the Trade Unions. The guidelines concerned the recovery of profitability, growth of productivity, support for employment and enhancement of generational solidarity, together with a sustainable pay policy.

The Environmental and Energy Management System has been extended to 189 sites. For some time now, Intesa Sanpaolo has used power generated from renewable sources for 95% of its consumption in Italy (over 165,000 tonnes of CO₂ emissions avoided per year). Overall electricity consumption in Italy reduced by 6.8% (approximately 12,700 tonnes of CO₂ emissions avoided). In Italy, 85% of internal use of paper is of low environmental impact. Loans to customers for investments in renewable energies, agriculture and environmental protection totalled around 3 billion euro. Adoption of the Equator Principles in the assessment of social and environmental impact in project finance was applied to 50 projects.

Despite the difficult economic scenario, the Intesa Sanpaolo Group closed 2012 with positive results: net operating income of 17,881 million euro was 6.5% higher than in 2011. The economic value generated was over 14 billion euro. It was proposed that the Shareholders' Meeting allocate a unit amount of 0.050 euro on ordinary shares and 0.061 euro on savings shares, totalling approximately 832 million euro. This corresponds to a return calculated on the average price of the share in 2012 of 4.06% on ordinary shares and 5.97% on savings shares.

In 2011 we said we would have

Enhanced the quality of our customers relations by innovating and simplifying language, procedures and methods of relating with our customers through:

- simpler communication and offers of information devices and services to foster informed choices;
- organisation increasingly targeted to customer needs;
- use of innovation as a driving force for internal processes and services offered.

Further innovated the Bank's commercial offer to strengthen its social role:

- strengthening of projects and services for access to credit for the most disadvantaged groups;
- support to businesses in development, innovation and internationalisation plans;
- participation in large infrastructure projects.

Involved and listened to employees emphasising their skills and ensuring opportunities for growth:

- enhancement of employees' skills by introducing assessment systems that promote career guidance;
- improvement of the quality of life in the Company;
- listening and involvement of people to foster a proactive attitude.

Further developed environmental initiatives to provide a decisive contribution in the fight against climate change:

- interventions to reduce the ecological footprint and assess criteria for safeguarding biodiversity;
- support to customers in fighting against climate change by offering products adopting renewable energy;
- strengthening of processes and services to identify risks and opportunities arising from customers' and suppliers' attention to social and environmental issues.

Protected the value of long-term profitability and safeguarded it by strengthening the fundamental bases for the Group's sustainable growth.

ECONOMIC REPORT

Economic and Financial Performance in 2012¹

Despite the difficult economic environment, which in 2012 negatively affected the banking activity both in Italy and in all the foreign countries where the Group has operations, the Intesa Sanpaolo Group closed the 2012 financial year with positive results: operating income of 17,881 million euro was 6.5% higher than in 2011. The revenues' positive dynamics, together with the structural cost containment measures, resulted in an operating margin of 8,968 million euro, up 17.3%. The greater need for adjustments to loans (+11.1%) was offset by lower impairment losses on other assets, which in 2011 included the heavy impact of the Greek government debt restructuring. The net income was 1,605 million euro, against the 8,190 million euro loss recorded in the previous year, which had been brought about by the value impairment of goodwill. The on-going macroeconomic uncertainty and high volatility of the financial markets continue to require constant oversight of the factors that enable the Bank to pursue sustainable profitability in the medium and long term: high liquidity, funding capacity, low leverage and adequate capital base. Liquidity remained high: as at 31 December 2012 the liquidity reserves eligible with the various Central Banks came to 115 billion euro. With regard to funding, the branch network continued to be a stable and reliable source: 79% of direct deposits from banking business came from retail operations. The Group leverage continued to be at lower levels than that of its main competitors' and the capital base remained high: the Total Capital Ratio was 13.6%, Tier 1 was 12.1% and Core Tier 1 was 11.2%. The performance of the balance sheet aggregates confirmed the Group's sound financial position. Loans to customers were essentially in line with the figures at the end of 2011 (-0.1% to 377 billion euro), whilst direct customer deposits from were up in comparison to the end of 2011 (+5.6% to 380 billion euro). Indirect deposits were also up (+2% to around 414 billion euro), due to the positive performance of assets under management, which more than offset the decline in the assets under administration component.

Calculation and distribution of economic value

In 2012 the economic value generated by the Intesa Sanpaolo Group exceeded 14 billion euro. This amount expresses the value of the wealth produced, most of which is distributed among the various stakeholders with which the Group interacts in various ways on a day-to-day basis. In particular:

- employees and collaborators benefited from around 43% of the generated economic value, for a total of 6 billion euro. The caption also includes 144 million euro (before tax) related to employee exit incentives. In addition to staff pay, the total also includes payments to the network of financial agents;
- suppliers received approximately 20% of the generated economic value, for a total of 2.8 billion euro in payment for goods and services;
- State, Organisations and Institutions recorded a total flow of funds of 2 billion euro, around 14% of the generated economic value and for the most part referring to current income taxes. Group companies used 3 million euro to the benefit of the Community, through the allocation of profits to charities and as donations and gifts;
- approximately 6% of the generated economic value was allocated to Shareholders and minority interests, largely in terms of the proposed dividend, for a total of 0.9 billion euro;
- the remaining 2.3 billion euro was retained by the corporate system. This refers to prepaid and deferred taxes, amortisation, provisions for risks and charges and retained earnings. Self-financing is considered an investment that other stakeholder categories make each year to maintain efficiency and allow development of the corporate system.

Economic Value	millions of euro	%
Economic Value generated	14,073	100.0%
Valore economico distribuito	-11,731	83.5%
Employees and collaborators*	-6,031	42.9%
Suppliers	-2,799	19.9%
Organisations/Institutions and Community	-2,020	14.4%
Shareholders and third parties	-881	6.3%
Economic value retained	2,342	16.5%

* The item includes incentive costs relating to staff exit for 144 million euro.

Economic Value generated in 2012



Note:

1. The figures and comments refer to the reclassified consolidated income statement published in the Intesa Sanpaolo 2012 Annual Report. Changes in annual percentages are calculated on 2011 figures, where necessary, restated on a consistent basis to take into account changes in the scope of consolidation. The amounts are expressed in millions of euro. For further details or clarification, reference should be made to the Intesa Sanpaolo 2012 consolidated financial statements.
2. The generated economic value is calculated in accordance with ABI instructions and consistent with international reference standards. The calculation is made by reclassifying consolidated Income Statement captions recorded in the financial statements, as required under Bank of Italy Circular n. 262.

SUSTAINABILITY REPORT

STAKEHOLDER MAP

CUSTOMERS	EMPLOYEES	SHAREHOLDERS	SUPPLIERS	ENVIRONMENT	COMMUNITY
Households	Apprentices	Small investors	Trading partners	Environmental associations	Associations representing our stakeholders
Small and medium enterprises	Clerical staff	Foundations	Large-scale suppliers	Future generations	National and international public institutions
Corporates	Middle and junior managers	Institutional investors	Small-scale supplier		Non-profit organisations
Consumer associations	Senior managers				Territory
Public Authorities and Public Administration	Trade unions				Media

ISSUES

Financial inclusion ➞	Recruitment policy ➞	Share performance ➞	Transparency in procurement processes and the selection of suppliers ➞	Environmental and energy management system ➞	Micro-finance and anti-usury ➞
Support for production ➞	Development of human resources ➞	Dividends ➞	Promoting social and environmental sustainability ➞	Renewable sources ➞	Support for social enterprises ➞
Quality of relations ➞	Training ➞	Relations with shareholders and the financial community ➞		Energy consumption and energy efficiency ➞	Donations ➞
Controversial sectors ➞	Quality of life ➞			Paper ➞	International solidarity initiatives ➞
Litigation ➞	Health and safety ➞			Mobility ➞	Sponsorships ➞
				Reduction of emissions ➞	Progetto Cultura ➞
				Waste ➞	Media relations ➞
				Water ➞	
				Green products and services ➞	
				Equator Principles ➞	
				Environmental culture ➞	

CUSTOMERS

To capture the customer's point of view, listen to changing needs and develop quality services and products that meet the needs of households and businesses now but with an eye on the future: this is the path we are following.

For this reason, beginning with quality of service that is carefully monitored by a wide-ranging management system, the 2012 projects met the needs of the community, young people and businesses that invest in innovation.


Each of these projects stems from partnerships we created and supported in order to activate synergies among those operating in the social and economic context, making available our services and expertise.

Support for families

With the aim of providing support to families in economic hardship, Intesa Sanpaolo guaranteed continuity of the Household Plan, promoted by the Italian Banking Association and the major consumer associations, which allows the suspension of home mortgage repayments for 12 months. In July 2012 the Bank signed a new memorandum of understanding, "Household Path", which promotes the start-up of joint action to produce a harmonised series of subsidies for households (house purchase, birth of children, their education, etc.). As at December 2012 more than 11,400 mortgages have made use of the moratorium since 2010, for a residual debt of 887 million euro. In order to work alongside households in the purchase of homes at affordable costs, Intesa Sanpaolo participates in a real estate fund set up in 2010 with Cassa Depositi e Prestiti, the Government and other banking groups, insurance companies and private welfare funds, subscribing to "Fondo Investimenti per l'Abitare" fund units for a total of 250 million euro.

With regard to banking services, in implementation of the "Salva Italia" (Save Italy) Decree, Intesa Sanpaolo promptly activated the "Basic Account" which offers special terms to meet the needs of families in situations of economic hardship. As of end 2012, over 2,300 Basic Accounts had been opened.

Projects for young customers

Development of the product mix focused particularly on the very young, for whom special subsidies and dedicated promotions were arranged to facilitate their approach to the world of banking and allow easier financial inclusion. The Superflash product, which includes a wide range of services, supplements the "Bridge" loan  for university students, today granted to the students of 25 participating universities on the basis of regular attendance and merit, regardless of income requirements and with no personal guarantees necessary. Applications in the last few years have numbered over 8,000, and around 6,000 loans have been granted on the basis of merit requirements indicated by the Universities. 56 million euro in loans have been agreed.

With regard to the International Subsidiary Banks, in Bosnia & Herzegovina and Croatia the product includes basic banking services and a debit card with preferential terms. PBZ in particular offers account opening without fees and loans to finance student needs (accommodation, books, etc.). VUB Banka has developed a consumer credit facility for young people who are actively studying, a mortgage with preferential terms and a loan for those seeking to obtain ITC-related certification.

Natural disasters

Intesa Sanpaolo wanted to work alongside families and economic operators hit by the earthquake in Emilia Romagna and by the floods that affected Toscana, Umbria and Alto Lazio. In total, 350 million euro were allocated with particularly favourable terms to finance the restoration of homes and buildings damaged during the disasters, and the repayment of existing mortgages and loans was suspended.

The Superflash product

Superflash is the umbrella brand for customers in the 18-34 age range with dedicated services, special initiatives and its own website and branches. The offer includes facilitated access to transnational, insurance and financial products.

Also available as part of the offer is a mortgage which allows financing up to 100% of the value of the home with dedicated rates and no application fees. To guarantee flexibility and protection, the mortgage is combined free of charge with options offering suspension of the repayments and rescheduling of the amount through the "flexibility" of the duration. For young employees with non-standard contracts, the Superflash product includes a free policy by which the insurance company is committed to payment of the monthly mortgage repayments in the event of job loss.

Senior products

In 2012 the Parent Company launched a project dedicated to senior citizens, a customer base that is constantly growing and has specific needs. A new savings book was designed for crediting pensions, which envisages zero opening costs, utility bill payments at the branch and cash withdrawals. Also new is the "Carta Pensione" (Pension Card), a named, rechargeable prepaid card which combines the functions of payment cards with current account services, and in addition allows purchases and payments via the Internet. As at December 2012 more than 14,200 "Pensione per te" savings books and over 1,300 pension cards had been issued.

The International Subsidiary Banks have also developed services for senior citizens: the Egyptian AlexBank offers a mix of services that includes a debit card and Internet access; in Serbia, Slovenia, Bosnia and Croatia, loans with special terms are available for specific needs of pensioners. PBZ has also created an account with the fees halved compared to those for other customers of the Bank.

Remittance management

With the aim of expanding the product mix for immigrant customers, which number more than 760,000 (over 8% of individual customers in Italy), and of encouraging integration and financial inclusion, Intesa Sanpaolo further developed the money transfer service established after the agreement signed with Western Union in 2011.

To further decrease remittance execution costs in certain destination countries, given the longer times involved, the Next Day service was launched, flanked in the last quarter of 2012 by the new Express to Family service which, as a result of bilateral agreements with a number of the Group's international subsidiaries, allows money to be sent at the same cost as a credit transfer in Italy with completion times of just 4 hours.

The service is also available to non-customers performing the transactions in cash at rates that are still convenient. In 2012 around 140,000 non-Italian household customers opened an account with Intesa Sanpaolo.

Neo Impresa Portal

To overcome the difficulties in accessing the job market, Intesa Sanpaolo has created the Neo Impresa portal. The portal supports people wishing to start up a business or take over an existing business, and helps to identify available private and public financing.

NeoImpresa is divided into three sections, each corresponding to a crucial step in starting a business initiative: from creation of the idea ("Think it"), to its planning and economic assessment ("Make it") and on to the proposal of a dedicated banking product and an indication of alternative funding sources such as tenders and subsidies ("Finance it").

Laid off employees

Intesa Sanpaolo has implemented the "Anticipazione Sociale" project since 2005, designed for laid-off employees. In 2012 Italian companies further increased their recourse to extraordinary lay-off payments and employees often receive the indemnity from INPS, the Italian Social Security Authority, 7/8 months after following the request.

"Anticipazione Sociale" offers the opportunity to open a time-release credit facility with particularly favourable terms. It can be used until INPS credits the worker's current account with the salary integration.

Through agreements signed with the Authorities and local institutions in Lombardy, Piedmont, Emilia Romagna, Tuscany and Veneto, the worker does not bear any charges as these are covered by the project partners. More than 10,000 households have received over 53 million euro in financial support.

Encouraging female entrepreneurship

The "Business Gemma" policy, the first bancassurance product dedicated to female entrepreneurship, includes insurance cover and welfare services aimed at addressing the real problems of balancing private and professional life. The areas of action envisaged are maternity, assistance, aid and legal protection in times of difficulty and illness. Almost 2,000 policies were sold in 2012 (of which almost 90% applied the model designed for women with limited financial means).

Business Gemma has received important awards: first place in the AIFIN-Cerchio d'Oro award for financial innovation in 2011 and the MF Innovation Award in 2012.

International Subsidiary Banks' support for employment and the agricultural sector

The Group Banks have implemented important initiatives in support of the start-up and development of microbusinesses by women. For the third year running, the Slovak VUB Banka has implemented the "Emma Business Academy" training scheme which targets new female graduates who, after maternity leave, decide to launch business initiatives in order to find suitable employment. Banca Intesa Beograd also makes loans available to unemployed women wishing to establish a start-up.

Projects targeting the agricultural sector and the development of rural areas are also common. Amongst others, Banka Koper has financed over 130 small farmers for the purchase of seeds and equipment; in support of farmers and SMEs affected by the drought, Intesa Sanpaolo Bank Romania has granted over 220 loans for a total of 24.5 million euro.

The International Subsidiary Banks have also developed loans to support start-ups with the aim of encouraging microbusinesses. One of the many initiatives includes micro-finance loans by the Egyptian AlexBank for the development of depressed areas and support for employment. In 2012 a total of almost 25 million euro were disbursed to over 31,000 applicants.

SUPPORT FOR PRODUCTION

The economic crisis has highlighted the weak points of the Italian business system: the small business size and resulting problems of innovation and promotion on international markets, access to credit and collection difficulties. For several years Intesa Sanpaolo has developed a project involving dialogue with SMEs to maintain the vitality of its relations with the community and to act as partner on the path to overcoming the crisis. The areas of action have focused on dimensional growth, support for the creation of business networks, human resources, energy efficiency and environmental sustainability, innovation and internationalisation.

In November 2011 a new, important agreement was signed with Confindustria Piccola Industria to continue the common path started in 2009 in support of SMEs. The aim is to use operating tools to relaunch and grow the businesses through enhancement of their location characteristics. The agreement makes a plafond of 10 billion euro available to members, to be invested in strategic areas to support the competitiveness of Italian businesses.

Also important was the signing in 2012 of the “New measures relating to credit for SMEs”, the institutional agreement that envisages the option of suspending mortgage and leasing repayments, extending duration of mortgages, bank advances and leasehold property loan due dates, and the granting of loans related to increasing the equity achieved by small and medium enterprises. As at December 2012 over 19,600 applications were received for the suspension and extension of the principal amount of loans for a residual debt of more than 6.3 billion euro.

In support of the building industry, particularly hard hit by the economic crisis, Intesa Sanpaolo also signed an agreement with ANCE (the National Association of Construction Companies) which provides ANCE members with a credit line of 2 billion euro to develop construction projects, with specific focus on enhancing the value of and renovating existing real estate assets.

Business networks: networking without giving up independence

The relaunch of business competition can make use of the synergies offered by innovative business combination tools. For this reason, with the support of specialist Mediocredito Italiano expertise and the involvement of the main institutions and trade associations, Intesa Sanpaolo has promoted targeted actions to promote the dissemination of awareness of this specific issue among business owners and, in parallel, has provided full support to networking projects promoted by Banca dei Territori. The service model dedicated to the development of business networks has seen the setup of a “National Observatory” by the Research Department in partnership with Mediocredito Italiano and the Business Marketing Department, with the aim of assessing the positive effects of the network system on business performance and, in more general terms, on the competitiveness of the Italian production sector.

The studies conducted as part of the National Observatory will gradually extend to other areas through the setup of Regional Laboratories representing a location in which Banca dei Territori will be able to develop further synergies to support real networking projects.

Start-up Initiative

To create business development and acceleration opportunities for the most promising technological start-ups, Intesa Sanpaolo launched its Start Up Initiative: a structured, ongoing process of research, training, selection and presentation to investors of start-ups with a high technological content. In three years it has reached 50 editions, increased the number of countries, technologies and business sectors as well as developed partnerships worldwide with the Global Venture Competition of Berkeley University and in Italy with the Università Cattolica/Altis and the San Michele Valore Impresa association.

Of around 1,700 start-ups involved, 450 took part in training courses and 330 met with more than 4,000 Italian and international investors.

For the start-ups these meetings generated more than 2,000 statements of interest from potential investors, identifying 55 “success stories” among the companies they met.

Officine Formative (OFF)

Officine Formative is Intesa Sanpaolo's project that provides unemployed students and potential entrepreneurs with a free training course to learn the features necessary to transform a rough idea into a potential business. The course is split in two phases: *Think it*, online modules for basic skills transfer and *Make it*, modules by attendance to develop the skills to transform business ideas into companies.

At the end of the course, the best business ideas arising from the workshop activities and satisfying the necessary requirements can access the Start-up Initiative selection.

In 2012, 55 proposals were submitted, 24 entrepreneurs were involved and 12 start-ups were selected.

Singularity University

In order to disseminate a culture of innovation and change, a highly promising partnership was launched with one of the most advanced research centres for new technologies: the Singularity University, set up in Silicon Valley with support from NASA and Google. This is a new university concept which, as a result of the potential offered by exponentially developed technologies, proposes to find solutions to the enormous challenges faced by the human race (water, diet, climate change, sustainability, etc.).

After an initial experience that saw the involvement of more than 70 managers, the initiative was opened up to a number of large companies with a one-day seminar in which Intesa Sanpaolo customers had the chance to learn of the opportunities offered by exponentially developed technologies and their impact on society in the years to come.

Technological Opportunity Proposal

The specialist desk, Technological Opportunity Proposal, is dedicated to large companies and, according to an open innovation approach based on the capacity to seize upon the best opportunities beyond the corporate context, proposes investment opportunities in growing companies that produce innovative technologies.

In 2012 the Cleantech field of specialisation was extended to the ICT and Media sectors, successfully involving 60 of Italy and Europe's major companies.

After an analysis involving more than 2,000 target companies, around 350 investment opportunities were sent to the participating customers. The initiative thereby allowed our customers to hold no less than 90 meetings with the companies proposed with the purpose of concluding trade agreements or agreeing upon joint research projects.

Innovation


Intesa Sanpaolo seeks to support its customer companies through their growth and internationalisation processes, choosing technology as the driver for generating sustainable system change. Our products include loans, support and advisory services through dedicated specialist departments.

The **Nova+** financing programme, which supplements the traditional credit rating analysis with a technical and business assessment of the investment plans, is conducted by a Mediocredito Italiano team of engineers specialised in the various product sectors which makes use of partnerships with a number of leading Italian universities to assess the technological risk of the more complex and ambitious projects. Over 290 loans for a total of almost 370 million euro were disbursed in 2012.

In 2012 Mediocredito Italiano, the Intesa Sanpaolo Group's centre of excellence in the management of subsidies for Research and Development, conducted its activities in favour of around 450 companies and entities. This activity fosters the access to projects financed by the Italian Ministry of Education, Universities and Research relating to open competitions in the National Research and Competitiveness Operational Programme for Districts, Smart Cities and Technology Clusters in Italy.

Interaction among the financial, business and academic sectors

A number of initiatives were developed in favour of interaction among the various players able to promote innovation. May 2012 saw the launch of the Fondazione Ricerca e Imprenditorialità (Research and Enterprise Foundation) with several leading Italian industrial groups (Telecom Italia, ENEL, Finmeccanica) and with expert research centres (IIT - Italian Institute of Technology, Fondazione Politecnico di Milano and Scuola Superiore Sant'Anna in Pisa) to support the growth of businesses operating in the advanced technology sectors through business management training, enhancement and industry tutoring.

To provide assistance and advisory services to companies wishing to access European Union financing opportunities, Intesa Sanpaolo Eurodesk  operates with a particular focus on research and technological innovation.

The company also acts as partner in research and innovation projects financed by the European Commission, ensuring that Intesa Sanpaolo is a participant from the initial development stages of project ideas and is able to best assess the related risks and potential.

Among the numerous initiatives implemented in 2012, Intesa Sanpaolo Eurodesk provided support to Intesa Sanpaolo's participation in the Enterprise Europe Network (EEN), the largest network of support and assistance services for the competitiveness and innovation of SMEs, established in 2008 at the request of the European Commission's Directorate-General for Enterprise and Industry. The Network operates in 52 countries in Europe and worldwide, and has 600 member organisations.

Intesa Sanpaolo Eurodesk also constantly monitors European policies on growth and financial inclusion, allowing the Group and its companies to actively participate in their definition.

Production chains

One of the features of Italian industry is the organisation of production in production chains that are highly complex and characterised by a strong degree of division of the work among multiple companies. Small and micro businesses follow this model, avoiding to operate on the end market. On the contrary, they usually position themselves in a multi-step supply chain as sub-suppliers of larger companies. The economic and social fabric within the Italian regions depends on these traditional chain links.

Numerous signs are telling us that many sub-supply businesses are at risk, crushed by long payment terms, now replaceable by other sub-suppliers located in emerging countries, and with very limited contractual power. In this context the Research Department together with the Regional Departments for Emilia Romagna, Marche, Abruzzo and Molise have created an ad hoc survey on six industrial districts with the aim of understanding if and to what extent certain sub-supplier skills are such that, for the buyer, keeping supply relations at local level becomes strategic.

The first indications show that reliability, flexibility, quality of the component supplies and, above all, integration of the sub-supplier in the buyer's innovation process are significant aspects. Given these results, Intesa Sanpaolo proposes extending the survey to all of Italy in order to identify customer needs and strengthen its product model, facilitating access to credit, the various forms of production aggregation and the promotion of companies with a recognised strategic role in the chains.

Support for Public Administrations

Again during 2012 the Intesa Sanpaolo Group continued its commitment to working alongside Public Administration both at central and local level.

The domestic and international Institutional Relations Department developed new dialogue opportunities, organising specific workshops and training free of charge during key events such as the Public Administration Forum, the Annual General Meeting of ANCI (National Association of Italian Municipalities) and the Municipal Resources Expo and Forum organised by ANCI Lombardia.

In terms of financial support, the many activities included the adoption of factoring without recourse to overcome payment delays by public administration for supply, planning and public works services and to guarantee the necessary liquidity to companies facing a critical situation.

With the same goal, factoring without recourse continued in the healthcare industry in relation to receivables due to healthcare facilities and suppliers from health authorities and hospital authorities. The agreement was also renewed for the without recourse purchase of certified receivables due to the Università Cattolica del Sacro Cuore from Policlinico Gemelli suppliers.

Together for credit to Production chain businesses

Through the partnership between Gucci and Banca CR Firenze, in 2012 an innovative project was developed. This initiative aims at offering smoother access to credit for businesses that form part of a production chain, through exchange of information between the Bank and leading production chain companies.

Presented in January 2013 to over 600 suppliers and sub-suppliers in the 'Gucci leather goods finished product chain', the initiative safeguards and enhances the Tuscan production chain of luxury leather goods. The Bank can now enrich its quantitative information with the qualitative information provided by Gucci, which prepares a quality indicator for its suppliers, thereby also allowing the evaluation of intangible aspects of the companies with the possibility of achieving advantages for the production chain in relations with the Bank.

In the first few months of 2013 many companies have already stated an interest and several of these have already benefited from the agreement.

Nova+ loans

Year	Projects financed	Disbursements [€/000]
2010	72	179,294
2011	244	467,618
2012	291	369,140

Fonditalia ethical investment

The placement of Fonditalia Ethical Investment, the new socially responsible investment solution of the Fideuram Group which integrates income objectives with financial sustainability and social value aspects, began in 2012. Fonditalia Ethical Investment invests in securities issued by sovereign states, distinguished by their special focus on social and environmental matters; in securities issued by supranational bodies with a strong ethical mandate involving their commitment to support programmes in favour of developing economies; in funds specialised in micro-finance; and in fair trade funds and similar instruments targeting sustainable development. An Ethics Committee composed of managerial and academic professionals with proven experience in social sustainability guarantees consistency in the operating decisions with respect to the ethical principles that characterise the product. The sub-fund assets as at 31/12/2012 amounted to 13.5 million euro. Through the placement of this fund the Fideuram Group supports scientific research, granting a donation to the FISM, the Foundation of the AISM (Italian Multiple Sclerosis Association), corresponding to a percentage of the management commissions and any positive sub-fund performance.

Responsible investments: ethical funds and share ownership

Investments in ethical funds are selected on the basis of positive criteria (inclusive principle) to identify the presence of good social and environmental governance in companies or institutions under analysis and negative (exclusive principle) for those areas of activity that are considered to be in contrast with the ethical principles asserted by the funds. The “best in class” principle is also used to identify companies that, in certain markets at risk, stand out for their social-environmental initiatives. Environmental screening is entirely subject to the principle of “best in class” given that all the companies listed with major capitalisation have a notable impact on the environment, and this principle facilitates the selection of the most “virtuous” securities.

During 2012, the application of these criteria determined a variation in the investible universe, and consequently the inclusion or exclusion of certain issuing bodies from the fund portfolio. The reasons for inclusion include programmes to reduce greenhouse gases, the protection of biodiversity, the use of clean technologies, the involvement of suppliers and protection of minorities in the workforce. The reasons for exclusion include involvement in the arms sector, the breach of anti-trust rules, accounting fraud and discrimination in the issuance of loans. Certain exclusions for 2012 referred to a number of European blue chips due to problems relating to the environment and human resources, labour law disputes, relations with market competitors and involvement in the nuclear energy sector.


The share ownership practices in operation mainly target large institutional investors that request them. This activity translates mainly to engagement practices involving direct communication with the management boards of investee companies, posing questions and notes on topics of particular interest to customers on social, environmental and corporate governance aspects.

As part of the responsible investment strategies, the FAPA – one of the primary pension funds of Intesa Sanpaolo employees – is the first in Italy to adopt a share ownership strategy, interacting directly with a number of large companies included in the portfolio. The dialogue focused on the chain of suppliers and allowed assessment of the companies’ conduct and recommendations of improvement action.

Controversial sectors

In compliance with the values and principles expressed in the Code of Ethics, since 2007 Intesa Sanpaolo has managed arms sector issues through a restrictive internal policy that drastically limits participation in activities involving the production and marketing of military weaponry material. In particular, all transactions involving the import and export of arms pursuant to Italian Law 185/90 are forbidden, and specific limits have been defined for managing loan disbursement and other financial services to companies involved in this sector. Intesa Sanpaolo has also specified certain particularly controversial sectors with which the Intesa Sanpaolo Group intends to refuse business, such as nuclear, biological and chemical weapons, cluster and shell fragmentation munitions, weapons containing depleted uranium and anti-personnel mines.

The actual application of this policy envisages certain exceptions in order to take national defence interests into consideration, also with a view to integrated European defence, and it was therefore decided to support existing Inter-governmental Programmes between companies that comply with democratic principles and to authorise imports and domestic activities in favour of the national armed forces.

During the last few years authorised transactions have gradually been reduced to almost zero since 2011, even if traces of certain transactions could still come to light in the future .

QUALITY OF RELATIONS

Financial education initiatives

In 2012 the “Mettere in comune le competenze” (Skills Pooling) project, launched in 2011, was at the heart of relations between Intesa Sanpaolo and the Consumer Associations. Stemming from the intention of improving mutual knowledge and collaboration skills to the benefit of consumer customers, the project involves the exchange of know-how and skills between representatives of the Bank and the Associations. The first of the four projects of “Mettere in comune le competenze” was completed during the year, the last 2 modules on banking/financial education being dedicated to middle managers of the associations. The course provided tools and techniques for a better awareness of financial market trends which can be adapted, replicated and multiplied in the community by association representatives and the Bank’s customers and consumers.

Still in 2012, for the first time, representatives of the associations acted as “tutors” within the Bank: from June to December 10 training sessions were held, attended by around 170 apprentices from Banca dei Territori.

For more information and on additional financial awareness initiatives, see the website [👉](#).

Simplification of credit access procedures

In the last year a full review of credit processes dedicated to Small Business customers was completed, streamlining the documentation required from customers and simplifying internal procedures to ensure quick and accurate responses. The average response time to credit facility applications decreased in general by more than 50%. An innovative process dedicated to cases involving small amounts allows a decision to be made on the credit facilities normally within 2 business days (almost 20% of cases were decided in just one day).

In this context, new ad hoc rating models have also been developed. These are more accurate and statistically predictive and tend to make assessments less tied to the economic cycle and more oriented towards longer time horizons, strengthening support for start-ups and new deserving customers.

The Small Business Credit Process earned important recognition, taking first place in the “Organisation and Operations” category in the 2011 AIFIn “Cerchio d’Oro Award for Financial Innovation”.

Easy access to services

To facilitate access to banking services for visually impaired people, all Intesa Group ATMs in Italy (more than 7,100) are equipped with a dedicated interface allowing cash withdrawals, mobile phone top-ups and current account statements.

By pressing key 5 before inserting the card, ATMs allow independent operations both to the short-sighted – via high-visibility graphics available on the entire pool of machines – and to the visually impaired through an automated voice guide that can be listened to on over 5,600 machines via a standard headset.

The Savings Museum

The Intesa Sanpaolo Savings Museum, located in the historic centre of Turin, was created with the aim of disseminating financial culture to a non-specialist general public. It guides visitors through 5 theme halls that stimulate active participation, offering historic documentaries, explanations of the principles underlying investment decisions and forms of contamination through the literature, cinema and interactive games made available.

At the beginning of the school year, differentiated educational tours were made available to schools.

In October 2012, a “Risparmio e Futuro” (Savings and the Future) competition was dedicated to children from the junior high schools in Turin and the province, along with educational programmes to learn how to use water, food, money, energy and transport without waste [👉](#).

Financial culture at school

The 2012/2013 school year saw the launch of the fifth edition of “Cultura finanziaria a scuola: per prepararsi a scegliere” (Financial culture at school: get ready to make choices), promoted by the Osservatorio Permanente Giovani – Editori (Permanent Observer: Youth and Media), in partnership with Intesa Sanpaolo.

Also for the current school year a basic course of 10 lessons is offered to teachers on ten particularly important topics. The classes involved in the project are monitored by GfK Eurisko as part of a national study conducted each year by the Permanent Observer as part of the “Il quotidiano in classe” initiative (Daily Newspaper in the Classroom). Its aim is to assess the gradual increase in students’ skills in the financial field.

Target	Objectives	Methods
Customers Satisfaction at branches Intesa Sanpaolo individual and small business customers in Italy Survey: March-October 2012	Assess customer satisfaction and their willingness to use word of mouth	68,140 telephone interviews with individual and small business customers
Benchmark survey individual customers in Italy Survey: September-October 2012	Assess satisfaction with: <ul style="list-style-type: none"> branch office staff and advisors branch office environment products and services relations with the banking industry word of mouth 	14,107 telephone interviews with individual customers: <ul style="list-style-type: none"> 2,667 Intesa Sanpaolo customers, 11,440 customers of other banks or Bancoposta.
Italian companies that use Mediofactoring products and services Survey: April 2012	Assess satisfaction with: <ul style="list-style-type: none"> contacts service quality Verify the perceived image of the brand	<ul style="list-style-type: none"> Online questionnaire sent to 1,100 companies
Selected number of Corporate customers migrated from the Links remote banking platform to Inbiz Survey: October 2012	Understand the level of satisfaction with: communication, training and support in the migration to the new platform.	<ul style="list-style-type: none"> Telephone interviews or online questionnaire to 330 companies
Individual and SME customers abroad Half-yearly/yearly survey	Assess satisfaction with: <ul style="list-style-type: none"> branch office staff and contact branch organisation services post-sales assistance word of mouth the Bank's image 	Nine banks involved. About 63,750 interviews, of which: <ul style="list-style-type: none"> 58,300 for quarterly monitoring of individual customers 5,450 for yearly monitoring of SME customers
Benchmark survey Individual and SME banking customers abroad Yearly survey (1 for SMEs and 2 for individual customers)	Assess satisfaction (see previous survey) and customer loyalty in comparison with competitors	About 26,650 telephone interviews with representative samples of other banks' customers (Individual and SME customers)
Individual customers abroad Half-yearly survey	Assess customer satisfaction with Internet Banking services	About 3,200 participants in an online questionnaire. 4 Banks involved.

The SElok quality management system

Gaining customer trust and knowing their level of satisfaction, expectations and needs are key to our business. With this objective in mind, Intesa Sanpaolo launched the SElok Programme to measure and improve the quality of branch services.

SElok stands for "Intesa Sanpaolo System of Excellence", a process management system designed to constantly improve customer service. The portal monitoring the quality of service provided at branches was developed between 2010 and 2011 with the fine-tuning of 36 quality indicators. In 2012 the indicators recorded a gradual improvement in quality and an increase of more than 18% in the overall average results compared to similar readings in 2010/2011.

Customer satisfaction: individual customers in Italy

In 2012, Intesa Sanpaolo also carried out surveys on the level of customer satisfaction with the Group's banks (Branch Customer Satisfaction) as well as a survey on the account holder population in Italy (Benchmark Survey). The Branch Customer Satisfaction survey, completed by around 68,000 telephone interviews with individual and small business customers, recorded positive levels of satisfaction for these segments.

The Benchmark Survey, now operating for around ten years, aims to assess Intesa Sanpaolo's positioning in performance terms as regards the main drivers in Bank-Customer relations. In the period September-October 2012, 14,107 Italian individual customers were interviewed, 2,667 Intesa Sanpaolo Group customers and 11,440 other bank or BancoPosta customers.

In 2012, Intesa Sanpaolo Group customers expressed an overall "rationale" and a "propensity to recommend its own bank" stronger than that recorded in 2011: NSI (Net Satisfaction Index)¹ increased from 44 to 53, whilst the propensity to recommending its own bank, IPS (Intesa Sanpaolo Promoter Score)² increased from 28 to 35.

In particular, in 2012 Intesa Sanpaolo Group customers' opinion on the Branch office environment, the ATMs and Loans was positive and higher than that of the banking system.

Positive but slightly lower than the market average were the levels of satisfaction of our customers in relation to Branch office staff and Internet banking.

Our customers instead appear more critical, compared to the banking system, on issues relating to Investments and Mortgages.

Customer satisfaction: medium and large businesses

Intesa Sanpaolo aims to work alongside its business customers and share challenges and opportunities encountered on the path to mutual growth. In 2012 listening and dialogue initiatives were promoted through structured surveys on customers using specific product and service types (over 1,400 companies). The response rate was 27% online and 69% via phone. Customers demonstrated a strong willingness to open ongoing contact with the bank: approximately 59% of customers interviewed were willing to be contacted again for further information on improving the quality of services offered. During the year Intesa Sanpaolo implemented improvement and corrective actions triggered by the 2011 surveys.

Notes:

1. NSI=Net Satisfaction Index, equal to the percentage satisfied (rating of 8-10) less the percentage dissatisfied (rating 1-5).

2. IPS=Intesa Sanpaolo Promoter Score, equal to the percentage of promoters (giving a rating of 8-10 in relation to the probability of recommending the bank) less the percentage of detractors (rating 0-5).

Customer satisfaction: International Subsidiary Banks' customers

"Listening 100%", the Group's International Subsidiary Banks programme continued. The monitoring system was adopted by 9 of the 11 banks with a total of about 90,000 telephone interviews of sample groups representing individual and SME customers. The data collected on a representative sample of individual customers showed a general improvement in satisfaction across the different banks involved in the survey, albeit with some exceptions in relation to specific locations; however, the general leadership in customer satisfaction in many of the countries where the Group's International Subsidiary Banks operate was confirmed.

In 2012 the survey measuring the satisfaction of "individual" customers using the Internet Banking service also continued.

Complaint handling

With regard to the complaints received by the Banks in Italy, in 2012 the number of formalized complaints decreased slightly compared to 2011 (-2.6%).

The Customer Service and Complaints Service continued and strengthened the qualitative aspect of handling complaint letters, further reducing the processing times which proved to be well below the maximum response times envisaged in regulations.

- Investments

The total number of complaints about investment services continued to fall. The problems regarding securities issued by the Lehman Brothers Group have come to an end, and the default-related problems are now almost zero.

- Current accounts, loans, customer information and requests for documentation

These complaints increased slightly, essentially confirming the cases that already emerged in 2011: transfer and rescheduling of mortgages, cancellation of mortgage guarantees, reports relating to guarantees given and credit-related aspects in general.

- Payment cards

Reversals/complaints decreased considerably in 2012, also as a result of targeted action to increase the security of card transactions.

- Institutional relations

Claims submitted by customers to the Banking and Financial Arbitrator for assessment increased by approximately 20% and numbered 470, whilst those filed with the Banking Ombudsman totalled 115 compared to 42 in 2011.

The number of queries received from the Bank of Italy increased from 728 to 947 (+30%), whilst – as in previous years – the number of queries from Consob and the Antitrust Authority remained almost immaterial.

Quality and innovation

In order to offer customers a new method for relations with the Bank, complementary to and in synergy with the branch, the "Offerta Fuori Sede" (Out-of-branch offering) project was launched: a commercial advisory and development service provided at the customer's home or workplace.


At the beginning of 2013 Intesa Sanpaolo also launched the Banca Estesa (Extended Bank) project to make its services and advisory support available to customers during extended branch business hours as well as on direct channels. The first 93 branches were activated in January and another 242 will be activated between 25 February and the beginning of April in accordance with a weekly schedule.

Consumer Associations and standing conciliation procedure

The standing conciliation procedure, which concerns products offered to individual customers (current accounts and linked payment cards, mortgages and personal loans), has gradually become a tool used to preserve and strengthen the relationship of trust between the Bank and its customers and an additional opportunity to ensure and protect customers' full satisfaction with the quality of the products and services used. It is the first agreement of its kind in Europe, in operation since 2006, and was made possible through dialogue and the long-term relationships established with Consumer Associations.

The conciliation procedure is simple, free of charge and rapid, and envisages a maximum case resolution time of 60 days. Customers may decide to participate without incurring any expenses and knowing that the procedure will in no way compromise any other processes that they should wish to undertake, even at a later date, to protect their interests. A total of 284 claims were received as at 31 December 2012.

Litigation

In 2012 a number of civil and tax proceedings were in progress, for which reference should be made to the 2012 Consolidated Financial Statements (pages 384-389) .

The issues of most social significance are:

- Anatocism
- Investment services
- Intesa Sanpaolo/Piedmont Region litigation
- Codacons class action
- Altroconsumo class action
- Relations with the Giacomini Group
- Legal and administrative proceedings at the New York branch

EMPLOYEES

Innovation, social commitment and concreteness were the key words acting as drivers in corporate strategies in 2012.

On the one hand, a new way of banking was sought, by enhancing commercial efficiency and creating new business roles in response to the renewed demands from customers, with strong investments in training; on the other hand, greater organisational flexibility was created, by reviewing structures, internal processes and service models also considering the strong focus on operating costs.

In a context of continuing economic difficulty, the Group's decision was to minimise the impact on human resources by means of an industrial relations system designed to maintain social cohesion and the search for sustainable solutions able to enhance the Group's integrated welfare system.

RECRUITMENT POLICY


In 2012 Intesa Sanpaolo hired 2,979 people (467 in Italy and 2,512 abroad). Investment in the future through the introduction of young resources continued in line with corporate objectives confirmed as part of the Employment and Productivity Protocol signed with the Trade Unions.

As part of our recruitment policy, particular attention was paid to seeking out human resources falling under the protected categories group. This is performed through monitoring resumés from orientation sessions and those submitted directly by candidates via the Group website, and through cooperation with local associations that encourage access to employment by disadvantaged categories.

Young people and employment

Intesa Sanpaolo's objective is youth career guidance through ongoing cooperation with Italy's major Universities and Business Schools, particularly as part of the Master's Degree in Quantitative Finance and Risk Management of Bocconi University, with a number of study grants awarded and placement opportunities within the company. Workshops and initiatives were arranged and held on a continual basis, such as career days and lectures given to students by our managers directly at the universities.

With a view to facilitating the introduction of new recruits, the partnership with the University of Turin continued, offering colleagues with professionalizing apprentice contracts the opportunity to attend a two-year Master's Degree in Banking and Financial Services Management.

The "Jobs & Careers" section  of the Group website is constantly updated in terms of content and functions to allow candidates to apply for open positions and to verify study grant opportunities offered to deserving students and recent graduates.

The focus on external/internal exchange and "contamination" continued with the "Officine Formative" project, a business school and workshop which today forms part of a service platform offered by the Group to develop new businesses and the employability of young people.

CUSTOMERS

Staff breakdown and development

Taking into consideration the scope of the Sustainability Report, the Intesa Sanpaolo Group workforce numbers about 95,400 human resources of which almost 66,300 in Italy and over 29,100 abroad¹.

The number of female employees in Italy has reached 50% and 63% abroad. The average age is 44 years in Italy and 39 abroad; the percentage of graduates at Group level is almost 42%. In Italy part-time personnel reaches a little over 12%, almost 3 points above the Italian average (9%)².

The Group workforce turnover rate of -3.98% is in line with the planned structural action.

Turnover [%]

Total turnover rate	2012	2011	2010
Italy	-3.98	-1.8	0.9
Abroad	-3.97	-1.8	-4.8

Notes:

1. In the International Subsidiary Banks, the CEOs are all local residents and 5 out of 11 are nationals of the country of operations. On average, 80% of the first managerial level is made up of local staff.

2. ABI (2012) "Rapporto sul mercato del lavoro nell'industria finanziaria", Rome, Bancaria Editrice.

ON Air - the professional development model

The reference model for the governance of professional development is "ON Air", launched in 2011 after a pilot project involving approximately 6,000 employees in the Banca dei Territori Division and extended in 2012 to the Parent Company Head Office Departments. 45.2% of the people included in this second stage of the project had the opportunity to "give themselves a challenge" through a self-application process. Today, ON Air integrates the management system so as to provide support to the Company in its choice of the best professionally-prepared and most motivated staff and to develop the most adequate conduct to achieve goals. The distinguishing features of the model are individual motivation, the enhancement of diversity and the setup of pools of motivated and talented staff who, through relevant professional growth and career paths, can guarantee that business needs are efficiently covered. In order to make the organisational conduct more efficient in achieving results, ON Air also envisages the creation of Development Paths consistent with individual profiles and the relevant improvement areas.

DEVELOPMENT OF HUMAN RESOURCES

Professional enhancement initiatives within the Group continued in 2012, providing support for talent without ever ceasing to verify development opportunities, also by means of area or job transfer strategies, maintaining a strong focus on female candidates for the new managerial positions.

The value of talent through communities

The operation which, for some years, has seen the enhancement of the youngest and the most talented resources continued through the segmentation of the corporate workforce into communities, within which customised career paths are envisaged.

In 2012, the "Emerging" Community, comprising 100 young, high-potential graduates identified following a complex selection process of self-submitted applications, completed a two-year training programme. The process included a first-level Master's Degree in Banking & Business Administration at the SDA Bocconi School of Management and a six-month one-on-one English language course. The "Action Learning FAI" initiative was also completed, which aimed to help young talents to develop the soft skills strategic to the company, designing and implementing the web pages dedicated to protected sites for the FAI (Italian Environmental Fund). Lastly, specific tutoring and coaching projects were implemented, involving rotation among key structures and staff activities with the aim of building multi-disciplinary professional profiles and enhancing the distinguished skills of young people working in the business divisions.

The "Talent" Community comprises 97 colleagues (67 in Italy and 30 from the International Subsidiary Banks) who in 2012 participated in and completed the Executive Program in Banking Management, in English, organised in cooperation with the SDA Bocconi School of Management.

Three phases were planned for the implementation of an effective Talent development process:

phase 1 - Education (launched in 2011 and completed in 2012), phase 2 - Execution (which began and ended in 2012) and phase 3 - Exposure (due for launch in 2013).

The Education phase (Executive Program) was implemented through a well-articulated, tough programme made up of a series of modules. The contents of each course module were designed in partnership with Intesa Sanpaolo managers, who lectured at the opening of each module and intervened in the question and answer session at the end of each module. To enhance the managerial and leadership skills, a further 2 modules on behavioural training – Team Performance and People Engagement – were also implemented. In the second half of 2012 the Execution phase was implemented, with the aim testing on the field the knowledge learnt in class, through 18 strategic Project Works directly proposed by Intesa Sanpaolo managers. The project tasks saw participants working in small inter-departmental and international groups of 5-6 people each, on professional issues not specific to their department of origin, and encouraged the development of cross-cutting skills and cross-feeding knowledge, given the different professional experiences and backgrounds of the individuals. The groups were also able to test a "remote" working method from their various workplaces. Enhancement of their organisational and coordinating skills was thus also offered. In December the final results of the projects were presented to the assessment panels whose members included project tutors, SDA Bocconi School of Management professors and Intesa Sanpaolo managers (lecturers in the first part of the course). Some of the projects completed will be implemented by the departments sponsoring the Project.

Performer

Introduced in 2010, Performer is the Intesa Sanpaolo Group's performance assessment system which for two years now has involved not only colleagues in Italy, but also a number of international structures of the Corporate Division (around 700 staff members). The system forms an integral part of a more general HR management and development process, and allows everyone to self-assess and be assessed with a view to professional development and growth. The self-assessment offers an opportunity to gain awareness and to be a key player in one's own professional development. The manager's assessment is oriented towards addressing the team performance and individual responsibility. This system has made it possible to promote excellence wherever it is found, and therefore takes into account the different complex duties undertaken by individuals.

The value of diversity

Throughout all the management processes, the consideration of issues associated with diversity - gender, skills, background and generation - continued to play a significant role within the overall aim of increasing concreteness of the principles of the Group's Code of Ethics.

Partnerships continued with organisations and associations working on the issues of inclusion in the employment field of the disabled. The diligence with which Intesa Sanpaolo handled the practices of inclusion of the disabled has gained recognition from the leading national organisations and associations (including U.N.A.R., provincial C.P.I., Synesis, Fondazione Adecco per le Pari Opportunità, Sodalitas). This commitment has allowed placement within the Group of around 60 people, in compliance with regulations and enhancing the special skills of individuals in relation to their role and to the level of complexity required by their departments of assignment. This approach was particularly appreciated and earned the Bank the Diversity & Inclusion Award - Diversitalavoro.

In 2012 the Corporate and Investment Banking Division launched training courses dedicated to the issue of diversity, with classroom teaching, brainshops and workshops focusing on female empowerment, the enhancement of inter-generational diversity, internationalisation and cultural differences. There are a number of goals: encouraging the start of a career path, balancing professional growth with female motivation, disseminating the inter-generation issue, adopting a common approach to the challenges posed by cultural diversity, and finally improving the role of managers in the diversity inclusion processes within the company.

Intesa Sanpaolo constantly monitors non-discrimination issues. In Italy no related reports were received, whilst – through the Code of Ethics mailbox – one report was received from the International Subsidiary Banks, which proved unfounded.

Remuneration policies and incentive systems

Also in 2012, the remuneration policies and incentive systems continued to pursue the objective of correlating the variable remuneration to the extent of risk actually assumed, short term and long term, and of maintaining a sufficient level of capitalisation. Within this framework, the connection between individual leveraging and incentive mechanisms to better differentiate the variable remuneration on a merit basis was strengthened, without prejudice to compliance with the principle of symmetry between the extent of the incentives assigned and actual results achieved.

Systems inspired by the principles of equality, merit and long-term sustainability were finalised also in the International Subsidiary Banks, rewarding the results achieved with respect to local characteristics. These systems – differentiated by staff grades – promote dissemination of the culture of performance based on assessment and recognition of individual merit.

Management staff¹: % of female staff



1. Senior, Middle and Junior Managers

Learning Experience Design

Learning Experience Design (LED) is the new design protocol for training initiatives. Launched in 2011, it was already widely implemented in 2012 and will gradually be applied to all training initiatives. LED transforms educational initiatives into a learning experience beyond the classroom: it focuses on an integrated approach, identifying real training needs and planning post-training commitments.

It was applied to one particular project, among many others, which involved 130 Branch Managers from a number of Italian regions with the aim of improving HR management to encourage customer service, productivity and organizational wellbeing.

In June 2011 LED received the HR Innovation Award from Milan Polytechnic, and was selected by ADI Design as a candidate for the 2013 Golden Compass Award.

Free 18

2012 saw the launch of the sixth edition of "Free 18", an after-hours training initiative that over the years has also become a unique "service to individuals" in our industry. Through a dedicated platform, all employees can request books, CDs and – from 2012 – also e-books.

Overall, more than 100,000 training tools were distributed in 2012, including around 23,000 e-books. The addition of e-books was amongst other things motivated by the aim of raising the employees' awareness on the use of environment-friendly technologies, which is well-justified when reading and consulting books on professional updating, normally cumbersome and often subject to continuous reprints.

Again in 2012 colleagues were proposed a structured listening survey (resulting in over 35,000 feedbacks) designed to gather elements of on-going improvement in terms of training accessibility and effectiveness.

TRAINING

Accessible training for everyone in the Group, oriented towards the values of the Code of Ethics, takes into consideration the many expectations of stakeholders and coordinates the various requests in a consistent, balanced manner. To win the challenge of excellence in an increasingly complex scenario, the training initiatives are constantly reviewed in accordance with two transversal dimensions: disseminating culture and accompanying the future ➡.

Developing skills to improve customer service

2012 was once again characterised by strong investment in the development of professional skills, with on-going training through the "Professional Academies" (permanent and tailor-made higher education courses dedicated to the Bank's larger professional groups) and the Pro - Training Programmes (classroom training courses and field coaching for role readiness and the completion of skills and behaviours of branch staff), and through specific requalification projects.

An example is the module format programme designed for 250 colleagues covering the professional role of bancassurance expert. A role created as part of a wider development project for the network service model, with the aim of enhancing skills and of capturing and efficiently managing customer needs.

The programme, comprising technical and conduct-related sessions lasting a total of 9 days, developed on the one hand the knowledge needed by the experts in capturing and satisfying the bancassurance needs of customers and, on the other hand, the skills to guarantee its dissemination to all colleagues, so as to ensure a standard and professional approach to the services provided.


A dedicated coaching plan was structured alongside the classroom training, and a social network was created where colleagues continued their refresher course, also through the exchange of experiences and discussion.

The customer satisfaction culture in the international subsidiary banks

2012 saw the continuation of the "Listening 100% Education Programme", the project designed to raise the awareness of the International Subsidiary Banks' colleagues on customer satisfaction improvement. The new phase of the Education Programme aimed at consolidating awareness on the strategic importance of customer satisfaction and the more important results achieved, the dissemination of best practices and the generation of new ideas for creating a unique and positive customer experience among Internal Subsidiary Bank customers.

The adopted approach saw the involvement of all levels and roles within each bank with specific events arranged according to a top-down logic: Empathic Design Event for the central offices, Improvement Leadership Event for the areas and Cascade for the network personnel.

Innovation and improvement of access to remote channels

The Training Department continues to innovate remote channels, in particular working on the development of the “online course” idea. This method, in which the different “learning strategies” support the professional growth of colleagues, also through increasingly targeted customisation of the course content proposed, has become more and more widespread. In addition to dividing the training into individual educational units that can be selected at will, recent developments include two new sets of guidance in line with the Learning Experience Design - LED protocol 

- the creation of “adaptive” virtual situations in which the content is adapted to colleagues’ knowledge
- the activation of social learning tools, based on “reciprocal” learning.


Based on this logic, the teaching methods to provide refresher training were redesigned from 2011 onwards, as envisaged under current regulations for colleagues performing insurance intermediation activities. The programme, which involves around 30,000 colleagues per year, is based on 22 hours and 30 minutes of collaborative remote training, one-day classroom training and a final qualifying test.

The “physical” classroom operates alongside “virtual” classroom sessions in which synchronous and asynchronous interaction encourage constant “contact” with the colleagues involved. The various teaching methods are integrated so as to transfer both regulatory and product-related content, to test the knowledge acquired by participants and to meet teachers and company experts online, while remaining at their workplace. Other means of interaction (FAQs, chat rooms, Delegates area) further enhance the options of sharing among participants, teachers and tutors.

Responsibility know-how

Major efforts continued for the dissemination of the corporate responsibility culture, both in the form of knowledge and awareness, aimed at translating the meaning of commitments undertaken with the Code of Ethics into everyday work activities. The CSR Delegates were the key players in a change of perspective: in fact, they were invited to apply for some proposed training programmes, exercising self-responsibility also in this sense. Some of them opted to continue with the work carried out in the 2011 thinkshop “Valore ai Pensieri” (Value for Thoughts), participating in the collective writing of a manifesto expressing the values of the CSR Delegates themselves and of those concerned with sustainability. Another group of Delegates instead chose to work on conflicts and on the value of mediation.

Training also sustained dissemination of the culture of excellence and responsibility with projects that transversally involved the Group’s managerial staff, focusing on topics of innovation, simplification and inter-generation.

During the year, the CSR Unit also met twice with the CSR Delegates, which under the name Agorà became important occasions for growth and sharing. Lastly, the courses for international colleagues on application of the Equator Principles were concluded with the session dedicated to Project Finance specialists at the Hong Kong office (link to page 62 .

Intesa Sanpaolo’s business ethics and Social responsibility

The “Etica d’impresa e Responsabilità sociale in Intesa Sanpaolo” project (Intesa Sanpaolo’s Business Ethics and Social Responsibility) was implemented in 2012. A delegation of Trade Unions and representatives of the industrial relation office were involved in a workshop experience with the aim of increasing awareness of the CSR model in Intesa Sanpaolo and encouraging orientation towards the principles of the Code of Ethics in the management of day-to-day and institutional relations. The course, arranged in two modules of one classroom-day each, was the opportunity to work in terms of knowledge of the policies and of personal and professional awareness. In this regard, the educational approach proved highly effective, alternating theoretical lectures with direct implementation. 7 editions of the course were arranged at 5 Italian offices, with the participation of 92 people.

Wesion - programmes for the future

Wesion is the training project that involved all Departments and Product Companies in the Corporate and Investment Banking Division, with classroom participation by a total of around 1,500 employees and involvement of the entire Division in the online stage of generating and enhancing ideas. During the residential training, employees were able to improve their mutual knowledge, discuss strategic issues associated with their own profession and, through creative activities conducted in sub-groups, contribute to highlighting a number of ideas and suggestions for improvement action to be implemented over the next three years. On conclusion of this event, everyone was also able to continue to enhance their own proposals through dedicated forums on the Division’s intranet. Web 2.0 tools were also used to encourage communication, listening and networking.

Assessing training effectiveness and fuelling innovation

Intesa Sanpaolo training is increasingly designed to develop innovative methodologies and has specifically focused on chances to measure the effectiveness of its activities through the pilot introduction of an analysis of the “Return on Expectations” concept, which allows monitoring the results achieved and the economic return on training projects.

Amongst others, this methodology was applied to a team building project for employees in the staff structures in Emilia Romagna, Marche, Abruzzo and Molise. The aim was to increase interaction skills among staff of the regional banks and to improve results in the Foreign, Tourism and Agribusiness areas. Results in relation to growth in volumes and the acquisition of new customers were achieved in all these three areas.

International integration

“Training-on-the-job” courses also continued in 2012, with the aim of putting colleagues from the International Subsidiary Banks in contact with their counterparts operating in the Parent Company, through a field experience designed to acquire and refine awareness, technical and behavioural skills. 11 training courses were organised in 2012, involving the Compliance, Legal and Corporate Departments for periods ranging from one week to two months according to individual development needs.

The “Let’s go International” initiative was also launched, envisaging the secondment of certain International Subsidiary Bank Division resources to the Internal Auditing Department of the Parent Company to increase the international and multicultural profile of this Department.

Joint committees on equal opportunities and training

Continuous and fruitful exchange characterised the work carried out with Trade Unions as part of the joint workshops of the Joint Committees on Equal Opportunities and Training. The members of the joint committees are company officers and two representatives per Trade Union, thereby representing all employees in Italy.

This activity led to the integration of company training plans, adding courses with a strong social issue content – for example to enhance skills and awareness within the company on Business Ethics and Corporate Social Responsibility – to the commercial or regulatory training courses already offered. As regards the Joint Committees on Training, the company and the Trade Unions reached numerous understandings on training plans (27 agreements between Group companies and the respective Trade Union representatives) that, amongst other things, gave rise to financing opportunities offered by the Fondo Banche e Assicurazioni (Bank and Insurance Fund).

The company’s activity aimed at activating and advancing financing for the promotion of technical skills of the Trade Union executives operating in the Group, through the participation in training courses on labour law and welfare, also continued.

QUALITY OF LIFE

The corporate welfare system was further structured within an integrated model that includes the People Care and Mobility Management services. Starting from constant, structured listening to the needs of individuals, it proposes to act on the key elements for a better balancing of the personal and professional lives of employees and their families, also with a view to diversity management. The goal is to encourage sustainable solutions and plans consistent with expectations.

The application of a welfare policy therefore represents a component of value, strategically important in the adoption of this model of conduct. The corporate Welfare is further integrated with the regulatory system envisaged in the national collective bargaining and Group agreements, which on the one hand offers all colleagues flexible solutions and practices, such as permits, leave, flexible working hours both morning and evening, part-time options, etc., and on the other hand subsidies and economic contributions, such as benefits for families with disabled children, out of the workplace accident policies, loans, mortgages, meal vouchers and, last but not least, the company social Bonus.

The Group Health Fund

Two years after it was established, the Group Health Fund now has over 200,000 subscribers (employees in service, relatives and pensioners) and has provided services exceeding 100 million euro a year, including healthcare services integrating those of the National Health Service on all forms of hospital and specialist treatment to employees in service and their families. The fund was also extended to pensioners participating with full entitlement, thus guaranteeing significant intergenerational solidarity.

Balancing initiatives

With more than 25,000 users registered on the various platforms offering socially useful and sustainable mobility services, Intesa Sanpaolo's People Care system aims to take sustainable action in terms of work-life balance, given the extent of the area covered, organisational complexity and the different needs of the corporate workforce ➡.

Internal communication and involvement

Innovative channels and tools have strengthened ongoing, transparent reporting to involve everyone who works in the Group. In 2012 the Intranet, representing the Intesa Sanpaolo map of knowledge, was expanded from 80 to 100 sections. The main innovative element in 2012 was the Intranet Store, through which all colleagues can easily integrate their working tools. Banca dei Territori's Web TV, with 31 profiled channels that discuss national and local issues useful for work and life in the company, in 2012 was flanked by an extranet channel for the Corporate and Investment Banking Division staff working abroad. This channel broadcast in-depth programmes with English subtitles. The latest printed edition of Mosaico came out in December 2012. So the online edition, backed by a hard copy since 2011, has become the Group's only house organ, increasingly in line with the need for multimedia, prompt, networked information on company affairs and consistent with the environmental sustainability decisions targeting a reduction in paper consumption.

The structured internal listening system detected colleagues' perceptions and added local listening panels, focus groups and surveys on specific issues to climate surveys, involving over 12,000 participants. Moreover, queries and feedback after internal communication events involving the Bank's management (meetings with senior and local managers, Web TV interviews, etc.) were collected.

Home care and support needs



Among the most important balancing actions is the Welcare Family project launched in April 2012. This multichannel service can also be accessed “from home” and provides information and domestic care and treatment services, management of bureaucratic and administrative, welfare and tax folders at preferential rates or free of charge. Future implementations are planned as enhancements to the services already agreed.

Families and childcare

Among the most significant initiatives is the infant support service. 4 company crèches are in operation - our “baby nurseries” - in Milan, Florence, Naples and Torino Moncalieri, and a new crèche is now being prepared at the new Turin headquarters. Quality is a fundamental element that accompanied the setup of our crèches: in fact, they meet the requirements of the PAN Consortium’s Quality Manual [community], prepared by a Steering Committee, which covers all aspects of educational and organisational management. High education standards are also combined with objectives in line with environmental sustainability principles that make preferential use of certified FSC (Forest Stewardship Council) and PFEC (Programme for the Endorsement of Forest Certification) materials.

To integrate the service, a number of agreements are in place with the national PAN Consortium and, with a view to enhancing the options offered under intercompany agreements, a pilot project for a corporate crèche shared with Telecom Italia became operative in Milan for Intesa Vita staff. In September 2012 the initiative was expanded beyond the Group’s Italian borders: the Croatian bank PBZ, in fact, opened a crèche caring for 60 children at the Radnicka compound where its central office is based.

For families with school-age children the “People Junior Campus” was launched, with September 2012 marking the end of its second season. The support provided concerns the organisation of summer holidays for children between 6 and 17 years of age, with campuses proposed throughout Italy and also abroad, which, as a result of direct support from the Bank, can be accessed at preferential rates. Support for families also includes the possibility of embarking upon inter-cultural experiences abroad with one-year and six-month stays, thanks to the allocation of scholarships for employees’ children offered through the partnership with Fondazione Intercultura. People Together, a web page on the company Intranet dedicated to cultural and sporting events promoted by the Human Resources Department, has over 8,500 subscribers and reiterates the interest in initiatives that promote health and wellbeing. Among the events dedicated to families, such as “Bimbi in ufficio” (Kids in the Office), this year the Bank again opened its doors during a weekend to around 1,200 children in Italy’s major cities. The initiative was also taken up by some of the Group’s International Subsidiary Banks with a local involvement of around 340 children.

Part time: % of total employees



Cohesion and productivity

Intesa Sanpaolo faced problems in the overall international economic scenario by taking action in terms of internal cohesion and the search for solutions in agreement with the Trade Unions. The guidelines, already adopted by the national collective bargaining agreement, concerned the recovery of profitability, growth of productivity, support for employment and enhancement of generational solidarity, together with a sustainable pay policy.

With the aim of recovering revenues and at the same time adapting the organisational structures to the new scenarios, the Employment and Productivity Protocol was signed with the Trade Unions. This Protocol pursues the result of offering the market a sign of stability, confirming the personnel-related objectives already included in the July 2011 agreement, despite the difficult economic scenario and higher costs deriving from the pensions reform to sustain the voluntary retirements previously agreed.

Targeting an increase in productivity and efficiency, the focus on youth employment was confirmed - 12,000 recruitments since 2007 - with recourse to greater service and working hours flexibility and a block on overtime.

The impacts on employees were limited to: use up residual leave, reduce service by 4 to 6 days in total over a 3-year period with approximately 60% of the related pay being disbursed from the Solidarity Fund.

Safeguarding the early retirees

By signing the Recognition report in July 2012, given the legislative uncertainty surrounding the issue of “early retirees”, the Bank identified a series of solutions to protect former employees subscribing to the Solidarity Fund, whose positions might not be safeguarded by government decrees.

The company social Bonus

With a view to promoting the Group welfare, the company bonus was disbursed thanks to an agreement that envisages a form of “Company Social Bonus” allowing the company to reimburse integrated health services and/or supplementary pension scheme benefits also in favour of family members and for children’s education, without prejudice to the option of requesting payment of the bonus in the traditional format (included with salary).

This was an innovative experience, both at industry and national level, in terms of its operating methods and the extent of its potential user base.

Flexibility and part-time

Through specific Trade Union agreements, Intesa Sanpaolo defined certain flexibility formats that go beyond legal obligations. In particular, these formats include paid leave to attend antenatal courses, leave for fathers on the birth of a child and also in case of home removals. To take care of sick children between the ages of 3 and 8, an unpaid leave up to 5 days is envisaged in addition to the 5 recognised by law. Each year up to 5 days’ unpaid leave can be requested for personal or family reasons and an additional 3 months post-maternity leave has been agreed up to the child’s third birthday.

There are numerous and diversified types of part-time employment formats, covering horizontal, vertical or mixed contracts with different types of working hours ranging from a minimum of 15 to 32.5 hours per week. In the assessment of applications, priority is given to cases of family care and support for the disabled.

Lastly, sabbaticals are envisaged for a maximum of one year for study, family or personal reasons and to undertake voluntary work.

The employee satisfaction survey



For this initiative, the opinion on the support provided to employees in terms of childcare was positive in most responses.

The redemption percentage was 73% and the change in the overall opinion rose by 1.7%.

Compared to last year, when the preference was oriented towards city campuses, the preference this year was ‘studies abroad’ with a score of 31.1%.

The shopping portal



The “People Smart Shopping” portal is a service dedicated to online shopping, with the aim of offering socially useful products and services such as school text books adopted by all levels in Italian schools and a number of accessory products such as dictionaries, atlases, diaries, etc. at preferential prices and with free home delivery throughout Italy. After initial use, the books purchased continue to “live” and be useful to other employees through the resale of used books. The satisfaction questionnaire showed 77% of users satisfied (+1% on last year). Use of the service tends to be due to a time-saving (62%) rather than money-related (23%) need.

Post-robbery support

Post-robbery support activities continued with help from specialists from the University of Milan. More than 530 employees made use of the consultations and related medical visits. The support, arranged after voluntary consent obtained in advance from the interested parties, was provided by the occupational medicine specialist and – in the cases considered as more critical (given the dynamics of the event) – also by a psychologist.

Initiatives for differently-abled staff

To promote the inclusion of differently-abled staff many different initiatives were developed, in addition to those already implemented in recent years.

The company emergency management training programme for “employees responsible for differently-abled staff” continued.

A training course for switchboard operators was designed and provided, making use of new teaching methods that take into account attendance by differently-abled staff. The course will be integrated with audio versions that can be accessed remotely from every workstation.

The working environment and workstation are also adapted to the needs of differently-abled staff, including the provision of specific aids and equipment.

HEALTH AND SAFETY

Occupational health and safety risk management

A special department – the Prevention and Protection Service - was assigned the task of risk assessment for the health and safety of employees in the workplace, using a management system to implement a health and safety policy in compliance with the requirements defined in the most important standards (UNI EN ISO 9001 – UNI – INAIL ISPEL).

These risk management activities are divided into several steps: risk identification, identification of prevention and protection procedures, definition of a plan of action with identification of the company departments responsible for its implementation, followed by the actual implementation of the planned action.

In 2012 over 5,000 site visits were performed at the Group’s organisational units in order to update the risk assessment.

After this activity, the “Risk Assessment Document” was updated for each bank and company in the Group in Italy. After consulting the Workers’ Representatives in charge of safety this was made available to all staff.

The methodology adopted to assess work-related stress involves two macro-steps: a preliminary assessment (now completed for the first time for all Group companies) and, where appropriate, a more in-depth assessment (launched in consultation with the Devoto Occupational Health Clinic of the University of Milan, for certain specific and uniform groups of workers for which scientific literature indicates a potentially strong exposure). The application of this method was performed by a special multi-business work group which planned, coordinated and applied the entire assessment procedure. Analysis of the indicators has so far shown no overall organisational conditions that could result in a significant presence of work-related stress and has identified areas for improvement and control to raise the levels of wellbeing. For the relevant areas, the result proves consistent in quality terms with the Epidemiology Report on the staff subject to health monitoring in the period 2008-2011, which includes the most important effect indicators relating to staff health conditions. In anonymous and aggregate format, the report summarises the data obtained from health records prepared by qualified physicians during check-ups and processed by the Occupational Medicine Department of the University of Milan in partnership with the Qualified Physicians.

The working population examined (approximately 4,000 employees) showed a good to excellent state of health (91%) and no employee was judged to be in a terrible state of health, whilst those with poor/fair health amounted to 9% and with a disorder/illness frequency lower than that of the general population. With regard to the clinical conditions most associated with activities involving video terminals (visual disorders, muscular-skeletal system disorders, work-related stress), the picture emerging was essentially positive and unchanged compared to the previous epidemiology report. As regards aspects relating to improving the health of the population examined, in particular smoking and drinking habits, the picture was again essentially positive compared both to the previous epidemiology report data and to ISTAT figures. The medical examinations showed no significant percentages of disorders attributable to work-related stress.

Combating and preventing robberies

Once again in 2012 Intesa Sanpaolo was actively committed to protecting employees and customers by taking action to prevent branch robberies and to manage its staff in emergency situations. All the initiatives, both innovative and those consolidating action already taken, were adopted by the Bank in compliance with the three strategic principles of combating robberies: reducing appeal, restricting access and on-going training.

In addition to tools to limit and divide cash availability (CICO - Cash In Cash Out and Roller Cash), action was taken to reinforce defence mechanisms, which mainly involved the adoption of more complete layouts in terms of preventing and deterring criminal acts (the New Light Branch Model standard); to make emergency exits secure in areas at greater risk of robbery; to systematically verify the solidity of perimeters and alarm system coverage; to activate the "virtual guard" GSS - Global Security System (which envisages the remote surveillance of premises using bi-directional video cameras); to use the Branch Entrance Control Stewart system which monitors and addresses customer needs at branches; and lastly to install the Dynamic Fraud Management surveillance system on ATMs.

Staff training on physical safety issues focused for the most part on disseminating the updated version of company regulations that envisage and govern the conduct to be adopted by employees to guarantee maximum protection for themselves and for customers. The training programme directly involved over 2,000 Customer Assistants and the distribution to all branches of the Physical Safety Guide, containing ten basic rules on robbery prevention and the best conduct to be adopted in the event of a crime.

Last year, thanks to this constant focus on safety aspects, the Group also achieved significant results in terms of reducing the number of robberies committed and, more importantly, offered more effective protection to individuals in branches. Specifically, the total number of robberies committed in Italy decreased by 20% compared to 2011, and the rate of robberies per 100 branches fell by 24% (currently 2.6/100) with a resulting decrease in the number of employees and customers involved (-16%). A strong increase (+29% compared to 2011) was also seen in the indicator of failed robberies (30% in 2012).

CUSTOMERS

Health and safety training available to everyone

In the "miaformazione" section of the company Intranet, a dashboard was set up to cover all company training courses on occupational health and safety, including the e-learning course "tutti al sicuro" (safety for everyone). In addition to support and training dedicated to prevention, forms describing the training courses and WebTV programmes, learning materials, info-training support media are provided. The dashboard "In-Forma al PC: pillole formative sullo stretching alla scrivania" (PC training: training pills on doing stretching at the desk), was introduced, offering useful hints and tips on keeping fit and performing short, useful preventive exercises to protect personal physical health while at the PC. Around fifty ideas will be identified in partnership with the Qualified Physician Coordinators of the Intesa Sanpaolo Group and will gradually be made available.

Environmental and social emergency management

Intesa Sanpaolo consolidated the mechanisms required to guarantee service continuity and safeguard employees and customers in crisis situations, such as:

- the earthquake in Emilia Romagna, with the development of commercial initiatives to the benefit of customers hit by the disaster and the recovery of service to customers through mobile branches and "twinning" with other Group branches;
- the heavy snowfalls in Northern Italy last winter;
- Hurricane Sandy, with support provided to the New York branch to guarantee the safety of colleagues and the monitoring of operations;
- the civil uprisings in Egypt, to guarantee the safety and immunity of staff and the provision of services to customers of Bank of Alexandria.

SHAREHOLDERS

In 2012 the Group's primary objective was to preserve the sustainability of results in a macroeconomic scenario still unstable due to the continuing crisis. Considerable attention – in addition to profitability targets, through the on-going monitoring of the Group's efficiency and productivity – was also given to those actions aimed at strengthening the capital base and improving the risk and liquidity profiles.

Intesa Sanpaolo share performance: returns

In 2012, Intesa Sanpaolo share price recorded a trend linked to the banking sector indexes: a fall in the first few days of January, followed by a rise up until early February, when the peak was hit, a subsequent downward trend which lasted until the last week of July, when the low was reached, and then a recovery, with the share exceeding by 0.5%, at the end of December, the corresponding value at the end of 2011.

At the end of December 2012, the price of Intesa Sanpaolo savings share recorded a 10.7% increase compared to the end of 2011. The discount with respect to the ordinary share fell to 18% from 25% at the end of 2011.

At the end of December 2012, the capitalisation of Intesa Sanpaolo stood at 21.1 billion euro, compared to 21 billion euro at the end of 2011.

Dividends

The Management Board will propose to the Shareholders' Meeting to allocate a unit amount of 0.050 euro on ordinary shares and 0.061 euro on savings shares, totalling approximately 832 million euro. This corresponds to an yield calculated on the share average price in 2012 of 4.06% on ordinary shares and 5.97% on savings shares.

Relations with shareholders and the financial community

During 2012, within an economic scenario that is still extremely difficult, communications with the financial community continued to focus on sustainable profitability and the Group's solidity as a safe point of reference for stakeholders. To guarantee equal access, also in 2012 information was made available quickly, easily and economically through a number of channels: Internet, conference calls via a toll-free number, brochures and the free distribution of financial statements on request. The Investor Relations section of the website [↗](#) has a well-organised content and thematic updates, always providing stakeholders with extensive and systematic information.

In order to contribute to the creation of sustainable value over time, regular and frequent meetings were held with the financial community that consolidated long-term relations based on mutual trust.

In 2012, alongside the Sustainability Report, the publication "The value of sustainability" [↗](#) addressing shareholders and investors, has been realized and distributed at the Annual Shareholders' Meeting on 22.04.2013. The document – which is based on the materiality analysis – highlights the contribution of the social and environmental responsibility issues in the creation of economic value.

Credit rating

The ratings assigned to Intesa Sanpaolo, despite being tied to the country rating, continue to reflect good profitability, adequate asset quality, sound capital ratios and a good liquidity profile.

Moody's

Long-term debt	Baa2
Short-term debt	P-2
Financial strength	C-
Outlook	Negative

Fitch

Long-term debt	BBB+
Short-term debt	F2
Viability	bbb+
Support	2
Outlook	Negative

Standard & poor's

Long-term debt	BBB+
Short-term debt	A-2
Outlook	Negative

Update as at 18/3/2013

Inclusion in sustainability indexes

Sustainability indexes are characterised by the criteria applied in selecting the shares they include: in addition to the financial performance, companies' social responsibility performance (environmental sustainability, rights of employees in the company and in the supply chain, respect for human rights, relations with stakeholders and anti-corruption policies, etc) is also assessed.

Intesa Sanpaolo has been listed in the FTSE4Good, ASPI Eurozone and Ethibel Sustainability indexes since 2007. In 2012, Intesa Sanpaolo's listing in the Dow Jones Sustainability Index was confirmed. Finally, in the same year, Intesa Sanpaolo was included in the Carbon Performance Leadership Index, the ECPI and Vigeo Europe 120 indexes.

SUPPLIERS

Transparent relations based on the principle of fairness guided the line of conduct in liaising with our suppliers along the entire procurement process, paying special attention to the containment of administrative expenses without compromising the quality of the requested services.

With regard to the dissemination of the social and environmental responsibility culture, we have focused our attention both on our suppliers' performances and on the procedures for checking the truthfulness of their statements with regard to regulatory and contractual fulfilments. The technological developments were geared towards guaranteeing equity during the negotiation phase, transparent communications and quality in managing the relations with our suppliers.

Transparency in procurement processes and the selection of suppliers

As a result of the constant improvement of Intesa Sanpaolo's Suppliers Portal, transparency in the relation with suppliers and in the procurement process characterised our management also in 2012. Indeed, thanks to the Portal, the negotiation process can be tracked and managed in all its phases. Transparency and fairness were also the guiding principles behind the activities for the development of the invoice management process; the main areas for action concerned the routing of invoices, the digitisation of the invoicing process and the screening of incoming invoices. Finalisation of processes led to further improvements in relations and communications with suppliers. A further step forward in monitoring payment terms will be possible as a result of completion of the section of the Portal dedicated to communications, which will provide information relating to orders, billable and invoiced services and payments.

Promoting social and environmental sustainability

The introduction of environmental and social criteria in the application stages through the Portal represents a way of raising our suppliers' sustainability level. In this stage, candidates have to read the Organisational, Management and Control Model (Legislative Decree 231/2001), the Group's Internal Code of Conduct and Intesa Sanpaolo's Code of Ethics. Should they be subsequently selected, the same suppliers will be required to commit themselves to adopting the principles contained therein.

At the end of 2012, around 1,400 suppliers completed their registration on the Portal. Out of these, 13% declare to publish a social and environmental report, 3.2% hold SA 8000 certification, 22% have a Code of Ethics or policies describing their social commitment, 14% hold environmental certifications and 9% has adopted an environmental policy.

The statements provided by suppliers are verified through a sample monitoring system which focuses on the product categories most at risk and on the cases considered worth studying further. The verification of compliance with the social criteria is conducted by in-house staff and refers to property service specifications (plant and system maintenance) and to persons (cleaning staff), and envisages checks on the expiry of the Chamber of Commerce documentation and the DURC - Documento Unico di Regolarità Contributiva (unique document of regular contributions).

With regard to investigations on the compliance with environmental criteria – for example, energy efficiency, the use of cleaning products that meet regulatory standards and contractual clauses related to compliance with environmental regulations – site inspections are performed by in-house staff and by external companies. In 2012, 850 supplier verifications were conducted on the compliance with social and environmental criteria.

The Prevention and Protection Department activities refer not only to employee protection but also to the protection of suppliers conducting their activities in the Bank premises. They consist in sharing current Health and Safety rules with these suppliers, ensuring that their employees operate according to suitable standards and guaranteeing that no risks arise from interference between the activities of the various suppliers and those of Bank staff.

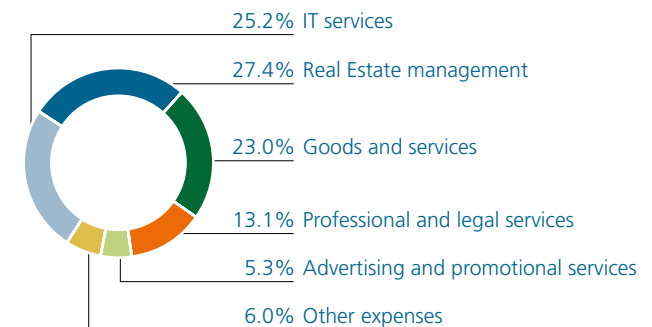
To facilitate this activity, in 2012 the Department launched a project that aims to improve the operations of suppliers that work at the Bank's premises. This is a training initiative, the first phase of which has targeted employees that interact with the suppliers, and which has also started to be extended to the suppliers themselves through a dedicated web site.

All the Group's International Subsidiary Banks completed the project for the implementation of the Procurement Policy, aimed at the dissemination of a procurement management model based on criteria of quality and social responsibility. The verification stage on the actual implementation had a positive outcome and action plans aimed at bridging any gaps found were requested at the same time.

ENVIRONMENT

In 2012 the overall procurement expenses incurred by Intesa Sanpaolo totalled over 2.7 billion euro, with breakdown as follows:

2012 Breakdown of administrative expenses by category [%]



The Suppliers Portal

Created in 2010, the Suppliers Portal is an online platform which requires candidates to fill in the Environmental and Social Responsibility questionnaire and, once fully operational, it will enable to assess such candidates both from the technical-economic and the sustainability point of view. In 2012, it was enriched with a function dedicated to anti-money laundering which prevents registration by companies located in offshore countries at reputational risk. Furthermore, a new section dedicated to foreign suppliers was added and the module for the management of accounting communications was subject to a pilot phase. This module, which will soon become fully operational, will enable suppliers to view data related to orders, invoices and payments.

ENVIRONMENT

Aware that the activities of a company distributed across the territory can play a significant role in climate change mitigation, we have placed a great deal of emphasis on the environmental variables of our activities, from day-to-day business management operations to the loan assessment of our customers.

Our initiatives are the result of an ongoing focus on the targets for improvement that we have set ourselves and the commitments that we have undertaken by adhering to international sustainability standards. The results that we have achieved bear witness to our relentless endeavours and to the quality of the relations that we have been able to establish with our stakeholders.

DIRECT IMPACTS

The direct impacts generated from the Bank's activities are monitored by the Environmental Sustainability Office of the CSR Unit, coordinated by the Group's Energy Manager, with monitoring, analysis and guidance tasks for the definition of improvements, including, based on a cost-benefit analysis, the use of new technologies in accordance with the environmental and energy policy updated in 2012.

With regard to the direct impacts, in 2012 Intesa Sanpaolo continued with the implementation of the actions aimed at reducing the ecological footprint provided for in the long-term Sustainable Energy Action Plan and has actively participated in various work groups of Abilab focused on setting benchmarks for the sector and promoting energy efficiency within the Bank.

Issues related to mobility are handled by the Mobility Manager who coordinates the initiatives and best solutions for the needs of corporate and personal mobility.

Renewable sources

Intesa Sanpaolo has long consolidated the purchase of electricity produced from renewable sources in Italy with a supply that has now exceeded 95% of electricity consumption. With regard to the self-production of electric energy, despite the difficulties due to the architectural limitations and the limited availability of suitable properties, in addition to a small co-generation plant at the accounting centre of Parma, in 2012 some large-sized photovoltaic plants were built at the accounting centres of Moncalieri and Settimo Torinese, as well as other medium-sized ones in Rubano, Forlì and Cosenza. These plants are an addition to the two small innovative photovoltaic plants built in 2011 in Turin and Venezia Marghera. The plants built, amounting to a 1.7 million euro investment, made it possible to produce around 330 MWh of electric energy in the second half of 2012.

As a result of these installations and the purchase of electricity from renewable sources, over 165,000 metric tonnes of CO₂ emissions were avoided in 2012.

The commitment towards renewable energies also continued at International Subsidiary Banks: the two photovoltaic plants of BankaKoper in Slovenia produced around 56 MWh of renewable energy and the Hungarian CIB continued to focus its attention on solar energy to produce 58% of sanitary hot water consumed.

Finally, domestic and EC regulations define as renewable the thermal energy contained in the air, earth and water, provided that the consumption of fossil fuels to exploit such sources is kept at low levels. The aforesaid definition includes heat pumps, appliances transferring heat external to interior environments which, despite raising the temperature with the consumption of electricity or gas, reach particularly high efficiency levels compared to the more traditional or condensation boilers. The Intesa Sanpaolo Group, in line with the aforementioned regulations, has defined and applied a calculation method which allows the quantification of the thermal energy from renewable sources, thereby estimating it, with conservative criteria, in a production of around 20 GWh/year (10% of the overall consumption of thermal energy from a traditional source) corresponding to over 2,600 metric tonnes of CO₂ emissions avoided per year.

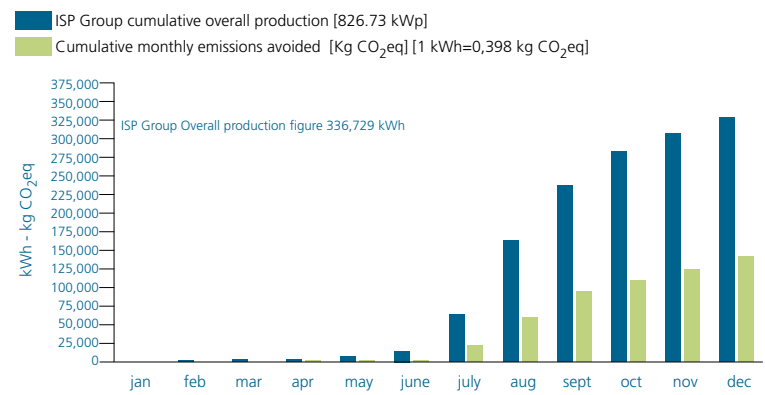
Environmental and Energy Management System

During 2012, Intesa Sanpaolo achieved two important objectives:

- the compliance of its Energy Management System with the UNI CEI EN ISO 50001 international standard, made necessary as a result of the withdrawal of the previous UNI CEI EN 16001 standard to which the Bank's System had adhered since 2010. Intesa Sanpaolo was the first Italian bank to obtain the new certification.
- the extension of the Environmental and Energy Management System to a sample of branches in Puglia.

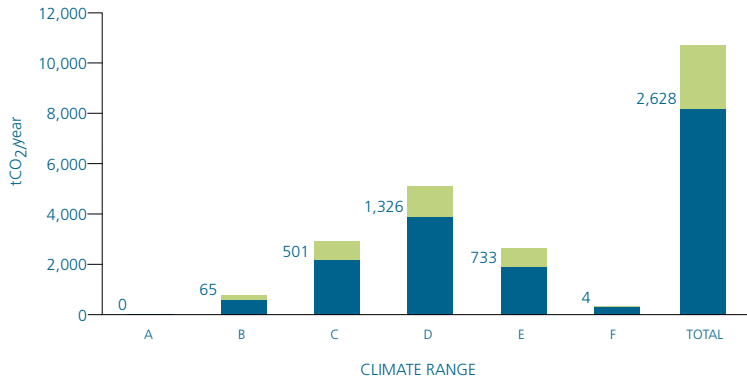
The Environmental and Energy Management System is therefore applicable to around 190 sites distributed in the following Group Banks: Intesa Sanpaolo, Cassa di Risparmio di Venezia, Cassa di Risparmio del Veneto, Cassa di Risparmio Friuli Venezia Giulia, Banca di Trento e Bolzano, Cassa dei Risparmi di Forlì e della Romagna and Banco di Napoli. Thanks to the aforesaid sites, the company can rely on a significant sample area where it monitors, measures and manages the significant environmental and energy aspects, also with a view to their gradual improvement.

Photovoltaic plants in Italy



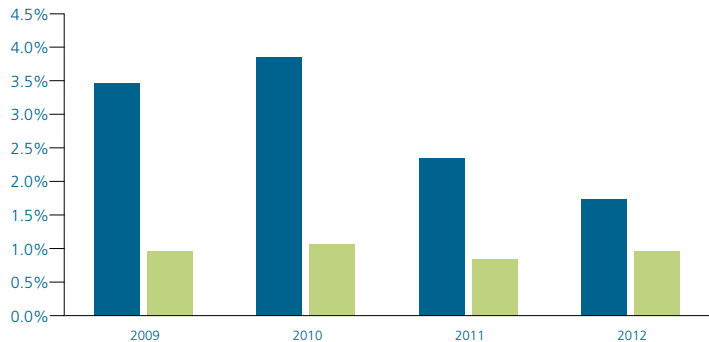
Estimate of avoided emissions from heat pump use in Italy according to Legislative Decree 28/11 [tCO₂/year]

■ CO₂ avoided emissions from heat pump use vs. gas boiler use [tCO₂/year]
 ■ Estimate of CO₂ emissions by gas [tCO₂/year]



Electricity savings from energy efficiency measures in Italy from 2009 to 2012

■ Annual savings from plant optimisation
 ■ Annual savings from green machines



Energy consumption and energy efficiency

In 2012, the savings in electricity consumption alone in Italy – the energy most used in the Group due to the high level of automation and widespread use of heat pumps – amounted to 6.8%, potentially corresponding to around 12,700 metric tonnes of CO₂ emissions avoided. These results derive from a series of actions provided for by the 2008-2013 Sustainable Energy Action Plan, aimed at improving overall energy efficiency. Between 2009 and 2012, these actions made it possible to generate overall cost savings estimated at over 48 million euro.

The Bank continued to equip its sites with energy consumption monitoring systems through an increasingly high use of electricity consumption detection systems (dataloggers) managed via the web and accompanied, in most branches, by actuators that switch the lighting and air conditioning systems on/off according to optimisation programmes. The optimisation actions on the technology systems (including the said active use of datalogger switch-on/switch-off systems) applied to around 84% of electricity consumption in Italy made it possible to achieve cumulative electricity savings equal to 12% compared to 2008.

The Bank's focus on the environment also addresses the energy consumption deriving from our work environment. We are aware that the ICT equipment, including PCs, monitors, printers, photocopiers and faxes used for day-to-day operations, generates an overall consumption equal to that of a large data centre. It comprises over 260,000 machines with a consumption of over 50GWh/year. Thanks to the adoption of an internal policy relating to the purchase of office equipment which defines the minimum environmental criteria and the operating procedures for the assessment, during the acquisition phase, of the environmental impacts generated, the gradual replacement of office equipment with more energy-efficient ones generated cumulative electricity savings of 4.1% compared to 2008. This figure is net of the results achieved by the procedure which remotely switches almost all PCs off at the branches at night time and during the holidays.

In addition, in line with the contents of the new internal policy on sustainable branches (see box), renovated or newly built sites (around 80 in 2012) are fitted out in accordance with criteria for improving energy efficiency and management. Among the most significant interventions, the restructuring of the Moncalieri technology hub is worthy of note as the energy performances of the site were improved with the upgrade from energy class "E" to "C". Another significant intervention was carried out at the new "Gallerie d'Italia" Museum in Milan. The renovation, useful to physically and technically separate the museum from the remainder of the property complex intended for tertiary/office use, was primarily aimed at minimising energy consumption. Thanks to the new climate control systems (use of heat pumps instead of the old refrigerating units) and lighting systems (LED spotlights and high-performance fluorescent lamps equipped with a light flow regulating system), it will be possible to obtain annual savings of around 550,000 kWh of electric energy and 90,000 cubic meters of gas. In addition to achieving significant energy savings, these renovations are still allowing the Bank to take advantage of 55% tax deductions recognised for works to improve building energy performance and confirmed by related Energy Certificates.

Thanks to the application of the new building heat check-up procedure in many buildings and branches, which enables to assess both the management of heating installations and the adequacy of the insulation on the building enclosure, it was possible to achieve a 6.9% reduction in heating consumption, a result that was only marginally influenced by the relatively more favourable climate conditions of 2012.

Finally also we point out that the above mentioned initiatives gave rise to tax relief (from 2008 to 2011 about 16.1 million).

The International Subsidiary Banks continued to implement automatic switch-off systems for lighting devices and PCs and to install LED or high-efficiency lighting sources. Worthy of note is the fact that, thanks the branch renovation work, the Croatian PBZ obtained the European “Greenlight” certification.

Paper

2012 can be defined as an important year where the efforts made to reduce paper consumption and purchase an increasingly high quantity of ecological paper made it possible to achieve some significant results. Thanks to the purchase of low environmental impact paper (recycled and/or certified), Italy was able to reach an 85% share in terms of domestic consumption, with an increase in “ecological” paper of almost 10 percentage points compared to 2011. Concurrently, despite the procurement difficulties, an improvement in the use of recycled and ecological paper by International Subsidiary Banks was also recorded.

In terms of paper consumption reduction, the initiatives consolidated in 2012 were manifold: from the digitisation of some specific printing phases (RI.BA, F24, accounting of transfers and printouts for branches and offices), to the customers’ use of the Online Reporting service, to the initiative enabling the in-branch consultation of banking transparency information sheets through dedicated Internet work stations. Overall, the aforesaid initiatives enabled to avoid the consumption of over 1,150 tonnes of paper equivalent to over 2,200 tonnes of unreleased CO₂.

Finally, an important role was played by the “Paperless Branch” project, which concerned in-branch transactions carried out at branches. Around 10.8 million customers can now sign off their transactions with an electronic signature placed on a tablet in lieu of the traditional paper operations, thus allowing paper-free accounting statements and saving over 67 million printouts, corresponding to 600 metric tonnes of CO₂. Mediofactoring’s commitment towards paper reduction is worthy of note. Thanks to the use of tablets instead of paper documents at the meetings of the Board of Directors, Executive or Management Committees, it was possible to save around 300,000 sheets of paper.

Efficient initiatives were also launched at the International Subsidiary Banks: Banca Intesa Beograd launched the first “Printing Consolidation Project” with the objective of cutting down paper consumption by 20%; BankaKoper built two completely “Paper Free” branches; CIB, following a targeted awareness-raising action among colleagues, reduced paper consumption by 7% in the month following the initiative and VUB, through the “Paperwork belongs to the museum” slogan, launched an online reporting project. Finally, almost all Banks endeavoured to raise awareness among their employees and customers in order to reduce paper consumption.

Sustainable branches

In accordance with the principles of the environmental and energy Policy, the Intesa Sanpaolo Group has endeavoured to progressively extend the scope of its actions aimed at the mitigation of its energy and environmental footprint. The impact resulting from consumption for heating, air conditioning and lighting, waste management, water consumption and decisions regarding furnishing materials is very significant from the environmental point of view and must be evaluated carefully. An example? It is enough to include programmed timers that automatically turn off the lights in the technical rooms or self-service area to reduce the consumption of a branch by several thousands of kilowatt hours per year.

Within the framework of the strategic choices made for this purpose, a new policy was issued which defines the criteria for the construction of branches according to sustainability criteria, both during the outfitting and restructuring stages.

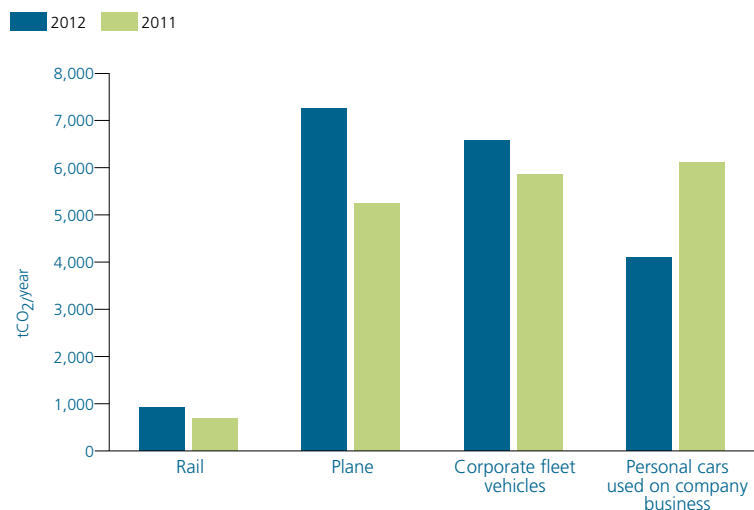
The policy also sets out, in accordance with the provisions laid down by the European Directive 2010/31 on the matter of construction of green buildings, the specifications for the so-called “almost 0 energy branches” which represent an absolute best practice within the scope of environmental sustainability and energy efficiency.

The first practical application is that of Venezia Marghera. Aside from the production of electric energy from a photovoltaic source and the installation of a geothermal heat pump, a series of actions aimed at reducing the property’s energy consumption were put into place: from the insulation of the building to the thermal insulation of the roofing, to the replacement of doors and windows, to the installation of high-performance fluorescent lamps and LED lamps equipped with motion detection sensors. Thanks to the aforesaid measures, the Branch was able to obtain a class A energy certification while electricity consumption was cut down by 50% and gas consumption was completely eliminated.

Monte San Giorgio park

The Bank continued its collaboration with the Province of Turin and the Municipality of Piosasco to enhance and manage the provincial Monte San Giorgio park with the aim, among others, of restoring the use of the land and the structures of the Nursery to local forestry and nursery crops suitable for the reforestation of areas without vegetation through the production of around 3,500 plants/year, as many as the number of the Group's employees' children born every year. In particular, Intesa Sanpaolo has signed an agreement with Comitato Parchi per Kyoto (Park Committee for Kyoto), comprising Federparchi-Europarc Italia, Kyoto Club and Legambiente, to make available plants for the purposes of implementing and disseminating tree planting and reforestation projects across the entire country.

CO₂ emissions from company mobility 2012/2011 [tCO₂/year]



Mobility

Intesa Sanpaolo confirmed its commitment towards sustainable mobility in 2012 as well, by seeking and proposing solutions for travel needs of its employees. The Bank is still committed to the implementation of the "Piani Spostamento Casa – Lavoro" (Home-Work Commuting Plans – PSCL) which, aside from the legal obligation, represent a great opportunity for the organisational and management improvement of all employees' mobility activities. In the next few years, the focus on the culture of sustainability at the heart of the mobility management strategies will translate into "doing more with less". This means, on one hand, promoting area mobility initiatives by developing synergies with the public and private companies close to our Office Buildings and, on the other hand, increasing the use of the tools that at present the Bank already makes available to its employees in order to achieve more sustainable mobility or eliminate it altogether. The "12 for 2012", i.e. the 12 key initiatives planned last year in the Home-Work Commuting Plans delivered to 11 municipal Administrations were the tangible proof of the mobility solutions and projects at corporate level. To name but a few:

- the new Business Travel process, offering an integrated corporate mobility system that promotes responsible conduct with a view to reducing economic and environmental impact;
- the initiatives put in place to promote a culture of sustainable mobility with the creation of the "Mobilityamo" multimedia training section which provided a great deal of content and the integration of the Mobility Office portal;
- completion of the Mobility Territorial Delegates Network, which today comprises 10 employees acting as support to the Group Mobility Manager to strengthen control on the territory by monitoring the actions identified and checking their effectiveness;
- development of the environmental impact reporting model for corporate mobility designed in line with GRI reporting standards and ABlenergia guidelines. The model enables to conduct a mobility analysis that is useful to define actions and policies which, also with regard to economic sustainability profiles, may contain CO₂ emissions according to type of carrier (rail, plane, corporate fleet vehicles and personal cars used on company business) and promote awareness initiatives by identifying improvement opportunities and best practices on environmental issues.

With reference to the mobility actions launched by International Subsidiary Banks, corporate bike-sharing has been operating in Slovenia, Hungary, Romania, Albania and at Intesa Sanpaolo Card. Moreover, changing room areas have been provided to allow employees coming by bike to get changed.

The gradual replacement of corporate fleet vehicles with more ecological cars is still underway: the Slovenian BankaKoper purchased ten hybrid-engine cars, while the Slovak VUB continued to purchase low consumption cars. Furthermore, a car pooling service is operating at the Croatian PBZ and awareness on this issue is being raised at Intesa Sanpaolo Card.

The reduction of atmospheric emissions

In 2012 there was a further reduction in CO₂ emissions by 4.9% in electricity and heat consumption. 1.9% of this reduction can be traced back to the update of processing factors following the evolution of energy production systems which take into account, in addition to greenhouse gases directly traced in equivalent CO₂ (GWP), even the most significant gases involved in an indirect manner: sulphur dioxide (SO₂) and nitrogen oxides (NO_x); while the remaining 3% is accounted for by the lesser consumption deriving from management saving and system efficiency improvement initiatives carried out during the year.

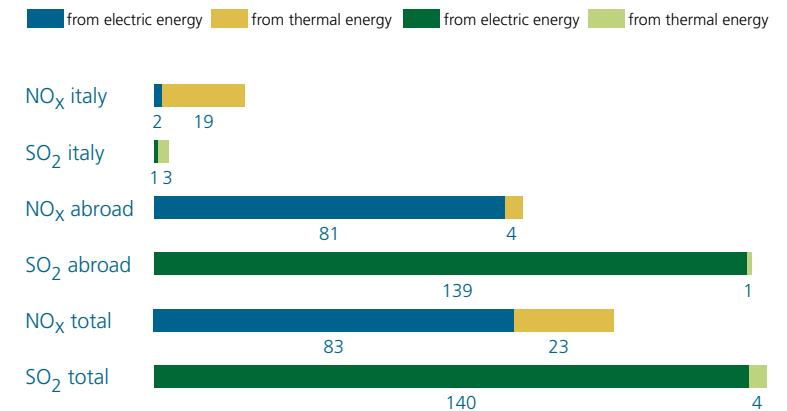
In 2012, the constant commitment towards the gradual improvement of the reporting system made it possible to extend corporate mobility monitoring to International Subsidiary Banks as well, so as to guarantee the overall consistency of the information at Group level. This significantly influenced performance results compared to 2011. More specifically, the emissions generated directly by the company (Scope 1: gas and diesel oil from the independent heating system and fuels for the company fleet) increased by 7.1% (-3.3% for the same area accounted for) and the other emissions (Scope 3: other indirect emissions and mobility, not including the company fleet already accounted for in Scope 1) by 20.3% (1.2% for the same area accounted for). With reference to indirect emissions (Scope 2: gas and diesel oil from the building heating and electricity), if Intesa Sanpaolo used only electric energy from non-renewable sources, these would amount to 221,035 metric tonnes of CO₂ with an 8.9% reduction compared to 2011. However, in view of the fact the Group uses a great deal of electric energy generated from renewable sources, the actual emissions referred to Scope 2 amount to 54,539 tonnes of CO₂ (4.7% less compared to the previous year).

Waste

2012 recorded a significant reduction in the amount of waste produced (-32%) thanks to both the increasingly high use of municipal separate waste collection and the reduction of office equipment and toner disposals. The latter are collected by an external company within the scope of a recycling service for their subsequent reuse. In 2012, the service recycled around 135 tonnes of toners and ribbons. More specifically, with regard to the cartridges, 60% were recycled to be reused while the remaining 40% gave rise to second raw materials (plastic, metal, paper/cardboard and incinerator ash) which, in turn, are reused in other production cycles.

On the other hand, with regard to hazardous waste, a significant reduction of the quantities produced in Italy (-31%) was recorded, against a 46% increase abroad. The said increase is mainly due to the replacement of cathode-tube monitors with other LCD ones and to the gradual replacement of refrigerating units / heat pumps using freon (especially R22) as a refrigerant. Such gases have been banned from the European Community as from 2015 as they are accountable for the thinning of the ozone layer.

NO_x and SO₂ emissions [t/year] 2012



Conversion factors for calculating emissions

NO _x and SO ₂ emission factors - 2012	Italy	Abroad
g NO _x /kWh	0.174	0.746
g NO _x /m ³ Gas	0.988	0.803
g NO _x /l Diesel oil	0.194	0.074
g SO ₂ /kWh	0.133	1.274
g SO ₂ /m ³ Gas	0.136	0.289
g SO ₂ /l Diesel oil	0.027	0.033

The breakdown of various foreign countries is available online via the Intesa Sanpaolo Group's website [🔗](#).

Collection of plastic bottle caps

Since 2011, at its main facilities in Turin and Milan, Intesa Sanpaolo has begun collecting plastic bottle caps with the aim of supporting some solidarity projects. In 2012, following the colleagues' strong interest in this initiative of a highly ecological but also social value, the same was also activated in the cities of Parma, Udine, Naples and Reggio Calabria. The caps gathered in all venues, estimated at around 7,500 kg, were collected by the Centro per la Mondialità e lo Sviluppo Reciproco, by the reception facility "La Madonnina", by the associations ProHomo, per le Malattie del Sangue di Milano, Naturalmente Sostenibile and La Via di Natale, all of which devolved the proceeds to solidarity projects. Containers for collection were placed on the buildings' various floors and in their main entrances in order to encourage employees to participate in the initiative.

Expenses and investments in the environment [thousands of euro]

		2012	2011	2010
Italy	Management of special waste	1,639.1	1,814.4	1,945.5
	Training	146.4	190.8	108.6
	Maintenance, SGAE and certification	28,946.3	36,244.4	47,481.7
Abroad	Management of special waste	492.1	408.0	423.6
	Training	99.8	126.9	98.5
	Maintenance, SGAE and certification	23,893.9	18,609.2	10,729.4

Water

In the Intesa Sanpaolo Group water is used for sanitary purposes. The data estimate, based on expenditure incurred during the year, shows steady levels of consumption compared to 2011 in Italy and consumption per person of around 27 cubic metres. In order to assess the reliability of the data, a targeted analysis on the actual water consumption in a sample metropolitan area was carried out and the result (a consumption of 20-25 cubic metres per person) confirmed the data estimated on the basis of the expenditure. At the end of 2012, SGAE certified branches with autonomous supply launched, in collaboration with the Distribution Companies, a water consumption remote reading trial, which will enable to identify and possibly use, in the overall consumption estimates, significant parameters on the actual water consumption at the Branches.

With regard to International Subsidiary Banks, consumption per person slightly declined and stood at around 20 cubic metres.

With reference to mineral water consumption by colleagues, some automatic drinking water dispensers were installed as a trial at the Lingotto building in Turin. Thanks to this trial, in 2012 it was possible to avoid the consumption of 27,028 water bottles corresponding to around 541 Kg of unused plastic.

Environment-related expenses and investments

The overall costs incurred to protect the environment in Italy decreased, not only due to the reduction in scope, but also as a result of the gradual renewal of systems in recent years and more careful system maintenance management. At International Subsidiary Banks, the increase in expenses was related to the progressive implementation of procedures for better environmental protection. Conversely, the expenses relating to environmental certification recorded a slight increase, as a testimony to the Group's attention to environmental protection. With regard to compliance with environmental laws, there were no reports of environmental damage, nor significant penalties relating to these events.

Sustainable events

The Rules governing sustainability for the organisation of events, issued in 2011, set out the principles for improving the environmental sustainability of the Intesa Sanpaolo Group's communications events and training courses. The criteria include the use of invitations and documents in electronic format, the choice of highly energy-efficient sites and displays that are reusable or made from recycled or recyclable raw materials and the use of washable cutlery and crockery for catering purposes.

The 2012 reports, sent by the International Subsidiary Banks and by the Group structures involved in the organisation of events and training courses, bear witness to the relentless endeavours in adhering to the required criteria and improving the results achieved. Among the various initiatives, worthy of note is the "Zerocarta" project launched by the Training Department, which eliminated the paper documentation in 35 courses (out of the 89 courses currently available in the catalogue).

INDIRECT IMPACTS

Intesa Sanpaolo is aware that its responsibility towards the environment does not stop at the impacts generated directly but it extends to include also the impacts potentially generated by its financial intermediation activities with customers and the choice of its suppliers.

More specifically, the Group provides individuals, businesses and public entities in Italy and abroad with specific investment products within the scope of energy efficiency and renewable energy; it takes active part, through targeted investments and project financing, in the construction of plants for the production of energy from renewable sources and, at the same time, pays the utmost attention to the environmental impacts of the large infrastructure and industrial projects it is involved in; it undertakes strategic investments in leading Italian companies in the renewable energy sector.

These actions fall within the scope of the collaboration agreement with the Ministry of the Environment to consolidate cooperation even further in terms of energy saving and the promotion of renewable energy in Italy.

Green products and financing

In 2012, the Bank continued to provide a wide range of financing and advisory services to support investments in the sectors of energy from renewable sources, energy efficiency and the environment, despite the downward trends of the regulatory framework linked to renewable energy incentives. In 2012, the Fifth Energy Account significantly reduced the incentives available: despite this, the photovoltaic sector still recorded a good performance. From a study presented by ABI's Renewable Energy Observatory, the sector that made the largest investments in Italy during the crisis was still the Green Economy, so much so that from 2007 to 2011 the banking system financed projects for around 20 billion euro, to which the Intesa Sanpaolo Group contributed approximately 7.5 billion euro.

In terms of personal loans to individual customers, destined to finance the installation of photovoltaic panels as well as the purchase of ecological vehicles, with "Prestito Ecologico" (Ecological Loan), around 5,400 loans were allocated in 2012, for a total amount of around 82 million euro.

Intesa Sanpaolo continues to play an active role in respect of production companies in the renewable energy and energy saving sector. With reference to the small business and professional segment (Small Business and ESCO), also thanks to the new "Finanziamento Energie Rinnovabili" loan in support of renewable energy sources other than photovoltaic energy and facilitated by the All-Inclusive Tariff, loans were disbursed in 2012 for a total of around 443 million euro. For larger businesses, 2012 saw disbursements of medium and long term loans for approximately 850 million euro in support of projects involving the use of photovoltaic panels, biomass and hydroelectric plants.

To best support entrepreneurs in this sector, Mediocredito Energy Desk provides support both during the evaluation phase of the project specifications and during the construction of the financial structure, also identifying technical and/or industrial partners if necessary. Furthermore, the advisory support is aimed at describing to entrepreneurs the procedures for accessing the credit facilities available from time to time. During 2012, the Energy Desk reviewed power generation as well as co-generation and generation-thermal recovery projects, mainly from photovoltaic, biomass and hydroelectric sources, for a total value of loans required of around 1.1 billion euro and 513 MW of newly installed power.

CUSTOMERS

Financing in favour of the environment

In 2012, almost 1% of total funds allocated concerned the renewable energy, agriculture and environmental protection sectors. The amount comes to approximately 3 billion euro.

Leasint finances the world's largest photovoltaic greenhouse

In 2012, Leasint confirmed itself as the financial partner of Su Scioffu, the largest photovoltaic farming greenhouse in the world, built by the Indian multinational Moser BaerClean Energy Limited and by the US giant General Electric in Villasor, in the province of Cagliari, capable of developing 20 Megawatts of energy.

Through a 71 million euro full lease issued by Leasint, 15 of the 20 Megawatts scheduled by the project have now been completed. This power meets the annual energy requirement of around 10 thousand homes, with a saving of around 12,000 tonnes of carbon dioxide emissions.

Su Scioffu revolutionises the old energy consumption model in a farming greenhouse by introducing a new development based on zero-mile quality farming and clean energy: in its 134 greenhouses, Su Scioffu will produce quality agricultural products supplied predominantly to the Sardinian market, which currently imports its agricultural products.

Lastly, it is worth mentioning the development and work opportunities for the territory that a project of this size will create in the Sardinian province.

Partnership with the Green for Growth Fund in Croatia and Serbia



The South-East Europe Green for Growth Fund is the first specialised fund for the promotion of energy efficiency (EE) and renewable energy (RE) in South-East Europe, including Turkey. Launched by the European Investment Bank and KfW Entwicklungsbank, the GGF is an innovative public-private partnership system established in order to reduce energy consumption and CO₂ emissions, through refinancing and technical assistance in favour of financial institutions. The Group Banks Banca Intesa Beograd and Privredna Banka Zagreb have entered into agreements with the GGF aimed at improving the level of security of the national energy sector and diversifying procurement sources as well as taking action in terms of energy efficiency. Banca Intesa Beograd used the funds for the purposes of energy efficiency interventions on the buildings, supporting its own individual customers with around 7 million euro loans. The agreement signed by Privredna Banka Zagreb with the GGF concerns a credit line of 25 million euro aimed at supporting renewable energy and energy efficiency projects.

A significant number of loans was granted for plants for the production of energy from renewable sources through Leasint, the Intesa Sanpaolo Group's company dedicated to lease transactions. The objective for the year was to innovate the financing product offer aiming at saving energy and using renewable resources. The first quarter saw the completion of the new Leasenergy 20-200 product, a standardised package which finances photovoltaic plants of power ranging between 20 and 200 kilowatts, destined to self-consumption. In 2012, 496 contracts were signed with the "Leasenergy" product for an equivalent value of approximately 984 million euro. In its activities in support of the environment, Leasint and its subsidiary Centro Leasing overall contributed to the development of around 1,800 plants for the production of energy from renewable sources, amounting to over 2 Gigawatts. Moreover, an innovative business model for supplier cooperation was defined, which led to the stipulation of a "pilot" operating leasing transaction in favour of an ESCO, aimed at an energy saving action in the public sector.

The Group also relies on the support of Agriventure, a company dedicated to the food farming, agro-industrial and agro-energy sector which provides advisory services to businesses in the field along the entire chain. Agriventure activities are intrinsic to environmental protection issues, as companies in this sector are those mainly responsible for maintaining the delicate environmental balance and for the promotion of rural areas, so much so that the Bank's financing operations often integrate EU funds aimed at the promotion and development of rural areas.

In 2012, "Start-Up Initiative" (see chapter Customers [↗](#)) increased its presence in the Cleantech sector with three new international road shows (France, Germany, United Kingdom), two editions dedicated to industrial sectors (construction and transport) and a two-day domestic edition focused on technology applications. During this last edition, in collaboration with International Venture Club, the cross-border association of European Venture Capital funds, a round table was held on Cleantech investments from companies (Cleantech Corporate Venture Capital).

Furthermore, during 2012, our Bank's participation in the Desertec Industrial Initiative association continued successfully and extended its sphere of action, increasingly involving the Group structures and intensifying the opportunities for partners to exchange views, with the purpose of developing as soon as possible the first renewable energy production projects in the Middle East and North Africa (MENA) and of allowing the transfer of part of the energy produced to the European markets.

Intesa Sanpaolo has dedicated the Internet portal [Impresa@ambiente](#) [↗](#): to companies wishing to adopt a "green" approach to their business activities: this tool allows customers to give visibility to products and services that they propose in turn to their potential customers. Information and sector studies on topics of interest, news updated daily and an overview of products and services offered by the Intesa Sanpaolo Group are also available to all businesses, be they customers or otherwise.

All the company departments involved in environmental issues meet regularly at the "Green Table", an interdepartmental work group established in 2011 and coordinated by the CSR Unit, which discusses current topics and offers the opportunity to share new regulatory measures and internal best practices. In 2012, the Green Table meetings investigated into the opportunities for development of renewable energy in Romania and Turkey, the trends of the photovoltaic sector in Italy, the Fifth Energy Account and the Kyoto Fund, the new services offered by Intesa Sanpaolo, the risks and opportunities in financing the Carbon sector and the voluntary CO₂ reduction credit market.

The Group's International Subsidiary Banks are also very active in their offerings of green products. In 2012, Banka Koper offered financing for the installation of photovoltaic solar panels with particularly beneficial economic terms in the amount of around 15 million euro. The Slovak VUB provided support to renewable energies by co-financing the development of renewable energies in cooperation with the European Investment Bank (EIB) and EBRD amounting to 6 million euro in 2012, and by financing renovation, reconstruction and improvement of energy efficiency in residential buildings for almost 1 million euro. CIB Bank participates in the national programme for the promotion of environmental projects (Széchenyi Plan) by advancing the loan subsequently issued by the national funds of the same project. Intesa Sanpaolo Romania has provided financing for agricultural investments, including investments for the production of energy and the use of renewable sources, amounting to around 16 million euro. The Croatian PBZ, in addition to the Green for Growth Found (see box), offers financing to private entities wishing to purchase or build A+, A or B residential buildings and for those wishing to start up energy efficiency initiatives in existing buildings. In 2012, around 10 million euro was already disbursed. The Ukrainian PRAVEX offers personal loans for the purchase of ecological vehicles at particularly favourable terms. Finally, in December 2012, Banca Intesa Russia entered into an agreement with the "Russian Bank for SMEs Support" to finance those SMEs wishing, among other things, to develop the energy efficiency issue.

Closed-ended funds for innovative start-ups

Atlante Ventures, Atlante Ventures Mezzogiorno and Atlante Seed, the Intesa Sanpaolo Group funds dedicated to Venture Capital, invest in the venture capital of innovative businesses which, albeit still small in size, present a high growth potential. The focus is on high technology sectors such as biotech and web&media and the Cleantech sector in particular. The Bank's efforts in the venture capital business go beyond the mere financial support to the enterprise world. Thus, the aim is to promote the country's change and innovation also through business incubators or accelerators and the support to the best innovative projects.

Partnership for innovation

Through Intesa Sanpaolo Eurodesk, specialised in providing companies with technical and institutional advice on how to access European Union financing Programmes, the Intesa Sanpaolo Group actively participates in technology research and innovation projects co-financed by the European Commission. Intesa Sanpaolo Eurodesk is partner of five European projects in the energy and environment sector:

- EC2 (Europe – China Clean Energy Centre), which aims to create a Euro-Chinese Centre dedicated to Clean Energy;
- FC DISTRICT (New μ CHP technologies for energy efficient and sustainable districts), which aims to develop the prototype of an energy-efficient district by exploiting small power generators based on micro-cogeneration and placed near the end users;
- E-HUB (Energy-Hub for residential and commercial districts and transport), which aims to develop an integrated system of renewable energy sources and micro-cogeneration,
- NEED4B (New Energy Efficient Demonstration for Buildings), which develops an easily repeatable methodology for the design, construction and maintenance of new low energy consumption buildings;
- VERYSCHOOL (Valuable Energy for a smart School), which aims to develop ad hoc ICT solutions to manage energy consumption in schools.

Projects by category and sector

SECTOR	A	B	C	n.d.*	TOTAL
Oil&gas	1			3	4
Petrochemical		2			2
Wind power		1	7	1	9
Hydroelectric energy	1				1
Photovoltaic energy			10	1	11
Biomass energy			1	1	2
Energy	1	1		1	3
Infrastructures	1	5	4	4	14
Other	3	1			4
Total	7	10	22	11	50**

* Projects in the preliminary phase and hence not yet classified.

**Of which 15 closed, 16 approved by Credit Department, 16 under screening process and 3 refused.

Intesa Sanpaolo's operating guidelines

Intesa Sanpaolo applies the Equator Principles through a well-structured process, regulated by specific Operating Guidelines issued in June 2010. Such guidelines provide for the highest risk projects to be evaluated by an independent advisor who is responsible for identifying the main social and environmental impacts and the relevant mitigation measures. Furthermore, projects are monitored throughout their entire life cycle with predetermined frequency based on their level of risk and included in the contractual obligations. Customers are required to submit regular reports as evidence of the implementation of the mitigation activities set forth by the Bank, which may also be verified with on-site inspections. Part of the evaluation process to determine the relevance of the stakeholders to the projects entails the participation of the local communities. The understanding of the possible social impacts leads to the identification of increasingly adequate mitigation measures. The ongoing relations with stakeholders during the planning stage and throughout the entire operations of some of the projects we financed led to a better management process of the impacts identified and helped consolidate the Bank's and customers' ability to identify the areas to be monitored.

Project financing and adoption of the Equator Principles

The Equator Principles are a set of international standards dedicated to financial institutions and based on criteria for the protection of natural resources, health and human rights, cultural property and biodiversity, which the World Bank makes reference to. They provide a comprehensive support in identifying and managing the social and environmental risks potentially deriving from project finance activities.

The Principles are applicable to the financing of projects with a capital cost equal to or greater than 10 million U.S. dollars and provide the criteria for their classification based on a level of risk (A being the highest risk and C the lowest) together with the appropriate tools to manage that risk. Intesa Sanpaolo has adopted them since 2007 and actively seeks to support their implementation throughout the Group and in the countries where it operates. At the end of 2012 the scope of application of the Principles, relating to significant transactions according to established criteria, includes Parent Company's activity – even if it is partly based in the foreign Hubs of London, New York and Hong Kong – and the activity of AlexBank and VUB Banka with regard to the Group's International Subsidiary Banks.

According to the evaluation process adopted by the Bank, the Credit Department resolves to issue a loan on the basis of financial as well as social and environmental considerations. From the standpoint of the project's social and environmental aspects, customer interactions are regulated by the Operating Guidelines, right from the first contacts between the parties, in order to keep the customer informed as to the required fulfilments. In the event of non-compliance with the clauses signed, the Bank works with the customers in order to bring them into line with the commitment undertaken and decides the most appropriate corrective actions in the event of failure.

The collection of data pertaining to the implementation of the Equator Principles follows the internal flow regulated by the Guidelines for the drawing up of the Sustainability Report, which specify the different organisational phases put in place in order to incorporate CSR criteria in all corporate activities.

In 2011, in order to make an increasingly integrated use of the Operating Guidelines for the application of the Equator Principles with the procedures applicable to the granting of credit, we had set up a training course dedicated to project finance specialists. The sessions, which were then carried out in Milan, Rome, London and New York, came to an end in the first months of 2012 with the training session issued to colleagues from the Hong Kong office.

With regard to the involvement of the Group's International Subsidiary Banks, another major element was added in 2012 with the issue, by the International Subsidiary Banks Division and the CSR Unit, of Rules for implementation of the Equator Principles, which will gradually be implemented and adopted by the individual Banks active in the project finance field.

With the adoption of the Principles, the financial institutions also endeavour to be part of the international debate conducted by the EP Association by participating in thematic work groups and feedback sessions with our stakeholders, mainly the IFC (International Finance Corporation), NGOs and industry business associations. Since the adoption of the Principles, Intesa Sanpaolo has always actively participated in the EP Association events held each year at the World Bank's IFC in Washington, thereby providing its own input to the ongoing debate.

ENVIRONMENTAL CULTURE

In 2012, “Ambientiamo”, the Italian multimedia environmental training platform, provided colleagues with training modules on renewable energies, introducing them through the metaphor of the elements Water, Earth, Air and Fire. The new storytelling didactic methodologies are indeed at the base of the over 20 videos which illustrated to colleagues the way the main technologies work in order to produce “clean” energy: wind power, photovoltaic, thermal solar, biomass, geothermal. In order to explain these sometimes highly complex technologies, Ambientiamo strived to use a simple, yet complete and effective visual language to weave an articulated and lively plot around a constantly evolving theme. The issue of sustainable mobility was then dealt with in the “Mobilityamo” section, which proposed activities and content aimed at increasing the awareness of colleagues as to the use of means of transport and the reduction of CO₂ emissions, in line with the commitment stated also in the Home-Work Commuting Plans. From 2010 to date, there have been over 89,000 accesses to the training modules available on the “Ambientiamo” platform.

EMPLOYEES

The Group’s International Subsidiary Banks have also launched various training initiatives for their employees: to name but a few, the participation of the colleagues from Banca Intesa Bosnia I Herzegovina in the EBRD “Environmental and Social Due Diligence Training”, the campaign “Saving the Natural Resource” promoted by the Egyptian Bank of Alexandria, the multimedia platform “How to help Our Earth” of VUB Banka, “The energy saving guidebook and sustainability glossary” of the Croatian Privredna Banka Zagreb and the “E-save training” organised by Banca Intesa Beograd to calculate the effects of loans in favour of energy efficiency.


The Intesa Sanpaolo Group participates in the most important national and international events in favour of the environment. During the events “M’illumino di Meno” and “World Environment Day”, the Group launched initiatives in Italy aimed at increasing awareness of the environmental issue among all employees, including the option to purchase, at a discounted price, energy saving and environmental protection products. Messages were displayed on ATMs to encourage customers to take part in the initiatives. Furthermore, for the first time ever, the Intesa Sanpaolo Group adhered to the “European Week for waste reduction” through the development of a guidebook in collaboration with Legambiente.


All the Group’s International Subsidiary Banks also adhered to the World Environment Day with enthusiasm and launched several initiatives in their countries, such as planting trees in public parks and involving their employees in the collection of ideas on how to save the planet and the environment, some of which will be implemented at a later stage. In addition, they participated in other international events: Banca Intesa Beograd, CIB and Banca Intesa Russia adhered to the “Earth Day”, Intesa Sanpaolo Romania to the “Let’s do it Romania” day, Banca Intesa Beograd participated in “Let’s clean up Serbia” and Intesa Sanpaolo Bank Albania in the “Recycle Albania” events.

Again in 2012, Intesa Sanpaolo adhered to the “European Sustainable Energy Week”, organising the opening of the first “Almost 0 energy Branch” and participated in Agriventure’s convention on the “Future of rise production and renewable energies” in collaboration with the Chamber of Commerce of Vercelli. Finally, worthy of mention is the participation of BankaKoper in the “Awards” of the European Commission through the “360° Sustainability Project”: our Slovenian bank was among the finalists of this prestigious award.

Publications on the matter of energy and the environment

As regards studies on renewable energies, Studi e Ricerche per il Mezzogiorno (SRM), the centre which carries out research activities on economic issues related to Southern Italy with headquarters in Naples, published a series comprising five papers on renewable sources insofar as the latter represent a valuable development opportunity for Italy. A detailed analysis on the solar photovoltaic, wind power and biomass energy, the characteristics and development prospects in Italy. The Papers also contain a comparison with the international scenario, an analysis of the incentives system and interviews to companies, trade associations, the world of finance and institutions. Moreover, SRM and SVIMEZ, which have always been very much aware of the “value” of renewable energies and the green economy, conducted the research “Energie rinnovabili e territorio - Scenari economici, analisi del territorio e finanza per lo sviluppo (Renewable energies and the territory – Economic scenarios, analysis of the territory and finance for the development”, whose objective was to analyse the role played by alternative sources as a factor of development for the Italian and Southern economy in particular, in a perspective of global competition.

In addition, “Servizi pubblici locali in Italia e riflessioni sul ciclo dei rifiuti (Local public services in Italy and considerations on waste cycle)” is the publication that SRM and GEI-Gruppo Economisti di Impresa chose in order to investigate into the critical areas of this topic, focusing on the current model of the local public services, the regulatory, economic-financial, industrial and organisational aspects of the service, the sociological dynamics of the populations affected by the events, an international benchmark .

Finally, as proof of the significance that Intesa Sanpaolo attributes to environmental issues for its own activities, the second edition of the “Environment Paper” was published  (the first edition was issued in September 2011), which is rich in information and insight into Intesa Sanpaolo’s commitment to the environment.

COMMUNITY

The projects we have directly put in place, alongside those implemented in collaboration with local key players, arise from our commitment to playing a leading role in the social and cultural growth of the community to which we belong.

The aim is to be close to people and their projects with our ability to forge alliances and break new ground where this was previously not possible. For this reason, we have worked with the Third Sector, foundations, non-profit associations (Onlus) and local institutions and organisations in the world of culture to play an active role in social development.

MICRO-FINANCE AND THE FIGHT AGAINST USURY

Our willingness to play a part in the social growth of the communities where we operate has resulted in numerous micro-finance projects and initiatives aimed at the prevention of usury, which involved us as partners of shareholders' Foundations and local Onlus associations.

The initiatives launched so far in Italy and abroad have provided over 40 million euro in financing, thus contributing to create business and employment opportunities and helping people in need to overcome times of crisis.

In many of the initiatives launched, the collaboration with VoBIS (Volontari Bancari per le Iniziative Sociali), a national non-profit association comprising former bank employees who put their competences at the service of citizens and non-profit organisations, proved to be particularly valuable.

Intesa Sanpaolo has confirmed its involvement in the "Prestito della Speranza", a micro-finance project launched in 2009 by the Italian Episcopal Conference in collaboration with the Italian Banking Association to support families in need (social micro-finance) and to support business activities (business micro-finance). CEI provided a 30 million euro guarantee fund to cover the loans issued by the banks.

Within the scope of business micro-finance, Intesa Sanpaolo activated a specific product for small business customers which provides financing up to a maximum of 25,000 euro in order to support new activities or existing businesses affected by the economic difficulties of the current economic situation. At the end of 2012, over 1,000 loans were granted amounting to over 7 million euro.

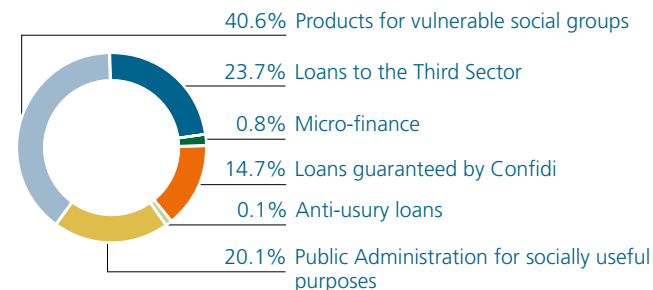
Cassa di Risparmio del Veneto continued to support the projects launched in the last few years:

- "Microcredito Sociale Caritas", which involves granting credit to private entities, in collaboration with the Fondazione Cariparo and the Diocese of Padua, Rovigo and Chioggia and thanks to the risk guarantee fund specifically set up by the partners taking part in the initiative;
- "Microcredito Antiusura", which avails itself of the collaboration of the Fondazione Beato Tovini of Verona, the only manager in the Veneto region of anti-usury funds granted by the State in support of individuals;
- "Microcredito d'impresa", which also provides training and advisory services free of charge, put in place thanks to an agreement entered into in November 2011 by the Cassa with Fondazione Cariparo, the Chambers of Commerce and the Provinces of Padua and Rovigo and the Vo.B.I.S. Association.

Cassa di Risparmio di Venezia continued with the programme started a few years ago in partnership with Caritas: "Microcredito Sociale S. Matteo", in support of society's neediest and poorest people.

In Tuscany, the Cassa di Risparmio di Pistoia e Pescia, in collaboration with the Fondazione CR Pistoia e Pescia, Fondazione Unraggiordiluce Onlus and Arciconfraternita della Misericordia of Pistoia, continued to pursue the financing project aimed at private entities, social cooperatives and small female enterprises. In 2011, within the scope of a project financed by the European Community, the initiative was selected, together with other three cases in Belgium, France and Great Britain for the CAPIC "Cooperation for affordable personal inclusive credit" project, with the aim of analysing and promoting best practices on social micro-finance issues in Europe.

Initiatives with high social impact 2012 [%]



The total of high social impact loans is equal to 4.2 billion euro (1.16% of total loans).

Collaboration with Fondazione Lombarda Antiusura

Intesa Sanpaolo is partner of Fondazione Lombarda Antiusura (Lombardy Anti-Usury Foundation) which, since 1997, has defended individuals or small businesses in financial dire straits or at risk of usury. The Foundation, set up by Cariplo S.p.A. in collaboration with Fondazione Cariplo and Caritas Ambrosiana, has provided free of charge the guarantees required to cover the credit granted.

The selection of the applications takes place through sector experts, employees or retired members of the Group, who act as a listening and guidance centre in identifying the financing solutions required to remedy critical situations. Thanks to the work of the Foundation – acting as guarantor or to cover interest – 541 entities have been able to gain access to Intesa Sanpaolo loans for a total of almost 8.7 million euro since it was set up.

The Foundation is also the Bank's partner in the Anticipazione Sociale project (see chapter Customers on page 28 [↗](#)).

Welfare Ambrosiano Foundation

In the context of the various micro-finance initiatives to which the Group adheres, a new initiative became fully operational in 2012 after being launched in 2011 with Welfare Ambrosiano Foundation – an entity financed by the Municipality of Milan – including the participation of Lombarda Antiusura Foundation.

The project entails micro-finance initiatives both of a “social” nature to provide income support for families in temporary difficulties and of a business nature, for the creation of micro and small enterprises. The catchment area is essentially the Milan area. Intesa Sanpaolo is one of the four financial partners involved in the initiative and is the leader in terms of the number of applications processed in 2012, with around 109 credit issues for a total of around 608 thousand euro. Within the scope of the project, the VoBIS association performs guidance and tutoring activities in favour of applicants.

In September 2012, a new initiative was put in place to provide businesses with tools to regain a competitive edge. SV.E.T, Sviluppo Economico del Territorio (Local Economic Development), is a project shared by Banca CR Firenze, Ente Cassa di Risparmio di Firenze and Vo.B.I.S., which grants more favourable rates on the loans to support new business projects for the purposes of maintaining employment levels and possibly creating new jobs. The Entity has set up a 4.8 million euro deposit at the Bank, thanks to which it is possible to grant loans at particularly favourable rates; the beneficiaries are SMEs and local tradesmen that have been operating in the provinces of Florence, Arezzo e Grosseto for at least 2 years.

Furthermore, the Bank continued with the two micro-finance projects activated in 2011:

- “Microcredito per il lavoro”, in collaboration with Fondazione Lombarda Antiusura Onlus, is aimed at Italian and foreign, individual and family businesses located in the Lombardy Region. The loans are backed by the guarantee of a fund set up by the Foundation which accounts for 90% of the loan.
- “Finanziamento a valere sul Fondo Regionale di garanzia per il Microcredito – Regione Piemonte assistito da garanzia FINPIEMONTE”, dedicated to newly set-up small businesses and self-employed workers with operational headquarters in Piedmont, for the business start-up phase. The loans are backed by a guarantee of 80% of the capital issued, guarantee which is released by the regional investment company.

Other initiatives aimed at fighting against usury are:

- the partnership between Banco di Napoli and FINETICA Onlus, which set up a guarantee fund to the State Anti-usury Fund. In addition to providing information and credit support services to applicants (individuals and small businesses), the non-profit organisation completes the preparatory stage.
- Banca CR Firenze’s project, in collaboration with the Fondazione Toscana per la Prevenzione dell’Usura, for individuals and small businesses.

SUPPORT FOR SOCIAL ENTERPRISES

Banca Prossima

Intesa Sanpaolo counts around 50,000 customers in the “non-profit” sector, for a total of over 2.1 billion euro in loans and over 6 billion euro in direct and indirect deposits.

These figures, combined with the projects developed and the offer dedicated to the non-profit segment in the last few years, bear witness to the dynamism of the relations entertained by the Bank in this sector of major social and economic significance.

The sector is mostly controlled through Banca Prossima which, since the end of 2007, has been the Group's Bank exclusively dedicated to the non-profit segment (lay and religious Third Sector) and religious organisations, creating value and participating in the growth of the economy for the common good thanks to a specific service model and products dedicated to this target. Since 2011 it has been the only rating provider for all the Group's non-profit counterparts and in 2011 the major shareholders' Foundations of the Intesa Sanpaolo Group subscribed to the Bank's capital, giving rise to a synergistic relationship in support of the non-profit segment of the Italian economy.


The Bank achieved some important milestones in 2012: around 22,000 customers (+32% compared to 2011), 4.3 billion in deposits (almost 1 billion in direct deposits), 1.5 billion in loans granted, of which around 1 billion has been used, and it developed an extensive and growing capacity to control this segment which, in the context of the public administration's partial withdrawal from the welfare area, plays a key role for its involvement in social and healthcare assistance, education and sport. Over the year, it has improved the quality of its relationship management with religious organisations and communities, through the creation of a dedicated commercial structure separately from the rest of the network.

The Bank's main strength lies in its personnel. Employees combine their professional skills with experience gained in non-profit organisations and are constantly trained to timely meet the demands of the Third Sector.

Banca Prossima has also continued its activities aimed at strengthening innovation both in terms of products and processes and a prime example of this is the “Terzo Valore” initiative, launched in March 2011 and consolidated during 2012.

EMPLOYEES



Terzo Valore  is a fundraising portal which enables individuals and legal entities to lend money to non-profit projects directly, without intermediaries. In addition to the traditional contribution that people can give to the social world – that is to say donations – Terzo Valore provides two entirely new methods on the Italian scenario:

- Prestobene, the first loan made by an individual to a non-profit organisation, which will then repay it an agreed-upon interest rate;
- Donobene, a donation method which reinvests the contribution paid: the first non-profit organisation benefiting from it undertakes to transfer it to others after having used it, thereby activating a virtuous circle.

In the interest of the utmost transparency, the portal provides a detailed account on the progress of the projects.

Non-profit organisations have shown a great deal of interest in the initiative, which enables to establish an increasingly tight bond with its supporters and the option to access loans at very favourable rates.

Through Terzo Valore, 23 projects in the education, religious, social-assistance and cultural sectors have been financed to date. For the 11 projects financed in 2012, “private” lenders contributed over 1 million euro, thus enabling savings of several thousands of euro on interest.

In February 2013, an agreement was signed between Fondazione Cariplo and Banca Prossima for an initiative aimed at the promotion and support of social housing, which will use this Internet platform to access the financial resources not covered by the Foundation's contribution.

Fondazione per l'innovazione del Terzo settore

Banca Prossima, through the setup in 2011 of the Fondazione per l'Innovazione del Terzo Settore (FITS!), continued the task of gathering partners intending to cooperate in absolute transparency and in low profit terms in the main priorities for sustainability of the lay and religious non-profit sector.

FITS! does not pursue the issue of loans but rather the aggregation, selection and liaison of quality players capable of providing services that are conducive to the sustainable development of the Third Sector, such as:

- procurement, to develop economies of scale
- tax, administration, legal and organisational advisory service
- the property sector, to use real estate assets
- fund raising, to use financing sources other than loans
- health sector, to consolidate non-profit services in the private market.

The first service made available in 2012, in partnership with the VITA and USPI group (Unione Stampa Periodica Italiana) is linked to the sustainability of direct mailing as a means of raising funds. For the organisations that made use of the service the initiative represented a valid alternative to sending via Poste Italiane and contributed to increase the efficiency of the non-profit sector, which was ultimately the objective sought by the Foundation.

Partnerships with the Third Sector

Within the framework of the strong relations that Intesa Sanpaolo has developed with Third Sector organisations over the years, numerous projects were supported with the awareness that this sector requires new, dedicated, high quality and cost-effective services


One of the main initiatives that saw the involvement of our Bank was the setup of the Consorzio SPIN – Sport Insieme, a non-profit organisation deriving from the collaboration between Intesa Sanpaolo, Banca Prossima and the leading sports Promoting Entities at national level: ACSI, AICS, ASI, CSI, ENDAS, LIBERTAS, UISP, USACLI, which account for over 70% of basic sport movement, with around 4 million participants.


SPIN addresses those companies or associations which operate the sports facilities, wish to invest in their redevelopment or build new ones and are often not able to provide professional organisational solutions and qualified management tools. The consortium, with the aid of the adhering promoting entities and qualified professionals, expresses its opinion on the feasibility of the investment costs, on the financial sustainability of the project and on the promoter's ability to reach the objectives. SPIN's assessment qualifies credit access applications for the financing of sports projects.

2012 was a year marked by strong growth and consolidation: the Consortium was joined by its eighth sports Promoting Entity (ASI) and, following the increase in the number of requests, it strengthened the dedicated web platform.

The projects reviewed were over 80 - especially for the redevelopment, renovation and updating of the sports facilities with applicable regulations – for a total value of around 30 million euro.

The first three-year agreement was signed in June between Banca Prossima and the Municipality of Milan for the redevelopment of the sports facilities, of which SPIN was the promoter and qualifying factor.

With a view to promoting the culture of voluntary work and raising awareness of the active citizenship issue among young people, "Terzo set-ORE", a virtual message board where non-profit organisations, customers of Banca Prossima, can make themselves known and reach out to young people in their search for volunteers, was included in the "Social Commitment" area of the Superflash website .

The Bank continued with the activity of the Consorzio PAN Progetto Asili Nido , a project activated in 2004 with the leading social enterprise networks (CGM, DROM – Legacoop, FISM, Con-Opera) in order to meet the needs of high-quality services for children and to help women return to work after maternity leave. Overall, 429 PAN nurseries were opened and almost 6.5 million euro was disbursed to finance start-ups and to purchase furniture, which was almost entirely repaid.

The Group's International Subsidiary Banks also launched numerous initiatives in support of local non-profit organisations. Since 2009, the Hungarian CIB has included within its commercial offering two projects for NGOs: Non-Profit Classic and Non-Profit Plus Accounts - designed according to the frequency of the banking transactions carried out, in order to provide better conditions both in terms of monthly fee and interest rates. In 2012, the Serbian Banca Intesa Beograd, in order to meet the need of the country's leading NGOs to find innovative and more efficient fundraising methods, made available its e-commerce platform at no service cost and applying minimum transaction fees.

DONATIONS

Donations from Intesa Sanpaolo's Fund for charitable social and cultural contributions, issued on the basis of a Plan approved by the Supervisory Board, aimed to meet the needs of the territory that are not specifically covered by "large" Foundations, with particular attention to small and medium sized organisations and local projects for targeted social needs.

Particularly significant was the development of local donations, up to a maximum 5,000 euro, managed autonomously and in a decentralised manner, which allow the branches of Intesa Sanpaolo and the Banks of the Banca dei Territori Division to be able to count upon a new tool to integrate the traditional role of "territorial bank" with a considerable philanthropic, social and cultural commitment.

In the social area, the interventions were mainly aimed at family support; at scientific research in the health field; at participation in the challenge against social exclusion; at the development of initiatives for the elderly and disabled people in difficult conditions; at social integration, as well as at the reconstruction of the territories hit hard by seismic events (earthquake in Emilia Romagna) and the populations involved in the floods that devastated central Italy last autumn.

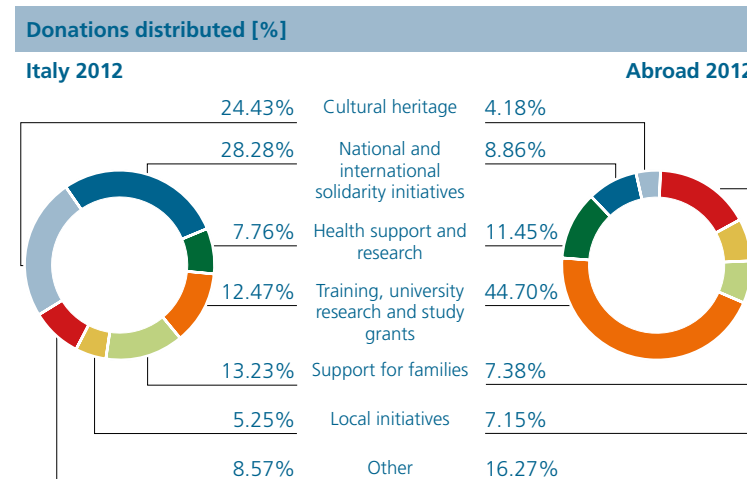
In the cultural area, training projects were supported according to criteria of international excellence, to continually add new lustre to the traditions of theatre, opera, ballet and music as well as for the dissemination of art, music and theatre both to disadvantaged people and in schools in favour of children who do not have sufficient financial means.

In the religious field, the resources were destined to the intercultural exchange among populations and to solidarity and charity initiatives, which are all the more relevant in a situation of dramatic crisis.

Of particular importance was the support provided to the Fondazione Famiglie 2012 project and to the Museo della Memoria della Fondazione Memoriale della Shoah (Memory Museum of the Shoah Memorial Foundation). The Bank continued to support the Fondazione Piazza dei Mestieri of Turin for training plans aimed at enhancing handicrafts and the most common trades in Piedmont's territory; the Fondazione Opera Immacolata Concezione of Padua to create a community based on the mutual support for young disabled and non-self-sufficient elderly people; the Hospice Casa Vidas project aimed at ensuring qualified care for terminally ill patients.

At the international level, the Bank continues to support the long-term Project Malawi and interventions in favour of poorer countries for projects favouring health rights, the availability of primary goods, education and self-sufficiency.

Over 17.7 million euro in total was disbursed in 2012, 12.3 million of which by Group companies in Italy and 5.4 million euro by International Subsidiary Banks. ➡



Fondazione Milano Famiglie 2012

On the occasion of the 7th Incontro Mondiale delle Famiglie (World Meeting of Families) in Milan from 30 May to 3 June, Intesa Sanpaolo supported the project aimed at the reception of families coming from poor countries with a contribution donated to the Fondazione Milano Famiglie 2012, set up by the archdiocese of Milan. The reception involved 300 people coming from poor areas in the world (50% from Asia, 17% from Africa and 33% from Latin America).

Fondazione Memoriale della Shoah

"Track 21" in Milan Central Station is the only place of deportation to have remained intact in Europe. From here, between 1943 and 1945, hundreds of Jews and political prisoners were deported to Auschwitz-Birkenau, Bergen-Belsen and Mauthausen concentration camps. Intesa Sanpaolo provided its contribution to the completion of the project which entails the transformation of "Track 21" into a space dedicated to the commemoration of the Shoah tragedy, a place where one's memory is a fundamental requirement to share a common future perspective.



The third phase of the project

Intesa Sanpaolo and Fondazione Cariplo undertook to support the Malawi initiative for another three years, which will end in 2014. The third phase, which once again sees the involvement of the four associations already operating in the two previous three-year periods, entails further strengthening of the activities launched as from 2005, with the aim of ensuring that the communities and local authorities are increasingly involved for the purposes of a complete ownership by the Malawi population and undertake the project in the spirit of total sustainability.

AIDS prevention

The healthcare intervention by the community of Sant'Egidio is based on the application of the DREAM (Drug Resource Enhancement against AIDS and Malnutrition) protocol. The said protocol, now fully integrated in Malawi's national health system, guarantees a holistic approach to patients and its success is evidenced by the number of patients lost to follow-up, lower by one third compared to other HIV/AIDS treatment programmes. Another strength of the intervention lies in the high quality of the molecular biology laboratories made operational in the country, which account for 23% of the total analyses for the CD4 count (which gives a measure of the functionality of the immune system) and 50% of the structures capable of providing the determination of the viral load (which measures the quantity of HIV circulating in the blood). The Blantyre laboratory has long been part of the training circuit of the College of Medicine, the only faculty of medicine in the whole country. 2012 saw the launch of a scientific research on viral resistances which may have a significant impact in the treatment of HIV/AIDS not only in Malawi but in the whole of Africa.

INTERNATIONAL SOLIDARITY INITIATIVES

Project Malawi

Project Malawi is an international cooperation programme launched in 2005 by Intesa Sanpaolo and Fondazione Cariplo with the aim to create a barrier to AIDS, starting from prevention of the virus transmission from mother to child and combining healthcare with targeted actions aimed at limiting the impact of the disease on the population and relaunching the country's economy. Four partners are involved in the various fields: healthcare (Comunità di Sant'Egidio with the DREAM protocol), local development and micro-finance (CISP), care for orphans and vulnerable children (Save the Children) and education and prevention (Malawi MAGGA and SAM Scouts).

During 2012, the existing interventions were consolidated and other important objectives were achieved:

- in the health sector, 4 laboratories (3 of which are molecular biology labs) and 9 clinical centres are in operation, to which 11 maternity centres are linked. Over 20,000 patients started antiretroviral therapy, more than 6,450 HIV-positive pregnant women were enrolled in the vertical prevention programme and almost 5,100 children were born virus-free through the use of tri-therapy. Over 500,000 medical visits and 242,000 laboratory tests were carried out. Internships for 30 students from the medical laboratory courses were held at the DREAM centres;
- within the scope of local development and micro-finance, 3 business information and service centres were set up where training and refresher courses were held for almost 1,100 micro and small entrepreneurs (almost 840 of them were assisted in the presentation of business plans to micro-finance institutions). Renewed agreements were entered into with local micro-finance institutions for individual and group loans, almost 120 income-generating activities were set up, involving over 2,900 families and as many village savings and loan associations were established in rural areas with almost 2,700 direct beneficiaries;
- within the scope of the care provided to orphans and vulnerable children, 70 child care day centres managed by members of the local communities were established or renewed, which host about 3,000 children aged 3 to 6 on a four-monthly basis. Trained volunteer caregivers organise support meetings and prevention and recreational activities for around 4,000 children aged 7 to 13. All the centres are linked to local clinics that monitor the children's developmental progress on a monthly basis. Around 450 adults and chronically ill children received home care by the volunteers of the communities involved;
- within the education and prevention sector, scout units are present in almost 160 schools, involving over 27,000 young people in activities to raise awareness about the risks of the HIV/AIDS virus transmission and in sex education. 3,300 young people benefited from free HIV testing and counseling service at the Scout Centre in Blantyre. Finally, 103 young people completed craftsmanship skills training.

SPONSORSHIPS


Aware of its responsibility towards the territories where it operates, Intesa Sanpaolo has always striven to promote social and cultural as well as economic growth, fostering cohesion and producing value and wellbeing for the community. This commitment is made concrete especially in the world of art and culture with an approach inspired by a deep-rooted sense of social responsibility, an active participation in the country's life and development, and the willingness to ensure a constant and productive dialogue with the different communities. A commitment that is nurtured by consistent methods and contents and that results in extensive and on-going initiatives, driven by specific projects.

Interventions are developed according to two guidelines: the protection of the cultural heritage of the country and the conservation and appreciation of the artistic and architectural heritage of the Group, which the Bank is willing to share with the communities in which it operates. The initiatives are manifold: both projects planned and implemented independently, and activities carried out in partnership with other cultural and scientific institutions, whether public or private, in a relationship of mutually beneficial and synergistic collaboration.

A special value is attributed to the role of music as a universal language, capable of breaking down geographic and cultural barriers, reaching out to a wide and diverse audience. In this perspective, partnerships are developed with: Teatro alla Scala, Teatro Regio of Turin, Teatro San Carlo of Naples, the MiTo International Music Festival, the Opera Rossini Festival and the Festival of Spoleto.

The other Bank's and Group's initiatives are mainly aimed at pursuing the following objectives

- support research and ensure education support to deserving young people, with agreements and collaborations with Universities for master's degrees and study grants;
- disseminate the values of sport, encouraging their development among young people and promoting the image of Italian sport at the international level through the collaboration with CONI and the support to the Italian Olympic Team at the 2012 London Olympic Games, to football teams, to competitive and amateur sports activities in different disciplines;
- contribute to the dissemination of business/financial knowledge and culture for new generations in particular. We would like to recall the "Cultura Finanziaria a Scuola" (Financial culture at school) project, financial education of Patti Chiari and "Festival dell'Economia" (Festival of the Economy);
- establish deep-rooted ties with the territory, promote and participate in activities with high ethical and social value: AIRC, Biennale Democrazia, Colletta Alimentare.

Finally, the Group's Banks launched numerous initiatives, in Italy and abroad, aimed at promoting the aspects of excellence of each territory .

In 2012, sponsorships were overall equal to around 38.5 million euro, of which 34.8 by Italian Companies and 3.7 from the International Subsidiary Banks.

FAI – I luoghi del cuore

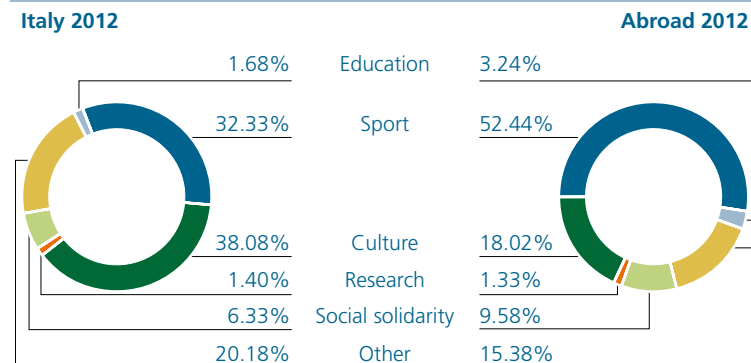
The project "I Luoghi del Cuore", in collaboration with the Fondo per l'Ambiente Italiano (Italian Environmental Fund), is aimed at disseminating the culture of respect for the artistic heritage and nature and contributing to the enhancement of our Country's beauty and uniqueness. The project arises from the conviction that the preservation of these extraordinary treasures, as well as the memory of the past, means defending the values of the nation itself, the identity of which is rooted in its very same cultural tradition.

The Bank plays an active role both as a channel of promotion and collection of the reports, as well as the identification, together with FAI, of the assets/places on which to perform protection or restoration interventions.

The Sixth Census - "Italia, luogo del cuore del mondo" (Italy, the place of the world's heart) – pursued the ambitious aim of overcoming the national boundaries: the reports collected amounted to 1 million and came from all over Italy and, for the first time, from overseas as well.

As in the past editions, the reports were the subject of a strong awareness campaign among Heritage Offices, Municipalities, Regions and local Institutions to propose and encourage targeted interventions. 2012 saw the launch of 11 restoration projects involving the places reported in the past edition of the Census. Similar initiatives involved Banca Intesa Beograd in Serbia and VUB Banka in Slovakia.

Sponsorships to the various areas of action [%]



Gallerie d'Italia

Within the scope of the promotion of the Bank's artistic heritage, Gallerie d'Italia, museum venues which aim to encourage public access by an increasingly wider audience, are one of the key spheres of activity of the Progetto Cultura. The first venue, Palazzo Leoni Montanari in Vicenza, was opened in 1999 and houses a collection of ancient Russian icons, considered one of the most important in the West, and a collection of 18th century Venetian paintings. It proposes a rich schedule of cultural events every year to involve the wider public.

2007 marked the addition of Palazzo Zevallos Stigliano in Naples, "home" to Caravaggio's masterpiece "Il martirio di sant'Orsola" (The Martyrdom of Saint Ursula) and to important 18th and 19th century views of the city and the Campania region by two Dutch artists, Gaspar van Wittel and Anton Smink Pitloo.

Lastly, November 2011 marked the opening of the Gallerie of Piazza Scala in Milan with exhibitions displaying Italian 19th century works, especially from the Lombardy region, of Fondazione Cariplo and Intesa Sanpaolo, and in autumn 2012 Cantiere del '900 completed its ambitious cultural project. The museum is housed inside a complex comprising 18th and 19th century buildings in the heart of Milan, namely Palazzo Anguissola Antona Traversi and Palazzo Brentani, as well as in the historical headquarters of Banca Commerciale Italiana, designed in the early 20th century. This venue exhibits 189 works among paintings, sculptures, photographs and other artistic techniques explored in the last century. Around 500 paintings will be kept in the Bank's vault which, transformed into a fully equipped deposit to house works of art, will be made accessible to viewers through guided tours.

The public's response was more than favourable: over 200,000 visitors in Milano, more than 46,000 in Naples and in excess of 52,000 in Vicenza.

PROGETTO CULTURA

Recognising the principle of social responsibility as the priority reference of its own interventions in the cultural sphere, Progetto Cultura by Intesa Sanpaolo expresses the belief that a leading national bank must contribute towards not only economic growth, but also – and tightly – to cultural and civil growth in Italy.

The artistic heritage of Intesa Sanpaolo and its access to the public

The protection and development of the proprietary artistic heritage is one of the main guidelines of Progetto Cultura. The commitment in this area comprises numerous initiatives: the systematic cataloguing and restoration activity of the works; the Web publishing of information; the publication of hardcopy catalogues; the implementation of temporary exhibitions; the loan of artistic works in Italy and abroad; the public display of a growing number of artistic assets in its own museum venues, the Gallerie d'Italia.

Among the exhibitions promoted by the Bank we recall "L'Italia e gli italiani nell'obiettivo dei fotografi Magnum" (Italy and Italians viewed through the lens of Magnum photographers), a project carried out for the 150th anniversary since the Unification of Italy and presented at Palazzo Reale in Turin, at Palazzo Zevallos Stigliano in Naples, at Casa Italia in London during the 2012 Olympic Games and at Palazzo Leoni Montanari in Vicenza.

Thanks to Invito a Palazzo (Invitation to Palazzo), traditional event promoted by ABI, the Group's most beautiful bank buildings were opened to the public for viewing and visitors were able to admire works of art and furnishings from all historical periods.

2012 saw the conclusion of the restoration phase of the XVI edition of "Restituzioni", the biennial restoration programme of public works of art, promoted and organised by Intesa Sanpaolo in partnership with the Italian architectural, archaeological and art history inspectorates. 43 series of works of art – for a total of 250 individual works dating from the 8th century to the dawn of the 19th century – were restored in qualified laboratories distributed across the entire peninsula and will be the key players in a large exhibition to be held in Napoli in spring 2013 at the Capodimonte Museum and at Palazzo Zevallos Stigliano.

Editorial and music initiatives

Dissemination, protection and public access: these are the objectives pursued by the editorial and music initiatives promoted in 2012.

In addition to the editorial series "Vox Imago" and Musei e Gallerie di Milano, the publication of the mini-guides on historical sites continued, which this year were dedicated to Palazzo Beltrami of Piazza Scala in Milan and to Palazzo del Banco di Napoli in Naples.

The Bank continued its collaborations with associations and bodies of high cultural and educational standing, including the Pinacoteca Ambrosiana Library, the Casa del Manzoni, the Civic Museums of Sforza Castle in Milan, the Fondazione Valla, the Fondazione Feltrinelli, ABI (Italian Banking Association) and the Associazione Amico Libro. With a view to sharing its book heritage, the editorial advisory services provided to the various Group departments was intensified and the integrated web management of the Group's library legacy was fine-tuned for the purposes of a widespread distribution of the publications in favour of public reading venues in Italy and abroad.

Significant interventions were carried out for the purposes of disseminating ancient, classical and contemporary music: in addition to the contributions for the organisation of a series of concerts, the collaboration with major music organisations for the planning of training programmes targeted at young people including disadvantaged categories and study sessions open to the general public.


Finally, Fondazione Biblioteche della Cassa di Risparmio di Firenze was established in April 2012, with the aim of centralising the Bank's library legacy in one single location firmly anchored to the city. The new Library is expected to open by 2014.

The documentary heritage

The history of the Intesa Sanpaolo Group has some very ancient roots and the Historical Archive, through its renewed exhibition areas and the web pages available on the institutional site, represents a valuable tool to preserve its memory, thereby expanding public access to historical documents.

The volume "Impiegati. Lavoro e identità professionale nei documenti della Cariplo 1823-1928 (Employees. Work and professional identity in 1823-1928 Cariplo documents)" was published in 2012 and represents the first survey within a project aimed at protecting, sorting and cataloguing the archives relating to the personnel of the banks merged into Intesa Sanpaolo. This project offers an unprecedented insight into the social history and, naturally, the enterprise history.

MEDIA RELATIONS

The main objective is to communicate the initiatives that are strategic or important from an operational viewpoint to all stakeholders, ensuring the utmost transparency. Information is made available through the dedicated section of the website  and individuals or entities can also subscribe to a mailing-list to receive press releases and information about major corporate events directly by e-mail or mobile phone. There is also an option for requesting that documentation is mailed to the user's home address.

Intesa Sanpaolo adheres to UPA (Utenti Pubblicità Associati) and "Codice di Autodisciplina Pubblicitaria" (Publicity Governance Code), promoted by the Istituto di Autodisciplina Pubblicitaria (IAP) to ensure that publicity is transparent, true and correct. The close collaboration with these Associations ensures that any updates or amendments in the regulations to which we have adhered are immediately put into effect. As for advertisements of investment products, all scripts are always submitted to the Legal Affairs Department and to the Compliance Department and when necessary, communicated to Consob to examine their compliance with laws and their adherence to the principles of truthfulness and transparency.

Vox Imago

Continuing the collaboration started in 2004 with Teatro alla Scala, Mondadori Electa, Musicom.it, Rai Trade, Philip Gossett and Ipotesi Cinema, the editorial and musical Vox Imago project, dedicated to the in-depth analysis of grand opera, has been enriched with a new edition dedicated to Mozart's *Die Zauberflöte*.

In line with a consistent approach towards the implementation of initiatives developing and disseminating culture, in the 2012 edition of the multimedia collection, the performance by internationally renowned artists and the historical and philological study of opera represented the study material for a specific didactic section. Thus, the project entailed as an innovation the organisation of training meetings targeted at the teachers of secondary schools within the scope of the regular didactic activities scheduled by ministerial programmes.

The Musei e Gallerie di Milano

Within the scope of the Musei e Gallerie di Milano series, characterised by scientific aims and the safeguarding of the public artistic heritage, a new volume on civic museums was published, the first of a series of four volumes, dedicated to the systematic exploration of the sculptures of Milan's Sforza Castle.

The editorial project, which has led to the publication of 70 volumes in the space of about 40 years, thanks to the rigour of the scientific criteria of the cataloguing procedures, carried out by hundreds of specialists and young researchers, represents an invaluable instrument for the knowledge and enhancement of the collections for scholars as well as for the access by an increasingly wider audience.

IMPROVEMENT OBJECTIVES 2013

Customers

Quality of relationships

- Extension of branch opening hours for a significant sample of branches in Italy (Banca Estesa Project).
- Application of an advisory approach to improve relations with retail customers.
- Development of new products/services based on the feedback coming from customer experience surveys focused on the improvement of the customers' "quality of life".
- Improvement of the SElok quality control system: KPI evolution for the monitoring of the quality delivered; creation of a Voice of Customer system for the collection, analysis and activation of specific improvement actions based on the reports received directly from the customers on their perceived quality.
- Development of listening and communication initiatives to understand the needs of business customers within the relationship cycle with the bank.

Financial inclusion

- Development of an offer for the entire family unit and focus on solutions for senior customers.
- Development of new fund transfer services addressed to "new Italians".
- Consolidation of the Superflash offer addressed to young people.

Support to production

- New credit lines addressed to small business customers and aimed at supporting new businesses.
- Undertaking of initiatives to assist start-ups and developing companies.
- Definition of a new agreement with Confindustria focused on dimensional growth, internationalisation and new businesses.

Employees

Assessment systems

- 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.

Remuneration policies and incentive systems

- Fine-tuning of the drivers for measuring individual and departmental performances.

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.

Diversity management

- Monitoring on the establishment of growth areas and management appointments in order to ensure the enhancement of female talent.
- Focus on the issues of integration of people with disabilities and management of inclusion procedures in collaboration with entities and associations operating on the territory.

Training

- Enhancement of on-site training activities.
- Enhancement of teaching tools and models based on the expected roles and skills for specific professional communities.
- Ongoing training (before, during and after the classroom lessons) and search for new learning formats and products.
- Integration of the different teaching methods (classroom, e-learning, social networking, web-tv, educast).

Work-life balance

- Reduction of overtime.
- Search of solutions capable of meeting flexibility requirements.
- Promotion of plans searching for solutions in support of care needs throughout the country.
- Continued commitment towards mobility issues as declared in the Home-Work Commuting Plans.

Welfare and health

- Definition of actions to strengthen the effectiveness of the Health Fund and its sustainability over time.
 - Development of the project for setting up a Singe Group Pension Fund.
 - Development of the project for the establishment of a cultural, recreational and sports Association for the Intesa Sanpaolo Group employees.
-

Environment Environment-friendly loans and products

- Adaptation of environmental products addressed to small business customers for the purposes of energy efficiency.
- Innovation of the offer targeted at large businesses for energy saving and the use of renewable energies.
- Implementation of more stringent criteria for the management of the environmental risks associated with the issue of loans.

Management of the Bank's ecological footprint

- Continuation of the energy saving plan.
 - Adoption of a new UNI EN ISO 14064 certified quality scheme for the quantification and reporting of CO₂ emissions.
-

Suppliers

Green purchases

- Further increase of the use of environmentally friendly and recycled paper.
- Replacement/purchase of low-environmental impact office machinery.
- Purchase of green energy more in line with the highest environmental sustainability requirements.

Supplier relations

- Extension of the e-sourcing Portal and use of online tenders to promote the transparency of procurement procedures.
- Full implementation of the module for the management of accounting communications with suppliers.

Sustainability culture

- Suppliers' qualification including on the basis of environmental and social requirements.
 - Additional training for procurement managers on the issues of social and environmental sustainability.
-

Community

Third sector

- Stimulus for the creation of networks among non-profit operators and other players.

Editorial and musical initiatives

- Cataloguing of the public and private heritage.
- Musical culture training and education.

Culture and works of art

- Enhancement of "Gallerie d'Italia" by rearranging exhibition areas; creation of exhibitions and monographs; initiatives aimed at facilitating access to young people, the elderly and those who find themselves in social and economic difficulties.
- Initiatives aimed at enabling public access to collections not yet on display.
- Continuity of the Restituzioni initiative.
- Protection of historical documentary sources at risk, enhancement of accessibility and promotion of access to the Bank's exhibition areas.

Donations

- Focus on the social commitment towards the most vulnerable categories in society.

Sponsorships

- Development of relations with local communities, partnerships with universities/trade associations and centres of excellence.
-

Shareholders Sustainable growth

- Further consolidation of the foundations for sustainable growth.
- Combining sound capital base and return on capital with a low risk profile.

INDICATORS

KEY INDICATORS ¹

Economic indicators	2012	2011	2010
Loans to customers [millions of euro]	376,625	376,744	379,235
Direct customer deposits [millions of euro]	380,353	359,991	402,202
Direct deposits from insurance business and technical reserves [millions of euro]	81,766	73,119	73,305
Consolidated shareholders' equity [millions of euro]	49,613	47,040	53,533
Consolidated net income [millions of euro]	1,605	-8,190	2,705
Total assets [millions of euro]	673,472	639,221	658,757
Generated Economic value ² [millions of euro]	14,073	12,615	14,955
Distributed Economic value ³ [millions of euro]	11,731	14,516	12,197
Social indicators			
Customers [millions]	19.2	19.0	19.8
Complaints [n.]	103,677	104,569	98,823
Customers involved in customer satisfaction activities [n.]	139,187	412,500	396,176
Employees [n.]	95,402	97,862	100,740
Staff turnover rate [%]	-3.9	-1.8	-0.9
Training days during the year [n.]	1,087,402	987,226	950,686
Female management/total management ratio [%]	21.6	21.6	19.4
Donations [thousands of euro]	17,781	19,908	22,056
Environmental indicators			
CO ₂ emissions per employee - excluding corporate fleet [Kg]	1,037	1,055	1,095
Electricity consumption per employee [KWh]	5,638	5,797	5,975
Paper consumption per employee [Kg]	92	92	101

1. Economic indicators refer to the scope of consolidation for the Consolidated Financial Statements, whilst social and environmental indicators were based on the Sustainability Report boundary which includes operational companies with an impact on sustainability reporting.

2. The generated economic value expresses the value of the wealth produced in the year as required by the Global Reporting Initiative, GRI-G3 guidelines. For more details see the Chapter "Calculation and distribution of economic value".

3. The distributed economic value is the share of generated economic value attributed to the different stakeholders. For more details see the Chapter "Calculation and distribution of economic value".

Main economic and financial indicators ¹	2012	2011
Personnel efficiency indicators [million euro]		
Loans to customers / Number of employees	3.92	3.73
Operating income / Number of employees	0.19	0.17
Customer financial assets ² / Number of employees	8.26	7.57
Balance sheet indicators		
Shareholders' equity / Loans to customers	13.2%	12.5%
Shareholders' equity / Customer financial assets ²	6.2%	6.1%
Capital ratios ³		
Core Tier 1 ratio (Tier 1 capital net of non-eligible instruments / risk-weighted assets)	11.2%	10.1%
Tier 1 ratio (Tier 1 capital / risk-weighted assets)	12.1%	11.5%
Total capital ratio (regulatory capital / risk-weighted assets)	13.6%	14.3%
Profit indicators		
Parent Company net income / Average shareholders' equity	3.3%	-16.3%
Operating costs / Operating income (Cost income ratio)	49.8%	54.4%
Risk indicators		
Net doubtful loans to customers / Loans to customers	3.0%	2.4%
Net substandard and restructured loans to customers / Loans to customers	3.8%	3.3%
Adjustments to doubtful loans to customers / Gross doubtful loans to customers	60.5%	63.8%

1. The indicators were calculated with reference to reclassified statements and figures published in the Intesa Sanpaolo Group's 2012 Consolidated Financial Statements. The 2011 figures were restated where necessary to take into account changes in the scope of consolidation.

2. Customer financial assets: direct deposits from banking business, direct deposits from insurance business and technical reserves and indirect deposits, after netting, referred to components of indirect deposits which are also included in direct deposits.

3. The ratios were calculated using the methodology set out in the Basel II Accord.

Statement of calculation and distribution of Economic Value [milions of euro]

The statement of calculation and distribution of economic value generated by the Group, as detailed below, was prepared according to income statement items used in the 2012 consolidated financial statements, subjected to audit and approval of the Supervisory Board on 21 March 2013. These items were reclassified in accordance with the ABI (Italian Banking Association) instructions, complying with GRI-G3 guidance. The statement resulting from such reclassification separates economic value into its three macro-components: economic value generated, distributed and withheld/drawn by the Group.

Financial statement captions		2012	2011	2010
10.	Interest and similar income	19,700	19,149	17,500
20.	Interest and similar expense	-8,418	-7,762	-6,879
40.	Fee and commission income	6,641	6,298	6,494
50.	Fee and commission expense ¹	-1,050	-851	-893
70.	Dividends and similar income	507	542	490
80.	Profits (Losses) on trading	549	-204	243
90.	Fair value adjustments in hedge accounting	-8	-8	-182
100.	Profits (Losses) on disposal or repurchase of:	1,348	753	229
	a) loans	-3	-16	-11
	b) financial assets available for sale	270	590	235
	c) investments held to maturity	-14	-1	0
	d) financial liabilities	1,095	180	5
110.	Profits (Losses) on financial assets and liabilities designated at fair value	1,294	-210	179
130.	Net adjustments to/recoveries on impairment of:	-4,521	-5,021	-2,896
	a) loans	-4,308	-4,229	-2,818
	b) financial assets available for sale	-161	-776	-79
	c) investments held to maturity	1	-2	0
	d) other financial activities	-53	-14	1
150.	Net insurance premiums	5,660	9,260	8,483
160.	Other net insurance income (expense)	-8,145	-10,016	-9,050
220.	Other operating expenses (income)	486	494	528
240. (Partial)	Profits (Losses) on investments in associates and companies subject to joint control (realised gains/losses) ²	0	20	7
270.	Profits (Losses) on disposal of investments	30	171	8
310.	Income (Loss) after tax from discontinued operations	0	0	694
A	Total economic value generated	14,073	12,615	14,955

Financial statement captions		2012	2011	2010
A	Total economic value generated	14,073	12,615	14,955
180.b (partial)	Other administrative expenses (net of indirect taxes and donations) ³	-2,799	-2,950	-3,041
	ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS	-2,799	-2,950	-3,041
180.a	Minority interests ⁴	-6,031	-6,650	-6,089
	ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES	-6,031	-6,650	-6,089
330.	Utile (perdita) d'esercizio di pertinenza di terzi	-49	-63	-71
	ECONOMIC VALUE DISTRIBUTED TO THIRD PARTIES	-49	-63	-71
340. (partial)	Parent Company net income - Share allocated to Shareholders ⁵	-832	-822	-1,033
	ECONOMIC VALUE DISTRIBUTED TO SHAREHOLDERS	-832	-822	-1,033
180.b (partial)	Other administrative expenses: indirect taxes	-714	-663	-638
290. (partial)	Income taxes for the year (current taxes) ⁶	-1,303	-3,361	-1,308
	ECONOMIC VALUE DISTRIBUTED TO THE GOVERNMENT, ORGANISATIONS AND INSTITUTIONS	-2,017	-4,024	-1,946
180.b (partial)	Other administrative expenses: donations and gifts	-2	-3	-3
340. (partial)	Parent Company net income (loss) - Share allocated to charity fund ⁷	-1	-4	-14
	ECONOMIC VALUE DISTRIBUTED TO COMMUNITY AND ENVIRONMENT	-3	-7	-17
B	Total economic value distributed	-11,731	-14,516	-12,197
C	Total economic value retained (withdrawn) by the corporate system⁸	2,342	-1,901	2,758

1. The figures differ from those of the income statement in the annual report as remuneration to the financial advisors networks was reclassified to "Personnel expenses".

2. The figures differ from those of the income statement in the annual report due to the exclusion of realised gains/losses, now recognised in a separate caption.

3. The figures differ from those of the income statement in the annual report due to the exclusion of indirect taxes and donations and gifts, now recognised in a separate caption.

4. The figures differ from those of the income statement in the annual report as they also include remuneration paid to the financial agents networks. For 2012 the amount includes 144 million euro relating to charges for exit incentives (718 million euro in 2011).

5. For 2011 the economic value distributed to shareholders was drawn from reserves.

6. The figures differ from those of the income statement in the annual report due to the exclusion of deferred tax assets and liabilities, now recognised in a separate caption.

7. The figures include amounts allocated to the charity funds operated by Group banks.

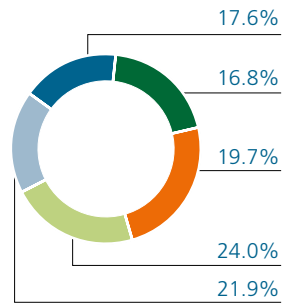
8. Net adjustments to/recoveries and provisions, deferred tax assets and liabilities and consolidated income net of dividends of the Parent Company.

CUSTOMERS

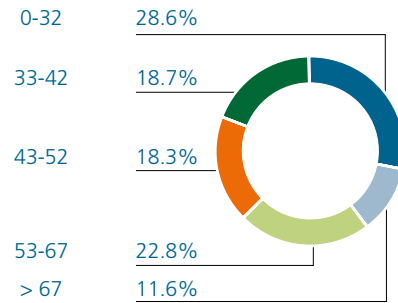
Composition

Retail customers by age group: years [%]

Italy 2012

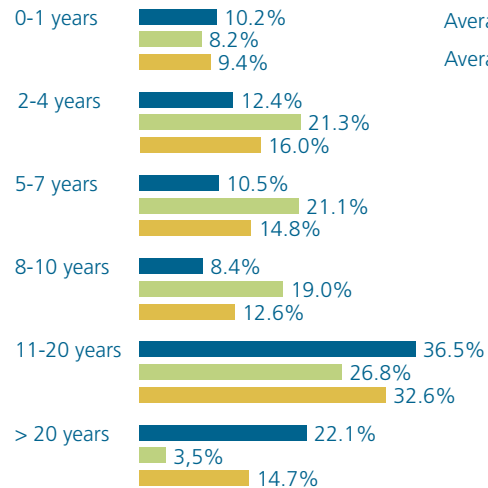


Abroad 2012



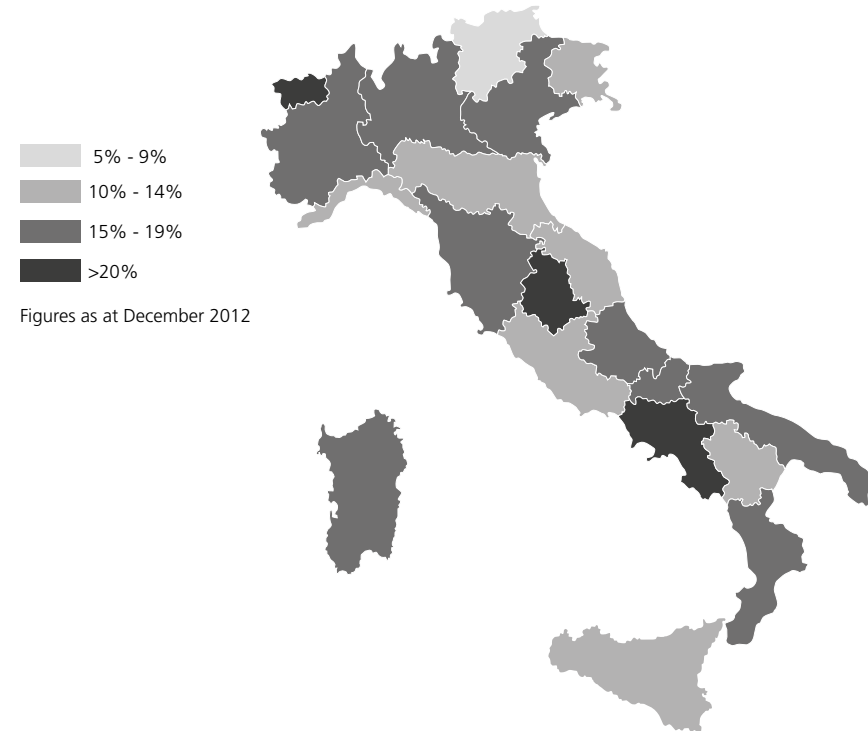
Retail customers by seniority [years]

Italy Abroad Group



Average seniority in Italy: 13 years
Average seniority Abroad: 9 years

Branch office market share in Italian regions



Figures as at December 2012

In Italy, Intesa Sanpaolo has an extensive, well distributed network of branches with a market share of more than 15% in 12 out of 20 regions. There are approximately 5,300 Italian branches. Abroad, the Group has over 1,500 branches in 12 Central and Eastern European countries and in the Mediterranean countries..

Presence in Italian regions with a low density population*	2012		2011		2010	
	Branches	ATMs	Branches	ATMs	Branches	ATMs
Molise	22	27	22	26	22	26
Sardegna	101	142	100	143	98	133
Basilicata	32	34	34	36	34	36
Valle d'Aosta	28	45	29	47	29	45

Presence in Italian regions with a low density population*	Change 2012/2011		Change 2011/2010	
	Branches	ATMs	Branches	ATMs
Molise	0.0%	3.8%	0.0%	0.0%
Sardegna	1.0%	-0.7%	2.0%	7.5%
Basilicata	-5.9%	-5.6%	0.0%	0.0%
Valle d'Aosta	-3.4%	-4.3%	0.0%	4.4%

* Source: ISTAT 2011, Changes and calculation of the annual resident population; changes in areas, municipality names, calculation of municipal areas. The regions considered are those with less than 100 inhabitants per km².

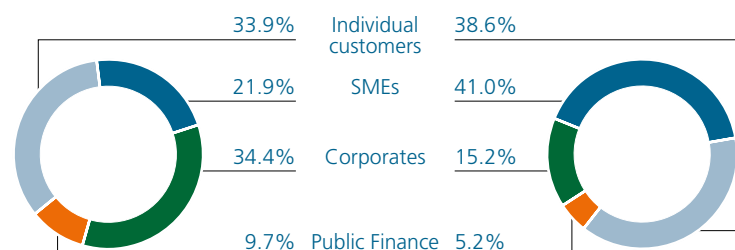
Presence in foreign countries	2012		2011		2010	
	Branches	ATMs	Branches	ATMs	Branches	ATMs
Albania	31	59	31	58	32	55
Bosnia & Herzegovina	54	90	53	87	54	86
Croatia	211	670	217	655	220	643
Romania	86	95	77	80	81	84
Serbia	199	257	208	259	206	252
Slovakia	242	566	245	560	245	554
Slovenia	54	93	55	93	54	93
Hungary	108	171	128	186	145	212
Egypt	200	262	200	251	200	248
Russian Federation	76	68	75	68	78	67
Ukraine	259	309	342	313	410	317

Presence in foreign countries	Change 2012/2011		Change 2011/2010	
	Branches	ATMs	Branches	ATMs
Albania	0.0%	1.7%	-3.1%	5.5%
Bosnia & Herzegovina	1.9%	3.4%	-1.9%	1.2%
Croatia	-2.8%	2.3%	-1.4%	1.9%
Romania	11.7%	18.8%	-4.9%	-4.8%
Serbia	-4.3%	-0.8%	1.0%	2.8%
Slovakia	-1.2%	1.1%	0.0%	1.1%
Slovenia	-1.8%	0.0%	1.9%	0.0%
Hungary	-15.6%	-8.1%	-11.7%	-12.3%
Egypt	0.0%	4.4%	0.0%	1.2%
Russian Federation	1.3%	0.0%	-3.8%	1.5%
Ukraine	-24.3%	-1.3%	-16.6%	-1.3%

Loans to customer by type [%]

Italy 2012

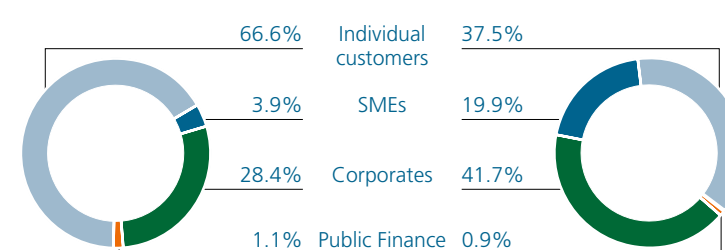
Abroad 2012



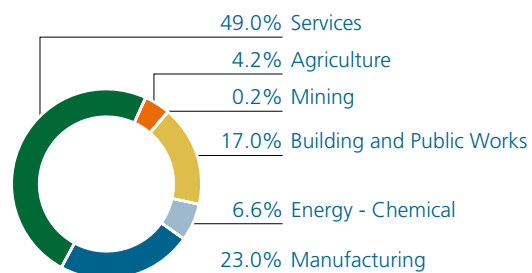
Due to customers by type [%]

Italy 2012

Abroad 2012



Loans by industrial sector: Italy 2012



Ethical funds	2012	2011	2010
Ethical Funds: assets [thousands euro]	378,171	350,800	419,000
Ethical international equity assets [thousands euro]	76,039	85,800	107,300
Ethical bond assets [thousands euro]	216,373	181,100	213,700
Ethical diversified assets [thousands euro]	85,758	83,900	98,000
Ethical international equity performance [%]	10.2	-8.2	10.6
Ethical bond performance [%]	12.0	2.7	2.0
Ethical diversified performance [%]	9.9	-0.6	1.1
Percentage of ethical funds over total assets of funds [%]	0.5	0.5	0.7

The return on ethics system funds is interesting, especially for the bonds segment. 2012 was characterised by a strong increase in Italian government security prices, by narrowing of the returns spread against the German government securities and by a significant recovery in the stock segment.

Public administration

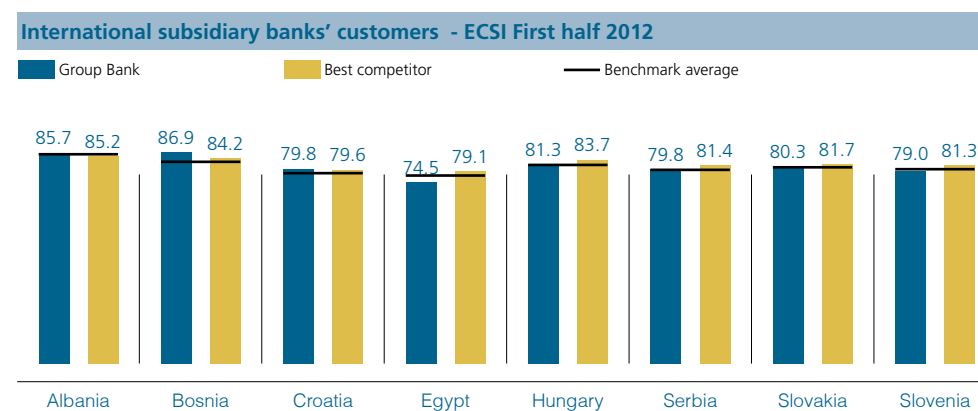
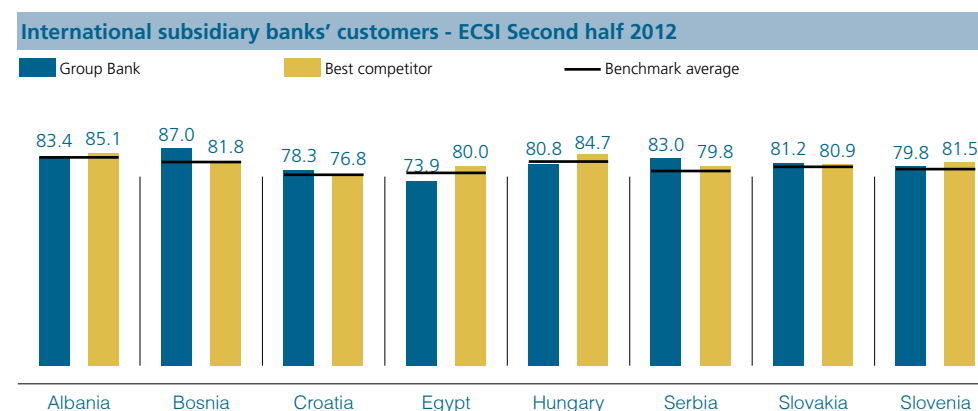
Loans to socially useful sectors [million euro]	2012	2011	2010
Water/energy/environment	251	237	130
Local health authorities and health/assistance/cultural structures	611	130	491
Local public services	71	177	493
Local public transport	29	11	31
Universities	134	4	5
Infrastructures	261	437	871
Other sectors	775	1,662	1,180
Italy			
of which:			
Municipalities	225	139	133
Regions	27	10	363
Provinces	55	31	70
Companies and entities benefiting from state loans	48	108	178
Ministries and other state entities	261	646	262
Other	159	728	174
Total	2,132	2,658	3,201
Water/energy/environment	58	93	35
Infrastructures	8	76	144
Other sectors	38	264	529
Abroad			
of which:			
Central government and state entities	0	4	279
Financial intermediaries	0	0	61
State-controlled companies	38	260	189
Total	105	433	708

Customer satisfaction: customers in Italy

Customers satisfaction: customers in Italy	Index	2012		2011		2010	
		Banking industry	Intesa Sanpaolo	Banking industry	Intesa Sanpaolo	Banking industry	Intesa Sanpaolo
Individual customers in Italy							
Branch office staff	NSI	66	65	65	64	62	63
Branch office environment	NSI	52	55	56	58	54	54
ATMs	NSI	63	66	68	71	70	70
Internet banking	NSI	80	79	74	75	74	73
Investments	NSI	43	35	17	12	14	5
Mortgages	NSI	59	49	50	53	41	33
Loans/financing	NSI	52	54	54	43	47	46
Overall rationale	NSI	56	53	48	44	46	42
NPS index	NPS	7	-2	1	-9	-5	-14
IPS index	IPS	42	35	35	28	32	24
Customer interviewed [n.]		14,107	2,667	9,800	1,842	9,100	1,918

NSI=Net Satisfaction Index, equal to the percentage satisfied (rating of 8-10) less the percentage dissatisfied (rating 1-5).
 NPS=Net Promoter Score, equal to the percentage of promoters (giving a rating of 9-10 in relation to the probability of recommending the bank) less the percentage of detractors (rating 0-6).
 IPS=Intesa Sanpaolo Promoter Score, equal to the percentage of promoters (giving a rating of 8-10 in relation to the probability of recommending the bank) less the percentage of detractors (rating 0-5).

Customer satisfaction: international subsidiary banks' customers



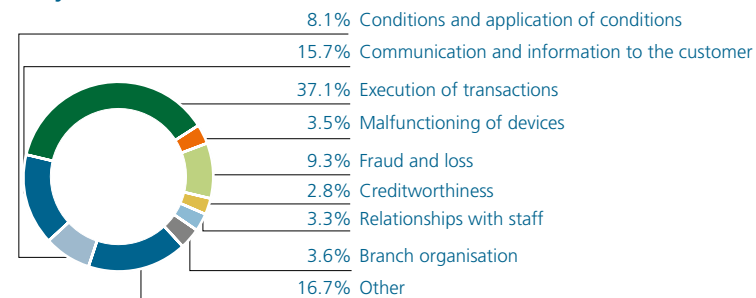
Intesa Sanpaolo Group's International Subsidiary Banks compared with their best competitors and the benchmark average in their respective markets. Calculation method: European Customer Satisfaction Index (ECSI)

Complaints

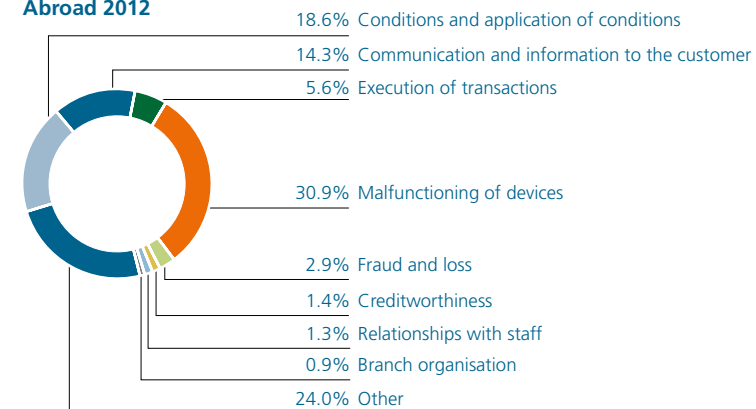
Complaints by type		2012	2011	2010	
Italy	Investment services complaints	2,102	3,428	4,139	
	of which securities in default	665	1,476	1,287	
	of which structured securities	32	28	46	
	Cheques and collection orders	1,793	1,910	2,052	
	Bank transfers, salaries and pensions	3,117	1,961	2,173	
	Cards	3,020	3,306	3,404	
	Credits	4,717	3,309	3,353	
	Current accounts and deposits	6,026	6,286	6,892	
	Mortgages and special loans	1,853	1,628	2,646	
	Insurance products	5,001	4,968	5,235	
	Remote banking	414	255	380	
	Other	2,696	3,740	3,431	
	Total	30,739	30,791	33,705	
	Abroad	Investment services complaints	559	647	526
		of which securities in default	171	84	205
		of which structured securities	61	47	36
Cheques and collection orders		50	44	42	
Bank transfers, salaries and pensions		8,032	7,681	7,384	
Cards		21,260	15,811	13,859	
Credits		5,967	6,613	6,669	
Current accounts and deposits		13,860	16,860	11,284	
Mortgages and special loans		4,088	3,723	2,523	
Insurance products		632	717	1,038	
Remote banking		8,623	10,232	9,793	
Other		9,867	11,450	12,000	
Total		72,938	73,778	65,118	

Complaints by reason

Italy 2012



Abroad 2012



Other complaints		2012	2011	2010
Italy	Ethical	187	139	151
	For privacy	172	163	397
	For anatocism	979	818	797
Abroad	Ethical	25	31	2
	For privacy	67	75	75
	For anatocism	2	2	5

Controversial sectors

Summary of data on authorisations issued for exports listed in the Parliamentary Report [million euro]

	2005	2006	2007	2008	2009	2010	2011	2012
Gruppo Sanpaolo IMI	173	448.3						
Gruppo Banca Intesa	0.2	46.9						
Gruppo Intesa Sanpaolo			198.2	177.6	186.1	1	0.004	nd.
Pro-forma Total	173.2	495.2	198.2	177.6*	186.1*	1.0*	0.004	nd.

* excluding figures for CR La Spezia, sold on 2/1/2011 (87.5 million euro in 2008; 47.2 million euro in 2009; 38.4 million euro in 2010)

Inter-governmental programmes: amounts reported by the Bank to the Ministry of Economy and Finance [million euro]

	2005	2006	2007	2008	2009	2010	2011	2012
Gruppo Sanpaolo IMI	568.1	558.3						
Gruppo Banca Intesa	0.8							
Gruppo Intesa Sanpaolo			341.2	668.9	806.1	180	95	nd.
Pro-forma Total	568.9	558.3	341.2	668.9	806.1	180	95	nd.

Source: Report to Parliament

EMPLOYEES*

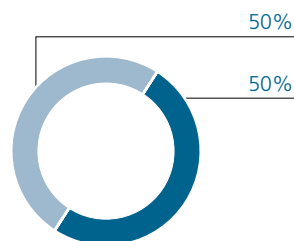
Staff breakdown

Employees by category and gender [%]		2012	2011	2010
Italy	Senior Managers	1.6	1.5	1.5
	Men	1.4	1.3	1.3
	Women	0.2	0.2	0.2
	Middle and Junior Managers	42.1	41.5	38.5
	Men	25.5	25.7	24.6
	Women	16.6	15.9	13.9
	Clerical Staff	56.3	56.9	60.0
Abroad	Men	23.1	23.6	25.1
	Women	33.2	33.3	34.9
	Senior Managers	2.2	2.2	2.0
	Men	1.4	1.4	1.3
	Women	0.8	0.8	0.7
	Middle and Junior Managers	21.9	21.5	20.3
	Men	13.4	13.2	12.4
Abroad	Women	8.5	8.3	7.9
	Clerical Staff	75.9	76.3	77.7
	Men	22.2	22.0	22.4
	Women	53.7	54.3	55.3

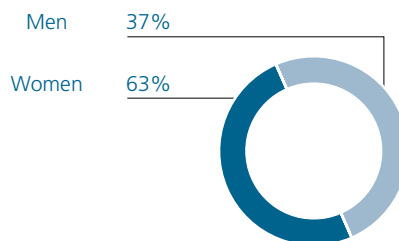
Intesa Sanpaolo figures regarding the percentage of employees by category are in line with Italian banking industry figures: senior managers (2.3%), middle and junior managers (39.3%) and clerical staff (58.4%).

Breakdown of employees by gender [%]

Italy 2012



Abroad 2012



Women employed in the Italian banking system represent 43.6% of total employees, compared to 56.4% of men. The Intesa Sanpaolo data show an even distribution.

Average age of employees		2012	2011	2010
Italy	Men	46.2	45.9	45.4
	Women	42.8	42.1	41.3
	Senior Managers	51.0	50.5	50.1
	Middle and Junior Managers	47.7	47.4	47.0
Abroad	Clerical staff	41.9	41.5	40.9
	Men	41.5	41.1	40.2
	Women	37.6	36.8	36.1
	Senior Managers	43.2	42.9	43.3
Abroad	Middle and Junior Managers	44.7	43.8	43.2
	Clerical staff	37.3	36.7	36.0

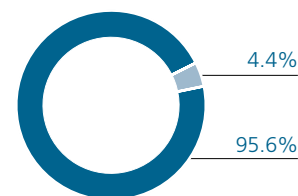
Intesa Sanpaolo and the Italian Industry figures for the major banks are comparable: men (45.3 years), women (41.9 years), senior managers (50.2 years), middle and junior managers (47.3 years) and clerical staff (42.9 years).

Part-time employees by gender [%]		2012	2011	2010
Italy	Part-time employees/total employees	12.3	11.7	11.6
	Male part-time employees	4.4	4.5	4.7
	Female part-time employees	95.6	95.5	95.3
Abroad	Part-time employees/total employees	0.6	0.6	0.6
	Male part-time employees	8.6	8.9	9.3
	Female part-time employees	91.4	91.1	90.7

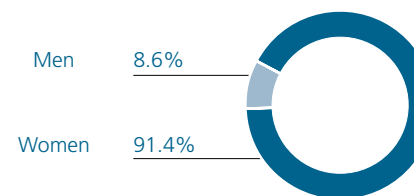
In Italy part-time employees reach 12.3%, three points above the Italian banking industry figure (9.3%)

Part-time employees by gender [%]

Italy 2012



Abroad 2012



*All Italian Industry figures refer to: ABI (2012) "Rapporto 2012 sul mercato del lavoro nell'industria finanziaria", Bancaria Editrice.

Employees by type of contract [%]		2012	2011	2010
Italy	Permanent contracts	98.1	97.1	95.8
	Non-permanent contracts	0.1	0.2	0.6
	Apprenticeship	0.9	1.7	2.6
	New recruits	0.0	0.2	0.3
	Employment contract - apprentices	0.5	0.5	0.5
	Employment contract - permanent	0.2	0.2	0.2
	Abroad	Permanent contracts	91.3	92.0
	Non-permanent contracts	8.5	7.8	6.7
	Apprenticeships and other types	0.2	0.2	0.2

The Italian Industry figures for bank employees are the following: permanent contracts (97.4%), non-permanent (0.8%), apprenticeships (1.6%) and new recruits (0.2%).

Employees by level of education and gender [%]		2012	2011	2010
Italy	University graduates	31.3	30.8	30.2
	Men	15.3	15.1	14.9
	Women	16.0	15.7	15.3
	High school graduates	60.6	61.6	62.1
	Men	29.3	30.3	30.8
	Women	31.3	31.3	31.4
	Other	8.1	7.6	7.7
	Men	5.4	5.3	5.4
	Women	2.7	2.3	2.3
	Abroad	University graduates	65.8	65.1
	Men	25.7	25.1	23.6
	Women	40.1	40.0	36.6
	High school graduates	28.7	29.1	30.0
	Men	7.7	7.8	7.9
	Women	21.0	21.3	22.1
	Other	5.6	5.8	9.9
	Men	3.6	3.7	4.6
	Women	1.9	2.1	5.3

Intesa Sanpaolo and the Italian Industry figures for academic qualifications in the major banks are comparable: graduates and post-graduates (33.7%), high school graduates (59.1%), other (7.2%).

Average employee seniority [years]		2012	2011	2010
Italy	Men	20.0	19.8	19.3
	Women	17.9	17.4	16.5
	Senior Managers	18.9	19.0	18.4
	Middle and Junior Managers	22.4	22.1	21.6
Abroad	Clerical staff	16.4	16.1	15.6
	Men	13.5	12.8	12.5
	Women	9.8	9.4	8.8
	Senior Managers	10.6	10.1	11.0
	Middle and Junior Managers	17.1	16.4	15.9
	Clerical staff	9.5	9.1	8.7

Number of employees belonging to protected categories [%]		2012	2011	2010
Italy	Disabled	4.4	4.3	4.1
	Protected categories	1.7	1.7	1.7
Abroad	Disabled	1.2	1.1	1.2
	Protected categories	0.5	0.7	0.7

Breakdown of employees by age [%]		2012	2011	2010
Italy	< 30	7.1	9.1	10.9
	31-50	63.6	62.6	63.6
	> 50	29.3	28.3	25.5
Abroad	< 30	24.5	28.9	32.1
	31-50	58.2	55.3	53.4
	> 50	17.3	15.9	14.6

The Italian Industry figures for the percentage breakdown of bank employees by age range are: <30 (10.8%), 31-50 (65.8%), >50 (23.4%).

Recruitments by gender and age		2012	2011	2010
Italy	Total	467	942	2,436
	Men	251	488	1,061
	Women	216	454	1,375
	<=30	232	621	1,858
	31-50	219	304	562
	>50	16	17	16
Abroad	Total	2,512	3,071	3,026
	Men	858	1,112	1,130
	Women	1,654	1,959	1,896
	<=30	1,671	2,007	1,970
	31-50	802	1,018	898
	>50	39	46	158

Terminations by gender and age		2012	2011	2010
Italy	Total	3,212	2,185	1,804
	Men	2,137	1,446	1,017
	Women	1,075	739	787
	<=30	198	453	814
	31-50	310	460	509
	>50	2,704	1,272	481
Abroad	Total	3,717	3,637	4,579
	Men	1,164	1,175	1,724
	Women	2,553	2,462	2,855
	<=30	1,884	1,844	2,401
	31-50	1,391	1,388	1,581
	>50	442	405	597

Termination rate by gender and age [%]		2012	2011	2010
Italy	Total	4.8	3.2	2.6
	Men	6.5	4.2	2.8
	Women	3.2	2.2	2.3
	<=30	4.2	7.4	10.7
	31-50	0.7	1.1	1.1
	>50	13.9	6.6	2.7
Abroad	Total	12.8	12.1	14.9
	Men	10.8	10.7	15.5
	Women	13.9	12.9	14.5
	<=30	26.3	21.2	24.4
	31-50	8.2	8.3	9.6
	>50	8.8	8.5	13.3

Turnover by gender and age		2012	2011	2010
Italy	Total	-2,745	-1,243	632
	Men	-1,886	-958	44
	Women	-859	-285	588
	<=30	34	168	1,044
	31-50	-91	-156	53
	>50	-2,688	-1,255	-465
Abroad	Total	-1,205	-566	-1,553
	Men	-306	-63	-594
	Women	-899	-503	-959
	<=30	-213	163	-431
	31-50	-589	-370	-683
	>50	-403	-359	-439

Turnover rate by gender and age [%]		2012	2011	2010
Italy	Total	-4.0	-1.8	0.9
	Men	-5.4	-2.7	0.1
	Women	-2.5	-0.8	1.7
	<=30	0.7	2.8	15.9
	31-50	-0.2	-0.4	0.1
	>50	-12.2	-6.2	-2.5
Abroad	Total	-4.0	-1.8	-4.8
	Men	-2.8	-0.6	-5.1
	Women	-4.7	-2.6	-4.7
	<=30	-2.9	1.9	-4.2
	31-50	-3.4	-2.2	-4.0
	>50	-7.4	-7.0	-8.9

Professional and career development

Number of promotions by gender		2012	2011	2010
Italy	Total	4,765	8,520	7,537
	Men	1,843	3,485	3,277
	Women	2,922	5,035	4,260
	Percentage of employees promoted	7%	13%	11%
Abroad	Total	2,222	3,722	3,890
	Men	1,082	2,071	2,290
	Women	1,140	1,651	1,600
	Percentage of employees promoted	8%	12%	13%

Basic average gross salary by category and gender [thousands euro]		2012	2011	2010
Italy	Senior Managers	139.3	138.8	139.8
	Men	141.7	141.1	141.4
	Women	125.0	123.0	127.0
	Middle and Junior Managers	52.4	52.7	53.2
	Men	55.1	55.2	55.7
	Women	48.4	48.6	49.0
	Clerical staff	33.9	33.9	33.8
	Men	35.6	35.6	35.5
	Women	32.8	32.7	32.5
	Abroad	Senior Managers	59.1	55.0
Men		64.8	60.2	70.1
Women		48.4	45.6	56.8
Middle and Junior Managers		22.0	21.4	19.8
Men		21.7	20.4	18.2
Women		22.3	23.1	22.3
Clerical Staff	Men	11.3	10.9	9.9
	Men	12.8	11.9	10.8
	Women	10.7	10.5	9.5

Within the Group, the minimum remuneration applied for new recruits is that laid down by the national collective bargaining agreement (CCNL) for the various personnel categories. Abroad, the minimum remuneration is linked to the particular country's own regulations, as well as to the relative cost of living.

Basic pay levels for female staff are not different, in comparable grade or seniority terms, from those of male staff.

Breakdown of branch employees by category and gender [%]		2012	2011	2010
	Managers	11.6	11.6	11.8
	Men	8.1	8.1	8.4
	Women	3.5	3.5	3.5
	Family bankers	61.0	53.0	51.9
Italy	Men	23.2	20.3	20.2
	Women	37.8	32.7	31.6
	Other	27.5	35.4	36.3
	Men	13.3	17.3	17.9
	Women	14.2	18.1	18.4
	Managers	10.1	9.3	8.5
	Men	4.3	4.2	4.0
	Women	5.8	5.1	4.5
	Family bankers	49.8	51.9	54.0
Abroad	Men	11.8	17.3	16.8
	Women	38.0	34.6	37.2
	Other	40.1	38.8	37.5
	Men	12.0	9.2	10.4
	Women	28.1	29.6	27.1

Remuneration by category and gender* [€/000]		2012	2011
	Male Senior Managers	167.7	198.5
	Female Senior Managers	144.6	168.8
Italy	Male Middle and Junior Managers	57.6	58.7
	Female Middle and Junior Managers	50.2	50.8
	Male clerical staff	36.2	36.2
	Female clerical staff	33.3	33.1
	Male Senior Managers	76.1	76.7
	Female Senior Managers	57.6	55.8
Abroad	Male Middle and Junior Managers	23.5	22.1
	Female Middle and Junior Managers	23.9	25.4
	Male clerical staff	13.7	12.9
	Female clerical staff	11.4	11.8

*Includes the basic gross average remuneration and the variable component.

Training

Training by content [%]		2012	2011	2010
	Managerial	10.7	21.7	18.5
	Commercial	5.1	11.7	13.3
	Operative	13.7	14.7	13.3
	Credit	5.4	5.9	6.8
Italy	Finance	35.0	31.1	33.8
	Abroad	0.3	1.2	0.4
	Computer	1.1	2.5	1.5
	Specialist	24.8	6.6	6.8
	Linguistic	3.9	4.7	5.7
	Managerial	13.9	12.7	10.1
	Commercial	26.9	19.5	30.6
	Operative	18.3	14.2	15.0
	Credit	9.1	16.2	10.1
Abroad	Finance	3.3	4.8	4.4
	Abroad	0.2	0.1	0.3
	Computer	7.1	6.8	8.1
	Specialist	14.1	16.3	10.5
	Linguistic	7.0	9.3	10.9

In 2012, Intesa Sanpaolo received training financing from the European Fund amounting to 13 million euro.

Specific anti-corruption training [%]		2012	2011
	Senior Managers	65.4	25.6
	Middle and Junior Managers	84.6	22.9
Italy	Clerical Staff	77.9	23.3
	Participants	80.5	23.2
	Number of hours for specific training	160,236	65,815
	Senior Managers	40.0	4.2
	Middle and Junior Managers	38.0	27.6
Abroad	Clerical Staff	30.4	30.4
	Participants	32.3	29.2
	Number of hours for specific training	52,015	30,513

Training by category and gender [average hours]		2012	2011	2010
	Senior Managers	36.1	41.2	42.1
	Men	35.3	38.8	41.7
	Women	41.1	57.5	45.7
	Middle and Junior Managers	53.7	54.6	53.0
Italy	Men	52.1	53.8	52.9
	Women	56.3	55.7	53.1
	Clerical Staff	52.4	46.9	47.1
	Men	48.6	42.7	43.1
	Women	55.1	49.9	50.0
	Senior Managers	49.3	27.9	88.3
	Men	44.7	27.5	91.8
	Women	57.9	28.7	81.4
	Middle and Junior Managers	31.2	25.5	29.6
Abroad	Men	28.8	19.2	22.1
	Women	34.9	35.3	41.2
	Clerical Staff	32.2	24.4	28.3
	Men	29.2	23.3	26.8
	Women	33.4	24.9	28.9

Training by type		2012	2011	2010
	Classroom training [% of provided hours]	50.6	53.5	63.4
	Remote training [% of provided hours]	49.4	46.5	36.6
Italy	Number of participants	65,269	64,434	64,542
	Training hours provided (classroom + remote)*	3,492,434	3,385,808	3,451,214
	Training hours per employee	52.7	50.0	49.3
	Classroom training [% of provided hours]	85.7	91.6	86.9
	Remote training [% of provided hours]	14.3	8.4	13.1
Abroad	Number of participants	20,623	20,916	21,760
	Training hours provided (classroom + remote)*	942,160	746,460	915,249
	Training hours per employee	32.3	24.7	29.8

* Does not include Web TV training.

Hours' training on health and safety		2012
Italy	Number of hours' training on health and safety	123,175
	Health and safety training costs [thousands of euro]	614
Abroad	Number of hours' training on health and safety	11,649
	Health and safety training costs [thousands of euro]	36

No figure is available for 2010 and 2011 as this was first reported in 2012.

Internal communication

Internal Communication	2012	2011	2010
Web TV: total accesses*	933,954	1,202,440	583,860
"House Organ": average number of copies produced/printed	10,000	72,000	72,000

The average daily individual accesses to the Bank's Intranet, calculated from 2012, amounted to 69,000.

*The 2011 and 2012 figures are not comparable with those of previous years as the measurement parameters have changed.

Working environment	2012	2011	2010
Analysis of environment (% participating in selected sample)	60.5	54.2	64.6
Index of employee satisfaction [%]	53.1	64.4	69.8
Change in employee satisfaction index from the previous period	-11.3	-5.4	7.5
Italy			
Number of environment analyses	2	2	2
Number of internal communication events	137	264	272
Number of focus groups	35	50	4
Participants in focus groups	362	635	21
Analysis of environment (% participating in selected sample)*	0.0	47.8	55.3
Index of employee satisfaction [%]	0.0	74.8	74.5
Change in employee satisfaction index from the previous period	0.0	0.3	1.8
Abroad			
Number of environment analyses	0	1	1
Number of internal communication events	175	179	163
Number of focus groups	9	10	0
Participants in focus groups	2,942	1,675	0

* The figure refers to 10 out of 12 International Subsidiary Banks in 2010.

Union leave and litigation

Union leave		2012	2011	2010
	Percentage of employees belonging to a union [%]	76.2	78.2	76.5
	Days absent due to union activities (all leave granted to union organisers)	84,700	80,270	87,792
Italy	Days absent due to meetings/strikes (even if not union organisers)	53,798	26,490	22,201
	Days absent due to strikes	36,632	16,575	15,888
	Days absent due to meetings	17,166	9,915	6,313
	Percentage of employees belonging to a union [%]	31.1	30.8	30.2
	Days absent due to union activities (all leave granted to union organisers)	720	573	551
Abroad	Days absent due to meetings/strikes (even if not union organisers)	288	22,263	153
	Days absent due to strikes	0	22,092	10
	Days absent due to meetings	288	171	143

The industry National Collective Contract covers all Group employees in Italy.

Disciplinary measures against employees		2012	2011	2010
	Written censure and verbal or written reprimand	239	213	175
	Reduction in remuneration	0	0	0
Italy	Suspension from work with subtraction of remuneration (from one to ten days)	218	284	179
	Justified dismissal	39	40	29
	Disciplinary sanctions on employees for corruption	0	0	0
	Dismissals for corruption	0	0	0
	Written censure and verbal or written reprimand	673	671	645
	Reduction in remuneration	396	216	52
Abroad	Suspension from work with subtraction of remuneration (from one to ten days)	1	3	10
	Justified dismissal	221	179	311
	Disciplinary sanctions on employees for corruption	1	0	3
	Dismissals for corruption	3	5	11

Court cases involving employees		2012	2011	2010
	Termination of employment	34	57	19
	Establishment and development of work relations	109	101	63
	Duties and qualifications	58	76	68
	Welfare and assistance	8	8	8
Italy	Economic treatment	128	138	111
	Anti-union behaviour	12	7	10
	Active (undertaken by the Bank against employees)	15	9	8
	Mobbing lawsuits	0	0	0
	Other	34	53	32
	Requests sent to the Provincial Employment Office	56	48	241
	Termination of employment	187	189	132
	Establishment and development of work relations	10	16	16
	Duties and qualifications	35	35	33
	Welfare and assistance	3	6	0
Abroad	Economic treatment	29	30	45
	Anti-union behaviour	0	0	0
	Active (undertaken by the Bank against employees)	106	99	100
	Mobbing lawsuits	0	0	0
	Other	42	47	59

In Italy, in cases of significant company restructuring, collective bargaining provides for timely information and prior consultation with employee representatives under a procedure lasting a total of 45 days and, for restructuring at a Group level, the period is extended to 50 days.

Corporate welfare, health and safety

Contributions for employees [thousands euro]		2012	2011	2010
Italy	Insurance and accident policies	6,865	8,146	8,608
	Loyalty bonus	16,993	12,888	10,462
	Contributions for children/students	4,456	4,706	4,514
	Cultural and recreational activities	3,021	2,524	2,710
	Grants for disabled children	1,819	1,771	1,753
Abroad	Insurance and accident policies	700	1,288	2,799
	Loyalty bonus	202	225	219
	Contributions for children/students	142	227	237
	Cultural and recreational activities	1,580	1,384	1,184
	Grants for disabled children	25	46	10

Absence rate according to reason (on theoretical working days) [%]		2012	2011	2010	
Italy	Percentage of total theoretical working days	7.1	6.3	7.0	
	Illness	3.3	2.9	3.0	
	Accident	0.1	0.1	0.1	
	Child care	2.2	2.1	2.2	
	Personal and family reasons	0.3	0.4	0.5	
	Leave for public duties	0.1	0.1	0.1	
	Leave for blood donation	0.1	0.1	0.1	
	Disability	0.8	0.5	0.5	
	Other	0.3	0.2	0.5	
	Abroad	Percentage of total theoretical working days	14.6	11.8	12.4
		Illness	2.3	2.1	2.2
Accident		0.1	0.1	0.1	
Child care		8.1	6.9	6.2	
Personal and family reasons		3.5	2.3	3.5	
Other		0.6	0.4	0.4	

The days lost are calculated on the basis of calendar working days and include accidents requiring first aid.

Medical benefits		2012	2011	2010
Italy	Healthcare policies [thousands of euro]	89,207	82,082	76,443
	Medical benefits: beneficiaries	67,837	69,430	70,723
	Supplementary retirement benefits [thousands of euro]	132,101	148,474	130,853
Abroad	Supplementary retirement benefits: beneficiaries	68,154	66,464	66,919
	Healthcare policies [thousands of euro]	2,796	2,896	6,444
	Medical benefits: beneficiaries	8,136	11,013	13,680
Abroad	Supplementary retirement benefits [thousands of euro]	4,770	4,950	5,078
	Supplementary retirement benefits: beneficiaries	6,152	6,798	7,127
Credit facilities for employees		2012	2011	2010
Italy	Mortgages	3,119	3,500	3,487
	Total mortgages disbursed [thousands of euro]	457,456	504,598	494,232
	Loans	6,870	7,007	8,621
Abroad	Total loans disbursed [thousands of euro]	114,214	122,891	158,789
	Mortgages	856	1,170	2,174
	Total mortgages disbursed [thousands of euro]	34,027	51,875	37,588
Abroad	Loans	4,567	8,011	8,312
	Total loans disbursed [thousands of euro]	68,807	78,296	82,141

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

Accidents per year		2012	2011	2010
Italy	Accidents inside the Company	225	228	326
	Accidents outside the Company	680	629	654
	Total accidents throughout the year	905	857	980
	Percentage of accidents [%]	1.4	1.3	1.4
Abroad	Accidents inside the Company	36	39	179
	Accidents outside the Company	101	156	43
	Total accidents throughout the year	137	195	222
	Percentage of accidents [%]	0.5	0.6	0.7

Accidents by type		2012	2011
Italy	Accidents while driving	410	417
	Falls/slips	316	292
	Robberies	30	28
	Other	149	120
Abroad	Accidents while driving	24	17
	Falls/slips	58	130
	Robberies	9	3
	Other	46	45

Robberies		2012	2011	2010
Italy	Robberies	123	165	268
	Robberies per 100 branches	2.6	3.3	5.1
Abroad	Robberies	17	21	14
	Robberies per 100 branches	1.2	1.3	0.8

Health and safety		2012	2011
Italy	No. of claims filed due to occupational diseases	4	7
	No. of serious/very serious accidents	152	68
	No. of serious/very serious accidents with final judgement	0	0
	Deaths in the workplace with final judgement	0	0
Abroad	No. of claims filed due to occupational diseases	0	0
	No. of serious/very serious accidents	8	5
	No. of serious/very serious accidents with final judgement	1	0
	Deaths in the workplace with final judgement	0	0

Health and safety: rates*		2012	2011	2010
Italy	Accident rate	1.898	1.740	1.936
	in the workplace	0.472	0.463	0.644
	while travelling	1.426	1.277	1.292
	Occupational disease rate	0.000	0.000	0.000
	Severity index	29.984	26.917	33.918
Abroad	Absenteeism rate	4.606	3.829	3.882
	Accident rate	0.670	0.891	1.002
	in the workplace	0.176	0.178	0.194
	while travelling	0.494	0.713	0.808
	Occupational disease rate	0.000	0.000	0.000
Group	Severity index	16.933	34.805	23.435
	Absenteeism rate	2.410	2.568	2.370
	Accident rate	1.527	1.478	1.650
	in the workplace	0.383	0.375	0.507
	while travelling	1.145	1.103	1.144
Group	Occupational disease rate	0.000	0.000	0.000
	Severity index	26.038	29.321	30.705
	Absenteeism rate	3.935	3.440	3.421

*The accident rate is calculated as the ratio between the total number of accidents during the year and the total hours worked. The professional disease rate is the total number of claims for professional diseases divided by the total number of hours worked. The absenteeism rate is the percentage ratio between the number of days lost for illness accidents, public office, leave for blood donation and other leave, absences pursuant to Italian Law 104/92, meetings/strikes and theoretical working days. The calculation method for the aforementioned rates changed in 2012. The values for previous years were recalculated to allow comparison.

SHAREHOLDERS

Communications	2012	2011
Institutional presentations	60	60
Financial disclosures published	222	206
Roadshows	22	24
Europe	14	19
United States	5	5
Asia	3	-
Meetings with investors and analysts	265	311
Requests received and resolved by the shareholders' help desk	12,000	12,000

Recommendations	December 2012	December 2011	December 2010
Buy	39%	54%	56%
Hold	32%	37%	28%
Sell	29%	9%	16%

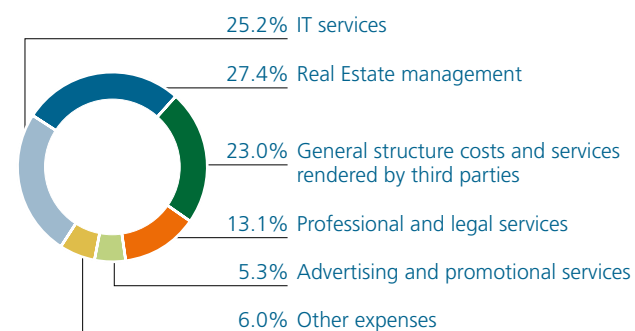
In 2012, the Group's share was monitored and covered by 31 analysts, against 35 in 2011. Their opinions were still influenced by the financial crisis, which has reduced the prospective outlook for the banking industry. The resulting caution was reflected in the recommendations, although the majority of opinions remained positive.

SUPPLIERS

Suppliers (Italy)	2012	2011	2010
Suppliers	34,960	49,634	41,167
Suppliers registered on the portal having read the Code of Ethics	3,700	1,600	2,000
Suppliers registered on the portal having read the Code of Ethics [%]	11%	3%	5%
Supplier verifications on CSR issues [n.]	850	758	209

Breakdowns of administrative expenses by category [%]	2012	2011	2010
IT services	25.2	24.7	26.0
Real Estate management	27.4	25.9	25.4
General structure costs and services rendered by third parties	23.0	21.9	19.9
Professional and legal services	13.1	16.2	17.5
Advertising and promotional services	5.3	5.7	5.6
Other expenses	6.0	5.6	5.6

Breakdown of 2012 administrative expenses by category [%]



ENVIRONMENT

Direct impacts

Parameters	Unit	2012	2011	2010	
Italy	Operatives = Employees + Advisors	number	68,347	70,541	72,644
	Employees	number	66,264	67,697	69,996
	Advisors	number	2,083	2,844	2,648
	Total business trips	number	729,940	663,484	648,300
	Total transportation	km	154,325,428	144,747,716	134,730,358
	Surface area	m ²	2,975,404	3,026,062	3,057,999
Abroad	Operatives = Employees + Advisors	number	29,154	30,227	30,795
	Employees	number	29,138	30,165	30,744
	Advisors	number	16	62	51
	Total business trips	number	35,175	n.a.	n.a.
	Total transport	km	56,348,490	n.a.	n.a.
	Surface area	m ²	728,312	698,502	853,469

Transportation	Unit	2012	2011	2010	
Italy	Air travel	km	54,633,420	40,542,409	29,699,175
	Rail travel	km	26,444,221	24,600,435	23,718,224
	Fleet	km	47,770,502	43,026,559	35,217,083
	Personal cars	km	25,477,285	36,578,313	46,095,875
	Videoconferences	number	12,942	10,976	8,844
	Total transport per employee away on a business trip	km/empl.	211	218	208
Abroad	Air travel	km	11,673,114	n.a.	n.a.
	Rail travel	km	621,602	n.a.	n.a.
	Fleet	km	39,755,530	n.a.	n.a.
	Personal cars	km	4,298,245	n.a.	n.a.
	Videoconferences	number	1,717	n.a.	n.a.
	Total transport per employee way on a business trip	km/empl.	1,602	n.a.	n.a.

Energy consumption by source	Unit	2012	2011	2010
Direct consumption of primary energy (non-renewable)	GJ	739,175	800,313	821,051
Natural gas consumption for independent heating system	GJ	478,732	539,865	544,392
Natural gas consumption for co-generation	GJ	107,382	116,227	118,563
Diesel oil consumption for independent heating system	GJ	62,493	62,416	78,139
Petrol consumption for the fleet	GJ	4,170	10,852	11,557
Diesel oil consumption for the fleet	GJ	86,399	70,954	68,400
Indirect consumption of primary energy (intermediate energy)	GJ	1,666,266	1,765,413	1,879,564
Electricity consumed	GJ	1,585,933	1,700,947	1,827,918
Italy	kWh/operative	6,446	6,698	6,990
Electricity per m ²	kWh/m ²	148	156	166
Electricity from renewable sources	%	94.9	94.3	92.4
Electricity from cogeneration	%	2.5	2.6	2.4
Natural gas consumption for building heating	GJ	69,831	55,933	36,166
Diesel oil consumption for building heating	GJ	10,503	8,533	15,480
Total direct + indirect energy	GJ	2,405,442	2,565,726	2,700,615
Total direct + indirect energy per operative	GJ/operative	35.2	36.4	37.2
Primary energy consumption for intermediate energy production	GJ	1,715,481	1,827,290	1,990,943
Direct consumption of primary energy (non-renewable)	GJ	221,114	116,975	95,853
Natural gas consumption for independent heating system	GJ	127,464	106,962	75,228
Natural gas consumption for cogeneration	GJ	0	0	0
Diesel oil consumption for independent heating system	GJ	14,868	10,012	20,625
Petrol consumption for the fleet	GJ	31,401	n.a.	n.a.
Diesel oil consumption for the fleet	GJ	47,381	n.a.	n.a.
Indirect consumption of primary energy (intermediate energy)	GJ	423,768	447,324	455,240
Electricity consumed	GJ	392,902	401,919	397,134
Abroad	kWh/operative	3,744	3,694	3,582
Electricity per m ²	kWh/m ²	150	160	129
Electricity from renewable sources	%	0.1	2.1	0.1
Electricity from cogeneration	%	0.0	0.0	0.0
Natural gas consumption for building heating	GJ	29,915	40,154	56,766
Diesel oil consumption for building heating	GJ	951	5,251	1,340
Total direct + indirect energy	GJ	644,882	564,298	551,093
Total direct + indirect energy per operative	GJ/operative	22.1	18.7	17.9
Consumption of primary energy for intermediate energy production	GJ	1,122,956	1,173,732	1,188,031

Greenhouse gas emissions [CO ₂]		Unit	2012	2011	2010
Italy	Total CO ₂ emissions	tCO ₂ eq	66,829	70,653	80,899
	Direct + indirect emissions				
	Scope 1	tCO ₂ eq	45,085	48,349	49,813
	Scope 2	tCO ₂ eq	9,214	9,926	15,047
	Total Scope 1 + 2	tCO ₂ eq	54,299	58,275	64,860
	Total Scope 1 + 2 / operative	tCO ₂ eq/operative	0.8	0.8	0.9
	Business trips				
Abroad	Scope 3	tCO ₂ eq	12,530	12,378	18,390
	Total CO ₂ emissions	tCO ₂ eq	61,592	54,040	54,378
	Direct + indirect emissions				
	Scope 1	tCO ₂ eq	13,909	6,709	5,630
	Scope 2	tCO ₂ eq	45,326	47,331	48,748
	Total Scope 1 + 2	tCO ₂ eq	59,234	54,040	54,378
	Total Scope 1 + 2 / operative	tCO ₂ eq/operative	2.0	1.8	1.8
Business trips					
Scope 3	tCO ₂ eq	2,358	n.a.	n.a.	

Use of raw materials - Paper		Unit	2012	2011	2010
Italy	Paper purchased	ton	6,506	6,600	7,697
	Paper purchased / operative	kg/operative	95.2	93.6	106.0
	Recycled paper as a % of the total	%	65.2	48.9	0.2
	(FSC) ecological paper as a % of the total	%	3.5	0.9	0.1
	ECF/TCF paper as a % of the total	%	1.4	5.4	5.2
	FSC and ECF/TCF paper as a % of the total	%	14.4	18.6	65.8
	Other certified paper as a % of the total	%	0.1	0.3	0.0
Abroad	Paper purchased	ton	2,450	2,631	2,820
	Paper purchased / operative	kg/operative	84.0	87.0	91.6
	Recycled paper as a % of the total	%	7.4	5.7	4.0
	FSC ecological paper as a % of the total	%	25.5	24.2	0.1
	ECF/TCF paper as a % of the total	%	24.1	26.6	23.9
	FSC and ECF/TCF paper as a % of the total	%	6.6	4.5	26.6
	Other certified paper as a % of the total	%	2.4	n.a.	n.a.

Conversion factors for calculating equivalent CO ₂ emissions		Unit	2012	2011	2010
Electricity	Italy	kg/kWh	0.398	0.415	0.450
	Central Europe	kg/kWh	0.396	0.388	0.664
	Southern Mediterranean and Asia	kg/kWh	0.452	0.517	0.459
	South eastern Europe	kg/kWh	0.465	0.476	0.523
	Central eastern Europe	kg/kWh	0.268	0.293	0.310
	Commonwealth of Independent States	kg/kWh	0.521	0.388	0.321
Gas	Italy	kg/m ³	1.974	1.970	1.979
	Central Europe	kg/m ³	1.939	1.969	1.963
	Southern Mediterranean and Asia	kg/m ³	-	-	1.938
	South Eastern Europe	kg/m ³	1.917	1.932	1.934
	Central Eastern Europe	kg/m ³	1.904	1.921	1.917
	Commonwealth of Independent States	kg/m ³	1.916	1.929	1.934
Diesel oil	Italy	kg/litre	2.65	2.650	2.528
	Central Europe	kg/litre	-	-	2.628
	Southern Mediterranean and Asia	kg/litre	2.468	2.472	2.470
	South Eastern Europe	kg/litre	2.483	2.490	2.407
	Central Eastern Europe	kg/litre	2.578	2.577	2.569
	Commonwealth of Independent States	kg/litre	-	-	2.254

The review of equivalent CO₂ conversion factors, for all countries covered by the Group, was completed by processing the latest information available from the most authoritative international sources and guidelines, such as the United Nations Framework Convention on Climate Change, the International Energy Agency and the Intergovernmental Panel on Climate Change. In particular, for Italy the ABI Guidelines were used. The breakdown for foreign countries is available online on the Intesa Sanpaolo Group's website [↗](#).

Total weight of waste by disposal method		Unit	2012	2011	2010
Italy	recycling	ton	1,465	1,944	2,443
	reuse/recovery	ton	472	954	1,137
	landfill	ton	112	127	140
	incineration	ton	9	0	0
Abroad	recycling	ton	477	478	512
	reuse/recovery	ton	109	40	60
	landfill	ton	55	36	23
	incineration	ton	2	0	0

The data was partially estimated on the basis of the information received from waste disposal service providers.

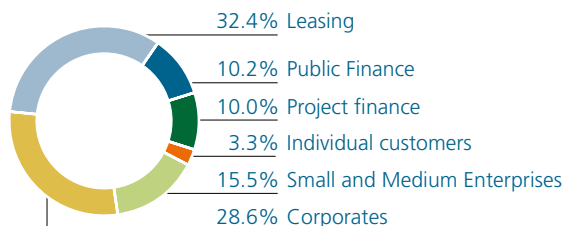
Total weight of waste by type		Unit	2012	2011	2010
Italy	Total Waste	ton	2,057	3,026	3,720
	Total Waste / operative	kg/operative	30.1	42.9	51.2
	Special waste	ton	2,006	2,952	3,635
	Hazardous waste	ton	51	73	85
Abroad	Total Waste	ton	643	554	595
	Total Waste / operative	kg/operative	22.0	18.3	19.3
	Special waste	ton	602	526	583
	Hazardous waste	ton	41	28	12

The data was estimated on the basis of audit and report activities by suppliers.

Water consumption by source		Unit	2012	2011	2010
Italy	Total water consumed	m ³	1,834,279	1,803,531	3,302,738
	Total water consumption/operative	m ³ /operative	26.8	25.6	45.5
Abroad	Total water consumed	m ³	585,193	653,282	637,481
	Total water consumption/operative	m ³ /operative	20.1	21.6	20.7

Indirect impacts

Financing for energy efficiency and renewable energy [%]



In 2012, of the total funds allocated, almost 1% was for financing the sectors of renewable energy, agriculture and environmental protection. The amount comes to approximately 3 billion euro.

Equator Principles				
Countries	Region	Sector	Category	No. of projects
OECD High-income	Middle East	Photovoltaic energy	n.a.*	1
		Total Middle East		1
	Europe	Wind power	B	1
			C	7
		n.a.*	1	
		Photovoltaic energy	C	9
		Biomass energy	C	1
		n.a.*	1	
		Infrastructures	B	5
		C	4	
n.a.*	3			
Energy	B	1		
Oil&gas	n.a.*	2		
Total Europe		35		
OECD Non high-income	Eastern Europe	Energy	n.a.*	1
		Total Eastern Europe		1
Non-OECD	North Africa	Energy	A	1
		Petrochemical	B	2
		Other	A	3
		Other	B	1
		Total North Africa		7
	Asia	Infrastructures	A	1
		Total Asia		1
	Eastern Europe	Photovoltaic energy	C	1
			n.a.*	1
		Infrastructures	n.a.*	1
Total Eastern Europe			3	
Latin America	Oil&gas	A	1	
	Hydroelectric energy	A	1	
	Total Latin America		2	
Total				50**

Classification according to the World Bank

* Category unavailable as it is in the preliminary phase

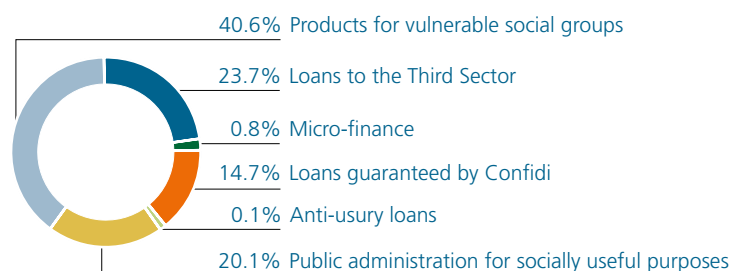
** Of which 15 closed, 16 approved by credit department, 16 under screening process and 3 refused

COMMUNITY

Banca Prossima	2012	2011	2010
Customers	21,989	16,702	11,469
Borrowing customers	5,246	4,050	2,375
Loans [thousands of euro]	991,512	625,939*	371,009
Direct deposits [thousands of euro]	975,956	837,524*	623,522
Indirect deposits [thousands of euro]	3,329,105	2,807,434*	2,567,164

* Figures are restated due to consolidation

Initiatives with high social impact 2012 [%]



Loans to the Public Administration were issued to ASL (local health authorities) and healthcare facilities, universities and local public service companies. The other loans are for households and SME customers. The total of high social impact loans in 2012 is equal to 4.2 billion euro (1.16% of total loans).

Media relations	2012	2011	2010
Press releases	915	929	842
Press conferences	202	216	185
Product presentations and initiatives	120	139	144

Donations in the various areas of action [thousands of euro]		2012	2011	2010
Italy	Cultural heritage	3,003	3,955	3,458
	National and international solidarity initiatives	3,477	3,643	5,702
	Health support and research	954	1,000	1,256
	Training, university research and study grants	1,533	1,396	1,135
	Support for families	1,626	1,452	1,020
	Local initiatives	646	699	1,117
	Other	1,054	1,386	1,595
Total	12,293	13,530	15,283	
Abroad	Cultural heritage	229	283	290
	National and international solidarity initiatives	486	583	888
	Health support and research	628	241	268
	Training, university research and study grants	2,453	2,787	3,100
	Support for families	405	582	351
	Local initiatives	392	731	292
	Other	893	1,169	1,585
Total	5,488	6,378	6,773	

Sponsorships to the various areas of action [thousands of euro]		2012	2011	2010
Italy	Education	583	957	1,105
	Sport	11,253	9,314	9,433
	Culture	13,255	13,984	11,441
	Research	486	834	875
	Social Solidarity	2,204	1,320	709
	Other	7,024	8,814	9,914
Total	34,805	35,223	33,476	
Abroad	Education	121	452	515
	Sport	1,959	1,532	1,817
	Culture	673	603	976
	Research	50	49	311
	Social Solidarity	358	207	649
	Other	574	992	794
Total	3,736	3,835	5,063	

GRI CONTENT INDEX

Profile disclosures

Profile disclosure	Description	Reported	Cross-reference/Direct answer	Reason for omission or partial reporting	Explanation	Core
1. Strategy and analysis						
1.1	Statement from the most senior decision-maker for the relevance of sustainability for the organization.	Fully	p. 6-7 ↗ , 12 ↗ , 2012 Results ↗			■
1.2	Description of key impacts, risks, and opportunities.	Fully	p. 6-7 ↗ , 12 ↗ , 14-15 ↗ , 20 ↗ , 21 ↗ , 74-75 ↗ , 2012 Results ↗			■
2. Organizational profile						
2.1	Name of the organization.	Fully	Cover			■
2.2	Primary brands, products, and/or services.	Fully	p. 13 ↗ , A presentation of the Group ↗ , Our brand ↗			■
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	p. 13 ↗ , Organisational structure ↗			■
2.4	Location of organization's headquarters.	Fully	p. 112 ↗ , Shareholder base ↗			■
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	p. 13 ↗ , A presentation of the Group ↗			■
2.6	Nature of ownership and legal form.	Fully	p. 112 ↗ , Shareholder base ↗			■
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	p. 13 ↗ , 80-81 ↗ , A presentation of the Group ↗			■
2.8	Scale of the reporting organization.	Fully	p. 13 ↗ , 77 ↗ , A presentation of the Group ↗ , Shareholder base ↗ , Financial Reports (Reports 2012, Pag. 8-9, 26, 32-33, 54, 86-120, 142, 154, 167-173, 253-255) ↗			■
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	p. 9 ↗ , Shareholder base ↗			■
2.10	Awards received in the reporting period.	Fully	p. 39 ↗ , Awards ↗			■
3. Report parameters						
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	p. 9 ↗			■
3.2	Date of most recent previous report (if any).	Fully	p. 9 ↗			■
3.3	Reporting cycle (annual, biennial, etc.)	Fully	p. 9 ↗			■
3.4	Contact point for questions regarding the report or its contents.	Fully	p. 112 ↗			■
3.5	Process for defining report content.	Fully	p. 8-9 ↗ , 19 ↗ , 20 ↗ , 25 ↗			■
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Fully	p. 9 ↗ , Organisational structure ↗			■

Profile disclosure	Description	Reported	Cross-reference/Direct answer	Reason for omission or partial reporting	Explanation	Core
3.7	State any specific limitations on the scope or boundary of the report.	Fully	p. 8-9 ↗			■
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	p. 13 ↗ , Organisational structure ↗			■
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Fully	p. 9 ↗ , 57 ↗ , 93-96 ↗			■
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	Fully	p. 9 ↗			■
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	p. 9 ↗ , 57 ↗ , 98 ↗			■
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	p. 99-110 ↗			■
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	p. 8-9 ↗ , 111 ↗			■
4. Governance, commitments and engagement						
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	p. 14-15 ↗ , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 17-18, 33-42, 53-55, 91, 94) ↗			■
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	p. 14-15 ↗ , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 29-30, 50-51) ↗			■
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	p. 14-15 ↗ , Report on Corporate Governance and Ownership Structures - Reports on Remuneration (p. 32-33, 51-52, 91-95) ↗			■
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	p. 14-15 ↗ , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 83-89) ↗ Italian law does not envisage participation in commissions set up by worker representatives in Boards. Employees owning ordinary bank shares have the right to vote and to take part in Ordinary and Extraordinary Shareholders' meetings.			■
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	p. 14-15 ↗ , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 103-107, 112-117) ↗			■
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	p. 14-15 ↗ , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 73-77) ↗			■
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Fully	p. 14-15 ↗ , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 30-31, 52) ↗			■
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	p. 11 ↗ , 16-17 ↗ , 18 ↗ , Group's Code of Ethics ↗ Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 15) ↗ , Group's internal code of conduct ↗			■

Profile disclosure	Description	Reported	Cross-reference/Direct answer	Reason for omission or partial reporting	Explanation	Core
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	p. 14-15 ↗ , 16-17 ↗ , Prevention and mitigation of risks ↗			■
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	p. 14-15 ↗ , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 44-47, 59-60) ↗			■
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	p. 14-15 ↗ , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 65) ↗ , Prevention and mitigation of risks ↗			■
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	p. 17 ↗ , 18 ↗ , Adherence to international standards ↗			■
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	Fully	Our partnerships in sustainability ↗			■
4.14	List of stakeholder groups engaged by the organization.	Fully	p. 25 ↗			■
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	p. 19 ↗ , The dialogue with Stakeholders ↗			■
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	p. 19 ↗ , The dialogue with Stakeholders ↗			■
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns.	Fully	p. 19 ↗ , The dialogue with Stakeholders ↗			■

Disclosure on management approach

G3	Description	Reported	Cross-reference/ Direct answer	Reason for omission	Explanation	To be reported in	Core
Disclosure on management approach FS							
Product portfolio							
	Product portfolio	Fully	p. 6 ↗ , 11 ↗ , Code of Ethics (p. 5, 9-10) ↗ , Responsible Investments ↗ , Equator Principles ↗				
FS1	Policies with specific environmental and social components applied to business lines.	Fully	p. 14-15 ↗ , 16-17 ↗ , 32 ↗ , 62 ↗ , 69 ↗ , Policies ↗ , Equator Principles ↗				■
FS2	Procedures for assessing and screening environmental and social risks in business lines.	Fully	p. 32 ↗ , Rules on the granting of credit in the armament sector ↗ , 62 ↗ , Equator Principles ↗ , Environmental policy ↗				■
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	Fully	p. 62 ↗ , Equator Principles ↗				■
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	Fully	p. 41 ↗ , 62-63 ↗				■
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	Fully	p. 19 ↗ , 20 ↗ , 32 ↗ , 62 ↗ , The dialogue with stakeholders ↗				■
	Audits	Fully	p. 14-15 ↗ , 17 ↗ , Internal control system for the application of the Code of Ethics ↗ , Prevention and mitigation of risks ↗				■
	Active Ownership	Fully	p. 32 ↗ , Responsible Investment ↗				■
Disclosure on Management Approach EC							
	Economic Performance	Fully	p. 23 ↗ , 77-78 ↗ , Financial Reports (Reports 2012, p. 13-14, 22-27, 29-39) ↗				■
	Market presence	Fully	p. 13 ↗ , 77 ↗ , 79-81 ↗ , A presentation of the Group ↗				■
	Indirect economic impacts	Fully	p. 27-32 ↗ , 37 ↗ , 43 ↗ , 65-73 ↗				■
Disclosure on Management Approach EN							
	Materials	Fully	p. 55 ↗ , 57-58 ↗ , 96-97 ↗				■
	Energy	Fully	p. 53-54 ↗ , 95-96 ↗				■
	Water	Fully	p. 58 ↗ , 97 ↗				■
	Biodiversity	Fully	p. 62 ↗				■
	Emissions, effluents and waste	Fully	p. 53-58 ↗ , 59-61 ↗ , 96-97 ↗				■
	Products and services	Fully	p. 59-62 ↗				■
	Compliance	Fully	Internal control system for the application of the Code of Ethics ↗				■
	Transport	Fully	p. 56 ↗ , 95-96 ↗				■
	Overall	Fully	p. 52-53 ↗ , 59 ↗ , Environment ↗				■

G3	Description	Reported	Cross-reference/ Direct answer	Reason for omission	Explanation	To be reported in	Core
Disclosure on Management Approach LA							
	Employment	Fully	p. 36-37 ↗				■
	Labor/management relations	Fully	p. 36-37 ↗ , p. 41 ↗ , p. 42 ↗ , p. 44 ↗ , Labour/management relations ↗				■
	Occupational health and safety	Fully	p. 46-47 ↗ , Code of Ethics (p. 7, 13-14) ↗				■
	Training and education	Fully	p. 40-42 ↗ , 47 ↗ , 63 ↗ , Code of Ethics (p. 7, 13-14) ↗				■
	Diversity and equal opportunity	Fully	p. 39 ↗ , Code of Ethics (p. 7, 13-14) ↗				■
Disclosure on Management Approach HR							
	Investment and procurement practices	Fully	p. 7 ↗ , 32 ↗ , 50-51 ↗ , 62 ↗ Code of Ethics (p. 9-10, 15) ↗				■
	Non-discrimination	Fully	p. 7 ↗ , 11 ↗ , 39 ↗ , 42 ↗ , Code of Ethics (p. 11, 13, 15) ↗				■
	Freedom of association and collective bargaining	Fully	Code of Ethics (p. 7) ↗ , Labour/management relations ↗				■
	Child labor	Fully	Code of Ethics (p. 7) ↗				■
	Forced and compulsory labor	Fully	Code of Ethics (p. 7) ↗				■
	Security practices	Fully	p. 46-47 ↗ , Code of Ethics (p. 7, 10) ↗				■
	Indigenous rights	Fully	p. 11 ↗ , 62 ↗ , 64 ↗ , Code of Ethics (p. 16,17) ↗				■
Disclosure on Management Approach SO							
	Community	Fully	p. 64 ↗ , Code of Ethics (p. 17-18) ↗				■
	Corruption	Fully	p. 11 ↗ , Monitoring against corruption ↗				■
	Public policy	Fully	p. 11 ↗ , Relationship with community and international institutions ↗				■
	Anti-competitive behavior	Fully	p. 11 ↗ , Code of Ethics (p. 3-7) ↗ , Protection of free competition ↗				■
	Compliance	Fully	Code of Ethics (p. 5, 20-21) ↗				■
Disclosure on Management Approach PR							
	Customer health and safety	Fully	p. 47 ↗ , Code of Ethics (p. 7,10) ↗ , p. 73 ↗ ,				■
	Product and service labelling	Fully	Code of Ethics (p. 8) ↗ , Transparency to customers ↗				■
FS15	Policies for the fair design and sale of financial products and services.	Fully	p. 33 ↗ , Code of Ethics (p. 8) ↗ , Business Model ↗				■
	Marketing communications	Fully	p. 11 ↗ , 73 ↗ , Code of Ethics(p. 8) ↗ , Transparency to customer ↗				■
	Customer privacy	Fully	p. 11 ↗ , Code of Ethics (p. 10) ↗ , Privacy ↗				■
	Compliance	Fully	p. 14-15 ↗ , 73 ↗ , Internal control system for the application of the Code of Ethics ↗ , Code of Ethics (p. 5) ↗				■

Performance indicators

G3	Description	Reported	Cross-reference/ Direct answer	Reason for omission	Explanation	To be reported in	Core
Disclosure on Management Approach PR							
Product portfolio							
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/ large) and by sector.	Fully	p. 13 ↗ , 62 ↗ , 80-81 ↗ , About us (A presentation of the Group p. 5) ↗				■
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	Fully	p. 65 ↗ , 98 ↗				■
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	Fully	p. 32 ↗ , 59 ↗ , 97 ↗				■
Audit							
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	Fully	p. 15-17 ↗ , Internal control system for the application of the Code of Ethics ↗				■
Active ownership							
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	Fully	p. 32 ↗ , 81 ↗				■
FS11	Percentage of assets subject to positive and negative environmental or social screening.	Fully	p. 32 ↗ , 81 ↗				■
FS12	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	Fully	p. 32 ↗ , Responsible Investment ↗				■
Economic							
Economic performance							
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	p. 23 ↗ , 65 ↗ , 69 ↗ , 78 ↗		Breakdown of community investments by type isn't available because we haven't activities of voluntary work by employees		■
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Partially	p. 6-7 ↗ , 52-63 ↗ , Climate Change ↗	Not available	At present assessments are not carried out on physical changes due to climate change	Long-term	■
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Financial Reports (Report 2012 p. 263-267,286) ↗				■
EC4	Significant financial assistance received from government.	Fully	p. 89 ↗				■
Market presence							
ECS	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Fully	p. 88 ↗				■

G3	Description	Reported	Cross-reference/ Direct answer	Reason for omission	Explanation	To be reported in	Core
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Partially	p. 50-51 ↗	Not material	An in-house rule favouring the choice of suppliers on a local basis has not been issued. Since this aspect is considered not material. (See materiality analysis, p. 20 ↗)		■
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	p. 37 ↗				■
Indirect economic impacts							
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	p. 31 ↗ , 62 ↗ , 65 ↗ , 81 ↗ , 98 ↗ , Support for Public Administration ↗				■
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	p. 20 ↗ , 27-28 ↗ , 29-31 ↗ , 32 ↗ , Macroeconomics ↗				
Enviromental							
Materials							
EN1	Materials used by weight or volume.	Fully	p. 55 ↗ , 57 ↗ , 58 ↗ , 96-97 ↗				■
EN2	Percentage of materials used that are recycled input materials.	Fully	p. 55 ↗ , 96 ↗				■
Energy							
EN3	Direct energy consumption by primary energy source.	Fully	p. 95 ↗				■
EN4	Indirect energy consumption by primary source.	Fully	p. 95 ↗				■
EN5	Energy saved due to conservation and efficiency improvements.	Fully	p. 53-54 ↗ , 56 ↗				
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	p. 59-62 ↗				
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	p. 54-56 ↗ , 95-96 ↗ Only areas relating to the mobility of employees are accounted because they are the only ones relevant for the financial sector.				
Water							
EN8	Total water withdrawal by source.	Fully	p. 58 ↗ , 97 ↗				■
Biodiversity							
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not		Not material	There are no locations in protected areas and areas of high biodiversity value		■
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not		Not material	We do not report on this issue as the disclosure is not material to our business as may be seen from the materiality analysis (see p. 20) ↗		■

G3	Description	Reported	Cross-reference/ Direct answer	Reason for omission	Explanation	To be reported in	Core
Emissions, effluents and waste							
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	p. 53-56 ↗ , 96 ↗				■
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not		Not material	There are no further significant greenhouse gas emissions		■
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	p. 53-56 ↗ , 96 ↗				■
EN19	Emissions of ozone-depleting substances by weight.	Not		Not applicable	Not applicable for financial activity		■
EN20	NO _x , SO _x , and other significant air emissions by type and weight.	Fully	p. 57 ↗				■
EN21	Total water discharge by quality and destination.	Not		Not applicable	Not applicable for financial activity		■
EN22	Total weight of waste by type and disposal method.	Fully	p. 57 ↗ , 96-97 ↗				■
EN23	Total number and volume of significant spills.	Not		Not applicable	Not applicable for financial activity		■
Products and services							
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	p. 53-63 ↗				■
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not		Not material	Not material for financial activity		■
Compliance							
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	p. 58 ↗				■
Transport							
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	p. 56 ↗ , 95 ↗				■
Overall							
EN30	Total environmental protection expenditures and investments by type.	Fully	p. 58 ↗				■
Labor practices and decent work							
Employment							
LA1	Total workforce by employment type, employment contract, and region.	Fully	p. 37 ↗ , 85-86 ↗				■
LA2	Total number and rate of employee turnover by age group, gender, and region.	Fully	p. 37 ↗ , 87-88 ↗				■
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	p. 92 ↗				■
Labor/management relations							
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	p. 91 ↗				■
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	p. 91 ↗				■

G3	Description	Reported	Cross-reference/ Direct answer	Reason for omission	Explanation	To be reported in	Core
Occupational health and safety							
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Fully	p. 42 ↗ , 46 ↗				
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Fully	p. 93 ↗ This indicator is relevant only for Intesa Sanpaolo employees. The systematic gathering of data relevant to supervised workers is not monitored in the company DataBase				■
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	p. 43 ↗ , 46-47 ↗ , Health and Safety ↗				■
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	p. 46 ↗ , Health and Safety ↗				
Training and education							
LA10	Average hours of training per year per employee by employee category.	Fully	p. 90 ↗				■
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	p. 38 ↗ , 40-42 ↗ , 46-47 ↗ , Training ↗				
LA12	Percentage of employees receiving regular performance and career development reviews.	Fully	p. 39 ↗ , 88 ↗				
Diversity and equal opportunity							
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	p. 85-86 ↗ , Supervisory Board ↗ , Management Board ↗ As of 31/12/2012 there were 19 Directors in the Supervisory Board, one of which a woman. None of the Board members belong to minority groups				■
LA14	Ratio of basic salary of men to women by employee category.	Fully	p. 88 ↗				■

G3	Description	Reported	Cross-reference/ Direct answer	Reason for omission	Explanation	To be reported in	Core
Human rights							
Diversity and equal opportunity							
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Partially	p. 32 ↗ , 62 ↗ , 84 ↗ , 97 ↗	Not available	All project finance investments and transactions dealing with the trading and production of arms and arms systems are subjected to screening. The percentage of these investments compared to the total has not been calculated to date	mid-term	■
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Partially	p. 51 ↗ , 94 ↗	Not available	At present contracts refused as a result of due diligence on human rights are not considered	mid-term	■
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Fully	p. 89 ↗ , 90 ↗				
Non-discrimination							
HR4	Total number of incidents of discrimination and actions taken.	Fully	p. 39 ↗ , 91 ↗				■
Freedom of association and collective bargaining							
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Fully	Code of Ethics (p. 3,7,13-14, 16) ↗ , Labour/management relations ↗				■
Child labor							
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Fully	p. 18 ↗ , 62 ↗				■
Forced and compulsory labor							
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Fully	p. 18 ↗ , 62 ↗				■
Security practices							
Indigenous rights							
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	There are no incidents of violations involving rights of indigenous people				
Society							
Community							
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Fully	p. 62 ↗ , Equator Principles ↗				■
FS13	Access points in low-populated or economically disadvantaged areas by type.	Fully	p. 79-80 ↗				■
FS14	Initiatives to improve access to financial services for disadvantaged people.	Fully	p. 21 ↗ , 27-28 ↗ , 65-66 ↗ , 70 ↗ , 98 ↗				■

G3	Description	Reported	Cross-reference/ Direct answer	Reason for omission	Explanation	To be reported in	Core
Corruption							
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	Monitoring against corruption ↗				■
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	p. 89 ↗				■
SO4	Actions taken in response to incidents of corruption.	Fully	p. 91 ↗				■
Public policy							
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	Relationship with community and international institutions ↗				■
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	Policies (Policy concerning the financing of political parties) ↗				
Anti-competitive behavior							
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	During 2012 there were no legal actions related to these issues. See also Protection of free competition ↗				
Compliance							
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	p. 35 ↗ , Financial Reports (Report 2012 p. 384-389) ↗				■
Product responsibility							
Customer health and safety							
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	p. 46-47 ↗ , Health and Safety ↗ This indicator is accountable only for relevant issues related to finance activity				■
Product and service labelling							
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	Transparency to customers ↗ This indicator is accountable only for relevant issues related to finance activity				■
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	p. 35 ↗ , Financial Reports (Report 2012 p. 384-389) ↗				
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	p. 34-35 ↗ , 82 ↗				
FS16	Initiatives to enhance financial literacy by type of beneficiary.	Fully	p. 33 ↗ , Financial Education ↗				■
Marketing communications							
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	p. 73 ↗				■
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	There have been no accidents as such				
Customer privacy							
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	p. 83 ↗ , Privacy ↗				
Compliance							
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	p. 35 ↗ , Financial Reports (Report 2012 p. 384-389) ↗				■

ADDITIONAL INDICATORS

Customers Cross-reference

Customer complaints by type	p. 35 ↗ , 83 ↗
Quality systems (certifications, codes of conduct adopted)	p. 46 ↗ , 53 ↗ , Certifications ↗
Customers: Direct channels	Proximity ↗

Employees Cross-reference

Breakdown of employees by level of education and gender	p. 86 ↗
Breakdown of branch employees by category and gender	p. 89 ↗
No. of participants in training (enrolled)	p. 90 ↗
Training by content	p. 89 ↗
Training: no. training hours per year, average per employee and method	p. 90 ↗
Internal communication	p. 90 ↗
Industrial relations: no. of days of absence and reason	p. 91 ↗
Litigation: pending cases	p. 91 ↗
Litigation: disciplinary provisions	p. 91 ↗
Robberies: number	p. 93 ↗
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ASSURANCE STATEMENT



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(Translation from the Italian original which remains the definitive version)

Limited assurance report on the sustainability report

To the Management board of
 Intesa Sanpaolo S.p.A.

- We have reviewed the 2012 sustainability report of the Intesa Sanpaolo Group (the "Group"). The parent's Management board is responsible for the preparation of the sustainability report in accordance with the Sustainability Reporting Guidelines (version 3.1) issued in 2011 by GRI - Global Reporting Initiative, the Sustainability Reporting Guidelines & Financial Services Sector Supplement issued in 2008 by GRI and the guidelines for the preparation of Social reports for the banking sector "The Report to stakeholders: A guide for banks", issued by ABI (the Italian Banking Association), as set out in the "Introduction and methodology" section. It is also responsible for determining the Group's objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived. Our responsibility is to issue this report based on our review.
- We carried out our work in accordance with the criteria established for review engagements by "International Standard on Assurance Engagements 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000)", issued by the International Auditing and Assurance Standards Board (IAASB). That Standard requires that we comply with applicable ethical requirements (the Code of Ethics for Professional Accountants issued by the International Federation of Accountants, IFAC), including independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the report is free from material misstatement. A limited assurance engagement on a sustainability report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the sustainability report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:
 - comparing the information and data presented in the "Economic report" section of the sustainability report to the corresponding information and data included in the Group's consolidated financial statements as at and for the year ended 31 December 2012, on which we issued our report dated 20 March 2013 pursuant to articles 14 and 16 of Legislative decree no. 39 of 27 January 2010;
 - analysing how the processes underlying the generation, recording and management of quantitative data included in the sustainability report operate. In particular, we have performed the following procedures:
 - interviews and discussions with management of Intesa Sanpaolo S.p.A. and personnel of Intesa Sanpaolo Group Services S.p.A., Banca CR Firenze S.p.A., Banco di Napoli S.p.A., Banca Fideuram S.p.A. and Leasint S.p.A., to gather information on the IT, accounting and reporting systems used in preparing the sustainability report, and on the processes and internal control procedures used to gather, combine, process and transmit data and information to the office that prepares the sustainability report;

KPMG S.p.A. is also licensed to provide services in Italy under the provisions of the Italian Consolidated Law on Auditing (Law No. 39/2010) and is a member of the Italian Association of Auditors (AIAA).

Intesa Sanpaolo Group
 Intesa Sanpaolo Group Services S.p.A., Banca CR Firenze S.p.A., Banco di Napoli S.p.A., Banca Fideuram S.p.A. and Leasint S.p.A.
 Intesa Sanpaolo Group
 Intesa Sanpaolo Group Services S.p.A., Banca CR Firenze S.p.A., Banco di Napoli S.p.A., Banca Fideuram S.p.A. and Leasint S.p.A.



Intesa Sanpaolo Group
 Limited assurance report
 on the sustainability report
 31 December 2012

- sample-based analysis of documentation supporting the preparation of the sustainability report to confirm the effectiveness of processes, their adequacy in relation to the objectives described, and that the internal control system correctly manages data and information included in the sustainability report;
- analysing the compliance of the qualitative information included in the sustainability report with the guidelines referred to in paragraph 1 and its overall consistency, in particular with reference to the sustainability strategy and policies and the determination of material issues for each stakeholder category;
- analysing the stakeholder involvement process, in terms of methods used and completeness of persons involved, by reading the minutes of the meetings or any other information available about the salient features identified;
- obtaining the representation letter on the compliance of the sustainability report with the guidelines indicated in paragraph 1 and on the reliability and completeness of the information and data contained therein.

A review is less in scope than an audit carried out in accordance with ISAE 3000 and, therefore, it offers a lower level of assurance that we have become aware of all significant matters and events that would be identified during an audit.

The sustainability report includes the corresponding information and data of the prior year sustainability report for comparative purposes, with respect to which reference should be made to the report of other auditors dated 28 May 2012.

- Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2012 sustainability report of the Intesa Sanpaolo Group is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines (version 3.1) issued in 2011 by GRI - Global Reporting Initiative, the Sustainability Reporting Guidelines & Financial Services Sector Supplement issued in 2008 by GRI and the guidelines for the preparation of Social reports for the banking sector "The Report to stakeholders: A guide for banks" issued by ABI, as set out in the "Introduction and methodology" section.

Milan, 22 April 2013

KPMG S.p.A.

(signed on the original)

Domenico Fumagalli
 Director

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