



People



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WHY THESE ISSUES ARE RELEVANT

Like the previous plan, the 2018-2021 Business Plan identifies the Group employees as key for the consolidation and continuing growth of the Bank. Thanks to their professionalism, their range of expertise and their growth paths, together with the important technological investments launched to be ready for the digital challenge, the people of Intesa Sanpaolo ensure the excellent quality of customer services and the fulfilment of the Plan's goals.

The importance of the Group's people is evident in the company's full protection of workers' rights with particular regard for the development of labour relations and employment protection, its personnel development activities, promoting training and merit, its concrete development policies and measures, and its enhancement of a modern and integrated company welfare system. The programmes adopted, also thanks to the numerous agreements signed with the trade unions, have made it possible to effectively protect employment levels through professional retraining activities, but also with the introduction and consolidation of numerous innovative contractual tools, that are able to foster the development of an effective company welfare system and establish a better work-life balance. In addition, since some time Intesa Sanpaolo has also adhered to an Occupational Health and Safety Management System compliant with the most advanced international standards and, in 2020, it amended and implemented it in order to deal with the COVID-19 epidemiological emergency.

PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVES

Macro-issue	Projects/Indicators	2020 Actions/Results (cumulative value since the start of 2018)	2021 objectives
Job protection	People reassigned to high value-added activities New hires	<ul style="list-style-type: none"> ▪ 1,428 reassigned employees working on new priority activities (4,456 since 2018) ▪ 3,031 hires at Group level, of which 386 with specialised profiles (1,220 since 2018) 	<ul style="list-style-type: none"> ▪ 5,000 people reassigned to high value-added initiatives ▪ At least 1,650 new hires to support core business growth

PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVES

Macro-issue	Projects/Indicators	2020 Actions/Results (cumulative value since the start of 2018)	2021 objectives
Labour Relations	Employees belonging to a trade union Signed trade union agreements	<ul style="list-style-type: none"> 79.1% in Italy (credit agreement) 31.4% abroad 42 signed trade union agreements (118 since 2018) 	<ul style="list-style-type: none"> People acting as an enabling factor, including by means of a meaningful discussion with trade union representatives
	Training: hours provided	<ul style="list-style-type: none"> 11.8 million hours of training (approx. 32 million hours since 2018) 	<ul style="list-style-type: none"> 46 million hours of training in the 2018-2021 period 11.9 million hours in 2021
	Insurance sector training	<ul style="list-style-type: none"> 214 protection specialists introduced to support branches (since the beginning of 2018) Around 1.1 million hours of training and specialisation for insurance sector growth for over 35,000 people, supporting branches 	<ul style="list-style-type: none"> Training and specialisation for insurance sector growth: around 220 protection specialists supporting branches; around 30,000 trained individuals from branches
	Loan recovery training	<ul style="list-style-type: none"> Over 23,000 training hours provided to over 5,000 employees to consolidate loan recovery 71 employees managing customers in arrears (418 since 2018) 	<ul style="list-style-type: none"> Enhancing skills in loan recovery and creating a dedicated internal unit (1,000 individuals managing customers in arrears, out of 1,300 reassigned to lending priorities)
	International Talent Program	<ul style="list-style-type: none"> Over 310 employees involved in development initiatives launched as part of the International Talent Program since the Program began 	<ul style="list-style-type: none"> Around 500 talents involved
	Managerial assessments	<ul style="list-style-type: none"> 569 employees subject to assessment (50% men and 50% women) 	<ul style="list-style-type: none"> Career advancement paths for employees destined for managerial roles
	Employees participating in the LECOIP 2.0 incentive plan	<ul style="list-style-type: none"> Over 80% of those eligible participating in the LECOIP 2.0 Plan 	<ul style="list-style-type: none"> Strengthening Group employee involvement through long-term incentive programmes linked to the Business Plan objectives
Retention, enhancement, diversity and inclusion of the Group's people	Diversity & Inclusion initiatives	<ul style="list-style-type: none"> The Diversity & Inclusion Principles were approved The Diversity & Inclusion Operating Committee was established, with the involvement of a focal point for each Structure (Divisions and Governance Areas) within the Group's scope The Control Room was established for the management and monitoring of the implementation of the D&I Principles, with a focus on gender equity Digital Coaches, digital suggestions on the new way of working, were produced; two initiatives were communicated to share good practices for working remotely in an inclusive way with content dedicated to all managers and professionals The KPI dedicated to promoting female talent included in the performance assessments of over 1,200 managers was confirmed The D&I Training Plan was defined Specific projects were continued to support empowerment and female talent, aimed at high-potential professional women and female managers 	<ul style="list-style-type: none"> Promote diversity and inclusion

PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVES

Macro-issue	Projects/Indicators	2020 Actions/Results (cumulative value since the start of 2018)	2021 objectives
Welfare and quality of life in the company	Smart Working	<ul style="list-style-type: none"> ■ Around 65,500 participants in the flexible work scheme 	<ul style="list-style-type: none"> ■ Flexibility programmes to improve staff productivity and satisfaction: smart working extended to 24,000 people in 2021
	"Offer of Personal Services" Store on #People	<ul style="list-style-type: none"> ■ Over 650,000 pages visited and around 80% of the Italian employees used the portal 	
	Consultation and Support	<ul style="list-style-type: none"> ■ Over 1,300 service accesses 	
	CareLab/#Stepbystep	<ul style="list-style-type: none"> ■ Over 25,000 employees benefited from the digital opportunities offered on CareLab ■ Over 5,500 downloads of the #Stepbystep app dedicated to movement 	
	Intesa Sanpaolo Employees' Association	<ul style="list-style-type: none"> ■ Approx. 150,000 members ■ Around 5 million euro to support free time initiatives, personal services, tourism, culture, sport 	
	Group health fund	<ul style="list-style-type: none"> ■ Around 130 million euro of intermediate healthcare services net of excesses ■ Over 213,800 people assisted 	<ul style="list-style-type: none"> ■ Promotion of welfare and work-life balance
Supplementary pension	<ul style="list-style-type: none"> ■ Over 95,000 subscribers to all Group Funds (Defined Contribution and Benefit) ■ Approx. 10 billion of assets 		
Company climate	Internal climate analysis	<ul style="list-style-type: none"> ■ Focus groups were organised to listen to Group employees' perceptions during the emergency phase. 	
Health and safety	Injuries	<ul style="list-style-type: none"> ■ At work: 173 ■ While travelling: 270 ■ Employee injury rate: 0.5% 	<ul style="list-style-type: none"> ■ Protecting Group employee health and safety
	Health and Safety Management System Certification	<ul style="list-style-type: none"> ■ The certification attesting to the conformity of the Occupational Health and Safety Management System with the UNI ISO 45001:2018 standard, which covers 100% of the Intesa Sanpaolo branches and buildings in Italy, was confirmed 	
	Health and safety training	<ul style="list-style-type: none"> ■ 33,279 participants in health and safety training; 159,677 hours provided 	

COMPANY POLICIES

The company's approach to managing issues relating to the protection of workers' rights is outlined in the Code of Ethics, which recognises the principles established by the fundamental conventions of the ILO (International Labour Organization) and in particular the right to freedom of association and collective bargaining, the abolition of forced and child labour, and non-discrimination in employment. The applied collective bargaining system works on two separate and complementary levels: the first at national level and the second at company level for the Intesa Sanpaolo Group (second-level contractual structure). The labour relations model, adopted and developed by the Group together with the Trade Unions, has promoted dialogue between the parties on a continuous basis. The model is a way of identifying the most suitable solutions and tools for addressing and managing the various growth and reorganisation phases that have marked the company's activities over the years, including those involved in the implementation of the 2018-2021 Business Plan. This exchange continued uninterrupted through remote methods in the emergency period and providing a significant contribution to keeping the options required to face the various phases of the pandemic crisis constantly up-to-date. Concrete evidence of this can be seen in the creation and work of bilateral Company/Union bodies, formed with the aim of analysing, identifying and proposing positive actions, solutions and tools in the areas of equal opportunities, welfare, safety and sustainable development.

Employment protection

JOB PROTECTION

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

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

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

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

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

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

LABOUR RELATIONS

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

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

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

COMPANY POLICIES

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

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

PEOPLE AND DIGITAL TRANSFORMATION

People and Digital Technology are key enablers for achieving the goals of the 2018-2021 Business Plan. In line with this principle, the 3-year Digital & Data HR Transformation plan, with the aim of digitalising services and processes dedicated to people and creating a single access point, was successfully completed in 2020. This was also made possible thanks to an innovative approach that included the co-leadership of the Chief Operating Officer and Chief IT, Digital and Innovation Officer Governance Areas, a semi-agile working method, 100% Cloud IT platforms and cross-functional teams which over time have involved various structures and hundreds of people. The plan enabled the creation of #People, the portal and mobile App for Personal Services; the digitisation of People Management processes, such as recruiting, performance management, compensation, banding and titling management, internal mobility, reskilling, travel management; the complete digitisation of HR services, with over 50 digitised processes; the new integrated Business Travel service; the provision of managerial dashboards, tools and analytics to support an increasingly data driven approach also in the management of human resources; the creation of a single access point - called "My People" - for HR managers and personnel, which makes all information and data on employees available thanks to a range of different tools. The large investment proved to be essential in order to deal with the COVID-19 emergency, allowing us to respond promptly to the need to review the working methods and representing a valid support even in the most critical phases.

Employee Central – ISBD People Data is the tool dedicated to the International Subsidiary Banks which consists of a database containing the most important personal and professional information on around 20,500 employees from 9 Subsidiaries within the area managed by the International Subsidiary Banks Division.

#PEOPLE: THE PORTAL FOR THE PEOPLE OF INTESA SANPAOLO

Launched in 2018, this is the space dedicated to all Intesa Sanpaolo Group people. From the portal all employees can access their personal profile, which contains their main personal details together with their CV and a space for introducing themselves and sharing their professional ambitions, and the LECOIP 2.0 and POP (Performance-based Option Plan) section, so they can keep track of the Plans. There are also sections dedicated to Personal Services, which includes over 300 products and initiatives offered to employees (since 2018 around 1,180 searches - 370 in 2020 - have been published with over 15,700 applications received, 4,600 of which in 2020, and around 600 resources changing departments as a result - around 330 in 2020) and Next, the Intesa Sanpaolo placement and reskilling programme (around 4,500 people were involved at the end of 2020). #People also includes the Performance Management and News area, as well as multimedia information to keep employees up to date on the most important events and news. Two apps connected to #People and HR systems were also developed: the #People app so the Portal can also be accessed from mobile phones and the Feedback app, connected with the Group Performance Management system, which facilitates the sharing of feedback between Managers and Employees. #People is a constantly evolving space. In 2020, #People further evolved with the activation of Viaggi di Lavoro, the Group's new Business Travel service, a simple, flexible and digital service also available on mobile, and CareLab, a space dedicated to people's well-being. In addition, in order to respond to the needs arising from the COVID-19 emergency, a new tool dedicated to planning the return to the office was activated in #People, which allows to schedule accesses, ensuring compliance with social distancing and "safe" space occupation limits, to fill in the questionnaire to allow medical triage in case of symptoms, to monitor the turnout at canteens, and to obtain work certification in Intesa Sanpaolo for business trips. Since November, following the merger of UBI Banca into the Intesa Sanpaolo Group, #People has also been extended to around 15,000 new employees, with a particular focus on their involvement and in support of a quick and full integration.

ASSESSMENT AND INCENTIVE SYSTEMS

UpPER is a performance assessment system adopted in 2019 to meet the new development challenges and place the focus on every single individual, emphasising everybody's specific role and contribution. UpPER is supported by an intuitive and easy to use digital system which forms part of a broader project to transform and digitalise HR processes. The performance assessment is based on 3 indicators, shared between managers and employees at the start of the year. In order to foster continuous dialogue, during the assessment cycle managers can provide employees with feedback on the indicators that have been assigned, also thanks to the use of a specific app, enabling them to receive notifications of training opportunities, in line with other skills mapping and training processes.

For the Group's Risk Takers and Middle Management the assessment system adopted is known as Managers' Performance Accountability and is based on transparent, objective and measurable qualitative and quantitative KPIs identified in accordance with the goals of the Business Plan and also useful for measuring managerial qualities.

As for the International Subsidiary Banks, the New Performance Appraisal Tool - NewPat - was launched in 2018. This tool provides performance evaluation of all the employees from the head office departments.

In 2020 around 570 Group people (50% women, 50% men) were involved in managerial potential assessment days with the aim of creating management development groups to be nurtured on an ongoing basis.

For 2020 as well, among the non-financial KPIs, the CEO and over 1,200 Group managers were assigned the "Diversity and Inclusion" KPI (weight equal to 10%), assessed on the basis of the presence and positioning of Intesa Sanpaolo in international indices of specialised companies and relevant, within the scope of the related internal parameters, among others, to the enhancement of female talent and the gender pay gap, as well as the dissemination and promotion of Smart Working initiatives. The KPI "Impact and ESG" (weight equal to 10%) was also assigned to the CEO in 2020. This KPI was evaluated according to specific drivers aimed at monitoring, among other things, the Group's inclusion in the sustainability indices of specialist companies, support for the Green and Circular Economy, the Group's commitment to impact financing to foster inclusion and support for youth employability (see the Report on the remuneration policy and compensation paid), as well as the promotion of art and culture. This KPI was structured, beginning with the CEO's first line, on the basis of the levers used and, in particular, it was assigned to 4 top managers and 35 managers involved in the sustainability projects to varying degrees.

In accordance with the Business Plan, to maximise internal equity, external competitiveness and a culture of meritocracy, Intesa Sanpaolo has consolidated the introduction of a system to map the organisational positions in the company called Global Banding. Taking account of factors like complexity, type of influence and impact on the Group's results and strategy, Global Banding objectively evaluates the relative value of different organisational roles and represents in a more organic and objective way - both externally and internally - the responsibilities of each Manager, also through the adoption of an international title valid for managerial positions in Italy and abroad.

With reference to the enhancement of professionals, Intesa Sanpaolo has launched a human resources development project on an experimental basis for the development of a professional mapping model that is integrated into the HR Systems, mainly aimed at Head Office Departments and division personnel. The Titring Professional project aims to enhance the level of professional contribution provided in the context of its operations and the progressive skill specialisation.

As for its Incentive Systems, the Group has both short-term and long-term Plans for the entire workforce.

More specifically, for the Group's Risk Takers and Middle Management there is an annual Incentive System connected with the Managers' Performance Accountability system and, with reference to the International Subsidiary Banks, with NewPat according to which a bonus is awarded upon the fulfilment of certain goals in accordance with the rules outlined in the Remuneration and Incentive Policies.

For the remaining personnel, in order to continue rewarding them for their contributions to achieving the goals of the 2018-2021 Business Plan, a second-level agreement was signed on 30 June 2020 for the pay-out of the 2020 Variable Result Bonus (VRB). The aim of the 2020 VRB is to reward the increase in profitability and productivity obtained by achieving the results of 2020, that are identified in the agreements in relation to the different company levels of reference (Group, Division, etc.). Due to its variable nature, the 2020 VRB is a one-time bonus and the cash sum of the reward recognised to every employee consists of four parts linked to specifically identified economic and financial parameters and to specific clusters of Group employees:

- The basic bonus, for every company level, role or seniority level, is designed to reward individuals for the collective contribution made, supporting those with lower salaries as part of an internal equality policy;
- The additional bonus that recognises the contribution made to the results of the relevant department and varies according to role or seniority and professional category;

- The excellence bonus, which rewards individual merit and the distinctive contribution made to achieving the team's results;
- The ISP Casa synergy bonus, intended to reward the reporting of the personal details of potential customer-sellers in favour of ISP Casa.

SERVICE QUALITY AND EMPLOYEE INCENTIVES

The Excellence Bonus for personnel of the Intesa Sanpaolo network rewards the work of the best teams and sustainable performances over the medium to long-term in terms of profitability, expandability, credit quality, sustainable growth, service quality and a multichannel approach. This bonus is awarded to 20% of the best branches in each Sales Region.

In consideration of the COVID-19 emergency, employees who were absent for long periods during the year were also given the chance to participate in the Bonus. In addition, confirming the importance that the issues of assistance and services for families and work-life balance have in the Group's policies, employees once again had the option of requesting that all or part of their 2020 VRB be recognised in the form of welfare services, taking advantage of the opportunities that the tax regulations in the area of workplace productivity remuneration offer employees year by year.

In line with the strategic objectives, the Protection Excellence System (PES), dedicated to the personnel of the Network involved in the offer of insurance products, was also confirmed for 2020.

Finally, with the agreement dated 9 July 2020, the Insurance Division personnel was paid a Variable Additional Bonus (VAB) and a Social Bonus.

In addition to these instruments, the Group has put in place long-term Incentive systems that have the same timescale as the 2018-2021 Business Plan and are tailored to different employee clusters in terms of their purposes and instruments.

More specifically, to bring the Top Management, Risk Takers and Key Managers in line with the challenging and ambitious expected goals of the Plan, an incentive system based on performance conditions that uses an option vehicle called Performance-based Option Plan (POP) was launched in 2018. The POP guarantees a link between variable remuneration and the Bank's performance over time, paying out only in the event that value is created for shareholders.

Following on from the 2014-2017 LECOIP (Leveraged Employee Co-Investment Plan), the LECOIP 2.0 plan was launched as from 2018 for the other Managers and employees, and was warmly received by the Group's people, with over 80% of those eligible subscribing to the plan for an Initially Allocated Capital value of around 184 million euro.

TRAINING

In 2020 the Development Policy and Learning Academy Head Office Department continued to implement innovative training models and methodologies, geared towards all Group employees and conducive to promoting a multichannel approach that makes learning as simple and flexible as possible. During the health emergency, the necessary information resources were provided which are useful for the extensive dissemination of the rules protecting the health of all the Group employees.

In this context, the use of digital channels was further accelerated through Apprendo (the Group training platform), MyLA (the App dedicated to Banca dei Territori which this year exceeded 12,000 users) and Management School (the App dedicated to Group managers). In 2020 training amounted to around 11.8 million hours (11 million of which was conducted remotely) with around 97% of staff actively involved. The pandemic had a great impact on the way of working but, also thanks to the digital technology, it was possible to quickly reorganise remote activities, activating communication campaigns to encourage flexible training. In particular, smart learning enabled the provision of approximately 3.5 million hours to almost 35,000 Network employees, an average of approximately 100 hours per capita.

In 2020, employees were very positive about the training with satisfaction levels of 87% for digital training and 97% for live training.

An important change was introduced by the release of the Training Dashboards, available for HR supervisors and managers: Business Intelligence tools that enable to consult training data and gain an overview of the Group

employees' training progress. Thanks to the LRS (Learning recommendation system), an application powered by the data collected by the HR processes and models within the Group, it is possible to offer an automated and personalised training proposal according to the respective role.

The Appendo platform, in particular, was enriched during the year with over 2,700 new training tools. On a thematic level, the provision on mandatory issues of regulatory relevance for employees was extended and updated, with specific indication in the new Group Code of Conduct. The new three-year anti-money laundering, anti-terrorism and embargo training plan was launched, which has already involved most of the Group employees through new digitally available and remote live classroom initiatives. Digital contents were also made available dedicated to gaining further insight into the IT risks arising from the predominant use of technological devices over the health emergency. In the ESG area, a project was launched to strengthen the skills within the IMI CIB Division, through the activation of a training programme of remote classrooms which involved a group representing all the Head Office Departments of the Division with the aim of disseminating a basic culture on ESG issues as well as consolidating specialist skills. In the context of Diversity and Inclusion, in line with the commitments set out in the 2018-2021 Business Plan, initiatives were provided on the issues of female empowerment, the dissemination of the aging culture and the Diversity and Inclusion principles, in addition to training dedicated to employees absent from work for a long time on maternity leave. Special attention was paid to training, through the remote provision, all the employees who were impacted by the risks and processes related to the new protocols imposed by the COVID-19 pandemic in the Health and Safety area.

Employees' knowledge and skills are part of the Group's intangible assets, which are increasingly valuable also in the light of remote working and the technological transformations and knowledge that significantly shorten the lifespan of knowledge, resulting in the need to update this information thanks to some Group models. In order to support this aim, three important initiatives were carried out in 2020 at the basis of the processes relating to training and professional development:

- the integration of the Skills Dictionary, which aim is to map all the know-how available in the Bank and which, in 2020, was enriched with specialist knowledge, particularly from the Information Technology world.
- the activation of specific needs of the Teti Competenze initiative, the knowledge gathering process which in 2020 saw the involvement of around 24,000 people from the Head Office Departments and the Banca dei Territori Network in updating their knowledge and key information also for personalised training, mobility and reskilling initiatives, and for professional development processes, in application of the Roles Agreement, signed with the trade unions on 21 July 2020.
- the updating of the Roles Catalogue, which provides a snapshot of all the professional roles present in the Bank, through the involvement of Knowledge Owners, in order to guide the growth and strengthening of the professionalism of individuals in line with the business objectives; during 2020, specific updating initiatives were activated within the Head Office Departments and in relation to the new Network Service Model.

2020 was a pivotal year for the Management School which supported over 7,800 managers and talents, during the months of exceptional and unexpected transformation of the managerial context, in identifying the needs of the leaders who found themselves having to manage their teams remotely. The support to managers translated above all in the relationship with the advisors, the people who guide them along their growth process, over the course of 436 Distance Tutoring sessions, aimed at approximately a thousand managers, and 60 Webinars that involved about 4,000 managers. The new release of the Management School App has incorporated various functions such as the personalisation of the training opportunities and the full digitisation of the coaching experience with 223 individual or group processes activated during the year, of which 54 delivered digitally, for a total of 460 managers involved. The Management School App was enriched in 2020 with 212 new training contents (111 in the Mestiere del Capo section and 101 in the Uno Sguardo al Futuro section) for an overall offer of over 700 contents, over 680 learning objects were translated and also made available in English. The over 6,100 app users have generated more than 800,000 content views on topics relating to the manager's job, such as team management, including remotely, or content such as diversity & inclusion, big data and circular economy. The App installation rate was higher than 90% with an adoption rate of over 80% and a Manager approval rating with respect to the published contents of over 98%. During the year, the School organised a number of digital initiatives following the emergency period. The first format to be created was Digital Talks, meetings with an expert on the subject lasting 30 minutes: the first 9 editions, in May, were dedicated to smart working, starting from June, 30 Digital Talks were held on managerial and open mind issues that have an impact on Managers' work and professional life, to whom over 2,800 employees were invited, including 350 UBI Banca managers, 300 Intesa Sanpaolo and UBI Banca talents and 60 Intesa Sanpaolo Bank of Albania managers.

In addition, Digital Shadowing processes were launched that involved over 170 managers to support them and share useful feedback to improve performance in managing meetings and team relations..

Intesa Sanpaolo managers are called upon to operate in an increasingly international context and the Management School during the year provided 512 training initiatives on the English language which involved a total of 549

managers. In addition to this figure, another 104 other participants were engaged in initiatives on the English language dedicated to people included in the International Talent Program.

In the context of Impact initiatives, Z LAB is the 3-year project that Intesa Sanpaolo has created to develop transversal skills and help provide final-year secondary school students with career guidance. As host company, Intesa Sanpaolo provides the students with an environment based on interactive dynamics, experiential workshops, project work and the digital culture so they can discover and think about the world of work. Students are assisted by a specially-created team of around 25 internal employees with ad hoc training who oversee the workshop activities full time as tutors. From September 2020, Z LAB has continued online to allow partner schools to complete the courses started despite the pandemic. Over 2,650 students have been involved to date in the approximately 140 courses launched in 22 Italian cities, either in the classroom or online.

In order to aid the integration of UBI Banca employees into the Group, an ad hoc digital platform, ISP4U, was adopted, which makes it possible to use over 300 compulsory professional training contents and to promote onboarding initiatives in Intesa Sanpaolo's target structures.

TALENT DEVELOPMENT

The International Talent Program (ITP) has established itself as one of the most important talent development initiatives at a Group level. Launched in 2017 to develop a new generation of managers and professionals with an international outlook, the Programme is aimed at a target group of employees who are professionals or middle management. The key element of the Programme is its personalised development courses of 3-5 years. Each course consists of inter-functional, inter-divisional and international work experiences, each of which lasting indicatively at least a year. The aim is to develop new skills - technical/specialised, behavioural and managerial - and an overall vision of the Intesa Sanpaolo Group. All participants in the Programme are involved in specialist and managerial training initiatives in English in collaboration with leading Business Schools, in international workshops focused on innovation, and in project work initiatives closely related to the Group's business areas. For each talent there is a sponsorship programme for the entire duration of the course, with the direct involvement of Group Senior Managers. The first two editions of the ITP are currently taking place and involve 210 people from across the Intesa Sanpaolo Group. In addition, editions of the International Talent Program dedicated to specific governance areas were launched in 2019: in March 2019 an International Talent Program dedicated to the Chief Lending Officer Area was launched with the involvement of 14 Talents and in September 2020 an edition of the ITP reserved for the Chief IT Digital Innovation Officer Area began, with the involvement of 30 Talents. In the second half of 2020, the first fully digital selection process for the identification of talented professionals, regardless of age and seniority, recipients of talent management initiatives, was launched within the scope of the Corporate Control Functions. Concurrently, the integration of 60 UBI Banca Talents was started, which will continue their development process in Intesa Sanpaolo. Over 310 talents had participated in the Programme by the end of 2020, a major step forward as regards the goal of the Business Plan which aims to strengthen the Group's middle management with 500 talents by the end of 2021.

SUCCESSION PLANS FOR BUSINESS CONTINUITY

In order to ensure the security and continuity of the company's business even in the event of termination - for whatever reason - of those managers who hold significant corporate roles, the Intesa Sanpaolo Group has for several years defined and adopted rules for the management of the succession plans of Top Risk Takers (Strategic Succession Planning). These rules represent an opportunity for the Bank to enhance its human capital, with a view to strategic management of the managers' internal growth, with the aim of ensuring the constant presence within the company of the best, updated and competitive resources. Once again with a view to enhancing internal resources, succession planning is accompanied by a process aimed at identifying, managing and developing high-potential resources, which makes it possible to contribute to natural succession mechanisms, guaranteeing a constant and necessary generational turnover within the Group.

INCLUSION AND DIVERSITY MANAGEMENT

The company population is fairly evenly spread between male and female employees (men held steady at 46% and women at 54%). Representing 28.6% of all female employees in the Group, the number of female managers (executives and middle managers) as a proportion of all managers rose slightly compared with last year to 40%.

During 2020, the Diversity & Inclusion (D&I) Structure, created at the end of 2018 as part of the Chief Operating Officer Governance Area, continued its promotion of an inclusive work environment, capable of embracing and enhancing diversity in all its forms, in line with the strategy outlined in 2019, which is a continuous source of inspiration and method. Supported by a process involving the measurement and continuous assessment of the results obtained, the strategy sets the benchmark for an effective partnership with all of the structures involved in various ways in the co-creation and development of the initiatives.

The D&I Operating Committee was set up during the year in order to align, discuss and share Diversity & Inclusion initiatives with all the Structures. Through the D&I Operating Committee, the various initiatives are communicated and conveyed throughout the Group and the specific needs of the Structures are collected.

To make Intesa Sanpaolo's commitment towards inclusion even clearer and more concrete, the Group adopted a specific policy in 2020: the Diversity & Inclusion Principles. The policy supports the Code of Ethics and the Internal Code of Conduct, reinforcing the message on the values that are the hallmark of the Group and which must inspire all processes, initiatives and behaviours. The document confirms the actions already taken and outlines the process leading to the creation of an environment that is open to diversity and truly inclusive, as a condition for business sustainability, as well as an ethical priority for the Group. The policy sets out the Group's inclusion policy towards all forms of diversity and is based on respect for all people, meritocracy and equal opportunities. The Policy also identifies the tangible commitments undertaken by Intesa Sanpaolo in promoting an inclusive environment and defines the conduct that is expected of everyone. A specific section is dedicated to commitments on gender equity, aimed at guaranteeing fair opportunities in hiring processes, promotion to senior roles, appointments to Management positions and in the succession plan for top management roles.

In order to enhance women's talent and encourage the creation of fair and inclusive work contexts, the development initiatives aimed at professional women and female managers continued in 2020. The initiatives aimed at the enhancement and growth of high-potential professional women include job rotation programmes, shadowing and training courses for female empowerment: for example, the Digital Shadowing course for women was launched in 2020, which involved 38 women managers and 46 professional women from the Chief IT, Digital and Innovation Officer Governance Areas. The "Female Leadership Acceleration" programme, an assessment, training and development process aimed at high-potential women managers, with the aim of creating a community receiving customised management approaches in terms of growth, also continued. Once again this year, a dedicated KPI, with a direct impact equal to 10% of the incentive system, was included in the performance scorecards of over 1,200 managers in order to continue to raise the awareness of managers on the promotion of female talent. Among the activities put in place to raise the awareness of managers on the benefits of inclusion and the enhancement of all diversities, the managerial discussion process on Inclusive Leadership continued, involving the Chiefs and their top management and it will gradually be extended to other managerial levels. In the health emergency period, digital awareness-raising initiatives were launched (as part of the Digital Coach initiative) aimed at the entire company population (managers and professionals), with concrete suggestions and good practices for the adoption of inclusive behaviours in a context of widespread remote working.

The programme aimed at long-absent people also continued, in the context of an initiative under the Agreement dedicated to inclusion entered into with the Trade unions in 2018, with the aim of establishing a close relationship during their absence and promoting a fruitful return to work: launched in the pilot phase in 2019, 2020 saw the planning of the subsequent phases of the programme, with the aim of extending support for long-term maternity leave to the whole Group (Italy scope), as well as supporting other types of long-term absence (due to illness, parental leave or personal reasons). The parenting support initiatives were not aimed solely at female employees with children: an initiative on fatherhood was also launched, consisting of a first listening session and discussion with more than 50 fathers from different Divisions and Governance Areas. Starting from the needs expressed, from the experiences lived and from the ideas shared, specific initiatives will be designed to support fatherhood in Intesa Sanpaolo, with the aim of facilitating the balance between personal and professional life for parents and raising awareness among employees, as well as the managers, on the topic of parenting in the Group. In addition, a process was launched in 2020 on the theme of coexistence and enhancement of the different generations within the company.

The D&I Strategy aims to make an impact outside the Bank and, to this end, the collaboration with Valore D (business association that promotes diversity and female talent and leadership for the growth of companies and the country) and Parks – Liberi e Uguali has continued, as too has the partnership and active participation of more than 65 company Role Models in the Inspiring Girls initiative, a project dedicated to lower secondary school pupils which involves meetings with female managers from the Group with the aim of overcoming the gender stereotypes that can undermine the dreams and ambitions of schoolchildren and influence their future education choices.

In order to generate a positive impact on the national social fabric and involve all areas of the Italian territory, Intesa Sanpaolo also launched a project on the promotion of female talent with a specific focus on Southern Italy. The programme, developed in collaboration with Ortygia Business School, includes a mentoring process aimed at bringing young female students (mentees) from Southern Italy closer to the job market, benefiting - through individual coaching - from the experience of Intesa Sanpaolo female managers and professionals (mentors). Through partnerships with the Universities of Southern Italy, five scholarships will also be disbursed over the next three years to female students for studies at STEM (Science, Technology, Engineering and Mathematics) faculties, in order to actively contribute to attracting more female students to technical-scientific faculties, which offer greater employment prospects.

Intesa Sanpaolo's commitment to inclusion and promotion of diversity was also recognised by international indices: Intesa Sanpaolo is the only Italian Bank included in Refinitiv's Diversity & Inclusion Index, which names the top 100 companies worldwide, from a sample of over 9,000 companies. Intesa Sanpaolo was also included by Bloomberg's 2020 international Gender Equality Index among the 325 listed international companies most active in reducing the gender gap. In 2020, two Banks of the International Subsidiary Banks Division were recognised for their commitment towards Diversity & Inclusion. Privredna Banka Zagreb received the CSR Index award, conferred by the Croatian Chamber of Commerce and the Croatian Business Council for Sustainable Development, and an award from the UNICEF Advisory Committee on children's rights and corporate social responsibility, for its work-life balance policies and the various initiatives in favour of families, which also include discounts for children. CIB Bank, on the other hand, received the "Family Friendly Company" award from the Hungarian Foundation "Three Princes, Three Princesses Movement" for the various initiatives to support people in managing parental life during the period of remote working from home due to the pandemic.

Trade union agreements have also taken account of the issue of diversity since 2014 with the definition of the Framework protocol on inclusion and equal opportunities, reviewed in 2018, as part of the renewal of the second-level collective bargaining agreement, with the signing of an Agreement on inclusion.

As regards sexual orientation and gender identity, specific company policies were introduced back in 2014 to define the framework for the extension of company benefits to same-sex unions.

As well as promoting the specific interdepartmental work group that deals with problems connected with the world of disabilities and illness, the Inclusion Agreement also involves the launch of two trial projects with the support of the Welfare, Safety and Sustainable Development Committee to encourage people diagnosed with autism or autism spectrum disorder to perform data entry activities on behalf of Intesa Sanpaolo, and work-study initiatives for pupils with intellectual disabilities with the goal of potentially including them in the aforementioned work project. These projects will be partly funded by the Arrotonda Solidale ("Round-down Solidarity") initiative, also included in the Agreement and launched in 2019, which involves the contribution, on a voluntary basis among all employees, of the residual amount collected from rounding down net monthly salaries to the nearest euro. In turn, the Company will contribute the remaining cents to make the contribution per employee a total of one euro.

Moreover, the commitment on the dyslexia front also continues: Intesa Sanpaolo was Italy's first Dyslexia Friendly-certified bank in December 2018.

DISABILITY MANAGEMENT

The reference contact within the company to address all problems connected with the world of disabilities and illness is the inter-functional Working Group, created following the Inclusion Agreement of August 2018. Coordinated by the Welfare function, it includes the active participation of around 60 people representing multiple corporate structures. The aim is to combine the different professional skills with team working, in order to support and enhance everyone's contribution in the company. The group periodically meets with the trade unions as part of the Welfare, Safety and Sustainable Development Committee to define the initiatives to be undertaken and works in synergy with the Diversity & Inclusion Function. In 2019 most members of the working group, together with representatives of all the trade unions, attended the "Disability Manager e mondo del lavoro" (Disability Manager and the working world) higher education course organised by Cattolica University of Milan. Having passed the final exam, participants were officially recognised as 'Disability Managers' by the Region of Lombardy. The employees who joined the WG during the current year also participated in dedicated training sessions. The course laid the foundations for a common language, an important work tool. This year, a dedicated section was created on the company Intranet, which sums up the Group's commitment to Disability Management, and which has led to the birth of many projects, aimed both inside and outside the company. From the analysis of processes to continuously improve the management of individual requests from employees, to IT systems access monitoring. From training dedicated to all HR Managers, an important listening and reference point, to the packed schedule dedicated to the life stories of employees with disabilities and clips from managers and teachers with an international profile. As part of corporate volunteering activities, the experience of the volunteering network "Clouds of Solidarity" continued and, in collaboration with Dynamo Camp, an experimental project was launched whereby employees can apply to participate in a training programme according to the "Recreational Therapy" method. After an initial positive experience, the Guidelines to govern access to company premises by guide dogs, a pioneering initiative in the field, are being published. Equally intense is the commitment to the outside world, with the participation in the Chrodis+ project, a European joint action that aims to implement good practices to improve the employment inclusion of people with disabilities and chronic diseases, and in the round table "Abilitiamo la Disabilità" (Let's Enable Disability), in which Intesa Sanpaolo is present with other companies, institutions, associations and non-profit organisations, to discuss the experiences gained, with the aim of investigating, consolidating and spreading a profound culture on Disability Management issues. In short, tangible actions, examples that represent a real network of support and social inclusion, create widespread well-being and put people first.

In 2020, within the scope of the Welfare, Safety and Sustainable Development Committee, a project was launched to analyse and discuss the prevention of gender harassment and violence in the workplace with the goal of adopting a set of common measures, completing the internal reporting process of such events and identifying tools in support of victims of harassment. The Group also made available the service for professional psychological support to employees (men and women) who are victims of sexual harassment in the workplace or in the private/social sphere. The service, completely free of charge and accessible via a toll-free number available 24 hours a day, 7 days a week, also offers the option to initiate a first legal consultation.

Health, safety and well-being of the Group's people

COMPANY POLICIES

In terms of relationships with its employees, the Intesa Sanpaolo Code of Ethics promotes policies that help foster a better work-life balance; the concrete implementation of this principle takes the form of specific rules in the area of reconciliation. Welfare is a priority area with actions designed to foster motivation and involvement, placing people at the centre with the aim of meeting their needs and those of their families. Accordingly, the meetings between the company and the Trade Unions have often centred on policies to strengthen and fine-tune the instruments that make up the company's welfare package and significantly contribute to improving the work-life balance of Group employees and, as such, also their well-being. Well-being that is also protected through the safeguarding of health and safety in the workplace via increasingly effective measures, as outlined in the Group's Health and Safety Policy and Code of Ethics. The internal regulations establish a System of Roles and Responsibilities - in the shape of company rules and operating guidelines affecting many different parties - with regard to particular professional skills, i.e. specific corporate functions.

WELFARE AND QUALITY OF LIFE IN THE COMPANY

Intesa Sanpaolo has chosen a corporate welfare model that operates within an integrated system and includes: the supplementary pension, supplementary health care, the Cultural, Recreation and Sports Association for Intesa Sanpaolo Group Employees (ALI), the Intesa Sanpaolo Foundation NPO, as well as the coordination of the inter-functional group Disability management, the activities relating to attention to the individual and work/life balance and the set of Mobility management activities (see page 187). The company welfare system seeks to address the key issues in order to establish the best possible work-life balance for employees and their families. It does this by promoting sustainable solutions and projects consistent with their expectations. The activities are managed and monitored by the Labour Affairs and Policies Head Office Department.

Introduced in 2015, Flexible Working is the smart working model of the Intesa Sanpaolo Group. From the initial phase to its consolidation as an ordinary working method, Flexible Working has gradually involved an ever-increasing number of structures and employees, in 2020 proving to be a winning model in the organisation of work and an effective tool also in the COVID-19 emergency. In order to make it possible to extend Flexible Working also to structures not previously included or with strong operational or technological constraints, Intesa Sanpaolo has accelerated the supply processes of IT equipment and the identification of innovative solutions. With the trade union agreement dated 11 June 2020, the option to join the Flexible Working scheme was activated for all Group people with children under the age of 14, in all roles and/or duties, including in-Branch, providing for the right to use at least one day of remote working from home per week, if requested. At the end of 2020, employees joining the Flexible Working scheme stand at approximately 65,500 (the figure stood at approximately 17,250 at the end of 2019). Within the scope of the International Subsidiary Banks Division, in addition to the banks where it was already active in 2019 (Banca Intesa Beograd, Intesa Sanpaolo Bank Albania, CIB Bank and VÚB Banka), flexible working was activated at the beginning of 2020 in PBZ for Head office staff on a target population of 764 employees. As from March, concurrently with the COVID-19 emergency measures, flexible working was extended to 74% of the banks' Head office staff, while other protection measures were identified for network personnel. In the second half of the year, following internal surveys and in line with the provisions of local laws, the Banks launched new projects and flexible working methods which include an increase in the maximum number of work-from-home-days (CIB Bank, VÚB Banka), the revision of the layout of office spaces to a more sophisticated one (VÚB Banka), and the extension of flexible working to more people, including network personnel (Intesa Sanpaolo Bank Albania), which at the end of 2020 made it possible to extend the target population to a total of 7,000 employees.

WORKFORCE TRANSFORMATION PROGRAMME

In line with the provisions of the 2018-2021 Business Plan in terms of transition to new ways of working and taking up the challenges imposed by the COVID-19 pandemic, the projects within the context of the Workforce Transformation programme were enhanced in 2020. The programme aims to:

- increase people's level of satisfaction, improving the work-life balance while at the same time maximising productivity;
- guide a greater and more conscious adoption of smart working, including by promoting more collaborative, agile and objective-based working methods;
- support overall efficiency, also thanks to the optimisation of spaces and real estate assets;
- increase the Group's attractiveness towards new talents, thereby increasing retention;
- contribute to the development of inclusive and sustainability policies within the Group.

Over time, Intesa Sanpaolo will address some changes that will transform the way in which the Group works, acting on the working and collaboration methods between employees, on technological and innovative support solutions, on redesign of layouts and spaces, on new flexibility initiatives, including in terms of access to smart working and working hours.

Another innovative tool is the Time Bank, a reserve of time made available by the company and employees so they can provide greater support for people in difficulty, even for brief periods, and give them more time. It is also an initiative that appeals to our generosity and spirit of solidarity because, in addition to the hours made available by the company, with an initial reserve of 50,000 hours, every person has the possibility of donating some of their leave or holidays, which the Bank will then match, up to a maximum of another 50,000 hours. Over the course of 2020, in order to cope with the many difficulties generated by the COVID-19 emergency, in support of the care and assistance needs of family members, a specific trade union agreement was signed in June which promoted an extraordinary donation campaign of holidays or bank hours by personnel to the Time Bank, with the aim of allowing them to be used for assistance to the elderly or non self-sufficient people (family members and relatives within the first degree) and to parents with children up to 14 years of age who had fully benefited from the extraordinary leave introduced by the "Cura Italia" Decree and subsequent amendments. In addition, the agreement provided the option to benefit from an additional 2 days of hourly paid holiday compared to those due annually as an additional form of flexibility in the interest of work-life balance. In 2020 employees donated 38,500 hours, which were topped up with the same number of hours by the company, for an overall total of 77,000 hours. Additionally, these donations also included, on an exceptional basis and following the aforementioned agreement, a further 17,600 hours of paid holiday not taken by personnel that left pursuant to the company agreements in place for voluntary exits.

Personnel belonging to the Group's Branches and those engaged in activities that did not allow the use of smart working were granted 6 additional days of paid holiday with the option of monetising a part thereof. In 2018, the renewal of the second-level Group agreement made it possible to consolidate and strengthen the tools designed to provide parental support. Indeed, fathers can request specific additional paid leave for the birth of their children, 10% of the sum granted by law for parental leave, 30% of their individual gross annual remuneration if they take an additional 10 days of leave once their statutory parental leave has finished, and additional days of unpaid leave and leave of absence for the illness of a child or for childcare reasons. The series of regulations on parental rights has been expanded, on a trial basis, to include an additional form of paid leave to settle children in at crèches or pre-school, and extra days of unpaid leave to care for underage children for separated or divorced parents, the exclusive guardians of children, as well as in the cases of widowhood and single-parent families. The size of the cheque that the Company pays to employees with disabled family members also increased.

Maternity and paternity support is also provided through an excellent company crèche service in Florence, Milan, Moncalieri, Naples and Turin which looks after 255 children, as well as a network of partner crèches across Italy.

The supplementary pension system of the Intesa Sanpaolo Group counts (including the defined contribution and defined benefit pension schemes) around 95,000 members as a whole with over 9.5 billion euro of total assets. In July 2020, the Supervisory Authority issued the directives for the application of the "IORP II" EU legislation on the subject of governance and transparency of supplementary pension schemes. In the panorama of national supplementary pension schemes, the Pension Funds of the Intesa Sanpaolo Group were among the first to adapt to the obligations laid down by this legislation. It is still possible to subscribe dependent family members and continue to subscribe to the Fund, including upon termination of the employment agreement,

regardless of having reached retirement age. The functions made available by the Fund within the reserved area of the website were fine-tuned further, allowing the member in particular to conduct simulations in order to work out the expected net amount in the event of a claim for advances and services. The trade union agreement dated 1 April 2020 regulated the option to integrate one's individual position further by requesting the transfer of previous employee termination indemnities (accrued up to 31 December 2006, set aside at one of the Group companies and not paid to another form of supplementary pension schemes). In relation to the COVID-19 emergency, the Bodies and operating structures of the Group Funds, in agreement with the external advisors, have worked to maintain and defend the income targets of each sector, with the interventions that became necessary in the interest of its members for the protection of pension savings.

THE GROUP HEALTH FUND

The Intesa Sanpaolo Group Health Fund is an NPO that operates on the basis of cooperative and social solidarity values for strictly welfare-related ends, appointed to manage supplementary health care services for all Intesa Sanpaolo Group employees, as well as former employees on leave and retired employees who were subscribers and their family members. The Fund is a leading entity at the national level, both in terms of the number of users (over 213,800 people in 2020) and the volume of services provided, through direct agreements with health facilities and by way of reimbursement. During the COVID-19 emergency, despite the enormous difficulties caused by the pandemic (the sector records a 25-30% performance decline compared to 2019), the Fund continued to guarantee health care to its members for over 130 million euro, confirming its role of constant reference point for health and prevention. The campaign, conducted with the support and validation of the Fund's Scientific Committee, to raise awareness, prevention and early diagnosis of tumours, launched in 2019, also continued, through the publication on the dedicated portal of interactive content, questionnaires, video clips and monographic articles of an informative nature. In addition, in 2020 the Fund focused specifically on communication and assistance aspects also in relation to COVID-19. Thus, the services offered by the Fund do not exclude pandemic events and include COVID-19 screening tests. In 2020, the Health Fund's activities were especially focused on the review and improvement of the channels of contact with members, through the implementation of proprietary management procedures, the renewal of the internet portal and the activation of digital and more user-friendly communication channels, in order to provide an effective service that is always attentive to the needs of all clients.

In 2020 the International Subsidiary Banks Division once again renewed the International Healthcare Programme initiative, which offers a total of 19,000 international employees with permanent contracts (the cover was also extended to Pravex during the year) second medical opinions (also extended to spouses and school-age children) and/or medical treatment in top-level health facilities (for employees only) located in foreign countries to those where employees live and/or work. The programme provides assistance in the event of serious illnesses (cancer, transplants, highly complex surgical procedures etc.), covers treatment and complementary service costs (visa assistance, hospitalisation, accommodation for an accompanying person, travel etc.), all transport and accommodation expenses in the foreign country, and reimburses all medical costs borne once back home. Given the travel restrictions imposed by the pandemic, alternative solutions were adopted which in some cases involved treatment in the country of residence.

Intesa Sanpaolo Employees' Association (ALI) has been working since 2014 in the Group Welfare System as the only Group association, providing its approximately 150 thousand Members, at the local and national level, with tourism, culture and sport initiatives and services or opportunities of meeting up dedicated to work-life balance. During 2020, the COVID-19 emergency had a profound impact on all the activities of the Association, which identified new initiatives and focused on new aspects in relation to the evolution of the pandemic. As an alternative to the traditional summer camps in Italy and abroad, young student members were offered - in synergy with specialised companies - a range of innovative solutions to take advantage of online language courses, programmes dedicated to high school, university and/or work options, an experimental project for learning an effective study method to better address in-class and remote teaching and improve their academic performance, with a programme dedicated to individuals with specific learning disabilities. The Christmas Gift initiative was dedicated to children aged 1 to 6, with which ALI supports the project to educate children about saving by depositing a contribution in the account "XME conto UP!" current accounts opened on the children's behalf; starting from this year, families were able to request, alternatively, an Amica Farmacia or Chicco gift voucher. A one-off voucher is given to the families of all babies born during the year which the member can spend at either Amica Farmacia or Chicco. On an experimental basis and completely free of charge, all Members were offered the opportunity to activate the "Welcare Family" services to receive personalised

advice on the range of welfare and educational services available in the respective territory of interest; the innovative Stimulus psychological support service was made available to adult family members through an online platform and a toll-free number, which is added to the service already made available by the company for all Group employees. In order to promote physical activity - as a source of health and well-being and the reduction of sedentary behaviours - the Group continued to cooperate with partners who, given the pandemic situation, expanded the offer with online proposals. The literary contest RACCONTALI, now in its fourth edition, was extended to poetry this year, focusing on the theme "Memorie di quarantena e parole per il nostro futuro" (Quarantine memories and words for our future). In order to support families in the emergency caused by the pandemic, extraordinary contributions were approved for the purchase of PCs/tablets and bicycles, including electric ones, and the quality was enhanced - also thanks to the new online section of the Ali x te website - alongside the range of services designed for Members in the following areas:

- agreements for online purchases of anti-COVID-19 personal protective equipment, technological products, ergonomic chairs and pharmacy products
- "green" agreements, for the purchase or sharing and long-term rental of scooters and hybrid and electric cars, in addition to important initiatives in support of sustainable mobility thanks to the contributions approved by some Local Councils
- purchasing groups of quality food products through the Intesa Sanpaolo Destination Gusto platform.

Finally, the promotion of solidarity projects continued, recruiting volunteers for initiatives like Giornata di raccolta del farmaco (Medicine Collection Day).

The Intesa Sanpaolo Onlus Foundation represents a tangible manifestation of sensitivity and social responsibility towards people. In 2020, the extraordinary ability to react to the new difficulties of the context allowed the Foundation to complete not only the traditional activities in support of economic and social hardship, but also to offer tangible support to the country's weakest individuals, which the effects of the pandemic have rendered even more fragile and vulnerable, contributing to the purchase of food, basic necessities, medicines, clothes, personal protective equipment and environmental sanitation products. The total amount approved by the Board of Directors is approximately 2.6 million euro and includes, in addition to the extraordinary measure to deal with the COVID-19 emergency, support packages in favour of the Group's employees, retirees and their families experiencing hardship and a significant allocation to canteens for people in need and dormitories for the poor and needy.

PEOPLE CARE

As part of the 2018-2021 Business Plan, People Care, the project launched in 2018 with the aim of improving the quality of life in the company and increasing employee well-being, continued in 2020 on the basis of the four-pillar "Service Model": enhancement of the offering of services to the people within the company, active consultation and analysis of the needs of company employees, monitoring of the leading companies in People Care systems, implementation and development of the offering of new services. In this perspective and also in relation to the COVID-19 emergency, activities accelerated in the first half of 2020. The Consultation and Support service, in light of the positive experience of the Pilot project on a Regional Department, was extended on 17 March to the entire Group's population in Italy, recording over 1,300 accesses at the end of 2020. Designed to provide immediate professional and confidential support in the case of life situations that generate concerns or affect general well-being, the service is made available thanks to the partnership with a leading company in Europe specialised in the sector and with the supervision of the A. Gemelli Postgraduate School of Psychology of Cattolica University of Milan, which monitors its effectiveness. It is totally free of charge and features different access methods (a toll-free number available 24/7 and a dedicated web platform) guaranteeing psychological support, including remotely. In this context, the first edition of the training course for personnel managers "Ascolto del disagio: l'ascolto attivo come strumento di supporto e gestione dei colleghi in difficoltà" (Listening to hardship: active listening as a support and management tool for employees in difficulty) was launched in December, with teaching provision from the A. Gemelli Postgraduate School of Psychology of Cattolica University of Milan.

The new CareLab section, a project carried out as part of the activities of the «Lavoro da casa (Work from home)» Task Force, set up to support Group employees to deal with the COVID-19 emergency, was launched in April 2020. Found within the Personal Services Section of #People, it focuses on the areas of Well-being - Nutrition, Movement, Energy and emotional well-being, and Caregiving - as an integrated system "to experience the ways to well-being". CareLab intends to provide employees with the necessary tools to consolidate or start healthy lifestyles and habits, through theoretical notions and practical experiences, making the most of all the digital opportunities available. At the end of 2020, over 25,000 employees benefited from the digital opportunities offered by CareLab. In addition to the contents created in the various formats - publications, videos, podcasts and events - by external partners specialised in each wellness area, two services are also made available free of charge to employees on CareLab: #Stepbystep, the Intesa Sanpaolo app that encourages movement and a healthy lifestyle and the online gym, with a weekly schedule of live and on-demand lessons with expert and qualified trainers. At the end of 2020, over 5,500 downloads of the #Stepbystep app dedicated to movement were recorded.

The Consultation and Support and CareLab initiatives have been extended to UBI Banca employees at the end of November.

Within the scope of the International Subsidiary Banks, concurrently with the period of restrictive measures to contain the emergency, a number of initiatives aimed at mitigating the effects of stress and promoting employee physical and mental well-being were launched both at the Division Head Office level and at the local level, while aiming to maintain a sense of belonging. Among the various proposals, 5 webinar sessions were held on the topic of stress and anxiety management through breathing, meditation and yoga techniques, which involved 70 employees at Division Head Office level. The activity was then extended to the HR communities of all international subsidiary banks through an international session that involved 120 people.

COMPANY CLIMATE

The Intesa Sanpaolo Internal Communications Service is responsible for developing a common culture based on corporate values and fostering the sense of belonging of employees. An integrated system which, as well as the structured consultation of employees, is made up of instruments like the Intranet, Web TV, Mosaico, Mosaico International and the interComm app which foster the continuous sharing of information, engagement, the sharing of objectives and active participation in changes. These tools have also been made available to UBI Banca employees, along with the activation of a Web TV channel for them. In 2020, the pandemic led to the need for new ways of working, communicating and liaising, to which the Internal Communications integrated system was able to respond with constant supervision, promptly informing all employees through the publication of news, the timely updating of the section dedicated to COVID-19, skype interviews with Group managers, and the sending of mass emails. A key moment was listening to employees' opinions, in order to analyse their perceptions during the emergency phase. The survey took place in April 2020 for all employees in Italy and in June for all employees of international companies. The analysis was conducted with the methodological consultancy and operational support of a third-party company which guarantees

the total anonymity of those who take part in the survey and which, in parallel, surveyed a sample of workers representative of the Italian population by gender, age and area of residence. The survey was answered by 57.7% of employees who highlighted more positive perceptions on the issues investigated than the rest of Italy (sample of Italian workers). The Group employees demonstrate a very high sense of belonging, promoting the Bank for the way it has handled the emergency with authorities, customers and employees. Smart working is appreciated by all company employees, even those who are not eligible for it, and after the emergency hopefully they will be able to increasingly benefit from it; the managers adapted well to the new situation and were appreciated by employees both in-branch and at home. After 6 months, a new survey was conducted in December on the subject both on the Intesa Sanpaolo population and, for the first time, on the UBI Banca population for a total of 81,385 employees involved and a response rate of 46.5%. The results show a high level of common feeling between Intesa Sanpaolo and UBI Banca employees. As in April, uncertainty was among the main emotions felt by the Group employees. A decrease in fear was recorded and at the same time hope and trust also decreased. A high sense of belonging to the Group was confirmed, stronger than the other employees in the Italian sample, and the opinion on managers was equally positive. Those working remotely have more positive emotions than those working mainly in the branch/office and self-perceive an increase in productivity, autonomy, ability to concentrate and digital knowledge. Finally, compared to April's survey, the Group employees were more in favour of extending the weekly smart working days compared to the pre-COVID period.

Furthermore, this year as well, structured listening - as a tool that can provide support to the Top management and the company structures with regard to issues and specific requirements or project activities - led to the implementation of a number of listening activities (feedback, surveys, focus groups, etc.) with the involvement of thousands of employees from the Governance Areas, Divisions and Group companies.

HEALTH AND SAFETY

The Safety and Protection Department is responsible within the Group for overseeing health and safety activities. Intesa Sanpaolo has adopted and successfully implemented an Occupational Health and Safety Management System identifying, within its organisational structure, responsibilities, procedures, processes and resources for implementing its policy on the protection of employees. With the aim of enhancing the health and safety protection of its employees, since 2017 the Occupational Health and Safety Management System has undergone an annual audit by an independent third party which certifies its compliance with current legislation and industry standards (UNI ISO 45001:2018). The responsibilities and methods associated with the implementation, maintenance, monitoring and improvement of the Occupational Health and Safety Management System (OHSMS) are outlined in the Process Guide - Compliance Management - Management of Occupational Safety Regulations, updated in 2018. The Guide was produced with the goal of reducing the possibility of any harmful event occurring that impacts people, the environment and relevant external parties, monitoring risks in the operations of the company and external businesses involved in the company's activities, and gradually improving the Group's performance in occupational health and safety. The risks to the health and safety of employees are evaluated according to a multidisciplinary approach, considering the combined effect of the working environment, processes and equipment as well as the subjective conditions of workers. The health and safety risk management process comprises the following phases:

- identification of dangers and their classification;
- risk assessment;
- identification and preparation of prevention and protection measures and procedures;
- definition of an action plan as part of a programme to guarantee the improvement of safety levels over time, with the identification of the competent company structures;
- realisation of the planned measures as part of the programme;
- definition of worker information and training programmes;
- monitoring of the implementation of the programmes and checks on the application and effectiveness of the measures adopted;
- management of residual risks.

Intesa Sanpaolo (as Employer) – with the collaboration of the Head of the Prevention and Protection Service and the Occupational Health Doctors and following the consultation of the Workers' Representatives in charge of Safety - drafts and updates the Risk Assessment Document which contains, among other things:

- identification of dangers and their classification;
- specification of the prevention and protection measures implemented and the individual protection equipment adopted following the assessment;
- the programme of measures regarded as suitable for guaranteeing an improvement in safety levels over time;
- an outline of the procedures for the implementation of the measures, as well as the company roles responsible for this.

The assessment and the associated document are updated on the basis of technical developments as well as significant changes to the production process and organisational structure of the company that may impact on the risk exposure of workers. This commitment was fulfilled in 2020 as well, with the updated document provided to all employees. Following a 2016 union agreement the Group's Worker Safety Representatives (WSR) were elected. Their areas of responsibility are defined on a geographical basis. The group of representatives currently numbers 104 employees who represent almost 100% of the staff. Every year dedicated training activities are held to update the WSR. Thanks to this series of activities it was possible to make the procedures for consultation and participation in the overall health and safety management system fully operative, as established by the regulations. In 2020, the risk assessment was strongly impacted by the COVID-19 pandemic and the consequent implementation of the biological risk assessment: the ongoing assessment of the constantly evolving national legislation - to which full compliance was always guaranteed - was crucial. For the assessment of the risk during the pandemic, the Safety and Protection Department relied on the Group's Occupational Health Doctors coordinated by the Director of the Occupational Medicine Unit of Asst Fatebenefratelli Sacco and by the Coordination Director of the Occupational Medicine Outpatient Unit of the Azienda Universitaria Ospedaliera Città della Salute e della Scienza di Torino. Moreover, for the aspects relating to plant and environmental conditions and protection systems, it relied on the professors of the Department of Public Health Sciences of the University of Turin and of the Department of Medical and Surgical Sciences of the University of Bologna. Actions were therefore taken to prevent the risk of SARS-CoV-2 infection in the workplace, also contributing to the prevention of the spread of the epidemic. These measures can be classified as follows: organisational; prevention and protection; specific for the prevention of epidemic outbreaks. Among the behavioural measures, hygiene practices and codes of conduct were introduced by informing and empowering personnel through appropriate signs, guidelines, videos, infographics and links, as well as providing health equipment and Personal Protective Equipment (PPE) according to principles of rationality and progressiveness and setting up different kits according to the locations open to the public, the need to liaise with customers and internal activities. In terms of the organisational measures put in place to guarantee reduction in personal contacts and social distancing, specific closures and reopenings of offices, flexible working hours and shifts, extended flexible working from home and the digitisation/remote working were introduced for employees. For customers, a system of restricted admissions was introduced, with specific appointments, the definition of essential transactions to be performed face-to-face and the extension of multi-channel services, while new access, interference and Risk Assessment Document (DUVRI) management procedures were implemented for suppliers and consultants. The per capita space available to all staff was increased with dividers and fewer workstations, the conditions for the formation of gatherings were eliminated, providing precise rules and prohibitions for meetings, events and access to company canteens, as well as specific rules and restrictions for mobility to and from areas at greatest epidemiological risk in terms of transfers and missions. Among the technical measures, specific instructions were defined for environmental hygiene, including daily cleaning and deep cleaning of workplaces, sanitisation and management of air treatment systems. The Company Emergency Plan was also revised, along with intervention and first aid procedures, the cover of employees in the branches and in head office department buildings and the safe organisation of the annual evacuation drill both for fire prevention at all the Group's offices, and for earthquake drill in the offices located in seismic zones 1 and 2. In order to serve as a training and information measure, a section dedicated to COVID-19 was created on the home page of the company intranet, which collects the regulations issued, the material produced by the WHO, ISS and other authoritative institutional and health sources, guidelines for safe flexible working, guidebook on the perception and management of the COVID-19 risk, manuals for the management of work environments and the behaviours to be followed during work activities, infographics, videos and information series on how to care for health and digital work management. Courses were also provided in relation to:

- the measures introduced in the Company for the COVID-19 emergency;
- the management of the triage activity, following the identification of COVID-19 cases among the staff;
- amendment to the emergency plan and intervention procedures to deal with the COVID-19 emergency;
- basic training and periodic updating for workers and supervisors;
- basic fire prevention training for emergency personnel in low fire risk buildings;
- periodic fire prevention updating for emergency personnel in low and medium fire risk buildings;
- basic theoretical first aid training for emergency personnel;
- training on specific risks (radon and asbestos).

In terms of the medical measures, the support of Occupational Health Doctors was enhanced to minimise the impact of new cases in the company, identify the personnel to be placed on leave, provide general medical information to all personnel and evaluate readmission to the workplace. A management process of cases was introduced with a precautionary and anticipatory approach through the epidemiological analysis of local zones

with the identification of areas at greatest risk, the analysis of possible, suspected and confirmed cases on leave or sick leave and the identification of close contacts to be placed on leave. Measures were introduced to protect vulnerable personnel in the event of an infection, placing people with severe motor or sensory disabilities, with diseases involving immunosuppression, with chronic illnesses, with multimorbidity, pregnant and breastfeeding women, the elderly and people with disabilities on leave (with the exception of flexible working from home). Psycho-social support interventions were put in place, with specialist psychological debriefing activities for working groups affected by COVID-19 cases, psychological support interventions for infected people and consultation and support initiatives for all personnel.

At the international level, during the COVID-19 emergency and in 2020, the health and safety officers of the International Subsidiary Banks and of the Group's international structures were involved in the dissemination of the management protocols relating to the actions to be taken in accordance with the epidemiological development in the different contexts, as well as the dissemination of the Group standards and the specific local requirements of each country. Despite the variety of situations to be dealt with, the creation of the network of specialist representatives, in particular in the 11 subsidiaries of the International Subsidiary Banks Division, operating since 2019, and the use of collaboration areas for the timely sharing of updates and communications contributed to the management of the pandemic also at an international level.

THE MANAGEMENT OF THE COVID-19 EMERGENCY IN THE COMPANY

The process of managing and activating support for employees impacted by COVID-19 entails a first phase of acquisition of all reports of cases and contacts already defined by the National Health System or suspected cases, coming from employees, personnel managers and by the persons in charge of the various structures. The Safety and Protection Department personnel, with the support of Occupational Health Doctors, carry out the "triage" activity by classifying cases and contacts, not only by implementing the guidelines of the National Health System. (ASL/ATS, general practitioners, etc.) but also by researching and identifying possible cases and possible close contacts between personnel with symptoms and between personnel who had contacts, in an anticipatory and collaborative manner with respect to the search routinely conducted by the National Health System. Once cases and contacts have been identified, information is given to both the personnel and the structures involved, and to the competent local ASL departments, sanitisation interventions are activated where necessary, collective briefings are organised where necessary with the impacted structures and for cases where the event was considered particularly traumatic, collective debriefings of psychological support are organised with the support of psychologists. At the end of the leaves due to cases and close contacts, eligibility for readmission to work is checked by the Occupational Health Doctors. In order to monitor the level of epidemiological risk, ISP created a "contagion monitoring model" to protect employees with a precautionary and preventive approach, in view of the phases following the lockdown. The model was built using the governance risk matrix which is based on 3 macro-indicators (monitoring capacity and surveillance systems and data collection by the National Health System - diagnostic assessment, investigation and contact tracing - stability of transmission and capacity of the Healthcare Services) and the results of which are used as inputs, integrating some specific and significant indicators for ISP. The result is a model that allows to monitor the evolution of the risk level for ISP in relation to each province: measures activated following critical evaluation by management are associated with each risk level which allow to identify, formalise and define preventive measures to respond to changes in the context. Intesa Sanpaolo supported research on COVID-19 conducted by the Università Statale di Milano at the Sacco Hospital. In particular, since the first days of the lockdown, the Innovation Center has supported the research activities of the Infectious Diseases Laboratory at the Sacco Hospital for: - The reconstruction of the process of propagation of the infection in Italy and Europe; - The identification and analysis of mutations in viral genes, to identify any impacts on virulence; - The management and organisation of the analysis on an exceptional amount of data from the laboratories of the Sacco Hospital network. Among the main results, the publication of a scientific paper in the international medical journal *Viruses* which made it possible to observe that almost all of the viruses in Italy belong to the B.1 lineage, which later became the most widespread in the world, observe that the most likely period of entry into Italy is at least one month before the description of the first cases and estimate the parameters relating to transmissibility. During the pandemic, the Intesa Sanpaolo Group also supported numerous hospitals in the country.

In 2020, the flu and pneumococcal vaccine campaign was activated for the Group's personnel: joining the campaign was on a voluntary basis, with the option to subscribe to the administration of both vaccines or just one of them. Throughout the national territory, 17,493 flu and 7,575 pneumococcal vaccines were administered.

ACTIVATION OF DEVICES FOR RAPID TESTS TO GROUP EMPLOYEES

The execution of rapid tests for employees was successfully carried out and to the satisfaction of the personnel involved, in a head office building in Naples and in the Lodi area. It is believed that, in the current COVID-19 pandemic context, characterised by the increase in the need for diagnostic tests that guarantee rapid response times and ease of management, the introduction of rapid swab tests represents a valid tool for the containment of the spread of the virus and will prove particularly useful to speed up the identification of positive cases among symptomatic subjects, and to speed up testing in suspected cases and close contacts. With the collaboration of the company RBM Salute, a model of geographic coverage of rapid test devices was activated in 24 Group offices, up and running as from January 2021, which employees identified by Safety and Protection Department and Occupational Health Doctors will be able to access on a voluntary basis under certain circumstances and following the triage activities.

UNI ISO 45001:2018 CERTIFICATION FOR OHSMS

The certification attesting to the conformity of the Occupational Health and Safety Management System with the UNI ISO 45001:2018 standard was confirmed in 2020. The audit activities were based on a significant sample of branches and sites and involved the main head-office structures, branch employees, occupational health doctors, Worker Safety Representatives, and maintenance and cleaning company staff. The certification obtained covers 100% of the Intesa Sanpaolo branches and buildings in Italy.

The development of the Intesa Sanpaolo infection risk prevention protocol, which took place in accordance with the various management phases following the declaration of the pandemic status, was subject to an independent assessment through two separate assessment activities: the first, carried out during the lockdown period, assessed and certified the organisational model and the measures adopted by Intesa Sanpaolo to combat and contain the spread of the COVID-19 virus in the workplace, according to the DNV GL COVID-19 Risk Management assessment protocol (the results are set out in the report "20200507-ISP-COVID-19 Assessment Final Report-Rev.1" of 7 May 2020); the second, carried out in August and September, in accordance with the MyCare® model, certified a Maturity model through which the effectiveness of the management system implemented to mitigate the risks of infection by pathogens was assessed.