



SUSTAINABILITY POLICY

Bologna, 22 March 2018

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1. Introduction

1.1. Document objectives

The Sustainability Policy (the “Policy”) outlines the Environmental, Social and Governance (“ESG”) risk management strategies and objectives of the Unipol Group (also referred to as the “Group”) and the Companies within the scope of application pursuant to paragraph 2.2 (“Companies in scope”), considered to be “material” for the Group itself, in accordance with what is defined in the Materiality Matrix (attached to this Policy in annex 1), also published in the Integrated Management Report.

The Materiality Matrix uses quantitative models to identify the material sustainability topics for stakeholders and for the Group. Therefore, the Matrix makes it possible to represent:

- the “material” topics, i.e., those which are most relevant for the success of the Group’s strategies and which are of greatest interest for stakeholders, through the definition of “critical thresholds” with respect to the two aspects;
- the degree of alignment or misalignment between the perspective of stakeholders and that of the Group on each issue.

The Policy defines:

- the Group’s commitments to improve its sustainability results and manage and mitigate the ESG risks to which it is exposed in line with the Group’s overall risk management system, and also defines the monitoring indicators (the “Indicators”) adopted by the Group;
- the roles and responsibilities of the company bodies and departments involved in the ESG risk management process.

The Policy therefore pursues the following general objectives:

- supporting the process of defining strategic sustainability decisions, which will be precisely outlined in the specific risk management Policies (such as, *inter alia*, the Risk assessment policy, the Policy for the current and forward-looking assessment of risks, the Investment policy, the Credit Policy and the Non-Life and Life Business Underwriting Policies) in the course of upcoming updates;
- improving the ESG risk management process, defining explicit management methods and objectives;
- facilitating the non-financial reporting process;
- increasing the level of awareness and knowledge of policies and expected results with respect to material issues;
- spreading the culture of sustainability.

1.2. Policy approval and review

This Policy, which is prepared/reviewed with the involvement of all company departments concerned so as to ensure a clear definition and sharing of objectives, roles and responsibilities, is approved by the Board of Directors of Unipol Gruppo S.p.A. (“Unipol” or the “Parent”) in its capacity as Parent of

the Unipol Insurance Group and the Unipol Banking Group, in the exercise of its management and coordination activities with respect to the Subsidiaries and in line with the Group's process of preparing and validating corporate policies.

Subsequently, the Boards of Directors of the Companies within the scope of application pursuant to par. 2.2 below ("Companies in scope"), as part of their responsibilities concerning governance, the internal control system and risk management, evaluate and approve the Policy, insofar as is applicable, in compliance with sector regulatory specifications and the business model.

The Policy will be reviewed and - if applicable - amended, every time regulatory updating requirements, Supervisory Authority interventions, business strategies or changes in context (significant changes in company processes, significant structural reorganisations, significant changes in the sectors of activity present within the Group or changes in the Materiality Matrix) so require and, in any event, at least once per year.

The Policy is communicated and made available by the Companies in scope to all personnel concerned through adequate communication channels.

2. Reference context

2.1. Internal and external regulatory references

This Policy has been prepared in compliance with regulations in force and the sector supervisory guidelines reported below.

EU regulations:

- Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, amending directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.

Domestic regulations:

- Legislative Decree no. 254 of 30 December 2016 Implementation of Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, amending directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups;
- Consob Resolution no. 20267 of 19 January 2018 Adoption of the Regulation implementing Legislative Decree no. 254 of 30 December 2016 relating to the communication of non-financial information;
- Legislative Decree no. 231 of 8 June 2001, "Discipline of the administrative responsibility of legal persons, companies and associations even without legal personality".

Internal regulations:

- Code of Ethics, approved by the Unipol Board of Directors on 23 March 2017;
- "Charter of equal opportunities and equality at work", adopted by Unipol on 5 October 2009;

- Organisation, management and control models adopted pursuant to Legislative Decree 231/2001 by the main Unipol Group companies.

2.2. Scope of application

This Policy is adopted by the Parent and by its subsidiaries that are consolidated line-by-line and are part of the Unipol Group (the “Companies in scope”).

The Parent retains the possibility to identify which other companies should be subject to this Policy, on the basis of risk-based assessments and insofar as is compatible with sector regulatory specifications.

2.3. Definitions and terminology

<p>Top Management</p>	<p>The Chief Executive Officer, the General Manager and, with reference to Unipol and the Group's insurance Companies with registered office in Italy, the top managers with tasks of management oversight (i.e., the Key Managers identified for the purposes of the application of the supervisory regulations on intercompany transactions).</p>
<p>Climate changing emissions</p>	<p>Gas emissions that contribute to altering the global level of the climate on Earth. These emissions are calculated using the methodology laid out in Directive 2003/87/EC on the Emission Trading Scheme ("ETS"), and the international classification laid out by the Greenhouse Gas Protocol ("GHG Protocol") standard in Scope 1, Scope 2 and Scope 3. Scope 1 emissions are those from sources owned or controlled by the organisation, Scope 2 emissions are those coming from the consumption of purchased energy and Scope 3 includes emissions produced by actions generated by the activities of the organisation but which it does not control.</p>
<p>ESG Guidelines</p>	<p>Guidelines for the <i>ex ante</i> assessment of ESG risks that could arise in the business processes (investments, recruitment, credit) useful to supporting correct assessment of the risks in line with the sustainability guidelines described in paragraphs 3 et seq. They will be gradually integrated within the relative policies and approved during the review phase.</p>
<p>United Nations 2030 Objectives</p>	<p>The Sustainable Development Goals (SDGs) laid out in the "2030 Agenda for Sustainable Development", a plan of action for people, the planet and prosperity, signed in September 2015 by the governments of 193 UN member states:</p> <p>Goal 1: End poverty in all its forms everywhere.</p> <p>Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture.</p> <p>Goal 3: Ensure healthy lives and promote well-being for all at all ages.</p> <p>Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p> <p>Goal 5: Achieve gender equality and empower all women and girls.</p>

	<p>Goal 6: Ensure availability and sustainable management of water and sanitation for all.</p> <p>Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all.</p> <p>Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p> <p>Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.</p> <p>Goal 10: Reduce inequality within and among countries.</p> <p>Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable.</p> <p>Goal 12: Ensure sustainable consumption and production patterns.</p> <p>Goal 13: Take urgent action to combat climate change and its impacts.</p> <p>Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development.</p> <p>Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.</p> <p>Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.</p> <p>Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.</p>
Occupational health and safety management system	Manual illustrating the methods that can be used to manage aspects relating to worker health and safety within the work environment and the real estate assets, defining policies, procedures and responsibilities, and activating a monitoring process oriented towards continuous improvement.
Supplier ESG management system	Management model used in the Purchases and General Services Function and the Real Estate Department of the Parent, to raise supplier awareness with regard to the ESG impact of their activities, as well as the assessment of their compliance with UNGC requirements.

<p>ISO50001 Standard</p>	<p>This standard lays out the requirements for creating, initiating, maintaining and improving an energy management system. The objective of this system is to enable an organisation to pursue the continuous improvement of its energy performance taking a systematic approach, including energy efficiency as well as energy consumption and use.</p>
<p><i>United Nations Global Compact</i></p>	<p>United Nations initiative launched to encourage companies all over the world to adopt sustainable policies, comply with corporate social responsibilities and publicly disclose the results of the actions undertaken.</p> <p>Envisages compliance with the 10 Principles divided into 4 areas:</p> <p>Human Rights</p> <p>I. Businesses should support and respect the protection of internationally proclaimed human rights.</p> <p>II. Business should make sure that they are not complicit in human rights abuses. Human rights are universal and Human Rights are recognised indistinctly to all human beings.</p> <p>Labour</p> <p>III. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> <p>IV. Businesses should uphold the elimination of all forms of forced and compulsory labour.</p> <p>V. Businesses should uphold the effective abolition of child labour.</p> <p>VI. Businesses should uphold the elimination of discrimination in respect of employment and occupation.</p> <p>Environment</p> <p>VII. Businesses should support a precautionary approach to environmental challenges.</p> <p>VIII. Businesses should undertake initiatives to promote greater environmental responsibility.</p> <p>IX. Businesses should encourage the development and diffusion of environmentally friendly technologies.</p> <p>Anti-Corruption</p> <p>X. Businesses should work against corruption in all its forms, including extortion and bribery.</p>

3. Sustainability guidelines

3.1. Support for the 2030 Agenda for Sustainable Development

The Unipol Group is committed to contributing to sustainable development, as defined by the United Nations 2030 Objectives, and integrates that commitment within its business model. This integration takes place by acting with the utmost integrity and farsightedness, while cooperating with Group stakeholders in shared value creation processes.

3.2. Respect for the commitments of the United Nations Global Compact (UNGC)

The Unipol Group is committed to promoting and respecting universally recognised human rights as well as supporting the elimination of all forms of forced and compulsory labour and the effective elimination of child labour within its respective spheres of influence. To that end, the Group has developed and is gradually adopting a dedicated system for the selection, management and monitoring of its suppliers and the evaluation of compliance with regard to ESG risks, which will be outlined in the specific risk management Policies, and also actively participates in study and advocacy activities aimed at the world of politics and business. Therefore, the Group confirms its support for the principles of the UNGC and its intent to promote them within the company.

3.3. Protection of workers and equal opportunities

The Unipol Group believes that its success is based on professional qualities and moral integrity, as well as the capacity for collaboration and innovation of all of its employees. As a result, Unipol undertakes to create a working environment in which all of these characteristics are present and to support the development of each individual, irrespective of gender, age, sexual orientation, geographical origin or religious beliefs, so that people can find adequate conditions of respect and well-being. To that end, the Group has, *inter alia*, applied the “Charter of equal opportunities and equality at work” and, within the scope of a path of continuous improvement and transparency, described processes and defined precise guidelines in human resource management policies, as well as signed numerous agreements with the Trade Unions, which it considers a key partner for the construction of a positive work environment. Unipol also operates to guarantee optimal conditions of health and safety at work, with an incremental approach with respect to what is laid out by regulations in terms of prevention and the culture of health, as outlined in the Occupational Health and Safety Management System.

3.4. Environmental protection

The Unipol Group supports a preventive approach with regard to environmental challenges, identifying and measuring the impact of its activities in the short- and long-term, adopting processes and technologies intended to reduce emissions, with particular attention paid to climate changing emissions, not only with reference to its own business assets but also for the managed properties not used for the corporate business. It also participates in initiatives that promote greater environmental responsibility in the world of business and amongst customers.

3.5. Customer protection

So as to guarantee the proper treatment of customers, in particular avoiding the adoption of product marketing and development practices not oriented towards meeting the needs of people and the use of communication instruments that are not very transparent, over time the Group has spread a culture of accessibility and transparency throughout all levels of the company and has defined stringent control procedures involving the various company departments.

To safeguard the insured's right to compensation, the Group undertakes to act with fairness and promptness, having adopted an effective organisational structure and an innovative technological infrastructure.

3.6. Proper business practices

The main Unipol Group companies have adopted an Organisational, management and control model¹ and procedures designed to prevent the commission of offences and violations within their operations.

Dedicated training is guaranteed to all Group employees in order to increase the culture of legality and prevent fraudulent conduct, episodes of corruption and money-laundering phenomena. There are also internal procedures for reporting any actual or presumed irregularities or violations of standards and principles to the responsible corporate bodies and to the Ethics Officer, the Group's point of contact for matters relating to the implementation of and respect for the Code of Ethics.

Recognising the context in which it operates as fundamental for its capacity to create value and competitiveness, the Group fairly and responsibly returns a share of the value created through taxes and contributions for the management of shared services and assets, so as to improve conditions of widespread well-being.

For the same reason, Unipol contributes to public consultation processes promoted by institutions, with its specific skills and experience, in order to support their decision-making processes, and activates advocacy campaigns that encourage them to deal with issues deemed important for the best development of the country.

3.7. Integration of Sustainability into processes

The Unipol Group considers adopting a proactive approach to knowledge, dialogue and engagement of stakeholders fundamental for its resilience and development, always guaranteeing respect for their interests and points of view. Therefore, it has made transparency and non-financial reporting a key element of its dialogue with the market.

The Group's value creation planning and model are characterised by a commitment to fair, ethical and responsible business practices.

¹ The Model is adopted pursuant to Legislative Decree 231/2001 by the main Group companies with registered office in Italy.

4. Roles and responsibilities of the players involved

4.1. Board of Directors

The Parent's Board of Directors, also in exercising its management and coordination activities with respect to the Companies in scope:

- approves - after examination by the Group Risk Committee and the Parent's Sustainability Committee - this Policy and its amendments, taking into account the activities, risks and stakeholders of every Company in scope;
- ensures consistency between this Policy and the specific risk management Policies;
- approves - after examination by the Parent's Sustainability Committee, insofar as it is responsible - the Integrated Management Report and the Non-Financial Statement contained in it, which report on respect for this Policy.

The Boards of Directors of the Companies in scope:

- approve this Policy, insofar as is applicable, in compliance with sector regulatory specifications and the business model, and its subsequent amendments;
- ensure consistency between this Policy and the other specific risk management policies.

4.2. Control and Risk Committee

The Control and Risk Committee of the Parent and of UnipolSai Assicurazioni S.p.A. have support functions with respect to their respective Boards of Directors in the identification and management of the main corporate risks and in the verification that they are properly identified, adequately measured, managed and monitored, as well as compatible with business management consistent with the strategic objectives identified.

In particular, the Control and Risk Committees are informed of the proposals concerning this Policy and its subsequent amendments.

4.3. Group Risk Committee

Within the scope of its advisory function in support of the Chief Executive Officer of the Parent, the Group Risk Committee examines proposals with respect to this Policy and its subsequent amendments.

4.4. Sustainability Committee of the Parent

The Parent's Sustainability Committee provides support to the management body in identifying and managing the main ESG risks as well as in defining the commitments and monitoring the Indicators. In addition, the Committee examines proposals with respect to the Policy and its subsequent amendments, as well as the Integrated Management Report and the Non-Financial Statement contained in it.

4.5. Ethics Committee of the Parent

The Parent's Ethics Committee

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- guarantees respect for the Code of Ethics, evaluating reports on presumed violations of the Code received from the various stakeholders;
 - prepares the Ethics Report, a document that reports on the consistency between ethical principles and organisational activities, identifies areas at risk and verifies the effective implementation of the Code every year

4.6. Board of Statutory Auditors of the Parent

The Board of Statutory Auditors supervises the effective preparation of the Non-Financial Statement and reports on it in its annual report to the Shareholders' Meeting.

4.7. Top Management of the Parent

The Top Management

- defines the commitments assumed in this Policy on the basis of the ESG risks identified and the issues present within the Materiality Matrix
- identifies the Indicators to be adopted;
- periodically receives Indicator monitoring;
- takes actions to support the implementation of the Policy and intervenes if it is explicitly violated.

4.8. Ethics Officer of the Parent

The Ethics Officer supports the Ethics Committee in gathering information and evaluations with respect to reports of presumed violations of the Code of Ethics and in drafting the Ethics Report;

4.9. Sustainability Function of the Parent

The Sustainability Function of the Parent is responsible for the adequacy and comprehensiveness of this Policy. To that end:

- starting from the issues identified by the Risk Management Function on the basis of the Emerging and Reputational Risks Observatory, it involves all company departments and the main stakeholders in the construction and update of the Materiality Matrix;
- with the support of the Risk Management and Compliance corporate control functions, each insofar as it is responsible, identifies the ESG risks to which the Group is exposed, evaluates the relative oversight mechanisms and suggests actions for improvement;
- verifies the adequacy and effectiveness of the improvement actions taken and shares the commitments made within the Policy and the Indicators with the various department managers;
- verifies the accuracy/comprehensiveness/materiality of the data used to calculate the Indicators;
- prepares reporting to the Board of Directors, the Sustainability Committee and the Top Management of the Parent.

5. Reporting

Compliance with the Policy is reported on every year to the Top Management and to the Board of Directors of the Parent, after examination by the Sustainability Committee, by monitoring the following Indicators:

- Percentage of turnover of Group Suppliers subject to analysis within the ESG management system;
- Percentage of exemptions to the ESG Guidelines for the assumption of insurance risks;
- Percentage of exemptions to the ESG Guidelines for investments;
- Percentage of exemptions to the ESG Guidelines for credit;
- Employee turnover rate;
- Weighted percentage of employees classified in the least represented gender receiving promotions;
- Employee training hours per capita;
- Expenses for employee training;
- Number of medical visits for health monitoring (obligatory and for preventive medicine initiatives);
- Percentage reduction of scope 1 and 2 CO2 emissions;
- Percentage of ISO50001 standard certification coverage on the main instrumental properties;
- Percentage of complaints submitted by customers and relating to the underwriting phase;
- Number of penalties received from the competent Supervisory Authority following complaints submitted by customers relating to the underwriting phase;
- Number of penalties received from the competent Supervisory Authority following complaints submitted by customers relating to the settlement phase;
- Settlement speed;
- Percentage of employees trained on anti-money laundering;
- Number of antitrust penalties;
- Tax rate.

Compliance with the provisions set forth in this Policy is subject to reporting in the Non-Financial Statement contained in the Annual Integrated Report.

6. Annex 1

The Materiality Matrix was created based on the tree of material issues for the insurance sector, "Tree360", defined with the use of the "Meeting Point" methodology developed by the University of Bologna to identify emerging trends within the Group's Emerging and Reputational Risks Observatory.

To define the positioning on the x-axis, the issues were subjected to the quali/quantitative assessment of the Group's main stakeholders on the basis of the size of the sample involved and the reporting methodology:

- Employees through focus groups;
- Agents through focus groups;
- Physical person customers with a structured questionnaire on the online platform;
- Legal person customers through individual interviews;
- Community representatives through individual interviews;
- Suppliers through individual interviews.

To define the positioning on the y-axis, they were analysed with the Top Management of the Parent and the Companies in scope based on their current and outlook commitment.

Exclusively those positioned within the top right quadrant, i.e., which obtained a score equal to or higher than 3.5/5, were considered "material" for the Group's sustainability performance. The parametric scale was defined from 0 - for not important at all - to 5 - fundamental - and was applied in the case of quantitative reporting, with the use of scales, as well as qualitative reporting, with the final sharing of the positioning inferred.

The materiality matrix

